

APPLIED GRAPHITE TECHNOLOGIES CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Applied Graphite Technologies Corporation ("AGT", or the "Company", formerly "Audrey Capital Corporation") during the nine months ended September 30, 2025, and to the date of this report. This MD&A should be read in conjunction with the accompanying condensed interim consolidated financial statements and related notes thereto for the nine months ended September 30, 2025 (the "Financial Report"), 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 AGT is available on SEDAR+ at www.sedarplus.ca

This MD&A contains information up to and including November 27, 2025.

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's principal business activity is the exploration and evaluation of mineral assets.

The Company's predecessor, Audrey Capital Corporation, was incorporated on March 9, 2021, under the Business Corporations Act of British Columbia. Audrey Capital Corporation filed its final prospectus on SEDAR on September 27, 2021, and was classified as a reporting issuer under the British Columbia Securities Commission ("BCSC") as principal regulator, as well as Alberta, Manitoba, and Ontario. Audrey Capital Corporation's Initial Public Offering (the "IPO") was completed on November 26, 2021, and was classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4.

COMPANY DEVELOPMENTS AND OUTLOOK

The Company owns the Queen's Mine Complex which includes the past producing Queen's Mine and the adjacent D1 and Q2 properties in the Dodangaslanda district of Sri Lanka. The Queen's Mine previously produced high grade vein graphite for direct shipping. During the quarter, the Company acquired additional adjacent properties, consolidating the district.

The Queen's Mine is currently being dewatered. The Company completed a geophysical survey during 2024 with the results identifying three additional anomalies.

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RESULTS OF OPERATIONS

For the nine months ended September 30, 2025, the Company incurred a comprehensive loss of \$78,696.

For the nine months ended September 30, 2024, the Company incurred a comprehensive loss of \$149,049 (adjusted for deferred legal costs on AGT acquisition).

The following is a summary of operating costs:

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
EXPENSES		
Filing fees	\$ 25,585	\$ 66,543
Foreign exchange loss (gain)	1,054	(10,657)
General and administrative	117,902	176,477
Investor relations	27,683	45,025
Professional fees	50,532	49,937
Project evaluation costs	19,198	85,472
Share-based compensation	70,872	96,498
Travel	-	37,364
Wages and benefits	138,349	76,527
Total operating expenses	\$ (451,175)	\$ (623,186)

The significant expenditures for the nine months ended September 30, 2025 were as follows:

- Project evaluation costs expenses declined due to no exploration activity this period;
- Filing fees declined by \$40,958 as a result of reduced financing activity this period;
- Wages and benefits of \$138,349 is primarily executive compensation, which prior to the acquisition of AGT was nil.

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SUMMARY OF QUARTERLY RESULTS

The following is a summary of quarterly results for the eight most recently completed quarters since December 31, 2023:

	Three months ended Sep 30, 2025	Three months ended June 30, 2025	Three months ended Mar 31, 2025	Three months ended Dec 31, 2024	Three months ended Sep 30, 2024	Three months ended Jun 30, 2024	Three months ended Mar 31, 2024	Three months ended Dec 31, 2023
Loss for the period	217,156	99,433	134,586	164,475	198,020	277,849	146,711	33,357
Loss per share basic and diluted	0.01	0.01	0.01	0.01	0.02	0.02	0.03	0.00

The Results of Operations section above provides information regarding the significant expenditures for the period from Sep 30, 2023, to June 30, 2025.

In the quarter ending September 30, 2025, the Company incurred expenses mainly associated with accounting, administrative, and filing activities.

For the quarter ended June 30, 2025, the Company incurred costs mainly related to accounting, administration, and filing fees.

During the quarter ended March 31, 2025, the Company incurred costs mostly related to accounting, administrative and filing fees.

In the quarter ending December 31, 2024, the Company's operating costs increased by \$131,118 compared to the same quarter in the prior year. AGT operations contributed \$60,910 in costs related to exploration, share-based payments, travel, and wages, for which there are no prior year comparatives, and foreign exchange loss of \$16,406. This was offset by an interest income of \$312. The remaining \$54,114 increase resulted from general expenses, filing fees, investor relations, and professional services.

