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FINAL PROSPECTUS

INITIAL PUBLIC OFFERING

September 22, 2022

**Totec Resources Ltd.
(A Capital Pool Company)**

Minimum Offering: \$250,000 or 2,500,000 Common Shares

Maximum Offering: \$400,000 or 4,000,000 Common Shares

Price: \$0.10 per Common Share

The purpose of this offering (the "**Offering**") of common shares ("**Common Shares**") in the capital of Totec Resources Ltd. (the "**Issuer**") is to provide the Issuer with a minimum of funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be approved by the TSX Venture Exchange Inc. (the "**Exchange**") and in the case of a Non-Arm's Length Qualifying Transaction, must also receive Majority of the Minority Approval in accordance with Exchange Policy 2.4 – *Capital Pool Companies* (the "**CPC Policy**"). The Issuer is a Capital Pool Company ("**CPC**"). It has not commenced commercial operations and has no assets other than a minimum amount of cash. Except as specifically contemplated in the CPC Policy, until the Completion of the Qualifying Transaction, the Issuer will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction.

	Price to Public	Agent's Commission⁽¹⁾⁽³⁾	Net Proceeds to the Issuer⁽²⁾
Per Common Share	\$0.10	\$0.01	\$0.09
Minimum Offering	\$250,000	\$25,000	\$225,000
Maximum Offering	\$400,000	\$40,000	\$360,000

Notes:

- (1) The Agent will receive a cash commission equal to 10% of the gross proceeds to the Issuer. In addition, the Agent and its sub-agents, if any, will be granted the Agent's Option, allowing it to purchase 250,000 Common Shares in the case of the Minimum Offering and 400,000 Common Shares in the case of the Maximum Offering, at a price of \$0.10 per Common Share exercisable for a period ending 60 months from the date the Common Shares are listed on the Exchange. The Agent's Option is qualified for distribution under this prospectus. Pursuant to the CPC Policy, no more than 50% of the aggregate number of Common Shares that may be acquired pursuant to the Agent's Option may be sold prior to completion of the Qualifying Transaction and the remaining 50% may only be sold after completion of the Qualifying Transaction. The Agent will be reimbursed for its expenses and legal fees incurred pursuant to this Offering, plus disbursements and taxes and will also receive a corporate finance fee of \$15,000 plus GST. The Agent's estimated legal fees and expenses are \$15,000. See "Plan of Distribution".
- (2) Before deducting the costs of this issue, including listing and filing fees, the Agent's expenses and legal fees, the Agent's corporate finance fee, the Issuer's legal fees, audit fees and expenses, estimated at \$89,940, exclusive of the Agent's commission. See "Use of Proceeds".
- (3) In addition to the qualification of a minimum of 2,500,000 Common Shares and a maximum of 4,000,000 Common Shares pursuant to the Offering, this prospectus also qualifies for distribution: (i) the Agent's Option; and (ii) the options to be granted to officers and directors of the Issuer at the closing of this

Offering, which shall entitle the grantees to purchase 250,000 Common Shares in the event of the Minimum Offering or 400,000 Common Shares in the event of the Maximum Offering, at a price of \$0.10 per Common Share. See "Options to Purchase Securities".

This Offering is made on a commercially reasonable efforts basis by PI Financial Corp. (the "**Agent**") and is subject to a minimum subscription of 2,500,000 Common Shares for total gross proceeds to the Issuer of \$250,000 (the "**Minimum Offering**") and a maximum subscription of 4,000,000 Common Shares for total gross proceeds to the Issuer of \$400,000 (the "**Maximum Offering**"). The offering price of the Common Shares was determined by negotiation between the Issuer and the Agent. All funds received from subscriptions for Common Shares will be held by the Agent pursuant to the terms of the Agency Agreement (as hereinafter defined). If the Minimum Offering is not raised within 90 days of the issuance of a receipt for the final prospectus or such other time as may be consented to by persons or companies who subscribed within that period, all subscription monies will be returned to subscribers without interest or deduction, unless the subscribers have otherwise instructed. See "*Plan of Distribution*".

This prospectus qualifies the distribution of the Agent's Option (as hereinafter defined) and CPC Stock Options (as hereinafter defined) to be granted to directors and officers of the Issuer which shall entitle the grantees to purchase up to 250,000 Common Shares in the case of the Minimum Offering and up to 400,000 Common Shares in the case of the Maximum Offering. See "*Plan of Distribution*".

Market for Securities

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*".

As at the date of this prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The Exchange has conditionally approved the Issuer's application to list the Common Shares on the Exchange. Listing will be subject to the Issuer fulfilling all of the listing requirements of the Exchange.

Other than the initial distribution of Common Shares pursuant to this prospectus, the grant of CPC Stock Options to the officers and directors of the Issuer and the grant of the Agent's Option, trading in all securities of the Issuer is prohibited during the period between the date a receipt for the preliminary prospectus is issued by the Applicable Securities Commissions (as hereinafter defined) and the time the Common Shares are listed for trading except, subject to the prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

Risk Factors

Investment in the Common Shares offered by this prospectus is highly speculative due to the nature of the Issuer's business and its present stage of development. This offering is suitable only to those investors who are prepared to risk the loss of their entire investment. See "Risk Factors".

Assuming the Minimum Offering is subscribed for; an investor will suffer an immediate dilution on investment of 25.96% or \$0.026 per Common Share. Assuming the Maximum Offering is subscribed for; an investor will suffer an immediate dilution on investment of 20.14% or \$0.0201 per Common Share.

The Issuer has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Issuer was only recently incorporated and does not own any ongoing business operations and has no assets other than cash and has not identified any potential asset or business for acquisition or participation. The Issuer has not entered into an Agreement in Principle (as hereinafter defined). See "*Risk Factors*", "*Conflicts of Interest*", "*Capitalization*" and "*Dilution*".

The Common Shares are highly speculative due to the proposed nature of the Issuer's business and its present stage of development. There is no assurance that the Issuer will identify and successfully negotiate the acquisition of any corporations, properties, assets or businesses, or any interests therein. Moreover, additional funds may be required to successfully complete an acquisition, and the Issuer may not be able to obtain such financing. If the acquisition is financed by the issuance of shares from the Issuer's treasury, control of the Issuer may change and shareholders may suffer additional dilution. The directors and officers of the Issuer will only be devoting a portion of their time on the affairs of the Issuer. Potential conflicts of interest may result from the ordinary course of business of the Issuer and of the directors and officers of the Issuer. The directors and officers currently own 74.07% of the issued and outstanding common shares and will own approximately 38.46% of the issued Common Shares of the Issuer upon completion of the Minimum Offering or approximately 29.85% of the issued Common Shares of the Issuer upon completion of the Maximum Offering. Since the Issuer has not placed any geographical restrictions on the location of the Qualifying Transaction, such Qualifying Transaction may involve the acquisition of a business located outside of Canada. It may be difficult or impossible to affect service or notice to commence legal proceedings upon any directors, officers or experts located outside Canada. Even if service or notice is successfully affected, it may not be possible to enforce, against such persons or the Issuer, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Maximum Investment

Pursuant to the CPC Policy, 75%, or 1,875,000 of the total number of Common Shares offered under this prospectus in the case of the Minimum Offering or 3,000,000 of the total number of Common Shares offered under this prospectus in the case of the Maximum Offering are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2%, or 50,000 of the total number of Common Shares offered under this prospectus in the case of the Minimum Offering or 80,000 of the total number of Common Shares offered under this prospectus in the case of the Maximum Offering; and

- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4%, or 100,000 of the total number of Common Shares offered under this prospectus in the case of the Minimum Offering or 160,000 of the total number of Common Shares offered under this prospectus in the case of the Maximum Offering.

Receipt of Subscriptions

The Common Shares are conditionally offered for sale by the Agent on behalf of the Issuer on a commercially reasonable efforts agency basis, subject to prior sale, if, as and when issued, and delivered in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters by Cozen O'Connor LLP on behalf of the Issuer and MLT Aikins LLP on behalf of the Agent.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right to close the subscription books at any time without notice is reserved. The Common Shares will be issued and deposited in electronic form with Clearing and Depository Services Inc. ("**CDS**") or its nominee. Purchasers of Common Shares will receive only a customer confirmation from the registered dealer that is a CDS participant and from or through which the Common Shares were purchased.

The Agent's information is as follows:

PI FINANCIAL CORP.
1900 - 666 Burrard Street
Vancouver, BC Canada V6C 3N1
Telephone: 604 664 2900
Fax: 604 664 2666

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GLOSSARY OF TERMS

In this prospectus, the terms and abbreviations set out below shall have the following meanings:

"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:

- (a) Voting Shares of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the Voting Shares, 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:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

"Agent's Option" means an option to purchase Common Shares of the CPC which may be granted by the CPC to the Agent in accordance with the CPC Policy.

"Aggregate Pro Group" means all Persons who are members of any Pro Group (as defined in Exchange Policy 1.1 – *Interpretation*) whether or not the Member is involved in a contractual relationship with the Issuer to provide financing, sponsorship and other advisory services.

"Agreement in Principle" means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree which:

- (a) identifies assets or a business to be acquired which would reasonably appear to constitute Significant Assets and the acquisition of which would reasonably appear to constitute a Qualifying Transaction;
- (b) identifies the parties to the Qualifying Transaction;
- (c) identifies the consideration to be paid for the Significant Assets or otherwise identifies the means by which the consideration will be determined; and
- (d) identifies the conditions to any further formal agreements or to complete the transaction; and

in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Non-Arm's Length Parties to the CPC or the Non-Arm's Length Parties to the Qualifying Transaction.

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

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the issuer;
- (b) any partner of the Person;

- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and
- (d) in the case of a Person who is an individual
 - (i) that Person's spouse or child, or
 - (ii) any relative of that Person or of his spouse who has the same residence as that Person; but
- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company.

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

"Completion of the Qualifying Transaction" means the date of the Final QT Exchange Bulletin issued by the Exchange.

"Control Person" means any Person that holds or is one of a combination of Persons 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 Shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"CPC" or "Capital Pool Company" means a corporation or trust:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the Commissions in compliance with the CPC Policy; and
- (b) in regard to which the Final QT Exchange Bulletin has not yet been issued.

"CPC Filing Statement" means the Filing Statement of the CPC prepared in accordance with Form 3B2 – *Information Required in a Filing Statement for a Qualifying Transaction*, which provides full, true and plain disclosure of all material facts relating to the CPC and the Significant Assets.

"CPC Information Circular" means the Information Circular of the CPC prepared in accordance with applicable Securities Laws and Form 3B1 – *Information Required in an Information Circular for a Qualifying Transaction*, which provides full, true and plain disclosure of all material facts relating to the CPC and the Significant Assets.

"CPC Policy" means Policy 2.4 – *Capital Pool Companies* of the Exchange.

"CPC Stock Option" means an option to purchase Common Shares of the CPC which may be granted by the CPC in accordance with the CPC Policy.

"Eligible Charitable Organization" means:

- (a) any Charitable Organization or Public Foundation⁽¹⁾ which is a Registered Charity⁽¹⁾, but is not a Private Foundation⁽¹⁾, or
- (b) a Registered National Arts Service Organization⁽¹⁾.

"Escrow Agent" means Endeavor Trust Corporation.

"Escrow Agreement" means the Exchange Form 2F escrow agreement dated September 22, 2022, between the Issuer, the Escrow Agent and the certain shareholders of the Issuer.

"Exchange" means the TSX Venture Exchange Inc.

"Final QT Exchange Bulletin" means the bulletin issued by the Exchange following the closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

"Insider" if used in relation to an Issuer, means:

- (a) a director or senior officer of the Issuer;
- (b) a director or senior officer of a 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.

"Listed Shares" means a share or other security that is listed on the Exchange.

"Majority of the Minority Approval" means the approval by the majority of the votes cast at a meeting of shareholders of the CPC, or by the written consent of shareholders holding more than 50% of the issued Listed Shares of the CPC, provided that the votes attached to Listed Shares of the CPC held by the following Persons and their Associates and Affiliates are excluded from the calculation of any such approval or written consent:

- (a) Non-Arm's Length Parties to the CPC;
- (b) Non-Arm's Length Parties to the Qualifying Transaction; and
- (c) in the case of a Related Party Transaction:
 - (i) if the CPC holds its own shares, the CPC, and
 - (ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction.

"Member" means a person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange requirements.

"Member Agreement" means the members' agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a member of the Exchange under the Exchange requirements.

¹ These terms are defined in the Income Tax Act (Canada), as amended from time to time.

"Non-Arm's Length Party" means:

(a) in relation to a Company:

- (i) a Promoter, officer, director, other Insider or Control Person of that Company and any Associates or Affiliates of any of such Persons; or
- (ii) another entity, or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Company; and

(b) in relation to an individual, 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 Parties to the Qualifying Transaction" means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non-Arm's Length Parties of the Vendor(s), the Non-Arm's Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

"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.

"Person" means a Company or individual.

