Audrey Capital Corporation

FILING STATEMENT

IN RESPECT OF THE QUALIFYING TRANSACTION INVOLVING THE ACQUISITION BY AUDREY CAPITAL CORPORATION OF ALL OF THE ISSUED AND OUTSTANDING COMMON SHARES OF APPLIED GRAPHITE TECHNOLOGIES CORPORATION

Dated as of February 29, 2024

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement

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GLOSSARY

“**AGT**” means Applied Graphite Technologies Corporation, a company incorporated under the BCBCA and the company which is to be acquired by Audrey pursuant to the Proposed Qualifying Transaction;

“**AGT Board**” means the board of directors of AGT;

“**AGT July Private Placement**” means the non-brokered private placement of 3,883,636 AGT Shares at an issue price of US$0.11 per AGT Share for aggregate gross proceeds of US$427,200, completed on July 26, 2023;

“**AGT November Private Placement**” means the non-brokered private placement of 653,636 AGT Shares at an issue price of US$0.11 per AGT Share for aggregate gross proceeds of US$71,900, completed on November 7, 2023;

“**AGT Private Placements**” means the AGT July Private Placement and the AGT November Private Placement, collectively;

“**AGT Shareholders**” means the shareholders of AGT;

“**AGT Shares**” means the common shares in the capital of AGT;

“**Affiliate**” means a company that is affiliated with another company as described below.

A company is an “Affiliate” of another company if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same Person.

A company is “controlled” by a Person if:

(c) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and

(d) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

(e) a company controlled by that Person; or

(f) an Affiliate of that person or an Affiliate of any company controlled by that Person.

“**Amalco**” means the continuing corporation constituted upon the amalgamation of AGT and Subco pursuant to the Amalgamation;

“**Amalgamation**” means the three-cornered amalgamation among AGT, Audrey and Subco pursuant to which AGT will amalgamate with Subco under the provisions of the BCBCA and AGT

Shareholders will receive Audrey Shares on the basis of one Audrey Share for each one AGT Share held, all as contemplated by the Qualifying Transaction Agreement;

"**Amalgamation Agreement**" means the agreement to be entered into among Audrey, AGT and Subco in respect of the Amalgamation,

"**Arm's Length Transaction**" means a transaction which is not a Non-Arm's Length Transaction;

"**Associate**" when used to indicate a relationship with a Person, means:

(g) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him/her to more than 10% of the voting rights attached to outstanding securities of the issuer,

(h) any partner of the Person,

(i) any trust or estate in which the Person has a substantial beneficial interest, or in respect of which a Person serves as trustee or in a similar capacity,

(j) in the case of an individual, a relative of that individual, including:

   (i) that individual's spouse or child, or

   (ii) any relative of the individual or of his/her spouse who has the same residence as that individual;

but

where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm (as defined by the Exchange's policies), Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D of the TSX Venture Exchange Rule Book with respect to that Member firm, Member corporation or holding company;

"**Audrey**" means Audrey Capital Corporation, a corporation incorporated pursuant to the BCBCA;

"**Audrey Options**" means options to purchase Existing Audrey Shares;

"**Audrey Warrants**" means the 500,000 agent warrants to purchase Existing Audrey Shares, exercisable at a price of $0.10 per share and expiring on November 26, 2026;

"**Audrey Shareholder**" means a registered holder of Existing Audrey Shares from time to time, and "**Audrey Shareholder**" means all of such holders;

"**Audrey Shares**" means common shares in the capital of Audrey, after giving effect to the Consolidation;

"**Author**" means the author of the Technical Report, Christian Derosier, P.Geo. OGQ # 0129, M.Sc., D.Sc.;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), SBC 2002, c 57, as amended;

"**CEO**" means chief executive officer;

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the registrar to Amalco pursuant to Section 281(a) of the BCBCA;

"**CFO**" means chief financial officer;

"**C-Tech**" means C-Tech Ceylon (Private) Limited, a corporation incorporated pursuant to the laws of Sri Lanka and a subsidiary of AGT;

"**Closing**" means the completion of the Proposed Qualifying Transaction;

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association, or other entity other than an individual;

"**Company**" means Audrey Capital Corporation, a corporation incorporated pursuant to the BCBCA;

"**Consolidation**" means the consolidation of the Existing Audrey Shares on the basis of one and one-half (1.5) pre-consolidation common shares for one (1) post consolidation common share prior to the completion of the Proposed Qualifying Transaction;

"**Control Person**" means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

"**COO**" means chief operating officer;

"**CPC**" means a corporation:

(a) that has been incorporated or organized in a jurisdiction in Canada;

(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the Exchange Policy 2.4; and

(c) in regard to which the Final QT Exchange Bulletin has not yet been issued;

"**CPC Escrow Agreement**" means the escrow agreement dated June 3, 2021 among Audrey, the Escrow Agent and certain shareholders of Audrey with respect to 13,500,000 pre-Consolidation Audrey Shares;

"**CPC IPO**" means Audrey's initial public offering of 5,000,000 pre-Consolidation Audrey Shares at $0.10 per pre-Consolidation Audrey Share which was completed on November 26, 2021;

"**D1 Property**" means the D1 property located in Sri Lanka, more precisely described in the Technical Report, and owned outright by C-Tech pursuant to a Deed of Transfer registered in Sri Lanka;

“**Dodangaslanda Graphite Project**” means the exploration project consisting of the Dodangaslanda Graphite Properties;

“**Dodangaslanda Graphite Properties**” means the D1 Property and Q2 Property, collectively, located in Sri Lanka more precisely described in the Technical Report;

“**Effective Date**” means the date of Closing, expected to be on or about March 7, 2024;

“**Effective Time**” means the time on the Effective Date that the Proposed Qualifying Transaction becomes effective;

“**Escrow Agent**” means Olympia Trust Company;

“**Exchange**” or “**TSXV**” means the TSX Venture Exchange;

“**Exchange Policy 2.2**” means Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the TSXV Corporate Finance Manual;

“**Exchange Policy 2.4**” means Exchange Policy 2.4 – *Capital Pool Companies* of the TSXV Corporate Finance Manual;

“**Exchange Ratio**” means the exchange of AGT Shares in exchange for Resulting Issuer Shares on the basis of one (1) Resulting Issuer Share for each AGT Share;

“**Existing Audrey Shares**” means common shares in the capital of Audrey as they exist as at the date of this Filing Statement;

“**Filing Statement**” means this filing statement of Audrey, including the Schedules attached hereto;

“**Final Exchange Bulletin**” means the Exchange Bulletin evidencing final Exchange acceptance of the Proposed Qualifying Transaction that is to be issued following the Closing and the submission of all required documentation;

“**Final QT Exchange Bulletin**” means the Exchange bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction;

“**IFRS**” means the International Financial Reporting Standards as adopted by the International Accounting Standards Board;

“**Insider**” if used in relation to an issuer, means:

(a) a director or officer of the issuer;

(b) a director or officer of the Company that is an Insider or subsidiary of the issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*"

"**Name Change**" means the change of Audrey's name to "Applied Graphite Technologies Corporation", or such other name as is acceptable to AGT and the director under the BCBCA;

"NEO" stands for "Named Executive Officer" and has the definition ascribed to it in Form 51-102F6V – *Statement of Executive Compensation* under NI 51-102;

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices;*

"**Non-Arm's Length Party**" means in relation to a company, a Promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person;

"**Non-Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction;

"**Party**" means each of Audrey and AGT, and "Parties" means both of them;

"**Person**" means a company or individual;

"**Post-Consolidation Common Shares**" means the common shares in the capital of Audrey as they exist after giving effect to the Consolidation;

"**Principal**" has the meaning ascribed thereto in Exchange Policy 1.1 – *Interpretation* of the TSXV Corporate Finance Manual;

"**Promoter**" has the meaning ascribed thereto in section 1(1) of the *Securities Act* (British Columbia);

"**Proposed Qualifying Transaction**" means the Qualifying Transaction pursuant to which Subco and AGT will be amalgamated and Audrey will acquire all of the issued and outstanding AGT Shares in accordance with the terms and conditions of the Qualifying Transaction Agreement and as more particularly described in this Filing Statement;

"**Q2 Property**" means the Q2 property located in Sri Lanka more precisely described the Technical Report;;

"**Q2 Purchase Agreement**" means the purchase agreement between Hettiyakandage Jecob Jane Nona and C-Tech relating to the Q2 Property and dated October 16, 2023, all conditions of which have been satisfied in full;

“**QT Escrow Agreement**” means the escrow agreement in Form 5D – Surplus Security Escrow Agreement to be entered into by and among the Escrow Agent, the Resulting Issuer and certain principals and shareholders of the Resulting Issuer prior to Closing.

“**Qualifying Transaction**” or “**QT**” means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means. Audrey intends that the Proposed Qualifying Transaction constitute its Qualifying Transaction;

“**Qualifying Transaction Agreement**” means the qualifying transaction agreement dated as of June 23, 2023, between Audrey and AGT, a copy of which is available under Audrey’s issuer profile on SEDAR+ at www.sedarplus.ca;

“**Qualifying Transaction Date**” means the date the Qualifying Transaction is completed, as evidenced by the issuance of the Certificate of Amalgamation giving effect to the Amalgamation;

“**Related Party Transaction**” has the meaning ascribed to that term in MI 61-101;

“**Resulting Issuer**” means Audrey as it exists upon completion of the Proposed Qualifying Transaction, to be renamed “Applied Graphite Technologies Corporation”;

“Resulting Issuer Options” means options entitling their holders to purchase Resulting Issuer Shares under the incentive stock option plan of the Resulting Issuer;

“Resulting Issuer Warrants” means warrants entitling their holders to purchase Resulting Issuer Shares on the terms thereof;

“**Resulting Issuer Shares**” means the common shares in the capital of the Resulting Issuer (being the Post-Consolidation Common Shares”);

“**SCS Warrants**” means the 1,366,454 transferable warrants to purchase Resulting Issuer Shares at a price of $0.15 per Resulting Issuer Share, exercisable for a period of five years following the Closing, to be issued to Slater Corporate Services Corporation on the Effective Date;

“**Significant Assets**” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by Audrey, together with any other concurrent transactions, would result in Audrey meeting the initial listing requirements of the Exchange;

“**Subco**” means 1445056 B.C. Ltd., a wholly-owned subsidiary of Audrey, incorporated pursuant to the BCBCA;

“**Subco Shares**” means common shares in the capital of Subco;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder;

“**Technical Report**” means the NI 43-101 compliant technical report with respect to the Dodangaslanda Graphite Properties dated effective August 15, 2023 and entitled “*Technical Report on the Dodangaslanda (D1 And Q2) Exploration Licences, Democratic Socialist Republic Of Sri Lanka*”, prepared for AGT by Christian Derosier; and

“**TSXV Corporate Finance Manual**” means the Corporate Finance Manual of the TSXV.

METRIC EQUIVALENTS

For ease of reference, the following conversion factors are provided:

Imperial Measure	Metric Unit	Metric Unit	Imperial Measure
2.47 acres	1 hectare (ha)	0.4047 hectares (ha)	1 acre
3.28 feet (ft)	1 metre (m)	0.3048 metres (m)	1 foot (ft)
0.62 miles	1 kilometer (Km)	1.609 kilometers (Km)	1 mile
0.032 troy ounces	1 gram (g)	31.1 grams (g)	1 troy ounce
2.205 pounds (lb)	1 kilogram (kg)	0.454 kilograms (kg)	1 pound (lb)
1.102 short tons	1 tonne (t)	0.907 tonnes (t)	1 short ton
0.029 troy ounces/ton	1 gram/tonne (g/t)	34.28 grams/tonne (g/t)	1 troy ounce/ton

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Filing Statement and the schedules attached hereto are forward looking statements which may include, but are not limited to, statements with respect to: the future financial or operating performance of the Resulting Issuer and its projects; the estimation of mineral resources; the market conditions, business strategy, corporate plans, objectives and goals; the estimates of the timing, cost, nature and results of exploration activities; the projected exploration and development of the Dodangaslanda Graphite Project; exploration expenditures and other expenses for specific exploration and development; the use of capital, the availability of additional capital, the requirements for additional capital and the timing of such requirements; government regulation of mining operations; exploration, mining, developmental and environmental risks; the completion, timing and expected effects of the Proposed Qualifying Transaction and the benefits anticipated to be received by Audrey, AGT and/or the Resulting Issuer from such transactions; title disputes or claims; the impact of competition for mineral projects; limitations of insurance coverage; and the timing and possible outcome of regulatory matters; and the impact of the novel coronavirus and the COVID-19 disease ("COVID-19") on each of the foregoing.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of AGT or the Resulting Issuer, as applicable, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled "*Risk Factors*" in this Filing Statement. Although Audrey and AGT have attempted 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 cause actions, events or results to differ from those anticipated, estimated or intended.

Although Audrey and AGT believe that the expectations represented in such forward-looking statements are reasonably, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained in this Filing Statement are expressly qualified by this cautionary statement and by the risk factors described in the Filing Statement under the heading "*Risk Factors*". The forward-looking statements contained herein are made as of the date of this Filing Statement and Audrey, AGT and the Resulting Issuer disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except where required by applicable securities laws.

PART I – SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Audrey, AGT and the Resulting Issuer (assuming completion of the Proposed Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Capitalized terms used in this summary, and not defined in this summary, will have the meaning provided in the Glossary or elsewhere in this Filing Statement. No person is authorized to give any information or to make any representation not contained in this Filing Statement and, if given or made, such information or representation should not be relied upon as having been authorized. This Filing Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. **Neither delivery of this Filing Statement nor any distribution of the securities referred to in this Filing Statement shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Filing Statement.**

Summary of the Proposed Qualifying Transaction

On June 23, 2023, Audrey, Subco and AGT entered into the Qualifying Transaction Agreement, to carry out the Proposed Qualifying Transaction.

Pursuant to the terms of the Qualifying Transaction Agreement, Audrey will acquire all the issued and outstanding AGT Shares through the three-cornered amalgamation of AGT with Subco, a wholly-owned subsidiary of Audrey. Holders of AGT Shares will receive one (1) Resulting Issuer Share in exchange for each AGT Share held.

Based on the number of securities of AGT to be issued and outstanding on the Effective Date, it is expected that the Resulting Issuer will issue an aggregate of 8,200,605 Resulting Issuer Shares in the aggregate to the holders of AGT Shares, pursuant to the Proposed Qualifying Transaction.

The Proposed Qualifying Transaction will constitute Audrey’s Qualifying Transaction pursuant to Exchange Policy 2.4. Former Audrey Shareholders will own (on a non-diluted basis) approximately 61.92% of the equity of the Resulting Issuer immediately after the Closing. See “*Part IV – Information Concerning the Resulting Issuer”.*

In accordance with the Qualifying Transaction Agreement and subject to regulatory approval, Audrey proposes to change its name to “Applied Graphite Technologies Corporation.” The Name Change will take effect by the filing of articles of amendment on or prior to the date of Closing, pending completion of all of the conditions set forth in the Qualifying Transaction Agreement. The completion of the Consolidation and the approval of the Name Change by the Exchange are conditions to the Closing.

As at the date of this Filing Statement, Audrey has 20,000,000 Existing Audrey Shares issued and outstanding, as well as 2,000,000 Audrey Options exercisable at a price of $0.10 per Existing Audrey Share until November 26, 2026.

After giving effect to the Consolidation, Audrey will have approximately 13,333,333 Audrey Shares issued and outstanding at the time of the Closing.

Based on the issued and outstanding securities of each of AGT and Audrey as at the date of this Filing Statement, it is expected that the Resulting Issuer will have approximately 21,533,938 Resulting Issuer Shares, and approximately 1,333,333 Resulting Issuer Options, 333,333 Resulting Issuer Warrants, and 1,366,454 SCS Warrants outstanding immediately upon the completion of the Proposed Qualifying Transaction. See "*Part IV – Information Concerning the Resulting Issuer – Fully Diluted Share Capital*".

The completion of the Proposed Qualifying Transaction is subject to the approval of the Exchange. The completion of the Proposed Qualifying Transaction is also subject to certain other additional conditions precedent, including, but not limited to: (i) the absence of any material change or change in a material fact which might reasonably be expected to have a material adverse effect on the financial and operational conditions or the assets of each of the parties to the Qualifying Transaction Agreement; and (ii) certain other conditions typical in a transaction of this nature.

Arm's Length Qualifying Transaction

The proposed Transaction is not a Non-Arm's Length Qualifying Transaction.

AGT Private Placements

In connection with the Proposed Qualifying Transaction, on July 26, 2023, AGT completed the AGT July Private Placement, issuing 3,883,636 AGT Shares at a price of US$0.11 per AGT Share for aggregate gross proceeds of US$427,200, and on November 7, 2023 AGT completed the AGT November Private Placement, issuing 653,636 AGT Shares at a price of US$0.11 per AGT Share for aggregate gross proceeds of US$71,900.

Effect of the Transaction

Following completion of the Proposed Qualifying Transaction, it is expected that:

(a) the Existing Audrey Shares will have been consolidated on the basis of one (1) Audrey Share for every 1.5 Existing Audrey Shares, with each whole Audrey Share being designated a Resulting Issuer Share upon completion of the Proposed Qualifying Transaction;

(b) AGT will have amalgamated with Subco and the amalgamated company will become a wholly-owned subsidiary of Audrey resulting in Audrey having acquired all of the issued and outstanding AGT Shares in exchange for Resulting Issuer Shares on the basis of the Exchange Ratio;

(c) the AGT Options will have been exchanged for Resulting Issuer Options on the basis of the Exchange Ratio, with each such Resulting Issuer Option being exercisable into Resulting Issuer Shares on the same terms and conditions as the original outstanding AGT Options;

(d) the Resulting Issuer will carry on the business currently carried on by AGT (see "*Part III – Information Concerning AGT – Narrative Description of the Business*");

(e) Ian Slater, Paul Beattie, Jay Sujir and Peter Roth shall resign as directors of Audrey effective upon Closing and Don Baxter, Ian Harris, Rodney Stevens, James Ruane and Chaanaka Abeyratne shall become directors of the Resulting Issuer;

(f) upon Closing, the senior management of the Resulting Issuer will include Don Baxter as Chief Executive Officer, Sunil Sharma as Chief Financial Officer, James Ruane as Chairman and Melissa Martensen as Corporate Secretary;

(g) based on the number of issued and outstanding AGT Shares and Existing Audrey Shares as at the date of this Filing Statement, there will be an aggregate of approximately 21,533,938 Resulting Issuer Shares issued and outstanding;

(h) the Audrey Options will be adjusted to be exercisable into 1,333,333 Resulting Issuer Shares at an exercise price of $0.15 per adjusted Audrey Option, and retain the original expiration date of November 26, 2026;

(i) the Audrey Warrants will be adjusted to be exercisable into 333,333 Resulting Issuer Shares at an exercise price of $0.15 per adjusted Audrey Warrant, and retain the original expiration date of November 26, 2026;

(j) The SCS Warrants will be issued;

(k) based on the number of issued and outstanding AGT Shares as at the date of this Filing Statement, and immediately prior to the completion of the Proposed Qualifying Transaction current AGT Shareholders will hold an aggregate of 8,200,605 Resulting Issuer Shares, representing approximately 38.08% of the outstanding Resulting Issuer Shares (on a non-diluted basis); and

(l) based on the number of issued and outstanding Existing Audrey Shares as at the date of this Filing Statement, current shareholders of Audrey will hold an aggregate of 13,333,333 Resulting Issuer Shares, representing approximately 61.92% of the outstanding Resulting Issuer Shares (on a non-diluted basis).

Parties to the Qualifying Transaction

Audrey Capital Corporation

Audrey is a “capital pool company” formed in accordance with Exchange Policy 2.4, and, at present, Audrey does not own any material assets other than cash. To date, Audrey has not conducted any active business operations. Since its incorporation, the principal activities of Audrey have consisted of the financing of Audrey through the CPC IPO, the initial listing of the Existing Audrey Shares on the Exchange, the identification of potential acquisitions, the negotiation of the Qualifying Transaction Agreement, and efforts to implement the Proposed Qualifying Transaction. See “*Part II – Information Concerning Audrey – General Development of the Business*”.

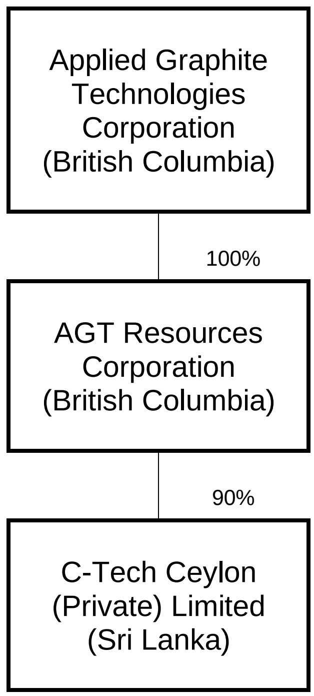
Applied Graphite Technologies Corporation

AGT is a corporation incorporated under the BCBCA on July 12, 2019. Its registered and head office is located at 600 – 777 Hornby Street, Vancouver, British Columbia, Canada V6Z 1S4.

AGT is a privately-held exploration and development company focused on identifying and exploring prospective graphite projects in Sri Lanka. Upon completion of the Proposed Qualifying Transaction, it is the intention of AGT and Audrey that the Resulting Issuer will continue to primarily focus on the exploration and development of the Dodangaslanda Graphite Project. See "*Part III – Information Concerning AGT – General Development of the Business*".

AGT is a private company and none of its securities have been traded or are listed for trading on any stock exchange. See "*Part III – Information Concerning AGT – Prior Sales*".

After the closing of the Proposed Qualifying Transaction, the corporate structure of the Resulting Issuer will be as follows:



Reasons for the Transaction

Audrey was formed as a CPC and has been engaged in the business of identifying and evaluating properties or businesses with a view to completing a Qualifying Transaction. The Proposed Qualifying Transaction will constitute a Qualifying Transaction for Audrey for the purposes of Exchange Policy 2.4.

AGT is a privately-held exploration and development company focused on the business of graphite exploration and development in Sri Lanka. The Proposed Qualifying Transaction will allow AGT to provide the potential for liquidity to its existing shareholders and gain access to the capital markets.

The terms of the Proposed Qualifying Transaction were established through arm's length negotiations between the board of directors and management of each of Audrey and AGT. The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.

Qualifying Transaction Agreement

The Proposed Qualifying Transaction will become effective on the Effective Date, subject to the satisfaction or waiver of the applicable conditions.

The principal features of the Qualifying Transaction Agreement may be summarized as follows:

(a) Audrey shall incorporate Subco as a direct wholly-owned Subsidiary, with articles and in a form satisfactory to AGT, acting reasonably;

(b) AGT and Subco shall amalgamate by way of statutory amalgamation under the BCBCA by jointly completing and filing an Amalgamation Application with the registrar under the BCBCA, and shall continue as one corporation ("**Amalco**") effective at the Effective Time, giving effect to the Amalgamation subject to the terms of Qualifying Transaction Agreement and the Amalgamation Agreement;

(c) the Existing Audrey Shares will have been consolidated on the basis of one (1) Audrey Share for every 1.5 Existing Audrey Shares, with each whole Post-Consolidation Common Share being designated a Resulting Issuer Share upon completion of the Proposed Qualifying Transaction;

(d) all AGT Shares held by shareholders who have exercised a right of dissent pursuant to Part 8, Division 2 of the BCBCA will be deemed to have been cancelled and the holders of such AGT Shares will cease to have any rights as AGT Shareholders other than the right to be paid the fair value of their AGT Shares;

(e) at the Effective Time and concurrently with the completion of the Amalgamation pursuant to the Amalgamation Agreement:

    (i) each one (1) AGT Share shall be exchanged for one (1) fully paid and non-assessable Resulting Issuer Share, and

        A. the AGT Shares thus exchanged shall be cancelled; and

        B. Audrey will issue and register the Resulting Issuer Shares to the AGT Shareholders and Audrey will cause its transfer agent to promptly deliver a share certificate, or evidence of each electronically registered position on the records of Audrey, to each AGT Shareholder;

    (ii) each issued and outstanding Subco Share shall be exchanged for, and Audrey shall be entitled to receive, one fully paid and non-assessable Amalco Share, and upon the completion of the Amalgamation all of the issued and outstanding Subco Shares shall be cancelled;

    (iii) Amalco will be a wholly-owned Subsidiary of Audrey;

(iv) Audrey shall add to the stated capital maintained in respect of the Audrey Shares an amount equal to the aggregate paid-up capital for purposes of the Tax Act of the AGT Shares immediately prior to the Effective Time;

(v) Amalco shall add to the stated capital maintained in respect of the Amalco Shares an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the Tax Act of the Subco Shares and AGT Shares immediately prior to the Effective Time;

(vi) Audrey Options will be adjusted to be exercisable into 1,333,333 Resulting Issuer Shares at an exercise price of $0.15 per adjusted Audrey Option, and retain the original expiration date of November 26, 2026;

(vii) Audrey Warrants will be adjusted to be exercisable into 333,333 Resulting Issuer Shares at an exercise price of $0.15 per adjusted Audrey Warrant, and retain the original expiration date of November 26, 2026;

(viii) The SCS Warrants will be issued; and

(ix) Audrey and Amalco shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to the transactions contemplated by this Agreement to any AGT Shareholder such amounts as they determine, acting reasonably upon the advice of professional tax counsel, are required to be deducted and withheld with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the AGT Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. Audrey and Amalco shall use commercially reasonable efforts to cooperate with any AGT Shareholder from which amounts are required to be withheld in providing such data and other information as may reasonably be required for the preparation of any Tax Return;

(f) Ian Slater, Paul Beattie, Jay Sujir and Peter Roth shall resign as directors of Audrey effective upon Closing and Don Baxter, Ian Harris, Rodney Stevens, James Ruane and Chaanaka Abeyratne shall become directors of the Resulting Issuer;

(g) upon Closing, the senior management of the Resulting Issuer will include Don Baxter as Chief Executive Officer, Sunil Sharma as Chief Financial Officer, James Ruane as Chairman and Melissa Martensen as Corporate Secretary; and

(h) the Parties shall take any other action and do anything, including the execution of any other agreements, documents or instruments, that are necessary or useful to give effect to the Qualifying Transaction, provided that nothing in this Agreement shall prevent or limit the ability of the board of directors of each of AGT, Audrey and Subco to fulfill their fiduciary or statutory duties.

Representations, Warranties and Covenants

The Qualifying Transaction Agreement contains certain customary representations and warranties of each of Audrey, Subco and AGT relating to, among other things, their respective organization, capitalization, qualification, operations, compliance with laws and regulations and other matters, including their authority to enter into the Qualifying Transaction Agreement and to consummate the Proposed Qualifying Transaction. Pursuant to the Qualifying Transaction Agreement, the parties have agreed to advise each other of material changes. Further, the parties have agreed to use their commercially reasonable efforts to obtain all regulatory and other consents, waivers and approvals required for the consummation of the Proposed Qualifying Transaction.

In addition, pursuant to the Qualifying Transaction Agreement, each of the parties has covenanted, among other things, until the completion of the Proposed Qualifying Transaction, to maintain their respective businesses and not take certain actions outside the ordinary course.

Conditions of the Transaction

The Qualifying Transaction Agreement contains a number of conditions precedent to the obligations of Audrey and AGT thereunder. Unless all such conditions are satisfied or waived by the party or parties for whose benefit such conditions exist, to the extent they may be capable of waiver, the Proposed Qualifying Transaction will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all. The conditions to the Proposed Qualifying Transaction becoming effective are set out in the Qualifying Transaction Agreement, and certain conditions are summarized below.

Conditions to Obligations of Audrey

The obligations of Audrey to complete the Qualifying Transaction shall also be subject to the satisfaction, on or before the Qualifying Transaction Date, of each of the following conditions precedent (each of which is for the exclusive benefit of Audrey and may be waived by Audrey and any one or more of which, if not satisfied or waived, will relieve Audrey of any obligation under this Agreement):

(a) no Material Adverse Change with respect to AGT shall have occurred between the date hereof and the Qualifying Transaction Date; and

(b) AGT shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of AGT contained in this Agreement or in any certificate or other document delivered or given pursuant to this Agreement (which for the purposes of this Section will be read as though none of them contained any materiality or Material Adverse Change qualification) being true and correct in all respects as at the Qualifying Transaction Date except to the extent that any inaccuracies of such representations and warranties, in the aggregate, would not otherwise result in a Material Adverse Change in respect of AGT (except for (i) the representations and warranties set forth in Sections 4.1(3), 4.1(4), 4.1(5), 4.1(6) and 4.1(25) of the Qualifying Transaction Agreement, which will be true in all respects and (ii) such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties will have been true and correct in all respects as of that date).

Conditions to Obligations of AGT

The obligations of AGT to complete the Qualifying Transaction shall also be subject to the satisfaction, on or before the Qualifying Transaction Date, of each of the following conditions precedent (each of which is for the exclusive benefit of AGT and may be waived by AGT and any one or more of which, if not satisfied or waived, will relieve AGT of any obligation under this Agreement):

(a) no Material Adverse Change with respect to Audrey or Subco shall have occurred between the date hereof and the Qualifying Transaction Date; and

(b) Audrey shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and all representations and warranties of Audrey contained in this Agreement or in any certificate or other document delivered or given pursuant to this Agreement (which for the purposes of this Section will be read as though none of them contained any materiality or Material Adverse Change qualification) being true and correct in all respects as at the Qualifying Transaction Date except to the extent that any inaccuracies of such representations and warranties, in the aggregate, would not otherwise result in a Material Adverse Change in respect of Audrey (except for (i) the representations and warranties set forth in Sections 4.2(4), 4.2(5), 4.2(9) and 4.2(10) of the Qualifying Transaction Agreement, which will be true in all respects and (ii) such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties will have been true and correct in all respects as of that date).

Termination of Agreement

The Qualifying Transaction Agreement may be terminated by written notice promptly given to the other Parties hereto, at any time prior to the Qualifying Transaction Date:

(a) by mutual agreement in writing by the Parties;

(b) in the event that the Qualifying Transaction Date has not occurred by November 30, 2023 (provided that the failure of the Qualifying Transaction to be completed is not the result, directly or indirectly, of a breach of this Agreement by the Party seeking to terminate this Agreement); or

(c) as set forth in Sections 8.1, 8.2 and 8.3 of the Qualifying Transaction Agreement.

Procedure for the Proposed Qualifying Transaction to Become Effective

Audrey Shareholder Approval

The Proposed Qualifying Transaction does not constitute a Non-Arm’s Length Qualifying Transaction since: (a) the Proposed Qualifying Transaction was negotiated by the parties dealing at arm’s length with each other, and (b) no party (together with its respective Associates or Affiliates) holds a sufficient number of securities of both Audrey and AGT so as to affect materially the control of both Audrey and AGT. As a result, approval of the Proposed Qualifying Transaction by the Audrey Shareholders is not required under the Exchange policies as a condition to the completion of the Proposed Qualifying Transaction.

AGT Shareholder Approval

As a condition of the Proposed Qualifying Transaction, the AGT Shareholders are required to approve the Amalgamation. Such approval is expected to be obtained on the Effective Date by unanimous written consent of all of the AGT Shareholders.

Exchange Approval

The completion of the Proposed Qualifying Transaction is subject to the approval of the Exchange. Listing of the Resulting Issuer Shares to be issued in connection with the Proposed Qualifying Transaction is subject to the Resulting Issuer fulfilling all requirements of the Exchange on completion of the Proposed Qualifying Transaction.

The Resulting Issuer will be considered to have completed the Proposed Qualifying Transaction on the date that the Exchange issues the Final Exchange Bulletin, which is expected to be on or about the fifth Business Day after the Closing, provided that all required documentation is filed with the Exchange. Exchange Policy 2.4 regarding CPCs shall cease to apply after the completion of the Proposed Qualifying Transaction, with the exception of any escrow or resale restrictions, which will continue in full force and effect.

Interests of Insiders

The following is a summary of the interests of any Insider, Promoter or Control Person of Audrey, AGT and the Resulting Issuer and their respective Associates and Affiliates (before and after giving effect to the Proposed Qualifying Transaction), including any consideration that such individual may receive if the Proposed Qualifying Transaction proceeds.

Insiders, Promoter, Control Person	Position	Number Existing Audrey Shares and/or AGT Shares as at the Date of the Filing Statement[(1)]	Approximate Number of Resulting Issuer Shares upon Completion of the Proposed Qualifying Transaction[(2)]
Ian Slater *Vancouver, British Columbia*	President, Chief Executive Officer, Chief Financial Officer and Chairman of Audrey	4,000,000 Existing Audrey Shares[(3)]	2,666,667 Resulting Issuer Shares
Melissa Martensen *Vancouver, British Columbia*	Corporate Secretary of Audrey and Proposed Corporate Secretary of the Resulting Issuer	50,000 Existing Audrey Shares	33,333 Resulting Issuer Shares
Paul Beattie *Montreal, Québec*	Director of Audrey	4,000,000 Existing Audrey Shares[(4)]	2,666,667 Resulting Issuer Shares
Jay Sujir *Vancouver, British Columbia*	Director of Audrey	1,000,000 Existing Audrey Shares	666,667 Resulting Issuer Shares
Peter M. Roth *Vancouver, British Columbia*	Director of Audrey	400,000 Existing Audrey Shares	266,667 Resulting Issuer Shares
Donald K. Baxter	President, Chief Executive	2,837,845 AGT Shares[(5)]	2,837,845 Resulting Issuer

Huntsville, Ontario	Officer and a Director of AGT and proposed President, Chief Executive Officer and a Director of the Resulting Issuer		Shares(5)
Sunil Sharma *Vancouver, British Columbia*	Proposed Chief Financial Officer of the Resulting Issuer	Nil	Nil Resulting Issuer Shares
Ian Harris *Vancouver, British Columbia*	Proposed Director of the Resulting Issuer	454,545 AGT Shares	454,545 Resulting Issuer Shares
Rodney Stevens *Delta, British Columbia*	Proposed Director of the Resulting Issuer	325,000 AGT Shares	325,000 Resulting Issuer Shares
James Ruane *Charlotte, North Carolina, USA*	Proposed Chairman of the Resulting Issuer	100,000 AGT Shares	100,000 Resulting Issuer Shares
Chaanaka Abeyratne *Colombo, Sri Lanka*	Proposed Director of the Resulting Issuer	100,000 AGT Shares	100,000 Resulting Issuer Shares

Notes:

1. As of the date hereof, there are 20,000,000 Existing Audrey Shares outstanding and 8,200,605 AGT Shares outstanding.
2. Upon completion of the Proposed Qualifying Transaction, it is expected there will be approximately 21,533,938 Resulting Issuer Shares issued and outstanding.
3. Mr. Slater controls Slater Capital Corporation which holds 4,000,000 Existing Audrey Shares.
4. Mr. Beattie controls BT Advisory Inc. which holds 2,000,000 Existing Audrey Shares and BT Global Capital Inc. which holds 2,000,000 Existing Audrey Shares.
5. Mr. Baxter controls 1163863 Ontario Ltd. which holds 2,837,845 AGT Shares.

Available Funds and Principal Purposes

Funds Available

Audrey and AGT anticipate that immediately following Closing of the Proposed Qualifying Transaction, the Resulting Issuer will have available funds of approximately $715,422, based on estimated working capital of each company as at January 31, 2024. As set out in the pro forma financial statements of the Resulting Issuer attached hereto as Schedule "D", which should be referred to for more detail, the $715,422 amount includes the net proceeds of the AGT July Private Placement and the AGT November Private Placement for $459,100, deducting the estimated cost of the Proposed Qualifying Transaction and the balance in cash.

