

# **APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

**Condensed Interim Consolidated Financial Statements**

**For the nine months ended September 30, 2025 and 2024**

**(Expressed in Canadian dollars, unaudited)**

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

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

*The accompanying notes form an integral part of these condensed interim consolidated financial statements.*

**APPLIED GRAPHITE TECHNOLOGIES CORPORATION**  
**Condensed interim consolidated statements of financial position**  
(Expressed in Canadian dollars, unaudited)

	<i>Note</i>	September 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalent		\$ 127,238	\$ 34,090
Amounts receivable		6,862	13,869
Prepaid expenses and deposits		63,231	15,665
		<b>197,331</b>	<b>63,624</b>
<b>Non-current assets</b>			
Deposit		-	126,734
Equipment	5	18,325	24,080
Mineral properties	6	2,321,997	2,160,606
		<b>2,340,322</b>	<b>2,311,420</b>
<b>Total assets</b>		<b>\$ 2,537,653</b>	<b>\$ 2,375,044</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	\$ 153,757	\$ 205,918
<b>Total liabilities</b>		<b>153,757</b>	<b>205,918</b>
<b>EQUITY</b>			
Share capital	7(a), 7(b)	\$ 3,441,332	\$ 2,802,848
Share-based reserves	7(d)	389,555	318,684
Warrant reserves	7(e)	187,621	187,621
Deficit		(1,765,297)	(1,317,504)
Accumulated other comprehensive loss		19,074	62,835
<b>Total equity attributable to the parent company</b>		<b>\$ 2,272,285</b>	<b>\$ 2,054,484</b>
<b>Non-controlling interest</b>	8	<b>111,611</b>	<b>114,642</b>
<b>Equity</b>		<b>2,383,896</b>	<b>2,169,126</b>
<b>Total liabilities and equity</b>		<b>\$ 2,537,653</b>	<b>\$ 2,375,044</b>

***Subsequent event (Note 1)***

Approved for issue by the Board of Directors on November 27, 2025:

Signed on the Company's behalf by:

“Don Baxter”  
Don Baxter, Director

“Lindsay Nagle”  
Lindsay Nagle, Director

*The accompanying notes form an integral part of these condensed interim consolidated financial statements.*

**APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

**Condensed interim consolidated statements of loss and comprehensive loss**

(Expressed in Canadian dollars, unaudited)

	Note	Three months ended September 30		Nine months ended September 30	
		2025	2024	2025	2024
<b>Expenses</b>					
Filing fees	3	\$ 6,705	\$ 25,529	\$ 25,585	\$ 66,543
Foreign exchange loss		642	(11,429)	1,054	(10,657)
General and administrative		43,655	64,057	117,902	176,477
Investor relations		2,832	9,000	27,683	45,025
Professional fees		33,337	9,116	50,532	49,937
Project evaluation costs		11,767	26,200	19,198	85,472
Share-based compensation	7(d)	70,872	22,417	70,872	96,498
Travel		-	19,031	-	37,364
Wages and benefits		47,346	34,412	138,349	76,527
		<b>\$ (217,156)</b>	<b>\$ (198,333)</b>	<b>\$ (451,175)</b>	<b>\$ (623,186)</b>
<b>Other Income (Expenses)</b>					
Interest income		-	313	348	608
		<b>\$ -</b>	<b>\$ 313</b>	<b>\$ 348</b>	<b>\$ 608</b>
<b>Loss for the period</b>		<b>\$ (217,156)</b>	<b>\$ (198,020)</b>	<b>\$ (450,827)</b>	<b>\$ (622,578)</b>
<b>Loss attributed to:</b>					
Non-controlling interests		(2,213)	(3,063)	(3,034)	(11,088)
Shareholders of the Company		(214,943)	(194,957)	(447,793)	(611,490)
<b>Loss for the period</b>		<b>\$ (217,156)</b>	<b>\$ (198,020)</b>	<b>\$ (450,827)</b>	<b>\$ (622,578)</b>
<b>Other comprehensive loss</b>					
Foreign currency translation differences for foreign operations		33,860	(2,795)	19,074	(4,348)
<b>Comprehensive loss for the period</b>		<b>\$ (183,296)</b>	<b>\$ (200,815)</b>	<b>\$ (431,753)</b>	<b>\$ (626,926)</b>
<b>Attributed to:</b>					
Non-controlling interests	4,8	(2,210)	(3,063)	(3,031)	(11,088)
Shareholders of the company		(181,086)	(197,752)	(428,722)	(615,838)
<b>Comprehensive loss for the period</b>		<b>\$ (183,286)</b>	<b>\$ (200,815)</b>	<b>\$ (431,753)</b>	<b>\$ (626,926)</b>
Basic and diluted loss per common share		<b>\$ (0.01)</b>	\$ (0.02)	<b>\$ (0.02)</b>	\$ (0.05)
Weighted average number of common shares outstanding		<b>26,587,656</b>	10,001,828	<b>22,118,382</b>	13,055,747

