

TOTEC RESOURCES LTD.

FILING STATEMENT

**IN RESPECT OF THE QUALIFYING TRANSACTION
WITH USHA RESOURCES LTD.**

As at January 12, 2026

Neither the TSX Venture Exchange Inc. (the “Exchange”) nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement

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GLOSSARY

The following is a glossary of certain general terms used in this Filing Statement, including the summary hereof. Terms and abbreviations used in the financial statements included in, or appended to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. Unless otherwise indicated, all currency references are to Canadian dollars.

“**2758**” refers to 2758145 Ontario Ltd.;

“**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 securities of a company are held, other than by way of security only, by or for the benefit of that Person, and
- b) the voting securities, if voted, entitle the Person to elect a majority of the directors of a 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;

“**Assignment**” means the transfer by Usha to Subco of its 100% interest in the White Willow Property, completed on October 22, 2025;

“**Associate**” when used to indicate a relationship with a Person or Company, means

- a) an issuer of which the Person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- b) any partner of the Person or Company,
- c) any trust or estate in which the Person or Company has a substantial beneficial interest or in respect of which a Person or Company serves as trustee or in a similar capacity,
- d) in the case of a Person, a relative of that Person, including

- (i) that Person's spouse or child, or
 - (ii) any relative of the 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 with respect to that Member firm, Member corporation or holding company;

"Available Funds" means the estimated working capital (total current assets less total current liabilities) which will be available to the Resulting Issuer (including the working capital of each of Totec Resources Ltd. and Subco), as at the most recent month end preceding the date of this Filing Statement;

"Common Shares" means common shares in the capital of the Resulting Issuer, or Totec, as the context requires;

"Company" unless otherwise indicated, 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 the Final Exchange Bulletin is issued by the Exchange;

"Control Person" means, in respect of an issuer, any Person or company that holds or is one of a combination of Persons or companies 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 securities 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" means a corporation:

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

"CPC Escrow Agreement" means the Form 2F CPC Escrow Agreement dated September 22, 2022 among Totec, the Escrow Agent and certain Totec Shareholders;

"CPC Escrow Shares" means the securities of Totec held in escrow pursuant to the CPC Escrow Agreement;

"CPC Policy" means Policy 2.4 – Capital Pool Companies of the Exchange Corporate Finance Manual;

"Definitive Agreement" means the share purchase agreement among Totec, Subco and Usha, dated October 22, 2025, as amended December 10, 2025, contemplating Totec's acquisition of Subco from Usha;

“Escrow Agent” means Endeavor Trust Corporation;

“Exchange” means the TSX Venture Exchange;

“Filing Statement” means this filing statement;

“Final Exchange Bulletin” means the Bulletin which is issued by the Exchange following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the Exchange’s acceptance of the Qualifying Transaction;

“Financing” means the private placement of up to 30,000,000 units of Subco (each, a **“Unit”**) at a price of \$0.15 per Unit, for aggregate gross proceeds of up to \$4,500,000. Each Unit will be comprised of one (1) Common Share of Subco and one (1) Common Share purchase warrant of Subco that will entitle the holder thereof to acquire one additional Common Share at an exercise price of \$0.25 for a period of two (2) years from the date of issuance;

“IFRS” means International Financial Reporting Standards;

“Insider” if used in relation to an issuer, means:

- a) a director or senior office of the issuer;
- b) a director or senior officer of the issuer 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;

“IPO” means the initial public offering of Totec Shares by Totec completed on March 10, 2023;

“IPO Agent” means PI Financial Corp.;

“IPO Agent’s Warrants” means the warrants to purchase up to 342,600 Totec Shares issued to the IPO Agent, pursuant to an agency agreement with Totec in connection with the IPO;

“Member” has the meaning assigned to such term in the policies of the Exchange;

“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 an individual, company, corporation, body corporate, partnership, joint venture, society, association, trust or unincorporated organization, or any trustee, executor, administrator, or other legal representative;

“Pro Forma Financial Statements” means the unaudited pro forma statement of financial position for the Resulting Issuer as at September 30, 2025 as if it had taken place as of September 30, 2025, which is attached to this Filing Statement as Schedule G;

“Qualifying Transaction” means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means, and, specifically in the case of Totec, means the Transaction, as more particularly described herein;

“Resulting Issuer” means Totec on Completion of the Qualifying Transaction and the issuance of the Final Exchange Bulletin;

“Resulting Issuer Option Plan” means the stock option plan of the Resulting Issuer;

“Resulting Issuer Shares” means the common shares in the capital of the Resulting Issuer;

“Resulting Issuer Warrants” means the share purchase warrants in the capital of the Resulting Issuer which are exercisable into Resulting Issuer Shares;

“Share Consolidation” means the consolidation of Totec Shares to be carried out in advance of the Transaction on the basis of one new Totec Share for every two Totec Shares held;

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any concurrent transactions, would result in the CPC meeting the initial listing requirements of the Exchange;

“Subco” means 1540359 BC Ltd., a wholly-owned subsidiary of Usha;

“Subsidiary” includes, with respect to any Person, company, partnership, limited partnership, trust or other entity, any company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such Person, company, partnership, limited partnership, trust or other entity;

“Technical Report” means the “Technical Report on the White Willow Project, McAlpine and Pickerel (North) Lake Areas, Northwest Ontario for Totec Resources Ltd.” by Andrew Tims, P. Geo.

“Totec” or **“Issuer”** means Totec Resources Ltd.;

“Totec Financial Statements” means the audited financial statements of Totec for the years ended March 31, 2024 and March 31, 2025 and the auditor reviewed financial statements of Totec for the six months ended September 30, 2025, which are attached to this Filing Statement as Schedule A;

“Totec Option Plan” means the stock option plan of Totec;

“Totec Options” means the options granted pursuant to the Totec Option Plan, entitling the holders thereof to acquire Common Shares;

“Totec Shareholder” means a shareholder of Totec;

“Totec Shares” means the common shares in the capital of Totec;

“Transaction” means the acquisition by Totec from Usha of Subco, as contemplated under the Definitive Agreement.

“Usha” means Usha Resources Ltd.;

“White Willow Financial Statements” means the audited carve-out financial statements of Usha relating to the White Willow Property for the years ended March 31, 2024 and March 31, 2025, and the auditor reviewed carve-out financial statements of Usha relating to the White Willow Property for the six months ended September 30, 2025, which are attached to this Filing Statement as Schedule C; and

“White Willow Property” means the 489 mining claims located in the Thunder Bay Mining Division of Ontario, Canada, as more particularly described in “PART II INFORMATION CONCERNING SUBCO - White Willow Lithium Project - Property Acquisition, Ownership and Land Tenure”.

INFORMATION PERTAINING TO USHA AND SUBCO

All information contained in this Filing Statement with respect to Usha and Subco and their business was supplied by Usha for inclusion herein, and with respect to that information, Totec and the Totec board of directors have relied solely and exclusively upon the information provided by Usha.

Note Regarding Forward-Looking Statements

This Filing Statement contains forward-looking statements within the meaning of Canadian securities laws that relate to Totec and Usha's current expectations and views of future events and future performance. The forward-looking statements are contained principally in the sections titled "Summary" and "Information Concerning the Resulting Issuer".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues", "plan", "aim", "seek" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Totec and Usha have based these forward-looking statements on their current expectations and projections about future events and financial trends that they believe may affect Totec, Subco and the Resulting Issuer's financial condition, results of operations, business strategy and financial needs, as the case may be.

Forward-looking statements in this Filing Statement include, but are not limited to, statements relating to:

- expectations regarding its revenue, expenses and operations;
- anticipated cash needs and its needs for additional financing;
- plans for and timing of expansion of its products or services;
- ability to attract and retain personnel;
- competitive position and its expectations regarding competition;
- unfavorable publicity or consumer perception;
- anticipated trends and challenges in Subco's business and the markets in which it operates; and
- the ability to complete any Qualifying Transaction.