Principal Purposes of Funds

The principal purposes of the available funds are expected to be as follows:

Anticipated Use of Funds	**Amount**
Phase 1 Work Program for the Dodangslanda Project[(1)]	
Surveying the old excavations. Establishing three permanent bench marks	$25,000
Geological mapping at 1:10,000 scale	$10,000
LIDAR drone survey	$40,000
Prospecting: clean-up of the old pits and adits	$25,000
Geophysical survey in D1 and Q2 (magnetometer and IP surveys)	$50,000
Trenching: ground EM anomalies and mineralized zones	$20,000
Rehabilitation of D1 and Q2 adits, mapping, sampling and assaying	$200,000
Supervision and Report Phase I	$30,000
Total Phase I	**$400,000**
Other Expenses	
Salaries and Consulting Fees	$86,000
Legal Fees	$45,000
Audit and Accounting Fees	$30,000
General and administrative expenses for the 12 months following the completion of the Proposed Transaction[(2)]	$54,000
Unallocated working capital[(3)]	$100,422
TOTAL ESTIMATED USES OF FUNDS	**$715,422**

Notes:

1. See "*Part III – Information Concerning AGT – Description of the Business – Description of the Dodangslanda Project*".
2. Includes office costs, travel expenses, transfer agent fees, marketing, shareholder communication and miscellaneous expenses.
3. Depending on the results of the Phase 1 work program, some of the unallocated funds may be used to carry out activities relating to the Phase II work program as described in the Technical Report.

The Resulting Issuer intends to spend the available funds on completion of the principal purposes as indicated above. Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve these objectives. The Resulting Issuer will require additional funds in order to fulfill all of the Resulting Issuer's expenditure requirements to meet its objectives, in which case the Resulting Issuer Expects to either issue additional equity securities or incur indebtedness. There is no assurance that additional funds required by the Resulting Issuer will be available if needed. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

See "Part IV – *Information Concerning the Resulting Issuer – Available Funds and Principal Purposes – Principal Purposes of Funds*".

Selected *Pro Forma* Consolidated Financial Information

The following table summarizes selected pro forma financial information for the Resulting Issuer (as at September 30, 2023), after giving effect to the Proposed Qualifying Transaction, and should be read in conjunction with the pro forma financial statements of the Resulting Issuer attached hereto as Schedule "**D**".

Pro Forma Balance Sheet (C$)	Audrey as at September, 2023	AGT as at September 30, 2023	Pro Forma Adjustments	Resulting Issuer Pro Forma
Current Assets	$915,190	$125,278	($50,000) $97,446	$1,087,914
Total Assets	$915,190	$510,352	($50,000) $43,234 $755,224	$2,228,212
Current Liabilities	$30,613	$82,931	-	$113,544
Total Liabilities	$30,613	$82,931	-	$113,544
Total Shareholders' Equity	$884,577	$427,421	($713,678) $1,230,091 ($28,257) $303,217 $11,297	$2,114,668

See "*Part IV – Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*".

Listing and Share Price on the Exchange

The Existing Audrey Shares have been listed on the Exchange since November 26, 2021 under the symbol "AUD.P". Trading of the Existing Audrey Shares was halted on June 26, 2023 in connection with the announcement of the proposed Amalgamation. On May 30, 2023, the last day on which the Existing Audrey Shares traded prior to the trading halt, the closing price of the Existing Audrey Shares was $0.075 per Existing Audrey Share. Trading of the Existing Audrey Shares will not resume prior to the completion of the Proposed Qualifying Transaction. Audrey has made an application to list the Resulting Issuer Shares issuable in connection with the Proposed Qualifying Transaction on the Exchange.

The AGT Shares are not traded publicly and there is no public market for the securities of AGT.

Sponsorship

Sponsorship of a Qualifying Transaction of a CPC is required by the Exchange unless exempt in accordance with Exchange Policy 2.4. Audrey applied for, and was granted, an exemption from sponsorship requirements in accordance with Exchange policies.

Details of Any Conflict of Interest

Other than as disclosed herein, neither the management of Audrey nor AGT is aware of any material conflicts of interest arising out of the Proposed Qualifying Transaction.

The directors and officers of Audrey are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the laws requiring disclosure by directors and officers of conflicts of interest. Audrey will rely upon such laws in respect of any such conflict of interest or in respect of any breach of duty by any of its directors or officers. All such conflicts are required to be disclosed by such directors or officers in accordance with the BCBCA and the directors of Audrey are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Interests of Experts

No person or company, whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds, or is expected to hold, any beneficial interest, directly or indirectly, in any property of Audrey, AGT or the Resulting Issuer or of an Associate or Affiliate of Audrey, AGT or the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of Audrey, AGT or the Resulting Issuer or of an Associate or Affiliate of Audrey, AGT or the Resulting Issuer and no such person is a Promoter of Audrey, AGT or the Resulting Issuer or an Associate or Affiliate of Audrey, AGT or the Resulting Issuer.

Davidson & Company LLP has informed Audrey that they are independent with respect to Audrey within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Summary of Risk Factors

An investment in Existing Audrey Shares or Resulting Issuer Shares (both before and after completion of the Proposed Qualifying Transaction) should be considered highly speculative and involves a high degree of risk. Material risk factors affecting the Resulting Issuer include the following: There can be no assurance that all of the necessary regulatory and shareholder approvals will be obtained and that the Proposed Qualifying Transaction will be completed; the limited operating history of the Resulting Issuer; the general nature of the mineral exploration business; the Resulting Issuer's current dependence on only one material mineral project; the inability of the Resulting Issuer to discover any mineral resources or mineral reserves on its mineral properties; operational risks associated with the exploration and development of mineral properties; the Resulting Issuer will be exposed to various levels of political, economic and other risks and uncertainties associated with carrying on business in Sri Lanka; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Resulting Issuer may, upon completion of the Proposed Qualifying Transaction, carry on business; ability to obtain all requisite permits and licenses for the Resulting Issuer to conduct its operations now and in the future; future capital needs of the Resulting Issuer and uncertainty of additional financing when required; the general state of the global economic markets; risks related to corruption and bribery; risks related to the ability to determine title on the Resulting Issuer's properties; labour and employment matters; outside contractor risks; health and safety risks; compliance will applicable environmental laws and regulations; dependence on reliable infrastructure to conduct exploration and development activities; fluctuation in metal prices; ability of the Resulting Issuer to manage the growth and scope of its operations; ability to retain and recruit employees and consultants with the necessary skills and knowledge required to conduct the business of the Resulting Issuer; expense associated with insuring certain risks and inability to obtain insurance for protection against other risks; litigation risks; ability to maintain reliant and continuous information technology systems;

the Resulting Issuer's directors and officers may serve on the boards and act as officers of other companies whose interests may conflict with the Resulting Issuer; acquisition and integration risks; risk of reliance on key employees, suppliers, risks associated with recruiting and retaining qualified personnel; other usual risks associated with an investment in the business of the Resulting Issuer; future sales of Resulting Issuer Shares by existing shareholders which could depress the value of the Resulting Issuer Shares; currency risks; fluctuations of the market price of the Resulting Issuer Shares; no intention of paying dividends in the near or medium term; and availability of reasonably priced raw materials. For a more detailed description of these and other risk factors affecting the Resulting Issuer, see "*Risk Factors*" below.

Conditional Listing Approval

The Exchange has conditionally accepted the Proposed Qualifying Transaction subject to Audrey fulfilling all of the requirements of the Exchange on or before May 23, 2024. Such conditional listing approval is subject to a number of standard conditions as well as receipt of final approval from the Exchange.

PART II – INFORMATION CONCERNING AUDREY

Corporate Structure

Name, Address and Incorporation

Audrey's full corporate name is Audrey Capital Corporation. Audrey was incorporated under the laws of the Province of British Columbia pursuant to the BCBCA on March 9, 2021. The registered and head office address of the Corporation is located at 905 – 1111 West Hastings Street, Vancouver, BC V6E 2J3. Audrey is a reporting issuer in the provinces of Alberta, British Columbia, Manitoba and Ontario.

Audrey does not have any subsidiaries other than Subco.

General Development of the Business

History

Audrey was formed as a CPC under Exchange Policy 2.4. Since becoming a CPC, the principal business of Audrey has been to identify and evaluate opportunities for the acquisition of an interest in assets or businesses for the completion of a Qualifying Transaction and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval, where required, and acceptance for filing by the Exchange.

On November 26, 2021, Audrey completed a public offering of 5,000,000 common shares at a price of $0.10 per share for gross proceeds of $500,000.00.

On January 7, 2022, Audrey completed a non-brokered private placement of 1,500,000 common shares at a price of $0.10 per share for gross proceeds of $150,000.00.

In March 2023, Audrey began discussions with the directors and management of AGT about a possible business combination among the parties. On June 23, 2023, Audrey, Subco and AGT entered into the Qualifying Transaction Agreement to carry out the Proposed Qualifying Transaction. Pursuant to the terms of the Qualifying Transaction Agreement and subject to the receipt of all requisite approvals, Audrey will acquire all of the issued and outstanding AGT Shares in exchange for the issuance of Resulting Issuer Shares in accordance with the Exchange Ratio, and AGT will be amalgamated with Subco and continue as a wholly owned subsidiary of Audrey. AGT is at arm's-length to Audrey and the Qualifying Transaction Agreement was negotiated at arm's-length between AGT and Audrey.

Description of the Qualifying Transaction

On June 23, 2023, Audrey, Subco and AGT entered into the Qualifying Transaction Agreement, to carry out the Proposed Qualifying Transaction. AGT is a privately held 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 owns a 100% ownership interest in the Dodangaslanda Graphite Properties in Sri Lanka.

Upon completion of the Proposed Qualifying Transaction, it is the intention of the parties that the Resulting Issuer will continue the business of AGT.

Following the completion of the Proposed Qualifying Transaction, Audrey Shareholders will hold approximately 61.92% of the Resulting Issuer Shares, and the current AGT Shareholders will hold approximately 17.01% of the Resulting Issuer Shares. 4,537,272 Resulting Issuer Shares (21.07%) will be held by purchasers under the AGT Private Placements.

The Proposed Qualifying Transaction is an arm's length transaction in accordance with the policies of the TSXV and is not subject to the approval of the Audrey Shareholders.

Management's Discussion and Analysis

Audrey's management's discussion and analysis (the "**Audrey MD&A**") for the fiscal years ended December 31, 2022 and 2021 and the interim period ended September 30, 2023 are attached hereto as Schedule "B".

Certain information included in the Audrey MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Statements"* for further details.

Description of the Securities

Common Shares

Audrey is authorized to issue an unlimited number of Audrey Shares without nominal or par value, of which, as at the date hereof, 20,000,000 Existing Audrey Shares are issued and outstanding as fully paid and non-assessable. Each Existing Audrey Share carries one vote at all meetings of shareholders, carries the right to receive a proportionate share, on a per share basis, of the assets of Audrey available for distribution in the event of a liquidation, dissolution, or winding-up of Audrey and the right to receive any dividend if declared by Audrey.

Warrants

As of the date hereof, Audrey has 500,000 Audrey Warrants granted and outstanding. The Audrey Warrants were issued in connection with Audrey's initial public offering on the Exchange.

Options

As of the date hereof, Audrey has 2,000,000 Audrey Options granted and outstanding.

Stock Option Plan

Audrey has adopted a 10% rolling stock option incentive plan (the "**Option Plan**") pursuant to which it may, from time to time in its discretion and in accordance with the Exchange requirements, grant to Eligible Persons non-transferable options to purchase Common Shares (collectively, the "**Incentive Stock Options**") exercisable for periods of up to 10 years from the date of grant. For so long as the Company is a CPC, Eligible Persons under the Option Plan are defined as a Directors, Officer, Employee or consultants (where permitted by applicable securities laws) of the Company or its subsidiaries, if any, at the time the option is granted, and includes companies that are wholly owned by Eligible Persons; provided that, until such time as the Company completes a Qualifying Transaction, an Eligible Person shall be limited to a Director, senior Officer or, where applicable securities laws allow, a Consultant whose part is required to evaluate the proposed Qualifying Transaction (as those terms are defined by the policies of the TSXV and National Instrument 45-106 – *Prospectus Exemptions*, as amended from time to time).

The aggregate number of Common Shares reserved for issuance under the Option Plan and Common Shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate such number of Common Shares as is equal to 10% of the Common Shares issued and outstanding at the time of a grant; provided that, for so long as the Company is a CPC under the policies of the Exchange, such number cannot exceed 10% of the aggregate number of Common Shares issued and outstanding upon completion of the Company's Initial Public Offering. For so long as the Company is a CPC, the number of Common Shares reserved for issuance to any individual Director or Officer will not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. If an option holder does not carry on as a Director, Officer or technical consultant of the Company upon completion of the Qualifying Transaction, then such option holder's options may be exercised the greater of 12 months after the completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of Office, Directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final QT Exchange Bulletin is issued.

Prior Sales

No Existing Audrey Shares have been issued by Audrey during the 12-month period prior to the date of this Filing Statement.

Stock Exchange Price

The Existing Audrey Shares are listed for trading on the Exchange under the symbol "**AUD.P**".

The following table sets forth the high and low daily closing prices and the volumes of trading of the Existing Audrey Shares for the periods indicated:

	Price Range		
Period	**High ($)**	**Low ($)**	**Volume**
January 2024	Nil	Nil	Nil
December 2023	Nil	Nil	Nil
November 2023	Nil	Nil	Nil
October 2023	Nil	Nil	Nil
September 2023	Nil	Nil	Nil
August 2023	Nil	Nil	Nil
July 2023	Nil	Nil	Nil
June 2023	Nil	Nil	Nil
May 2023	0.105	0.075	31,003
April 2023	0.105	0.085	75,000
March 2023	0.17	0.10	84,000
February 2023	Nil	Nil	Nil
January 2023	Nil	Nil	Nil

Arm's-Length Qualifying Transaction

The acquisition by Audrey of all of the issued and outstanding AGT Shares is not a Related Party Transaction for the purposes of Exchange policies and MI 61-101 and is not a Non-Arm's Length Qualifying Transaction pursuant to the policies of the Exchange. As a result, approval of the Amalgamation or the Qualifying Transaction by Audrey's shareholders are not required under the Exchange policies as a condition to the completion of the Proposed Qualifying Transaction.

Legal Proceedings

Audrey is not aware of any material legal proceedings to which Audrey is a party or to which any of its property is subject, nor is Audrey aware that any such proceedings are contemplated.

Auditor, Transfer Agent and Registrar

The auditor of Audrey is Davidson & Company LLP, whose principal office is located at 609 Granville St., Suite 1200, Vancouver, British Columbia, V7Y 1G6, Canada.

The transfer agent and registrar for the Existing Audrey Shares is Olympia Trust Company, at its principal office at 1900-925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, Canada.

Material Contracts

Since incorporation, the only material contracts entered into by Audrey, other than contracts entered into in the ordinary course of business, are as follows:

- the Qualifying Transaction Agreement;
- the Agency Agreement dated as of September 27, 2021 between Audrey and Canaccord Genuity Corp.;
- the CPC Escrow Agreement;
- incentive stock option plan approved by the Board of Directors on May 12, 2021; and
- the transfer agent, registrar and disbursing agent agreement dated as of June 3, 2021 between Audrey and Olympia Trust Company.

Copies of Audrey's material contracts are available under Audrey's issuer profile on SEDAR+ at www.sedarplus.ca.

PART III – INFORMATION CONCERNING AGT

Corporate Structure

Name, Address and Incorporation

Applied Graphite Technologies Corporation (referred to as AGT in this Filing Statement) is a corporation incorporated under the BCBCA on July 12, 2019. Its registered and head office is located at Suite 600 – 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

Intercorporate Relationships

As of the date of this Filing Statement, AGT owns a 90% voting interest in C-Tech Ceylon (Private) Limited, a corporation incorporated under the laws of Sri Lanka on October 24, 2019.

Description of the Business

AGT is a privately held exploration and development company incorporated pursuant to the BCBCA on July 12, 2019 focused on identifying and exploring the prospective Dodangaslanda Graphite Project located in Sri Lanka. AGT owns a 90% ownership interest in C-Tech, a company incorporated pursuant to the laws of Sri Lanka, that holds a 100% ownership interest in the two Dodangaslanda Graphite Properties, "D1" and "Q2", located in the North Western Province of the Democratic Socialist Republic of Sri Lanka. The D1 Property is owned pursuant to a Deed of Transfer registered in Sri Lanka. The Q2 Property is subject to the Q2 Purchase Agreement, all conditions of which have been satisfied in full, and which property is pending completion of registration by the parties of a Deed of Transfer with the appropriate land registry in Sri Lanka. The Dodangaslanda Graphite Project is at the exploration stage, with vein graphite mineralization occurring on D1 and Q2. The Dodangaslanda Graphite Project is located at about 128 kilometres north east of Colombo, the capital of Sri Lanka. The Dodangaslanda Graphite Properties cover a total area of 16.72 ha, or 41.32 acres.

Since the acquisition of the Dodangaslanda Graphite Properties, AGT has undertaken an initial exploration program on surface. AGT has obtained all the authorizations from landowners and the authorities to proceed with surface and underground work.

Following the completion of the Proposed Qualifying Transaction, it is the intention that the Resulting Issuer will continue to primarily focus on the exploration and development of the Dodangaslanda Graphite Project. See "*Special Note Regarding Forward-Looking Statements*".

As of the Effective Date, the Resulting Issuer will be in the business of a mineral exploration company and will hold all of the rights to the property interest of the Dodangaslanda Graphite Properties. The Resulting Issuer intends to complete the exploration program on the Dodangaslanda Graphite Project as recommended in the Technical Report at a total estimated cost of $650,000. The recommended exploration program is divided in two phases, with Phase I consisting primarily of surveying, a LIDAR drone survey, line cutting and picketing, mapping, prospecting, rehabilitation of the old pits and adits and ground geophysical surveys at an estimated cost of $400,000. Phase II will be a drilling program conducted on the two properties (D1 and Q2). On D1, four drill holes for a total length of 600 m will be bored. On Q2, three drill holes will investigate at depth the veins found in the pits and adits as well as the IP anomalies for a total length of 400 m. The cost of Phase II is estimated to be $450,000. For further details on the Dodangaslanda Graphite Project, please see "*Information Concerning AGT – Description of Business – the Dodangaslanda Graphite Project*"

On June 23, 2023, Audrey and AGT entered into the Qualifying Transaction Agreement, to carry out the Proposed Qualifying Transaction. See "*Summary of the Filing Statement – Summary of the Proposed Qualifying Transaction*".

On July 26, 2023, AGT completed the AGT July Private Placement and on November 7, 2023, AGT completed the AGT November Private Placement. See "*Information Concerning AGT – Description of the Securities*" and "*Information Concerning AGT – Prior Sales*" for more information regarding the AGT July Private Placement and the AGT October Private Placement.

Description of the Dodangaslanda Graphite Project

AGT is engaged in the business of mineral exploration and development. AGT's sole material mineral project is the Dodangaslanda Graphite Project.

Unless stated otherwise, the information in this section is summarized, compiled or extracted from the Technical Report. The Technical Report titled "*Technical Report on the Dodangaslanda (D1 and Q2) Exploration Licences, Democratic Socialist Republic of Sri Lanka*" with an effective date of August 15, 2023 and prepared by the Author, Christian Derosier, P.Geo. OGQ # 0129, M.Sc., D.Sc., has been prepared in accordance with NI 43-101 and has been filed with the securities regulatory authorities in the provinces of Alberta, British Columbia, Manitoba and Ontario. The disclosure in this Filing Statement is derived from the Technical Report and has been prepared with the consent of the Author, who is a Qualified Person within the meaning of NI 43-101 and independent of AGT.

The Technical Report is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under Audrey's issuer profile on SEDAR+ at www.sedarplus.ca. The Technical Report is not and shall not be deemed to be incorporated by reference in this Filing Statement.

Property Description, Location and Access

The Dodangaslanda Graphite Project is located approximately 128 km north east of Colombo, Sri Lanka, and 35 km east north east of Kurunegala, a large regional centre (Figure Nos 2 & 4).

The small village of Dodangaslanda is at 2 km southwest at the intersection of the D-409 and the Melsiripura-Dodangaslanda road. This village acts as a support base. The closest hamlet is Meepitiya at about 1000 m west and northwest of the properties.

Source:
University of Texas, 2022

FIGURE No 2: TOPOGRAPHIC AND HYDROGRAPHIC MAP OF SRI LANKA

Mining Properties

In Sri Lanka, the mining properties (Grids) are attributed by the Geological Survey and Mines Bureau (GSMB).

A Grid (claim) is a square of 1 km by 1 km, covering and area of 1 sq km or 100 Hectares or 247 acres.

According to the Government of Sri Lanka Mines and Minerals Act No 33 of 1992 (Mining Act 1992), there is a 6% royalty payable on Industrial Minerals not exported and 7% royalty payable on exported industrial minerals. These payments are not required until mining operations commence and are then payable from sales or determined market value of mine output.

There are no other significant factors and ricks that may affect access, title or the right or ability to per- form work on the property. The individual Grids are numbered according to a six-figure coordinate at the bottom, left corner of each square. This is according to the Sri Lankan National Topographic system known as Kandawala/ Sri Lanka Grid.

The exploration licence is issued subject to the rights of the owner or occupant of the land covered by the licence and to the provisions of the Mines and Minerals Act, No 33 of 1992 and Regulations made thereunder and of any Act or Regulations in amendment thereof, and such other terms and conditions set out. The licencee should pay LKR 6,500 (CAD$ 28.87) per year in inspection fees. A progress report should be submitted to the GSMB before the end of every 6 months. Failure to do so, may lead to the cancellation of the exploration licence without prior notice.

The licensee shall on the completion of the exploration or mining authorized by the licence, rehabilitate the land to which such licence relates, to such condition as may be specified.

A minimum of 14 days written notice must be given prior to either accessing private land or undertaking invasive exploration activities such as drilling, excavating or line cutting.

Geological mapping to the scale of 1: 10,000 initially and later on to a scale of 1: 1,000 should be submitted to the GSMB.

D1 is adjacent to the west to the RS mines Ltd. ‘s Queen’s mine while Q2 is at 100 South of the mine. The D1 and Q2 properties cover a total area of 16.72 ha (or 41.32 acres) (Figure No 6). D1 has an area of 14.79 ha (36.55 acres) and Q2 covers an area of 1.93 ha (4.77 acres).

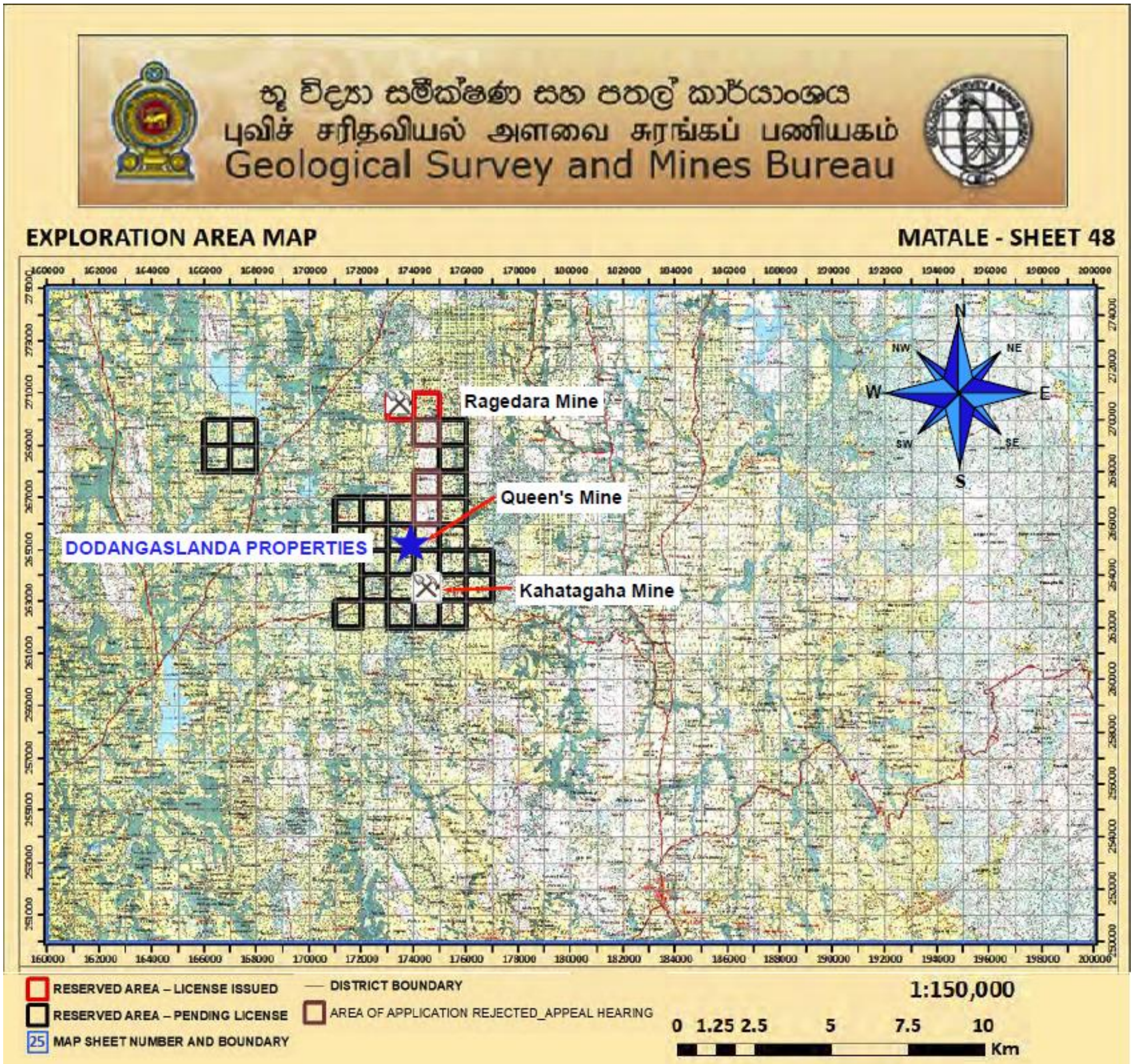
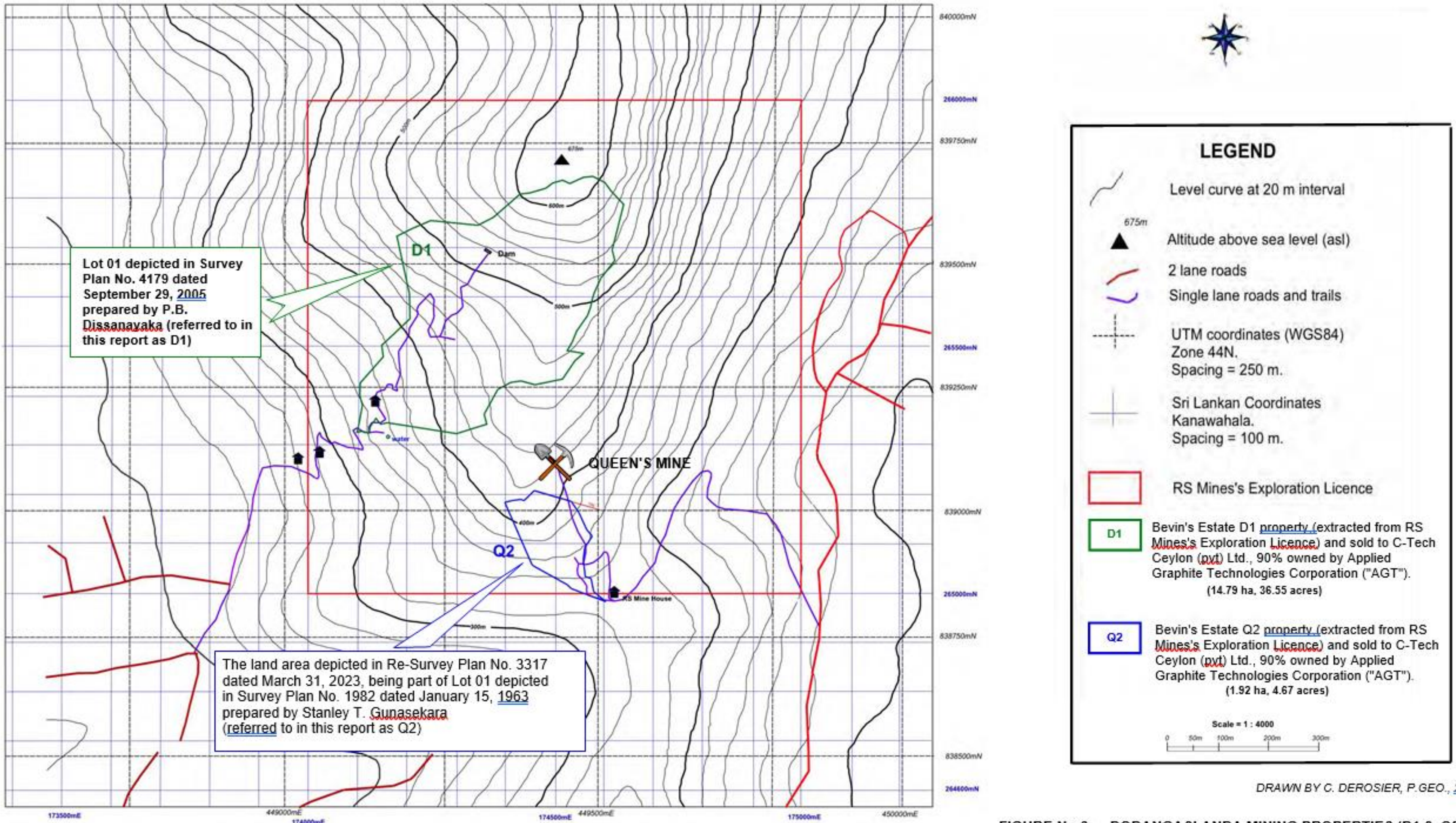


Figure No 5: GSMB's map of the Matal area as of August 15th, 2023.



DRAWN BY C. DEROSIER, P.GEO., 2023

FIGURE No 6: DODANGASLANDA MINING PROPERTIES (D1 & Q2)

Recent changes to the Mining Law

Recently, the Sri Lankan Government is allowing land and estate owners to develop the natural resources on their property. Those lands and estates are subtracted from the mining exploration or exploitation licenses already attributed. Accordingly, it is the owner of the D1 and Q2 properties who has the right to exploit the mineralization found within its tenure.

In that case, the Bevin Estate from Meetipiya, which owns the D1 and Q2 properties has the right to exploit the mineralization found within its tenure.

AGT's Sri Lankan subsidiary C-Tech owns 100% of the mineral rights to the Dodangaslanda Graphite Project. C-Tech has applied for two exploration licenses. Holders of exploration licenses must spend a minimum of approximately $4,000 in exploration expenditures during the first two years of the license. This cost increases to approximately $6,150 after the first renewal of the exploration license and approximately $8,200 after 4 years. Exploration licenses can be renewed three times.

C-Tech Ceylon (Pvt) Ltd.

C-Tech, a corporation incorporated pursuant to the laws of Sri Lanka, is owned as to 90% by AGT and as to 10% by a Sri Lankan representative (in accordance with Sri Lankan requirements).

C-Tech owns a 100% ownership interest in the Dodangaslanda Graphite Project, in Sri Lanka. This ownership interest consists of the ownership of two lands (D1 and Q2) which are adjacent to the Queen's Mine, a former graphite producing mine. The property (D1 and Q2) was purchased outright by C-Tech and accordingly, there is no expiry on the title thereto.

Aside from royalties payable to the Sri Lankan government, there is no other royalties payable in connection with the Dodangaslanda Graphite Project.

Environmental Liabilities

Current environmental liabilities are considered minor. They primarily consist of the need to rehabilitate areas of cleared vegetation formed during the construction of access trails and drilling sites. All programs are covered by the companies' Environmental Management Plan. The Environmental Management Plan outlines procedures for revegetation of affected areas, water monitoring and controls for slope failure or mass movement.

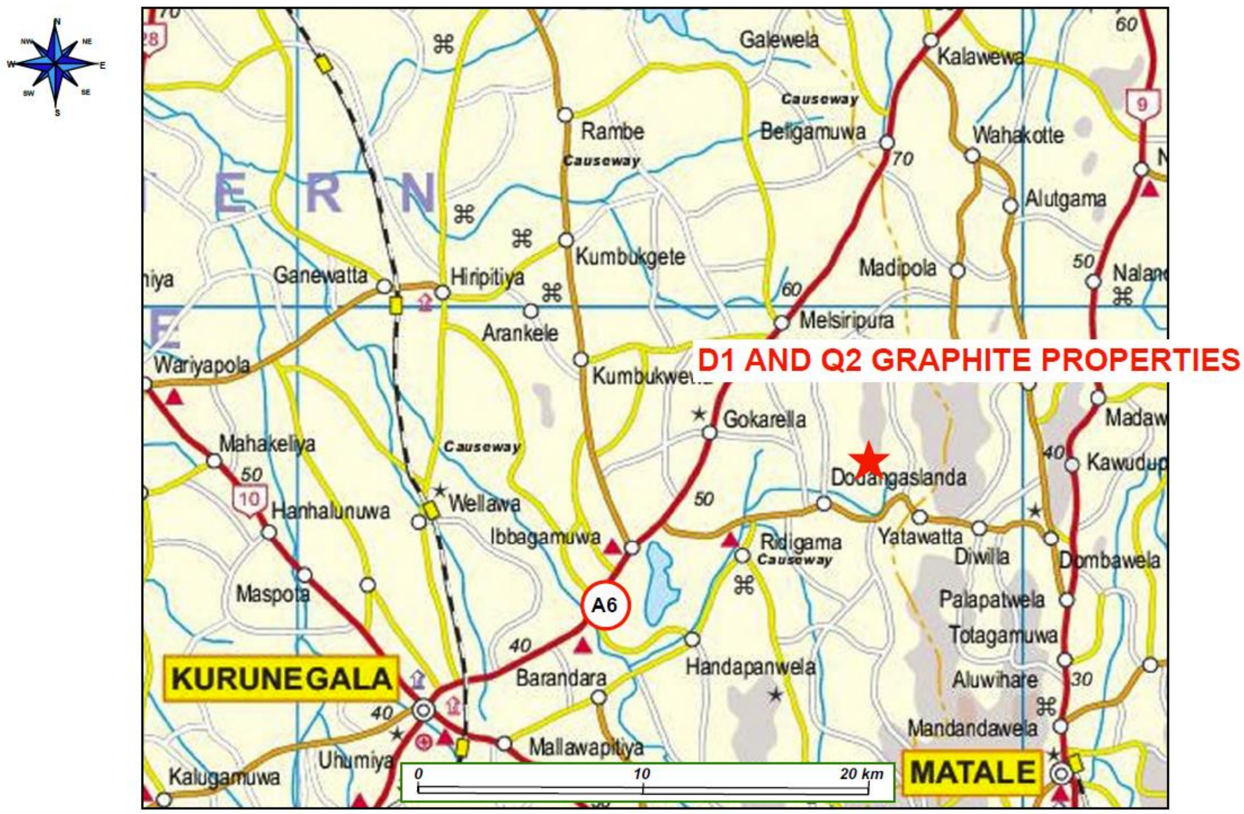
Accessibility

The Dodangaslanda Graphite Project (D1 and Q2) is located at about 128 kilometers northeast of Colombo, the capital of Sri Lanka. Within 35 kilometres of the licence area, are the larger regional centres of Kurunegala and Matale. The smaller village of Dodangaslanda, located at some 2 kilometres southwest from the mining property, can act as a support base. The Bevin Estate (D1) is located at about 500 metres east of the road linking Dodangaslanda to Melsiripura, on the west flank of the north-south elongated Maduragoda Hills.