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

**APPLIED GRAPHITE TECHNOLOGIES CORPORATION**  
**Condensed interim consolidated statements of cash flows**  
(Expressed in Canadian dollars, unaudited)

	Note	Nine months ended September 30	
		2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net loss for the period</b>		\$ (450,827)	\$ (622,578)
<i>Adjustment for Items not involving cash:</i>			
Share-based compensation	7(d)	70,872	96,498
Depreciation		2,977	-
Foreign exchange		(40,979)	(19,323)
		<b>(417,957)</b>	<b>(545,403)</b>
<i>Net changes in non-cash working capital items:</i>			
Prepaid expenses		(47,566)	(105,896)
Amounts receivable		7,007	25,563
Accounts payable and accrued liabilities		(52,163)	(138,991)
<b>Net cash outflows from operating activities</b>		<b>(510,679)</b>	<b>(764,727)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash acquired on acquisition of AGT		-	6,057
Transaction costs for acquisition of AGT		-	(145,327)
Mineral properties and equipment acquisition		(34,657)	(89,713)
<b>Net cash outflows from investing activities</b>		<b>(34,657)</b>	<b>(228,533)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Shares issued, net of issue costs		638,484	300,000
<b>Net cash outflows from financing activities</b>		<b>638,484</b>	<b>300,000</b>
<b>Change in cash and cash equivalent in the period</b>		<b>93,148</b>	<b>(693,260)</b>
Cash and cash equivalent, beginning of the period		34,090	768,764
<b>Cash and cash equivalent, end of the period</b>		<b>\$ 127,238</b>	<b>\$ 75,504</b>

*The accompanying notes form an integral part of these condensed interim consolidated financial statements.*

**APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

**Condensed interim consolidated statements of changes in shareholder's equity**

(Expressed in Canadian dollars, unaudited)

	Number of Shares	Share Capital	Share-Based Reserves	Warrant Reserves	Accumulated other comprehensive income (loss)	Deficit	Non-controlling interest	Total
<b>Balance, December 31, 2023</b>	<b>13,333,333</b>	<b>\$ 1,207,151</b>	<b>\$ 212,438</b>	<b>\$ 34,299</b>	<b>\$ -</b>	<b>\$ (544,098)</b>	<b>\$ -</b>	<b>\$ 909,790</b>
Common shares issued for acquisition (Note 4)	8,200,605	1,295,697	-	-	-	-	-	1,296,697
Common shares issued for cash (Note 7(b))	2,000,000	300,000	-	-	-	-	-	300,000
Value of warrants Issued	-	-	-	153,322	-	-	-	153,322
Share-based payments	-	-	96,498	-	-	-	-	96,498
Foreign currency translation adjustment	-	-	-	-	(4,348)	-	-	(4,348)
Non-controlling interest acquired (Note 4)	-	-	-	-	-	-	128,291	128,291
Loss for period to Non-controlling interest (Note 8)	-	-	-	-	-	11,088	(11,088)	-
Loss for the period	-	-	-	-	-	(622,578)	-	(622,578)
<b>Balance, September 30, 2024</b>	<b>23,533,938</b>	<b>\$ 2,802,848</b>	<b>\$ 308,936</b>	<b>\$ 187,621</b>	<b>\$ (4,348)</b>	<b>\$ (1,155,588)</b>	<b>\$ 117,203</b>	<b>\$ 2,256,672</b>
<b>Balance, December 31, 2024</b>	<b>23,533,938</b>	<b>\$ 2,802,848</b>	<b>\$ 318,684</b>	<b>\$ 187,621</b>	<b>\$ 62,835</b>	<b>\$ (1,317,504)</b>	<b>\$ 114,642</b>	<b>\$ 2,169,126</b>
Common shares issued for cash (Note 7(b))	11,345,001	680,700	-	-	-	-	-	680,700
Share issue costs	-	(42,216)	-	-	-	-	-	(42,216)
Share-based payments	-	-	70,872	-	-	-	-	70,872
Foreign currency translation adjustment	-	-	-	-	(43,761)	-	-	(43,761)
Loss for year to Non-controlling interest (Note 8)	-	-	-	-	-	3,031	(3,032)	-
Loss for the period	-	-	-	-	-	(450,824)	-	(450,824)
<b>Balance, September 30, 2025</b>	<b>34,878,939</b>	<b>\$ 3,441,332</b>	<b>\$ 389,556</b>	<b>\$ 187,621</b>	<b>\$ 19,074</b>	<b>\$ (1,765,297)</b>	<b>\$ 111,611</b>	<b>\$ 2,383,896</b>