Forward-looking statements are based on certain assumptions and analysis made by Totec and Usha in light of their experience and perception of historical trends, current conditions and expected future developments and other factors they believe are appropriate, and are subject to risks and uncertainties. Such assumptions include, among others, those relating to general economic conditions, the legislative and regulatory environment, the impact of increasing competition, the ability to obtain regulatory and shareholder approvals and Totec's ability to obtain additional financing on satisfactory terms. Although Totec and Usha believe that the assumptions underlying the forward-looking statements are reasonable, they may prove to be incorrect. Given

these risks, uncertainties and assumptions, shareholders should not place undue reliance on these forward-looking statements.

Whether actual results, performance or achievements will conform to Totec or Usha's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Part IV-Risk Factors*."

The forward-looking statements made in this Filing Statement relate only to events or information as of the date on which the statements are made in this Filing Statement. Except as required by law, Totec, Subco and the Resulting Issuer undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

An investor should read this Filing Statement with the understanding that Totec, Subco and the Resulting Issuer's actual future results may be materially different from what is expected.

INFORMATION PERTAINING TO TOTEC

All information contained in this Filing Statement with respect to Totec was provided by Totec for inclusion herein, and with respect to that information, Usha and Subco and the Usha and Subco board of directors have relied solely and exclusively on the information provided by Totec.

NOTICE TO INVESTORS

Currency Presentation

All dollar amounts set forth in this Filing Statement are in Canadian dollars, except where otherwise indicated. In this Filing Statement, references to "\$", "dollars" or "Canadian dollars" are to Canadian dollars.

Financial Statement Information

The financial statements of Totec, Subco and the White Willow Property contained in this Filing Statement have been prepared in accordance with IFRS and are denominated in Canadian dollars.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Totec, Subco, Usha and the Resulting Issuer (assuming Completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

The Companies

Totec

Totec was incorporated on June 28, 2022, under the name Totec Resources Ltd.

Totec has a head office located at 1575 Kamloops Street, Vancouver, BC V5K 3W1 and a registered office at 15th Floor, 1111 West Hastings Street, Vancouver, BC, V6E 2J3. Totec was incorporated under, and continues to exist pursuant to, the *Business Corporations Act* (British Columbia) with an authorized share capital of an unlimited number of Common Shares without par value.

Totec is a CPC in accordance with Exchange policies, and at present, Totec does not own any assets other than cash or cash equivalents. To date, Totec has not conducted any active business operations except as described herein. Since its incorporation, the principal activities of Totec have consisted of the financing of Totec through its initial public offering, the initial listing of Totec Shares on the Exchange, the identification of potential acquisitions, and the negotiation and closing of a Qualifying Transaction. See *“Part I -Information Concerning Totec - General Development of the Business”*.

Usha

Usha was incorporated on February 26, 2018, and has a registered office at 2300 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3, Canada.

Usha focuses on the development of battery and precious metal properties. The company explores for gold, copper, lithium, and precious metals. Usha was incorporated in 2018 and is headquartered in Vancouver, Canada.

Subco

Subco was incorporated on May 20, 2025, and has a registered office at 1575 Kamloops Street, Vancouver, British Columbia, V5K 3W1, Canada.

It is a 100% wholly owned subsidiary of Usha and is the beneficial and registered owner of the 489 claims that comprise the White Willow Property.

Description of the Qualifying Transaction

Pursuant to the Definitive Agreement, Totec will purchase all of the issued and outstanding securities of Subco.

Prior to the completion of the Transaction, Totec will complete a reverse split of its Common Shares on a 2:1 basis (the **“Share Consolidation”**).

The consideration for the acquisition of Subco will be satisfied through the issuance by Totec to

Usha of 5,500,000 Common Shares (on a post-Consolidation basis) at a deemed price of \$0.15 per share and the payment to Usha of \$50,000, representing an aggregate deemed purchase price of \$875,000. The purchase price to be paid by Totec in connection with the Qualifying Transaction was determined pursuant to negotiations between management of each of Totec and Usha. Notwithstanding that the Transaction is not considered to be a Non-Arm's Length Qualifying Transaction, the Transaction involves Non-Arm's Length Parties, as such term is defined under the policies of the Exchange, given Deepak Varshney acts as CEO and a director of both Totec and Usha and Khalid Naeem acts as CFO of both Totec and Usha. In addition, completion of the Transaction is conditional upon the pending approval by the Exchange of the reviewable disposition by Usha in respect of the Transaction (by way of Usha's indirect sale of the White Willow Property to Totec).

Assuming completion of the Financing (defined herein) and the issuance of 30,000,000 Totec Shares pursuant thereto, it is anticipated that the Resulting Issuer will have 38,563,000 Resulting Issuer Shares issued and outstanding upon completion of the Qualifying Transaction.

After the Completion of the Qualifying Transaction, Usha and the Subco securityholders will become securityholders of the Resulting Issuer. Totec will not change its name in connection with completion of the Qualifying Transaction.

Directors and Officers

Upon Completion of the Qualifying Transaction, it is anticipated that the Resulting Issuer's board of directors will consist of the following Persons:

Deepak Varshney

James Walker

Rishi Kwatra

Zachary Kotowych

Effective at the Completion of the Qualifying Transaction, it is anticipated that the Resulting Issuer's Board of Directors will appoint the following Persons to the office or offices indicated:

Deepak Varshney – Chief Executive Officer & Corporate Secretary

Khalid Naeem – Chief Financial Officer

See *"Part III - Information Concerning the Resulting Issuer - Directors, Officers and Promoters of the Resulting Issuer"*.

Financing Matters

In connection with the Qualifying Transaction, Subco intends to complete a private placement of up to 30,000,000 units of Subco (each, a "**Unit**") at a price of \$0.15 per Unit, for aggregate gross proceeds of up to \$4,500,000. Each Unit will be comprised of one (1) common share of Subco and one (1) common share purchase warrant of Subco that will entitle the holder thereof to acquire one additional common share at an exercise price of \$0.25 for a period of two (2) years from the date of issuance (the "**Financing**").

Interests of Insiders, Promoters or Control Persons

Except as disclosed herein, no Insider, promoter or Control Person of Totec and no Associate or Affiliate of the same, has any interest in Usha or the Subco, other than that which arises from the holding of Totec Shares.

Securityholder Approval

The Qualifying Transaction is not subject to securityholder approval.

Arm's Length Transaction

Deepak Varshney, CEO and a director of Totec, currently serves as CEO and as a director of Usha and beneficially owns a total of 2,169,500 common shares of Usha, representing 2.4% of the issued and outstanding common shares of Usha.

Khalid Naeem, CFO of Totec, currently serves as CFO of Usha and holds no common shares of Usha. Notwithstanding, the Qualifying Transaction is not considered to be a "Non-Arm's Length Qualifying Transaction", as such term is defined under the policies of the Exchange, as neither of Deepak Varshney nor Khalid Naeem, nor their Associates nor Affiliates, are Control Persons in both Totec and in relation to the Significant Assets.

Estimated Available Funds

Based on information available as at December 31, 2025, upon Completion of the Qualifying Transaction, the Resulting Issuer is expected to have up to \$3,998,257 in Available Funds, which includes the following:

	Estimated Funds Available
Consolidated working capital ⁽¹⁾	\$4,458,257
Estimated fees and expenses of the Qualifying Transaction ⁽²⁾	\$(460,000)
Total Estimated Available Funds	\$3,998,257

Notes:

- (1) Reflects the sum of: (i) the working capital deficit of \$37,166 of Totec, as at December 31, 2025; (ii) the working capital deficit of \$4,577 of Subco, as at December 31, 2025; and (iii) \$4,500,000 in gross proceeds to be raised through the Financing.
- (2) Estimated fees and expenses are comprised of: (i) legal fees; (ii) auditor fees; (iii) commissions (7% of the gross proceeds raised in the Financing); and (iv) Exchange fees.