"Principal" means:

- (a) a Person who acted as a Promoter of the Issuer within two years before the initial public offering ("IPO") prospectus or the date of the bulletin issued by the Exchange that evidences the final Exchange acceptance of a transaction (the **"Final QT Exchange Bulletin"**);
- (b) a director or senior officer of the Issuer or any of its material operating subsidiaries at the time of the IPO prospectus or Final QT Exchange Bulletin;
- (c) a 20% holder – a Person that holds securities carrying more than 20% of the voting rights attached to the Issuer's outstanding securities immediately before and immediately after the Issuer's IPO or immediately after the Final QT Exchange Bulletin for non IPO transactions; and
- (d) a 10% holder – a Person that:
 - (i) holds securities carrying more than 10% of the voting rights attached to the Issuer's outstanding securities immediately before and immediately after the Issuer's IPO or immediately after the Final QT Exchange Bulletin for non IPO transactions; and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

In calculating these percentages, include securities that may be issued to the holder under outstanding convertible securities in both the holder's securities and the total securities outstanding.

A Company, more than 50% held by one or more Principals will be treated as a Principal. (In calculating this percentage, include securities of the entity that may be issued to the Principals

under outstanding convertible securities in both the Principals' securities of the entity and the total securities of the entity outstanding.) Any securities of the Issuer that this entity holds will be subject to escrow requirements.

A Principal's spouse and any relatives of the Principal or spouse who live at the same address as the Principal will also be treated as Principals and any securities of the Issuer they hold will be subject to escrow requirements.

"Promoter" means the definition prescribed by the *Securities Act* (British Columbia).

"Qualifying Transaction" means a transaction where the CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means.

"Qualifying Transaction Agreement" means any agreement or other similar commitment respecting the Qualifying Transaction which identifies the fundamental terms upon which the parties agree or intend to agree, including:

- (a) the Significant Assets and/or Target Company;
- (b) the parties to the Qualifying Transaction;
- (c) the value of the Significant Assets and/or Target Company and the consideration to be paid or otherwise identifies the means by which the consideration will be determined; and
- (d) the conditions to any further formal agreements or completion of the Qualifying Transaction.

"Related Party Transaction" has the meaning ascribed to that term under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transaction*, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm's Length Parties, or other circumstances exist which may compromise the independence of the Issuer with respect to the transaction.

"Resulting Issuer" means the issuer that was formerly a CPC, which exists upon issuance of the Final QT Exchange Bulletin.

"Significant Assets" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions would result in the CPC meeting the Initial Listing Requirements of the Exchange.

"Sponsor" has the meaning specified in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

"Sponsor Report" means the report to be provided to the Exchange by the sponsor.

"Target Company" means a Company to be acquired by the CPC as its Significant Assets pursuant to a Qualifying Transaction.

"Transfer Agent" means Endeavor Trust Corporation.

"Vendor(s)" means one or all of the beneficial owners of the Significant Assets and/or Target Company.

"Voting Shares" means a security of an Issuer that:

(a) is not a debt security, and

(b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

ISSUER

Totec Resources Ltd.

OFFERING

A total of 2,500,000 Common Shares in the case of the Minimum Offering or 4,000,000 Common Shares in the case of the Maximum Offering are being offered under this prospectus at a price of \$0.10 per Common Share. In addition, the Issuer will grant an option to the Agent to purchase up to 10% of the number of Common Shares sold under this Offering, or 250,000 Common Shares in the case of the Minimum Offering or 400,000 Common Shares in the case of the Maximum Offering at a price of \$0.10 per share which will be exercisable for a period of 60 months from the date of listing of the Common Shares on the Exchange, which Agent's Option is qualified under this prospectus. The Issuer also intends to grant CPC Stock Options to purchase up to 250,000 Common Shares in the case of the Minimum Offering and up to 400,000 Common Shares in the case of the Maximum Offering, to directors, officers, and technical consultants, all of which CPC Stock Options are qualified for distribution under this prospectus.

See "*Options to Purchase Securities*" and "*Plan of Distribution*".

BUSINESS OF THE ISSUER

The principal business of the Issuer will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Issuer has not commenced commercial operations and has no assets other than a minimum amount of cash. See "*Business of the Issuer*" and "*Plan of Distribution*".

USE OF PROCEEDS

The net proceeds to the Issuer will be \$264,810 in the case of the Minimum Offering and \$399,810 in the case of the Maximum Offering. The net proceeds of this Offering will be used to provide the Issuer with a minimum of funds with which to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction. The Issuer may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required.

See "*Use of Proceeds*" for details of the restrictions and prohibitions on the Issuer's use of funds.

DIRECTORS, OFFICERS AND PROMOTER

Deepak Varshney	–	Chief Executive Officer, Corporate Secretary, Director, and Promoter
Khalid Naeem	–	Chief Financial Officer
James Walker	–	Director
Andres Abogado	–	Director
Paul McGuigan	–	Director

See "*Directors, Officers and Promoter.*"

**ESCROWED
SECURITIES:**

All of the currently issued and outstanding 2,700,000 Common Shares of the Issuer issued at \$0.05 per Common Share and all of the CPC Stock Options, together with any Common Shares issued upon exercise of the CPC Stock Options, will be deposited in escrow pursuant to the terms of the Escrow Agreement and will be released from escrow in stages over a period of up to 18 months after the date of the Final QT Exchange Bulletin. See "*Escrowed Securities*".

RISK FACTORS:

Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Issuer's business and its present stage of development. The Issuer was only recently incorporated and has no active business or assets other than cash. It does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Offering is only suitable to investors who are prepared to rely entirely on the directors and management of the Issuer and can afford to risk the loss of their entire investment.

The directors and officers of the Issuer will only devote part of their time and attention to the affairs of the Issuer and there are potential conflicts of interest to which some of the directors and officers of the Issuer will be subject in connection with the operations of the Issuer. Assuming completion of the Offering, an investor will suffer an immediate dilution on investment of 25.96% or \$0.026 per Common Share in the case of the Minimum Offering or 20.14% or \$0.0201 in the case of the Maximum Offering.

There can be no assurance that an active and liquid market for the Issuer's Common Shares will develop and an investor may find it difficult to resell the Common Shares. Until Completion of the Qualifying Transaction, the Issuer will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Issuer has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Issuer will be able to identify or complete a suitable Qualifying Transaction.

The Qualifying Transaction may involve the acquisition of a business or assets located outside of Canada. It may therefore be difficult or impossible to effect service or notice to commence legal proceedings upon any directors, officers and experts outside of Canada and it may not be possible to enforce against such persons or companies judgments obtained in Canadian courts predicated upon the civil liability provisions applicable to securities laws in Canada.

THE ISSUER

Totec Resources Ltd. was incorporated on January 25, 2022, under the *Business Corporations Act* (British Columbia). The principal office of the Issuer is located at 1575 Kamloops Street, Vancouver, BC V5K 3W1 and registered office of the Issuer is located at Suite 1800 - 550 Burrard Street, Vancouver, BC, V6C 2B5.

BUSINESS OF THE ISSUER

Preliminary Expenses

To date, the Issuer has paid \$5,250 to the Exchange in filing fees.

As at March 31, 2022, the Issuer did not have any accrued liabilities and accounts payable for professional fees aside from an award of \$5,000 for audit fees. Certain of the Offering proceeds will be utilized to satisfy the obligations of the Issuer related to the Offering, including the expenses of its auditor and legal fees, the fees of the Exchange, the Agent's commission, corporate finance fee and expenses and the fees of the securities regulatory authorities. See "Use of Proceeds".

Proposed Operations until Completion of a Qualifying Transaction

The Issuer proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. The Issuer has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interests. The Issuer has not yet selected an industry sector to pursue a qualifying transaction.

Until completion of a Qualifying Transaction, the Issuer will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described under "*Use of Proceeds*", the funds raised pursuant to the Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

The Issuer has not yet entered into an Agreement in Principle.

Method of Financing

The Issuer may use cash, bank financing, issuance of treasury shares, private or public financing of debt or equity, or some combination thereof to finance its proposed Qualifying Transaction. **If treasury shares are issued to finance the Qualifying Transaction, such issuance could result in a change in control of the Issuer and may cause the shareholders' interest in the Issuer to be further diluted.**

Criteria for Qualifying Transaction

The board of directors of the Issuer must approve any proposed Qualifying Transaction. In exercising their powers and discharging their duties in relation to a proposed Qualifying Transaction, the directors will act honestly and in good faith with a view to the best interests of the Issuer and will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Filings and Shareholder Approval of a Qualifying Transaction

Upon the Issuer reaching a Qualifying Transaction Agreement, the Issuer must issue a comprehensive news release, at which time the Exchange generally will halt trading in the Issuer's Common Shares until the filing requirements of the Exchange have been satisfied. Within 75 days after issuance of such news release, the Issuer shall be required to submit for review to the Exchange a disclosure document that complies with Exchange requirements containing prospectus level disclosure of the Significant Assets and the Issuer, assuming Completion of the Qualifying Transaction. Where the proposed Qualifying Transaction is a Non-Arm's Length Qualifying Transaction, the Issuer must obtain Majority of the Minority Approval of the Qualifying Transaction. Where the proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction, the Exchange will not require the Issuer to obtain Shareholder approval of the Qualifying Transaction provided that it files the CPC Filing Statement or a Prospectus.

Once the Conditional Acceptance Documents (as such term is defined in the CPC Policy) have been accepted for filing, the Exchange will advise the Issuer that it is cleared to file the final disclosure document on SEDAR and:

- (a) where Shareholder approval of the Qualifying Transaction is not required, the Issuer must file the final CPC Filing Statement or Prospectus on SEDAR at least seven business days prior to:
 - (i) the resumption of trading in the securities of the Resulting Issuer following the Completion of the Qualifying Transaction, if the securities of the Issuer are halted from trading; or
 - (ii) the Completion of the Qualifying Transaction, if the securities of the Issuer are not halted from trading;
- (b) where Shareholder approval is required and is to be obtained at a meeting of shareholders, the Issuer will file on SEDAR and mail to its shareholders the notice of meeting, CPC Information Circular and form of proxy, together with any other required documents; and
- (c) where Shareholder approval is required and is to be obtained by written consent, the Issuer will file on SEDAR the final disclosure document.

If required by the Exchange, the Issuer will retain a Sponsor, who must be a Member of the Exchange or a Participating Organization of the Toronto Stock Exchange, and who will be required to submit to the Exchange a Sponsor Report prepared in accordance with the Policies of the Exchange. The Issuer will no longer be considered to be a CPC upon the Exchange having issued the Final QT Exchange Bulletin. The Exchange will generally not issue the Final QT Exchange Bulletin until the Exchange has received:

- (i) confirmation of Shareholder approval of the Qualifying Transaction, if required;
- (ii) confirmation of closing of the Qualifying Transaction; and
- (iii) all post-meeting or final documentation, as applicable, otherwise required to be filed with the Exchange pursuant to the CPC Policy.

Upon issuance of the Final QT Exchange Bulletin, the CPC Policy will generally cease to apply, with the exception of the escrow provisions of the CPC Policy.

Initial Listing Requirements

The Resulting Issuer must satisfy the Exchange's initial listing requirements for the particular industry sector in either Tier 1 or Tier 2 as prescribed under the applicable policies of the Exchange.

Trading Halts, Suspension and Delisting

The Exchange will generally halt trading in the Common Shares from the date of the public announcement of a Qualifying Transaction Agreement until all filing requirements of the Exchange have been satisfied, which includes the submission of a Sponsorship Acknowledgment Form, where the Qualifying Transaction is subject to sponsorship. In addition, Personal Information Forms or, if applicable, Declarations, for all individuals who may be directors, senior officers, promoters, or insiders of the Resulting Issuer must be filed with the Exchange and any preliminary background searches that the Exchange considers necessary or advisable, must also be completed, before the trading halt will be lifted by the Exchange.

Even if all filing requirements have been satisfied and preliminary background checks completed, the Exchange may continue or reinstate a halt in trading of the Common Shares for public policy reasons including:

- (a) the unacceptable nature of the business of the Resulting Issuer, or
- (b) the number of conditions precedent to, or the nature and number of deficiencies required to be resolved prior to, completion of the Qualifying Transaction, are so significant or numerous as to make it appear to the Exchange that the halt should be reinstated or continued.

A trading halt may also be imposed by the Exchange where the Issuer fails to file the supporting documents relating to the Qualifying Transaction within a period of 75 days after public announcement of the Qualifying Transaction Agreement or if the Issuer fails to file post-meeting or final documents as applicable, within the time required. A trading halt may also be imposed if a Sponsor terminates its sponsorship.

In the event that the Common Shares of the Issuer are delisted by the Exchange, within 90 days from the date of such delisting, the Issuer shall wind up and shall make a pro rata distribution of its remaining assets to its shareholders, unless shareholders, pursuant to a majority vote exclusive of the votes of Non-Arm's Length Parties to the Issuer, determine to deal with the Issuer or its remaining assets in some other manner.