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

## **APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)*

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### **1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS**

Applied Graphite Technologies Corporation was incorporated on March 9, 2021, under the Business Corporations Act of British Columbia after which it became a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company's common shares are traded on the TSX-V under the symbol "AGT".

On June 23, 2023, the Company entered into a qualifying transaction agreement (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 Company would acquire all of the issued and outstanding securities of AGT by way of a three-cornered amalgamation with a wholly-owned subsidiary of the Company ("1445056 BC") incorporated under the laws of the Province of British Columbia.

On March 7, 2024, the Company closed the transaction and acquired 100% of the shares of AGT, for total consideration of \$1,821,458 (Note 4). The TSX-V accepted the transaction as meeting its Policy 2.4 criteria for a Qualifying Transaction.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

As at September 30, 2025, the Company had cash of \$127,238 and working capital of \$43,574. For the nine months September 30, 2025, the Company incurred a net loss of \$450,827 had outflow cash in operations of \$510,678, outflow cash in investing activities of \$34,657, and had inflow cash from financing activities of \$638,484.

The Company has not generated revenue from operations to date and will require additional financing or outside participation to undertake further exploration and subsequent development of its mineral properties. There can be no assurance that the Company will be able to raise sufficient financing on acceptable terms. Future operations of the Company are dependent upon its ability to raise additional equity financing, maintain sufficient working capital and upon future production or proceeds from the disposition of its mineral property interests. These factors represent material uncertainties that give rise to significant doubt as to whether the Company will be able to continue as a going concern.

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.

## **APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)*

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### **2. BASIS OF PRESENTATION**

#### **a) Statement of Compliance**

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). The policies applied in these consolidated financial statements are based on the IFRS issued and outstanding as at September 30, 2025.

These consolidated financial statements were authorized for issue by the Board of Directors on November 27, 2025.

#### **b) Basis of Measurement**

These consolidated financial statements have been prepared using the historical cost basis, except for certain financial instruments that are measured at fair value, using the accrual basis of accounting, except for cash flow information.

#### **c) Functional and presentation currency**

The presentation currency of the Company is the Canadian dollar.

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”), which has been determined for each entity within the Company using an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

#### **d) Use of estimates and judgments**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

##### Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, are as follows:

The carrying value and recoverability of mineral properties, and equipment requires management to make certain estimates, judgments and assumptions about its project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

## **APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)*

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### **2. BASIS OF PRESENTATION *(continued)***

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the Company's provision for income taxes.

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Where such valuations are applied, such as the time of a stock option grant or issuance of shares from trust, management provides detailed valuation assumptions.

#### *Judgments*

##### *Functional currency*

The functional currency of each of the subsidiaries and the Company were assessed to determine the economic substance of the currency in which each entity performed its operations. The functional currency of the Company and its Canadian subsidiary is the Canadian dollar. The functional currency of the Company's subsidiary in Sri Lanka is the Sri Lankan rupee.

##### *Acquisition of a business*

The determination of whether a corporate entity or set of assets acquired, and liabilities assumed, constitute a business may require the Company to make certain judgements, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or economic benefits. The acquisition of AGT was determined to constitute an acquisition of assets (Note 4). The excess of consideration paid over the net assets of AGT received was allocated on a proportional basis to the mineral properties acquired, which constitutes management's determination of the relative importance of the properties to the Company.