From Colombo, it takes between 2 and 3 hours by highway 06 and secondary roads to reach the Dodangaslanda Graphite Project. A new expressway is under completion and some sections are presently open near Colombo and Kurunegala.

Access to the D1 property from Dodangaslanda: From the paved road at waypoint 448568.33mE/ 838831.97mN, Elevation 201 mASL, a single lane concrete road leads to the ENE. At 419 m from the paved road, a little street on the left leads to the Bevin Estate's gate over a distance of 174 metres.

Access to the Q2 property: From the Dodangaslanda-Dombawela road B409, at waypoint 450530mE/837399mN, one takes a narrow asphalted street oriented NNE over a distance of 506 m. Then, at waypoint 450066mE/838784mN, a one lane concrete road gives access to the South corner of the property, close to the RS Mine's house.



Source: Surveyor General of Sri Lanka

FIGURE No 4: ACCESS TO THE QUEEN'S MINE AND D1-Q2 GRAPHITE PROJECTS

History

Historical Background to Mining Graphite in Sri Lanka

The existence of graphite in Sri Lanka has been known since 1675 when the Dutch Governor, at the time, recorded its existence. Additional local archaeological evidence showings, during the same period indicates that iron ore had been melted in graphite crucibles.

Trade in graphite, mainly for the pencil industry, began during the XVIIth Century but significantly developed during the Industrial Revolution during the XIXth Century (Iron Smelters, foundries, grease, ammunitions, etc.). Graphite was used in making crucibles for the casting of bomb shells and cannon balls in Europe. Graphite export peaked in 1899. Export of graphite counted for 22% of Sri Lanka trades. Export tonnage was recorded as 33,411 metric tonnes or 35% of the World's consumption.

Most of the graphite mines closed down after the WWI and the 1929 Great Depression.

Prior to 1940, there were over 2,400 graphite pits and mines located in the South-West and Central High- lands in Sri Lanka, with only three underground mines remaining in production today.

A study of the Sri Lankan Graphite industry by Rex A. Casinader (1974), has categorized the period from 1850 to 1972 into three phases:

1. <u>The Fledging Phase</u>: from about the middle of the nineteen century to early 1870's. This is a period during which graphite established itself as one of the minor export industries of the island. Among the factors contributing to the development of the graphite industry at this stage, was the growing demand for Sri Lankan graphite due to its high carbon content. This quality was particularly required by the crucible industry which was rapidly emerging in Great Britain and USA in part due to the American civil war.

2. <u>The Prosperity and Maturity Stage</u>: for the period 1869 to 1918. That period may be characterized as a period of great activity in Sri Lanka. This was the period that witnessed the scatter of nearly 3,000 pits and mines in the south-west quarter of the island. Several pits were mechanized ("mol pathal") and primitive pits mines operated manually ("dabare pathal"). It is a matter for conjecture whether some of the graphite mining methods were borrowed from traditional gemming methods of extraction and practices.

3. <u>The Decline and Selective Maturity</u>: from 1917 to present day. The graphite industry slipped down. In 1912, some graphite which matched the quality of Sri Lankan Graphite, was discovered in Madagascar This resulted in a stiff competition. The Madagascar graphite was extracted at a lower cost. The Sri Lankan production declined slowly but inexorably with some outbursts of revival during the First and Second World Wars. The share of Sri Lanka, which was half the world trade prior 1912, had fallen to less than 2% in 1980.

Historical Graphite Mining in Sri Lanka

Very primitive mining methods were used during the peak period of graphite mining owing to the lack of equipment and technology, prohibitively high capital costs and no experienced mining professionals. A large number of shallow pits were sunk in the weathered rock or topsoil to produce graphite artisanaly and at low cost, and in fairly large quantities, using manual excavating methods.

The type of graphite mining operation varied from shallow pits and shafts in the lateritic overburden, to mines consisting of a vertical shaft with a series of horizontal galleries driven along the veins from the shaft at different levels into the saprolite. Developing another shaft or pit at some distance away and connecting them by galleries highly improved the ventilation and dewatering was achieved using an adit or occasionally using steam engines.

Major problems incurred were dewatering, haulage of material, drilling, blasting, and ventilation. Sometimes hand-operated winches were used for haulage or ore scrapping purposes. In the pits, when the miners were unable to deal with the problems of the inherent ground water or side wall stability, they were compelled to abandon the pit.

Due to a combination of drop in price and the discovery of more accessible and cheaper sources of graphite elsewhere in the World, the mining industry of Sri Lanka collapsed after WWII. Only one mine remained continuously in production. Today, three are currently operating (Bogala, Ragedara and Kahatagaha).

Current Graphite Mining in Sri Lanka

The State Graphite Corporation of Ceylon was established in 1971, after the nationalization of the graphite industry. On this occasion, three mines: Kahatagaha, Kolongaha and Walakatahena were grouped into a single entity, the Kahatagaha-Kolongaha Mine. The Bogala Mine was already the result of the merger of several old, small mines producing from the same orebody. At first, these two mines were the sole producing units of the new State Mining and Mineral Development Corporation. The experimental graphite mine of Rangala was opened in 1973 and the one at Ragedara followed in 1976. After few years of operation, the Rangala and Ragedera mines were closed down and abandoned.

In 1989, the Kahatagaha-Kolongaha Mine was privatized and remained in operation for only few years before closing down. In 1996, it was taken over by the government and is currently being run with a limited production of approximately 100 tonnes per month, with an estimated reserve of 50,000 tonnes (Touzain, 2010). All the production was stockpiled but some graphite bags are regularly shipped overseas. The Kahatagaha-Kolongaha Mine has shaft access down to 345 meters (1,130 feet) with access to approximately 25 veins.

The Bogala Mine has been in production since 1821 and in 1991 was privatized and became a public company. In 2000, MS Graphit Kropfmühl AG of Germany (AMG) became the major shareholder. The mine produces between 250 tonnes and 600 tonnes per month and has an estimated reserve of 26,000 tonnes (Touzain, 2010).The mine is 310 m deep and is mining three veins.

Between 2000 and 2003, the Aluketiya Mine operated as a public company, but has since ceased its operations.

Ragedara Mine, which was abandoned in the early 1980s, recommenced limited production in 2011. In early 2014, Elcora Advanced Materials from Canada, acquired the full operational control and a 40% equity interest in Sakura Graphite (PVT) Limited, who operates the Ragedara mine. The orebody is accessible by an adit and is currently mining four veins. Today, the mine is still operating and the production is about 500 tonnes per year.

History of the Dodangaslanda Graphite Project

Anecdotally graphite has been known in the Dodangaslanda area for over a century. There are stories of old underground workings on the property in the first half of the 1900’s. No records of any production are known to the Author.

There is both indirect and circumstantial evidences of the existence of graphite potential within the Dodangaslanda Graphite Properties. The indirect evidence is in the form of scattered shallow pits within the top soil and the laterite and adits. Sometimes, there is an apparent continuity of strike suggesting that there is a lateral extension of veins.

The circumstantial evidence is in the form of a local oral history of each of the mined areas indicating there has been varying degrees of shallow mining within the selected area.

The area has not been subject to any modern exploration work prior to the acquisition of the Queen's mine by RS Mines (pvt) Ltd in 2014.

Previous Exploration and Exploitation Work on D1

During the Author's field visit, several pits, adits, trenches and mineralized dumps were observed and recorded. According to the local farmers, some other pits exist on the property at different locations which were not easily accessible due to the vegetation growth. Some clearing work needs to be made.

The Author recorded with his hand-held GPS the traces of the access trails and noted the coordinates of the pits and adits visited. They are plotted on the compilation map with an accuracy of 3 meters.

A particular attention was made on Adit No 3 in the northeast corner of the property. Although the adit was partially flooded, it has been possible to sample the hanging wall where the ancient miners left about one inch of massive graphite mineralization.

It has also been possible to pick up some grab samples on a nearby dump.

PLUMBAGO LANKA (PVT) LTD. (2012-2013)

Plumbago Lanka (Pvt) Ltd. submitted an exploration licence application to the GSMB in November 2012 to reserve 32 grid units in area around Omaragolla- Maduragoda in Kurunegala District, within Dambulla and Matale 1: 50,000 topographic sheets in order to conduct an exploration program to access the economic viability of graphite occurrences. The Dodangaslanda graphite project is part of this application.

If the results of the exploration program become satisfactory, a Sri Lankan Board of Investment project for mining and processing of graphite would be initiated. In this regard, Plumbago requested the GSMB Technical Services to inspect the entire reserved areas and to identify all the abandoned graphite mines and pits and select promising areas in order to conduct some exploration activities.

According to all documents made available to the Author, many pits and adits were not visited, recorded and studied. This is the case of almost all pits and adits existing on the Dodangaslanda Graphite Project. Only one pit of the D1 property was visited and recorded and three pits on Q2 were recorded.

PLUMBAGO LANKA (PVT) LTD.- BORA BORA RESOURCES LTD. (2012-2016)

On November 28th, 2012, Bora Bora Resources Ltd (BBR.ASX) from Australia announces that the company has signed a binding Heads of Agreement with Plumbago, to acquire a "75% interest in a suite of tenements surrounding one of the world's oldest producing and highest grade vein graphite mines near Kandy, Sri Lanka".

The deal included the acquisition of 100% of the issued shares of Plumbago Mining Pty Ltd which hold 75% shareholding in Plumbago Lanka (PVT) Ltd.

On January 8th, 2013, the due diligence was completed and sale agreement signed.

BORA BORA RESOURCES LTD-PLUMBAGO LANKA (PVT) LTD (2014)

In its Renewal Application for Block EL/211 dated October 2014, Bora Bora reports the planning of field work which comprises: mapping, sampling, geochemistry, ground geophysics, pitting and drilling. Exploration program was designed to deliver inferred, indicated and measured resources as governed by the JORC (2012) guidelines.

The Author found some evidence that the detailed mapping, detailed ground geophysics (VLF) and detailed ground geochemistry have been carried out. However, no report seems to have been submitted.

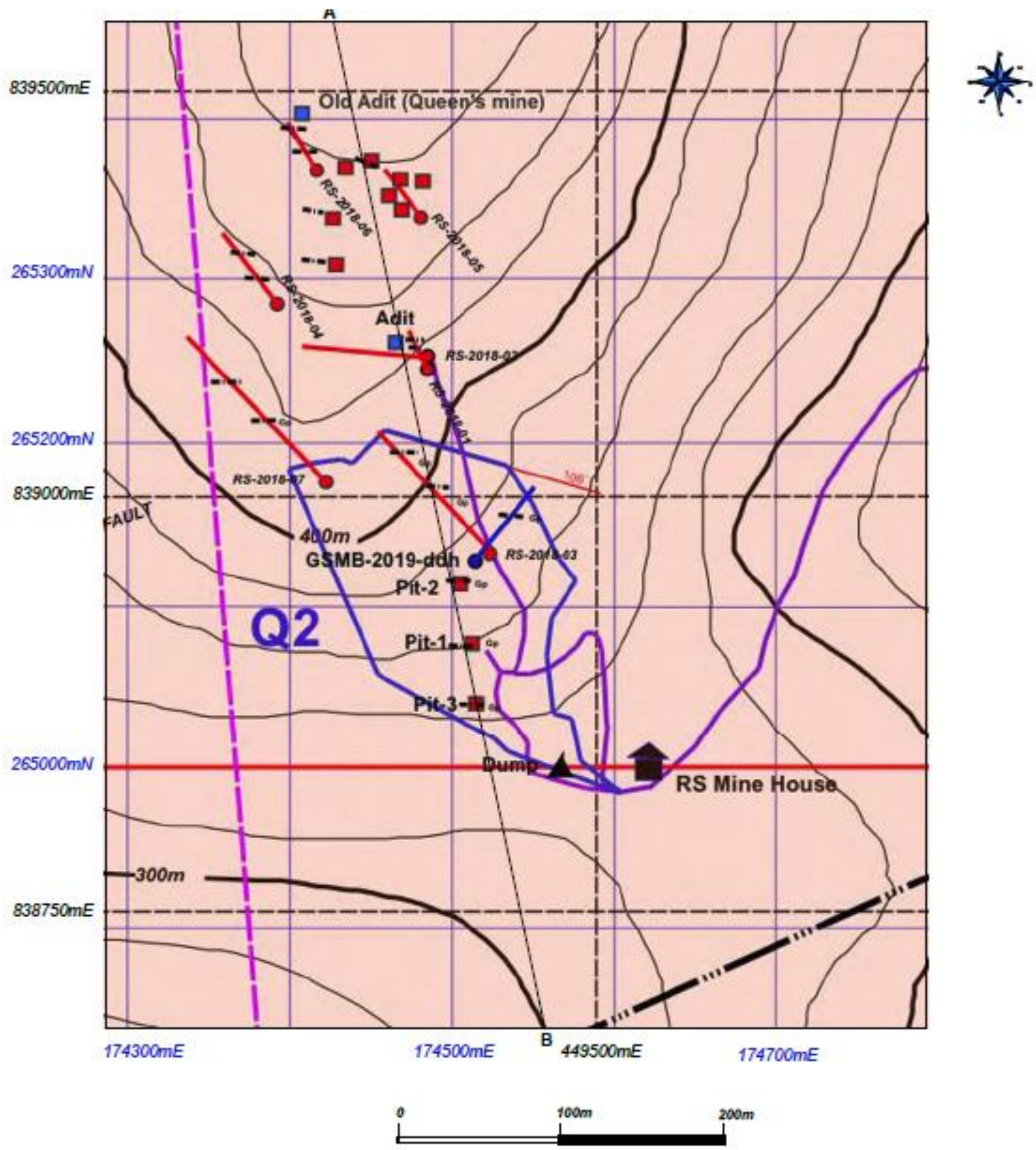
RS MINES (PVT) LTD.: 2018 VLF SURVEY AND DRILLING PROGRAM

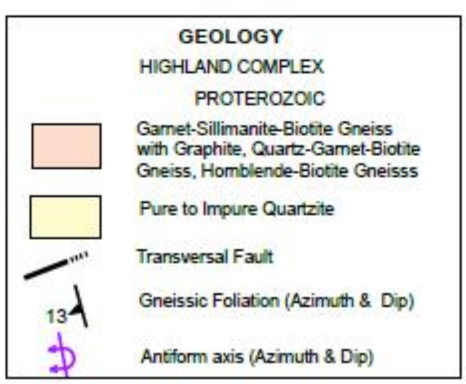
Because the Bevin Estate straddles the RS mines (pvt) Ltd.'s mining license, the exploration work carried out on that mining property may have also covered a part of the Dodangaslanda Graphite Project.

A meticulous verification of the cadastral coordinates and those of the exploration work has been made. It appears that the 2018 RS Mines's exploration program has penetrated inside the Q2 property which is located within the RS Mines's exploration license, but not on D1.

RS MINES (PVT) LTD.: DRILLING PROGRAM ON Q2

Drafting the cadastral plan of Q2 on the compilation map permitted to understand that holes RS-18-03 and RS-18-07 had been bored partially or entirely on the Q2 property.





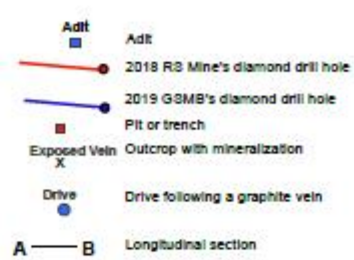


FIGURE No 15: PREVIOUS WORK ON THE Q2 PROPERTY

During the Author's field visit, three adits and several dumps of mineralized graphite blocs were visited, recorded and eventually sampled.

GSMB WORK ON Q2 (VERBAL COMMUNICATION FROM GSMB'S GEOLOGIST)

In 2019, at the request of the Q2 landowner, the GSMB drilled one hole located at 449584mE/ 838942mN and at an elevation of 369 m ASL. The hole is oriented at 040˚E with a dip of 70˚. Its length is said to be 113 m. At 78.00 m, one 40 cm (core length) massive graphite vein has been intersected and apparently a second one (40 cm) close to the end of the hole.

Geological Setting, Mineralization and Deposit Types

Regional Geology

The position of Sri Lanka within East Gondwana, linking India, Madagascar, Africa and East Antartica, makes this region of prime importance for understanding the mode of formation of the Late Neoproterozoic Gondwana supercontinent. The various configurations of east Gondwana, positioning Sri Lanka in the central part, have recently been reviewed by Kehelpannala (2017). Except for a thin Cenozoïc sedimentary cover along the north-western coastal belt of Sri Lanka, the whole island comprises Precambrian high-grade metamorphic rocks metamorphosed to upper amphibolite, granulite, and ultrahigh temperature (UHT) granulite facies.

Based on Nd Model ages (Milisenda et al., 1988) and U-Pb zircon datations, the Neoproterozoïc to Paleoproterozoïc basement of Sri Lanka is subdivided into three lithotectonic units or complexes: the Wanni Complex (WC), the Highland Complex (HC) and the Vijayan Complex (VC). The contacts between the three complexes are generally assumed to be tectonic. The boundary between the centrally located HC and the southeastern VC is a major crustalscale ductile shear zone representing a suture zone. The exact location of the contact between the WC and HC in the southwest is uncertain.

Local Geology

The Dodangaslanda project geology is consistent with the units of the Highland Complex, close to its contact with the Wanni Complex.

These metasediments have Nd model ages which indicate their derivation from a Paleoproterozoïc to Ar- chean-type continental mass. The common occurrence of thick quartzite and carbonate (dolomitic marbles and calcsilicate gneisses) suggest a general correlation with other Mesoproterozoïc shelf sequences.

Rock encountered on the property during the author's visit and in the drill holes of nearby RS mines (pvt) Ltd. are mainly quartzite, impure quartzite, quartz-feldspar gneisses, garnet and orthopyroxene bear- ing quartzofeldspathic units, charnockite or metagranite, biotite gneisses, garnet sillimanite gneisses and hornblende-biotite or biotite hornblende gneisses.

Most of the original granulite mineral assemblages are overprinted adjacent to graphite mineralization, with the new minerals formed including orthoclase, chlorite, biotite, hornblende, scapolite, calcite and sericite to name a few.

Property Geology

On the property, rocks present a penetrative foliation oriented from N10˚W to N40˚E with a steep dip to the northwest (40˚-90˚). Numerous drag folds have been observed during the field visit.

The last fracture system in the area shows transversal faults oriented northwest-southeast and northeast-southwest with a sub vertical dip.

The Dodangaslanda Graphite Properties cover the western limb of the Maduragoda antiform whose fold axis is situated at less than 200 m to the East. The two operating graphite mines as well as the Queen's mine: Kahatagaha and Ragedara mines are located on the overturned east limb of this antiform. In addition, Kahatagaha extends close to the plunge of this axis to the South.

Mineralization

SULPHIDE MINERALIZATION

Sulphides are associated with graphite mineralization and increased concentrations are noted proximally to graphite mineralization, in particular pyrite but also pyrrhotite. These sulphides may be the signature of a maturing hydrothermal fluid. Sulphides appear as disseminations, discrete grains, breccia in fill, stringers, and as smears on fracture surfaces.

Concentrations of sulphides would appear to be a function of country rock porosity and proximity to graphite mineralization indicating a possible hydrothermal origin. Occasionally, sulphides are observed rimming the graphite. This would support the assumption of iron sulphides preceded the graphite.

GRAPHITE MINERALIZATION

Pitting, trenching and diamond drilling programs on the adjacent Queen's mine have shown several styles of graphite mineralization. Those styles of mineralization are regionally found:

- Discrete graphite veins of high-quality graphite (0.5 cm to 0.75 m in thickness, 97 to 99.9% Cg);
- Disseminated graphited masses with or without accicular graphite needles;
- Graphite matrix in small hydraulic breccia zones;
- Accicular graphite associated with margins of graphite veins;
- Stockworks, generally small-scale graphite veinlets and stringers associated with iron oxides. Believed to be a remobilisation or a higher-level expression of vein style mineralization;
- Partially formed graphite veins where disseminated graphite appears to form an oriented zone of mineralization but graphite replacement of host mineralogy appears incomplete; and
- Disseminated to semi-concentrated flake graphite in carbonated rocks or garnet-quartz-feldspar gneisses.

Often graphite mineralization have been seen over a width of some 10-15 meters which consisted of several parallel veinlets and veins, of varying widths, in a zone of disseminated graphite of varying concentrations. This is what the Author names "the mineralized envelope".

As observed in drill core, graphite mineralization can be divided into three main groups:

1. Graphite as segregation veins within graphite bearing metamorphic rocks;

2. Graphite associated with pegmatite in graphite bearing and graphite free metamorphic rocks; and
3. Graphite veins, graphite veins may be further sub-divided into those associated with igneous rocks and those as pure graphite veins of epigenetic origin.

Deposit Types

There are two types of natural graphite:

1. Crystalline Type (which is of two varieties, flake or lump graphite);
2. Microcrystalline Type (known commercially as amorphous graphite).

These two types are found in three metamorphic environments. Flake graphite forms in syngenetic metasediments; lump graphite is found in epigenetic veins in high-grade metamorphic regions; and microcrystalline graphite is the product of contact metamorphosed coal (Krauss et al. 1988).

Vein type graphite deposits may also be associated with disseminated flake graphite deposits. The graphite veins in Sri Lanka are unique because of the large scale of their occurrence and their high crystallinity. Vein graphite deposits of Sri Lanka have received more attention due to their high purity (about 95-99% of pure carbon), extensive mineralization with large reserves, high crystallinity and mode of occurrence. Many studies in the past had discussed the origin of Sri Lanka vein graphite (Katz et al., 1972, 1987; Bi- nulal et al., 2003, Kehelpannala et al. 2005 and Hewathilake et al., 2015).

The Kahatagaha/Kolongaha Graphite mine is the second Graphite producer in Sri Lankan Graphite industry. In 1972, the newly established State Graphite Corporation incorporated the Kahatagaha and Kolongaha mines. This organization (renamed the State Mining and Mineral Development Corporation) had all mines in the country under its purview. In 1992, Kahatagaha and Kolongaha mines were handed over to the Kahatagaha Graphite Lanka Limited. These mines are now operated independently. Kahatagaha Graphite Lanka Limited is a Government Owned Business Undertaking managed by a Competent Authority appointed by the Government of Sri Lanka.

Mineral resources at the Kahatagaha-Kolongaha mine are not publicly released. The mine is presently producing 100 tonnes of vein graphite per month.

Study of the drill core of the RS Mines and of the mineralization found in the adits and pits of D1 and Q2 shows that the graphite mineralization, the geological and structural contexts are highly similar to the well-known Kahatagaha-Kolongaha mines

Exploration

Since the agreement signed with Bevin Estate in February 2023, C-Tech commissioned Professor R. Premasiri, P. Geo. and QP to undertake a reconnaissance visit (due diligence) of the D1 and Q2 properties.

Professor R. Premasiri prepared a report describing his site visit made in May 2023. No exploration work has been executed on both properties since that visit.

Drilling

Dodangaslanda Graphite Project. Diamond drill records (2018) are available in the Palandagama, K's report. The core has not been assayed. The core boxes were kept until June 2023 in a shelter situated close to the RS Mines's house, near the access gate of Q2.

Hole RS-18-03 has been entirely drilled on Q2 while the set-up of drill hole RS-18-07 is located in the northern part of the property. About 40 m of the drill hole falls within the Q2 property.

In 2019, the GSMB drilled one 113 m long hole on Q2 which intersected two 40 cm massive graphite veins. The report covering this drilling program was requested but it is awaited.

Since the acquisition of the Dodangaslanda Graphite Project by AGT, no drilling has been performed on the D1 and Q2 properties.

Sampling, Analysis and Data Verification

Sampling Method and Approach

From July 27th to July 31st, 2023, during the field inspections of the Dodangaslanda Graphite Project for AGT, the Author took a total of seven samples of rock types and mineralized samples for references and assaying.

No evidence of previous sampling has been observed in the field, in trenches, adits, and open pits.

In the coming months, AGT intends to implement a sampling and assaying protocol in accordance with the Canadian Institute of Mines and Metallurgy's standards that are accepted by NI 43-101.

SAMPLING

Grab and channel samples taken on surface and in the pits and adits will be put in plastic bags under the supervision of the QP. The bags will be numbered with black marker on both side and the corresponding numbered tag stapled on it. Sample bags will be closed with multipurpose ties wraps.

Core samples will be marked for sampling and sample sheets generated. Samples will be either quarter or half core, split via a diamond saw, depending on the size of the interval sampled and the minimum sample requirements of the analytical laboratory. When split, one half of the core will be put in a plastic bag for laboratory analysis. The second half will return in the core box for future reference.

Sample intervals will be identified on the basis of geology. Sample lengths will range from around 0.3 m to 1.5 m in most cases.

The bags will be numbered with black marker on both side and the corresponding numbered tag stapled on it. Sample bags will be closed with multipurpose ties wraps.

Samples will be after kept in rice bags with a maximum of 10 samples by bag. All samples will be submitted for assays to a certified laboratory. Some duplicates will be exported to ALS Laboratories in Vancouver, Canada or Brisbane, Australia.

ANALYSES

On receipt by a certified laboratory, samples will be sorted and reconciled against AGT's submission paperwork with discrepancies being referred back to AGT. Barcodes will assigned to samples and samples weighted. Samples assigned for specific gravity test work will have that analysis performed prior to placing samples in the drying ovens. Samples will be dried for a minimum of 12 hours before being coarse crushed through the jaw crusher. From the crusher, samples are then split and quartered and the portion retained will be pulverized until a standard of >85% of material passes through a 75 micron mesh.

Both the jaw crusher and the pulverizers will be exposed to silica sand flushes after each sample is pro- cessed Pulverized samples will be analyzed for total carbon by Leco Furnace (LECO) methodologies. If samples are less than 50% carbon then they will be reduced in size so sample weight used for the analysis to ensure the result is within the instrument calibration range. All samples with total carbon greater than 50% will also be assayed by loss on ignition (LOI) methods at 425˚C and 1000˚C. Because the precision of this method is far greater than the LECO methods, the difference between the LOI at 425˚C and LOI at 1000˚C is considered far better indication of graphitic carbon concentration at high levels.

Carbon has important metallurgical and environmental implications for many types of mineral deposits. Carbonates may consume acid, impacting leach process design and mine waste remediation, while pre- robbing by organic carbon can interfere with the cyanidation of gold and silver ores.

SECURITY

Certified Laboratories inserts quality control samples (reference materials, blanks and duplicates) on each analytical run, based on the rack sizes associated with the method. The rack size is the number of samples including QC samples included in a batch. The blank is inserted at the beginning, standards are inserted at random intervals, and duplicates are analyzed at the end of the batch.

Quality control samples are inserted based on the following rack sizes specific to the method.

QUALITY CONTROL/QUALITY ASSURANCE

In addition to the regular sampling and assaying of samples, additional quality control protocols will be initiated externally, required the preparation of various blank, standard and duplicate samples to evaluate the precision (i.e. reproducibility) and accuracy of the reported values. Each batch of 50 samples will include a blank and one or two standards.

Blank material can be sourced from Ore Research and Exploration Pty Ltd. (Australia) and is «off the shelf» standard.

Graphite standards can be obtained from CDN Laboratories from Langley, BC, Canada. These represent a «high grade» and a «low grade» graphite sample.

The Author is of the opinion that the description of sampling methods and details of location, number, type, nature and spacing or density of samples to be collected, and the size of the area covered would be adequate for the current stage of exploration for the Properties.

The Author solely, as a quality control measure, designed the program.

The laboratory to be used for QC/QA analysis must be accredited in Canada and/or Australia and has its own Quality Control and Quality Assurance protocols for sample preparation and assaying.

At this early prospective stage of the project, a more rigorous quality control will be required.

SITE VISIT

The Author's first visit to the Dodangaslanda Graphite Project was conducted from July 28th, 2023 to July 31st, 2023. During the inspections, several outcrops and old excavations were observed. Visual observation, digital photos and Global Positioning System (GPS) measurements were used to conduct and record the results of this inspection.

The Author spent three full days on the site, accompanied by M. Ranjith Ratnayake, Geologist-from the GSMB in Sri Lanka. The QP verified the locations of adits, pits, fences, drill hole collars, access roads, graphite showings, dumps, infrastructures, water supply, electricity, etc.) and observing in-situ graphite mineralization. Drill core from the 2018 RS Mines's program having been moved lately, tit was consequently impossible to verify the core description and the mineralization intersected.

Drill hole collars, pits and adit positions were verified by the Author using a handheld Garmin GPS 60CSx, the photographic device is a Canon SX 530HS. The collected X and Y coordinates for the observed drill hole collars corresponded well with the coordinates provided by K. Palandagama and RS Mines. The exception was the elevation results (Y) that did not compare. This is attributed to the inherent inaccuracy associated with deriving elevation data from a handheld GPS.

Six independent grab samples were collected for assaying and/or rock collection.

The site visit and discussions with C.D.G.C. confirmed that the exploration aspects of the project appear to have been completed in keeping with accepted industry practice.

DATA VALIDATION

The Author visited the Dodangaslanda Graphite Project during several days of July 2023. During these visits, the Author witnessed the absence of exploration work since 2019 and consequently the non-implementation of quality control measures described above.

In preparing this technical report, the Author conducted other limited routine verification to ascertain the reliability of the historical exploration data provided by the previous operators. The exploration and mining work completed by the operators in the 2012-2019 period was conducted under the supervision of appropriately qualified personnel and the work completed generally meets the industry best practices at the time.

Adjacent Properties

Since 2012, the region has experienced a revival of graphite exploration, as a response to the steady rise of graphite prices over that period. However, with the end of the Bora Bora Resources Ltd.' s investment in 2016 and those of the RS Mines (pvt) Ltd. in 2019, the Dodangaslanda area has remained dormant concerning the mining exploration and development.

Exploration work on Queen's mine Mining License (2012-2019)

In 2018, after an agreement with Bora Bora Resources of Australia, RS Mines undertook a drilling program within its Mining Licence. This program was under the supervision of SRK (Australia).

Seven diamond drill holes were completed for a total core length of 948.30 m.

The inclined holes intersected the rock formations between a vertical depth of 60 m to 100 m.

The focus was to intersect major mineralization at top, middle and bottom of the “Maduragoda antiform” (mountain).

Several graphite veins were intersected at different depths with a core length varying from 10 cm to 60 cm. Massive graphite mineralization was obtained in six of the seven drill holes.

Drill Hole Collar Summary

DDH #ID	Northing mN Kanawahala Grid	Easting mE	Elevation m (ASL)	Length m	Azimuth degree	Dip degree
DH001	265218	174501	387.81	67.90	330	-60
DH002	265224	174500	387.85	150.20	280	-60
DH003	**265109**	**174535**	**352.80**	**200.30**	**317**	**-60**
DH004	265259.62	174403.52	425.71	111.70	330	-60
DH005	265318.18	174492.92	432.56	71.30	330	-60
DH006	265344.19	174429.96	443.57	81.30	330	-60
DH007	265147.25	17436.49	409.55	265.60	317	-60

The seven holes were bored within an area of 7 hectares. Hole DH003 (RS-18-030) is entirely within Q2, while DH007 (RS-18-07) is partially bored on the property.

Picture No 22: Core box of drill hole DH003 showing in the first raw the 60 cm long intersection of the graphite vein. The core shows fracturation at 30˚ core angle which are not reported in the drill log. The host rock is described as a garnet-biotite gneiss (source: Kithsiri Palandagama P. Geo., M.Sc. , 04-2018).

Recommendations

Exploration Program

Based on results obtained during the 2018 drilling program by RS Mines on Q2 and the adjacent property, those obtained in the past by the previous owners of the Dodangaslanda Graphite Project, and the present technical study, the Author recommends an exploration and rehabilitation program divided in two phases.

PHASE I

As a first phase of prospecting and exploration, it is recommended to clean-up and sample all previous pits and adits existing on the properties. At the same time, a geological mapping at a 1: 1,000 scale will be undertaken to comply with the GSMB's rules.

At the same time, the Bevin estates will be surveyed in order to establish an accurate topographic map of D1 and Q2 at a scale of 1:1,000. Line cutting at a 50 m interval, with stations established (pickets) at a 25 m spacing will be made. A LIDAR survey with a drone will implement the ground topographic survey and will probably permit to discover more isolated pits and dumps as well as buried infrastructures.

The cut and picketed lines will be used for the surveying, the mapping and the geophysical sureys. Those last will comprise a magnetometer survey and an EM survey (Max-Min II or IP).

Conductive anomalies and the graphite veins observed in the old pits will be verified by trenching by local people or with a small excavator. In addition, the two adits of D1 and the three of Q2 will be de-watered, cleaned-up, mapped and sampled.

PHASE II

Phase II will be mostly conditional to the results of Phase I and more particularly on the results of the Max-Min II or IP survey.

A drill program using NQ calibre drilling (triple tubing) will test for along strike and the down dip extension of the surface mineralization to a depth of 100 m. Drilling will also verify at depth the EM anomalies recorded during the field survey. Deviations of the drill holes must be recorded as well as the angle of intersection of the foliation, contacts, banding and mineralization. The RQD and the magnetic susceptibility will also be recorded. A particular attention will be made to the presence of flake graphite in the host rock. The flake graphite on both side of the graphite veins may have a significant economic value. These intersections will be sampled and assayed. The QC/ QA protocol will be implemented.

Four (4) drill holes are estimated to be drilled on D1 and three (3) drill holes are recommended on Q2 for a total length of 1000 m. Maximum length of each hole will be 150 m.

During this second phase, work and studies will be started in order to obtain all permits necessary for starting a mining production

Significant Acquisitions and Dispositions

AGT has not completed any significant acquisitions or dispositions for which financial statements would be required under the policies of the TSXV.

Management's Discussion and Analysis

Management's Discussion and Analysis of the financial condition and results of operations of AGT for the years ended December 31, 2021 and 2022 and for the interim period ended September 30, 2023 are included in Schedule C to this Filing Statement.

Description of the Securities of AGT

AGT Shares

The authorized share capital of AGT consists of an unlimited number of AGT Shares. As of the date hereof, 8,200,605 AGT Shares are issued and outstanding as fully paid and non-assessable shares.

Subject to the provisions of the BCBCA, holders of AGT Shares are entitled to receive notice of and to attend all meetings of the AGT Shareholders and shall have one vote, in person or by proxy, for each AGT Share held at all meetings of the AGT Shareholders. AGT Shareholders are entitled to (a) receive any dividends as and when declared by the AGT Board out of the assets of AGT properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of AGT (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of AGT. Holders of AGT Shares have no pre-emptive, redemption or conversion rights.

Consolidated Capitalization

The following table sets forth the capitalization of AGT as at the dates indicated.

Destination of security	Amount authorized or to be authorized	Amount outstanding as at September 30, 2023	Amount outstanding as of the Effective Date and immediately prior to the completion of the Proposed Qualifying Transaction
AGT Shares	Unlimited	6,883,636	8,200,605

Prior Sales

The table below sets forth for the 12-month period prior to the date of this Filing Statement details of the price at which securities have been issued or are to be issued by AGT, the number of securities issued at that price and the date on which the securities were issued.