Refusal of Qualifying Transaction

The Exchange, in its sole discretion, may not accept a Qualifying Transaction where:

- (a) the Resulting Issuer fails to satisfy the applicable initial listing requirements of the Exchange;
- (b) the Resulting Issuer will be a mutual fund, as defined in the securities legislation; or
- (c) notwithstanding the definition of a Qualifying Transaction, there is any other reason for denying acceptance of the Qualifying Transaction.

USE OF PROCEEDS

Proceeds and Principal Purposes

The aggregate gross proceeds received by the Issuer from the sale of Common Shares prior to the Offering were \$135,000. No issue costs were allocated towards the issuance of these prior issued Common Shares. The aggregate gross proceeds expected to be received by the Issuer from the sale of the Common Shares offered by this prospectus assuming the Offering is subscribed for in full will be \$250,000 in the case of the Minimum Offering, or \$400,000 in the case of the Maximum Offering, less costs of this issue. The costs of this issue are estimated at \$114,940 in the case of the Minimum Offering or \$129,940 in the case of the Maximum Offering, inclusive of taxes and disbursements (of which \$10,000 has been advanced by the Issuer to the Agent to date), as well as the Agent's commission, corporate finance fee and legal fees. Accordingly, the estimated funds to be available to the Issuer upon completion of the Offering will be \$264,810 in the case of the Minimum Offering or \$399,810 in the case of the Maximum Offering.

The following indicates the principal uses to which the Issuer proposes to use the total funds available to it upon the completion of this Offering:

	Totals (Assuming Minimum Offering)	Totals (Assuming Maximum Offering)
(a) Gross cash proceeds received by the Issuer from the sale of Common Shares prior to this Offering ⁽¹⁾	\$135,000	\$135,000
(b) Less: Expenses and costs relating to raising the cash proceeds referred to in (a) above	(\$Nil)	(\$Nil)
(c) Plus: Gross cash proceeds to be raised by the Issuer from the sale of Common Shares distributed pursuant to this Offering ⁽²⁾	\$250,000	\$400,000
(d) Less: Expenses and costs relating to the Offering:		
Agent's commission	(\$25,000)	(\$40,000)
Agent's corporate finance fee	(\$15,750)	(\$15,750)
Agent's legal fees & expenses	(\$15,000)	(\$15,000)
Issuer's legal fees	(\$30,000)	(\$30,000)
Issuer's audit fees and expenses	(\$10,000)	(\$10,000)
Listing and filing fees (including SEDAR fees)	(\$24,440)	(\$24,440)
Estimated funds available (on completion of the Offering)	\$264,810	\$399,810

	Totals (Assuming Minimum Offering)	Totals (Assuming Maximum Offering)
Funds available for identifying and evaluating assets or business prospects ⁽³⁾	\$192,810	\$327,810
Estimated general and administrative expenses until Completion of a Qualifying Transaction	\$72,000	\$72,000
Total Net Proceeds	\$264,810	\$399,810

Notes:

- (1) See "Prior Sales".
- (2) No issue costs have been allocated toward the issuance of the Seed Shares. See the Financial Statements attached as Schedule "A" hereto.
- (3) In the event that the Agent exercises the Agent's Option and the directors and officers exercise their CPC Stock Options, there will be available to the Issuer an additional amount of \$63,000 in the case of the Minimum Offering or \$93,000 in the case of the Maximum Offering, which amount will be added to the working capital of the Issuer. See "Plan of Distribution". There is no assurance that any of these CPC Stock Options will be exercised.
- (4) In the event that the Issuer enters into a Qualifying Transaction Agreement prior to spending the entire \$264,810 in the case of the Minimum Offering or \$399,810 in the case of the Maximum Offering, on identifying and evaluating assets or businesses, the remaining funds may be used to finance or partly finance the acquisition of, or participation in, the Significant Assets or for working capital after Completion of the Qualifying Transaction.

Until required for the Issuer's purposes, all proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada, any province or territory thereof or the Government of the United States of America, in certificates of deposit or in interest bearing accounts of Canadian chartered banks and/or trust companies, or a combination thereof.

The proceeds of this Offering and any prior sale of Common Shares, after deducting the costs of this Offering, will only be sufficient to identify a limited number of opportunities. Additional funds may be required to finance any acquisition to which the Issuer may commit. See "Business of the Issuer", "Method of Financing Acquisition or Participation Opportunities" and "Risk Factors".

Permitted Use of Funds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "Prohibited Payments to Non-Arm's Length Parties", "Private Placements for Cash," and "Finder's Fees", the gross proceeds realized from the sale of all securities issued by the Issuer will be used by the Issuer only to identify and evaluate assets or businesses and obtain shareholder approval, if applicable, for a proposed Qualifying Transaction, including expenses such as:

- (a) reasonable expenses relating to the Issuer's IPO, including:
 - (i) fees for legal services and audit services relating to the preparation and filing of this prospectus;
 - (ii) Agent's fees, costs and commissions; and
 - (iii) printing costs, including printing of this prospectus and share certificates;

- (b) reasonable general and administrative expenses of the Issuer (not exceeding in aggregate \$3,000 per month), including:
 - (i) office supplies, office rent and related utilities;
 - (ii) equipment leases;
 - (iii) fees for legal services; and
 - (iv) fees for accounting and advisory services;
- (c) reasonable expenses relating to a proposed Qualifying Transaction, including:
 - (i) valuations or appraisals;
 - (ii) business plans;
 - (iii) feasibility studies and technical assessments;
 - (iv) sponsorship reports;
 - (v) Geological Reports;
 - (vi) financial statements;
 - (vii) fees for legal services; and
 - (viii) fees for accounting, assurance and audit services;
- (d) agents' and finders' fees, costs and commissions;
- (e) assurance and audit fees of the Issuer;
- (f) escrow agent and transfer agent fees of the Issuer; and
- (g) regulatory filing fees of the Issuer.

In addition, a maximum aggregate amount of \$25,000 may be advanced as a non-refundable deposit or unsecured loan to a Target Company or Vendor(s), as the case may be, without the prior acceptance of the Exchange. Any proposed deposit, advance or loan of funds from the Issuer to the Target Company or a Vendor(s) in excess of such \$25,000 maximum aggregate may only be made as a secured loan with the prior acceptance of the Exchange where all of the following conditions are satisfied:

- (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
- (ii) the Qualifying Transaction has been announced in a comprehensive news release;
- (iii) due diligence with respect to the Qualifying Transaction is well underway;
- (iv) if applicable, a Sponsor has been engaged or the sponsorship requirement has been waived;
- (v) the loan has been announced in a new release at least 15 days prior to the date of any such loan; and
- (vi) the total amount of all deposits, advances and loans from the Issuer does not exceed a maximum of \$250,000 in aggregate unless the aggregate amount advanced from the Issuer to the Target Company or the Vendor(s) does not represent more than 20% of the working capital of the Issuer.

Prohibited Payments to Non-Arm's Length Parties

Except as described under "*Options to Purchase Securities*", "*Permitted Use of Funds*" and "*Finder's Fees*", the Issuer has not made, and until the Completion of the Qualifying Transaction

will not make, any payment of any kind, directly or indirectly, to a Non-Arm's Length Party to the Issuer or to a Non-Arm's Length Party to the Qualifying Transaction, or to a person engaged in investor relations activities, promotional or market-making services in respect of the Issuer or the securities of the Issuer or any Resulting Issuer, by any means, including:

- (a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees or directors' fees, finders' fees (except as permitted under the CPC Policy), loans, advances and bonuses, and
- (b) deposits and similar payments.

Further, no such payment will be made by the Issuer or by any other Person after the Completion of the Qualifying Transaction if such payment relates to services rendered or obligations incurred before or in connection with the Qualifying Transaction.

Notwithstanding the above, the Issuer may pay or reimburse a Non-Arm's Length Party to the Issuer for reasonable general and administrative expenses of the Issuer (including office supplies, office rent and related utilities, equipment leases, fees for legal services and fees for accounting and advisory services) not exceeding in aggregate \$3,000 per month, and for fees for legal services relating to a proposed Qualifying Transaction, and the Issuer may also reimburse a Non-Arm's Length Party to the Issuer for reasonable out-of-pocket expenses incurred in pursuing the business of the Issuer described in "*Permitted Use of Funds*".

The foregoing restrictions on the use of proceeds and prohibitions on payments to Non-Arm's Length Parties and persons engaged in investor relations activities continue to apply until the Completion of the Qualifying Transaction.

Private Placements for Cash

After the closing of the Offering and until the Completion of the Qualifying Transaction, the Issuer will not issue any securities unless written acceptance of the Exchange is obtained before issuance. Prior to the Completion of the Qualifying Transaction, the Exchange generally will not accept a private placement by the Issuer where the gross proceeds raised from the issuance of securities both prior to and pursuant to the Offering, together with any proceeds anticipated to be raised upon closing of the private placement, will exceed \$10,000,000. Generally, the only securities issuable pursuant to such a private placement will be Common Shares and Agent's Options. Subject to certain limited exceptions, any Common Shares issued pursuant to the private placement to Non-Arm's Length Parties to the Issuer and to Principals of the Resulting Issuer will be subject to escrow.

Finder's Fees

Upon Completion of the Qualifying Transaction, the Issuer and Target Company may pay finder's fees in aggregate pursuant to Exchange Policy 5.1 – *Loans, Loan Bonuses, Finder's Fees and Commissions*:

- (a) to a Person that is not a Non-Arm's Length Party to the Issuer; and
- (b) to a Non-Arm's Length Party to the Issuer, provided that:
 - (i) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;
 - (ii) the Qualifying Transaction is not a transaction between the Issuer and an existing public company;

- (iii) the finder's fee is payable in the form of cash, Listed Shares and/or common share purchase warrants only;
- (iv) the amount of any Concurrent Financing (as such term is defined in the CPC Policy) is not included in the value of the measurable benefit used to calculate the finder's fee; and
- (v) approval of the finder's fee is obtained by ordinary resolution at a meeting of shareholders of the Issuer or by the written consent of shareholders of the Issuer holding more than 50% of the issued Listed Shares of the Issuer, provided that the votes attached to the Listed Shares of the Issuer held by the recipient of the finder's fee and its Associates and Affiliates are excluded from the calculation of any such approval or written consent.

PLAN OF DISTRIBUTION

The Agent and the Agent's Compensation

Pursuant to the Agency Agreement, the Issuer has appointed the Agent as its agent, to offer for sale on a commercially reasonable efforts agency basis to the public in the provinces of Alberta, British Columbia, Ontario, a minimum of 2,500,000 Common Shares and a maximum of 4,000,000 Common Shares as provided in this prospectus at \$0.10 per Common Share for minimum aggregate gross proceeds of \$250,000 in the case of the Minimum Offering and a maximum of \$400,000 in the case of the Maximum Offering, subject to the terms and conditions in the Agency Agreement. The Agent will receive a commission of 10% of the aggregate gross proceeds from the sale of the Common Shares, a \$10,000 plus GST corporate finance fee, and reimbursement of its expenses and legal fees incurred pursuant to this Offering, plus disbursements and taxes. The Issuer will grant to the Agent and its sub-agents, if any, at the closing of the Offering the Agent's Option to acquire Common Shares in number equal to 10% of the number of Common Shares sold under the Offering, being 250,000 Agent's Options in the case of the Minimum Offering and 400,000 Agent's Options in the case of the Maximum Offering, at \$0.10 per share for a 60 month period following the date that the Common Shares are listed on the Exchange. The Agent's Option is qualified under this prospectus. Pursuant to the CPC Policy, where the Agent receives an option or the right to subscribe for a certain number of shares as consideration for acting as Agent, not more than 50% of the options exercised or 50% of the shares held pursuant to that right may be sold prior to Completion of the Qualifying Transaction. The remaining 50% may only be sold after Completion of the Qualifying Transaction. The Agent has agreed to use commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Issuer and may make co-brokerage arrangements with other investment dealers at no additional cost to the Issuer. The obligations of the Agent under the Agency Agreement may be terminated at its discretion or on the basis of its assessment of the state of financial markets and may also be terminated on the occurrence of certain events as stated in the Agency Agreement.

This prospectus qualifies the distribution of the Agent's Option and CPC Stock Options to be granted to directors and officers of the Issuer which shall entitle the grantees to purchase up to 250,000 Common Shares in the case of the Minimum Offering and up to 400,000 Common Shares in the case of the Maximum Offering.

The Issuer has granted the Agent a right of first refusal to participate as agent in any equity financings being undertaken by the Issuer in connection with the Issuer's Qualifying Transaction and the Agent will have a right of first refusal to act as the Issuer's Agent in respect of such financing. Such right of first refusal is to be exercised within 10 days following receipt of notice by

the Issuer to the Agent containing the terms of the proposed equity financing. In addition, the Agent has a right of first refusal to act as the Issuer's sponsor in connection with the Qualifying Transaction which right is to be upon the same terms as that for equity financings by the Issuer.