## APPLIED GRAPHITE TECHNOLOGIES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unaudited)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### Principles of Consolidation

These consolidated financial statements include the accounts of the Company, and its subsidiaries and branch operations from the date control was acquired. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee, and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Name of Subsidiary	Place of Incorporation	Ownership Interest	Principal Activity
AGT Resources Corporation	Province of British Columbia	100%	Holding company
C-Tech Ceylon	Sri Lanka	90%	Mineral exploration

#### Determination of control by one entity over another

Subsidiaries include entities which are controlled by the Company and are accounted for through consolidation. Investments in associates and joint ventures include entities in which the Company has significant influence, but not control or joint control, and are accounted for using the equity method.

#### Mineral exploration and evaluation expenses

Upon acquiring the legal right to explore a property, all direct costs related to the acquisition of mineral property interests are capitalized. Exploration expenses incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred. The Company will perform an impairment test on transition from the exploration stage to the development stage.

Expenditures incurred subsequent to a development decision, and to increase or extend the life of existing production, are capitalized and will be transferred to property, plant and equipment and amortized using the unit-of-production method based upon proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property will be assessed for impairment.

The Company assesses mineral properties for impairment at the end of each reporting period or when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

#### Acquisitions

Asset acquisitions are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of acquisition of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company, if any. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the

## **APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)*

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)***

acquisition date, or if the fair values exceed the consideration paid, then the consideration paid is allocated on a pro rata basis to the identifiable assets acquired based on their relative fair values.

#### **Equipment**

Equipment is recorded at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized in project evaluation costs on a declining balance basis at the following rates:

- Field Equipment – 20% per annum

A straight-line basis over the estimated useful lives of each asset or component part of an item or equipment, may be applied depending on which method (and rate) most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

#### **Foreign currency translation**

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in existence at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated at the period end date exchange rates. Non-monetary items which are measured using historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign operations are translated from their functional currencies into Canadian dollars on consolidation as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- (ii) Income and expenses for each statement of comprehensive income (loss) are translated at an average exchange rate (unless this rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

Exchange differences that arise relating to long-term intercompany balances that form part of the net investment in a foreign operation are also recognized in this separate component of equity through other comprehensive income (loss).

On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange differences recorded in a separate component of equity is recognized in the consolidated statement of income (loss).

## **APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)*

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### **3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)***

#### **New accounting standards adopted**

In October 2023, the IASB issued amendments to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current and Noncurrent Liabilities with Covenants. These amendments increase the disclosure required to enable users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Company determined that these amendments didn't have a material effect on its consolidated financial statements.

#### **New standards issued and not yet effective**

The following new standards, amendments to standards and interpretations have been issued but are not effective during the nine months September 30, 2025.

On April 9, 2024, the IASB issued a new standard – IFRS 18, “Presentation and Disclosure in Financial Statements” with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. The Company is currently assessing the impact the new standard will have on its financial statements.

### **4. ACQUISITION OF APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

On March 7, 2024, the Company completed the acquisition of AGT by way of a three-cornered amalgamation under the provisions of the Business Corporations Act (British Columbia). As a result of the transaction, AGT merged with a wholly owned subsidiary of the Company to become AGT Resources Corporation (“AGT Resources”), a wholly owned subsidiary of the Company. The Company, as the Resulting Issuer, continues the business of AGT and has changed its name to Applied Graphite Technologies Corporation. All the issued and outstanding common shares of AGT (“AGT Shares”) were exchanged for common shares in the capital of the Resulting Issuer, Applied Graphite Technologies Corporation, on a one-for-one basis. The exchanged AGT shares were cancelled, upon completion of the Qualifying transaction, on March 7, 2024.

## APPLIED GRAPHITE TECHNOLOGIES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unaudited)

### 4. ACQUISITION OF APPLIED GRAPHITE TECHNOLOGIES CORPORATION (continued)

Consideration with a fair value of \$1,449,017 was issued in exchange for all the issued and outstanding equity of AGT and is comprised as follows:

- a total of 8,200,605 common shares of the Company at \$0.158 per share (\$1,295,697) (Note 7b);
- a total of 1,366,454 warrants of the Company, exercisable at price at \$0.15 per share until expiry date March 7, 2029 (\$153,322) (Note 7e);

Transaction costs related to legal fees of \$372,441 which were associated with the acquisition were recorded. As at December 31, 2023, transaction costs of \$183,789 were recorded as deferred acquisition costs.