Principal Purposes

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following completion of the Qualifying Transaction:

Uses of Funds	Amount of Funds (\$)
Drone Magnetism and LIDAR	280,800
Trenching	121,140
<u>Other Expenses</u>	
Acquisition Payment	50,000
Investor Relations	200,000
Legal Fees	50,000
Audit Fees	20,000
Accounting Fees	40,000
Administrative	40,000
Miscellaneous	50,000
Unallocated Working Capital ⁽¹⁾	3,146,317
Total Estimated Uses of Funds	3,998,257

Note:

- (1) Possible uses of the unallocated working capital include: the funding of ongoing operations; due diligence respecting potential new mining claims and concessions; and other uses as may be necessary and deemed appropriate from time to time.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of Totec and Subco consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. For additional information, see “*Part III - Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*”. Further, the above uses of available funds should be considered estimates. See “*Note Regarding Forward-Looking Statements*”.

Selected Pro Forma Financial Information

The following table sets out certain financial information for the Resulting Issuer as at September 30, 2025 as if the Transaction had taken place as of September 30, 2025 and should be read in conjunction with the unaudited pro forma statement of financial position and the notes thereto of the Resulting Issuer attached hereto as Schedule G.

	Amount
Current Assets	\$4,225,310

	Amount
Total Assets	\$5,118,675
Current Liabilities	\$42,823
Shareholders' Equity	\$5,075,852

Market For Securities And Market Price

The Totec Shares are listed on the Exchange under the trading symbol "TOTC.P". Trading in the Totec Shares was halted on May 13, 2025. The last trading price prior to the halt of the stock preceding the announcement of the Qualifying Transaction was \$0.05. It is anticipated that the Common Shares will resume trading on the Exchange upon completion of the Qualifying Transaction under the symbol "TOTC".

Sponsorship

Totec intends to seek a waiver from the Exchange in respect of the requirement in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements* to engage a sponsor for the Transaction.

Conflicts of Interest

Some of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon the closing of the Qualifying Transaction are also directors, officers and/or Promoters of other reporting and non-reporting issuers. In particular, Deepak Varshney, the proposed CEO and director of the Resulting Issuer, presently serves as the CEO and as a director of Usha and Khalid Naeem, the proposed CFO and director of the Resulting Issuer, presently serves as the CFO of Usha. Except as referenced herein, to the knowledge of the directors and officers of Totec and Usha, there are no existing conflicts of interest between the Resulting Issuer and any of the individuals proposed for appointment as directors or officers upon completion of the Qualifying Transaction, as of the date of this Filing Statement.

Interests of Experts

Except as disclosed herein, no Person or Company whose profession or business gives authority to a statement made by the Person or Company and who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement currently holds, directly or indirectly, more than 10% of the Common Shares or Usha Shares, or holds any property of Totec or Usha or of an Associate or Affiliate of Totec or Usha and no such Person is expected to be elected, appointed or employed as director, senior officer or employee of Totec or Usha or of an Associate or Affiliate of the Resulting Issuer and no such Person is a promoter of Totec or Usha or an Associate or Affiliate of Totec or Usha.

As of the date of this filing statement, Davidson & Company LLP has reported that it is independent in accordance with the code of professional conduct of the Chartered Professional Accountants of British Columbia with respect to Totec, and Horizon Assurance LLP has reported that it is independent in accordance with the code of professional conduct of the Chartered Professional Accountants of Ontario and Alberta with respect to Usha and Subco.

Exchange Listing Approval

The Exchange has conditionally approved the Qualifying Transaction for Totec subject to fulfilling all the requirements of the Exchange. Notwithstanding, completion of the Transaction is conditional upon the pending approval by the Exchange of the reviewable disposition by Usha in respect of the Transaction (by way of Usha's indirect sale of the White Willow Property to Totec).

Summary Risk Factors

The following is a summary of certain risk factors applicable to Totec, Subco, Usha and the Resulting Issuer. The risks presented in this Filing Statement should not be considered to be exhaustive and may not be all of the risks that the Resulting Issuer may face. See "*Part IV - Risk Factors*".

Risk Factors Relating to Totec

- The Proposed Qualifying Transaction may not be completed;
- Limiting Operating History and History of Losses;
- Dilution; and
- Management and Conflicts of Interest.

Risk Factors Relating to the Resulting Issuer

- Exploration and Development Risk;
- Limiting Operating History and Financial Resources;
- Uncertainty of Resource Estimates;
- Mineral Reserves;
- Operational Risks;
- Title to Property;
- Commodity Prices; Dependence on Future Financings;
- Share Price Volatility;
- Government Regulation;
- Permits and Licenses;
- Health and Safety Risk;
- Environmental Matters;
- Infrastructure;
- Competition;
- Amalgamations and Integration;
- Litigation Risk;
- Aboriginal Title;
- Key Personnel;
- Insurance and Uninsured Risk;
- Conflicts of Interest;
- No Dividends; and
- Enforcement of Judgments.

Effective Date

Unless otherwise specified, the information provided in this Filing Statement and the Schedules attached hereto is dated as of January 12, 2026.

PART I INFORMATION CONCERNING TOTEC

Corporate Structure

Name and Incorporation

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, British Columbia, V5K 3W1, Canada., and the registered office of Totec is located at 15th Floor, 1111 West Hastings Street, Vancouver, BC, V6E 2J3. Totec has an authorized capital of an unlimited number of Common Shares without par value.

Intercorporate Relationships

Totec does not have any subsidiaries or other intercorporate relationships.

General Development of the Business

History of Totec

Since its incorporation, the principal activities of Totec have consisted of the financing of Totec through Totec's initial public offering, the initial listing of Totec Shares on the Exchange, the identification of potential acquisitions, the negotiation of the and closing of the Qualifying Transaction.

Totec closed its initial public offering on March 20, 2023 by way of issuing a total of 3,426,000 Common Shares at \$0.10 per share for gross proceeds of \$342,600. The Totec Shares commenced trading shortly thereafter on the Exchange on the TSX Venture Exchange under the symbol "TOTC.P". Since such date, Totec has examined a number of potential acquisitions that might have met the requirements for a Qualifying Transaction and management agreed to pursue the Transaction by way of a letter of Intent dated May 13, 2025. Details of the contemplated Transaction were publicly announced on May 13, 2025 and October 24, 2025.

Description of the Qualifying Transaction

Pursuant to the Transaction, Totec Resources Ltd. will acquire all of the issued and outstanding securities of Subco from Usha in exchange for the issuance of 5,500,000 Common Shares to Usha and the payment of \$50,000 in cash to Usha. Subco is the registered and beneficial owner of the 489 mining claims that comprise the White Willow Property.

Assuming completion of the Financing and the issuance of 30,000,000 Totec Shares pursuant thereto, it is anticipated that the Resulting Issuer will have 38,563,000 Resulting Issuer Shares issued and outstanding upon completion of the Qualifying Transaction.

The consideration for the acquisition of Subco will be satisfied through the issuance by Totec to Usha of 5,500,000 Common Shares (on a post-Consolidation basis) at a deemed price of \$0.15 per share and the payment to Usha of \$50,000, representing an aggregate deemed purchase price of \$875,000. The purchase price to be paid by Totec in connection with the Qualifying Transaction was determined pursuant to negotiations between management of each of Totec and Usha. Notwithstanding that the Transaction is not considered to be a Non-Arm's Length Qualifying Transaction, the Transaction involves Non-Arm's Length Parties, as such term is defined under

the policies of the Exchange, given Deepak Varshney acts as CEO and a director of both Totec and Usha and Khalid Naeem acts as CFO of both Totec and Usha. Completion of the Transaction is also subject to the pending approval by the Exchange of the reviewable disposition by Usha in respect of the Transaction (by way of Usha's indirect sale of the White Willow Property to Totec).