The Issuer has agreed not to, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to, or announce any intention to, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional common shares or any securities convertible or exchangeable into common shares of the Issuer, other than pursuant to (i) the exercise of previously issued convertible or exchangeable securities, or (ii) the issuance of securities in accordance with any agreement to acquire assets that will form the basis of a Qualifying Transaction, or (iii) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the closing date of the Offering (the "**Closing Date**"), until 120 days following the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld.

Commercially Reasonable Efforts Offering and Minimum Distribution

The Agent has agreed to use commercially reasonable efforts to secure subscriptions for the Common Shares offered hereunder on behalf of the Issuer and may make co-brokerage arrangements with other investment dealers at no additional cost to the Issuer but is not obligated to do so. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets or upon the occurrence of certain events stated in the Agency Agreement.

The total Offering is of 2,500,000 Common Shares for total gross proceeds of \$250,000 in the case of the Minimum Offering and 4,000,000 Common Shares for total gross proceeds of \$400,000 in the case of the Maximum Offering. Pursuant to the CPC Policy, 75%, or 1,875,000 of the total number of Common Shares offered under this prospectus in the case of the Minimum Offering or 3,000,000 of the total number of Common Shares offered under this prospectus in the case of the Maximum Offering are subject to the following limits:

- (a) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser pursuant to the Offering is 2%, or 50,000 of the total number of Common Shares offered under this prospectus in the case of the Minimum Offering or 80,000 of the total number of Common Shares offered under this prospectus in the case of the Maximum Offering; and
- (b) the maximum number of Common Shares that may be directly or indirectly purchased by any one purchaser, together with that purchaser's Associates and Affiliates, is 4%, or 100,000 of the total number of Common Shares offered under this prospectus in the case of the Minimum Offering or 160,000 of the total number of Common Shares offered under this prospectus in the case of the Maximum Offering.

The funds received from the Offering will be deposited with the Agent, and will not be released until a minimum of \$250,000 has been deposited. The total subscription must be raised within 90 days of the date a receipt for the prospectus is issued, or such other time as may be consented to by persons or companies who subscribed within that period, failing which the Agent will remit the funds collected to the original subscribers without interest or deduction, unless subscribers have otherwise instructed the Agent.

Other Securities to be Distributed

The Issuer also proposes to CPC Stock Options to purchase Common Shares (250,000 CPC Stock Options in case of the Minimum Offering or 400,000 CPC Stock Options in case of the Maximum Offering) to directors and officers in accordance with the policies of the Exchange, which CPC Stock Options are qualified for distribution under this prospectus.

Determination of Price

The offering price of the Common Shares was determined by negotiation between the Issuer and the Agent.

Listing Application

The Exchange has conditionally approved the Issuer's application to list the Common Shares on the Exchange. Listing will be subject to the Issuer fulfilling all of the listing requirements of the Exchange.

Venture Issuers

As at the date of the prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

Restrictions on Trading

Other than the initial distribution of the Common Shares pursuant to this prospectus, the grant of the Agent's Option and the grant of CPC Stock Options to the directors, officers and technical consultants of the Issuer, no securities of the Issuer will be permitted to be issued during the period between the date a receipt for the preliminary prospectus is issued by the Applicable Securities Commissions and the time the Common Shares are listed for trading on the Exchange, except subject to prior acceptance of the Exchange, where appropriate registration and prospectus exemptions are available under securities legislation or where the applicable securities regulatory authorities grant a discretionary order.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

The Issuer is authorized to issue an unlimited number of Common Shares of which, as at the date of this prospectus, 2,700,000 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares.

Up to 4,000,000 Common Shares are being qualified for distribution under this prospectus. In addition, pursuant to the Agent's Option, 250,000 Common Shares will be reserved for issuance in the case of the Minimum Offering and 400,000 Common Shares will be reserved for issuance in the case of the Maximum Offering. Common Shares will also be reserved for issuance under options to be granted to directors and officers in the amount of 250,000 Common Shares in the case of the Minimum Offering and 400,000 Common Shares in the case of the Maximum Offering.

See "*Plan of Distribution*" and "*Options to Purchase Securities*".

Common Shares

The holders of the Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to one vote per share at meetings of the shareholders of the Issuer and, upon liquidation, dissolution or winding-up of the Issuer to receive such assets of the Issuer as are distributable to the holders of the Common Shares. All of the Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable.

CAPITALIZATION

Designation of Securities	Amount Authorized	Amount outstanding as of the date of the most recent balance sheet contained in this Prospectus ⁽¹⁾	Amount outstanding as at the date of this Prospectus	Amount to be outstanding upon completion of the Minimum Offering	Amount to be outstanding upon completion of the Offering
Common Shares	Unlimited	\$130,000 (2,600,000 Common Shares)	\$135,000 (2,700,000 Common Shares)	\$385,000 (2)(3)(4) (5,200,000 Common Shares)	\$535,000 (5)(6)(7) (6,700,000 Common Shares)

Notes:

- (1) At this date, the Issuer had not commenced commercial operations.
- (2) Excluding up to 260,000 Common Shares issuable at \$0.05 per Common Share and up to 250,000 Common Shares issuable at \$0.10 per share, expiring 10 years from the date of being granted, pursuant to CPC Stock Options to be granted to directors and officers of the Issuer in the case of the Minimum Offering. See "Options to Purchase Securities".
- (3) Excluding 250,000 Common Shares issuable at \$0.10 per share, expiring 60 months from the Listing Date, pursuant to the Agent's Option in the case of the Minimum Offering. See "Plan of Distribution".
- (4) Funds estimated to be available on completion of the Minimum Offering amount to approximately \$264,810 after deducting the selling commissions and related expenses incurred by the Issuer. See "Use of Proceeds – Proceeds and Principal Purposes".
- (5) Excluding up to 260,000 Common Shares issuable at \$0.05 per Common Share and up to 400,000 Common Shares issuable at \$0.10 per share, expiring 10 years from the date of being granted, pursuant to CPC Stock Options to be granted to directors and officers of the Issuer in the case of the Maximum Offering. See "Options to Purchase Securities".
- (6) Excluding 400,000 Common Shares issuable at \$0.10 per share, expiring 60 months from the Listing Date, pursuant to the Agent's Option in the case of the Maximum Offering. See "Plan of Distribution".
- (7) Funds estimated to be available on completion of the Maximum Offering amount to approximately \$399,810 after deducting the selling commissions and related expenses incurred by the Issuer. See "Use of Proceeds – Proceeds and Principal Purposes".

OPTIONS TO PURCHASE SECURITIES

The Issuer has established a stock option plan (the "**Stock Option Plan**") for its officers, directors, consultants and employees to which the Issuer may grant options to acquire a maximum number of Common Shares equal to 10% of the total issued and outstanding Common Shares of the Issuer.

The Issuer has granted 260,000 CPC Stock Options to purchase Common Shares at a price of \$0.05 per Common Share. At the closing of the Offering, the Issuer will grant 250,000 CPC Stock Options to purchase Common Shares in the case of the Minimum Offering or 400,000 CPC Stock Options in the case of the Maximum Offering, to be granted after closing this Offering to directors and officers (subject to regulatory approval) at a price of \$0.10 per Common Share. The CPC

Stock Options to be issued at the closing of the Offering are qualified for distribution pursuant to this prospectus.

Upon closing of the Offering, the Issuer proposes to enter into stock option agreements pursuant to the Stock Option Plan as follows:

Name	Number of Shares Under Option Upon Closing of the Minimum Offering	Number of Shares Under Option Upon Closing of the Maximum Offering	Exercise Price per Share	Expiry Date
	130,000	130,000	\$0.05	June 13, 2032
Deepak Varshney	55,000	90,000	\$0.10	Ten years from date of grant
Khalid Naeem	30,000	40,000	\$0.10	Ten years from date of grant
	130,000	130,000	\$0.05	June 13, 2032
James Walker	55,000	90,000	\$0.10	Ten years from date of grant
Andres Abogado	55,000	90,000	\$0.10	Ten years from date of grant
Paul McGuigan	55,000	90,000	\$0.10	Ten years from date of grant
Total:	510,000	660,000		

Stock Option Terms

The Board of Directors of the Issuer may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Issuer and Eligible Charitable Organizations non-transferable CPC Stock Options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the Common Shares of the Issuer issued and outstanding as at the date of grant of any CPC Stock Option, and that the exercise period does not exceed 10 years from the date of grant.

The number of Common Shares issuable to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares of the Issuer as at the date of grant of the CPC Stock Option.

The number of Common Shares issuable at any given time to all technical consultants in aggregate will not exceed two percent (2%) of the issued and outstanding Common Shares of the Issuer as at the date of grant of any CPC Stock Option.

The number of Common Shares issuable at any given time to Eligible Charitable Organizations in aggregate will not exceed one percent (1%) of the issued and outstanding Common Shares of the Issuer as at the date of grant of any CPC Stock Option.

The term of a CPC Stock Option must expire not later than 12 months after the optionee ceases to be a director, officer or technical consultant of the Issuer, or of the Resulting Issuer, as the case may be, subject to any earlier expiry date of such CPC Stock Option.

All CPC Stock Options and Common Shares issued prior to the date of the Final QT Exchange Bulletin pursuant to the exercise of CPC Stock Options are subject to escrow under the CPC Escrow Agreement. In addition, all Common Shares issued on or after the date of the Final QT Exchange Bulletin pursuant to the exercise of CPC Stock Options granted prior to the Offering with an exercise price that is less than the issue price of this Offering are also subject to escrow under the CPC Escrow Agreement. For further details of the escrow requirements and release provisions, see "*Escrow Securities*".

PRIOR SALES

Since the date of incorporation, 2,700,000 Common Shares have been issued as follows:

Date Issued	Number of Common Shares	Issue Price per Common Share	Aggregate Issue Price	Nature of Consideration
January 25, 2022	1 ⁽¹⁾⁽²⁾	\$0.05	\$0.05	Cash
March 31, 2022	2,599,999 ⁽²⁾	\$0.05	\$129,999.95	Cash
July 20, 2022	100,000 ⁽²⁾	\$0.05	\$5,000.00	Cash
Total	2,700,000		\$135,000	

Notes:

(1) One Common Share issued on incorporation to the incorporator on January 25, 2022.

(2) 2,700,000 Common Shares will be placed in escrow pursuant to the Escrow Agreement. See "*Escrowed Securities*".

ESCROWED SECURITIES

Securities Escrowed Prior to the Completion of the Qualifying Transaction

All of the 2,700,000 Common Shares issued prior to this Offering at a price below \$0.10 per Common Share, all Common Shares that have been or may be acquired by Non-Arm's Length Parties of the Issuer either under the Offering or otherwise prior to Completion of the Qualifying Transaction and all Common Shares acquired by members of the Aggregate Pro Group prior to this Offering will be deposited with the Escrow Agent under the Escrow Agreement. As of the date hereof, 2,700,000 Common Shares will be held by the Escrow Agent pursuant to the Escrow Agreement.

All CPC Stock Options and Common Shares acquired on exercise of CPC Stock Options prior to the Completion of the Qualifying Transaction, must also be deposited in escrow and will be subject to escrow under the Escrow Agreement until the Final QT Exchange Bulletin is issued. It is

contemplated that a minimum of 510,000 CPC Stock Options and a maximum of 660,000 CPC Stock Options will be granted upon completion of the Offering.

In addition, all Common Shares of the Issuer acquired in the secondary market prior to the Completion of the Qualifying Transaction by any person or company who becomes a Control Person are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Issuer held by Principals of the Resulting Issuer, will be escrowed.

The following table sets out, as at the date hereof, the number of Common Shares of the Issuer, which are held pursuant to the Escrow Agreement:

Name and Municipality of Residence of Shareholder	Number of Common Shares held in Escrow	Percentage of Common Shares prior to giving effect to the Offering	Percentage of Common Shares after giving effect to the Minimum Offering⁽¹⁾	Percentage of Common Shares after giving effect to the Maximum Offering⁽²⁾	Number of CPC Stock Options held in escrow after giving effect to the Minimum Offering	Number of CPC Stock Options held in escrow after giving effect to the Maximum Offering
Deepak Varshney Vancouver, British Columbia	600,000	22.22%	11.54%	8.96%	185,000	220,000
Khalid Naeem Surrey, British Columbia	100,000	3.70%	1.92%	1.49%	30,000	40,000
James Walker Vancouver, British Columbia	700,000	25.93%	13.46%	10.45%	185,000	220,000
Andres Abogado Vancouver, British Columbia	500,000	18.52%	9.62%	7.46%	55,000	90,000
Paul McGuigan Vancouver,	100,000	3.70%	1.92%	1.49%	55,000	90,000

British
Columbia

John Deluce Komoka, Ontario	500,000	18.52%	9.62%	7.46%	Nil	Nil
Navin Varshney, Vancouver, British Columbia	200,000	7.41%	3.85%	2.99%	Nil	Nil
Total	2,700,000	100%	51.93%	40.3%	510,000	660,000

Notes:

- (1) Assuming these shareholders do not acquire any Common Shares under the Offering.
(2) Assuming these shareholders do not acquire any Common Shares under the Offering.