In the quarter ending September 30, 2024, the Company's operating costs increased by \$179,330 compared to the same quarter in the prior year. The AGT operations added \$102,058 in cost related to exploration, share-based payments, travel, and wages, for which there are no prior year comparatives. The remaining \$77,272 increase came from general expenses, filing fees, investor relations, and professional services.

During the quarter ended June 30, 2024, the Company incurred an additional \$257,740 in operating costs versus the comparative period in the prior year. The acquisition of AGT resulted in an additional \$109,205 in exploration costs, share based compensation, and wages, for which there are no prior year comparatives. The remaining \$148,535 operating cost increase was a combination of general and administrative, filing, investor relations and professional fees.

The quarter ended March 31, 2024, included the acquisition of AGT. This acquisition resulted in an overall increase of \$121,643 in operating costs. The primary drivers of the increase were exploration, accounting, filling and legal fees, wages and benefits, and share based compensation.

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LIQUIDITY AND CAPITAL RESOURCES

Components	September 30, 2025	December 31, 2024
Working capital	\$ 43,574	\$ (142,294)
Total assets	2,537,653	2,375,044
Total liabilities	153,757	205,918
Share capital	3,441,332	2,802,848
Reserves	577,176	506,305
Deficit	(1,765,297)	(1,317,504)

The Company had cash of \$127,238 as of September 30, 2025.

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

a) Common Shares

On August 12, 2025, the company completed the final tranche of a non-brokered private placement offering of a total of 11,150,001 common shares at a price of Cdn\$0.06 per share for gross proceeds of approximately Cdn\$669,000 in total over the two closings.

On May 24, 2024, the company completed a private placement financing of 2,000,000 shares, at a price of \$0.15, for total proceeds of \$300,000.

On March 7, 2024, the Company issued the former shareholders of AGT 8,200,605 common shares. The Company has transferred to escrow 10,478,191 shares that will be released rateably in tranches over either 18 or 36 month periods, respectively, beginning March 8, 2024.

b) 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.

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Stock Options

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 their grant.

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 their grant.

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

Common Shares	34,878,939
Stock Options	3,200,000
Share Purchase Warrants	1,699,787

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 ^{(1), (4)}	Legal services
Slater Corporate Services Corporation (" SCSC "), a company controlled by former Director Ian Slater ⁽¹⁾	Cost reimbursement, Corporate Secretary, CFO, corporate compliance services, accounting, and financial reporting
Rodney Stevens, Director ^{(2), (3)}	Share-based compensation
James Ruane, Director ^{(2), (3)}	Share-based compensation
1163863 ON Ltd (" 1163863 "), a company controlled by Director Don Baxter ⁽²⁾	Wages and benefits
C R Abeyratne (" CRA "), a company controlled by Director Chaanaka Abeyratne ⁽²⁾	Wages and benefits

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

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

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

⁽⁴⁾ Jay Sujir became a director 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.

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	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 ⁽¹⁾	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	-
Total	\$ 93,389	\$ 63,366	\$ 183,331	\$ 310,298

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

- 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.
- 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 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.
- 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.
- 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.
- 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.
- 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.

FINANCIAL INSTRUMENTS

Refer to Note 11 of the Company's financial statements for the nine months ended September 30, 2025, 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.

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FAIR VALUE

Management has assessed those 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.

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.

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CHANGES IN ACCOUNTING POLICIES

The Company has not made any changes to accounting policies during period from January 1, 2025, to September 30, 2025. Refer to Note 3 of the Company's financial statements for the nine months ending September 30, 2025.

RISKS AND UNCERTAINTIES

The following are risk factors associated with the Company:

- a) the Company has not commenced commercial operations. It has no history of earnings, and shall not generate earnings or pay dividends until some time in the future;
- 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) Trading in common shares may be halted for other reasons, such as failure by the Company to submit documents to the TSX-V within the time periods required;
- f) Certain directors of the Company reside outside of Canada, and investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any directors 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

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.

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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

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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 27, 2025. A copy of this MD&A is filed on SEDAR+.