Date	Number and Type of Security	Issue Price per Security	Nature of Issuance
June 15, 2023	225,000 AGT Shares	$0.10[1]	Compensation for advisory services

			rendered
July 26, 2023	3,883,636 AGT Shares	US$0.11	Private Placement
October 6, 2023	663,333 AGT Shares	US$0.11[(2)]	Compensation for advisory services rendered
November 7, 2023	653,636 AGT Shares	US$0.11	Private Placement

Notes:

1. Deemed issuance price.
2. Deemed issuance price.

Trading Price and Volume

None of the securities of AGT are, or have ever been listed for trading on any stock exchange or other securities market.

Executive Compensation

Set forth below is the Company's executive compensation summary for the years ended December 31, 2021 and December 31, 2022 prepared in accordance with *Form 51-102F6V – Statement of Executive Compensation – Venture Issuers*.

Named Executive Officers

Donald K. Baxter, the President, Chief Executive Officer and Secretary and Treasurer of AGT was the only NEO of AGT during the years ended December 31, 2021 and December 31, 2022.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth information concerning all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by AGT, to each NEO and director, other than stock options and other compensation securities, for each of the two most recently completed financial years.

Name and Position	**Fiscal Year Ended Aug 31,**	**Salary, Consulting Fee, Retainer or Commission**	**Bonus**	**Committee or Meeting Fees**	**Value of Perquisites**	**Value of All Other Compensation**	**Total Compensation**
Donald K. Baxter, President, Chief Executive Officer, Secretary and Treasurer, and Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
James L. Ruane, Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Paul J. Fisher, Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Stock Options and Other Compensation Securities

Set forth in the table below is a summary of all compensation securities granted or issued to each NEO and director of AGT during the fiscal year ended December 31, 2022.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Donald K. Baxter, President, Chief Executive Officer, Secretary and Treasurer, and Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James L. Ruane, Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul J. Fisher, Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Exercise of Compensation Securities by Directors and Named Executive Officers

During the financial year ended December 31, 2022, there were no outstanding compensation securities of AGT and, accordingly, no NEO or director of AGT exercised any compensation securities of AGT.

Stock Option Plans and Other Incentive Plans

AGT does not have a stock option plan, and there are no outstanding stock options as at the date of this Filing Statement.

Employment, Consulting and Management Agreements

AGT does not currently have any employment, consulting or management agreements in place.

Oversight and Description of Director and Named Executive Officer Compensation

AGT does not have a compensation committee or a formal compensation policy. AGT relies solely on the AGT Board to determine the compensation of the NEO. In determining compensation, the AGT Board considers industry standards and AGT's financial situation but does not rely on any formal objectives or criteria. The performance of the NEO is informally monitored by the AGT Board, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

AGT has no arrangements, standard or otherwise, pursuant to which directors are compensated by AGT for their services in their capacity as directors. No compensation was paid or is payable to any director of AGT for their respective services as a director during the financial years ended December 31, 2021 and December 31, 2022.

The AGT Board does not have in place a compensation committee. All tasks relating to the development and assessment of the compensation paid to both the NEOs and directors is performed by members of the AGT Board. Compensation is reviewed on an annual basis. AGT's compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The AGT Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility.

Pension

AGT does not have a pension plan in place.

Non-Arm's Length Transactions

Within five years prior to the date hereof, AGT has not acquired any assets or been provided any services from any director, officer, Insider or Promoter of AGT, except in their capacities as directors, officers, employees or consultants of AGT.

Legal Proceedings

AGT is not aware of any material legal proceedings to which AGT is a party or to which any of its property is subject, nor is AGT aware that any such proceedings are contemplated.

Material Contracts

The only material contracts entered into by AGT in the last two years (other than contracts entered into in the ordinary course of business) were the Qualifying Transaction Agreement and the Q2 Purchase Agreement.

Copies of these agreements will be available for inspection at the offices of AGT's registered and records offices, located at 777 Hornby Street, Suite 600, Vancouver, BC V6Z 1S4 until the date of closing of the Proposed Qualifying Transaction and for a period of 30 days thereafter.

PART IV – INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

Name and Incorporation

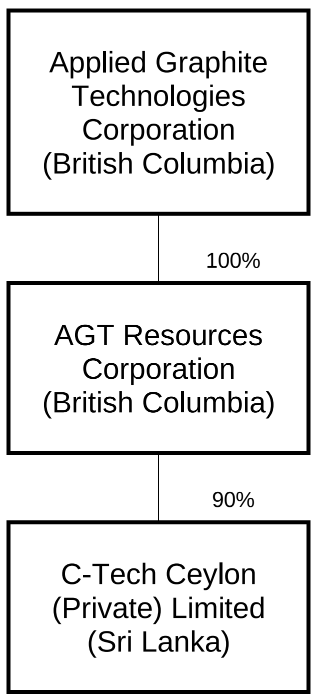
Following the completion of the Proposed Qualifying Transaction, the Resulting Issuer will operate under the name “Applied Graphite Technologies Corporation” and will continue to be governed by the provisions of the BCBCA.

The registered and head office address of the Corporation is located at 905 – 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3.

Intercorporate Relationships

Following the completion of the Proposed Qualifying Transaction, the Resulting Issuer will own, directly or indirectly, all of the issued and outstanding common shares of AGT. As a result of the Proposed Qualifying Transaction, the previous shareholders of AGT will become shareholders of the Resulting Issuer.

The following organizational chart demonstrates the intended corporate structure of the Resulting Issuer:



Description of the Business

The Resulting Issuer's business objectives after the completion of the Proposed Qualifying Transaction will be the business objectives of AGT, namely the continued exploration and development of the Dodangaslanda Graphite Project and other properties in which the Resulting Issuer may hereafter acquire an interest. For the narrative description of the business of the Resulting Issuer, see "*Part III – Information Concerning AGT – Description of the Business*". For a discussion of the proposed exploration and development activities with respect to the Dodangaslanda Graphite Project, see "*Part III – Information Concerning AGT –Description of Business – Description of the Dodangaslanda Graphite Project*".

Description of the Securities

Upon completion of the Proposed Qualifying Transaction, the Audrey Shares will be the Resulting Issuer Shares. For a description of the attributes of the Audrey Shares, please refer to "*Part II – Information Concerning Audrey – Description of Securities*" in this Filing Statement.

Pro Forma Consolidated Capitalization

The following table sets forth the pro forma share and loan capital of the Resulting Issuer as at September 30, 2023 on a consolidated basis, based on the pro forma consolidated financial statements contained in this Filing Statement after giving effect to the Proposed Qualifying Transaction. This table should be read in conjunction with the pro forma consolidated financial statements and notes thereto included in this Filing Statement.

Designation of Security	Amount authorized or to be authorized	Amount outstanding after giving effect to the Proposed Qualifying Transaction
Resulting Issuer Shares	Unlimited	21,533,938(1)
Resulting Issuer Options(2)	N/A	1,333,333
Resulting Issuer Warrants	N/A	333,333
SCS Warrants	N/A	1,366,454
Long Term Debt	Nil	Nil

Notes:

1. Includes 13,333,333 Existing Audrey Shares, 3,000,000 AGT Shares, 3,883,636 AGT Shares issued pursuant to the AGT July Private Placement, 663,333 AGT Shares issued in connection with advisory services rendered and 653,636 AGT Shares issued pursuant to the AGT November Private Placement.
2. See "*Part IV – Information Concerning the Resulting Issuer – Security Based Compensation*".

Fully Diluted Share Capital

The following tables outline the expected number and percentage of securities of the Resulting Issuer to be outstanding on a non-diluted and fully-diluted basis after giving effect to the Proposed Qualifying Transaction and the Financing:

	After Giving Effect to the Proposed Qualifying Transaction		
Designation of Security	**Number [(1)]**	**Percentage (undiluted)**	**Percentage (fully-diluted)**
Resulting Issuer Shares			
Audrey Shares	13,333,333	61.92%	54.27%
AGT Shares	3,000,000	13.93%	12.21%
AGT Shares issued pursuant to the AGT July Private Placement	3,883,636	18.03%	15.81%
AGT Shares issued in connection with advisory services rendered	663,333	3.08%	2.70%
AGT Shares issued pursuant to the AGT November Private Placement	653,636	3.04%	2.66%
Subtotals	**21,533,938**	**100%**	**87.65%**
Reserved for issuance:			
Audrey Options	1,333,333	N/A	5.43%
Audrey Warrants	333,333	N/A	1.36%
SCS Warrants	1,366,454	N/A	5.56%
Total (fully-diluted)	**24,567,058**		**100%**

Notes:

1. After giving effect to the Consolidation.

Available Funds and Principal Purposes

Funds Available

As at January 31, 2024, AGT had estimated working capital of $37,528. As at January 31, 2024, Audrey had estimated working capital of $722,894. The estimated pro forma consolidated working capital of the Resulting Issuer as at January 31, 2024 was $760,422.

The following table sets forth the estimated available funds of the Resulting Issuer as at January 31, 2024.

Source of Funds	Amount ($)
Consolidated working capital of the Resulting Issuer as at January 31, 2024	$760,422
Estimated Costs of the Proposed Qualifying Transaction	($45,000)
TOTAL	$715,422

Dividends or Distributions

The proposed directors of the Resulting Issuer anticipate that the Resulting Issuer will retain all future earnings and other cash resources for the future operation and development of its business, and accordingly, do not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of the directors of the Resulting Issuer after taking into account many factors including the Resulting Issuer's operating results, financial condition and current and anticipated cash assets.

Principal Purposes of Funds

Audrey and AGT anticipate that immediately following Closing of the Proposed Qualifying Transaction, the Resulting Issuer will have available funds of approximately $715,422 based on estimated working capital of each company as at January 31, 2024. See the pro forma financial statements of the Resulting Issuer attached hereto as Schedule "D" and "*Part IV – Information Concerning the Resulting issuer – Available Funds and Principal Purposes – Available Funds*". The Resulting Issuer intends to use the funds as set out below:

Anticipated Use of Funds	**Amount**
Phase 1 Work Program for the Dodangslanda Project(1)	
Surveying the old excavations. Establishing three permanent bench marks	$25,000
Geological mapping at 1:10,000 scale	$10,000
LIDAR drone survey	$40,000
Prospecting: clean-up of the old pits and adits	$25,000
Geophysical survey in D1 and Q2 (magnetometer and IP surveys)	$50,000
Trenching: ground EM anomalies and mineralized zones	$20,000
Rehabilitation of D1 and Q2 adits, mapping, sampling and assaying	$200,000
Supervision and Report Phase I	$30,000
Total Phase I	**$400,000**
Other Expenses	
Salaries and Consulting Fees	$86,000
Legal Fees	$45,000
Audit and Accounting Fees	$30,000
General and administrative expenses for the 12 months following the completion of the Proposed Transaction(2)	$54,000
Unallocated working capital(3)	$100,422
TOTAL ESTIMATED USES OF FUNDS	**$715,422**

Notes:

1. See "*Part III – Information Concerning AGT – Description of the Business – Description of the Dodangslanda Project*".
2. Includes office costs, travel expenses, transfer agent fees, marketing, shareholder communication and miscellaneous expenses.
3. Depending on the results of the Phase 1 work program, some of the unallocated funds may be used to carry out activities relating to the Phase II work program as described in the Technical Report.

The Resulting Issuer intends to spend the available funds on completion of the principal purposes as indicated above. Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve these objectives. The Resulting Issuer will require additional funds in order to fulfill all of the Resulting Issuer's expenditure requirements to meet its objectives, in which case the Resulting Issuer Expects to either issue additional equity securities or incur indebtedness. There is no assurance that additional funds required by the Resulting Issuer will be available if needed. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

Principal Securityholders

To the knowledge of Audrey or AGT, upon completion of the Proposed Qualifying Transaction, other than as disclosed in the table below, no person will beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the equity of the Resulting Issuer.

Name	Number of Resulting Issuer Shares	Percentage of Resulting Issuer Shares Held	Type of Ownership
1163863 Ontario Ltd.(1)	2,837,845	13.18%	Registered
Paul Beattie(2)	2,666,667	12.38%	Beneficial
Slater Capital Corporation(3)	2,666,667	12.38%	Registered
Koi Communications Corporation(4)	2,666,667	12.38%	Registered

Notes:

1. 1163863 Ontario Ltd. is a company beneficially owned and controlled by Donald K. Baxter, the current CEO, President and a director of AGT, and the proposed CEO and a director of the Resulting Issuer.
2. BT Advisory Inc. and BT Global Capital Inc. are companies beneficially owned and controlled by Paul Beattie, a current director of Audrey; BT Advisory Inc. and BT Global Capital Inc. hold 2,000,000 Existing Audrey Shares each.
3. Slater Capital Corporation is a company beneficially owned and controlled by Ian Slater, the current CEO, President and a director of Audrey.
4. Koi Communications Corporation is a company beneficially owned and controlled by Jackie Cheung.

Directors, Officers and Promoters

Name, Address, Occupation and Security Holdings

The following are the names and municipalities of residence of each proposed director and officer of the Resulting Issuer, the positions and offices to be held with the Resulting Issuer, their respective principal occupations within the five preceding years and the number and percentage of Resulting Issuer Shares which will be held by each of them on Closing. Each director will hold office until the next annual meeting of the Resulting Issuer unless his office is earlier vacated in accordance with the BCBCA.

Name and Municipality of Residence	Position to be Held with the Resulting Issuer	Principal Occupation for the last five years	Number and Percentage of Resulting Issuer Shares After Giving Effect to the Proposed Qualifying Transaction
Donald K. Baxter *Huntsville, Ontario*	President, Chief Executive Officer, Director and Promoter	Management consultant, public company director, CEO of Ceylon Graphite	2,837,845 Resulting Issuer Shares (13.18%)
Sunil Sharma *Vancouver, British Columbia*	Chief Financial Officer	CFO, Slater Corporate Services; previously Controller, Trilogy Metals Inc.	Nil

Melissa Martensen *Vancouver, British Columbia*	Corporate Secretary	Corporate Secretary, Slater Corporate Services; previously Corporate Secretary TAAL Distributed Information Technologies Inc.	33,333 Resulting Issuer Shares (0.15%)
Ian Harris *Vancouver, British Columbia*	Director	CEO, Outcrop Silver & Gold Corporation (July 2023 to present); CEO, Libero Copper & Gold Corporation	554,545 Resulting Issuer Shares (2.58%)
Rodney Stevens *Delta, British Columbia*	Director(1)	Provides financing, M&A and corporate advisory services to junior mining companies	325,000 Resulting Issuer Shares (1.51%)
James Ruane *Charlotte, North Carolina, USA*	Chairman(1)	Managing Member of Whitney Hill Partners; Management consulting	100,000 Resulting Issuer Shares (0.46%)
Chaanaka Abeyratne *Colombo, Sri Lanka*	Director(1)	Practicing attorney at law in Sri Lanka	100,000 Resulting Issuer Shares (0.46%)(2)

Notes:

1. Proposed Member of the Audit Committee. It is expected that Rodney Stevens will chair the Audit Committee.
2. Chaanaka Abeyratne holds a 10% interest (directly and indirectly) in C-Tech.

The term of office of the directors expires annually at the time of the Resulting Issuer's annual general meeting or when or until their successor is duly appointed or elected. The term of office of the Resulting Issuer's executive officers expires at the discretion of the Resulting Issuer's directors.

Directors of the Resulting Issuer will be appointed to the Audit Committee, Compensation Committee and the Corporate Governance and Nominating Committee following completion of the Proposed Qualifying Transaction in accordance with regulatory guidelines. See "*Part IV – Information Concerning the Resulting issuer – Audit Committee and Corporate Governance*" below.

Shareholdings of Directors and Executive Officers

As at the date of this Filing Statement, after giving effect to the Proposed Qualifying Transaction, the proposed directors and executive officers of the Resulting Issuer, as a group, will own, directly or indirectly, approximately 3,950,723 Resulting Issuer Shares, representing approximately 18.66% of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis), and assuming no convertible securities are exercised.

Biographies of Directors and Executive Officers

The following is a brief description of each of the proposed directors and executive officers of the Resulting Issuer.

Donald K. Baxter, President, Chief Executive Officer and a Director, Age 57

Don Baxter is one of the premier graphite experts outside of China, having built one of only two producing graphite mines in North America. Don is presently Chief Executive Officer and Director of Applied Graphite Technologies. He was also CEO of Ceylon Graphite (TSXV:CYL) from June 2021 until December 2022 resulting in extensive Sri Lankan experience. Prior to this, Don served as President, CEO and Executive Director of Alabama Graphite Corp., successfully completing the company's disruptive Preliminary Economic Assessment (PEA) and introducing a new, battery-focused strategy. As President and Chief Operating Officer of Focus Graphite Inc., Don led Focus Graphite to wide recognition in the graphite industry, updated the company's PEA and advanced the company to a completed Feasibility Study. He was also responsible for rapidly advancing the development of value-added graphite products, namely coated spherical purified graphite for the lithium-ion battery sector. Don served as President of Northern Graphite Corporation and was responsible for all technical aspects relating to the Bissett Creek graphite project, including the company's Feasibility Study, metallurgical test work, environmental and mine permitting, as well as developing battery-related graphite products. Don also served as Mine Superintendent at the Kearney Graphite Mine and was Director of Mining at Ontario Graphite Ltd. Don holds a degree in Mining Engineering from Queen's University, is a Registered Professional Engineer, and is a "Qualified Person" as defined in NI 43-101.

Sunil Sharma, Chief Financial Officer, Age 54

Mr. Sharma has over 20 years of experience in finance and accounting with public and private companies, having started his career in public practice. He has extensive experience in producing mines and mineral exploration companies. He has held progressively senior accounting positions at copper producers Huckleberry Mines and Taseko Mines Limited. Most recently, he held the position of Controller at Trilogy Metals Inc., a NYSE-American listed mineral exploration company, where he was responsible for all aspects of financial reporting and compliance. Mr. Sharma holds a Master of Business Administration degree from Simon Fraser University and is a Chartered Professional Accountant.

Melissa Martensen, Director, Age 44

Ms. Martensen is an experienced administrator with over 15 years as a corporate secretary, primarily in junior mining companies. Prior to transitioning to junior mining, she worked in private banking at RBC. Ms. Martensen graduated with a degree in finance from UNBC in Prince George. She holds the GPC.D designation from the Governance Professionals of Canada.

Ian Harris, Director, Age 49

Mr. Harris is a mining engineer with over 20 years' experience leading mining projects worldwide. Previously, he served as Chief Executive Officer of AMAK Mining and Para Resources. Mr. Harris was also Senior Vice President and Country Manager of Corriente Resources through feasibility, initial engineering, and commencement of construction at the Mirador mine in Ecuador. He successfully led the push to reactivate Corriente's mining projects in Ecuador by building national and local support and navigating through a new constitution and a new mining law, leading to the sale of Corriente for $690 million. Mr. Harris is bilingual in Spanish and English.

Rodney Stevens, Director, Age 49

Mr. Stevens is a Chartered Financial Analyst (CFA) Charterholder with over a decade of experience in the capital markets, first as an investment analyst with Salman Partners Inc. and subsequently as a merchant and investment banker. While at Salman Partners, he became a top-rated analyst by StarMine for the metals and mining industry. Mr. Stevens was also a Portfolio Manager registered with Wolverton Securities Ltd. and over the course of his career, he has been instrumental in assisting in financings and mergers and acquisitions activities worth over $1 billion in transaction value.

James Ruane, Chairman, Age 72

Mr. Ruane has thirty-one years of experience as a Managing Director with leading advisory firms such as PwC, KPMG, Huron Consulting and currently as Managing Member of Whitney Hill Partners. COO of a coal mining, coal processing and coking manufacturing company. He has provided a broad-based selection of services to customers in a wide range of industries both in the U.S. and abroad such as Interim Management, Operational Consulting, Chief Executive Officer, Chief Restructuring Officer, and Chapter 11 Bankruptcy Trustee. He has twelve years' experience in both specialized industries and traditional corporate lending, project financing, international trade financing, leverage lease financing, business valuations, corporate finance and mergers and acquisitions. Mr. Ruane obtained an MBA from Duke University in North Carolina.

Chaanaka Abeyratne, Age 49

Mr Abeyratne is a Director and Country Manager of AGT's Sri Lankan subsidiary. Chaanaka holds and LLB and is an Attorney at Law in Sri Lanka, with nearly 25 years' experience. He has been involved with the graphite mining industry in Sri Lanka for the last eight years and is an expert in permitting and compliance.

Promoters

There is no person or company that has been, within the two most recently completed financial years or during the current financial year, a Promoter of Audrey, other than Ian Slater. There is no person or company that has been, within the two most recently completed financial years or during the current financial year, a Promoter of AGT, other than Donald K. Baxter. See "*Directors, Officers and Promoters*" above for further information regarding Mr. Baxter.

Corporate Cease Trade Orders or Bankruptcies

Other than as described below, no proposed director, officer or Promoter of the Resulting Issuer, or any shareholder anticipated to hold sufficient number of securities of the Resulting Issuer to materially affect the control of the Resulting Issuer, is, or, within 10 years before the date of this Filing Statement, has been, a director, officer or Promoter of any person or company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order that denied the relevant company access to any exemptions under applicable securities legislation that was in effect for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Donald K. Baxter became the Chief Executive Officer of Ceylon Graphite Corp. ("Ceylon") in June 2021. Due to delays and restrictions relating to the COVID-19 pandemic, Ceylon did not complete its annual filings for the financial year ended March 31, 2021 on time. As a result, a management cease trade order (the "Order") was issued by the British Columbia Securities Commission. The annual filings were subsequently completed and the Order was revoked on September 22, 2021.

Penalties or Sanctions

No proposed director, officer or Promoter of the Resulting Issuer, or any shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to materially affect control of the Resulting Issuer; is, or, within the last 10 years, has been:

(c) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(d) subject to any other penalties or sanctions imposed by a court or regulatory body, including a self- regulatory body, that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No proposed director, officer or Promoter of the Resulting Issuer, or any shareholder anticipated to hold sufficient securities of the Resulting Issuer to materially affect the control of the Resulting Issuer, or a personal holding company of any such persons, has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

Interests of Management and Others in Material Transactions

Except as disclosed in this Filing Statement, to the knowledge of AGT and Audrey, no proposed director or executive officer of the Resulting Issuer, or person or company that will beneficially own, or control or direct, directly or indirectly, more than 10% of the Resulting Issuer Shares on completion of the Proposed Qualifying Transaction, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this Filing Statement that has materially affected or is reasonably expected to materially affect the Resulting Issuer.

Conflicts of Interest

Directors and officers of the Resulting Issuer may also serve as directors and/or officers of other companies engaged in mineral exploration, development and mining and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's-length negotiations but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Resulting Issuer which arise under applicable corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Resulting Issuer. It is expected that all conflicts of interest will be resolved in accordance with the BCBCA, the policies of the Exchange and all other applicable securities laws, regulations and policies. It is expected that any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Resulting Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been directors, officers or Promoters of other reporting issuers:

Name	**Name of Reporting Issuer**	**Exchange or Market**	**Position**	**From**	**To**
Donald K. Baxter, President, CEO & Director	Alabama Graphite Corp.	TSXV (delisted) OTCBQB FSE	President, CEO and Director	2015	2017
	Ceylon Graphite Corp.	TSXV OTC FSE	President, CEO and Director	2020	2022
	Focus Graphite Inc.	TSXV OTCQX FSE	President and COO	2013	2015
	Muzhu Mining Ltd.	CSE	CEO and Director	2020	2022

Name	**Name of Reporting Issuer**	**Exchange or Market**	**Position**	**From**	**To**
	Northern Graphite Corporation	TSXV OTCQB FSE XSTU	President	2011	2013
Ian Harris, Director	Canadian Nexus Team Ventures Corp.	CSE	Director	2016	2017
	Emperor Metals Inc.	TSXV OTCQB DE	Director	2021	Present
	Gladiator Metals Corp.	TSXV OTC FSE	Director	2021	Present
	Libero Copper & Gold Corporation	TSXV OTCQB DE	CEO President Director	2021	Present
	Outcrop Silver & Gold Corporation	TSXV OTCQX DE	CEO Director	2023	Present
	PEZM Gold Inc.	TSXV	Director	2020	Present
	Soma Gold Corp.	TSXV WKN OTC	Director	2016	2020
	StrikePoint Gold Inc.	TSXV WKN OTC	Director	2013	Present
	Universal Copper Ltd.	TSXV FSE	Director	2021	Present
Rodney Stevens, Director	Big Red Mining Corp.	CSE FSE	Director	2021	Present`
	Bocana Resources Corp.	TSXV FSE	Director	2022	Present
	Canada One Mining Corp.	TSXV	Director	2020	Present
	Ceylon Graphite Corp.	TSXV OTC FSE		2021	2023
	Discovery Harbour Resources Corp.	TSXV OTC FSE	Director	2017	Present
	GSP Resource Corp.	TSXV	Director	2023	Present

Name	**Name of Reporting Issuer**	**Exchange or Market**	**Position**	**From**	**To**
	Guyana Goldstrike Inc.	TSXV	Director	2017	Present
	Inca One Gold Corp.	TSXV OTCQB FSE	Director	2017	Present
	Kesselrun Resources Ltd.	TSXV OTCQB		2021	Present
	Luxxfolio Holdings Inc.	CSE OTCQB FSE	Director	2023	Present
	Muzhu Mining Ltd.	CSE	Director	2021	Present
	New Destiny Mining Corp.	TSXV		2023	2023
	New Pacific Holdings Corp.	TSX NYSE-A		2016	2017
	Nexus Gold Corp.	TSXV OTCQB FSE	Director	2017	Present
	Nexus Metals Corp.		Director	2022	Present
	NSJ Gold Corp.	CSE FSE	Director	2021	Present
	Origen Resources Inc.	CSE FSE		2023	Present
	Red Metal Resources Ltd.	CSE	VP of Corporate Finance	2021	Present
	Silver Wolf Exploration Ltd.	TSXV OTCQB		2021	Present
	Solis Minerals Ltd.	ASX TSXV OTCQB FSE		2021	Present
	Sparrow Ventures Corp.	TSXV		2010	2012
	Terra Balcanica Resources Corp.	CSE FRA		2023	Present
	Westminster Resources Ltd.	TSXV FSE		2021	Present
	WPD Pharmaceuticals Inc.	CSE FSE		2010	2012

Name	Name of Reporting Issuer	Exchange or Market	Position	From	To
James Ruane, Chairman	N/A	N/A	N/A	N/A	N/A
Chaanaka Abeyfatne, Director	N/A	N/A	N/A	N/A	N/A
Sunil Sharma, CFO	Libero Copper & Gold Corporation	TSXV OTCQB DE	CFO	2022	Present
	Outcrop Silver & Gold Corporation	TSXV OTCQX DE	CFO	2022	Present
	Zacapa Resources Ltd	TSXV OTCQB	CFO	2022	2023
Melissa Martensen, Corporate Secretary	Libero Copper & Gold Corporation	TSXV	Corporate Secretary	2021	Present
	Zacapa Resources Ltd.	TSXV	Corporate Secretary	2021	2023
	Outcrop Silver & Gold Corporation	TSXV	Corporate Secretary	2021	Present
	TAAL Distributed Information Technologies Inc.	CSE	Corporate Secretary	2020	2021
	Orex Minerals Inc.	TSXV	Corporate Secretary	2010	2019
	Barsele Minerals Corp.	TSXV	Corporate Secretary	2015	2019
	Silver Viper Minerals Corp.	TSXV	Corporate Secretary	2017	2019
	Dolly Varden Silver Corp.	TSXV	Corporate Secretary	2016	2019

Audit Committee and Corporate Governance

Audit Committee

Upon completion of the Proposed Qualifying Transaction, the audit committee of the Resulting Issuer ("**Audit Committee**") is expected to be composed of Rodney Stevens (Chair), James Ruane and Chaanaka Abeyratne. Each of Rodney Stevens, James Ruane and Chaanaka Abeyratne will be "**financially literate**" within the meaning of NI 52-110, and possess education or experience that is relevant for the performance of their responsibilities as an Audit Committee member.

Since the Resulting Issuer will be a "**venture issuer**" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the U.S., or a market outside of Canada and the U.S.), it will be exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110. Pursuant to subsection 6.1.1.(3) of NI 52-110, as well as policy 3.1 of the TSXV Corporate Finance Manual, a majority of the members of an audit committee of a venture issuer must not be executive officers, employees or control person of the venture issuer or of an affiliate of the venture issuer. Neither Rodney Stevens nor Chaanaka Abeyratne will be executive officers, employees or control person of the venture issuer or of an affiliate of the venture issuer. James Ruane will be an executive officer of the Resulting Issuer by virtue of his position as Chairman.

It is expected that the mandate of the Audit Committee will be to assist the Resulting Issuer Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Resulting Issuer. The Audit Committee will be responsible for: (i) conducting reviews and discussions with management and the external auditors relating to the audit and financial reporting; (ii) assessing the integrity of internal controls and financial reporting procedures; (iii) ensuring implementation of internal controls and procedures; (iv) reviewing the quarterly and annual financial statements and management's discussion and analysis of the Resulting Issuer; (v) selecting and monitoring the independence, performance and remuneration of the external auditors; and (vi) oversight of all disclosure relating to financial information. The Audit Committee will also be responsible for reviewing and following the procedures established in the Resulting Issuer's codes, policies and guidelines as may be established from time to time.

Corporate Governance

National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators sets out a series of guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance. Set out below is a description of the proposed approach of the Resulting Issuer to corporate governance in relation to the Guidelines.

Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the board, be reasonably expected to interfere with such member's independent judgment. It is expected that the Resulting Issuer Board will be comprised of five members, three of whom will be "independent directors" within the meaning of NI 58-101. Ian Harris, Rodney Stevens and James Ruane will be considered independent directors within the meaning of NI 58-101 since they are each independent of management and free from any material relationship with the Resulting Issuer. The basis for this determination is that, since the date of incorporation of AGT and Audrey, and following the Completion of the Proposed Qualifying Transaction, none of the independent directors have worked for either AGT or Audrey, received remuneration from either company or had material contracts with or material interests in either company which could interfere with their ability to act with a view to the best interests of the Resulting Issuer. Don Baxter will not be considered an independent director because he will also be an executive officer of the Resulting Issuer and Chaanaka Abeyratne will not be considered an independent director because he will hold approximately 10% of the voting shares of the operating subsidiary of the Resulting Issuer.

The Resulting Issuer Board is expected to function independently of management. To enhance its ability to act independent of management, the Resulting Issuer Board may in the future meet in the absence of members of management or may excuse such persons from all or a portion of any meeting where an actual or potential conflict of interest arises or where the Board otherwise determines is appropriate.

Directorships

Certain of the proposed directors of the Resulting Issuer are also current directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction. See "*Information Concerning the Resulting Issuer – Resulting Issuer Officers, Director and Promoters – Other Reporting Issuer Experience*" above.

Orientation and Continuing Education

On Completion of the Proposed Qualifying Transaction, the Resulting Issuer is not expected to have a formal orientation and education program for new board members, however, it is expected that sufficient information (such as recent financial statements, technical reports and various other operating, property and budget reports) will be provided to all new members of the Resulting Issuer Board to ensure that new directors are familiarized with the Resulting Issuer's business and the procedures of the Resulting Issuer Board. In addition, new directors will be encouraged to visit and meet with management on a regular basis. The Resulting Issuer will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Resulting Issuer. It is expected that the Resulting Issuer Board's continuing education will also consist of correspondence with the Resulting Issuer's legal counsel to remain up to date with developments in relevant corporate and securities law matters.

Ethical Business Conduct

The fiduciary duties placed on individual directors by the Resulting Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Resulting Board in which the director has an interest will ensure that the Resulting Issuer Board operates independently of management and in the best interests of the Resulting Issuer. Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the proposed directors of the Resulting Issuer also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director will be required to declare the nature and extent of his or her interest and will not be entitled to vote at meetings of directors at which matters that give rise to such a conflict of interest are considered.

Board Committees

Following the Completion of the Qualifying Transaction, it is expected that the Resulting Issuer Board will have three standing committees: the Audit Committee, a nominating and corporate governance committee (the "**Nominating and Corporate Governance Committee**"), and a compensation committee (the "**Compensation Committee**"). The proposed members of these committees are in this Filing Statement under the heading "*Audit Committee*" above, and under the headings *"— Nominating and Corporate Governance Committee*", and "*— Compensation Committee*" below.

Nomination of Directors

Responsibility for identifying new candidates to join the Resulting Issuer Board will belong to the Resulting Issuer Board as a whole. The Resulting Issuer Board will encourage all directors to participate in the process of identifying and recruiting new candidates. It is expected that the Nominating and Corporate Governance Committee will have the responsibility of making recommendations to the Resulting Issuer Board with respect to the new nominees and for assessing directors on an on-going basis. While there are no specific criteria for Resulting Issuer Board membership, it is expected that the Resulting Issuer will seek to attract and retain directors with business knowledge and a particular expertise in mineral exploration and development or other areas of specialized knowledge (such as finance) which will assist in guiding the officers of the Resulting Issuer. It is expected that the members of the Nominating and Corporate Governance Committee will be James Ruane (Chair) and Rodney Stevens.

Compensation Committee

The Compensation Committee will be responsible for assisting the Resulting Issuer in determining compensation of senior management of the Resulting Issuer as well as reviewing the adequacy and form of the directors' compensation. The Compensation Committee is expected to annually review the goals and objectives of the Chief Executive Officer for the upcoming year and to perform an appraisal of the Chief Executive Officer's performance for the past year. The Compensation Committee will also administer and make recommendations regarding the operation of the Resulting Issuer's incentive plans. It is expected that the members of the Compensation Committee will be Ian Harris and James Ruane.

The Compensation Committee will also review, on an annual basis, the adequacy and form of compensation of directors and officers and will ensure that the levels of compensation of the Resulting Issuer Board reflect the responsibilities, time commitment and risks involved in being an effective director. Because at the time of the Completion of the Proposed Qualifying Transaction the Resulting Issuer's status as a mineral company that is still in the exploration stage, the Resulting Issuer will have a relatively small number of employees and will rely extensively on the input and expertise of its non-employee directors. In its efforts to attract and retain experienced directors, the Resulting Issuer may compensate directors in part with grants of incentive stock options, thereby conserving its cash resources and aligning the directors' incentives with the interests of shareholders of the Resulting Issuer by providing them with the opportunity to participate in any increase in shareholder value that results from their contribution.

Assessments

The Resulting Issuer Board will consider the Resulting Issuer Board and committee performance from time to time, as required.

Executive Compensation

Overview

It is expected that following the completion of the Proposed Qualifying Transaction, the Resulting Issuer Board will appoint the Compensation Committee which will be responsible for ensuring that the Resulting Issuer has in place an appropriate plan for executive compensation and for making recommendations to the Resulting Issuer Board with respect to the compensation of the Resulting Issuer's executive officers. It is expected that the Compensation Committee will ensure that total compensation paid to all NEOs is fair and reasonable and is consistent with the Resulting Issuer's compensation philosophy.

It is expected that the Resulting Issuer's compensation philosophy will be to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options, which will be a significant component of executive compensation. This approach is based on the assumption that the performance of the Resulting Issuer Share price over the long term is an important indicator of long-term performance.