Where Common Shares of the Issuer required to be placed in escrow are held by a non-individual (a "**holding company**"), during the currency of the Escrow Agreement, each holding company has agreed, or will be required to agree, that it will not carry out any transactions 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 which 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 holding company.

Under the CPC Escrow Agreement:

- (a) all CPC Stock Options granted prior to the date of the Final QT Exchange Bulletin and all Common Shares that were issued pursuant to the exercise of such CPC Stock Options prior to the date of the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than CPC Stock Options that were granted prior to the Issuer's IPO with an exercise price that is less than the issue price of the Common Shares under this prospectus and any Common Shares that were issued pursuant to the exercise of such CPC Stock Options which will be released from escrow in accordance with (b);
- (b) except for the CPC Stock Options and Common Shares issued pursuant to the exercise of such CPC Stock Options that are released from escrow on the date of the Final QT Exchange Bulletin as provided for in (a), all of the securities held in escrow will be released from escrow in accordance with the following schedule:

Release Dates	Percentage to be Released
Date of Final QT Exchange Bulletin	25%
Date 6 months following Final QT Exchange Bulletin	25%
Date 12 months following Final QT Exchange Bulletin	25%

Date 18 months following Final QT Exchange Bulletin	25%
TOTAL	100%

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Common Shares. Generally, the Exchange will only permit a transfer within escrow to be made to existing Principals of the Issuer and/or to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final QT Exchange Bulletin is not issued, the escrowed Common Shares will not be released. Under the CPC Escrow Agreement, upon the issuance by the Exchange of a bulletin delisting the Issuer, the Escrow Agent, is irrevocably authorized to:

- (a) immediately cancel all of the escrowed Common Shares held by each Non-Arm's Length Party to the Issuer that were issued at a price below the Offering price under this prospectus and all CPC Stock Options and Option Shares held by such persons; and
- (b) cancel all of the escrowed securities on a date that is 10 years from the date of such Exchange Bulletin.

Escrowed Securities on Qualifying Transaction

Generally, in connection with the Qualifying Transaction, subject to certain exemptions, all securities of the Resulting Issuer held by Principals of the Resulting Issuer will be required to be escrowed in accordance with the Policies of the Exchange.

PRINCIPAL SHAREHOLDERS

The following table lists those persons who own of record or who are known to the Issuer as at the date hereof to own beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Issuer, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares of the Issuer:

Name and Municipality of Residence⁽¹⁾	Type of Ownership	Number of Shares⁽²⁾	Percentage of Shares Owned before the Offering	Percentage of Shares Owned after giving Effect to the Minimum Offering⁽³⁾	Percentage of Shares Owned after giving Effect to the Maximum Offering⁽⁴⁾
Deepak Varshney Vancouver, British Columbia ⁽⁴⁾⁽⁵⁾	Indirectly and Beneficial	600,000	22.22%	11.54%	8.96%
James Walker Vancouver, British Columbia	Of Record and Beneficial	700,000	25.93%	13.46%	10.45%

Name and Municipality of Residence⁽¹⁾	Type of Ownership	Number of Shares⁽²⁾	Percentage of Shares Owned before the Offering	Percentage of Shares Owned after giving Effect to the Minimum Offering⁽³⁾	Percentage of Shares Owned after giving Effect to the Maximum Offering⁽⁴⁾
Andres Abogado Vancouver, British Columbia	Of Record and Beneficial	500,000	18.52%	9.62%	7.46%
Jon Deluce, Komoka, Ontario	Of Record and Beneficial	500,000	18.52%	9.62%	7.46%
Total		2,300,000	85.19%	44.24%	34.33%

Notes:

- (1) Subject to the Escrow Agreement. See "Escrowed Securities".
- (2) On a fully diluted basis, reflecting the exercise of all CPC Stock Options, the percentage of the issued and outstanding Common Shares will be as follows: Deepak Varshney will own 13.17%, James Walker will own 14.85%, Andres Abogado will own 9.31%, and Jon Deluce will own 8.39%.
- (3) On a fully diluted basis, reflecting the exercise of all CPC Stock Options, the percentage of the issued and outstanding Common Shares will be as follows: Deepak Varshney will own 10.57%, James Walker will own 11.86%, Andres Abogado will own 7.60%, and Jon Deluce will own 6.44%.
- (4) Common Shares are held by Deepak Varshney through a wholly owned corporation, Castello Q Development Corporation.
- (5) Navin Varshney is the father of Deepak Varshney and so the two are Associates. Navin Varshney is a shareholder of the Issuer. Deepak Varshney is the CEO, the Corporate Secretary and a Director of the Issuer. Therefore, Deepak Varshney has the ability to influence the Issuer, beyond their holding of Common Shares in the Issuer. Navin currently holds 200,000 Common Shares of the Issuer.

DIRECTORS, OFFICERS AND PROMOTER

The following are the names and municipalities of residence of the directors, officers and promoter of the Issuer, their positions and offices with the Issuer, their present principal occupation, the number of Common Shares beneficially owned or over which they directly or indirectly exercise control or direction, and the percentage of Common Shares to be held by each of them prior to and on completion of the Offering:

Name, (Age), Office and Municipality of Residence	Position or Office	Principal Occupation in the last five years	Common Shares Held (percentage and number of Common Shares prior to Offering)	Percentage and Number of Common Shares Held Upon Completion of the Minimum Offering⁽⁴⁾	Percentage of Number of Common Shares Held Upon Completion of the Maximum Offering
Deepak Varshney (33) Vancouver, British Columbia	Chief Executive Officer, Corporate Secretary, Director ⁽¹⁾ , and Promoter since January 25, 2022.	CEO of Usha Resources Ltd. (2019 – Present) Self-employed Geologist (2019 – Present) Project Manager and Geologist at TRI Environmental Consulting Inc. (2014 – 2019)	600,000 Common Shares 22.22%	600,000 Common Shares 11.54%	600,000 Common Shares 8.96%
Khalid Naeem (45) Surrey, British Columbia	Chief Financial Officer since January 25, 2022.	Canadian Chartered Professional Accountant (CPA), CFO of Usha Resources Ltd. (2018 – Present) CFO of Western Metallica Resources Corp. (2021 – Present) Self-employed at KN Consulting Inc. (2018 – Present) Litigation Officer at Canada Revenue Agency (2008 – 2018)	100,000 Common Shares 3.70%	100,000 Common Shares 1.92%	100,000 Common Shares 1.49%

Name, (Age), Office and Municipality of Residence	Position or Office	Principal Occupation in the last five years	Common Shares Held (percentage and number of Common Shares prior to Offering)	Percentage and Number of Common Shares Held Upon Completion of the Minimum Offering⁽⁴⁾	Percentage of Number of Common Shares Held Upon Completion of the Maximum Offering
Andres Abogado ⁽²⁾ (40) Vancouver, British Columbia	Director Since January 25, 2022. ⁽¹⁾	Lawyer at Abo Law (2016 – Present)	500,000 Common Shares 18.52%	500,000 Common Shares 9.62%	500,000 Common Shares 7.46%
James Walker ⁽³⁾ (38) Vancouver, British Columbia	Director Since January 25, 2022. ⁽¹⁾	CEO, President, Director of Ares Strategic Mining Inc. (2016 – Present)	700,000 Common Shares 25.93%	700,000 Common Shares 13.46%	700,000 Common Shares 10.45%
Paul McGuigan ⁽²⁾ (71) Vancouver, British Columbia	Director Since January 25, 2022. ⁽¹⁾	CEO of Vanadiumcorp Resource Inc. (2005 – Present) Managing Director of Cambria Geosciences (2005 - Present)	100,000 Common Shares 3.70%	100,000 Common Shares 1.92%	100,000 Common Shares 1.49%

Notes:

- (1) Each of the directors of the Issuer shall serve until the next annual general meeting of the shareholders or until the director sooner ceases to hold office. As of the date hereof, no director or officer has entered into a non-competition or non-disclosure agreement with the Issuer. Additionally, no director has an employment or independent contractor agreement with the Issuer.
- (2) Member of the Audit Committee
- (3) Chair of the Audit Committee
- (4) Before the exercise of CPC Stock Options by the directors and officers, the exercise of the Agent's Option and assuming that no Common Shares are purchased by these shareholders under this Offering. See "Plan of Distribution".

In addition to any other requirements of the Exchange, the Exchange expects management of the Issuer to meet a high management standard. The directors and officers of the Issuer believe that, on a collective basis, management possesses, the appropriate experience, qualifications and history to be capable of identifying, investigating and acquiring a Significant Asset. As at the date of this prospectus, the directors and officers own 2,000,000 Common Shares representing 74.07% of the issued and outstanding Common Shares which number of Common Shares will represent 38.46% of the issued Common Shares of the Issuer upon completion of the Minimum Offering or 29.85% of the issued Common Shares of the Issuer upon completion of the Maximum Offering.

The following are brief biographies of the Directors, Officers and Promoter of the Issuer:

Deepak Varshney – Chief Executive Officer, Corporate Secretary, Director and Promoter (Age: 33)

Deepak Varshney is a professional geologist and has over 10 years of experience in the capital markets and mineral exploration and development sector. He is presently CEO, Corporate Secretary and a Director of Usha Resources Ltd., a lithium-focused junior mining exploration company, and CEO and Director of Xander Resources Inc., a nickel-focused junior mining exploration company. He has developed long-standing relationships with an extensive network of high net worth retail investors, brokers, and private equity groups.

Mr. Varshney will devote 20% of his time, on average, to the affairs of the Issuer.

Khalid Naeem – Chief Financial Officer (Age: 45)

Mr. Naeem is a Canadian Chartered Professional Accountant (CPA) with over 15 years of financial and executive experience. Mr. Naeem is also the Chief Financial Officer of Usha Resources Ltd. and Western Metallica Resources Corp., TSX Venture Exchange listed issuers. Mr. Naeem has extensive experience in tax and compliance, public and private enterprises' financial policy, management and internal financial reporting, including senior roles at junior mining and oil and gas public companies and the Canadian Revenue Agency.

Mr. Naeem will devote 20% of his time, on average, to the affairs of the Issuer.

James Walker – Director (Age: 38)

James Walker has extensive experience in engineering and project management; particularly within mining engineering, mechanical engineering, construction, manufacturing, engineering design, infrastructure, safety management, and nuclear engineering. He is also the CEO and President and Director of Ares Strategic Mining and a Director of Bayhorse Silver Inc., Western Metallica Resources Corp., and Xander Resources Inc., Exchange listed issuers.

James' professional experience includes designing nuclear reactors, submarines, chemical plants, factories, mine processing facilities, infrastructure, automotive machinery, and testing rigs.

Mr. Walker holds degrees in Mechanical Engineering, Mining Engineering, and Nuclear Engineering, as well as qualifications in Project Management and Accountancy, and is a Chartered Engineer with the IMechE, and registered as a Project Manager Professional with the APM.

Mr. Walker will devote 20% of his time, on average, to the affairs of the Issuer.

Andres Abogado – Director (Age: 40)

Mr. Abogado is a lawyer in Mexico and Canada. He holds an LL.B in Mexican Law, an NCA issued by the Federation of Law Societies of Canada, and a Masters of Law from the University of British Columbia, with specialization in international and immigration law.

He has 12 years' experience as counsel both in Mexico and Canada. He advises junior mining companies and Canadian companies with legal needs in Mexico and Latin America, including regulatory compliance, permits, complex corporate structures and agreements. Mr. Abogado has also acted as counsel on a wide variety of matters, such as contract and settlement advice,

immigration applications, regulatory compliance and complex settlement agreements in México, Spain and Latin American countries. He has also acted as counsel for individuals both in the Provincial Court and the Supreme Court of British Columbia in the application and interpretation of international treaties and he has prevented extraditions to Spanish speaking countries.

Mr. Abogado is a member of the Law Society of British Columbia, the Vancouver Bar Association, the Canadian Bar Association, the British Columbia Arbitration and Mediation Institute and he has been appointed by the Mexican government as external counsel for the Mexican Consulate in Vancouver.

Mr. Abogado will devote 20% of his time, on average, to the affairs of the Issuer.

Paul McGuigan – Director (Age: 71)

Mr. Paul McGuigan, P.Geo, is a Professional Geoscientist registered with the Association of Engineers and Geoscientists of British Columbia, with 45 years of international experience in mineral exploration, deposit evaluation, mine operations, and corporate governance. As a geochemical researcher, he developed mineral separation techniques commonly employed in exploration and heavy mineral sands mapping. First employed by Resource Associates of Alaska, Pechiney Ugine Kuhlmann, and Esso Minerals Canada, he operated in Canada and the USA. For the last 34 years, Mr. McGuigan has managed the Cambria group of consulting companies in North and South America, Europe, Africa, the Middle East, and the SW Pacific. In civic service, he has served as a member of the Consulting Practice and the Geoscience Committees of the Engineers and Geoscientists of BC, as a director of the BC Neurological Centre, and, lately, as past-president / director of the BC Centre for Ability Foundation.