The acquisition of AGT constitutes an asset acquisition because the assets acquired did not qualify as a business according to the definition in IFRS 3, and therefore the acquisition did not constitute a business combination, but rather has been treated as a payment of equity consideration for the acquisition of AGT's net assets.

The total consideration for the acquisition of the assets and liabilities assumed on acquisition was as follows:

		<b>Total</b>
Cash	\$	6,507
Receivables		26,268
Prepaid expenses		43,749
Mineral properties		2,042,112
Accounts payable and accrued liabilities		(168,885)
Non-controlling interest		(128,291)
	<b>\$</b>	<b>1,821,460</b>
Cost of acquisition:		
Consideration issued at fair value	\$	1,449,019
Transaction costs		372,441
Total acquisition costs	<b>\$</b>	<b>1,821,460</b>

**APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)***5. EQUIPMENT**

	Field Equipment	
<b>Cost</b>		
<b>Balance at December 31, 2023</b>	\$	-
<b>Additions</b>		<b>23,491</b>
<b>Foreign exchange</b>		<b>1,856</b>
<b>Balance at December 31, 2024</b>	<b>\$</b>	<b>25,347</b>
Additions		-
Foreign exchange		(1,557)
<b>Balance at September 30, 2025</b>	<b>\$</b>	<b>23,790</b>
<b>Accumulated Depreciation</b>		
<b>Balance at December 31, 2023</b>	\$	-
Depreciation		1,175
Foreign exchange		92
<b>Balance at December 31, 2024</b>	<b>\$</b>	<b>1,267</b>
Depreciation		4,166
Foreign exchange		32
<b>Balance as of September 30, 2025</b>	<b>\$</b>	<b>5,465</b>
<b>Net book value, December 31, 2023</b>	<b>\$</b>	<b>-</b>
<b>Net book value, December 31, 2024</b>	<b>\$</b>	<b>24,080</b>
<b>Net book value, September 30, 2025</b>	<b>\$</b>	<b>18,325</b>

**6. MINERAL PROPERTY****Queen's Mine Complex**

The D1 and Q2 properties and mineral rights, located in the Dodangaslanda district of Sri Lanka, were acquired with AGT on March 7, 2024. On March 26, 2024, the Company completed the purchase of the past producing Queen's Mine adjacent to the Company's D1 and Q2 properties. During the quarter, the Company acquired additional adjacent properties, consolidating the district. Collectively, the properties are known as the Queen's Mine Complex.

AGT has a 90% ownership interest in C-Tech, a corporation incorporated pursuant to the laws of Sri Lanka. The remaining 10% is owned by a Sri Lankan representative. C-Tech owns 100% of the mineral rights to the Queen's Mine Complex which consists of the Queen's Mine, D1 and Q2 properties. The properties were purchased outright by C-Tech and accordingly, there is no expiry on the titles. The Company acquired additional adjacent properties, consolidating the district.

## APPLIED GRAPHITE TECHNOLOGIES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unaudited)

### 6. MINERAL PROPERTY (continued)

As at period end, the Company does not hold any mining licenses. Except for acquisition costs, all costs incurred during the year have been classified as project evaluation or pre-exploration costs, in accordance with the Company's accounting policies. These costs relate to activities undertaken to assess the potential of mineral properties prior to the acquisition of a mining license.

Mineral Properties as at September 30, 2025:

	December 31, 2024	Additions	Effect of movement in exchange rates	September 30, 2025
Queen's Mine Complex	\$ 2,160,606	\$ 194,305	\$ (32,914)	\$ 2,321,997
<b>TOTAL</b>	<b>\$ 2,160,606</b>	<b>\$ 194,305</b>	<b>\$ (32,914)</b>	<b>\$ 2,321,997</b>

### Exploration Expenditures

Exploration and evaluation expenditures incurred for nine months ended September 30, 2025 and 2024 are as follows:

	For the nine months	
	September 30, 2025	September 30, 2024
Depreciation	\$ 4,166	\$ -
Land maintenance	15,032	24,849
Site expenses	-	12,092
General exploration	-	48,531
<b>TOTAL</b>	<b>\$ 19,198</b>	<b>\$ 85,472</b>

### 7. 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, 2025, the Company had 32,733,938 (2024 – 23,533,938) common shares issued and outstanding.