It is expected that the Resulting Issuer's compensation philosophy will be based on the following fundamental principles: (i) compensation programs align with shareholder interests – the Resulting Issuer aligns the goals of executives with maximizing long term shareholder value; (ii) performance sensitive – compensation for executive officers should be linked to operating and market performance of the Resulting Issuer and fluctuate with the performance; and (iii) offer market competitive compensation to attract and retain talent – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest caliber.

It is expected that the objectives of the compensation program in compensating all NEOs will be developed based on the above-mentioned compensation philosophy and are expected to be as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with shareholders' interests and with the execution of the Resulting Issuer's business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Aggregate compensation for each NEO is expected to be designed to be competitive. It is expected that the Compensation Committee will review from time to time the compensation practices of similarly situated companies when considering the Resulting Issuer's executive compensation policy. Although it is expected that the Compensation Committee will review each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Resulting Issuer, it will be primarily focused on remaining competitive in the market with respect to total compensation.

From time to time, on an ad hoc basis, it is expected that the Compensation Committee will review data related to compensation levels and programs of various companies that are similar in size to the Resulting Issuer and operate within the mining exploration and development industry. It is expected that the Compensation Committee will also rely on the experience of its members as officers and/or directors at other companies in similar lines of business as the Resulting Issuer in assessing compensation levels.

Aligning the Interests of the NEOs with the Interests of the Shareholders of the Resulting Issuer

Transparent, objective and easily verified corporate goals, combined with individual performance goals, is expected to play an important role in creating and maintaining an effective compensation strategy for the NEOs. It is expected that the planned objectives of the Resulting Issuer will be to establish benchmarks and targets for its NEOs which, if achieved, will enhance shareholder value. It is expected that a combination of fixed and variable compensation will be used to motivate executives to achieve overall corporate goals. It is expected that the three basic components of the Resulting Issuer's executive officer compensation program are expected to be: (i) fixed salary; (ii) annual incentives (cash bonus); and (iii) stock and option-based compensation.

It is expected that the fixed salary will comprise a portion of the total cash-based compensation; however, annual incentives and option based compensation represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Resulting Issuer Shares. To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Resulting Issuer Board is expected to consider each performance target and the Resulting Issuer's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

Base Salary

It is expected that the Compensation Committee and the Resulting Issuer Board will approve the salary ranges for the NEOs. The base salary review for each NEO will be based on assessment of factors such as current competitive market conditions, compensation levels within compensation practices of similarly situated companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. It is expected that the Resulting Issuer may consider comparative data for the Resulting Issuer's peer group which would be accumulated from a number of external sources including independent consultants. The Resulting Issuer's policy for determining salary for executive officers is expected to be consistent with the administration of salaries for all other employees.

Annual Incentives

It is expected that the Resulting Issuer, in its discretion, may award annual incentives in order to motivate executives to achieve short-term corporate goals. However, it is expected that the Resulting Issuer, in its discretion, may award such incentives in order to motivate executives to achieve short term corporate goals. It is expected that the Compensation Committee and the Resulting Issuer Board will approve annual incentives. The success of NEOs in achieving their individual objectives and their contribution to the Resulting Issuer in reaching its overall goals are to be factors in the determination of their annual bonus. It is expected that the Compensation Committee will assess each NEO's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Resulting Issuer that arise on a day-to-day basis. This assessment is expected to be used by the Compensation Committee in developing its recommendations to the Resulting Issuer Board with respect to the determination of annual bonuses for the NEOs. Where the Compensation Committee cannot unanimously agree, the matter is expected to be referred to the full Resulting Issuer Board for decision. It is expected that the Resulting Issuer Board will rely heavily on the recommendations of the Compensation Committee in granting annual incentives.

Option-Based Awards

The Resulting Issuer intends to grant Resulting Issuer Options to its directors, officers, employees and consultants; however, the details of such grants have not yet been determined and will be subject to the prior approval of the Resulting Issuer's board of directors. Such stock options are expected to be granted under the Stock Option Plan which will be assumed by the Resulting Issuer. For an overview of the Stock Option Plan, please see the discussion under the heading "*Part II – Information Concerning Audrey – Stock Option Plan*".

Compensation of Executives

It is expected that the Resulting Issuer Board will approve targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts are expected to be determined by the Compensation Committee based on a number of factors, including comparable compensation of similar companies. Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, is expected to trigger the award of a bonus payment to the NEOs. The NEOs are expected to receive a partial or full incentive payment depending on the number of the predetermined targets met and the Compensation Committee's and the Resulting Issuer Board's assessment of overall performance. It is expected that the determination as to whether a target has been met will ultimately be made by the Resulting Issuer Board and the Resulting Issuer Board will reserve the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. At or prior to the Effective Time, the Resulting Issuer expects to enter into employment and/or consulting agreements with each of its NEOs, pursuant to which the NEOs will provide management and administrative services to, and be compensated for those services by, the Resulting Issuer, as more particularly described below under the heading "Employment Agreements" below.

Employment Agreements

The Resulting Issuer may enter into employment or consulting agreements with any NEOs or key employees in connection with the Closing or in the 12 months following completion of the Acquisition, which agreements may include terms with respect to: (a) the resignation, retirement or other termination of employment of the NEO or key employee; (b) a change in control of the Resulting Issuer; or (c) a change in the NEO's responsibilities following a change in control of the Resulting Issuer.

The Resulting Issuer is not now and will not be at the Effective Time party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of any person.

Pension Plan Benefits

During the 12-month period following Completion of the Proposed Qualifying Transactions, it is not expected that the Resulting Issuer will provide for defined benefit plans or defined contribution plans, being plans that provide for payments or benefits at, following, or in connection with retirement, or provide for deferred compensation plans.

Compensation of Directors

It is anticipated that the directors of the Resulting Issuer will not be paid fees for their services following the Completion of the Proposed Qualifying Transaction; however, any future payments of fees and the amounts of such fees will be determined in the discretion of the board of directors of the Resulting Issuer following completion of the Proposed Qualifying Transaction. The Resulting Issuer may also grant stock options to directors in recognition of the time and effort that such directors devote to the Resulting Issuer.

Compensation Risk Considerations

It is expected that the Compensation Committee will be responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Resulting Issuer anticipates the programs will be balanced and will not motivate unnecessary or excessive risk taking. The Resulting Issuer does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Resulting Issuer, as of the date of hereof, no proposed director or NEO of the Resulting Issuer has participated in the purchase of such financial instruments.

Base salaries are expected to be fixed at an amount that will not encourage risk taking. While annual incentive awards will focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, it is expected that the Resulting Issuer's annual incentive award program will represent a small percentage of employees' compensation opportunities. Annual incentive awards are expected to be based on various personal and company-wide achievements. Such performance goals are subjective and include achieving individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities which would trigger the award of a bonus payment to the NEO. The determination as to whether a target has been met will ultimately be made by the Resulting Issuer Board (after receiving recommendations of the Compensation Committee) and the Resulting Issuer Board will reserve the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Funding of the annual incentive awards will be capped at the company level and the distribution of funds to the executive officers will be at the discretion of the Compensation Committee.

It is expected that stock option awards will be important to further align employees' interests with those of the shareholders of the Resulting Issuer. It is expected that the ultimate value of the awards will be tied to the price of the Resulting Issuer Shares and since awards are expected to be staggered and subject to long-term vesting schedules, they will help ensure that NEOs have significant value tied in long-term stock price performance.

Indebtedness of Directors and Officers

No individual who is, or at any time since the beginning of the most recently completed financial year of Audrey or AGT, was, a director or officer of Audrey or AGT, no proposed director or officer of the Resulting Issuer, and no associate of any such director, officer or proposed nominee, is indebted to Audrey or AGT or any of its subsidiaries (other than for "routine indebtedness" as defined by applicable securities legislation) or has any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Audrey, AGT or any of its subsidiaries.

Investor Relations Arrangements

There is no written or oral agreement or understanding that has been reached with any person to provide any promotional or investor relations services for the Resulting Issuer.

Security Based Compensation

Security Based Compensation Plans

Upon completion of the Proposed Qualifying Transaction, the Resulting Issuer will retain the Stock Option Plan adopted by Audrey. For an overview of the Stock Option Plan, please see the discussion under the heading "*Part II – Information Concerning Audrey – Stock Option Plan*".

Options to Purchase Securities

Other than as set out in the table below, as at the date of this Filing Statement, there are no stock options to purchase securities of the Resulting Issuer that will be held upon Completion of the Proposed Qualifying Transaction by:

- proposed officers of the Resulting Issuer as a group and proposed directors of the Resulting Issuer who are not also officers as a group;
- officers of all subsidiaries of the Resulting Issuer as a group and directors of those subsidiaries who are not also officers of the subsidiary as a group;
- other employees of the Resulting Issuer as a group;
- consultants of the Resulting Issuer as a group; and
- any other person or company, including any agent or underwriter.

The following table sets out information, as of the date of this Filing Statement, of stock options to purchase Resulting Issuer Shares that will be held upon completion of the Proposed Qualifying Transaction to the extent presently known and subject to applicable regulatory approvals:

Class of Optionee	Name of Holder	Type of Security	Number of Resulting Issuer Shares Under Option	Exercise Price	Expiry Date
Former officers and directors of Audrey	As a group	Resulting Issuer Options	1,333,333	$0.15	November 26, 2026

Escrowed Securities

CPC Escrowed Shares

The following table sets out, as of the date of this Filing Statement and to the knowledge of Audrey and AGT, the name and municipality of residence of the holders of the aggregate of approximately 9,000,000 Resulting Issuer Shares (the "**CPC Escrowed Shares**"), and 1,333,333 Resulting Issuer Options ("**CPC Escrowed Options**" and together with the CPC Escrowed Shares, the "**CPC Escrowed Securities**"), which were originally issued prior to or in connection with the CPC IPO and will continue to be subject to an Exchange Form 2F – CPC Escrow Agreement (on an undiluted basis):

Name and Municipality of Residence of Shareholder	**Number and Percentage of Resulting Issuer Shares After Giving Effect to the Proposed Qualifying Transaction**	**Number and Percentage of Resulting Issuer Options After Giving Effect to the Proposed Qualifying Transaction**
Slater Capital Corporation(1) *Vancouver, British Columbia*	2,666,667 (12.38%)	-
BT Advisory Inc.(2) *Montreal, Quebec*	1,333,333 (6.19%)	-
BT Global Capital Inc.(2) *Montreal, Quebec*	1,333,333 (6.19%)	-
J. Sujir Law Corporation(3) *Vancouver, British Columbia*	666,667 (3.10%)	-
Peter Roth *Vancouver, British Columbia*	266,667 (1.24%)	133,333 (10%)
Ian Slater *Vancouver, British Columbia*	-	400,000 (30%)
Paul Beattie *Montreal, Québec*	-	400,000 (30%)
Jay Sujir *Vancouver, British Columbia*	-	200,000 (15%)
Mary Braun(4) *Vancouver, British Columbia*	33,333 (0.15%)	-
Koi Communications Corporation(5) *Vancouver, British Columbia*	2,666,667 (12.38%)	-
Total	**9,000,000 (41.79%)**	**1,133,333 (85%)(6)**

Notes:

1. A company related to Ian Slater.
2. A company 100% beneficially owned and controlled by Paul Beattie.
3. A company 100% beneficially owned and controlled by Jay Sujir.

4. Mary Braun is the former CFO and Corporate Secretary of Audrey.
5. A company 100% beneficially owned and controlled by Jackie Cheung.
6. Based on 2,000,000 Audrey Options granted and outstanding, adjusted to be exercisable into 1,333,333 Resulting Issuer Options.

QT Escrowed Shares

The following table sets out, as of the date of this Filing Statement and to the knowledge of Audrey and AGT, the name and municipality of residence of the holders whose Resulting Issuer Shares (the "**QT Escrowed Shares**") will be subject to an Exchange Form 5D – Escrow Agreement (on an undiluted basis):

Name and Municipality of Residence of Shareholder	**Number and Percentage of Resulting Issuer Shares After Giving Effect to the Proposed Qualifying Transaction**	**Number and Percentage of Resulting Issuer Options After Giving Effect to the Proposed Qualifying Transaction**
1163863 Ontario Ltd.[(1)] *Huntsville, Ontario*	2,837,845 (13.4%)	-
Ian Harris *Vancouver, British Columbia*	554,545 (2.62%)	-
Melissa Martensen *Vancouver, British Columbia*	33,333 (0.15%)	200,000 (%)
Rodney Stevens *Delta, British Columbia*	325,000 (1.54%)	-
James Ruane *Charlotte, North Carolina, USA*	100,000 (0.47%)	-
Chaanaka Abeyratne *Colombo, Sri Lanka*	100,000 (0.47%)	
Total	**3,950,723 (18.35%)**	**200,000 (15%)**

Notes:

1. A company 100% beneficially owned and controlled by Donald K. Baxter.

Release Terms of the Escrow for the CPC Escrowed Shares

Pursuant to the CPC Escrow Agreement, the CPC Escrowed Securities are held in escrow by Olympia Trust Company as the escrow agent. The CPC Escrow Agreement provides that the CPC Escrowed Securities shall not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the written consent of the Exchange. The CPC Escrowed Securities will be released from escrow as follows: 25% of the CPC Escrowed Securities will be released from escrow on the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional 25% will be released on the dates 6 months, 12 months, and 18 months following the Initial Release.

Release Terms of the Escrow for the QT Escrowed Shares

The QT Escrowed Shares listed above are expected to be subject to the QT Escrow Agreement. The QT Escrow Agreement will provide for a 36-month escrow release mechanism with 5% of the QT Escrowed Shares being releasable at the time of the Final Exchange Bulletin, 5% of the QT Escrowed Shares being releasable six months after the time of Final Exchange Bulletin, 10% of the QT Escrowed Shares being releasable 12 months after the time of Final Exchange Bulletin, and 10% of the QT Escrowed Shares being releasable 18 months after the time of Final Exchange Bulletin, 15% of the QT Escrowed Shares being releasable 24 months after the time of Final Exchange Bulletin, 15% of the QT Escrowed Shares being releasable 30 months after the time of Final Exchange Bulletin, and 40% of the QT Escrowed Shares being releasable 36 months after the time of Final Exchange Bulletin.

Where the QT Escrowed Shares are held by a non-individual (a "**holding company**"), each holding company pursuant to the applicable escrow agreement has agreed, or will agree, not to carry out any transactions during the currency of the escrow agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

The QT Escrowed Shares may not be transferred within escrow without the approval of the Exchange for release or transfer other than in specified circumstances set out in the applicable escrow agreement.

Auditor, Transfer Agent and Registrar

Following the completion of the Proposed Qualifying Transaction, it is expected that the auditors of the Resulting Issuer will be Davidson & Company LLP, Chartered Professional Accountants, located at its offices located at 1200 – 609 Granville Street, Vancouver, British Columbia, P.O. Box 10372.

The registrar and transfer agent of the Resulting Issuer will be Olympia Trust Company (the current registrar and transfer agent of Audrey) at its principal office at 1900-925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, Canada.

Risk Factors

AN INVESTMENT IN SECURITIES OF THE RESULTING ISSUER IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of Audrey and AGT consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of Audrey, AGT or the Resulting Issuer. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Resulting Issuer's business, actually occur, the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Resulting Issuer's securities could decline and investors may lose all or part of their investment.

Risk Factors Relating to Audrey

The Proposed Qualifying Transaction may not be Completed

The completion of the transactions is subject to certain conditions, including (a) obtaining all necessary regulatory approvals, including Exchange approval of the Proposed Qualifying Transaction, the Consolidation and the Name Change and other transactions comprising part of the Proposed Qualifying Transaction, (b) the approval by the AGT Shareholders of the Amalgamation and the transactions contemplated therein, and (c) other customary conditions. There can be no assurance that all of the necessary regulatory and shareholder approvals will be obtained. If the transactions contemplated by the Qualifying Transaction Agreement are not completed for these reasons or for any other reasons, Audrey will have incurred significant costs associated with the failed implementation of the Proposed Qualifying Transaction.

Furthermore, Audrey has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that Audrey will be able to identify a suitable Qualifying Transaction in future. Even if a proposed Qualifying Transaction is identified in the future, the completion of such other Qualifying Transaction will be subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, approval of the majority of the minority shareholders.

Limited Operating History and History of Losses

Audrey has not commenced commercial operations and has no assets other than cash. Audrey has no history of earnings and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until completion of a Qualifying Transaction, Audrey is not permitted to carry on any business other than the identification and evaluation of potential transactions.

Dilution

The Proposed Qualifying Transaction will be financed all or in part by the issuance of additional securities of Audrey and this will result in further dilution to the current Audrey Shareholders, which dilution will be significant and will result in a change of control of Audrey.

Management and Conflicts of Interest

The ability of Audrey to successfully complete a Qualifying Transaction is dependent on the performance of its current directors and officers, who only devote a portion of their time to the business and affairs of Audrey and are, or will be, engaged in other projects or businesses. The current directors, officers and Promoters of Audrey also serve as directors and/or officers of other companies which may compete with Audrey in its search for the businesses or assets targeted in order to complete a Qualifying Transaction. Accordingly, situations may arise where the directors, officers and Promoters of Audrey are in a position of conflict with Audrey.

Risk Factors Relating to the Resulting Issuer

Limited Operating History

AGT has only a limited operating history upon which an evaluation of AGT and its prospects can be based. AGT has no history of generating profits. The Resulting Issuer expects to continue to incur losses unless and until such time as it develops its properties and commences operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Resulting Issuer's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with strategic parties, if any. There can be no assurance that the Resulting Issuer will generate operating revenues or profits in the future.

Nature of Mineral Exploration

Resource exploration and development is a speculative business and involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The properties in which the Resulting Issuer holds an interest are without a known mineral resource or reserve. Each of the proposed programs on the properties is an exploratory search for resources or additional resources. There is no assurance that commercial quantities of resources will be discovered. There is also no assurance that even if commercial quantities of resources are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade, ground conditions and proximity to infrastructure, community relations, metal prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Resulting Issuer not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Resulting Issuer towards the search and evaluation of mineral deposits will result in discoveries of economic commercial quantities of ore.

Dependence on One Material Mineral Project

The Dodangaslanda Graphite Project is the only material property in which AGT currently holds an interest. As such, the operations of the Resulting Issuer will be dependent on the Dodangaslanda Graphite Project, which may never develop into commercially viable ore bodies. Any adverse development affecting the Dodangaslanda Graphite Project will have a material adverse effect on the Resulting Issuer's business, prospects, financial performance and results of operations.

No Mineral Reserves/Mineral Resources

The Resulting Issuer's projects are currently considered to be in the exploration stage only. AGT has not found any mineral resources or mineral reserves on its mineral properties and there can be no assurance that any of the mineral claims under exploration contain commercial quantities of any minerals. AGT has identified prospects based on available geological information that indicates the potential presence of minerals. However, the areas that the Resulting Issuer decides to mine may not yield minerals in commercial quantities or qualities, or at all. Most of AGT's current prospects are in various stages of evaluation that will require substantial drill-hole data interpretation. Even when properly used and interpreted, drill hole data analysis techniques are only tools used to assist geoscientists in identifying subsurface structures and mineral indicators and do not enable the interpreter to know whether minerals, are, in fact, present in those structures. AGT does not know if any of its prospects will contain minerals in sufficient quantities or quality to recover exploration costs or to be economically viable. Even if commercial quantities of minerals are identified, there can be no assurance that the Resulting Issuer will be able to exploit the reserves or, if the Resulting Issuer is able to exploit them, that it will do so on a profitable basis.

Operational Risks

Mineral exploration and mining involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include unusual or unexpected formations, formation pressures, inclement weather conditions, seismic activity, fires, power outages, industrial accidents, flooding, explosions, rock bursts, cave-ins or pit wall failures and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, catastrophic damage to property or loss of life, labour disruptions, technological failure of mining methods, equipment failure or the inability to obtain suitable or adequate machinery, equipment or labour. Operations in which the Resulting Issuer will have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. Although the Resulting Issuer intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Resulting Issuer could incur significant costs that could have a materially adverse effect upon its financial condition.

Political and Economic Risks

The Resulting Issuer's mineral properties are located in and its activities will be conducted in Sri Lanka and as such the Resulting Issuer will be exposed to various levels of political, economic and other risks and uncertainties associated with carrying on business in Sri Lanka. These risks include but are not limited to, political instability, an unpredictable legal system, civil unrest, inconsistent and unsophisticated land tenure system, government land policy and government ownership of or participation in mining projects, high levels of corruption, significant delays in permitting and approvals, fluctuations in currency exchange rates, high rates of inflation, excessive import duties and taxes on the importation of equipment, expropriation and nationalization, restrictions on foreign ownership, possible future restrictions on foreign exchange and repatriation, changes in taxation, labour and mining regulations and policies, and changing political conditions, currency controls, and government regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ local citizens.

Changes, if any, in mining or investment policies, or shifts in political attitude in Sri Lanka, may adversely affect the Resulting Issuer's operations or profitability. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications, and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Government Regulation, Processing Licences and Permits

The operations of the Resulting Issuer will require licenses and permits from various governmental authorities. There can be no assurance that the Resulting Issuer will be able to obtain all necessary licenses and permits that may be required to carry out the exploration and development of its projects in a timely manner or at all.

The activities of the Resulting Issuer will be subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Resulting Issuer intends to carry out its activities in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

The Resulting Issuer's operations will also be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties.

Future Capital Needs and Uncertainty of Additional Financing

The Resulting Issuer plans to focus on exploring for minerals and will use its working capital to carry out such exploration. AGT currently anticipates that the Resulting Issuer's expected cash on hand as of the Effective Date will be sufficient to meet its presently anticipated working capital and capital expenditure requirements over the next 12 months. However, the exploration and development of the Resulting Issuer's properties may require substantial additional financing. The exploration and development of the various mineral properties in which the Resulting Issuer holds interests and the acquisition of additional properties depend upon the Resulting Issuer's ability to obtain financing through joint ventures of projects, stream financing, debt financing, equity financing or other means. Although AGT has been successful in raising funds to date, there can be no assurance that the Resulting Issuer will be able to obtain adequate financing in the future or that the terms of such financing will be favourable to the Resulting Issuer. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Resulting Issuer's projects or could cause the Resulting Issuer to reduce or terminate its operations or lose its interest in its properties and cease to continue as a going concern. In addition, there can be no assurance that future financing can be obtained without substantial dilution to existing shareholders. Additional financing needed to continue funding the exploration and development of the Resulting Issuer's projects may require the issuance of additional securities of the Resulting Issuer. The issuance of additional securities and the exercise of common share purchase warrants, stock options and other convertible securities will result in dilution of the equity interests of any persons who are or may become holders of Resulting Issuer Shares.

Global Financial and Economic Conditions

Current global financial and economic conditions, while improving, remain volatile. Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Such factors may impact the Resulting Issuer's ability to obtain financing in the future on favourable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Resulting Issuer's operations and financial condition could be adversely impacted.

Corruption and Bribery

The Resulting Issuer must comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act as well as similar laws in the countries in which the Resulting Issuer conducts its business. Such laws apply to all directors, officers, employees, consultants and agents of the Resulting Issuer and each subsidiary thereof. If the Resulting Issuer finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Resulting Issuer, which may have a material adverse effect on it.

Title Risks

Although the Resulting Issuer has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Resulting Issuer's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

Labour and Employment Matters

While AGT has good relations with its employees, these relations may be impacted by changes in labour laws which may be introduced by the relevant governmental authorities in jurisdictions in which the Resulting Issuer carries on business. Adverse changes in such legislation may have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition.

Outside Contractor Risks

It is common for certain aspects of mining and development operations, such as construction management, engineering and procurement, drilling, blasting and underground development, to be conducted by outside contractors. As a result, the Resulting Issuer is subject to a number of risks, including: reduced control over the aspects of the tasks that are the responsibility of the contractors; failure of the contractors to perform under its agreement with the Resulting Issuer; inability to replace the contractors if their contracts are terminated; interruption of services in the event that the contractors cease operations due to insolvency or other unforeseen events; failure of the contractors to comply with applicable legal and regulatory requirements; and failure of the contractors to properly manage its workforce resulting in labour unrest or other employment issues.

Health and Safety Risk

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Resulting Issuer and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Resulting Issuer as an employer. Failure to comply with applicable health and safety laws may result in injunctions, damages, suspension or revocation of licences or permits and the imposition of penalties. There can be no assurance that the Resulting Issuer will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future health and safety laws and permits will not adversely affect the Resulting Issuer's business, results of operations, financial condition or prospects. The Resulting Issuer will have rigorous procedures in place to manage health and safety protocols in order to reduce the risk of occurrence and the severity of any accident, and will continually invest time and resources to enhance health and safety at all operations. The Resulting Issuer will have insurance policies in place to cover accidents and will regularly monitor the adequacy of such policies.

Environmental Matters

The Resulting Issuer's operations will be subject to local laws and regulations regarding environmental matters, the use or abstraction of water, and the discharge of mining wastes and materials. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Resulting Issuer, including the suspension or cessation of operations. Environmental laws and regulations change frequently, and the implementation of new, or the modification of existing, laws or regulations could harm the Resulting Issuer. The Resulting Issuer cannot predict how agencies or courts in foreign countries will interpret existing laws and regulations or the effect that these adoptions and interpretations may have on the Resulting Issuer's business or financial condition.

The Resulting Issuer may be required to make significant expenditures to comply with governmental laws and regulations. Any significant mining operations will have some environmental impact, including land and habitat impact, arising from the use of land for mining and related activities, and certain impact on water resources near the project sites, resulting from water use, rock disposal and drainage run-off. No assurances can be given that such environmental issues will not have a material adverse effect on the Resulting Issuer's operations in the future. Environmental hazards may exist on the properties in which the Resulting Issuer holds interests which are unknown to AGT at the present time and which have been caused by previous or existing owners or operators of the properties. While AGT believes it does not currently have any material unsatisfied environmental obligations, exploration activities may give rise in the future to significant liabilities on the Resulting Issuer's part to the government and third parties and may require the Resulting Issuer to incur substantial costs of remediation. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Additionally, the Resulting Issuer does not intend to maintain insurance against environmental risks. As a result, any claims against the Resulting Issuer may result in liabilities the Resulting Issuer will not be able to afford, resulting in the failure of the Resulting Issuer's business. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation of existing laws, could have a material adverse impact on the Resulting Issuer and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new exploration properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important factors affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Resulting Issuer's operations, financial condition and results of operations.

Fluctuation in Market Prices

The Resulting Issuer's profitability and long-term viability will depend, in large, on the market price of graphite. The market prices for that commodity is volatile and is affected by numerous factors beyond the Resulting Issuer's control, including: global or regional consumption patterns; the supply of, and demand for, graphite; consumer product demand levels; international economic trends; operational costs; expectations for inflation; and political and economic conditions, including interest rates and currency values. The effect of these factors cannot accurately be predicted.

The marketability of metals is affected by factors such as government regulation of prices, royalties, production limits and the importation and exportation of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of metals produced by the Resulting Issuer's operations.

Key Personnel

Locating and developing mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and production personnel involved. The success of the Resulting Issuer is largely dependent on the performance of its key personnel. The Resulting Issuer's success is also largely dependent on its ability to hire and retain other highly qualified personnel. This is particularly true in highly technical businesses such as mineral exploration. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for this workforce is intense. As the Resulting Issuer's business activity grows, the Resulting Issuer will require additional key executive, financial, operational, administrative and mining personnel The Resulting Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. These individuals are in high demand and the Resulting Issuer may not be able to attract the personnel it needs. Failure to retain key personnel or to attract and retain additional key individuals with necessary skills could have a materially adverse impact upon the Resulting Issuer's business, its operating results as well as its overall financial condition. The Resulting Issuer has not purchased any "**key-man**" insurance with respect to any of its directors, officers or key employees and has no current plans to do so.

The Resulting Issuer may Incur Losses for the Foreseeable Future

The Resulting Issuer expects to incur losses unless and until such time as the Resulting Issuer's operations generate sufficient revenues to fund continuing operations. The Resulting Issuer cannot provide assurance that it will ever achieve profitability.

Insurance and Uninsured Risk

The business of the Resulting Issuer will be subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, explosions, rock bursts, cave-ins, natural phenomena such as inclement weather conditions, floods and earthquakes, changes in the regulatory environment and political or social instability. Such occurrences or events could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Resulting Issuer or others, delays in mining, monetary losses and possible legal liability.

Although, the Resulting Issuer plans to maintain insurance for protection against certain risks in amounts it considers being reasonable, such insurance may not cover all the potential risks associated with Resulting Issuer's operations. The Resulting Issuer may also decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against political risk and risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Resulting Issuer or to other companies in the mining industry on acceptable terms. The Resulting Issuer will periodically evaluate the cost and coverage of the insurance against certain risks to determine if it would be appropriate to obtain such insurance. Without such insurance, losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, the litigation process could take away from management time and efforts and the resolution of any particular legal proceeding to which the Resulting Issuer may become subject could have a material adverse effect on the Resulting Issuer's financial position, results of operations or the Resulting Issuer's property development.

Information Technology

The Resulting Issuer will be reliant on the continuous and uninterrupted operations of its information technology ("**IT**") systems. User access and security of all IT systems are critical elements to the operations of the Resulting Issuer. Protection against cyber security incidents and cloud security, and security of all of the Resulting Issuer's IT systems, are critical to the operations of the Resulting Issuer. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Resulting Issuer. The Resulting Issuer stores all of its proprietary data on servers including, but not limited to, financial records, drilling databases, technical information, legal information, licences and human resource records. The Resulting Issuer utilizes standard protocols and procedures in protecting and backing up electronic records; however, there is no assurance that third parties will not illegally access these records which could have a material adverse effect on the Resulting Issuer.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Resulting Issuer may become subject to conflicts of interest. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer. However, in conflict of interest situations, the Resulting Issuer's directors and officers may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions. Circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Resulting Issuer.

Competition

The Resulting Issuer may compete with other exploration, development and production companies which may have greater financial resources and technical abilities for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. The Resulting Issuer's ability to increase the number of properties that it holds in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select, acquire and develop suitable properties or prospects.

Acquisitions and Integration

From time to time, it can be expected that the Resulting Issuer will examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Resulting Issuer may choose to complete may be of a significant size, may change the scale of the Resulting Issuer's business and operations, and may expose the Resulting Issuer to new geographic, political, social, operating, financial and geological risks. The Resulting Issuer's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Resulting Issuer. Any acquisition would typically be accompanied by risks. If the Resulting Issuer chooses to raise debt capital to finance any such acquisitions, the Resulting Issuer's leverage will be increased, along with potential additional performance and covenant requirements which may increase the risk of default or reduced capital. If the Resulting Issuer chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Resulting Issuer may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Future Sales of Resulting Issuer Shares by Existing Shareholders

Sales of a large number of Resulting Issuer Shares in the public markets, or the potential for such sales, could decrease the trading price of the Resulting Issuer Shares and could impair the Resulting Issuer's ability to raise capital through future sales of Resulting Issuer Shares. In addition, shareholders of the Resulting Issuer who have an investment profit in the Resulting Issuer Shares that they own may seek to liquidate their holdings, which could decrease the trading price of the Resulting Issuer Shares and could also impair the Resulting Issuer's ability to raise capital through future sales of Resulting Issuer Shares.

Market Price and Volatile Securities Markets

Currently there is no public market for the AGT Shares, and there can be no assurance that an active market for the Resulting Issuer Shares will develop or be sustained after Completion of the Proposed Qualifying Transaction. If an active public market for the Resulting Issuer Shares does not develop, the liquidity of an investor's investment in the Resulting Issuer Shares may be limited and the share price may decline. Worldwide securities markets have been experiencing a high level of price and volume volatility and market prices of securities of many companies have experienced unprecedented declines in prices which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Market forces may render it difficult or impossible for the Resulting Issuer to secure purchasers to purchase its securities at a price which will not lead to severe dilution to existing shareholders, or at all. In addition, shareholders may realize less than the original amount invested on dispositions of their Resulting Issuer Shares during periods of such market price decline.

The Resulting Issuer has no Immediate Plans to Pay Regular Dividends on the Resulting Issuer Shares

The Resulting Issuer does not currently have plans to pay regular dividends on its Resulting Issuer Shares. Any declaration and payment of future dividends to holders of Resulting Issuer Shares will be at the sole discretion of the Resulting Issuer Board and will depend on many factors, including the financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations of the Resulting Issuer that the Resulting Issuer Board deems relevant.

Availability of Reasonably Priced Raw Materials

The Resulting Issuer will require a variety of raw materials in its business. To the extent these materials are unavailable or available only at significantly increased prices, the Resulting Issuer's financial performance could be adversely impacted.

PART V – GENERAL MATTERS

Sponsorship

The Exchange has advised Audrey that it qualifies for an exemption from the sponsorship requirements of the Exchange in connection with the Proposed Qualifying Transaction.

Experts

Reports and Opinions

The following professional persons have prepared reports or provided opinions that are either included in or referred to in this Filing Statement:

- Davidson & Company LLP have provided an auditors' report on the financial statements of Audrey for the years ended December 31, 2022 and 2021, a copy of which is attached hereto as part of Schedule "**A**".

- Manning Elliott LLP have provided an auditors' report on the financial statements of AGT for years ended December 31, 2022 and 2021, a copy of which is attached hereto as part of Schedule "**C**".

- Christian Derosier, P.Geo., M.Sc., D.Sc., is the author of the Technical Report and an "independent qualified person" (within the meaning of NI 43-101) responsible for the preparation of the Technical Report.

Interest of Experts

Except as disclosed herein, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds more than 1% beneficial interest, direct or indirect, in any property of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer and no such person is a Promoter of the Resulting Issuer or an associate or affiliate of Audrey or the Resulting Issuer.

Davidson & Company LLP has informed Audrey that it is independent with respect to the Resulting Issuer within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Manning Elliott LLP has informed AGT that it is independent with respect to the Resulting Issuer within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Other Material Facts

There are no material facts about Audrey, AGT, the Resulting Issuer or the Proposed Qualifying Transaction that are not disclosed under the preceding items and are necessary in order for the Filing Statement to contain full, true and plain disclosure of all material facts relating to Audrey, AGT and the Resulting Issuer, assuming Completion of the Proposed Qualifying Transaction.

Board Approval

This Filing Statement has been approved by the board of directors of each of Audrey and AGT. Where information contained in this Filing Statement rests particularly with the knowledge of a Person other than Audrey and AGT, each has relied upon information furnished by such Person.

Financial Statement Requirements

Financial statements for each of Audrey, AGT and the Resulting Issuer may be found attached hereto at Schedules “A” through “D”, respectively.

CERTIFICATE OF AUDREY CAPITAL CORPORATION

Dated: 29th day of February, 2024

The foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities of Audrey Capital Corporation assuming Completion of the Proposed Qualifying Transaction.

"Ian Slater"

Name: Ian Slater

Title: President, Chief Executive Officer & Chief Financial Officer

On behalf of the board of directors of Audrey Capital Corporation

"Jay Sujir"

Name: Jay Sujir

Title: Director

"Peter Roth"

Name: Peter Roth

Title: Director

CERTIFICATE OF APPLIED GRAPHITE TECHNOLOGIES CORPORATION

Dated: 29th day of February, 2024

The foregoing, as it relates to Applied Graphite Technologies Corporation, constitutes full, true and plain disclosure of all material facts relating to the securities of Applied Graphite Technologies Corporation.