After the Completion of the Qualifying Transaction, Usha will become a securityholder of the Resulting Issuer and Subco will continue the business of Totec as a wholly-owned subsidiary of the Resulting Issuer. Totec will not change its name in connection with completion of the Qualifying Transaction.

In connection with the Qualifying Transaction, Subco intends to complete a private placement of up to 30,000,000 Units at a price of \$0.15 per Unit, for aggregate gross proceeds of up to \$4,500,000. Each Unit will be comprised of one (1) common share of Subco and one (1) common share purchase warrant of Subco that will entitle the holder thereof to acquire one additional common share at an exercise price of \$0.25 for a period of two (2) years from the date of issuance.

Description of Securities

Securities

Totec is authorized to issue an unlimited number of Common Shares, of which 6,126,000 Common Shares (on a pre-Share Consolidation basis) are issued and outstanding as of the date of this Filing Statement. In addition, 260,000 Totec Shares (on a pre-Share Consolidation basis) are reserved for issuance pursuant to stock options granted under the Totec Option Plan and 342,600 Totec Shares (on a pre-Share Consolidation basis) are reserved for issuance under the IPO Agent's Warrants. All issued and outstanding Totec Shares are fully paid and non-assessable.

Totec's Shareholders are entitled to dividends as and when declared by the Board, to receive notice of and one vote per Totec Share at meetings of Totec Shareholders and, upon liquidation dissolution and wind-up, to share equally in such assets of Totec as are distributable to Totec's Shareholders. There are no conversion or exchange rights attaching to Totec Shares, nor are there any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions, nor are there any provisions requiring a Totec Shareholder to contribute additional capital.

Stock Option Plan

Totec has a stock option plan (the "**Totec Plan**") which was approved by Totec's directors on June 13, 2022. Pursuant to the Totec Plan, the aggregate number of Totec Shares reserved for issuance under the Totec Plan, including any Totec Shares reserved for issuance under any other share compensation arrangement granted or made available by Totec from time to time, may not exceed in aggregate 10% of Totec's issued Common Shares. The price and vesting terms of the options are set on a grant-by-grant basis but will conform to the rules of the Exchange. Capitalized terms used in this section and not otherwise defined in this Filing Statement, have the meanings assigned to such term in the Totec Plan.

Eligible Optionees

Under the policies of the Exchange, to be eligible for the issuance of a stock option under the Totec Plan an optionee must either be a director, officer, employee, consultant or an employee of

a company providing management or other services to Totec at the time the option is granted, this will include directors, officers, employees of Subco as long as Subco is a subsidiary of the Resulting Issuer. Options may be granted only to an individual or to a non-individual that is wholly owned by individuals eligible for an option grant. If an option is granted to a non-individual, such non-individual must provide the Exchange with an undertaking that it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the option remains in effect, without the consent of the Exchange.

Other Material Terms of the Totec Plan

The other key provisions of the Totec Plan are as follows:

- the options are non-assignable and non-transferable (except that the optionee's heirs or administrators can exercise any portion of the outstanding option, up to one year from the optionee's death);
- the number of shares subject to each option is determined by the Board of Directors provided that the stock option plan, together with all other previously established or proposed share compensation arrangements may not:
 - at any point in time, result in the number of options granted to all Insiders (as a group) exceeding 10% of the issued shares of Totec; or
 - during any 12-month period, result in:
 - the number of options granted to all Insiders (as a group) exceeding 10% of the issued shares of Totec; or
 - the number of options granted to any one Person exceeding 5% of the issued shares of Totec; or
 - the number of options granted to any one Consultant exceeding 2% of the issued shares of Totec; or
 - the number of options granted to all Persons retained to provide Investor Relations Activities exceeding 2% of the issued shares of Totec; or
 - the number of options granted to any Eligible Charitable Organizations exceeding 1% of the issued shares of Totec;
- the exercise price of an option may not be set at less than Discounted Market Price as calculated pursuant to the policies of the Exchange;
- the options may be exercisable for a period of time fixed by the Board and in accordance with Exchange policies (subject to extension where the expiry date falls within a "blackout period", in which case the option shall expire 10 business days after the "blackout period" is lifted by the Company);
- the maximum term of any option shall not exceed ten (10) years;
- disinterested shareholder approval will be obtained for any reduction in the exercise price

if the optionee is an Insider of Totec at the time of the proposed amendment;

- for options granted to Employees, Consultants or an Employee of a company providing management or other services, Totec and the optionee are responsible for ensuring and confirming that the optionee is a bona fide Employee, Consultant or an Employee of a company providing management or other services, as the case may be;
- any options granted to any optionee who is a Director, Employee, Consultant or an Employee of a company providing management or other services expire within ninety (90) days following the date the optionee ceases to be in that role;
- for options granted to Persons retained to provide Investor Relations Activities, such options must vest in stages over a period of not less than 12 months with no more than ¼ of the options vesting in any three-month period, and such vesting period cannot be accelerated without the prior written approval of the Exchange;
- in the event of the death of an optionee while in service to the Company, each outstanding option (to the extent then vested, if applicable, and not exercised) shall be exercisable upon the earlier of (a) the expiration of one year following such death unless an earlier date is provided for in the option agreement with the optionee, and (b) the expiry of the option period, but only by the person or persons to whom the optionee’s rights under the option shall pass by the optionee’s will or by the laws of descent and distribution;
- the stock option plan is administered by the Totec board of directors or, if the Totec board of directors so designates, a committee of the Totec board of directors appointed in accordance with the stock option plan to administer the stock option plan; and
- “Consultant”, “Employee”, “Investor Relations Activities”, “Discounted Market Price” and “Eligible Charitable Organization” all have the same definition as in the policies of the Exchange which, for the avoidance of doubt, includes directors, officers, employees of Subco as long as Subco is a subsidiary of the Resulting Issuer.

Prior Sales

Prior Sales

Since the date of incorporation, Totec has issued 6,126,000 Common Shares as follows:

Date	Number of Totec Shares ⁽¹⁾	Issue Price Per Common Share	Aggregate Issue Price	Consideration Received
January 25, 2022	1 ⁽²⁾	\$0.05	\$0.05	Cash
March 31, 2022	2,599,999 ⁽³⁾	\$0.05	\$129,999.95	Cash
July 20, 2022	100,000 ⁽⁴⁾	\$0.05	\$5,000	Cash
March 10, 2023	3,426,000 ⁽⁵⁾	\$0.10	\$342,600	Cash
Total	6,126,000	\$0.10	\$477,600	Cash

Notes:

- (1) On a pre-Share Consolidation basis.
(2) One Common Share issued on incorporation to the incorporator on January 25, 2022.
(3) Held in escrow.
(4) Held in escrow.
(5) Issued pursuant to the IPO.

Price Range and Trading Volume of Totec Shares

Period	High Price per Common Share ⁽¹⁾ (\$)	Low Price per Common Share ⁽¹⁾ (\$)	Volume ⁽¹⁾ (Number of Totec Shares)
May 2024	0.135	0.11	10,000
June 2024	0.135	0.13	10,000
July 2024	0.20	0.135	500
August 2024	0.20	0.13	7,000
September 2024	0.13	0.13	Nil
October 2024	0.13	0.13	10,000
November 2024	0.135	0.13	15,000
December 2024	0.135	0.12	279,275
January 2025	0.135	0.12	43,071
February 2025	0.225	0.135	79,500
March 2025	0.225	0.12	30,053
April 2025	0.12	0.05	35,000
May 1, 2025 to May 13, 2025 ⁽²⁾	0.05	0.05	nil

Notes:

- (1) On a pre-Share Consolidation basis.
(2) Totec's stock was halted on May 13, 2025 in connection with the Qualifying Transaction.