A total of 10,478,191 shares have been transferred to escrow and will be released rateably over 18 and 36 month periods, respectively, beginning March 8, 2024. The balance of shares held in escrow as at September 30, 2025, is 2,765,505 common shares.

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

- Completed a non-brokered private placement offering of 11,345,001 common shares at a price of Cdn\$0.06 per share for gross proceeds of approximately Cdn\$680,700.

**APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)***7. SHAREHOLDERS' EQUITY (continued)**

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

- Completed, on May 22 and 24, 2024, a private placement financing of 2,000,000 shares, at a price of \$0.15, for total proceeds of \$300,000; and
- Issued, on March 7, 2024, a total of 8,200,605 common shares to the former shareholders of AGT, as part of its Qualifying Transaction to acquire the net assets of AGT (Note 4).

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 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 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.

**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 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 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, 2025, the Company granted 2,350,000 stock options to directors, officers, and consultants of the Company, exercisable at a price of \$0.07 for a five-year period following the date of the grant.

The stock option continuity for the nine months ended September 30, 2025, is as follows:

<b>Number Outstanding Dec 31, 2024</b>	<b>Granted</b>	<b>Expired / Cancelled</b>	<b>Number Outstanding Sep 30, 2025</b>	<b>Exercise Price per Share (\$)</b>	<b>Expiry Date</b>	<b>Weighted Avg Remaining Contractual Life (in years)</b>
1,133,333	-	1,133,333	-	0.15	Mar 07, 25	-
200,000	-	-	200,000	0.15	Nov 26, 26	1.16
700,000	-	200,000	500,000	0.15	Mar 23, 29	3.48
200,000	-	-	200,000	0.15	Mar 23, 29	3.48
-	2,350,000	-	2,350,000	0.07	Aug 13, 30	4.87
<b>2,233,333</b>	<b>2,350,000</b>	<b>1,333,333</b>	<b>3,250,000</b>	<b>0.09</b>		<b>4.34</b>
		<b>Exercisable</b>	<b>1,487,500</b>	<b>0.12</b>		<b>3.72</b>

As at September 30, 2025, a total of 1,487,500 outstanding stock options were vested and exercisable, with a weighted average exercise price of \$0.12.

**APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)***7. SHAREHOLDERS' EQUITY (continued)**

During the nine months ended September 30, 2024, the Company granted 1,000,000 stock options to directors, officers, and consultants of the Company, exercisable at a price of \$0.15 for a five-year period following the date of the grant.

The stock option continuity for the nine months ended September 30, 2024, is as follows:

Number Outstanding Dec 31, 2023	Granted	Exercised	Expired / Cancelled	Number Outstanding Sep 30, 2024	Exercise Price per Share (\$)	Expiry Date	Weighted Avg Remaining Contractual Life (in years)
1,133,333	-	-	-	1,133,333	0.15	Mar 07, 25	0.43
200,000	-	-	-	200,000	0.15	Nov 26, 26	2.16
-	1,000,000	-	-	1,000,000	0.15	Mar 23, 29	4.48
<b>1,333,333</b>	<b>1,000,000</b>	-	-	<b>2,333,333</b>	<b>0.15</b>		<b>2.31</b>
			<b>Exercisable</b>	<b>2,083,333</b>	<b>0.15</b>		<b>2.06</b>

As at September 30, 2024, a total of 2,083,333 outstanding stock options were vested and exercisable, with a weighted average exercise price of \$0.15.

**d) Share-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:

	Aug 13, 2025	May 23, 2024	Mar 25, 2024	Feb 13, 2022
Share price on grant date	\$0.065	\$0.17	\$0.15	\$0.10
Risk-free interest rate	2.93%	3.68%	3.51%	1.72%
Expected volatility	169.45%	88.00%	88.00%	88.00%
Fair value	\$0.06	\$0.12	\$0.11	\$0.25

During the nine months September 30, 2025, the Company recognized share-based compensation of \$70,872 (2024 - \$96,498).