"Donald K. Baxter"

Name: Donald K. Baxter
Title: President & Chief Executive Officer

On behalf of the board of directors of Applied Graphite Technologies Corporation

"James Ruane"	*"Paul J. Fisher"*
Name: James Ruane	Name: Paul J. Fisher
Title: Director	Title: Director

PERSONAL INFORMATION

"**Personal Information**" means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.3, 18, 22, 23, 25, 30.3, 31, 32, 33, 34, 35, 36, 37, 40 and 41 of Form 3B2 – Information Required in a Filing Statement For A Qualifying Transaction, as applicable.

Audrey Corp. hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

the disclosure of Personal Information by Audrey Capital Corporation to the Exchange pursuant to the Exchange pursuant to Form 3B2 – Information Required in a Filing Statement For A Qualifying Transaction; and

the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange's Appendix 6B or as otherwise identified by the Exchange, from time to time.

DATED this 29th day of February, 2024

"Ian Slater"

Name:	Ian Slater
Title:	President, Chief Executive Officer & Chief Financial Officer

SCHEDULE "A"

**AUDITED FINANCIAL STATEMENTS OF AUDREY
FOR THE YEARS ENDED DECEMBER 31, 2022 & 2021**

AND

**UNAUDITED FINANCIAL STATEMENTS OF AUDREY
FOR THE INTERIM PERIOD ENDED SEPTEMBER 30, 2023**

AUDREY CAPITAL CORPORATION

FINANCIAL STATEMENTS

For the period from incorporation on March 9, 2021 to December 31, 2021 and year ended December 31, 2022

(Stated in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Audrey Capital Corporation

Opinion

We have audited the accompanying financial statements of Audrey Capital Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the year ended December 31, 2022 and the period from incorporation on March 9, 2021 to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ("KAMs") are those matters that in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate within our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Carmen Newnham.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

March 16, 2023

AUDREY CAPITAL CORPORATION
STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian dollars)

	Note	December 31, 2022	December 31, 2021
ASSETS			
Current Assets			
Cash and cash equivalents		$ 1,020,724	$ 954,550
Receivables		495	3,042
		$ 1,021,219	$ 957,592
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	*5, 6*	$ 14,205	$ 27,617
		14,205	27,617
Shareholders' equity			
Share capital	*4(a), 4(b)*	1,207,151	1,057,151
Stock-based reserves	*4 (c)*	212,438	123,478
Warrant reserves	*4(d)*	34,299	34,299
Deficit		(446,874)	(284,953)
		1,007,014	929,975
		$ 1,021,219	$ 957,592

Corporate information and continuance of operations *1*

Approved for issue by the Board of Directors on March 16, 2023:

Signed on the Company's behalf by:

"Ian Slater"
Ian Slater, Director

"Jay Sujir"
Jay Sujir, Director

The accompanying notes form an integral part of these financial statements.

AUDREY CAPITAL CORPORATION
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Stated in Canadian dollars)

	Note		Year ended December 31, 2022		From Incorporation on March 9, 2021 to December 31, 2021
EXPENSES					
General & administrative		$	37,234	$	27,222
Filing fees			17,447		113,450
Professional fees	*4(c), 6(b)*		18,280		20,803
Share-based compensation	*6(b)*		88,960		123,478
Loss and comprehensive loss for the period		$	(161,921)	$	(284,953)
Loss per share – basic and diluted		$	(0.03)	$	(0.48)
Weighted average number of common shares outstanding – basic and diluted			6,471,233		589,266

The accompanying notes form an integral part of these financial statements.

AUDREY CAPITAL CORPORATION
STATEMENTS OF CASH FLOWS
(Stated in Canadian dollars)

	Note		Year ended December 31, 2022		From Incorporation on March 9, 2021 to December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Net loss for the period		$	(161,921)	$	(284,953)
Adjustment for the Items not involving cash:					
Share-based compensation	4(c)		88,960		123,478
			(72,961)		**(161,475)**
Net changes in non-cash working capital items:					
Receivables			2,547		(3,042)
Accounts payable and accrued liabilities			(13,412)		27,617
Net cash flows used in operating activities			**(83,826)**		**(136,900)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Shares issued, net of issue costs	4(b)		150,000		1,091,450
Net cash flows from financing activities			**150,000**		**1,091,450**
Net increase in cash and cash equivalents during the period			**66,174**		**954,550**
Cash and cash equivalents, beginning of the period			954,550		-
Cash and cash equivalents, end of the period		**$**	**1,020,724**	**$**	**954,550**

The accompanying notes form an integral part of these financial statements.

AUDREY CAPITAL CORPORATION
STATEMENTS OF SHAREHOLDERS' EQUITY
(Stated in Canadian dollars)

	Notes	Number of Shares	Share Capital	Stock-Based Reserves	Warrant Reserves	Deficit	Total
Balance, March 9, 2021		**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Common shares issued	*4(b)*	18,500,000	1,175,000	-	-	-	1,175,000
Share issue costs	*4(b)*	-	(83,550)	-	-	-	(83,550)
Share-based payments	*4(c)*	-	-	123,478	-	-	123,478
Value of warrants issued	*4(d)*	-	(34,299)	-	34,299	-	-
Loss for the period		-	-	-	-	(284,953)	(284,953)
Balance, December 31, 2021		**18,500,000**	**$ 1,057,151**	**$ 123,478**	**$ 34,299**	**$ (284,953)**	**$ 929,975**
Common shares issued	*4(b)*	1,500,000	150,000	-	-	-	150,000
Share-based payments	*4(c)*	-	-	88,960	-	-	88,960
Loss for the year		-	-	-	-	(161,921)	(161,921)
Balance, December 31, 2022		**20,000,000**	**$ 1,207,151**	**$ 212,438**	**$ 34,299**	**$ (446,874)**	**$ 1,007,014**

The accompanying notes form an integral part of these financial statements.

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Audrey Capital Corporation (the "Company") was incorporated on March 9, 2021 under the Business Corporations Act of British Columbia. The Company completed an Initial Public Offering (the "IPO"), after which it became a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. As a CPC, the Company's objective will be to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V. Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V filing requirements, professional services, and office facilities and administration, subject to certain restrictions under TSX-V Policy 2.4. Additional discussion on these restrictions is included in Note 8.

The Company's registered office address and principal place of business is Suite 905 – 1111 West Hastings Street, Vancouver, BC, Canada, V6E 2J3.

As at December 31, 2022, the Company had cash of $1,020,724, which the Company's management believes is sufficient to pay its operating costs for the next 12 months.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements 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"). The financial statements have been prepared using the accounting policies set out in Note 3.

These financial statements were authorized for issue by the Board of Directors on March 16, 2023.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

The Company's accounting policies for financial assets are as follows:

Financial assets – Classification

Financial assets are classified at initial recognition as either measured at amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in either earnings or loss, or other comprehensive income or loss ("OCI"). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the investment at FVOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in earnings or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies debt instruments:

- Amortized cost – Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in earnings or loss when the asset is derecognized or impaired. Interest income from those financial assets is included in interest and finance (expense) income using the effective interest rate method.
- FVTPL – Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in earnings or loss and presented net in the statement of loss and other comprehensive loss within other gains (losses) in the period in which it arises.
- FVOCI – Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses, interest revenue, and foreign exchange gains and losses which are recognized in earnings or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to earnings or loss and recognized in other gains (losses). Interest income from these financial assets is included in interest and finance (expense) income using the effective interest rate method. Foreign exchange gains and losses are presented in foreign exchange (loss) gain and impairment expenses in other expenses.

Changes in the fair value of financial assets at FVTPL are recognized in profit or loss as applicable.

Impairment of financial assets

The Company assesses, on a prospective basis, the expected credit losses associated with any debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company's financial liabilities comprise accounts payable and accrued liabilities, which are classified at amortized cost.

Financing costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has been closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

Share-based compensation

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or when the individual provides services similar to those performed by an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from those parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

3. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Deferred tax assets or liabilities arise from temporary differences between the tax and accounting values of assets and liabilities and are recorded based on tax rates expected to be enacted when those differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and therefore is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(Loss) earnings per share

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period.

Diluted (loss) earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options, as if their dilutive effect were at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period. In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Use of estimates and measurement uncertainties

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses, and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Stock-based compensation and valuation of warrants

The fair value pricing of stock options and warrants issued are subject to the limitations of the Black-Scholes Option-Pricing Model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes Option-Pricing Model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Going concern presentation

Management has determined that the going concern presentation of the financial statements, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due as discussed in Note 1, is appropriate.

Accounting standards and interpretations issued but not yet effective

There are no new accounting standards or interpretations which apply to the Company at December 31, 2022 which have not been applied in the preparation of these financial statements.

4. SHAREHOLDERS' EQUITY

a) Authorized Share Capital

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

b) Share Issuance

At December 31, 2022, the Company had 20,000,000 common shares issued and outstanding.

On March 31, 2021, the Company closed a private placement for 13,100,000 shares at a price of $0.05 per share for total proceeds of $655,000 and closed another private placement on August 4, 2021, for 400,000 shares at a price of $0.05 per share for total proceeds of $20,000. Collectively, the shares issued under these two private placements are referred to as the "Seed Shares".

On November 26, 2021, the Company completed its initial public offering ("IPO"), where it issued 5,000,000 common shares at a price of $0.10 per share for gross proceeds of $500,000. The Company incurred cash share issue costs of $83,550.

On January 7, 2022, the Company closed a non-brokered private placement for 1,500,000 common shares at a price of $0.10 per share for total proceeds of $150,000.

The Seed Shares have been transferred to escrow and will be released ratably over an 18-month period following the completion of a Qualifying Transaction.

(Stated in Canadian dollars)

4. SHAREHOLDERS' EQUITY *(continued)*

c) Stock Options

On May 12, 2021, the Board of Directors adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Corporation may, from time to time in its discretion and in accordance with TSX-V regulations, grant to directors, officers, employees, or Management Company employees and consultants to the Corporation, non-transferrable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of the grant. Vesting terms will be determined at the time of grant by the Board of Directors.

During the year ended December 31, 2022, the Company granted 500,000 stock options to directors and officers of the Company, exercisable at a price of $0.10 for a five-year period following the date of their grant.

The stock option continuity for the year ended December 31, 2022, is as follows:

Number Outstanding December 31, 2021	Granted	Exercised	Expired/ Cancelled	Number Outstanding December 31, 2022	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
1,800,000	500,000	-	300,000	2,000,000	$ 0.10	Nov 26, 2026	3.91
1,800,000	**500,000**		**Exercisable**	**2,000,000**	**$ 0.10**		**3.91**

During the period ended December 31, 2021, the Company granted 1,800,000 stock options to directors and officers of the Company, exercisable at a price of $0.10 for a five-year period following the date of their grant.

The stock option continuity for the year ended December 31, 2021, is as follows:

Number Outstanding March 9, 2021	Granted	Exercised	Expired/ Cancelled	Number Outstanding December 31, 2021	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
-	1,800,000	-	-	**1,800,000**	$ 0.10	Nov 26, 2026	4.91
	1,800,000		**Exercisable**	**1,800,000**	**$ 0.10**		**4.91**

As at December 31, 2022, 2,000,000 of the outstanding stock options were vested and exercisable, with a weighted average exercise price of $0.10. The stock options have been transferred to escrow and will be released rateably over an 18-month period following the completion of a Qualifying Transaction

(Stated in Canadian dollars)

4. SHAREHOLDERS' EQUITY *(continued)*

Stock-Based Compensation

The fair value of each option granted to employees, officers, and directors was estimated on the date of the grant using the Black-Scholes Option-Pricing Model.

The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were an expected life of 5 years, expected dividend of $nil, and:

	Feb 13, 2022	Jan 07, 2022	Nov 26, 2021
Risk-free interest rate	1.72%	1.31%	1.39%
Expected volatility	88.0%	88.0%	88.0%
Fair value	$ 0.25	$ 0.07	$ 0.07

During the year ended December 31, 2022, the Company recognized share-based compensation of $88,960 (2021 – 123,478) in connection with the options granted.

d) Share Purchase Warrants

In conjunction with its IPO, the Company granted 500,000 agent warrants exercisable into common shares of the Company at $0.10 per share with an expiry date of November 26, 2026.

The share purchase warrant continuity for the year ended December 31, 2022 is as follows:

Number Outstanding December 31, 2021	Granted	Exercised	Expired/ Cancelled	Number Outstanding December 31, 2022	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
500,000	-	-	-	**500,000**	$ 0.10	Nov 26, 2026	3.91

The share purchase warrant continuity for the year ended December 31, 2021 is as follows:

Number Outstanding March 9, 2021	Granted	Exercised	Expired/ Cancelled	Number Outstanding December 31, 2021	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
-	500,000	-	-	**500,000**	$ 0.10	Nov 26, 2026	4.91

The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were an expected life of 5 years, expected dividend of $nil, risk-free interest rate of 1.39%, expected volatility of 88%, and a fair value of $0.07.

(Stated in Canadian dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the Company are due for professional fees and are payable within the next 12 months.

As at	December 31, 2022	December 31, 2021
Accounts payable	$ 3,705	$ 19,117
Accrued liabilities	10,500	8,500
TOTAL	**$ 14,205**	**$ 27,617**

6. RELATED PARTY TRANSACTIONS

Related party transactions are measured at the amounts agreed upon by the parties. Related party transactions for the year ended December 31, 2022 and period from incorporation on March 9, 2021 to December 31, 2021, are as follows:

a) A company owned by a Director, Ian Slater, recharged costs in the amount of $36,000 (2021 - $27,000) for the year ended December 31, 2022. In which, $3,705 (2021 - $nil) is owed to Slater Corporate Services Corporation as at December 31, 2022.

b) Farris LLP, in which two of the Directors, Jay Sujir and Peter Roth, are partners provided legal services to the Company in the amount of $6,683 (2021 - $99,644) for the year ended December 31, 2022. In which, $nil (2021 - $19,117) is owed to Farris LLP as at December 31, 2022.

c) Compensation of directors and members of key management personnel through stock option grants totalled $88,960 (2021 - $123,478) as share-based compensation for the year ended December 31, 2022.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has designated its cash as a financial asset at amortized cost.

a) Fair Value

Management assessed those fair values of cash and accounts payable approximate their carrying amounts, largely due to the short-term maturity of these instruments. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values.

The levels of the fair value hierarchy are 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 or indirectly; and

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

b) Financial Risk Management

Credit Risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is attributable to its liquid financial assets including cash. The Company limits exposure to credit risk by maintaining its cash with a major Canadian financial institution.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital to meet short-term business requirements, taking into consideration cash flows from operations and the Company's holdings of cash, as well as anticipated proceeds from equity financing. The Company believes that these sources are sufficient to cover the likely short-term cash requirements, but that further funding may be required to meet long-term requirements. As at December 31, 2022, the Company had cash of $1,020,724 to settle current liabilities of $14,205. The Company's financial liabilities include trade payables that have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. The Company does not currently hold and does not expect to hold interest-bearing financial instruments other than cash, assets or liabilities denominated in a foreign currency, and marketable securities or other financial instruments subject to fluctuations in equity prices, it currently does not have and is not expected to have exposure to these market risks.

8. CAPITAL MANAGEMENT

Capital is composed of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2022, the Company's shareholders' equity was $1,007,014 and it had current liabilities of $14,205. The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements, and internally determined capital guidelines and calculated risk management levels.

The Company's current capital was received from the issuance of common shares. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction.

The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which apply on completion of the IPO. These expenditure restrictions limit the aggregate amount that the Company is permitted to spend on reasonable general and administrative costs of the Company not exceeding in aggregate of $3,000 per month, and reasonable expenses incurred related to a Qualifying Transaction

(Stated in Canadian dollars)

9. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the period from incorporation on March 9, 2021 to December 31, 2021 and year ended December 31, 2022 is as follows:

	Year ended December 31, 2022	From Incorporation on March 9, 2021 to December 31, 2021
Loss before income taxes	$ (161,921)	$ (284,953)
Expected income tax (recovery)	(44,000)	(77,000)
Changes in statutory, foreign tax, foreign exchange rates, and other	1,000	1,000
Permanent differences	24,000	33,000
Share issue costs	-	(23,000)
Adjustment to prior years provision versus statutory tax returns	(5,000)	-
Changes in unrecognized deductible temporary differences	24,000	66,000
Total income tax expense (recovery)	**$ -**	**$ -**

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	Year ended December 31, 2022	From Incorporation on March 9, 2021 to December 31, 2021
Deferred tax assets (liabilities)		
Share issue costs	16,000	18,000
Non-capital losses	74,000	48,000
Net deferred tax liability	**$ 90,000**	**$ 66,000**

The significant components of the Company's temporary differences and unused tax losses that have not been included on the statement of financial position are as follows:

	2022	Expiry Date Range	2021	Expiry Date Range
Temporary Differences				
Share issue costs	59,000	2045	67,000	2045
Non-capital losses	273,000	2041 to 2042	178,000	2041
Canada	275,000	2041 to 2042	178,000	2041

Tax attributes are subject to review and potential adjustment by tax authorities.

AUDREY CAPITAL CORPORATION

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited)

(Stated in Canadian dollars)

AUDREY CAPITAL CORPORATION
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian dollars, unaudited)

	Note		September 30, 2023		December 31, 2022
ASSETS					
Current assets					
Cash		$	913,833	$	1,020,724
Receivables			1,357		495
Total assets		**$**	**915,190**	**$**	**1,021,219**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	*5*	$	30,613	$	14,205
Total liabilities			**30,613**		**14,205**
SHAREHOLDERS' EQUITY					
Share capital	*4(a), 4(b)*	$	1,207,151	$	1,207,151
Stock-based reserves	*4(d)*		212,438		212,438
Warrant reserves	*4(e)*		34,299		34,299
Deficit			(569,311)		(446,874)
Total shareholders' equity		**$**	**884,577**	**$**	**1,007,014**
Total liabilities and shareholders' equity		**$**	**915,190**	**$**	**1,021,219**
Corporate information and continuance of operations	*1*				

Approved for issue by the Board of Directors on November 14, 2023:

Signed on the Company's behalf by:

"Ian Slater"	*"Jay Sujir"*
Ian Slater, Director	Jay Sujir, Director

The accompanying notes form an integral part of these financial statements.

AUDREY CAPITAL CORPORATION
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Stated in Canadian dollars, unaudited)

	Note	Three months ended		Nine months ended	
		30-Sep-23	30-Sep-22	**30-Sep-23**	30-Sep-22
EXPENSES					
Filing fees		**$ 1,770**	$ 3,106	**$ 17,034**	$ 13,686
General and administrative		**9,000**	9,000	**27,000**	27,000
Investor relations		**4,670**	-	**5,890**	375
Professional fees		**20,793**	1,085	**72,513**	7,778
Stock-based compensation	*4(d)*	**-**	-	**-**	88,960
Loss and Comprehensive loss for the period		**(36,233)**	(13,191)	**(122,437)**	(137,799)
Basic loss per common share		**$ (0.006)**	$ (0.002)	**$ (0.019)**	$ (0.021)
Weighted average number of common shares outstanding		**6,500,000**	6,500,000	**6,500,000**	6,461,538

The accompanying notes form an integral part of these financial statements.

AUDREY CAPITAL CORPORATION

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Stated in Canadian dollars, unaudited)

	Note	Nine months ended 30-Sep-23	Nine months ended 30-Sep-22
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		$ (122,437)	$ (137,799)
Adjustment for the Items not involving cash:			
Share-based compensation	*4(d)*	-	88,960
		(122,437)	**(48,839)**
Net changes in non-cash working capital items:			
Receivables		(862)	1,937
Accounts payable and accrued liabilities		16,408	(27,170)
Net cash outflows from operating activities		**(106,891)**	**(74,072)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued, net of issue costs	*4(b)*	-	150,000
Net cash inflows from financing activities		**-**	**150,000**
Change in cash and cash equivalents in the period		**(106,891)**	**75,928**
Cash and cash equivalents, beginning of the period		1,020,724	954,550
Cash and cash equivalents, end of the period		**$ 913,833**	**$ 1,030,478**

The accompanying notes form an integral part of these financial statements.

AUDREY CAPITAL CORPORATION

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Stated in Canadian dollars, unaudited)

	Notes	Number of Shares	Share Capital	Stock-Based Reserves	Warrant Reserves	Deficit	Total
Balance, December 31, 2021		**18,500,000**	**$ 1,057,151**	**$ 123,478**	**$ 34,299**	**$ (284,953)**	**$ 929,975**
Common shares issued	*4(b)*	1,500,000	150,000	-	-	-	150,000
Share-based payments	*4(d)*	-	-	88,960	-	-	88,960
Loss for the period		-	-	-	-	(137,799)	(137,799)
Balance, September 30, 2022		**20,000,000**	**$ 1,207,151**	**$ 212,438**	**$ 34,299**	**$ (422,752)**	**$ 1,031,136**
Balance, December 31, 2022		**20,000,000**	**$ 1,207,151**	**$ 212,438**	**$ 34,299**	**$ (446,874)**	**$ 1,007,014**
Loss for the period		-	-	-	-	(122,437)	(122,437)
Balance, September 30, 2023		**20,000,000**	**$ 1,207,151**	**$ 212,438**	**$ 34,299**	**$ (569,311)**	**$ 884,577**

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Audrey Capital Corporation (the "Company") was incorporated on March 9, 2021 under the Business Corporations Act of British Columbia. The Company completed an Initial Public Offering (the "IPO"), after which it became a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. As a CPC, the Company's objective is to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V. Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V filing requirements, professional services, and office facilities and administration, subject to certain restrictions under TSX-V Policy 2.4. Additional discussion on these restrictions is included in Note 7.

The Company's registered office address and principal place of business is Suite 905 – 1111 West Hastings Street, Vancouver, BC, Canada, V6E 2J3.

As at September 30, 2023, the Company had cash of $913,833 which the Company's management believes is sufficient to pay its operating costs for the next 12 months.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

On June 26, 2023, Audrey announced it has entered into an qualifying transaction agreement dated June 23, 2023 (the "Qualifying Transaction Agreement") with Applied Graphite Technologies Corporation ("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") to be incorporated under the laws of the Province of British Columbia, with such acquisition (the "Proposed Transaction") constituting a reverse take-over of the Corporation, subject to certain terms and conditions. The Company, as the resulting issuer following the completion of the Proposed Transaction (the "Resulting Issuer"), will continue the business of AGT. The Company intends that the Proposed Transaction will constitute its Qualifying Transaction, as such term is defined in TSXV Policy 2.4 Capital Pool Companies. In connection with the Proposed Transaction, AGT and the Company will issue subsequent news releases setting out further information contemplated in Policy 2.4. On closing of the Proposed Transaction, it is anticipated that the common shares of the Resulting Issuer (the "Resulting Issuer Shares") will be listed for trading on the TSXV.

2. BASIS OF PRESENTATION

a) Statement of Compliance

b) These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual financial statements for the year ended December 31, 2022.

These financial statements were authorized for issue by the Board of Directors on November 14, 2023.

c) Basis of Measurement

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company’s functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied by the Company in these unaudited interim financial statements are the same as those applied as at and for the year ended December 31, 2022.

New standards, interpretations and amendments adopted during the period.

A number of new standards, amendments to standards and interpretations are not yet effective as of September 30, 2023, and have therefore not been applied in preparing these interim financial statements. None are expected to have a material effect on the financial statements of the Company.

4. SHAREHOLDERS’ EQUITY

a) Authorized Share Capital

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

b) Share Issuance

At September 30, 2023, the Company had 20,000,000 common shares issued and outstanding.

On January 7, 2022, the Company closed a non-brokered private placement for 1,500,000 common shares at a price of $0.10 per share for total proceeds of $150,000.

The Seed Shares have been transferred to escrow and will be released rateably over an 18-month period following the completion of a Qualifying Transaction.

(Unaudited - Stated in Canadian dollars)

4. SHAREHOLDERS' EQUITY *(continued)*

c) Stock Options

On March 16, 2023, the Board of Directors approved an amended Option Plan of the Company (the "Stock Option Plan"), which provides that the Board of Directors of the Corporation may, from time to time in its discretion and in accordance with TSX-V regulations, grant to directors, officers, employees, or Management Company employees and consultants to the Corporation, non-transferrable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options are exercisable for a period of up to 10 years from the date of the grant. Vesting terms will be determined at the time of grant by the Board of Directors.

During the nine months ended September 30, 2023, the Company did not grant any stock options to directors and officers of the Company.

The stock option continuity for the nine months ended September 30, 2023, is as follows:

Number Outstanding December 31, 2022	Granted	Exercised	Expired/ Cancelled	Number Outstanding September 30, 2023	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
2,000,000	-	-	-	2,000,000	$ 0.10	Nov 26, 2026	3.16
			Exercisable	2,000,000	$ 0.10	Nov 26, 2026	3.16

As at September 30, 2023, all of the 2,000,000 outstanding stock options were vested and exercisable, with a weighted average exercise price of $0.10.

During the nine months ended September 30, 2022, the Company granted 500,000 stock options to directors and officers of the Company, exercisable at a price of $0.10 for a five-year period following the date of their grant.

The stock option continuity for the year ended December 31, 2022, is as follows:

Number Outstanding December 31, 2021	Granted	Exercised	Expired/ Cancelled	Number Outstanding December 31, 2022	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
1,800,000	500,000	-	300,000	2,000,000	$ 0.10	Nov 26, 2026	3.91
			Exercisable	2,000,000	$ 0.10	Nov 26, 2026	3.91

As at December 31, 2022, all of the 2,000,000 outstanding stock options were vested and exercisable, with a weighted average exercise price of $0.10.

(Unaudited - Stated in Canadian dollars)

4. SHAREHOLDERS' EQUITY *(continued)*

d) Stock-Based Compensation

The fair value of each option granted to employees, officers, and directors was estimated on the date of the grant using the Black-Scholes Option-Pricing Model.

The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were an expected life of 5 years, expected dividend of $nil, and:

	Feb 13, 2022	Jan 07, 2022	Nov 26, 2021
Risk-free interest rate	1.72%	1.31%	1.39%
Expected volatility	88.0%	88.0%	88.0%
Fair value	$ 0.25	$ 0.07	$ 0.07

During the nine months ended September 30, 2023, the Company recognized share-based compensation of $nil (2022 - $88,960).

e) Share Purchase Warrants

During the nine months ended September 30, 2023, the Company did not issue any share purchase warrants.

The share purchase warrant continuity for the nine months ended September 30, 2023 is as follows:

Number Outstanding December 31, 2022	Granted	Exercised	Expired/ Cancelled	Number Outstanding September 30, 2023	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
500,000	**-**	**-**	**-**	**500,000**	**$ 0.10**	**Nov 26, 2026**	**3.16**

During the nine months ended September 30, 2022, the Company did not issue any share purchase warrants.

The share purchase warrant continuity for the year ended December 31, 2022 is as follows:

Number Outstanding December 31, 2021	Granted	Exercised	Expired/ Cancelled	Number Outstanding December 31, 2022	Exercise Price per Share	Expiry Date	Weighted Avg Remaining Contractual Life *(in years)*
500,000	**-**	**-**	**-**	**500,000**	**$ 0.10**	**Nov 26, 2026**	**3.91**

The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were an expected life of 5 years, expected dividend of $nil, risk-free interest rate of 1.39%, expected volatility of 88%, and a fair value of $0.07.

(Unaudited - Stated in Canadian dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the Company consists of professional fees.

As at		September 30, 2023		December 31, 2022
Trade payables	$	18,363	$	3,705
Accrued liabilities		12,250		10,500
TOTAL	**$**	**30,613**	**$**	**14,205**

6. RELATED PARTY TRANSACTIONS

Related party transactions are measured at the amounts agreed upon by the parties. Related party transactions for the period from January 1, 2023 to September 30, 2023 are as follows:

a) A company owned by a Director, Ian Slater, recharged costs in the amount of $27,000 for the period from January 1, 2023 to September 30, 2023.

b) Farris LLP, in which two of the Directors, Jay Sujir and Peter Roth, are partners provided legal services to the Company in the amount of $60,641 (2022 - $6,683) for the nine months ended September 30, 2023. A balance of $18,363 was due to Farrie LLP as at September 30, 2023 (September 30, 2022 – nil)

Related party transactions for the period from January 1, 2022 to September 30, 2022 are as follows:

a) A company owned by a Director, Ian Slater, recharged costs in the amount of $27,000 for the period from January 1, 2022 to September 30, 2022.

b) Compensation of directors and members of key management personnel through share-based payments totalled $88,960 for the period from January 1, 2022 to September 30, 2022.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has designated its cash as a financial asset at amortized cost.

a) Fair Value

Management assessed those fair values of cash and accounts payable approximate their carrying amounts, largely due to the short-term maturity of these instruments. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values.

The levels of the fair value hierarchy are 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 or indirectly; and

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

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued*)

b) Financial Risk Management

Credit Risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is attributable to its liquid financial assets including cash. The Company limits exposure to credit risk by maintaining its cash with a major Canadian financial institution.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital to meet short-term business requirements, taking into consideration cash flows from operations and the Company's holdings of cash, as well as anticipated proceeds from equity financing. The Company believes that these sources are sufficient to cover the likely short-term cash requirements, but that further funding may be required to meet long-term requirements. As at September 30, 2023, the Company had cash of $913,833 to settle current liabilities of $30,613. The Company's financial liabilities include trade payables that have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. The Company does not currently hold and does not expect to hold interest-bearing financial instruments other than cash. The company currently does not have and is not expected to have assets or liabilities denominated in a foreign currency, and marketable securities or other financial instruments subject to fluctuations in equity prices.

8. CAPITAL MANAGEMENT

Capital is composed of the Company's shareholders' equity and any debt that it may issue. As at September 30, 2023, the Company's shareholders' equity was $884,577 and it had current liabilities of $30,613. The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements, and internally determined capital guidelines and calculated risk management levels.

The Company's current capital was received from the issuance of common shares. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction.

The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which applied on completion of the IPO. These expenditure restrictions limit the aggregate amount that the Company is permitted to spend on reasonable general and administrative costs of the Company not exceeding in aggregate of $3,000 per month, and reasonable expenses incurred related to a Qualifying Transaction.

SCHEDULE “B”

MD&A OF AUDREY
FOR THE YEARS ENDED DECMBER 31, 2022 AND 2021

AND

THE INTERIM PERIOD ENDED SEPTEMBER 30, 2023

AUDREY CAPITAL CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Audrey Capital Corporation ("Audrey" or the "Company") during the year ended December 31, 2022 and to the date of this report. This MD&A should be read in conjunction with the accompanying financial statements and related notes thereto for the year ended December 31, 2022 (the "Financial Report") and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts presented in this MD&A are stated in Canadian dollars unless otherwise indicated.

Additional information related to Audrey is available on SEDAR at www.sedar.com.

This MD&A contains information up to and including March 16, 2023.

FORWARD-LOOKING INFORMATION

Certain statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 8 of this MD&A.

COMPANY OVERVIEW

The Company was incorporated on March 9, 2021 under the Business Corporations Act of British Columbia. The Company filed its final prospectus on SEDAR on September 27, 2021 and is classified as a reporting issuer under the British Columbia Securities Commission ("BCSC") as principal regulator, as well as Alberta, Manitoba, and Ontario.

The Company's Initial Public Offering (the "IPO") was completed on November 26, 2021, and the Company is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. As a CPC, the Company's objective will be to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V.

COMPANY DEVELOPMENTS AND OUTLOOK

On February 14, 2022, the Company announced the appointment of Melissa Martensen as Corporate Secretary and Ian Slater as Chief Financial Officer and Chief Executive Officer.

RESULTS OF OPERATIONS

For the year ended December 31, 2022 and for the period from incorporation on March 9, 2021 to December 31, 2021

The Company incurred a net loss of $161,921 for the year ended December 31, 2022. The Company incurred a net loss of $284,953 for the period from incorporation on March 9, 2021 to December 31, 2021.

The following is a summary of operating costs:

		Year ended December 31, 2022		**From incorporation on March 9, 2021 to December 31, 2021**
EXPENSES				
Professional fees	$	18,280	$	20,803
General & Administrative		37,234		27,222
Filing fees		17,447		113,450
Share-based payments		88,960		123,478
Total operating expenses	$	161,921	$	284,953

The significant expenditures for the year ended December 31, 2022 can be described as follows:

- Share-based compensation for 500,000 stock options granted at $0.10 per share to officers and directors of the Company;
- Accounting and administrative fees and reimbursements in the amount of $36,000;
- SEDAR and TSX-V filing fees of $17,447; and
- Professional fees consisting of $11,585 for accounting fees and $6,695 for legal fees.

The significant expenditures for the period from incorporation on March 9, 2021 to December 31, 2021 period can be described as follows:

- Stock based compensation for 1,800,000 stock options granted at $0.10 per share to employees, officers and directors of the Company;
- Accounting and administrative fees and reimbursements of $9,000; and
- SEDAR filing fees of $13,160 and TSX-V listing and filing fees of $89,094.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of quarterly results for the seven most recently completed quarters since incorporation on March 9, 2021.

	Three months ended Dec 31, 2022	Three months ended Sep 30, 2022	Three months ended Jun 30, 2022	Three months ended Mar 31, 2022	Three months ended Dec 31, 2021	Three months ended Sep 30, 2021	From incorporation on March 9, 2021 to June 30, 2021
Loss for the period	24,122	13,191	18,091	106,517	233,389	15,685	35,879
Loss per share basic and diluted	0.00	0.00	0.00	0.00	0.04	0.03	0.06

The Results of Operations section above provides information regarding the significant expenditures for the period from incorporation on March 9, 2021 to December 31, 2022. During the period from incorporation on March 9, 2021 to June 30, 2021 the Company incurred costs related to incorporation and accrued costs for the Company's initial audit related to the Company's IPO. During the three months ended September 30, 2021, the Company incurred costs related to filing fees, accounting and administrative fees and reimbursements, legal costs, and accrued costs for the annual audit. During the three months ended December 31, 2021, the Company incurred costs related to accounting and administrative fees, reimbursements and accrued costs for the annual audit and share-based compensation. During the three months ended March 31, 2022, the Company incurred costs related to accounting and administrative fees, filling fees and share-based compensation. During the three months ended June 30, September 30 and December 31 2022, the Company incurred costs related to accounting and administrative fees and filling fees.

LIQUIDITY AND CAPITAL RESOURCES

Components		December 31, 2022
Working capital	$	1,007,014
Total assets		1,021,219
Total liabilities		14,205
Share capital		1,207,151
Reserves		246,737
Deficit		(446,874)

The Company had cash of $1,020,724 as at December 31, 2022.

At present, the Company has no operations that generate cash flow and its financial success is dependent on the Company's ability to successfully raise required funding through future equity issuances, asset sales, or a combination thereof.

Many factors influence the Company's ability to raise funds, including the health of global equity prices, the Company's track record, and the experience and quality of its management team. The Company relies on equity financings and the exercise of options and warrants to fund its acquisitions and its general and administrative expenses.

There is no guarantee that the Company will be able to secure additional financing in the future at terms that are favorable. To date, the Company has not used debt or other means of financing to further its operations, and the Company has no plans to use debt financing at the present time.

OUTSTANDING SHARE DATA

Refer to Note 4 of the Company's financial statements for the year ended December 31, 2022.

a) Common Shares

As at December 31, 2022, and as at the date of this MD&A, the Company had 20,000,000 common shares issued and outstanding. On March 31, 2021, the Company closed a private placement for 13,100,000 shares at a price of $0.05 per share for total proceeds of $655,000 and closed another private placement on August 3, 2021, for 400,000 shares at a price of $0.05 per share for total proceeds of $20,000 (together, the "Seed Shares"). On November 26, 2021, the Company completed its IPO where it issued 5,000,000 common shares at a price of $0.10 per share for gross proceeds of $500,000. On January 7, 2022, the Company closed a non-brokered private placement for 1,500,000 common shares at a price of $0.10 per share for total proceeds of $150,000.