Arm's Length Transactions

Deepak Varshney, CEO and a director of Totec, currently serves as the CEO and as a director of Usha and beneficially owns a total of 2,169,500 common shares of Usha, representing 2.4% of the issued and outstanding common shares of Usha.

Khalid Naeem, CFO of Totec, currently serves as CFO of Usha and holds no common shares of Usha. Notwithstanding, the Qualifying Transaction is not considered to be a "Non-Arm's Length Qualifying Transaction", as such term is defined under the policies of the Exchange, as neither of Deepak Varshney nor Khalid Naeem, nor their Associates nor Affiliates, are Control Persons in

both Totec and in relation to the Significant Assets.

Legal Proceedings

Management knows of no legal proceedings, contemplated, threatened or actual involving the Issuer.

Auditor Transfer Agent and Registrar

Auditor

The auditor for Totec is Davidson & Company LLP with an address of 1200 – 609 Granville Street, Vancouver, BC V7Y 1G6.

Transfer Agent and Registrar

The transfer agent and registrar for Totec is Endeavour Trust Corporation.

Material Contracts

The following is a list of material contracts entered into by Totec:

1. the CPC Escrow Agreement dated September 22, 2022 among Totec, Endeavour Trust Corporation and those shareholders that executed such agreement;
2. the Transfer Agent and Registrar Agreement dated June 24, 2022 between Totec and Endeavour Trust Corporation;
3. the Stock Option Plan adopted by the Board of Directors and approved by Totec's shareholders; and
4. the Definitive Agreement.

Copies of these agreements are available for inspection at the offices of Totec, at any time during ordinary business hours until 30 days after completion of the Qualifying Transaction.

Financial Statements and Management's Discussion and Analysis

The audited financial statements of Totec for the years ended March 31, 2024 and March 31, 2025, and the auditor reviewed interim financial statements of Totec for the six months ended September 30, 2025, are attached to this Filing Statement as Schedule A.

The MD&A of Totec for the years ended March 31, 2024 and March 31, 2025, and for the six months ended September 30, 2025, are attached to this Filing Statement as Schedule B.

PART II INFORMATION CONCERNING SUBCO

Corporate Structure

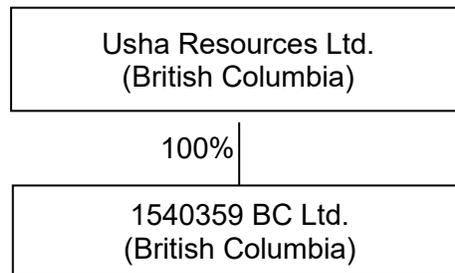
Name and Incorporation

Usha was incorporated on February 26, 2018, and continues to exist under the *Business Corporations Act* (Ontario). The authorized share capital includes an unlimited number of common shares without par value. The registered and records office of Usha is #400 – 1681 Chestnut Street Vancouver BC, V6J 4M6 Canada.

Subco was incorporated on May 20, 2025, and has a registered office at 1575 Kamloops Street, Vancouver, British Columbia, V5K 3W1, Canada. It is a 100% wholly owned subsidiary of Usha, and the registered and beneficial owner of the 489 claims that comprise the White Willow Property.

Intercorporate Relationships

The current organization structure of Usha is as follows:



General Description of the Business

General

Subco's current principal asset is the 489 mining claims that comprise the White Willow Property.

White Willow Lithium Project

The following disclosure regarding the White Willow Property is derived from the NI 43-101 technical report prepared by Andrew Tims, P. Geo., titled "Technical Report on the White Willow Project, McAlpine and Pickerel (North) Lake Areas, Northwest Ontario for Totec Resources Ltd." with an effective date of October 22, 2025. The Technical Report is available under Totec's profile on SEDAR+.

Andrew Tims, P. Geo., author of the Technical Report, is a qualified person for the purposes of NI 43-101, and has reviewed and approved the scientific and technical disclosure contained in this Filing Statement.

Property Location

The White Willow Property is located approximately 8 km southeast of the town of Atikokan and 185 km west of the city of Thunder Bay, in the Thunder Bay South Mining District of Ontario Canada.

The White Willow Property spreads out on the NTS 52B11 and NTS 52B12 sheets and it is limited to latitudes and longitudes 48° 42' 16" to 77° 03' 30" and 48° 52' 54" to 91° 22' 07" (UTM NAD 83, Zone 18; UTM X = 608922 to 624125, UTM Y = 5393850 to 5399095).

Property Acquisition, Ownership and Land Tenure

The White Willow Property consists of a total of 489 mining titles or cells designated on maps McAlpine Lake and Pickerel Lake North, for a total area of 10,220 ha (102.20 km²).

In March 2023, Usha entered an option agreement with 2758145 Ontario Ltd. ("**2758**"), in which Usha had the option to earn a 100% interest in a collection of claims that included the White Willow Property over a 3-year term. Usha completed the earn-in in July 2025.

On October 22, 2025, Usha assigned its 100% interest in the White Willow Property to Subco (the "**Assignment**").

The mining claims comprising the White Willow Property are presently in good standing.

The White Willow Property is subject to the following net smelter return royalties ("**NSRs**"):

1. a 1.5% NSR, in favour of Grid Metals Corp., 2/3 of which can be repurchased by Subco for \$1,000,000; and
2. a 1.5% NSR, in favour of 2758, 2/3 of which can be repurchased by Subco for \$1,250,000.

There is no litigation related to the White Willow Property.

History

Prior to the acquisition of the White Willow Property by 2758145 Ontario Ltd. in 2022, very limited exploration work had been conducted. Prompted by the Steep Rock Iron Mine in Atikokan, prospecting and airborne surveys have been completed in the immediate area since the 1940's, particularly to the north. This resulted in the location of numerous copper-nickel and gold showings.

The following summarizes work done by industry and government:

Industry

1948: Duvay Gold Mines carried out detailed outcrop mapping in the northwest portion of the property. No significant results;

1999: Anomalous Pt/Pd mineralization discovered by Michael and Steve Stares within ultramafic intrusive rocks near Nym Lake. Band-Ore Resources optioned the property and conducted various geologic work including: geologic mapping, prospecting, lines cutting, IP and magnetic survey and 3 DDH totaling 276 m;

2022: 2758145 Ontario Ltd. and prospectors Onchulenko and Gehrels conducted a prospecting program on a small block of eight claims that covered the mineralized gabbro and identified beryl bearing granitic pegmatites. The core of the White Willow Property outside of the eight gabbro cells was staked in July 2022. Grid Metals Inc. optioned the property and carried out prospecting over the newly staked property during the months of September to October 2022. Three hundred and ninety-six grab samples and 21 channel samples were collected, with the 50 m by 350 m rare-element granitic Maple Leaf Pegmatite located. Highlights from samples collected and analyzed by Grid Metals Corp. at the Maple Leaf Dyke returned: 12% Ta and 1730 ppm Cs for sample B860563, 3.78% Ta, 9870 ppm Nb, 5000 ppm Be and 1730 ppm Cs.

2023: Grid Metals assigned its option to Usha and the property was optioned by Usha. During the month of May and June, Ontario 2748145 Ltd. continued prospecting. Usha contracted Northern Mineral Exploration Services to conduct reconnaissance-scale outcrop mapping of the White Willow Property. A total of 199 outcrops were mapped and 173 samples were taken for assay. The work program expanded the pegmatite swarm to a 3 km strike -length and 900 m in width with 45 new pegmatites discovered. Six samples returned above 1,000 ppm Li yielding a maximum 0.5% LiO₂.

