

TOTEC RESOURCES LTD.
(A Capital Pool Company)

Condensed Interim Financial Statements
(Expressed in Canadian Dollars)

For the six months ended September 30, 2025

(UNAUDITED)

TOTEC RESOURCES LTD.
Interim Statement of Financial Position
As at
(Expressed in Canadian dollars)

	September 30, 2025 (Unaudited)	March 31, 2025
ASSETS		
Current		
Cash and cash equivalents (Note 5)	\$ 84,997	\$ 181,334
Receivables	5,313	4,313
	<u>90,310</u>	<u>185,647</u>
	<u>\$ 90,310</u>	<u>\$ 185,647</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 42,391	\$ 37,979
Shareholders' equity		
Share capital (Note 7)	351,604	351,604
Reserves (Note 7d)	37,691	37,691
Deficit	(341,376)	(241,627)
	<u>47,919</u>	<u>147,668</u>
	<u>\$ 90,310</u>	<u>\$ 185,647</u>

Nature of business and continuing operations (Note 1)

Approved on Behalf of the Board on December 1, 2025:

"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 September 30, 2025	Three months ended September 30, 2024	Six months ended September 30, 2025	Six months ended September 30, 2024
EXPENSES				
Office and miscellaneous	\$ 3,760	\$ 1,983	\$ 11,147	\$ 2,718
Professional fees (Notes 6, 9)	24,153	9,000	56,152	18,888
Property investigation	2,600	-	10,020	-
Regulatory and filing fees	-	2,515	8,965	2,665
Rent and administration charges	7,500	7,500	15,000	15,000
	38,014	20,998	101,284	39,271
Interest income	(518)	(2,384)	(1,535)	(6,129)
Loss and comprehensive loss for the period	\$ 37,495	\$ 18,615	\$ 99,749	\$ 33,142
Basic and diluted loss per common share (Note 8)	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.01
Weighted average number of common shares outstanding - basic and diluted (Note 8)	3,426,000	3,426,000	3,426,000	3,426,000

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

TOTEC RESOURCES LTD.

Interim Statement of Shareholders' Equity

(Expressed in Canadian dollars)

(Unaudited)

	Share Capital (Note 7)				Total Shareholders' Equity
	Shares	Amount	Reserves	Deficit	
Balance, March 31, 2024	6,126,000	\$ 351,604	\$ 37,691	\$ (179,477)	\$ 209,818
Loss and comprehensive loss for the period	-	-	-	(33,142)	(33,142)
Balance, September 30, 2024	6,126,000	\$ 351,604	\$ 37,691	\$ (212,619)	\$ 176,676
Balance, March 31, 2025	6,126,000	\$ 351,604	\$ 37,691	\$ (241,627)	\$ 147,668
Loss and comprehensive loss for the period	-	-	-	(99,749)	(99,749)
Balance, September 30, 2025	6,126,000	\$ 351,604	\$ 37,691	\$ (341,376)	\$ 47,919

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)

	Six months ended September 30, 2025	Six months ended September 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	\$ (99,749)	\$ (33,142)
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	(1,000)	6,728
(Increase) in prepaid expenses	-	(2,625)
Increase (decrease) in accounts payable and accruals	4,412	9,679
Net cash and cash equivalents used in operating activities	<u>(96,337)</u>	<u>(19,360)</u>
Decrease in cash and cash equivalents for the period	(96,337)	(19,360)
Cash and cash equivalents, beginning of period	<u>181,334</u>	<u>226,852</u>
Cash and cash equivalents, end of period	<u>\$ 84,997</u>	<u>\$ 207,492</u>
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the period for income taxes	<u>\$ -</u>	<u>\$ -</u>

Supplemental information:

There were no significant non-cash transactions during the six months ended September 30, 2025 and 2024.

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

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements

For the six months ended September 30, 2025

(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. The Company was classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“Exchange”) Policy 2.4 on March 10, 2023. The head office and registered records office is located at Bentall 5, 550 Burrard Street, Suite 1008, Vancouver, BC, V6C 2B5.

The Company is listed for trading on the TSX Venture Exchange (“TSX-V”) under the trading symbol “TOTC.P”.

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 Exchange.

On May 13, 2025, the Company entered into a non-binding letter of intent with Usha Resources Ltd. (“Usha”) for the Company to acquire from Usha an option to acquire a 100% interest in claims currently forming part of the Usha’s White Willow Property.

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 a loss of \$99,749 for the six months ended September 30, 2025, which resulted in an accumulated deficit of \$341,376 as at September 30, 2025. The Company's ability to continue its operations is dependent upon obtaining additional financing sufficient to cover its operating costs and finance any business acquisition. The Company will require additional financing to accomplish its long-term strategic objectives. 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.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include but are not limited to the inflationary pressures, rising interest rates, the global financial climate and the conflicts in Ukraine and the Middle East are affecting current economic conditions and increasing economic uncertainty, which may impact the Company’s operating performance, financial position and the Company’s ability to raise funds at this time. So far, the Company has had minimal or no impact due to these issues.

These unaudited interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying unaudited interim financial statements.