**e) Share Purchase Warrants**

In conjunction with its qualifying transaction, the Company issued 1,366,454 transferable warrants to purchase AGT shares at a price of \$0.15 per share with an expiry date of March 7, 2029. The warrants were valued using the Black-Scholes option pricing model with the following assumptions: risk free interest rate 3.44%; dividend yield of 0%; expected volatility of 88% and expected life of 5 years.

**APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)***7. SHAREHOLDERS' EQUITY (continued)**

The share purchase warrant continuity for the nine months ended September 30, 2025 is as follows:

Number Outstanding Dec 31, 2024	Granted	Exercised	Expired/Cancelled	Number Outstanding Sep 30, 2025	Exercise Price per Share (\$)	Expiry Date	Weighted Avg Remaining Contractual Life (in years)
333,333	-	-	-	333,333	0.15	Nov 26, 26	1.15
1,366,454	-	-	-	1,366,454	0.15	Mar 07, 29	3.43
<b>1,699,787</b>	-	-	-	<b>1,699,787</b>	<b>0.15</b>		<b>2.98</b>

The share purchase warrant continuity for the nine months ended September 30, 2024 is as follows:

Number Outstanding Dec 31, 2023	Granted	Exercised	Expired/Cancelled	Number Outstanding Sep 30, 2024	Exercise Price per Share (\$)	Expiry Date	Weighted Avg Remaining Contractual Life (in years)
333,333	-	-	-	333,333	0.15	Nov 26, 26	2.15
-	1,366,454	-	-	1,366,454	0.15	Mar 07, 29	4.43
<b>333,333</b>	<b>1,366,454</b>	-	-	<b>1,699,787</b>	<b>0.15</b>		<b>3.98</b>

**8. NON-CONTROLLING INTEREST**

As of September 30, 2025, non-controlling interest includes a 10% interest in AGT Resources Corporation's subsidiary C-Tech Cylon. The following is a continuity schedule of the Company's non-controlling interests:

	C-Tech Cylon
<b>Non-controlling interest December 31, 2024</b>	\$ 114,642
Share of comprehensive loss – C-Tech Cylon	(3,031)
<b>Non-controlling interest September 30, 2025</b>	\$ 111,611

The table below discloses selected financial information of C-Tech Cylon on a 100% basis:

As at	September 30, 2025
Non-controlling percentage	10%
Total assets	\$ 2,386,570
Total liabilities	(959,949)
<b>Net assets</b>	<b>\$ 1,426,621</b>

**Summarized income statement**

Loss and comprehensive loss	30,310
Comprehensive loss allocated to non-controlling interest	3,031

**APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)***9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

As at	September 30, 2025		December 31, 2024	
Trade payables	\$	131,257	\$	180,918
Accrued liabilities		22,500		25,000
<b>TOTAL</b>	<b>\$</b>	<b>153,757</b>	<b>\$</b>	<b>205,918</b>

**10. RELATED PARTY TRANSACTIONS**

The Company's related parties consist of directors and officers in common and companies owned in whole or in part by executive officers and directors as follows:

Related Party Name	Nature of Transactions
Farris LLP ("Farris"), a company in which former Directors Jay Sujir and Peter Roth are partners <sup>(1), (4)</sup>	Legal services
Slater Corporate Services Corporation ("SCSC"), a company controlled by former Director Ian Slater <sup>(1)</sup>	Cost reimbursement, Corporate Secretary, CFO, corporate compliance services, accounting, and financial reporting
Rodney Stevens, Director <sup>(2), (3)</sup>	Share-based compensation
James Ruane, Director <sup>(2), (3)</sup>	Share-based compensation
1163863 ON Ltd ("1163863"), a company controlled by Director Don Baxter <sup>(2)</sup>	Wages and benefits
C R Abeyratne ("CRA"), a company controlled by Director Chaanaka Abeyratne <sup>(2)</sup>	Wages and benefits

<sup>(1)</sup> Jay Sujir, Peter Roth, and Ian Slater ceased to be directors on March 7, 2024.

<sup>(2)</sup> Don Baxter, Ian Harris, Rodney Stevens, James Ruane and Chaanaka Abeyratne became the directors on March 7, 2024.

<sup>(3)</sup> Rodney Stevens and James Ruane ceased to be directors on June 16, 2025.