Government

1897: McInnes published a 1:253,400 scale map of the Thunder Bay and Rainy River Districts (Seine River Sheet) that covered the the Property

1939: Moore published a 1:63,360 scale map of the Atikokan Area that covered the western portion of the White Willow Property.

1940: Tanton of the GSC published the 1:253,440 scale Quetico, West Half, Rainy River District map.

1964: Pye et al published the Atikokan - Lakehead Sheet, Geological Compilation Series map at 1:253,440.

1980: The OGS released an Airborne Electromagnetic and Total Intensity Magnetic Survey. Atikokan - Mine Centre Area, that covered the northern half of the White Willow Property.

1980: The OGS releases Engineering Geology Terrain Study 55.

1981: McIlwaine et al. published a 1:15,840 preliminary map of the Sapawe Lake Area.

1981: Schnieder et al. published a 1:15,840 compilation map of the Nym Lake Area, Rainy River District.

1995: Stone et al. published the 1:50,000 Precambrian geology, Sapawe area map.

2001: Santaguida 2001 published a 1:250,000 scale compilation map, Quetico Sheet.

2009: The OGS released an Airborne magnetic survey that covered the northern half of the White Willow Property.

Property Geology

The White Willow Property is situated within the Quetico Basins Terrane of the Superior Province. The Quetico Terrane is predominately a metasedimentary belt, with localized migmatite and granitoid, metamorphosed from lower greenschist to upper amphibolite facies, with localized granulite facies metamorphism (e.g. Percival et al. 2012). It is bounded to the north by the Marmion Terrane, separated by the Quetico Fault and bounded to the south by the Wawa-Abitibi Terrane (Percival et al., 2012). Both the Marmion and Wawa-Abitibi terranes are granite-greenstone belts (Percival et al., 2012). S-type peraluminous granitic intrusions and associated rare-element LCT pegmatites occur along the northern boundary of the Quetico Terrane (Breaks et al., 2003). Critical metal mineralization (Li, Cs, Ta) is hosted within these granitoid pegmatites located both in the granites and meta sediments.

The White Willow Property is centered on the granite-metasedimentary contact just south of the Quetico Fault. The area was only partially covered by 1" to ¼ mile mapping by McIlwaine et al, 1981. The property is underlain by granitic pegmatite intrusions, metamorphosed siltstones, granites, and gabbroic intrusions with the terrain predominantly marked by granitic pegmatite ridges surrounded by metamorphosed siltstones.

The core of the White Willow Property covers a fine to medium-grained muscovite-quartz monzonite granite. This granite ranges from white to pink, has a grain size from 5 mm-10 mm and is typically equigranular in texture. Mineralogically, the muscovite-quartz granite contains mostly quartz, microcline and plagioclase feldspars in the groundmass. There is usually muscovite and occasionally biotite as well. Less commonly small red garnets and pale blue apatites can be seen that are less than 1 mm.

Locally pegmatitic phases of the granite are present along the contact with the adjacent metamorphosed siltstones. These coarse-grained granites look very similar to the pegmatites and often host granitic pegmatites within themselves; they are white to white-pink and coarse-grained with grain sizes ranging from 5 mm-20 mm. These pegmatitic phases are composed of quartz and feldspars, with some muscovite, biotite, and garnets. Quartz and muscovite make up the groundmass while the other minerals vary in abundance and distribution. Garnets are often 1 mm or less and red (Macdonald, 2024).

The surrounding sediments, typically referred as siltstone, are interpreted to be metamorphosed turbidites and are strongly foliated in a near vertical orientation. Foliations are commonly oriented parallel to the nearest contact with pegmatites, which often means striking NE-SW. Siltstones are medium-grey and fine-grained. Mineralogically siltstones are mostly biotite and quartz, with biotite grains oriented to produce the foliation. Graded beds are locally observed. Some siltstone outcrops are also ilicitified with 1-2% pyrite noted.

The sediments are intruded by meter-scale gabbroic dykes and sills. These intrusions are usually dark grey to black in colour and coarse-grained with grain sizes ranging from 0.5-2 cm. Mineralogically, the dykes are composed of 80% amphibole with the remainder being plagioclase feldspar, trace pyrite and epidote.

Pegmatites on the property are white and typically outcrop as large ridges and rounded dome-like shapes resistant to weathering. The pegmatites are found as dykes striking anywhere from 030-100°, but more commonly 060-080°, following local bedding/foliation patterns. Average grain size ranges from 2-6 cm with some areas significantly coarser-grained kspar up to 30 cm or greater at the largest, such as the main showing of the Maple Leaf dyke. The Maple Leaf is the

largest and most evolved rare-element granitic pegmatitic intrusion with strong textural and mineralogical variations, including fine grained banding and local beryl and tantalite and kspars crystals up to 100 cm in length. Mineralogy of the dykes always includes quartz and feldspars making up most of the rock, often with muscovite which typically occurs as books. Accessory minerals include hexagonal beryl crystals and tourmaline which often occur in the same outcrops together. Biotite occurs less frequently and is often found as needles. Orange and red garnets can also be found usually less than 1mm but are as large as 1cm. Feldspars and quartz in pegmatites often display graphic textures of quartz-feldspar intergrowths, and aplitic (sugary) albite can be seen. An interesting structure that can be seen in the pegmatites is igneous banding often displayed as sub-planar features in the outcrop that generally trend in the same direction that the dykes strike at approximately 60-80°. In one location just east of the main showing these bands are measurable, dipping 71°/133° (dip/dip direction), however there is significant variation in orientation. The dip of pegmatite dykes is somewhat ambiguous but where observed they seem to be dipping to the southeast.

Observed Lithological zones observed by the QP within the pegmatites consist of a centimetre-scale scale, possibly discontinuous, comb structure wall zone, the volumetrically dominant intermediate zone with disseminated centimetre-scale scale plumose muscovite in a medium to coarse-grained quartz-microcline-albite matrix, with accessory patches of rare red-orange garnet and black tourmaline. Cm Centimetre-scale comb- texture muscovite sometimes occurs internally in contact with the aplitic zone. Bands to patches of fine to medium-grained aplitic albite forms dm scale zones within the intermediate zone, having often poorly developed internal bands defined usually by garnet and/or muscovite (see above), associated with common quartz and occasional mm scale microcline crystals and rare tourmaline. Patchy K-Feldspar dominant core-margin zones can have microcline crystals to approximately 1 m long, with associated quartz and lesser centimetre-scale scale patchy plumose muscovite.

The two-mica granite is a massive, fine to medium-grained crystalline intrusive composed of quartz, alkali feldspar, and plagioclase, muscovite and biotite in varying proportions.

Diabase dykes are fine to medium-grained massive mafic intrusives cross-cutting all lithologies on the property. The groundmass is typically fine-grained with 2-3% euhedral feldspar averaging 2-3 mm in size. The unit is weakly magnetic with trace carbonate within the groundmass and along fractures.

Recommendations

The White Willow project is of sufficient geological potential to recommend exploration programs focused on exploration targeting. Future work should focus on delineating the actual pegmatites in their 3rd dimension, identify whether the rare-earth rich phase and the lithium bearing phase are the same or a separate event and map out the granitic pegmatite distribution throughout the remainder of the property. A work program consisting of high-resolution airborne LiDAR & magnetic survey will be a key component in future field work. Trenching will then follow, all of which will lead into a drill program.