2. STATEMENT OF COMPLIANCE

These unaudited interim financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). These interim financial statements follow the same accounting policies and methods of application as the Company’s March 31, 2025 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, 2025.

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements

For the six months ended September 30, 2025

(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. 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 judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim 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:

Judgments

Going Concern

The Company's management has assessed 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.

Deferred tax assets and liabilities

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required

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to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of \$84,997 (March 31, 2025 - \$181,334) consist of:

	Six months ended	
	September 30,	Year ended
	2025	March 31, 2025
Bank balances	\$ 12,515	\$ 7,387
Short term deposits	72,482	173,947

6. 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.

The aggregate amount of expenditures paid or payable to key management personnel consisting of directors, former directors or companies with common directors was as follows:

Name of the Key management personnel	Company's Name	Nature of Transaction	Six months ended September 30, 2025	Six months ended September 30, 2024
Khalid Naem, CFO	Aterna Advisors Inc.	Accounting fees	\$ 12,500	\$ 6,500

As of September 30, 2025, \$11,088 (2024: \$11,189) was due to related parties included in accounts payable and accrued liabilities:

Name of the Key management personnel	Company's Name	Nature of Transaction	Six months ended September 30, 2025	Six months ended September 30, 2024
Deepak Varshney, CEO	Deepak Varshney	Reimbursements	\$ 5	\$ 5
Khalid Naem, CFO	Aterna Advisors Inc.	Accounting fees	11,083	11,184

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.

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

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(b) Issued and outstanding

As at September 30, 2025, the issued share capital was comprised of 6,126,000 common shares.

During the year ended March 31, 2025, the issued share capital was comprised of 6,126,000 common shares.

(c) Escrowed shares

As at September 30, 2025, 2,700,000 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 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.

	Weighted Average	
	Number	Exercise Price
Outstanding, March 31, 2024	260,000	\$ 0.05
Outstanding, March 31, 2025 and September 30, 2025	260,000	\$ 0.05

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The following stock options were outstanding as at September 30, 2025:

	Number of options outstanding	Exercise Price	Expiry Date	Remaining contractual life (years)
Director's Stock Options	260,000	\$0.05	June 13, 2032	6.96

(e) Warrants

As at March 31, 2025, the Company had 342,600 warrants outstanding.

A summary of changes in outstanding warrants is as follows:

	Weighted Average	
	Number	Exercise Price
Outstanding, March 31, 2024	342,600	\$ 0.10
Outstanding, March 31, 2025 and September 30, 2025	342,600	\$ 0.10

The following warrants were outstanding at March 31, 2025:

	Number of options outstanding	Exercise Price	Expiry Date	Remaining contractual life (years)
Agent's Warrants	342,600	\$0.10	March 10, 2028	2.70

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the six months ended September 30, 2025 was based on the loss attributable to common shareholders of \$99,749 (2024 – \$33,142) and the weighted average number of common shares outstanding of 3,426,000 (2024 – 3,426,000).

The 2,700,000 common shares held in escrow became contingently returnable on completion of the Offering and consequently are not considered to be outstanding for the loss per share calculations for the period end September 30, 2025.

9. PROFESSIONAL FEES

During the six months ended September 30, 2025, the Company incurred \$56,152 (2024 - \$18,888) in professional fees, which consists of accounting, audit fees and legal fees.

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

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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.

The Company is not subject to any externally imposed capital requirements or debt covenants. There were no changes in the Company's approach to capital management during the period ended September 30, 2025.

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 September 30, 2025, 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 and cash equivalents. The Company limits the exposure to credit risk by only investing its cash and cash equivalents with high-credit quality financial institutions. Management believes that the credit risk related to its cash and cash equivalents is negligible.

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(Unaudited)

Liquidity Risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal year. The Company intends to settle these with funds from its positive working capital position. The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities and anticipating investing and financing activities. The risk to the going concern assumption is outlined in Note 1.

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 September 30, 2025, the Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities which are classified at amortized cost. The fair value approximates at the carrying value because of the short-term nature of the instruments.

12. Subsequent Event

On October 22, 2025, the Company entered into a definitive share purchase agreement (the "Definitive Agreement") with Usha Resources Ltd. ("Usha") and its wholly owned subsidiary, 1540359 B.C. Ltd. ("Subco"), to complete its qualifying transaction.

Under the Definitive Agreement, the Company will acquire all issued and outstanding shares of Subco, which holds the White Willow Property located in the Thunder Bay Mining Division, Ontario. Consideration includes a cash payment of \$50,000 and the issuance of 5,500,000 common shares of the Company (post-consolidation on a 2-for-1 basis) to Usha.

The White Willow Property is subject to net smelter return royalties of 3.0% and 1.5%, portions of which may be purchased for \$1,250,000 and \$1,000,000, respectively. Completion of the transaction is subject to regulatory and TSX Venture Exchange approval, completion of a concurrent financing of at least \$1,000,000, and other customary conditions.

This transaction occurred after the reporting period and before the financial statements were authorized for issue. In accordance with IAS 10 Events after the Reporting Period, it is classified as a non-adjusting event, and no adjustments have been made to these financial statements.