Seed Shares have been transferred to escrow and will be released rateably over an 18-month period following the completion of the Company's Qualifying Transaction.

b) Stock Options

On May 12, 2021, the Board of Directors adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may, from time to time in its discretion and in accordance with TSX-V regulations, grant to Directors, Officers, employees or management company employees, and consultants to the Company, non-transferrable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of the grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Upon its IPO, the Company granted 1,800,000 stock options to Directors and Officers of the Company, exercisable at a price of $0.10 for a five-year period following the date of their grant. During the year ended December 31, 2022, a total of 500,000 stock options were granted, exercisable at $0.10 for a five-year period and a total of 300,000 stock options were cancelled by the Company. The stock options have been transferred to escrow and will be released rateably over an 18-month period following the completion of the Company's Qualifying Transaction.

c) Share Purchase Warrants

In conjunction with its IPO, the Company granted 500,000 agent warrants exercisable into common shares of the Company at $0.10 per share with an expiry date of November 26, 2026.

As at December 31, 2022 and as of the date of this MD&A, the issued and outstanding shares, options and warrants of the Company are as follows:

Shares	20,000,000
Options	2,000,000
Warrants	500,000

RELATED PARTY TRANSACTIONS

Related party transactions are measured at the amounts agreed upon by the parties. Related party transactions for the year ended December 31, 2022 are as follows:

a) A company owned by a Director, Ian Slater, recharged costs in the amount of $36,000 (2021 - $27,000) for the year ended December 31, 2022. In which, $3,705 (2021 - $nil) is owed to Ian Slater as at December 31, 2022.

b) Farris LLP, in which a Director, Jay Sujir and Peter Roth are partners provided legal services to the Company in the amount of $6,683 (2021 - $99,644) for the year ended December 31, 2022. In which, $nil (2021 - $19,117) is owed to Farris LLP as at December 31, 2022.

c) Compensation of directors and members of key management personnel through stock option grants totalled $88,960 (2021 - $123,478) for the year ended December 31, 2022.

Related party transactions for the period from incorporation on March 9, 2021 to December 31, 2021 are as follows:

a) A company owned by a Director, Ian Slater, recharged costs in the amount of $27,000 for the period from incorporation on March 9, 2021 to December 31, 2021.

b) Farris LLP, in which two Directors, Jay Sujir and Peter Roth are partners, provided legal services to the Company totalling $99,644. The balance due to Ferris LLP as at December 31, 2021 was $19,117.

c) Compensation of directions and members of key management personnel through share-based compensation totalled $123,478.

FINANCIAL INSTRUMENTS

Refer to Note 7 of the Company's financial statements for the year ended December 31, 2022 for disclosure regarding the Company's financial instruments. The Company has designated its cash and amounts receivable as financial assets at amortized cost and accounts payable and accrued liabilities as financial liabilities at amortized cost.

Fair Value

Management has assessed that fair values of cash, accounts payable and accrued liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are 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 or indirectly; and

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

SUBSEQUENT EVENTS

There are no subsequent events occurring from December 31, 2022 to the date of this report.

CONTINGENCIES

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial condition or future results of the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Actual reports could differ from management's estimates. The accounting estimates and judgments considered to be significant to the Company include the computation of share-based payments expense and warrants.

The Company uses the fair-value method of accounting for incentive stock options and warrants granted, modified, or settled. Under this method, the costs attributable to options granted are measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate. Changes to these estimates could result in the fair value of the share-based payments costs being less than or greater than the amount recorded. In determining the fair value of the warrants, the Company makes estimates of the expected volatility of the stock, the expected life of the warrants, and an estimated risk-free interest rate.

CHANGES IN ACCOUNTING POLICIES

The Company has not made any changes to accounting policies during period from January 1, 2022 to December 31, 2022. Refer to Note 3 of the Company's financial statements for the year ending December 31, 2022.

RISKS AND UNCERTAINTIES

The following are risk factors associated with the Company:

a) the Company has not commenced commercial operations and has no assets other than cash, amounts receivable, and prepaid expenses. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of the Qualifying Transaction;

b) investment in the common shares of the Company is highly speculative given the proposed nature of the Company's business and its present stage of development;

c) the directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;

d) there can be no assurance that an active and liquid market for the Company's common shares exists and an investor may find it difficult to resell its common shares;

e) until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;

f) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;

g) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;

h) completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the TSX-V and, in the case of a Non Arm's Length Qualifying Transaction (as such term is defined in the policies of the TSX-V), Majority of the Minority Approval (as such term is defined in the policies of the TSX-V);

i) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the Common Shares;

j) upon public announcement of a proposed Qualifying Transaction, trading in the common shares will be halted and will remain halted for an indefinite period of time, typically until a Sponsor (as such term is defined in the policies of the TSX-V) has been retained and certain preliminary reviews have been conducted. The common shares will be reinstated to trading before the TSX-V has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;

k) Trading in common shares may be halted at other times for other reasons, including for failure by the Company to submit documents to the TSX-V within the time periods required;

l) the TSX-V will generally suspend trading in the Company's common shares or delist the Company in the event that the TSX-V has not issued a Final Exchange Bulletin within 24 months from the date of listing;

m) neither the TSX-V nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;

n) in the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts; and

o) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to an investor, which dilution may be significant and which may also result in a change of control of the Company.

As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

As permitted, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis. In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this MD&A, forward-looking statements are necessarily based upon several estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic, and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: potential acquisitions, financing of the Company's acquisitions and other activities, and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors, including those set out below, that may never materialize, prove incorrect, or materialize other than as currently contemplated, which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact, and may be forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- the ability of the Company to successfully acquire assets;
- access to funding to support the Company's strategic plans and/or operating activities in the future;
- the volatility of currency exchange rates and global prices;
- the continued participation in the Company of certain key employees; and
- risks normally incident to the acquisition.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document and other documents periodically filed with or furnished to the relevant securities regulators. All subsequent written and forward-looking oral statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events, or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedar.com.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A on March 16, 2023. A copy of this MD&A is filed on SEDAR.

AUDREY CAPITAL CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Audrey Capital Corporation ("Audrey" or the "Company") during the nine months ended September 30, 2023 and to the date of this report. This MD&A should be read in conjunction with the accompanying financial statements and related notes thereto for the nine months ended September 30, 2023 (the "Financial Report") and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts presented in this MD&A are stated in Canadian dollars unless otherwise indicated.

Additional information related to Audrey is available on SEDAR+ at www.sedarplus.ca.

This MD&A contains information up to and including November 14, 2023.

FORWARD-LOOKING INFORMATION

Certain statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 8 of this MD&A.

COMPANY OVERVIEW

The Company was incorporated on March 9, 2021 under the Business Corporations Act of British Columbia. The Company filed its final prospectus on SEDAR on September 27, 2021 and is classified as a reporting issuer under the British Columbia Securities Commission ("BCSC") as principal regulator, as well as Alberta, Manitoba, and Ontario.

The Company's Initial Public Offering (the "IPO") was completed on November 26, 2021, and the Company is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. As a CPC, the Company's objective will be to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V.

COMPANY DEVELOPMENTS AND OUTLOOK

On June 26, 2023, Audrey announced it has entered into an qualifying transaction agreement dated June 23, 2023 (the "Qualifying Transaction Agreement") with Applied Graphite Technologies Corporation ("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") to be incorporated under the laws of the Province of British Columbia, with such acquisition (the "Proposed Transaction") constituting a reverse take-over of the Corporation, subject to certain terms and conditions. The Company, as the resulting issuer following the completion of the Proposed Transaction (the "Resulting Issuer"), will continue the business of AGT. The Company intends that the Proposed Transaction will constitute its Qualifying Transaction, as such term is defined in TSXV Policy 2.4 Capital Pool Companies. In connection with the Proposed Transaction, AGT and the Company will issue subsequent news releases setting out further information contemplated in Policy 2.4. On closing of the Proposed Transaction, it is anticipated that the common shares of the Resulting Issuer (the "Resulting Issuer Shares") will be listed for trading on the TSXV.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2023 and September 30, 2022

The Company incurred a net loss of $122,437 for the nine months ended September 30, 2023. The Company incurred a net loss of $137,799 for the nine months ended September 30, 2022.

The following is a summary of operating costs:

		Nine months ended September 30, 2023		**Nine months ended September 30, 2022**
EXPENSES				
Professional fees	$	72,513	$	7,778
General & Administrative		27,000		27,000
Filing fees		17,034		13,686
Investor relations		5,890		375
Share-based payments		-		88,960
Total operating expenses	$	122,437	$	137,799

The significant expenditures for the nine months ended September 30, 2023 can be described as follows:

- Professional fees consisting of $11,872 for accounting fees and $60,641 for legal fees;
- General & Administrative costs consisting of accounting and administrative fees and reimbursements of $27,000; and
- Filing fees mostly consisting of SEDAR and TSX-V filing fees of $16,915.

The significant expenditures for the nine months ended September 30, 2022 can be described as follows:

- General & Administrative costs consisting of accounting and administrative fees and reimbursements of $27,000;
- Filing fees mostly consisting of SEDAR and TSX-V filing fees in the amount of $12,843; and
- Share-based payments expense for 500,000 stock options granted at $0.10 per share to employees, officers and directors of the Company.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of quarterly results for the eight most recently completed quarters.

	Three months ended Sep 30, 2023	Three months ended Jun 30, 2023	Three months ended Mar 31, 2023	Three months ended Dec 31, 2022	Three months ended Sep 30, 2022	Three months ended Jun 30, 2022	Three months ended Mar 31, 2022	Three months ended Dec 31, 2021
Loss for the period	36,233	61,136	25,068	24,122	13,191	18,091	106,517	233,389
Loss per share basic and diluted	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.04

During the three months ended September 30 2023, June 30 and March 31, 2023 the Company incurred costs mostly related to accounting, administrative and filling fees. During the three months ended December 31, September 30, and June 30, 2022, the Company incurred costs mostly related to accounting and administrative fees and filling fees. During the three months ended March 31, 2022, in addition to the recurring accounting, administrative and filling fees, the Company incurred approximately $90,000 in stock based compensation costs due to the vesting of stock options. During the three months ended December 31, 2021, in addition to the recurring accounting, administrative, filling and audit costs, the Company incurred approximately $123,000 in stock based compensation costs due to the vesting of stock options that were previously granted.

LIQUIDITY AND CAPITAL RESOURCES

Components	September 30, 2023	December 31, 2022
Working capital	$ 884,577	$ 1,007,014
Total assets	915,190	1,021,219
Total liabilities	30,613	14,205
Share capital	1,207,151	1,207,151
Reserves	246,737	246,737
Deficit	(569,311)	(446,874)

The Company had cash of $913,833 and working capital of $884,577 as at September 30, 2023.

At present, the Company has no operations that generate cash flow, and its financial success is dependent on the Company's ability to successfully raise required funding through future equity issuances, asset sales, or a combination thereof.

Many factors influence the Company's ability to raise funds, including the health of global equity prices, the Company's track record, and the experience and quality of its management team. The Company relies on equity financings and the exercise of options and warrants to fund its acquisitions and its general and administrative expenses.

There is no guarantee that the Company will be able to secure additional financing in the future at terms that are favorable. To date, the Company has not used debt or other means of financing to further its operations, and the Company has no plans to use debt financing at the present time.

OUTSTANDING SHARE DATA

Refer to Note 4 of the Company's financial statements for period ended September 30, 2023.

a) Common Shares

As at September 30, 2023, and as at the date of this MD&A, the Company had 20,000,000 common shares issued and outstanding. On January 7, 2022, the Company closed a non-brokered private placement for 1,500,000 common shares at a price of $0.10 per share for total proceeds of $150,000.

Seed Shares have been transferred to escrow and will be released rateably over an 18-month period following the completion of the Company's Qualifying Transaction.

b) Stock Options

Upon its IPO, the Company granted 1,800,000 stock options to Directors and Officers of the Company, exercisable at a price of $0.10 for a five-year period following the date of their grant. During the year ended December 31, 2022, a total of 500,000 stock options were granted, exercisable at $0.10 for a five-year period and a total of 300,000 stock options were cancelled by the Company. The stock options have been transferred to escrow and will be released rateably over an 18-month period following the completion of the Company's Qualifying Transaction.

The Company did not grant any stock options during the nine months ended September 30, 2023.

c) Share Purchase Warrants

In conjunction with its IPO, the Company granted 500,000 agent warrants exercisable into common shares of the Company at $0.10 per share with an expiry date of November 26, 2026.

As at September 30, 2023 and as of the date of this MD&A, the issued and outstanding shares, options and warrants of the Company are as follows:

Shares	20,000,000
Options	2,000,000
Warrants	500,000

RELATED PARTY TRANSACTIONS

Related party transactions are measured at the amounts agreed upon by the parties. Related party transactions for the period from January 1, 2023 to September 30, 2023 are as follows:

a) A company owned by a Director, Ian Slater, recharged costs in the amount of $27,000 for the period from January 1, 2023 to September 30, 2023.

b) Farris LLP, in which two of the Directors, Jay Sujir and Peter Roth, are partners provided legal services to the Company in the amount of $60,641 (2022 - $6,683) for the nine months ended September 30, 2023. A balance of $18,363 was due to Farris LLP as at September 30, 2023 (September 30, 2022 – nil).

Related party transactions for the period from January 1, 2022 to September 30, 2022 are as follows:

a) A company owned by a Director, Ian Slater, recharged costs in the amount of $27,000 for the period from January 1, 2022 to September 30, 2022.

b) Compensation of directors and members of key management personnel through share-based payments totalled $88,960 for the period from January 1, 2022 to September 30, 2022.

FINANCIAL INSTRUMENTS

Refer to Note 7 of the Company's financial statements for the period ended September 30, 2023 for disclosure regarding the Company's financial instruments. The Company has designated its cash and amounts receivable as financial assets at amortized cost and accounts payable and accrued liabilities as financial liabilities at amortized cost.

Fair Value

Management has assessed that fair values of cash, accounts payable and accrued liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are 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 or indirectly; and

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

SUBSEQUENT EVENTS

There are no subsequent events occurring from September 30, 2023 to the date of this report.

CONTINGENCIES

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial condition or future results of the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Actual reports could differ from management's estimates. The accounting estimates and judgments considered to be significant to the Company include the computation of share-based payments expense and warrants.

The Company uses the fair-value method of accounting for incentive stock options and warrants granted, modified, or settled. Under this method, the costs attributable to options granted are measured at fair value at the grant date and expensed over the vesting period. In determining the fair value, the Company makes estimates of the expected volatility of the stock, the expected life of the options, and an estimated risk-free interest rate. Changes to these estimates could result in the fair value of the share-based payments costs being less than or greater than the amount recorded. In determining the fair value of the warrants, the Company makes estimates of the expected volatility of the stock, the expected life of the warrants, and an estimated risk-free interest rate.

CHANGES IN ACCOUNTING POLICIES

The Company has not made any changes to accounting policies during the period from January 1, 2023 to September 30, 2023. Refer to Note 3 of the Company's financial statements for the nine months ending September 30, 2023.

RISKS AND UNCERTAINTIES

The following are risk factors associated with the Company:

a) the Company has not commenced commercial operations and has no assets other than cash and amounts receivable. It has no history of earnings and will not generate earnings or pay dividends until at least after completion of the Qualifying Transaction;

b) investment in the common shares of the Company is highly speculative given the proposed nature of the Company's business and its present stage of development;

c) the directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;

d) there can be no assurance that an active and liquid market for the Company's common shares exists, and an investor may find it difficult to resell its common shares;

e) until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;

f) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;

g) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;

h) completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the TSX-V and, in the case of a Non Arm's Length Qualifying Transaction (as such term is defined in the policies of the TSX-V), Majority of the Minority Approval (as such term is defined in the policies of the TSX-V);

i) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the Common Shares;

j) upon public announcement of a proposed Qualifying Transaction, trading in the common shares will be halted and will remain halted for an indefinite period of time, typically until a Sponsor (as such term is defined in the policies of the TSX-V) has been retained and certain preliminary reviews have been conducted. The common shares will be reinstated to trading before the TSX-V has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;

k) Trading in common shares may be halted at other times for other reasons, including for failure by the Company to submit documents to the TSX-V within the time periods required;

l) the TSX-V will generally suspend trading in the Company's common shares or delist the Company in the event that the TSX-V has not issued a Final Exchange Bulletin within 24 months from the date of listing;

m) neither the TSX-V nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;

n) in the event that management of the Company resides outside of Canada, or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts; and

o) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to an investor, which dilution may be significant, and which may also result in a change of control of the Company.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

As permitted, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis. In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in NI 52-109.

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" (also referred to as "forward-looking statements") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. All statements, other than statements of historical fact, are forward-looking statements.

In this MD&A, forward-looking statements are necessarily based upon several estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic, and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with potential acquisitions, financing of the Company's acquisitions and other activities, and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors, including those set out below, that may never materialize, prove incorrect, or materialize other than as currently contemplated, which could cause the Company's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact, and may be forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- the ability of the Company to successfully acquire assets;
- access to funding to support the Company's strategic plans and/or operating activities in the future;
- the volatility of currency exchange rates and global prices;

- the continued participation in the Company of certain key employees; and
- risks normally incident to the acquisition.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Company's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document and other documents periodically filed with or furnished to the relevant securities regulators. All subsequent written and forward-looking oral statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events, or otherwise, subject to the Company's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedarplus.ca.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A on November 14, 2023. A copy of this MD&A is filed on SEDAR.

SCHEDULE "C"

AUDITED FINANCIAL STATEMENTS AND MD&A OF AGT
FOR THE YEARS ENDED DECEMBER 31, 2022 & 2021

AND

UNAUDITED FINANCIAL STATEMENTS AND MD&A OF AGT
FOR THE INTERIM PERIOD ENDED SEPTEMBER 30, 2023

Financial Statements of

APPLIED GRAPHITE TECHNOLOGIES CORPORATION

For the years ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Applied Graphite Technologies Corporation

Opinion

We have audited the financial statements of Applied Graphite Technologies Corporation (the "Company") which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

February 29, 2024

APPLIED GRAPHITE TECHNOLOGIES CORPORATION
Statements of Financial Position
As at December 31, 2022 and 2021
(Expressed in Canadian dollars)

	Note	2022	2021
		$	**$**
ASSETS			
Current assets			
Cash		2,260	3,144
Prepaid		325	-
Due from related parties	5	26,979	27,557
Total assets		**29,564**	**30,701**
LIABILITIES			
Current liabilities			
Due to related parties	5	28,250	-
Total Liabilities		28,250	-
SHAREHOLDERS' EQUITY			
Share capital	4	108,633	108,633
Subscription receivable	4	(29,133)	(29,133)
Deficit		(78,186)	(48,799)
Total equity		1,314	30,701
Total liabilities and shareholders' equity		**29,564**	**30,701**

Nature of business and going concern (Note 1)
Subsequent events (Note 9)

Approved and authorized for issue on behalf of the Board of Directors on February 29, 2024:

"Don Baxter"	*"Paul Fisher"*
Director	*Director*

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

APPLIED GRAPHITE TECHNOLOGIES CORPORATION
Statements of Loss and Comprehensive Loss
For the years ended December 31, 2022 and 2021
(Expressed in Canadian dollars)

	2022	2021
	$	$
Expenses		
Consulting	28,250	-
Interest and bank charges	558	433
Dues and subscriptions	579	525
Net loss and comprehensive loss	**(29,387)**	**(958)**
Loss per share – basic and diluted	**(0.01)**	(0.00)
Weighted average number of common shares outstanding	**3,000,000**	**3,000,000**

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

APPLIED GRAPHITE TECHNOLOGIES CORPORATION
Statement of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Canadian dollars)

	Common shares				
	Number of shares	Amount	Subscriptions received (receivable)	Deficit	Total
		$	$	$	$
Balance, December 31, 2020	3,000,000	108,633	(29,133)	(47,841)	31,659
Net loss for the year	-	-	-	(958)	(958)
Balance, December 31, 2021	**3,000,000**	**108,633**	**(29,133)**	**(48,799)**	**30,701**
Net loss for the year	-	-	-	(29,387)	(29,387)
Balance, December 31, 2022	**3,000,000**	**108,633**	**(29,133)**	**(78,186)**	**1,314**

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

APPLIED GRAPHITE TECHNOLOGIES CORPORATION
Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Canadian dollars)

	2022	2021
	$	$
Cash provided by (used in):		
Operating activities		
Net loss for the year	(29,387)	(958)
Items not affecting cash:		
Changes in non-cash working capital items:		
Prepaid	(325)	-
Due from related parties	578	(20,475)
Due to related parties	28,250	-
Cash used in operating activities	(884)	(21,433)
Change in cash	(884)	(21,433)
Cash – beginning of year	3,144	24,577
Cash – end of year	**2,260**	**3,144**
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-

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

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Applied Graphite Technologies Corporation ("Applied" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 12, 2019. The address of the Company's head office is located at 777 Hornby Street Suite 600, Vancouver, BC, V6Z 1S4, Canada and its registered and records office is located at 777 Hornby Street Suite 600, Vancouver, BC, V6Z 1S4.

The Company is a private entity operating in the mineral exploration industry, and subsequent to the year-end, became engaged in exploration and evaluation activities in Sri Lanka (see Note 9).

The Company's financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at December 31, 2022, the Company had not yet generated revenues and has an accumulated deficit of $78,186. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts difference from those reflected in the accompanying financial statements.

Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. They are prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss which have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

The financial statements of the Company for the years ended December 31, 2022 and 2021 were approved and authorized for issuance by the Board of Directors on February 29, 2024.

On May 19, 2023, the Company completed a ten-to-one share consolidation of its issued and outstanding common shares. All share and per share figures in these financial statements have been retroactively adjusted to reflect the share consolidation.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a. Significant accounting judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. There are no significant estimates applied in the preparation of these financial statements.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Significant accounting judgments and estimates (continued)

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the financial statements. The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- The provision of deferred income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities; and
- The determination that the Company will continue as a going concern for the next year.

b. Income (loss) per share

Basic income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. To compute diluted income (loss) per share, adjustments are made to common shares outstanding, if applicable. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at the time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. If this computation is anti-dilutive, diluted income (loss) per share is the same as basic income (loss) per share. For the periods presented, this calculation proved to be anti-dilutive.

c. Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the underlying assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it more likely than not that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

e. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

<u>Financial assets – Classification</u>

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

<u>Fair value hierarchy</u>

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs for the asset or liability that are not based upon observable market data.

Cash is carried at fair value using a level 1 fair value measurement.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

<u>Financial assets - Measurement</u>

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.
- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

Cash is measured at FVTPL. The Company has not designated any financial assets as amortized cost and FVOCI.

<u>Financial liabilities</u>

The Company classifies its financial liabilities into the following categories:

- Financial liabilities at FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not designate any financial liabilities at FVTPL. The Company has designated its amounts due from and to related parties as amortized cost.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued. The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as equity units.

g. Functional currency

The majority of transactions are in Canadian dollars and therefore the reporting and functional currency of the Company is the Canadian dollar.

h. Exploration and evaluation assets

The cost of acquiring and maintaining the Company's interest in its exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a license is relinquished or a project is abandoned, the related costs are recognized in profit and loss immediately.

All costs directly related to the acquisition and exploration are capitalized once the legal rights to explore the exploration and evaluation assets are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

Management reviews the carrying value of capitalized exploration and evaluation assets at least annually. The review is based on the Company's intentions for development of an undeveloped property. If a project does not prove viable, all unrecoverable costs associated with the project net of any previous impairment provisions are written off. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped property. Amounts shown for exploration and evaluation assets, net of write-downs and recoveries, are not intended to represent present or future values.

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

i. Impairment

The Company's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indications of impairment exist, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Impairment (continued)

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

j. Decommissioning liabilities

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities and may from time to time incur decommissioning liabilities and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for a decommissioning liability is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at December 31, 2022, the Company had not incurred any decommissioning liabilities related to the exploration and development of its mineral properties.

NOTE 3 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the year ended December 31, 2022 and have not been applied in preparing these financial statements nor does the Company expect these amendments to have a significant effect on its financial statements.

NOTE 4 – SHARE CAPITAL

a) Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value.

b) Issued and Outstanding

As at December 31, 2022 and 2021, there were 3,000,000 issued and outstanding common shares.

There were no share capital transactions for the years ended December 31, 2022 and 2021.

NOTE 5 – RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(Expressed in Canadian dollars)

NOTE 5 – RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. During the year ended December 31, 2022 (2021 - $Nil), the Company incurred consulting fees totaling $28,250 for key management personnel compensation, which remains payable as at December 31, 2022.

As at December 31, 2022, the Company had advances receivable of $26,979 (2021 - $27,557) due from the Chief Executive Officer ("CEO") of the Company. The amount is unsecured, non-interest bearing, and due on demand. Subsequent to the year-end, the amount of $26,979 was fully paid back to the Company. The amount was advanced to the CEO for expense to be incurred on the behalf of the company.

NOTE 6 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and due to related parties. The carrying value of the financial instrument approximates its fair value due to its immediate or short-term maturity.

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

Financial instruments measured at fair value on a recurring basis were presented on the Company's statement of financial position as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	December 31, 2022
Cash	$ 2,260	–	–	$ 2,260

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The carrying amount of financial assets represents the maximum credit exposure

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through its capital management and ensuring that sufficient financial resources to meet liabilities as they come due. As at December 31, 2022, the Company had a cash balance of $2,260 to settle current liabilities of $28,250. As of December 31, 2022, the Company has payables due in the next 12 months which exceed its currently available cash on hand.

(Expressed in Canadian dollars)

NOTE 6 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates. The Company does not have any financial assets exposed to market rate risk.

Foreign Exchange and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate risk or interest rate risk.

NOTE 7 – CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company has no surplus as at December 31, 2022. There were no changes to the Company's approach to capital management during the period ended December 31, 2022. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations

NOTE 8 – INCOME TAX

In assessing deferred income tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment and concluding the deferred tax assets were not realized.

The following table reconciles the amount income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2022	2021
Canadian statutory income tax rate	27%	27%
	$	$
Loss for the year before income taxes	(29,387)	(958)
Expected income tax recovery	(7,934)	(259)
Change in deferred tax assets not recognized	7,934	259
Income taxes recoverable	-	-

The nature and effect of the Company's deferred tax assets is as follows:

	2022	2021
	$	$
Non capital losses carried forward	78,186	48,799
Deferred tax assets not recognized	(78,186)	(48,799)
Net deferred tax asset	-	-

As at December 31, 2022, the Company had non-capital losses carried forward of approximately $78,186 which may be applied to reduce future years' taxable income, subject to final determination by taxation authorities, and begin expiring in 2041.

NOTE 9 – SUBSEQUENT EVENTS

On March 28, 2023, the Company acquired an 90% interest in C-Tech Ceylon (Private) Limited ("C-Tech") for nominal consideration. Following the acquisition, C-Tech acquired certain land parcels in the Kurunegala District of the North Western Province in Sri Lanka comprising its Dodangaslanda Graphite Project mineral property for total consideration of 65,000,000 Sri Lankan Rupees.

On July 26, 2023, the Company closed a non-brokered private placement of 3,883,636 common shares at a price of $0.15 per share for gross aggregate proceeds of $582,545.

Subsequent to December 31, 2022, the Company returned to the treasury and cancelled 225,000 common shares previously issued to a shareholder in connection with a shares for services agreement which did not materialize.

Subsequent to December 31, 2022, the Company received $29,133 in subscriptions receivable outstanding at December 31, 2022.

On October 6, 2023, the Company issued 663,333 common shares for services.

On November 7, 2023, the Company closed a non-brokered private placement of 653,636 common shares at a price of $0.15 per share ($0.11 USD) for gross aggregate proceeds of $98,045.

Applied Graphite Technologies Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

For the year ended December 31, 2022

This management's discussion and analysis of the financial condition as of February 29, 2024 provides an analysis of the financial results and progress for the year ended December 31, 2022 of Applied Graphite Technologies Corporation. ("**AGT**" or the "**Company**"). This MD&A should be read in conjunction with the Company's financial statements and notes thereto for the year ended December 31, 2022 and the period from incorporation on July 12, 2019 to December 31, 2022 which were prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and Interpretations of the IFRS Interpretations Committee. All amounts are expressed in Canadian dollars.

Certain statements and information related to the Company's business contained in this Management's Discussion and Analysis are of a forward-looking nature. They are based on opinions, assumptions or estimates made by the Company's management or on opinions, assumptions or estimates made available to or provided to and accepted by the Company's management. Such statements and information are reflecting management's current views and expectations of future events or results and are subject to a variety of risks and uncertainties that are beyond management control. Readers are cautioned that these risks and uncertainties could cause actual events or results to significantly differ from those expressed, expected or implied and should therefore not rely on any forward-looking statements.

Description of Business

Applied Graphite Technologies Corporation ("Applied" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 12, 2019. The address of the Company's head office is located at 777 Hornby Street Suite 600, Vancouver, BC, V6Z 1S4, Canada and its registered and records office is located at 777 Hornby Street Suite 600, Vancouver, BC, V6Z 1S4.

The Company is a private entity operating in the mineral exploration industry, and is currently engaged in exploration and evaluation activities in the province of Sri Lanka. (See note 9 of the financial statements)

The Company's financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at December 31, 2022, the Company had not yet generated revenues. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts difference from those reflected in the accompanying financial statements.

Overall Performance

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at December 31, 2022, the Company had working capital of $1,314 had not yet achieved profitable operations and has an accumulated deficit of $78,186 since its inception. The Company expects to incur further losses in the development of its business. All of these circumstances comprise a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption were not appropriate for the Company's financial statements, it could be necessary to restate the Company's assets and liabilities on a liquidation basis.

Results of Operations

Year Period ended December 31, 2022

The Company reported net loss for the year ended December 31, 2022 of $29,387. General and administrative expenses amounted to $29,387 consisting of consulting for $28,250, office and general for $579 and interest and bank charges of $558.

Summary of Yearly Results

	Year Ended December 31, 2022 ($)	Year Ended December 31, 2021 ($)	Period from Incorporation on July 19, 2019 Ended December 31, 2020 ($)
Revenue	Nil	Nil	Nil
Total assets	29,564	30,701	31,660
Total non-current liabilities	Nil	Nil	Nil
Expenses	(29,387)	(958)	47,840
Net and comprehensive loss	(29,387)	(958)	47,840
Loss per share – Basic and diluted	(0.01)	(0.00)	(0.00)
Total dividends per share	Nil	Nil	Nil

As the Company was incorporated on July 12, 2019, this encompasses information from the incorporation date to present. During the year period ended December 31, 2022, the Company incurred costs comprised mainly of legal, accounting services which related to the completing the prospectus.

Summary of Quarterly Results

	Quarter ended December 31, 2022	Quarter ended September 30, 2022	Quarter ended June 30, 2022	Quarter ended March 31, 2022
Total Assets	$29,564	$30,199	$30,434	$30,491
Total Revenues	Nil	Nil	Nil	Nil
Total Expenses	$28,885	$235	$57	$210
Net Loss	$28,885	$235	$57	$210
Basic and diluted net loss per share	$0.01	$0.00	$0.00	$0.00

	Quarter ended December 31, 2021	Quarter ended September 30, 2021	Quarter ended June 30, 2021	Quarter ended March 31, 2021
Total Assets	$30,701	$10,387	$11,447	$18,163
Total Revenues	Nil	Nil	Nil	Nil
Total Expenses	$685	$60	$166	$47
Net Loss	$685	$60	$166	$47
Basic and diluted net loss per share	$0.00	$0.00	$0.00	$0.00

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties, the results of the Company's prior exploration activities on its properties and the amount of expenditure required to advance its projects.

Liquidity and Capital Resources

As at December 31, 2022, the Company has a working capital of $1,314 compared mainly due to the cash received from private placement reduced by the accounts payable of $28,250 as of December 31, 2022.

For the year ended December 31, 2022, the Company used cash of $884 in operating activities, due to bank charges, operating expenses and change in accounts payable and prepaid

The Company's principal assets are at an exploration stage and as a result the Company has no current source of operating cash flows. The Company relies on its ability obtain equity financing to fund administration expenses and future exploration programs. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of a financing or by monetizing assets. There is no certainty that these and other strategies will be successful.

Share Capital

Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Issued and Outstanding

As at December 31, 2022, there were 3,000,000 issued and outstanding common shares. As of MD&A date, the outstanding shares are 8,200,605.

There were no share capital transactions for the years ended December 31, 2022 and 2021.

Stock Options

As of the date of the MD&A, there are nil stock options outstanding.

Warrants

As of the date of the MD&A, there are nil common share purchase warrants outstanding.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. During the year ended December 31, 2022 (2021 - $Nil), the Company incurred consulting fees totaling $28,250 for key management personnel compensation, which remains payable as at December 31, 2022.

As at December 31, 2022, the Company had advances receivable of $26,979 (2021 - $27,557) due from the Chief Executive Officer ("CEO") of the Company. The amount is unsecured, non-interest bearing, and due on demand. Subsequent to the year-end, the amount of $26,979 was fully paid back to the Company. The amount was advanced to the CEO for expense to be incurred on the behalf of the company.

Off Balance Sheet Agreements

The Company has not engaged in any off-balance sheet arrangements during the year ended December 31, 2022.

Critical Accounting Policies and Estimates

The details of the Company's accounting policies are presented in Note 2 of the financial statements ended December 31, 2022.

Capital Management

Capital is comprised of items within the Company's shareholder's deficiency. As at December 31, 2022, the Company's shareholder's deficiency was $78,186. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects. The Company is not subject to any externally imposed capital requirements.

Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. 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.

The fair value of cash is based on Level 1 inputs of the fair value hierarchy.

The fair value of the Company's accounts payable approximates their carrying values due to their short-term nature.

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's accounts payable are due within one year. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company has cash of $2,260 to settle current liabilities of $28,250.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The interest rate risk on cash is not considered significant.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices and the stock market to determine the appropriate course of action to be taken by the Company.

Risk and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors include, but are not limited to, disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risk and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulation risk.

(a) the state of the capital markets, which will affect the ability of the Company's to finance mineral property acquisitions and expand its contemplated exploration programs;

(b) the prevailing market prices for base metals and precious metals;

(c) the consolidation and potential abandonment of the Company's property as exploration results provide further information relating to the underlying value of the property; and

(d) the ability of the Company to identify and successfully acquire additional mineral properties in which the Company may acquire an interest whether by option, joint venture or otherwise, in addition to or as an alternative to the property.

Subsequent Events

On March 28, 2023, the Company acquired an 90% interest in C-Tech Ceylon (Private) Limited ("C-Tech") for nominal consideration. Following the acquisition, C-Tech acquired certain land parcels in the Kurunegala District of the North Western Province in Sri Lanka comprising its Dodangaslanda Graphite Project mineral property for total consideration of 65,000,000 Sri Lankan Rupees.

On July 26, 2023, the Company closed a non-brokered private placement of 3,833,636 common shares at a price of $0.15 per share for gross aggregate proceeds of $582,545.

Subsequent to December 31, 2022, the Company returned to the treasury and cancelled 225,000 common shares previously issued to a shareholder in connection with a shares for services agreement which did not materialize.