Tool	Detail	Cost
Airborne	Drone Magnetics & LIDAR	\$280,800.00
Trenching	Labour	\$ 76,650.00
	Consultant/Contractor	\$ 14,950.00
	Rental/Supplies	\$ 6,325.00
	Transportation	\$ 1,375.00
	Meal/Accom	\$ 3,840.00
	Assays	\$ 18,000.00
Total		\$401,940.00

Significant Acquisition

Subco has not completed an acquisitions since incorporation, including any significant acquisition for which financial statements would be required under National Instrument 41-101 - General Prospectus Requirements.

Financial Statements and Management's Discussion and Analysis

Carve-out financial statements for the White Willow Project for the years ended March 31, 2024 and March 31, 2025 and the six months ended September 30, 2025 are attached to this Filing Statement as Schedule C.

Carve-out MD&A for the White Willow Project for the years ended March 31, 2024 and March 31, 2025 and the six months ended September 30, 2025 are attached to this Filing Statement as Schedule D.

Financial statements for Subco for the period from May 20, 2025 (incorporation) to August 31, 2025 are attached to this Filing Statement as Schedule E.

MD&A for Subco for the period from May 20, 2025 (incorporation) to August 31, 2025 are attached to this Filing Statement as Schedule F.

Description of the Securities

As of the date of this Filing Statement, Subco has 5,500,000 common shares outstanding. Assuming completion of the Financing (defined herein) and the issuance of 30,000,000 Subco common shares and 30,000,000 Subco warrants pursuant thereto, it is anticipated that Subco will have 35,500,000 common shares and 30,000,000 warrants outstanding immediately before completion of the Qualifying Transaction.

Subco Common Shares

The authorized capital of Subco consists of an unlimited number of common shares.

Holders of Subco Shares have the right to receive notice of any meeting of shareholders of Subco, to attend such meeting and to vote thereat, with the exception of meetings at which only holders of other classes of shares are entitled to vote. Holders of Subco Shares are entitled to receive,

pari passu with one another, non-cumulative dividends if, as and when declared by the Subco board of directors. Subco Shares will be entitled to receive dividends or other distributions on the Subco Shares. Furthermore, holders of Subco Shares are entitled to receive, on a *pari passu* basis, the remaining property of Subco, after payment of all outstanding debt, upon its liquidation, dissolution or winding-up.

None of the securities of Subco are currently listed or quoted for trading on any stock exchange.

Share Capitalization

Type of Security	Amount outstanding as of January 12, 2026	After Giving Effect to the Financing ⁽¹⁾
Common Shares	5,500,000	35,500,000
Warrants	Nil	30,000,000
Broker Warrants	Nil	2,100,000

Note:

(1) Assuming \$4,500,000 in gross proceeds are raised through the Financing.

Prior Sales

Within the past 12 months, Subco has issued the following securities:

Date Issued	Number of Securities	Type of Security	Issue Price per Security	Aggregate Issue Price
May 20, 2025	1 ⁽¹⁾	Common Shares	\$0.01	\$0.01
October 22, 2025	5,500,000 ⁽²⁾	Common Shares	\$0.15	\$825,000

Notes:

(1) One Common Share issued on incorporation to the incorporator on May 20, 2025. This share was subsequently repurchased on October 22, 2025.

(2) Issued to Usha in connection with the Assignment.

Executive Compensation

Summary Compensation Table

The following information is presented in accordance with Form 51-102F6V, and provides details of all compensation for each of the directors and NEOs of Subco for the fiscal year ended August 31, 2025.

Name and Principal Position	Year Ended	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Deepak Varshney <i>Chief Executive Officer, Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Khalid Naeem <i>Chief Financial Officer</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Compensation Discussion and Analysis

Philosophy and Objectives of Compensation Program

The executive compensation program of Subco is administered by the directors of Subco.

The directors of Subco, review and make decisions in respect of compensation matters relating to the executive officers, employees, consultants and directors of Subco, ensuring consistent application of matters relating to remuneration and ensuring that executive remuneration is consistent with industry standards. The directors of Subco believe that Subco should provide a compensation package that is competitive and motivating, that will attract, hold and inspire qualified executives, that will encourage performance by executives to enhance the growth and development of Subco and that will balance the interests of the executives and the shareholders. Achievement of these objectives is expected to contribute to an increase in shareholder value.

Compensation Risk

Subco's board of directors considers and assesses, as necessary, the implications of risks associated with Subco's compensation policies and practices and devotes such time and resources as it believes are appropriate. The board of directors have not identified risks arising from Subco's compensation policies and practices that are reasonably likely to have a material adverse effect on Subco if and when Subco decides to appoint executive officers and provide them with compensation.

Financial Instruments

Except where prohibited by law, Subco's directors have not been prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a director or future executive

officer. To Subco's knowledge, no director of Subco has entered into or purchased such a financial instrument.

Management Contracts

No management functions of Subco or any subsidiary are to any substantial degree performed by a person other than the directors or senior officers of Subco.

Non-Arm's Length Party Transactions

There has been no acquisition of assets or services or provision of assets or service in any transaction within the five years before the date of this Filing Statement, or in any proposed transaction, where Subco or any subsidiary of Subco has obtained such assets or services from:

- (a) any director, officer or promoter of Subco;
- (b) a securityholder disclosed in this Filing Statement as a principal securityholder, either before or after giving effect to the Qualifying Transaction; or
- (c) an Associate or Affiliate of any of the Persons or companies referred to in paragraphs (a) or (b) above.

Legal Proceedings

There are no legal proceedings material to Subco to which Subco is a party to or of which any of its property is the subject matter, and there are no such proceedings known to Subco to be contemplated.

Material Contracts

Current material contracts are:

- Definitive Agreement

After completion of the Qualifying Transaction, the material agreements listed above will be considered to be the material agreements of the Resulting Issuer.

Copies of all material agreements referred to in this Filing Statement may be inspected at the head office of #400 – 1681 Chestnut Street, Vancouver, BC, V6J 4M6, Canada, during normal business hours until the closing of the Qualifying Transaction and for a period of thirty (30) days thereafter.

PART III INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

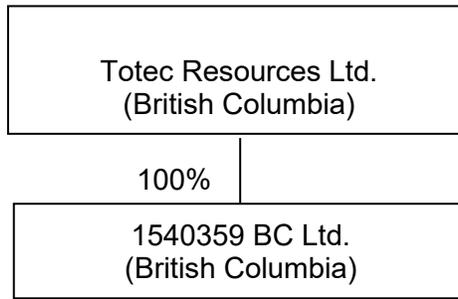
Name and Incorporation

Totec will not change its name in connection with completion of the Qualifying Transaction.

The Resulting Issuer will continue to be a British Columbia company. The head office for the Resulting Issuer will be located at Suite 400 – 1681 Chestnut Street Vancouver BC V6J 4M6, and continues to exist pursuant to, the *Business Corporations Act* (British Columbia) with an authorized capital of an unlimited number of common shares without par value.

Intercorporate Relationships

The following organizational chart reflects the proposed structure of the Resulting Issuer after Completion of the Qualifying Transaction:



General Description of the Business

Upon completion of the Qualifying Transaction, the Resulting Issuer will carry on the business of Subco See “*Part II – Information Concerning Subco – General Description of the Business*”.

Business Objectives and Milestones.

The Resulting Issuer’s intended primary business objectives and milestones following the completion of the Qualifying Transaction is to continue its multi-phase plan to systematically explore and develop the White Willow Property, and implement the Phase I Work Program, as further described under “*Part II – Information Concerning Subco – White Willow Lithium Project*”.

The Resulting Issuer intends to implement the work plan based upon the recommendations of the author in the Technical Report. The work plan and the proposed budget for the work plan are set out above. See “*Part II – Information Concerning Subco – White Willow Lithium Project – Recommendations*”.

