

**1540359 B.C. LTD.**

**Condensed Interim Unaudited Interim Financial Statements  
(Expressed in Canadian Dollars)**

**For the three months ended November 30, 2025**

**(UNAUDITED)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM UNAUDITED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited interim condensed unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor Horizon Assurance LLP has not performed a review of these unaudited interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim condensed unaudited interim financial statements by an entity's auditor.

January 29, 2026

**1540359 B.C. LTD.**  
**STATEMENT OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
AS AT

	November 30, 2025	August 31, 2025 (audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (Note 6)	\$ 595,015	\$ 0
Taxes receivables	229	-
	<u>595,244</u>	<u>0</u>
Exploration and evaluation assets (Note 5)	<u>\$ 893,365</u>	<u>\$ -</u>
	<u>\$ 1,488,609</u>	<u>\$ 0</u>
<b>LIABILITIES AND NET SHAREHOLDER'S EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 4,805	\$ 432
Share subscription received in advance	595,015	-
	<u>599,820</u>	<u>432</u>
<b>Shareholders' equity</b>		
Share capital (Note 7)	893,365	0
Deficit	<u>(4,576)</u>	<u>(432)</u>
	<u>888,789</u>	<u>(432)</u>
	<u>\$ 1,488,609</u>	<u>\$ 0</u>

**Nature of operations and going concern** (Note 1)  
**Subsequent event** (Note 11)

**Approved and authorized for issue by the Board of Directors on January 29, 2026:**

"Deepak Varshney" Director  
Deepak Varshney

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

**1540359 B.C. LTD.**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)

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**Three months  
ended  
November 30,  
2025**

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**EXPENSES**

Office and miscellaneous	\$	82
Professional fees		2,062
Regulatory and filing fees		2,000
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		(4,144)
<b>Net and comprehensive loss for the period</b>	<b>\$</b>	<b>(4,144)</b>

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

**1540359 B.C. LTD.****STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

For three months ended November 30, 2025

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	Share Capital (Note 7)			Total Shareholders' Equity
	Number	Amount	Deficit	
Balance, May 20, 2025 (date of incorporation)	1	\$ 0	\$ -	\$ 0
Loss for the period	-	-	(432)	(432)
<b>Balance, August 31, 2025</b>	1	\$ 0	\$ (432)	\$ (432)
Balance, August 31, 2025	1	\$ 0	\$ (432)	\$ (432)
Share repurchase	(1)	(0)	-	(0)
Shares issued for mineral claims (note 5)	5,500,000	893,365	-	893,365
Loss for the period	-	-	(4,144)	(4,144)
<b>Balance, November 30, 2025</b>	5,500,000	\$ 893,365	\$ (4,576)	\$ 888,789

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

**1540359 B.C. LTD.**  
**STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)

**Three months  
ended  
November 30, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net and comprehensive loss for the period	\$ (4,144)
Adjustment for item not involving cash:	
Changes in non-cash working capital items:	
(Increase) decrease in accounts receivable	(229)
Increase (decrease) in accounts payable and accruals	4,373
Net cash and cash equivalents used in operating activities	0

**CASH FLOWS FROM FINANCING ACTIVITIES**

Share subscription received in advance	595,015
Net cash and cash equivalents provided in financing activities	595,015

**Change in cash and cash equivalents for the period** 595,015

**Cash and cash equivalents, beginning of period** -

**Cash and cash equivalents, end of period** \$ 595,015

**Cash paid during the period for interest** \$ -

**Cash paid during the period for income taxes** \$ -

During the period ended November 30, 2025, the Company had no cash flows from operating and investing activities, and the Company issued 1 common share for \$0.0001. The Company received \$595,015 as advance against share subscriptions.

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

**1540359 B.C. LTD.**

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED NOVEMBER 30, 2025

(Expressed in Canadian Dollars)

**1. NATURE OF OPERATIONS AND GOING CONCERN**

1540359 B.C. Ltd. (the "Company" or "Usha SubCo") was incorporated on May 20, 2025, under the laws of British Columbia as a wholly-owned subsidiary of Usha Resources Ltd. ("Usha"). The Company was established for the specific purpose of facilitating an internal group restructuring involving the intended transfer of a property from one related entity to another, both of which are related parties as defined in IAS 24 – *Related Party Disclosures*, and eventually the sale of such property to Totec Resources Ltd. ("Totec") in connection with the Transaction (note 10). As at November 30, 2025, the Transaction had not yet been completed.

The Company has not commenced substantive operations and was formed solely to hold or transfer the property as part of the planned intra-group transaction. The Company is economically dependent on Usha and its related entities for financial support and to fund any administrative or operational obligations. Its future operations, if any, will be determined by the outcome of the intended transaction and the strategic direction of the group.

These unaudited interim unaudited interim financial statements have been prepared in accordance with IFRS Accounting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at November 30, 2025, there is no current intention to liquidate the Company; however, its continued existence is dependent on the execution of the proposed transaction and ongoing decisions by management of the parent company. The unaudited interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

**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 unaudited interim financial statements follow the same accounting policies and methods of application as the Company's August 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 August 31, 2025.

**3. BASIS OF PREPARATION**

These unaudited 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 unaudited interim 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 unaudited interim 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 these unaudited 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 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. EXPLORATION AND EVALUATION ASSETS**

As at November 30, 2025, exploration and evaluation assets were recorded at an aggregate amount of \$893,365, representing the acquisition of a 100% interest in 489 claims constituting Usha's White Willow Pegmatite Property (the "Property"), located in the Thunder Bay Mining Division near Atikokan, Ontario, and covering approximately 10,220 hectares in the Thunder Bay Mining Division, approximately 170 kilometres west of Thunder Bay.