Mr. McGuigan will devote 20% of his time, on average, to the affairs of the Issuer.

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoters of the Issuer that are, or have been within the last five years, directors, officers or promoters of other Issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name and Jurisdiction of Reporting Issuer	Name of Exchange or Market	Position	From	To
Deepak Varshney	Usha Resources Ltd. (British Columbia)	TSX Venture Exchange	Chief Executive Officer and Corporate Secretary	December 2019	Present
			Director	February 2018	Present
	Xander Resources Inc. (Canada)	TSX Venture Exchange	Chief Executive Officer	September 2021	Present
			Director	August 2021	Present

Name	Name and Jurisdiction of Reporting Issuer	Name of Exchange or Market	Position	From	To
Khalid Naeem	Western Metallica Resources Corp. (British Columbia)	TSX Venture Exchange	Chief Executive Officer and Corporate Secretary	September 2021	April 2022
			Director	February 2018	Present
	AsiaBaseMetals Inc. (British Columbia)	TSX Venture Exchange	Director	February 2022	Present
	Usha Resources Ltd. (British Columbia)	TSX Venture Exchange	CFO	December 2019	Present
	Western Metallica Resources Corp. (British Columbia)	TSX Venture Exchange	CFO	September 2021	Present
James Walker	Ares Strategic Mining Inc. (Ontario)	Canadian Securities Exchange	CEO and President	October 2016	Present
	Bayhorse Silver Inc. (Canada)	TSX Venture Exchange	Director	May 2019	October 2020
	Xander Resources Inc. (Canada)	TSX Venture Exchange	Director	September 2021	Present
	Western Metallica Resources Corp. (British Columbia)	TSX Venture Exchange	Director	September 2021	Present
	Altair Resources Inc. (British Columbia)	TSX Venture Exchange	Director	August 2021	April 2022
Paul McGuigan	VanadiumCorp Resource Inc. (British Columbia)	TSX Venture Exchange	Interim CEO	April 2022	Present
			Director	December 2021	Present

Corporate Cease Trade Orders or Bankruptcies

To the Issuer's knowledge:

- (a) Except as disclosed below, no director or executive officer of the Issuer is as of the date hereof, or within the ten years prior to the date hereof has been, a director or executive officer of any other company that, while that person was acting in the capacity of director or executive officer of that company, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days;
- (b) No director or executive officer of the Issuer is, or within the ten years prior to the date hereof ceased to be a director or executive officer of any other company that, was subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the director, executive officer or promoter ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director or executive officer; and
- (c) No director or executive officer of the Issuer has, or within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

James Walker was the President and Chief Financial Officer of Ares Strategic Mining Inc. ("**Ares**"), when on August 17, 2021, the British Columbia Securities Commission issued a management cease trade order pursuant to which Mr. Walker was prohibited from trading in securities of Ares until such time as Ares had filed a technical report relating to their preliminary economic assessment disclosed in a news release dated March 8, 2021. The cease trade order against Ares was revoked on October 5, 2021, following Ares filing of the required disclosure.

Penalties or Sanctions

No director, officer, insider or promoter of the Issuer, or a shareholder of the Issuer holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, has been 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

No director, officer, insider or promoter of the Issuer, or a shareholder of the Issuer holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such person has, within 10 years before the date of this prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or has instituted any proceedings, arrangements

or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers and promoter of the Issuer will be subject in connection with the operations of the Issuer. Some of the directors, officers and promoter have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Issuer. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (British Columbia).

AUDIT COMMITTEE

The Exchange requires that the Issuer have an audit committee of at least three directors, the majority of whom are not employees, Control Persons or officers of the Issuer or any of its Associates or Affiliates, provided that should the Issuer become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange and NI 52-110. The Audit Committee will be responsible for overseeing the accounting and financial reporting processes of the Issuer and audits of the financial statements of the Issuer. A copy of the audit committee charter has been attached as "*Schedule B*".

Composition of the Audit Committee

The members of the Audit Committee are James Walker, Andres Abogago and Paul McGuigan. James Walker is the chair of the Audit Committee and is independent as that term is defined in NI 52-110. Mr. Abogago and Mr. McGuigan are also independent as that term is defined in NI 52-110. All members of the Audit Committee are "financially literate" as that term is defined in NI 52-110 and further described below.

Subject to NI 52-110, a member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Issuer. A material relationship means a relationship which could, in the view of the Issuer's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

Relevant Education and Experience

All of the members of the Audit Committee have gained their education and experience over several decades with both private and public companies at the board, managerial and operational levels and all members are "financially literate" as defined in NI 52-110, meaning that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by the Issuer's financial statements. Each member has an appreciation of the financial issues and accounting principles that are relevant in assessing the Issuer's financial disclosures and internal control systems. See "Directors, Officers and Promoter" for further details of their relevant education and experience.

Audit Committee Oversight

At no time since inception was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since inception has the Issuer relied on the exemption in Section 2.4 of NI 52-110 (de minimis non-audit services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that an audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, a company did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the audit committee and approved prior to the completion of the audit by the audit committee. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval of Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

External Auditor Service Fees

The Issuer has appointed Davidson & Company LLP, Chartered Accountants of Vancouver, British Columbia to be their auditor. The following table sets out the aggregate fees incurred for audit services for the period of incorporation until June 30, 2022.

Nature of Services	Fees Paid to Auditor for the period of January 25, 2022 to June 30, 2022
Audit Fees ⁽¹⁾	Nil
Audit-Related Fees ⁽²⁾	Nil
Tax Fees ⁽³⁾	Nil
All Other Fees ⁽⁴⁾	Nil
Total	Nil

Notes:

- (3) **“Audit Fees”** include fees necessary to perform the annual audit and quarterly reviews of the Issuer’s financial statements, fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements and fees for audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (4) **“Audit-Related Fees”** include fees for audit-related services that are traditionally performed by an auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (5) **“Tax Fees”** include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice include assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authority.
- (6) **“All Other Fees”** include all other non-audit services.

Exemption

The Issuer is relying upon the exemption in Section 6.1 of NI 52-110 in respect of its reporting obligations in that the Issuer does not public an annual information form at this time.

EXECUTIVE COMPENSATION

Except as set out below or otherwise disclosed in this prospectus, prior to Completion of the Qualifying Transaction, no payment of any kind has been made, or will be made, directly to indirectly, by the Issuer to a Non-Arm's Length Party to the Issuer or a Non-Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Issuer or any Resulting Issuer by any means, other than:

- (a) grants of CPC Stock Options as described in "*Options to Purchase Securities*";
- (b) payment for and reimbursement of certain expenses as described in "*Use of Proceeds – Permitted Use of Funds*" and "*Use of Proceeds – Prohibited Payments to Non-Arm's Length Parties*"; and
- (c) finder's fees as described in "*Use of Proceeds – Finder's Fees*".

Further, no payment will be made by the Issuer, or by any party on behalf of the Issuer, after Completion of the Qualifying Transaction if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction. Following Completion of the Qualifying Transaction, it is anticipated that the Issuer shall pay compensation to its directors and officers.

DILUTION

Purchasers of Common Shares under this prospectus will suffer an immediate dilution on investment of 25.96% or \$0.026 per Common Share in the case of the Minimum Offering or 20.14% or \$0.0201 in the case of the Maximum Offering. Dilution has been computed on the basis of total gross proceeds to be raised under this prospectus and from sales of securities prior to filing this prospectus, without deduction of commissions or of related expenses incurred by the Issuer.

RISK FACTORS

Prior to making a decision to invest, prospective purchasers in the Offering should consider their own position, and all of the risks of investing in the Common Shares including the following risk factors:

- (a) the Issuer was only recently incorporated, has not commenced commercial operations and has no assets other than cash. 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 offered by the prospectus is highly speculative given the proposed nature of the Issuer's business and its present stage of development;
- (c) the directors and officers of the Issuer will only devote a portion of their time to the business and affairs of the Issuer 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) assuming completion of the Minimum Offering, an investor will suffer an immediate dilution to its investment of 25.96% or \$0.026 per Common Share. Assuming completion of the Maximum Offering, an investor will suffer an immediate dilution to its investment of 20.14% or \$0.0201 per Common Share;
- (e) there can be no assurance that an active and liquid market for the Issuer's Common Shares will develop and an investor may find it difficult to resell its Common Shares;
- (f) until Completion of the Qualifying Transaction, the Issuer is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (g) the Issuer has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Issuer will be able to identify a suitable Qualifying Transaction;
- (h) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Issuer will be able to successfully complete the transaction;
- (i) Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval;
- (j) 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 Issuer of fair value for the Common Shares;
- (k) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of the Issuer will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained (if required) and certain preliminary reviews have been conducted. The Common Shares of the Issuer may be reinstated to trading before the Exchange 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 Issuer completing the proposed Qualifying Transaction;
- (l) trading in the Common Shares of the Issuer may be halted at other times for other reasons, including for failure by the Issuer to submit documents to the Exchange in the time periods required;
- (m) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- (n) in the event that management of the Issuer resides outside of Canada or the Issuer identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or 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;

- (o) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Issuer and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Issuer;
- (p) subject to prior Exchange acceptance, the Issuer may be permitted to loan or advance up to the greater of \$250,000 and 20% of its working capital to a target business without shareholder approval and there can be no assurance that the Issuer will be able to recover that loan; and
- (q) the Issuer may incur additional expenses and delays due to the impact of the global pandemic caused by COVID-19 or the recent armed conflict between Russia and Ukraine on the capital markets and general market conditions. Such expenses and delays may result in a material adverse impact in connection with the Issuer's ability to complete the Offering or ability to identify and complete a proposed Qualifying Transaction.

As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Issuer 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.

See "*Business of the Issuer*", "*Method of Financing*" and "*Directors, Officers and Promoter*".

LEGAL PROCEEDINGS

The Issuer is not currently a party to any legal proceedings, nor is the Issuer currently contemplating any legal proceedings, which are material to its business. Management of the Issuer is currently not aware of any legal proceedings contemplated against the Issuer.

RELATIONSHIP BETWEEN THE ISSUER AND THE AGENT

The Issuer is not a "related issuer" or "connected issuer" of the Agent for the purposes of National Instrument 33-105 - *Underwriting Conflicts*. The Agent was not involved in the decision by the Issuer to distribute Common Shares pursuant to the Offering, nor was the Offering requested or suggested to the Issuer by the Agent. The Agent, through its corporate finance department was involved in the determination of the terms of the Offering in its capacity as agent for the sale of the Common Shares on a "commercially reasonable efforts" basis. The Agent does not, prior to completion of the Offering, own directly or indirectly, any securities of the Issuer and the only proceeds of the Offering to be received by it is the remuneration to be paid to it in connection with the sale of the Common Shares, which includes the Agent's commission, the corporate finance fee payable to it and the Agent's Warrants. See "*Plan of Distribution*".

Members of the Aggregate Pro Group currently own, on an aggregate basis, no Common Shares of the Issuer.

RELATIONSHIP BETWEEN THE ISSUER AND PROFESSIONAL PERSONS

Certain legal matters relating to the Offering will be passed upon by Cozen O'Connor LLP, on behalf of the Issuer and by MLT Aikins LLP, on behalf of the Agent. As of the date hereof, the partners and associates of Cozen O'Connor LLP and MLT Aikins LLP do not own, directly or indirectly, in the aggregate any Common Shares. Additionally, the partners and associates of Cozen O'Connor LLP and MLT Aikins LLP may subscribe for Common Shares pursuant to the Offering.

Davidson & Company LLP, auditors of the Issuer, are independent of the Issuer within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Issuer are Davidson & Company LLP with an address at 1200 - 609 Granville Street, PO BOX 10372, Pacific Centre, Vancouver, BC V7Y 1G6.

The Registrar and Transfer Agent for the Common Shares of the Issuer is Endeavor Trust Corporation with an address at Suite 702 - 777 Hornby Street, Vancouver, BC V6Z 1S4.

MATERIAL CONTRACTS

The Issuer has not entered into any contracts material to investors in the Common Shares since incorporation, other than:

- (a) The Agency Agreement. See "*Plan of Distribution*".
- (b) The Transfer Agency and Registrar Agreement dated June 24, 2022, between the Issuer and the Registrar and Transfer Agent.
- (c) The Escrow Agreement. See "*Escrowed Securities*".
- (d) The Stock Option Plan. See "*Options to Purchase Securities*".

Copies of these agreements will be available for inspection at the registered office of the Issuer at Suite 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G5, and at the office of the Issuer during ordinary business hours while the securities offered by this prospectus are in the course of distribution and for a period of 30 days thereafter.