Subsequent to December 31, 2022, the Company received $29,133 in subscriptions receivable outstanding at December 31, 2022.

On October 6, 2023, the Company issued 663,333 common shares for services.

On November 7, 2023, the Company closed a non-brokered private placement of 653,636 common shares at a price of $0.15 per share ($0.11 USD) for gross aggregate proceeds of $98,045.

Other Risk Factors

Additional Financing

The Company has limited financial resources and provides no assurance that it will obtain additional funding for future acquisitions and development of projects or to fulfill its obligations under applicable agreements. The Company provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. The Company provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of its properties.

Permits and Licenses

The Company will require licenses and permits from various governmental and non-governmental authorities for its operations. The Company has obtained, or plans to obtain, all necessary licenses and permits required to carry on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. The Company provides no assurance that it will obtain all necessary licenses and permits required to carry out exploration, development and mining operations.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, and labor relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of the properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the properties. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Currency Risk

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Company's costs are incurred primarily in Canadian dollars.

Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. In addition, the Company will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. The Company provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Competitive Factors in the Precious and Base Metals Markets

Most mineral resources including precious and base metals are essentially commodities markets in which one would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. The significant downturn in the world economies in recent months has driven the commodities prices much lower which has made raising capital more difficult than past years.

Outstanding Share Data

The following table summarizes the outstanding share capital as of December 31, 2022:

	Number	Exercise Price	Expiry Date
Common Shares	3,000,000	N/A	N/A
Stock Options	-	-	-
Warrants	-	-	-

Forward-Looking Information

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements. Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. 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 to the extent required by applicable laws.

APPLIED GRAPHITE TECHNOLOGIES CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

APPLIED GRAPHITE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Note	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
		$	$
ASSETS			
Current assets			
Cash		62,950	2,260
Prepaid		-	325
Advance		62,328	-
Due from related parties	7	-	26,979
		125,278	**29,564**
Non-current assets			
Property and Equipment	4	331,800	-
Exploration and evaluation assets	5	53,274	-
Total assets		**510,352**	**29,564**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		55,811	-
Due to related parties	7	27,120	28,250
Total Liabilities		82,931	28,250
SHAREHOLDERS' EQUITY			
Share capital	6	713,678	108,633
Share subscriptions (receivable)	6	28,257	(29,133)
Deficit		(303,217)	(78,186)
Accumulated other comprehensive loss		(11,297)	-
Total equity		427,421	1,314
Total liabilities and shareholders' equity		**510,352**	**29,564**

Nature of business and going concern (Note 1)
Subsequent events (Note 11)

Approved and authorized for issue on behalf of the Board of Directors on February 28, 2024:

"Don Baxter"
Director

"Paul J. Fisher"
Director

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

APPLIED GRAPHITE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	$	$	$	$
Expenses				
Consulting	72,178	-	95,244	-
Interest and bank charges	195	216	569	502
Land maintenance	17,425	-	21,675	-
Professional fees	89,993	-	89,993	-
Office and other	2,125	-	2,531	-
Travel	-	-	9,573	-
Loss before other items	(181,916)	(216)	(219,585)	(502)
Other items				
Foreign exchange gain (loss)	(5,446)	-	(5,446)	-
Net Loss	(187,362)	(216)	(225,031)	(502)
Other comprehensive gain (loss)				
Item that may be reclassified subsequently to gain (loss):				
Unrealized foreign exchange translation	-	-	(11,297)	-
Net and comprehensive income (loss)	(187,362)	(216)	(236,328)	(502)
Loss per share – basic and diluted	(0.03)	(0.00)	(0.06)	(0.00)
Weighted average number of shares outstanding	5,848,000	3,000,000	3,938,901	3,000,000

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

APPLIED GRAPHITE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Common shares					
	Number of shares	**Amount**	**Subscriptions received (receivable)**	**Deficit**	**Accumulated Other Compressive Income**	**Total**
		$	**$**	**$**	**$**	**$**
Balance, December 31, 2021	**3,000,000**	**108,633**	**(29,133)**	**(48,799)**	**-**	**30,701**
Net loss for the period	-	-	-	(29,387)	-	(29,387)
Balance, December 31, 2022	3,000,000	108,633	(29,133)	(78,186)	-	1,314
Balance, December 31, 2022	3,000,000	108,633	(29,133)	(78,186)	-	1,314
Shares issued for cash	3,883,636	582,545	-	-	-	582,545
Share issued for service	225,000	22,500	-	-	-	22,500
Subscriptions received	-	-	57,390	-	-	57,390
Cancelled shares	(225,000)	-	-	-	-	-
Net loss for the period	-	-	-	(225,031)	(11,297)	(236,328)
Balance, September 30, 2023	6,883,636	713,678	28,257	(303,217)	(11,297)	427,421

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

APPLIED GRAPHITE TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	2023	2022
	$	$
Cash provided by (used in):		
Operating activities		
Net loss for the period	(225,031)	(502)
Items not affecting cash:		
Share issued for services	22,500	-
Changes in non-cash working capital items:		
Prepaid	325	(325)
Advance	(62,328)	-
Due from related parties	26,979	-
Due to related parties	(1,130)	-
Accounts payable and accrued liabilities	55,811	-
Cash used in operating activities	(182,874)	(827)
INVESTING ACTIVITIES		
Purchase of property and equipment	(331,800)	-
Expenditures on exploration and evaluation assets	(53,274)	-
Cash used in investing activities	(385,074)	-
FINANCING ACTIVITIES		
Private placement, net	582,545	-
Share subscriptions received	57,390	-
Cash provided by financing activities	639,935	-
Change in cash	71,987	(827)
Cash – beginning of period	2,260	3,144
Effect of translating foreign currency	(11,297)	-
Cash – end of period	**62,950**	**2,317**
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-

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

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Applied Graphite Technologies Corporation (“**Applied**” or the “**Company**”) was incorporated under the *Business Corporations Act* (British Columbia) on July 12, 2019. The address of the Company’s head office is located at 777 Hornby Street Suite 600, Vancouver, BC, V6Z 1S4, Canada and its registered and records office is located at 777 Hornby Street Suite 600, Vancouver, BC, V6Z 1S4.

The Company is a private entity operating in the mineral exploration industry, and during the current period, became engaged in exploration and evaluation activities in Sri Lanka.

On March 28, 2023, the Company acquired an 90% interest in C-Tech Ceylon (Private) Limited (“C-Tech”) for nominal consideration. Following the acquisition, C-Tech acquired certain land parcels in the Kurunegala District of the North Western Province in Sri Lanka comprising its Dodangaslanda Graphite Project mineral property for total consideration of 65,000,000 Sri Lankan Rupees (see Note 5).

The Company’s unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at September 30, 2023, the Company had not yet generated revenues and has an accumulated deficit of $303,217. The Company’s ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern.

These unaudited condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts difference from those reflected in the accompanying financial statements.

Statement of compliance and basis of presentation

These unaudited condensed consolidated interim financial statements for the period ended September 30, 2023 have been prepared in accordance with International Financial Reporting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent 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”), and should be read together with the Company’s audited financial statements for the year ended December 31, 2022.

The unaudited condensed consolidated interim financial statements of the Company for the nine months ended September 30, 2023 and 2022 were approved and authorized for issuance by the Board of Directors on February 28, 2024.

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars which is the Company's functional currency.

Effective May 19, 2023, the Company consolidated all of its issued and outstanding share capital on a basis of one post-consolidated share for ten pre-consolidated shares. All share and per share amounts in these unaudited condensed consolidated interim financial statements have been retroactively adjusted to reflect this share consolidation.

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN (continued)

Basis of consolidation

These unaudited condensed consolidated interim financial statements include the assets and operations of the Company and any entities it controls, in C-Tech Ceylon (Private) Limited ("C-Tech") of which the Company owns 90%.

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a. Significant accounting judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. There are no significant estimates applied in the preparation of these financial statements other than the fair value of common shares issued pursuant to exploration and evaluation asset option and debt settlement agreements.

Judgements are choices in accounting policies and disclosures which management believes are supported by facts and circumstances existing at the date of the financial statements. The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- The determination that the Company has no decommissioning liabilities;
- The determination of recoverability of exploration and evaluation assets;
- The provision of deferred income taxes is based on judgements in applying income tax law and estimates about timing, likelihood and reversal of temporary differences between accounting and tax basis of the assets and liabilities; and
- The determination that the Company will continue as a going concern for the next year.

b. Income (loss) per share

Basic income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period. To compute diluted income (loss) per share, adjustments are made to common shares outstanding, if applicable. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at the time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. If this computation is anti-dilutive, diluted income (loss) per share is the same as basic income (loss) per share. For the periods presented, this calculation proved to be anti-dilutive.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of the underlying assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it more likely than not that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

d. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

e. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income (“OCI”), or through profit or loss), and
- Those to be measured at amortized cost.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

Fair value hierarchy

The following table summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - Inputs for the asset or liability that are not based upon observable market data.

Cash is carried at fair value using a level 1 fair value measurement.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.
- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

Cash is measured at FVTPL. The Company has not designated any financial assets as amortized cost and FVOCI.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Financial liabilities

The Company classifies its financial liabilities into the following categories:

- Financial liabilities at FVTPL; and
- Amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not designate any financial liabilities at FVTPL. The Company has designated its accounts payable and due to related parties as amortized cost.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

f. Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued. The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as equity units.

g. Functional currency

The majority of transactions are in Canadian dollars and therefore the reporting and functional currency of the Company is the Canadian dollar. The functional currency for C-Tech is the Sri Lankan Rupee.

h. Exploration and evaluation assets

The cost of acquiring and maintaining the Company’s interest in its exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a license is relinquished or a project is abandoned, the related costs are recognized in profit and loss immediately.

All costs directly related to the acquisition and exploration are capitalized once the legal rights to explore the exploration and evaluation assets are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Exploration and evaluation assets (continued)

Management reviews the carrying value of capitalized exploration and evaluation assets at least annually. The review is based on the Company's intentions for development of an undeveloped property. If a project does not prove viable, all unrecoverable costs associated with the project net of any previous impairment provisions are written off. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped property. Amounts shown for exploration and evaluation assets, net of write-downs and recoveries, are not intended to represent present or future values.

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

i. Impairment

The Company's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indications of impairment exist, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

j. Decommissioning liabilities

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities and may from time to time incur decommissioning liabilities and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for a decommissioning liability is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at September 30, 2023 the Company had not incurred any decommissioning liabilities related to the exploration and development of its mineral properties.

(Expressed in Canadian dollars)

NOTE 3 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the period ended September 30, 2023 and have not been applied in preparing these financial statements nor does the Company expect these amendments to have a significant effect on its financial statements.

NOTE 4 - PROPERTY AND EQUIPMENT

	Land	Fence	Total
	$	$	$
Cost			
At December 31, 2022	-	-	-
Additions	324,660	7,140	331,800
Disposals	-	-	-
Exchange rate movements	-	-	-
At September 30, 2023	324,660	7,140	331,800
Accumulated amortization:			
At December 31, 2022	-	-	-
Additions	-	-	-
Exchange rate movements	-	-	-
At September 30, 2023	-	-	-
Net book value			
At September 30, 2023	**324,660**	**7,140**	**331,800**
At December 31, 2022	-	-	-

NOTE 5 - EXPLORATION AND EVALUATION ASSETS

The Company has accumulated the following acquisition, exploration and evaluation costs for the period ended September 30, 2023:

	D1	Q2	Total
	$	$	$
Balance, December 31, 2022	**-**	**-**	**-**
Costs incurred during the period:			
Geological consulting services	35,694	17,580	53,274
	35,694	17,580	53,274
Effect of foreign exchange	-	-	-
Balance, September 30, 2023	**35,694**	**17,580**	**53,274**

Sri Lanka

The Company's capitalized exploration and evaluation assets consist of the Company's current exploration properties located in Karasnagala, Sri Lanka (namely the D1 and Q2 properties, respectively) where the Company is currently conducting its exploration activities.

(Expressed in Canadian dollars)

NOTE 5 - EXPLORATION AND EVALUATION ASSETS (continued)

During the period ended September 30, 2023, the Company purchased the land comprising its D1 and Q2 mineral properties (see Note 4). The D1 and Q2 land parcels owned by the Company comprise of land totaling 36 acres and 4 acres, respectively.

NOTE 6 – SHARE CAPITAL

a) Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value.

b) Issued and Outstanding

As at September 30, 2023, there were 6,883,636 issued and outstanding common shares.

Effective May 19, 2023, the Company consolidated all of its issued and outstanding share capital on a basis of one post-consolidated share for ten pre-consolidated shares. All share and per share amounts in these financial statements have been retroactively adjusted to reflect this share consolidation.

During the period ended September 30, 2023, the Company issued the following common shares.

On July 26, 2023, the Company closed a non-brokered private placement of 3,883,636 common shares at price of $0.15 per share for gross aggregate proceeds of $582,545.

During the period ended September 30, 2023, the Company issued 225,000 common shares for services with a fair value of $22,500.

During the period ended September 30, 2023, the Company cancelled 225,000 common shares.

NOTE 7 – RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The Company incurred the following costs from its key management personnel and related parties for the periods ended September 30, 2023 and 2022:

	2023	2022
	$	$
Management, consulting fees	61,020	-

(Expressed in Canadian dollars)

NOTE 7 – RELATED PARTY TRANSACTIONS AND BALANCES (continued)

As at December 31, 2022, the Company had advances receivable of $26,979 (2021 - $27,557) due from the Chief Executive Officer ("CEO") of the Company. The amount is unsecured, non-interest bearing, and due on demand. Subsequent to the year-end, the full amount was repaid to the Company. The amount was advanced to the CEO for expense to be incurred on the behalf of the Company.

As at September 30, 2023, the Company has amounts payable of $27,120 (December 31, 2022 - $28,250) due to certain directors and officers of the Company. The amounts payable are unsecured and non-interest bearing.

NOTE 8 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, accounts payable and due to related parties. The carrying value of the financial instrument approximates its fair value due to its immediate or short-term maturity.

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

> Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.
>
> Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.
>
> Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	September 30, 2023
Cash	$ 62,950	–	–	$ 62,950

The Company's financial instruments are exposed to the following risks:

<u>Credit Risk</u>

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The carrying amount of financial assets represents the maximum credit exposure.

<u>Liquidity Risk</u>

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through its capital management and ensuring that sufficient financial resources to meet liabilities as they come due. As at September 30, 2023, the Company had a cash balance of $62,950 to settle current liabilities of $82,931. On September 30, 2023, the Company's payables due in the next 12 month exceed its currently available cash and amounts receivable.

NOTE 8 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates. The Company does not have any financial assets exposed to market rate risk.

Foreign Exchange and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate risk or interest rate risk.

NOTE 9 – CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company has no surplus as at September 30, 2023. There were no changes to the Company's approach to capital management during the period ended September 30, 2023. The Company is not subject to externally imposed capital requirements. The Company may raise additional debt or equity financing in the near future to meet its obligations.

NOTE 10 – PROPOSED TRANSACTION

On June 26, 2023, the Company entered into an amalgamation agreement (the "Agreement") with Audrey Capital Corporation ("Audrey"), whereby the Company will amalgamate with a wholly-owned subsidiary of Audrey (the "Transaction"). Pursuant to the terms of the Agreement, the Company is required to complete a private placement raising gross proceeds of USD $300,000.

Upon completion of the Transaction, each common share of the Company shall be exchanged for one common share of Audrey. As a result, the Transaction will constitute an asset acquisition and will be accounted for under the acquisition method in accordance with the guidance provided in IFRS 3, Business Combinations ("IFRS 3"). The group of assets being acquired does not qualify as a business according to the definition in IFRS 3, and therefore the acquisition will not constitute a business combination, but rather treated as a payment of share consideration for the acquisition of AGT and its net assets. The transaction is also expected to meet the criteria for completion of Audrey's qualifying transaction pursuant to policy 2.4 – Capital Pool Companies of the TSX Venture Exchange.

The completion of the Transaction is subject to regulatory and shareholder approval, which have not been obtained as of the date of these condensed consolidated interim financial statements.

NOTE 11 – SUBSEQUENT EVENTS

On October 6, 2023, the Company issued 663,333 common shares for services.

On November 7, 2023, the Company closed a non-brokered private placement of 653,636 common shares at a price of $0.15 per share ($0.11 USD) for gross aggregate proceeds of $98,045.

Applied Graphite Technologies Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

For the period ended September 30, 2023

This management's discussion and analysis of the financial condition as of February 28, 2024 provides an analysis of the financial results and progress for the period ended September 30, 2023 of Applied Graphite Technologies Corporation. ("**AGT**" or the "**Company**"). This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements ("Financial Statements") and notes thereto for the period ended September 30, 2023 which were prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and Interpretations of the IFRS Interpretations Committee. All amounts are expressed in Canadian dollars.

Certain statements and information related to the Company's business contained in this Management's Discussion and Analysis are of a forward-looking nature. They are based on opinions, assumptions or estimates made by the Company's management or on opinions, assumptions or estimates made available to or provided to and accepted by the Company's management. Such statements and information are reflecting management's current views and expectations of future events or results and are subject to a variety of risks and uncertainties that are beyond management control. Readers are cautioned that these risks and uncertainties could cause actual events or results to significantly differ from those expressed, expected or implied and should therefore not rely on any forward-looking statements.

Description of Business

Applied Graphite Technologies Corporation ("Applied" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 12, 2019. The address of the Company's head office is located at 777 Hornby Street Suite 600, Vancouver, BC, V6Z 1S4, Canada and its registered and records office is located at 777 Hornby Street Suite 600, Vancouver, BC, V6Z 1S4.

The Company is a private entity operating in the mineral exploration industry, and is currently engaged in exploration and evaluation activities in the province of Sri Lanka.

On March 28, 2023, the Company acquired an 90% interest in C-Tech Ceylon (Private) Limited ("C-Tech") for nominal consideration. Following the acquisition, C-Tech acquired certain land parcels in the Kurunegala District of the North Western Province in Sri Lanka comprising its Dodangaslanda Graphite Project mineral property for total consideration of 65,000,000 Sri Lankan Rupees.

On June 26, 2023, the Company entered into an amalgamation agreement (the "Agreement") with Audrey Capital Corporation ("Audrey"), whereby the Company will amalgamate with a wholly-owned subsidiary of Audrey (the "Transaction"). Pursuant to the terms of the Agreement, the Company is required to complete a private placement raising gross proceeds of USD $300,000.

Upon completion of the Transaction, each common share of the Company shall be exchanged for one common share of Audrey. As a result, the Transaction will constitute an asset acquisition and will be accounted for under the acquisition method in accordance with the guidance provided in IFRS 3, Business Combinations ("IFRS 3"). The group of assets being acquired does not qualify as a business according to the definition in IFRS 3, and therefore the acquisition will not constitute a business combination, but rather treated as a payment of share consideration for the acquisition of AGT and its net assets. The transaction is also expected to meet the criteria for completion of Audrey's qualifying transaction pursuant to policy 2.4 – Capital Pool Companies of the TSX Venture Exchange.

The completion of the Transaction is subject to regulatory and shareholder approval, which have not been obtained as of the date of these condensed consolidated interim financial statements.

The Company's unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at September 30, 2023, the Company had not yet generated revenues. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These unaudited condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts difference from those reflected in the accompanying financial statements.

Overall Performance

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at September 30, 2023, the Company had working capital of $42,347 had not yet achieved profitable operations and has an accumulated deficit of $303,217 since its inception. The Company expects to incur further losses in the development of its business. All of these circumstances comprise a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption were not appropriate for the Company's financial statements, it could be necessary to restate the Company's assets and liabilities on a liquidation basis.

Results of Operations

Nine Period ended September 30, 2023

The Company reported net and comprehensive loss for the period ended September 30, 2023 of $236,328. General and administrative expenses amounted to $219,585 of which of consulting of $95,244, professional fees of $89,993, land maintenance of $21,675, travel of $9,573, office and general for $2,531 and interest and bank charges of
$569.

Summary of Quarterly Results

	Quarter ended September 30, 2023	**Quarter ended June 30, 2023**	**Quarter ended March 31, 2022**	**Quarter ended December 31, 2022**
Total Assets	$510,352	$399,446	$28,378	$29,564
Total Revenues	Nil	Nil	Nil	Nil
Total Expenses	$181,916	26,866	$10,803	$28,886
Net Loss	$187,362	26,866	$10,803	$28,886
Basic and diluted net loss per share	$0.03	$0.01	$0.00	$0.01

	Quarter ended September 30, 2022	**Quarter ended June 30, 2022**	**Quarter ended March 31, 2023**	**Quarter ended December 31, 2021**
Total Assets	$30,199	$30,434	$30,491	$30,701
Total Revenues	Nil	Nil	Nil	Nil
Total Expenses	$235	$57	$210	$685
Net Loss	$235	$57	$210	$685
Basic and diluted net loss per share	$0.00	$0.00	$0.00	$0.00

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties, the results of the Company's prior exploration activities on its properties and the amount of expenditure required to advance its projects.

Liquidity and Capital Resources

As at September 30, 2023, the Company has a working capital of $42,347 compared mainly due to the cash received from private placement reduced by the accounts payable of $82,931 as of September 30, 2023.

For the period ended September 30, 2023, the Company used cash of $182,874 in operating activities, due to filing and listing costs, operating expenses and change in accounts payable and receivables.

The Company's principal assets are at an exploration stage and as a result the Company has no current source of operating cash flows. The Company relies on its ability obtain equity financing to fund administration expenses and future exploration programs. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of a financing or by monetizing assets. There is no certainty that these and other strategies will be successful.

Property and Equipment

For the period ended September 30, 2023, the Company acquired property and equipment of $331,800. Amortization of assets for the period ended September 30, 2023 was $nil. Net book value of property and equipment as of September 30, 2023 was $331,800 (June 30, 2022 - $157,570). Any change on property and equipment balance other than amortization was due to foreign exchange adjustments

Exploration and Evaluation Assets

The Company has accumulated the following acquisition, exploration and evaluation costs for the period ended September 30, 2023:

	$
Balance, December 31, 2022	**-**
Costs incurred during the period:	
Geological and Other Consultancy Services	53,274
	53,274
Effect of foreign exchange	-
Balance, September 30, 2023	**53,274**

Sri Lanka

The Company's capitalized exploration and evaluation assets consist of the Company's current exploration properties located in Karasnagala, Sri Lanka (namely D1 and Q2, properties, respectively) where the Company is currently conducting its exploration activities.

The Company owns its D1 and Q2 properties outright. As of September 30, 2023, the Company holds Title to the D1 and Q2 properties.

The Company's D1 and Q2 properties comprises of two land parcels owned by the Company of 36 acres and 4 acres, respectively. The land purchased is included within property and equipment on the Company's consolidated statement of financial position.

Early in 2023, the Sri Lankan Government amended mining regulations to allow private landowners to have mineral rights. This allows C-Tech as the landowner to apply and receive exploration permit. A mining permit will follow the exploration permit.

Share Capital

Authorized

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at September 30, 2023, there were 6,883,636 issued and outstanding common shares. As of the MD&A date, the total issued and outstanding shares are 8,200,605.
During the period ended September 30, 2023; the Company issued the following common shares.

Effective May 19, 2023, the Company consolidated all of its issued and outstanding share capital on a basis of one post-consolidated share for ten pre-consolidated shares. All share and per share amounts in these financial statements have been retroactively adjusted to reflect this share consolidation.

On July 26, 2023, the Company closed a non-brokered private placement of 3,883,636 shares at price of $0.15 per Share for gross aggregate proceeds of $582,545.

During the period ended September 30, 2023, the Company issued 225,000 common shares for services at a price of $0.10 per share for gross proceeds of $22,500.

During the period ended September 30, 2023, the Company cancelled 225,000 common shares for services at a price of $0.10 per share for gross proceeds of $225,000.

As at December 31, 2022 and 2021, there were 3,000,000 issued and outstanding common shares.

There were no share capital transactions for the years ended December 31, 2022 and 2021.

Stock Options

As of the date of the MD&A, there are nil stock options outstanding.

Warrants

As of the date of the MD&A, there are nil common share purchase warrants outstanding (see Note 11).

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. During the period ended September 30, 2023, the Company incurred of $61,020 for key management personnel compensation.

As at December 31, 2022, the Company had advances receivable of $26,979 (2021 - $27,557) due from the Chief Executive Officer ("CEO") of the Company. The amount is unsecured, non-interest bearing, and due on demand. Subsequent to the year-end, the amount of $26,979 was fully paid back to the Company. The amount was advanced to the CEO for expense to be incurred on the behalf of the company.

As at September 30, 2023, the Company has amounts payable of $27,120 (December 31, 2022 - $28,250l) due to certain directors and officers of the Company. The amounts payable are unsecured and noninterest bearing.

Off Balance Sheet Agreements

The Company has not engaged in any off-balance sheet arrangements during the period ended September 30, 2023.

Critical Accounting Policies and Estimates

The details of the Company's accounting policies are presented in Note 2 of the financial statements ended September 30, 2023.

Capital Management

Capital is comprised of items within the Company's shareholder's deficiency. As at September 30, 2023, the Company's shareholder's deficiency was $303,217. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects.

The Company is not subject to any externally imposed capital requirements.

Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. 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.

The fair value of cash is based on Level 1 inputs of the fair value hierarchy.

The fair value of the Company's accounts payable approximates their carrying values due to their short-term nature.

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's accounts payable are due within one year. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at September 30, 2023, the Company has cash of $62,950 to settle current liabilities of $82,931.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The interest rate risk on cash is not considered significant.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices and the stock market to determine the appropriate course of action to be taken by the Company.

Risk and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors include, but are not limited to, disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risk and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulation risk.

(a) the state of the capital markets, which will affect the ability of the Company's to finance mineral property acquisitions and expand its contemplated exploration programs;

(b) the prevailing market prices for base metals and preciousmetals;

(c) the consolidation and potential abandonment of the Company's property as exploration results provide further information relating to the underlying value of the property; and

(d) the ability of the Company to identify and successfully acquire additional mineral properties in which the Company may acquire an interest whether by option, joint venture or otherwise, in addition to or as an alternative to the property.

Subsequent Events

On October 6, 2023, the Company issued 663,333 common shares for services.

On November 7, 2023, the Company closed a non-brokered private placement of 653,636 common shares at a price of $0.15 per share ($0.11 USD) for gross aggregate proceeds of $98,045.

Other Risk Factors

Additional Financing

The Company has limited financial resources and provides no assurance that it will obtain additional funding for future acquisitions and development of projects or to fulfill its obligations under applicable agreements. The Company provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. The Company provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of its properties.

Permits and Licenses

The Company will require licenses and permits from various governmental and non-governmental authorities for its operations. The Company has obtained, or plans to obtain, all necessary licenses and permits required to carry on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. The Company provides no assurance that it will obtain all necessary licenses and permits required to carry out exploration, development and mining operations.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, and labor relations, repatriation of income and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of the properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate the properties. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Currency Risk

Currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. The Company's costs are incurred primarily in Canadian dollars.

Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. In addition, the Company will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. The Company provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the

Company or be available upon commercially acceptable terms.

Competitive Factors in the Precious and Base Metals Markets

Most mineral resources including precious and base metals are essentially commodities markets in which one would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. The significant downturn in the world economies in recent months has driven the commodities prices much lower which has made raising capital more difficult than past years.

Outstanding Share Data

The following table summarizes the outstanding share capital as of September 30, 2023:

	Number	Exercise Price	Expiry Date
Common Shares	6,883,636	N/A	N/A
Stock Options	-	-	-
Warrants	-	-	-

Forward-Looking Information

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements. Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. 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 to the extent required by applicable laws.

SCHEDULE "D"

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

AUDREY CAPITAL CORPORATION

Pro-forma Consolidated Statement of Financial Position
(Prepared by Management)
(Expressed in Canadian dollars)
(Unaudited)

As at September 30, 2023

AUDREY CAPITAL CORPORATION

UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023
(Expressed in Canadian Dollars)
(Unaudited)

	Audrey Capital Corporation	Applied Graphite Technology Corporation	Notes	Pro-forma Adjustments	Pro forma Consolidated
ASSETS	**$**	$		$	$
Current assets					
Cash	913,833	62,950	3(b,d)	(50,000)	1,024,229
			3(d)	97,446	
Receivables	1,357	-			1,357
Advance	-	62,328			62,328
	915,190	125,278			1,087,914
Non-current					
Property and equipment	-	331,800			331,800
Exploration and evaluation assets	-	53,274	3(a)	755,224	808,498
	915,190	510,352			2,228,212
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	30,613	82,931			113,544
SHAREHOLDERS' EQUITY					
Share capital	1,207,151	713,678	3(a)	(713,678)	2,437,242
			3(a)	1,230,091	
Contributed surplus	212,438	-	3(a)		212,438
Warrant reserves	34,299				34,299
Subscription received	-	28,257	3(e)	(28,257)	-
Deficit	(569,311)	(303,217)	3(a)	303,217	(569,311)
Accumulated other comprehensive income	-	(11,297)	3(a)	11,297	-
	884,577	427,421			2114,668
	915,190	510,352			2,228,212

The accompanying notes are an integral part of this unaudited pro-forma consolidated statement of financial position.

1. PROPOSED TRANSACTION

About Audrey Capital Corporation

Audrey Capital Corporation (the "Audrey") was incorporated on March 9, 2021 under the Business Corporations Act of British Columbia. The Company completed an Initial Public Offering (the "IPO"), after which it became a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. As a CPC, the Company's objective is to identify and acquire either operating assets or a business, subject to regulatory approval, that meet the criteria of a Qualifying Transaction as defined by the TSX-V. Until such time that a Qualifying Transaction is completed, the Company will have no significant revenue and will incur expenses primarily for Qualifying Transaction investigation, TSX-V filing requirements, professional services, and office facilities and administration, subject to certain restrictions under TSX-V Policy 2.4.

***About* Applied Graphite Technologies Corporation**

Applied Graphite Technologies Corporation ("Applied") was incorporated under the Business Corporations Act (British Columbia) on July 19, 2019. The address of Applied's head office is located at 777 Hornby Street Suite 600, Vancouver, BC, V6Z 1S4, Canada and its registered and records office is located at 777 Hornby Street Suite 600, Vancouver, BC, V6Z 1S4.

Applied is a private entity operating in the mineral exploration industry in Sri Lanka.

The Transaction

On June 23, 2023, Audrey, Subco (a wholly owned subsidiary of Audrey) and Applied entered into the Qualifying Transaction Agreement, to carry out the Proposed Qualifying Transaction.

Pursuant to the terms of the Qualifying Transaction Agreement, Audrey will acquire all the issued and outstanding AGT Shares through a three-cornered amalgamation of Applied with Subco. Holders of Applied Shares will receive one (1) Resulting Issuer Share in exchange for each Applied Share held.

The Proposed Qualifying Transaction will constitute Audrey's Qualifying Transaction pursuant to TSX-Exchange Policy 2.4.

The boards of directors of Audrey and Applied have each unanimously approved the terms of the Amalgamation Agreement.

The Agreement will be subject to certain customary conditions including approval by the shareholders of each of Audrey and Applied and various regulatory approvals including the approval of the TSX-V. The Agreement contains customary terms, conditions, conditions precedent and closing obligations for transactions of this nature, including the completion of a share consolidation of Audrey's issued and outstanding common shares on the basis of one and one half existing common shares to one new common share.

2. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position of Audrey has been prepared by management to reflect the acquisition of Applied by Audrey after giving effect to the proposed three-cornered amalgamation transaction (the "Transaction") as described in Note 3.

The unaudited pro-forma consolidated statement of financial position is not necessarily indicative of the Resulting Issuer's consolidated financial position on closing of the Transaction had the Transaction closed on the dates assumed herein.

The unaudited pro-forma consolidated statement of financial position has been compiled from information derived from and should be read in conjunction with the following information, prepared in accordance with IFRS:

- Applied's unaudited consolidated interim financial statement for the period ended September 30, 2023; and

- Audrey's unaudited interim financial statement for the period ended September 30, 2023.

Audrey has been determined to be the acquirer for accounting purposes per IFRS 3 *Business Combinations* guidance. As a result, the unaudited pro forma financial statements are a continuation of the financial statements of Audrey, together with a deemed issuance of shares, equivalent to the shares held by the former shareholders of Applied.

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma consolidated statement of financial position gives effect had the Transaction been completed on September 30, 2023. Consequential adjustments to the accumulated deficit are based on the transaction described in Note 3(a).

The unaudited pro-forma consolidated statement of financial position has been prepared based on the following assumptions:

a) Pursuant to the terms of the Agreement, the Resulting Issuer will issue one Resulting Issuer common share for each Applied common share and Audrey common share issued and outstanding after giving effect to the Transaction, resulting in the issuance of an aggregate of approximately 13,333,333 to current holders of Audrey common shares and 6,883,636 to current holders of Applied common shares. The acquisition of AGT constitutes an asset acquisition and will be accounted for under the acquisition method in accordance with the guidance provided in IFRS 3, Business Combinations ("IFRS 3"). The assets being acquired does not qualify as a business according to the definition in IFRS 3, and therefore the acquisition will not constitute a business combination, but rather treated as a payment of share consideration for the acquisition of AGT and its net assets.

   For the purposes of the pro-forma consolidated statement of financial position, management of Audrey has estimated the fair value of the equity instruments deemed to be issued to shareholders of Applied. The fair value of the 6,883,636 Applied common shares amounted to $1,032,545, based on the proposed concurrent financing of $0.15 per Applied common share (USD $0.11) and the exchange ratio.

(Expressed in Canadian Dollars)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

b) Audrey has estimated the transaction costs to be $50,000.

c) The pro-forma statement of financial position assumes Applied completes its concurrent financing of 653,636 common shares prior to the Transaction noted above.

d) The pro-forma statement of financial position incorporates the 663,333 common shares issued by AGT for services on October 6, 2023.

The allocation of the Consideration for the purposes of the pro-forma consolidated statement of financial position is as follows:

Net assets (liabilities) acquired assumed:

	$
Cash	160,396
Receivables Advances	62,328
Property and equipment	331,800
Exploration and evaluation assets	808,498
Accounts payable and accrued liabilities	(82,931)
	1,280,091
Consideration given:	
Value of common shares issued by Audrey	1,230,091
Transaction costs - cash	50,000
	1,280,091

There will be an elimination of Applied's pre-acquisition shareholders' equity of $427,421.

e) The inter-company accounts were eliminated upon amalgamation.

The above summary provides an initial allocation which may change upon valuation of the individual assets, liabilities and equity instruments. The fair value of the net assets of AGT to be acquired will ultimately be determined on the closing date of the Transaction. It is likely that the fair values of assets and liabilities acquired will vary from those shown above and the differences may be material.

4. PRO-FORMA SHAREHOLDERS' EQUITY

As a result of the Transaction and the pro-forma assumptions and adjustments, the shareholders' equity of the Resulting Issuer as at September 30, 2023 is comprised of the following:

	Notes	Shares	Capital Stock ($)	Contributed Surplus ($)	Deficit ($)	Total ($)
Audrey equity accounts – September 30, 2023	3(a)	13,333,333	1,207,151	246,737	(569,311)	884,577
Issuance of common shares for Applied	3(a),(b), (c)	8,200,605	1,230,091	-	-	1,230,091
		21,533,938	2,437,242	246,737	(569,311)	2,114,688

5. INCOME TAXES

The effective income tax rate applicable to the consolidated operations is estimated to be 26%.