<sup>(4)</sup> Jay Sujir became a directors on June 16, 2025.

The Company incurred the following fees in connection with companies owned or partially owned by key management and/or directors. Expenses have been measured at the exchange amount, which is determined on a cost recovery basis.

	Three months ended		Nine months ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Cost reimbursement - SCSC	\$ -	\$ -	\$ -	\$ 9,000
Legal fees – Farris <sup>(1)</sup>	9,748	-	10,022	144,526
Share-based compensation	39,206	33,366	39,206	86,772
Wages and benefits - 1163863	30,000	30,000	90,000	70,000
Wages and benefits – CRA	14,435	-	44,103	-
<b>Total</b>	<b>\$ 93,389</b>	<b>\$ 63,366</b>	<b>\$ 183,331</b>	<b>\$ 310,298</b>

## **APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)*

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### **10. RELATED PARTY TRANSACTIONS (continued)**

Related party transactions for the nine months September 30, 2025, are as follows:

- a) A company owned by a Director, Don Baxter, provided professional services to the Company in the amount of \$90,000 for the nine months ended September 30, 2025 (2024 - \$40,000). A balance of \$50,442 was due to 1163863, ON Limited as at September 30, 2025.
- b) A company owned by a Director, Chaanaka Abeyratne, provided professional services to the Company in the amount of \$44,104 (2024 - \$Nil). The balance owing to C R Abeyratne was \$nil as at September 30, 2025

Related party transactions for the nine months ended September 30, 2024, are as follows:

- a) A company owned by a former Director, Ian Slater, recharged costs in the amount of \$9,000 (2023 - \$27,000). Ian Slater ceased to be a Director on March 7, 2024.
- b) Farris LLP, in which two former Directors, Jay Sujir and Peter Roth, are partners provided legal services to the Company in the amount of \$144,526 (2023 - \$60,641) through to March 7, 2024. A balance of \$41,521 was due to Farris LLP as at September 30, 2024 (2023 - \$18,363). Both Jay Sujir and Peter Roth ceased to be Directors on March 7, 2024.
- c) Michelle Borromeo, VP IR, provided a marketing / corporate development services to the company on the amount of \$12,000 for the period starting September 2024. A balance of \$6,000 was due to Michelle Borromeo as at September 30, 2024.
- d) Compensation of directors and members of key management personnel through stock option grants totalled \$86,772 (2023 - \$nil) as share-based compensation for the nine months ended September 30, 2024.
- e) A company owned by a Director, Don Baxter, provided professional services to the Company in the amount of \$70,000 for the period March 7 to September 30, 2024.

### **11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company has designated its cash and cash equivalent, amounts receivable and accounts payable as financial instruments at amortized cost.

#### a) Fair Value

Management has assessed that the fair values of cash and cash equivalent, amounts receivable 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

## APPLIED GRAPHITE TECHNOLOGIES CORPORATION

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

(Expressed in Canadian dollars, unaudited)

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### 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued*)

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. Credit risk surrounding the Company's receivables is limited due to the nature of the receivables as they are primarily due from governmental agencies.

##### *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 has a planning and budgeting process in place to determine the funds required to support the Company's normal operating requirements on an ongoing basis. Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to equity financing is dependent upon market conditions and market risks. There can be no assurance of continued access to equity funding. As at September 30, 2025, the Company had a cash balance of \$127,238 to settle current liabilities of \$153,757.

##### *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 is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

##### *Commodity Price Risk*

While the value of the Company's mineral properties is related to the market price of based metals, the Company does not currently have any operating mines and therefore does not have any hedging or other commodity-based risks with respect to its operating activities.

**APPLIED GRAPHITE TECHNOLOGIES CORPORATION**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

*(Expressed in Canadian dollars, unaudited)*

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**12. CAPITAL MANAGEMENT**

Capital is composed of the Company's equity and any debt that it may issue. As at September 30, 2025, the Company's equity was \$2,169,918 and it had current liabilities of \$205,918. 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.

**13. SEGMENTED INFORMATION**

The Company operates in one industry segment, the mineral exploration industry. All of the Company's non-current assets are located in Sri Lanka.

**14. SUBSEQUENT EVENT**

On November 7, 2025, 50,000 stock options were cancelled/forfeited due to employee departures.