DIVIDEND POLICY

No dividends have been paid on any common shares of the Issuer since the date of its incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

PROMOTER

Deepak Varshney may be considered to be the promoter of the Issuer in that he took the initiative in organizing the business of the Issuer. As of the date hereof, Deepak Varshney is the beneficial owner of 500,000 Common Shares, 130,000 CPC Stock Options and will be granted a further 55,000 CPC Stock Options in the case of the Minimum Offering or 90,000 CPC Stock Options in the case of the Maximum Offering, at an exercise price of \$0.10 per Common Share pursuant to the Stock Option Plan. See "*Options to Purchase Securities*", "*Escrowed Securities*", "*Principal Shareholders*" and "*Directors, Officers and Promoter*".

INDEBTEDNESS OF DIRECTORS, OFFICERS, PROMOTER AND OTHERS

No director, officer, or promoter or other member of management of the Issuer, or any Associate or Affiliate of any such person, is or has been indebted to the Issuer.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors and officers of the Issuer have all acquired Common Shares and are expected to receive CPC Stock Options upon completion of the Offering.

Except as disclosed elsewhere herein, none of the directors, officers or principal shareholders of the Issuer, and no Associate or Affiliate of any of them, has or has had any material interest in any transaction that materially affects the Issuer. See *"Options to Purchase Securities"*, *"Escrow Securities"* and *"Principal Shareholders"*.

ELIGIBILITY FOR INVESTMENT

In the opinion of Gowling WLG, tax counsel to the Issuer, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") in force on the date hereof and all specific proposal to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, if the Common Shares were issued on the date hereof and listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the Exchange) or if the Issuer was otherwise a "public corporation" on the date hereof, as that term is defined in the Tax Act, then the Common Shares would at that time be a "qualified investment" for a trust governed by a "registered retirement savings plan" ("**RRSP**"), "registered retirement income fund" ("**RRIF**"), "tax-free savings account" ("**TFSA**"), "registered education savings plan" ("**RESP**"), "deferred profit sharing plan" and "registered disability savings plan" ("**RDSP**"), as those terms are defined in the Tax Act (collectively, the "**Plans**").

The Common Shares are not currently listed on a "designated stock exchange" and the Issuer is not currently a "public corporation" for the purposes of the Tax Act. The Issuer has applied to list the Common Shares on the Exchange as of the day before the closing of the Offering, followed by an immediate halt in trading of the Common Shares in order to allow the Issuer to satisfy the conditions of the Exchange and to have the Common Shares listed and posted for trading prior to the issuance of the Common Shares on the closing of the Offering. The Issuer must rely on the Exchange to list the Common Shares on the Exchange and have them posted for trading prior to the issuance of the Common Shares on the closing of the Offering, and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange at the time of their issuance on the closing of the Offering. If the Common Shares are not listed on the Exchange at the time of their issuance on the closing of the Offering and the Issuer is not a "public corporation" for the purposes of the Tax Act at that time, the Common Shares will not be qualified investments for the Plans at that time, and any Common Shares held in a Plan at that time will result in adverse tax consequences.

Notwithstanding that the Common Shares may be a qualified investment for a TFSA, RDSP, RESP, RRSP or RRIF, the holder of a TFSA or RDSP, the subscriber of an RESP or the annuitant of an RRSP or RRIF, as the case may be (each a "**Controlling Individual**") will be subject to a penalty tax if the Common Shares are a "prohibited investment" within the meaning of the Tax Act for such TFSA, RDSP, RESP, RRSP or RRIF. The Common Shares will generally be a "prohibited investment" for a TFSA, RDSP, RESP, RRSP or RRIF if the Controlling Individual: (i) does not deal at arm's length with the Issuer for the purposes of the Tax Act; or (ii) has a "significant interest" (as defined in the Tax Act) in the Issuer. In addition, the Common Shares generally will not be a prohibited investment if the Common Shares are "excluded property" within the meaning of the Tax Act for a TFSA, RDSP, RESP, RRSP or RRIF.

Prospective purchasers who intend to hold Common Shares in a Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts about the securities being distributed that are not otherwise disclosed in this prospectus, or are necessary in order for the

prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. That right may be exercised within two business days after the receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

SCHEDULE A - FINANCIAL STATEMENTS

Totec Resources Ltd.

(A Capital Pool Company)

Financial Statements

**For the Period from the Date of Incorporation
to June 30, 2022**

TOTEC RESOURCES LTD.

Financial Statements
(Expressed in Canadian Dollars)

For the period from incorporation on
January 25, 2022 to March 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Totec Resources Ltd.

Opinion

We have audited the accompanying financial statements of Totec Resources Ltd. (the “Company”), which comprise the statement of financial position as at March 31, 2022, and the statements of loss and comprehensive loss, changes in shareholders’ equity, and cash flows for the period from incorporation on January 25, 2022 to March 31, 2022, 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 March 31, 2022, and its financial performance and its cash flows for the period 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

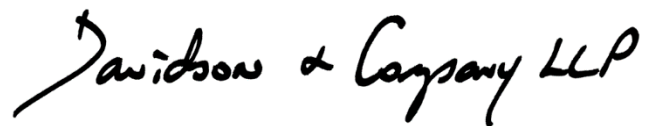
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

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 Peter Maloff.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

September 22, 2022

TOTEC RESOURCES LTD.

Statement of Financial Position

As at March 31, 2022

(Expressed in Canadian dollars)

March 31, 2022	
Assets	
Current Assets	
Cash	\$ 129,931
Total Assets	\$ 129,931
Liabilities and Shareholders' Equity	
Current Liabilities	
Accounts payable and accrued liabilities	\$ 16,774
Shareholders' Equity	
Share capital (Note 6)	130,000
Deficit	(16,843)
	113,157
Total Liabilities and Shareholders' Equity	\$ 129,931

Nature of business and continuing operations (Note 1)

Subsequent events (Note 13)

Approved on Behalf of the Board on September 22, 2022:

"Deepak Varshney"

Deepak Varshney, Director

"James Walker"

James Walker, Director

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

TOTEC RESOURCES LTD.

Statement of Loss and Comprehensive Loss

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

Expressed in Canadian dollars

	Period from incorporation on January 25, 2022 to March 31, 2022	
Expenses		
Office expense	\$	74
Professional fees (Notes 5, 8)		11,028
Regulatory and filing fees		5,741
Loss and comprehensive loss for the period	\$	16,843
Weighted average number of common shares outstanding – basic and diluted (Note 7)		40,000
Basic and diluted loss per share	\$	(0.42)

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

TOTEC RESOURCES LTD.

Statement of Changes in Shareholders' Equity

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

Share Capital				
	Number of Shares	Amount	Deficit	Total Shareholders' Equity
Balance, (incorporation) – January 25, 2022	-	\$ -	\$ -	\$ -
Common shares issued (Note 6)	2,600,000	130,000	-	130,000
Loss for the period	-	-	(16,843)	(16,843)
Balance, March 31, 2022	2,600,000	\$ 130,000	\$ (16,843)	\$ 113,157

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

TOTEC RESOURCES LTD.

Statement of Cash Flows

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

		For the period from incorporation on January 25, 2022 to March 31, 2022
Cash provided by (used for):		
Operating Activities:		
Loss for the period	\$	(16,843)
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities		16,774
		(69)
Financing Activity:		
Proceeds from share issuance (Note 6)		130,000
		130,000
Change in cash for the period		129,931
Cash, beginning of the period		-
Cash, end of the period	\$	129,931

There were no significant non-cash transactions during the period from incorporation on January 25, 2022 to March 31, 2022.

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

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

TOTEC RESOURCES LTD. (the "Company") was incorporated on January 25, 2022 under the laws of British Columbia and is applying to be a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Policy 2.4. The head office is located at 400 - 725 Granville Street, Vancouver, BC V7Y 1G5, and the records and registered office is located at 400 - 725 Granville Street, Vancouver, BC V7Y 1G5.

Since incorporation on January 25, 2022, the Company has had no active business operations. As a CPC, the Company's business objective will be to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction ("QT"), as defined in Exchange Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the TSX-V.

As a CPC, the proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions will apply until completion of a QT by the Company as defined under the policies of the Exchange.

The Company has an accumulated deficit of \$16,843 as at March 31, 2022. The Company's ability to continue its operations is dependent upon obtaining additional financing sufficient to cover its operating costs. All the preceding indicates the existence of a material uncertainty that may cast substantial 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 different from those reflected in the accompanying financial statements.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. To date, COVID-19 has not had an adverse impact on the Company.

2. 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 issued by the International Financial Reporting Interpretations Committee ("IFRIC").

TOTEC RESOURCES LTD.**Notes to the Financial Statements**

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

3. BASIS OF PRESENTATION

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. The financial statements are presented in Canadian dollars, which is also the Company's functional currency. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

4. SIGNIFICANT ACCOUNTING POLICIES**(a) Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

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.

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 tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

(b) Share capital

Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

TOTEC RESOURCES LTD.**Notes to the Financial Statements**

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

(b) Share capital (continued)

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

(c) Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(d) Financial instrument measurement and valuation

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 assets or liability either directly or indirectly; and
Level 3	Inputs that are not based on observable market data.

The measurement of the Company's financial instruments is disclosed in Note 10 to these financial statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

(d) Financial instrument measurement and valuation (continued)

and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of profit or loss in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities and equity: Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Amortized cost – This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities are included in this category. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

TOTEC RESOURCES LTD.**Notes to the Financial Statements**

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

(e) Share-based payments

Share-based payments to employees are measured at fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(f) Foreign Currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates ("the functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

(g) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ from these estimates.

Estimates and underlying assumptions used in determining asset and liability values 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 future periods if the revision affects both current and future periods.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

Judgements**Going Concern**

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

Estimates**Deferred tax assets and liabilities**

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against

Deferred tax assets and liabilities (continued)

future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development, and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

5. 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.

As of March 31, 2022, \$11,774 was due to related parties:

Name of the Key management personnel	Company's Name	Nature of Transaction	From incorporation on January 25, 2022 to March 31, 2022
Deepak Varshney, CEO	Deepak Varshney	Reimbursements	\$ 10,274
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	1,500

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its

TOTEC RESOURCES LTD.**Notes to the Financial Statements**

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

directors and officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

During the period from incorporation on January 25, 2022 to March 31, 2022, \$Nil was recorded as compensation costs for key management personnel and companies related to them.

6. SHARE CAPITAL**(a) Authorized**

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

As at March 31, 2022, the issued share capital was comprised of 2,600,000 common shares.

On March 31, 2022, the Company completed a private placement financing and issued 2,600,000 common shares of the Company at a price of \$0.05 per share for total proceeds of \$130,000.

(c) Escrowed shares

In connection with the Company's proposed transaction (Note 12), 2,600,000 common shares issued at \$0.05 per share are held in escrow pursuant to the requirements of the Exchange. Twenty five percent of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional twenty five percent will be released on each of the dates which are six, twelve and eighteen months following the Initial Release.

All common shares acquired on exercise of stock options granted to directors and officers of the Company prior to completion of the QT, must also be deposited in escrow until the Final Exchange Bulletin is issued.

All common shares acquired in the secondary market prior to completion of a QT by a Control Person (as defined in the policies of the Exchange), are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

(d) Stock options

Subsequent to the period ended March 31, 2022, the Company's board of directors adopted a stock option plan (the "Stock Option Plan") whereby it can grant incentive stock options to directors, officers, employees, technical consultants of the Company and Eligible Charitable Organizations. The Stock Option Plan remains subject to the approval of the Exchange. The maximum numbers of shares that may be reserved for issuance under the Stock Option Plan is

TOTEC RESOURCES LTD.**Notes to the Financial Statements**

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

limited to 10% of the issued common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price of the Company's common shares.

The Stock Option Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis or 1% of the issued common shares, if the individual or entity is an eligible charitable organization. The term of the stock options will expire not later than 12 months after the optionee ceases to be a director, officer or technical consultant of the Company, subject to any earlier expiry date of such stock option. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT must be deposited in escrow until the final exchange bulletin relating to a QT is issued.

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended March 31, 2022 was based on the loss attributable to common shareholders of \$16,843 and the weighted average number of common shares outstanding of 40,000.

8. PROFESSIONAL FEES

The Company incurred \$11,028 in professional fees during the period, which consists of \$6,500 in accounting and audit fees and \$4,528 in legal fees.

9. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2022
Loss before income taxes	\$ 16,843
Expected income tax recovery at statutory rates	5,000
Change in unrecognized deferred tax assets	(5,000)
Income tax expense (recovery)	\$ -

Significant components of the Company's deferred income tax assets (liabilities) not recognized are shown below:

	2022
Non-capital losses carried forward	\$ 16,843

TOTEC RESOURCES LTD.**Notes to the Financial Statements**

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

As at March 31, 2022, the Company had approximately \$16,843 of non-capital loss carry forwards available to reduce taxable income for future years. The non-capital losses start to expire in 2042.

10. MANAGEMENT OF CAPITAL

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength 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 proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange.

11. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at March 31, 2022, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

TOTEC RESOURCES LTD.**Notes to the Financial Statements**

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

(iii) Price rate risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

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 credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At March 31, 2022, the Company has no sources of revenue but has a cash balance of \$129,931 to settle current liabilities of \$16,774. As such, management feels the Company has sufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year. The Company's exposure to liquidity risk is currently negligible.

Fair Value Measurements

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.

As at March 31, 2022 the Company's financial instruments consist of cash, accounts payable and accrued liabilities. Cash is classified as fair value using Level 1 measurement. Accounts payable and accrued liabilities are classified as amortized cost. The fair value of accounts payable and accrued liabilities approximates its carrying value because of the short-term nature of the instruments.

12. PROPOSED TRANSACTION

The Company is applying to be a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Policy 2.4 pursuant to which the Company will be completing its initial public offering ("IPO"). On April 19, 2022, the Company entered into an engagement agreement with

TOTEC RESOURCES LTD.**Notes to the Financial Statements**

For the period from incorporation on January 25, 2022 to March 31, 2022

(Expressed in Canadian dollars)

PI Financial Corp. (the “Agent”) in relation to its IPO whereby it proposes to issue to the public 2,500,000 common shares in the case of the Minimum Offering or 4,000,000 common shares in the case of the Maximum Offering at \$0.10 per common share. The Agent will be paid a cash commission equal to 10% of the gross proceeds to the Company and will be issued agent’s options to purchase 250,000 common shares of the Company in the case of the Minimum Offering and 400,000 common shares in the case of Maximum Offering at \$0.10 per common share for a period of 60 months from the day the common shares of the Company are listed on the Exchange. The Company is also required to reimburse the Agent’s estimated expenses, legal fees, disbursements and taxes, and a corporate finance fee of \$15,000 plus GST, related to the Offering. The purpose of the IPO is to provide the Company with funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction.

13. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2022, the Company granted 260,000 CPC Stock Options to directors and officers of the Company to purchase Common Shares at a price of \$0.05 per Common Share and issued 100,000 Common Shares to a director of the Company at a price of \$0.05 per Common Share for total proceeds of \$5,000.

TOTEC RESOURCES LTD.

Interim Financial Statements
(Expressed in Canadian Dollars)

For the three month period ended June 30, 2022

(UNAUDITED)

TOTEC RESOURCES LTD.

Interim Statement of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

As at

	June 30, 2022	March 31, 2022
ASSETS		
Current		
Cash	\$ 85,551	\$ 129,931
Receivables	928	-
Prepaid expenses	19,098	-
	<u>\$ 105,577</u>	<u>\$ 129,931</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 14,656	\$ 16,774
Shareholders' equity		
Share capital (Note 6)	130,000	130,000
Reserves (Note 6d)	11,761	-
Deficit	<u>(50,840)</u>	<u>(16,843)</u>
	<u>90,921</u>	<u>113,157</u>
	<u>\$ 105,577</u>	<u>\$ 129,931</u>

Nature of business and continuing operations (Note 1)

Subsequent events (Note 12)

Approved on Behalf of the Board on September 22, 2022:

"Deepak Varshney"

Deepak Varshney, Director

"James Walker"

James Walker, Director

The accompanying notes are an integral part of these interim financial statements.

TOTEC RESOURCES LTD.

Interim Statement of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended
	June 30, 2022
EXPENSES	
Office and miscellaneous	55
Professional fees (Notes 5, 8)	14,491
Regulatory and filing fees	7,690
Share-based payments (Note 6d)	11,761
Loss and comprehensive loss for the period	\$ 33,997
Basic and diluted loss per common share	\$ 0.01
Weighted average number of common shares outstanding - basic and diluted	2,600,000

The accompanying notes are an integral part of these interim financial statements.

TOTEC RESOURCES LTD.

Interim Statement of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

	Share Capital (Note 6)		Reserves	Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance, March 31, 2022	2,600,000	\$ 130,000	\$ -	\$ (16,843)	\$ 113,157
Share-based payments (Note 6d)	-	-	11,761	-	11,761
Loss and comprehensive loss for the period	-	-	-	(33,997)	(33,997)
Balance, June 30, 2022	2,600,000	\$ 130,000	\$ 11,761	\$ (50,840)	\$ 90,921

The accompanying notes are an integral part of these interim financial statements.

TOTEC RESOURCES LTD.**Interim Statement of Cash Flows**
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss and comprehensive loss for the period	\$ (33,997)
Adjustment for item not involving cash:	
Share-based payments	11,761
Changes in non-cash working capital items:	
(Increase) decrease in accounts receivable	(928)
(Increase) decrease in prepaid expenses	(19,098)
Increase in accounts payable and accruals	(2,118)
Net cash used in operating activities	(44,380)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from the issuance of share capital	-
Increase (decrease) in cash for the period	(44,380)
Cash, beginning of the period	129,931
Cash, end of the period	\$ 85,551
Cash paid during the period for interest	\$ -
Cash paid during the period for income taxes	\$ -

The accompanying notes are an integral part of these interim financial statements.

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements

For the three-month period ended June 30, 2022

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

TOTEC RESOURCES LTD. (the "Company") was incorporated on January 25, 2022 under the laws of British Columbia and is applying to be a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Policy 2.4. The head office is located at 400 - 725 Granville Street, Vancouver, BC V7Y 1G5, and the records and registered office is located at 400 - 725 Granville Street, Vancouver, BC V7Y 1G5.

Since incorporation on January 25, 2022, the Company has had no active business operations. As a CPC, the Company's business objective will be to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction ("QT"), as defined in Exchange Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the TSX-V.

As a CPC, the proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions will apply until completion of a QT by the Company as defined under the policies of the Exchange.

The Company has an accumulated deficit of \$50,840 as at June 30, 2022. The Company's ability to continue its operations is dependent upon obtaining additional financing sufficient to cover its operating costs. All the preceding indicates the existence of a material uncertainty that may cast substantial 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 different from those reflected in the accompanying financial statements.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. To date, COVID-19 has not had an adverse impact on the Company.

2. STATEMENT OF COMPLIANCE

These unaudited interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These interim financial statements follow the same accounting policies and methods of application as the Company's March 31, 2022 annual audited financial statements however do not include all financial information required for full annual financial statement presentation and should be read in conjunction with the annual financial statements for the year ended March 31, 2022.

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements

For the three-month period ended June 30, 2022

(Expressed in Canadian dollars)

(Unaudited)

3. BASIS OF PRESENTATION

These interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. The financial statements are presented in Canadian dollars, which is also the Company's functional currency. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ from these estimates.

Estimates and underlying assumptions used in determining asset and liability values 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 future periods if the revision affects both current and future periods.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements**Going Concern**

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

Estimates**Valuation of share-based payments**

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and warrants recorded as marketable securities. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements

For the three-month period ended June 30, 2022

(Expressed in Canadian dollars)

(Unaudited)

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development, and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

5. 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.

As of June 30, 2022, \$3,155 was due to related parties included in accounts payable and accrued liabilities:

Name of the Key management personnel	Company's Name	Nature of Transaction	Period ended June 30, 2022
Deepak Varshney, CEO	Deepak Varshney	Reimbursements	\$ 5
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	3,150

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

During the period ended June 30, 2022, \$Nil was recorded as compensation costs for key management personnel and companies related to them.

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements

For the three-month period ended June 30, 2022

(Expressed in Canadian dollars)

(Unaudited)

6. SHARE CAPITAL**(a) Authorized**

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

As at June 30, 2022, the issued share capital was comprised of 2,600,000 common shares.

(c) Escrowed shares

In connection with the Company's proposed transaction (Note 12), 2,600,000 common shares issued at \$0.05 per share are held in escrow pursuant to the requirements of the Exchange. Twenty five percent of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional twenty five percent will be released on each of the dates which are six, twelve and eighteen months following the Initial Release.

All common shares acquired on exercise of stock options granted to directors and officers of the Company prior to completion of the QT, must also be deposited in escrow until the Final Exchange Bulletin is issued.

All common shares acquired in the secondary market prior to completion of a QT by a Control Person (as defined in the policies of the Exchange), are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

(d) Stock options

The Company maintains a Stock Option Plan (the "Plan") under which it is authorized to grant stock options to directors, officers, employees, technical consultants of the Company and Eligible Charitable Organizations. The Stock Option Plan remains subject to the approval of the Exchange. The maximum numbers of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price of the Company's common shares.

The Stock Option Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis or 1% of the issued common shares, if the individual or entity is an

TOTEC RESOURCES LTD.**Notes to the Interim Financial Statements****For the three-month period ended June 30, 2022****(Expressed in Canadian dollars)****(Unaudited)**

eligible charitable organization. The term of the stock options will expire not later than 12 months after the optionee ceases to be a director, officer or technical consultant of the Company, subject to any earlier expiry date of such stock option. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT must be deposited in escrow until the final exchange bulletin relating to a QT is issued.

During the period ended June 30, 2022, the Company granted 260,000 incentive stock options with a fair value of \$11,761 using the Black-Scholes option pricing model assuming a life expectancy of ten years, a risk free interest rate of 3.51%, a forfeiture rate of nil, and volatility of 100.00%.

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended June 30, 2022 was based on the loss attributable to common shareholders of \$33,997 and the weighted average number of common shares outstanding of 2,600,000.

8. PROFESSIONAL FEES

The Company incurred \$14,491 in professional fees during the period, which consists of \$8,000 in accounting and audit fees, \$5,902 in agency fees for proposed IPO and \$589 in legal fees.

9. MANAGEMENT OF CAPITAL

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength 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 proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange.

10. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

TOTEC RESOURCES LTD.**Notes to the Interim Financial Statements****For the three-month period ended June 30, 2022****(Expressed in Canadian dollars)****(Unaudited)**

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at June 30, 2022, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

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 credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At June 30, 2022, the Company has no sources of revenue but has a cash balance of \$85,551 to settle current liabilities of \$14,656. As such, management feels the Company has sufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year. The Company's exposure to liquidity risk is currently negligible.

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements

For the three-month period ended June 30, 2022

(Expressed in Canadian dollars)

(Unaudited)

Fair Value Measurements

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.

As at June 30, 2022 the Company's financial instruments consist of cash, accounts payable and accrued liabilities. Cash is classified as fair value using Level 1 measurement. Accounts payable and accrued liabilities are classified as amortized cost. The fair value of accounts payable and accrued liabilities approximates its carrying value because of the short-term nature of the instruments.

11. PROPOSED TRANSACTION

The Company is applying to be a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Policy 2.4 pursuant to which the Company will be completing its initial public offering ("IPO"). On April 19, 2022, the Company entered into an engagement agreement with PI Financial Corp. (the "Agent") in relation to its IPO whereby it proposes to issue to the public 2,500,000 common shares in the case of the Minimum Offering or 4,000,000 common shares in the case of the Maximum Offering at \$0.10 per common share. The Agent will be paid a cash commission equal to 10% of the gross proceeds to the Company and will be issued agent's options to purchase 250,000 common shares of the Company in the case of the Minimum Offering and 400,000 common shares in the case of Maximum Offering at \$0.10 per common share for a period of 60 months from the day the common shares of the Company are listed on the Exchange. The Company is also required to reimburse the Agent's estimated expenses, legal fees, disbursements and taxes, and a corporate finance fee of \$15,000 plus GST, related to the Offering. The purpose of the IPO is to provide the Company with funds with which to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction.

12. SUBSEQUENT EVENTS

Subsequent to the period ended June 30, 2022, the Company issued 100,000 common shares to a director of the Company at a price of \$0.05 per common share for total proceeds of \$5,000.

SCHEDULE B – AUDIT COMMITTEE CHARTER

TOTEC RESOURCES LTD.
AUDIT COMMITTEE CHARTER

I. MANDATE

The Audit Committee (the “Committee”) of the Board of Directors (the “**Board**”) of Totec Resources Ltd. (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company’s financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company’s independent external auditor (the “Auditor”); and
4. The performance of the Company’s internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Meetings

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls & Operations of the Company

1. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
 - (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.
 - (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

CERTIFICATE OF THE ISSUER

September 22, 2022

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in the provinces of Alberta, British Columbia and Ontario.

"Deepak Varshney"

Deepak Varshney
Chief Executive Officer,
Corporate Secretary, and
Director

"Khalid Naeem"

Khalid Naeem
Chief Financial Officer

ON BEHALF OF THE BOARD

"Andres Abogado"

Andres Abogado
Director

"James Walker"

James Walker
Director

CERTIFICATE OF THE PROMOTER

September 22, 2022

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in the provinces of Alberta, British Columbia and Ontario.

“Deepak Varshney”

Deepak Varshney
Promoter

CERTIFICATE OF THE AGENT

September 22, 2022

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in the provinces of Alberta, British Columbia and Ontario.

PI FINANCIAL CORP.

Per: "Jim Locke"
Name: Jim Locke
Title: Vice President, Investment
Banking