Title to exploration and evaluation assets

Title to the Property involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. Management of the company has investigated title, and to the best of its knowledge, the title is in good standing.

White Willow property, Ontario, Canada

The Property is comprised of 489 claims, located in the Thunder Bay Mining Division near Atikokan, Ontario, and covers approximately 10,220 hectares in the Thunder Bay Mining Division, approximately 170 kilometres west of Thunder Bay.

On October 22, 2025, the company acquired the Property from Usha (note 10) in exchange for 5,500,000 common shares of Usha Subco. The Property is subject to net smelter return royalties ("NSRs") of 3.0% and 1.5% to each of 2758145 Ontario Ltd. and Grid Metals Corp. Two-thirds of the NSRs may be purchased from 2758145 Ontario Ltd. and Grid Metals Corp. at any time for consideration of \$1,250,000 and \$1,000,000, respectively.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED NOVEMBER 30, 2025

(Expressed in Canadian Dollars)

**6. CASH AND CASH EQUIVALENTS**

As at November 30, 2025, cash and cash equivalents of \$595,015 (August 31, 2025 - \$nil) consisted of:

	Three months ended November 30, 2025	Period ended August 31, 2025
Bank balances	\$ 95,015	\$ nil
Short term deposits	500,000	nil

**7. SHARE CAPITAL**

## a) Authorized:

Unlimited common shares with no par value.

## b) Issued:

On May 20, 2025, the Company issued 1 common share for proceeds of \$0.0001, the share was repurchased by the Company on October 22, 2025.

On October 22, 2025, the Company issued 5,500,000 common shares to Usha for a total consideration of \$893,365 to acquire the Property.

**8. MANAGEMENT OF CAPITAL**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

**9. FINANCIAL INSTRUMENTS****Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. During the three months ended November 30, 2025, there has been no movement among the three levels of fair value hierarchy.

The recorded values of accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

**Financial risk management**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

*Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk by placing its cash and cash equivalents with a major financial institution. As at November 30, 2025, the Company did not have any cash and cash equivalents.

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED NOVEMBER 30, 2025

(Expressed in Canadian Dollars)

*Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to a floating rate of interest. As at November 30, 2025, the Company did not have any cash and cash equivalents. Therefore, the Company is not exposed to interest rate risk as at November 30, 2025.

*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 working capital position, which includes cash received in advance in connection with a private placement financing that had not yet closed as at November 30, 2025. 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.

*Foreign currency risk*

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at November 30, 2025, the Company did not have any financial instruments denominated in foreign currencies and considers foreign currency risk to be insignificant.

*Price risk*

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. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

**10. TRANSACTION**

On May 13, 2025, Usha and Totec have entered into a non-binding letter of intent (the "LOI"). Pursuant to the LOI, Totec proposes to acquire (the "Transaction") from Usha an option (the "Assigned Option Interest") to acquire a 100% interest in 489 claims constituting the Property, located in the Thunder Bay Mining Division near Atikokan, Ontario, and covers approximately 10,220 hectares in the Thunder Bay Mining Division, approximately 170 kilometres west of Thunder Bay.

On October 22, 2025, Usha Subco acquired the Property from Usha in exchange for 5,500,000 common shares of Usha Subco. The Property is subject to net smelter return royalties ("NSRs") of 3.0% and 1.5% to each of 2758145 Ontario Ltd. and Grid Metals Corp. Two-thirds of the NSRs may be purchased from 2758145 Ontario Ltd. and Grid Metals Corp. at any time for consideration of \$1,250,000 and \$1,000,000, respectively.

On October 22, 2025, a definitive agreement (the "Original Definitive Agreement") in respect of the Qualifying Transaction was entered into by Totec, Usha and Usha Subco, which agreement replaced the LOI. Upon closing, Totec will pay total consideration of \$50,000 in cash to Usha and issue common shares (the "Purchaser Common Shares") valued at \$0.15 per share, consisting of (i) 5,500,000 shares issued to Usha and (ii) one Purchaser Common Share issued to each Investor for each Investor Share held by such Investor after completion of the Financing.

**11. SUBSEQUENT EVENTS**

On December 10, 2025, Original Definitive Agreement was amended (as amended, the "Definitive Agreement").

On January 19, 2026, the Company completed a non-brokered private placement financing through the issuance of 30,000,000 units at a price of \$0.15 per unit for aggregate gross proceeds of \$4,500,000 (the "Concurrent Financing"). Each unit consisted of one common share of the Company and one common share purchase warrant (a "Subco Warrant") exercisable at \$0.25 for a period of two years from the date of issuance. In connection to the private placement, the Company also paid \$146,122 cash and issued an aggregate of 974,143 non-transferable finder's warrants (a "Subco Finder's Warrant") to certain eligible finders. Each finder's warrant was exercisable into one common share at \$0.25 for a period of three years from the date of issuance.

On January 20, 2026, the Transaction was completed pursuant to the Definitive Agreement. Totec acquired all of the issued and outstanding shares of the Company in exchange for the issuance of 35,500,000 common shares of Totec and a cash payment of \$50,000 to Usha. As a result, the Company became a wholly-owned subsidiary of Totec, and Totec indirectly acquired the Property. As a result of the Transaction, each Subco Warrant became automatically

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED NOVEMBER 30, 2025

(Expressed in Canadian Dollars)

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exercisable into one (1) common share of Totec at an exercise price of \$0.25 for a period of two (2) years from the date of issuance, and each Subco Finder's Warrant became automatically exercisable into one (1) common share of Totec at an exercise price of \$0.25 for a period of three (3) years from the date of issuance.