Description of Securities

Securities

The share structure and the rights associated with the Common Shares will remain the same after the Qualifying Transaction. See “*Part I - Information Concerning Totec - Description of Securities.*”

Pro-Forma Consolidated Capitalization

Resulting Issuer Shares	Amount outstanding as of the date of this Filing Statement ⁽¹⁾	Percentage (undiluted)
Held by Current Totec Shareholders	3,063,000	7.9%
Held by Subco Shareholders	30,000,000	77.8%
Held by Usha	5,500,000	14.3%
Total	38,563,000	100%

Note:

- (1) On a post-Share Consolidation basis and assuming \$4,500,000 in gross proceeds are raised through the Financing.

Fully Diluted Share Capital

Description of Security	Number of Securities ⁽¹⁾	Percentage of Total Securities ⁽¹⁾
Resulting Issuer Shares	38,563,000	54.3%
Resulting Issuer Shares issuable pursuant to the exercise of Resulting Issuer Warrants	32,271,300 ⁽²⁾	45.5%
Resulting Issuer Shares issuable pursuant to the exercise of Resulting Issuer Options	130,000 ⁽³⁾	0.2%
Total Fully-Diluted Resulting Issuer Shares	70,964,300	100%

Notes:

- (1) On a post-Share Consolidation basis and assuming \$4,500,000 in gross proceeds are raised through the Financing.
- (2) Comprised of the following: (a) 30,000,000 Subco warrants exercisable to purchase Resulting Issuer Shares at a price of \$0.25 per Resulting Issuer Share until the date that is two (2) years following completion of the Financing; (b) 171,300 Totec broker warrants, exercisable to purchase Resulting Issuer Shares at a price of \$0.20 per Resulting Issuer Share until March 10, 2028; and c) 2,100,000 Subco broker warrants, exercisable to purchase Resulting Issuer Shares at a price of \$0.25 per Resulting Issuer Share the date that is three (3) years following completion of the Financing.
- (3) Held by directors and officers of Totec and exercisable at a price of \$0.10 per Resulting Issuer Share until June 13, 2032.

Available Funds and Principal Purposes

Estimated Available Funds

Based on information available as at December 31, 2025, upon Completion of the Qualifying Transaction, the Resulting Issuer is expected to have up to \$3,998,257 in Available Funds, which includes the following:

Description	Amount
Working capital (deficit) of Totec as at December 31, 2025	(\$37,166)
Working capital (deficit) of Subco as at December 31, 2025	(\$4,577)
Gross proceeds from Financing	\$4,500,000
Estimated fees and expenses of the Qualifying Transaction ⁽²⁾	(\$460,000)
Total Estimated Available Funds	\$3,998,257

Note:

- ⁽¹⁾ Estimated fees and expenses are comprised of: (i) legal fees; (ii) auditor fees; (iii) commissions (7% of the gross proceeds raised in the Financing); and (iv) Exchange fees.

Principal Purposes

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following completion of the Qualifying Transaction:

Uses of Funds	Amount of Funds (\$)
Drone Magnetism and LIDAR	280,800
Mapping and Trenching	121,140
<i><u>Other Expenses</u></i>	
Acquisition Payment	50,000
Investor Relations	200,000
Legal Fees ⁽¹⁾	50,000
Audit Fees	20,000
Accounting Fees	40,000
Administrative	40,000

Uses of Funds	Amount of Funds (\$)
Miscellaneous	50,000
Unallocated Working Capital ⁽¹⁾	3,146,317
Total Estimated Uses of Funds	3,998,257

Note:

- (1) Possible uses of the unallocated working capital include: the funding of ongoing operations; due diligence respecting potential new mining claims and concessions; and other uses as may be necessary and deemed appropriate from time to time.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of Totec and Subco may consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates. See “*Note Regarding Forward-Looking Statements*”.

Principal Securityholders

To the knowledge of management of Totec and Subco, no Person is anticipated to beneficially own, directly or indirectly, or exercise control or direction over more than 10% of any class of voting securities of the Resulting Issuer upon completion of the Qualifying Transaction, except for USHA which will hold 5,500,000 Totec Shares representing 14.3% of the outstanding Totec Shares, assuming 30,000,000 Units are issued in connection with the Financing.

Directors, Officers and Promoters

Name, Occupation and Security Holdings

The following table lists the names, municipalities of residence of the proposed directors and officers of the Resulting Issuer upon Completion of the Qualifying Transaction, their proposed positions and offices to be held with the Resulting Issuer, and their principal occupations or employment and the number of securities of the Resulting Issuer which will be beneficially owned, directly or indirectly, or over which control or direction will be exercised by each upon completion of the Qualifying Transaction.

Name and Municipality of Residence	Principal Occupations for the Last Five Years	Period or periods during which each proposed director or Officer has served as a director or Officer of Totec or Subco	Proposed Position With the Resulting Issuer	Number and Percentage of Resulting Issuer Shares ⁽¹⁾
Deepak Varshney <i>Vancouver, BC</i>	CEO of Usha (2019 to present), Core Critical Minerals Corp. (2021 to Present), Formation Metals Inc. (2023 to Present), and Totec (2022 to Present)	March 2023 - Present	Chief Executive Officer, Corporate Secretary and Director	500,000 ⁽²⁾ 1.3%
Rishi Kwatra <i>Vancouver, BC</i>	CEO of New Energy Metals Corp. (2022 to 2024) and Molten Metals Corp. (2024 to Present)	Upon Completion of the Qualifying Transaction	Director	Nil Nil%
Zachary Kotowych <i>Etobicoke, ON</i>	CEO of Troubadour Resources Inc. (2025 to Present), and Bolt Metals Corp. (2025 to Present) Corporate Development, Abitibi Metals Corp. (2024 to Present) and Silver Crown Royalties Inc. (2024 to Present) Equity Research Associate (Metals and Mining), Haywood Securities Inc. (2022 to 2024)	Upon Completion of the Qualifying Transaction	Director	Nil Nil%
James Walker <i>Vancouver, BC</i>	CEO, President and Director for Ares Strategic Mining Inc. (2016 to Present) and Nano Nuclear Energy Inc. (2022 to Present)	March 2023 - Present	Director	350,000 0.9%

Name and Municipality of Residence	Principal Occupations for the Last Five Years	Period or periods during which each proposed director or Officer has served as a director or Officer of Totec or Subco	Proposed Position With the Resulting Issuer	Number and Percentage of Resulting Issuer Shares ⁽¹⁾
Khalid Naeem <i>Vancouver, BC</i>	CEO, Aterna Advisors Inc. (2023 to Present) CFO of Usha (2018 to Present) , Core Critical Minerals Corp. (2023 to Present), Formation Metals Inc. (2024 to Present), Troubadour Resources Inc. (2024 to Present), Western Metallica Resources Corp. (2022 to 2022) and Totec (2023 to Present).	March 2023 - Present	Chief Financial Officer	50,000 0.1%

Notes:

- (1) Based on 38,563,000 Common Shares outstanding (on a post-Share Consolidation basis).
- (2) 300,000 Common Shares are held by Deepak Varshney through a wholly-owned corporation, Castello Q Development Corporation, and 200,000 Common Shares are held through a wholly-owned corporation, 1473632 BC Ltd.

Management

Deepak Varshney (Chief Executive Officer, Corporate Secretary and Director) – Age: 37

Mr. Deepak Varshney brings a wealth of experience in mineral exploration and corporate leadership to Totec. As a professional geologist with over 15 years of experience in the mineral exploration industry, Mr. Varshney has demonstrated a keen ability to identify and develop high-potential mineral assets.

Mr. Varshney’s expertise spans across various roles in the mining sector. He currently serves as part of the leadership of multiple resource companies, including as a director of Doubleview Gold Corp., showcasing his capacity to manage and drive growth across multiple ventures simultaneously. With an educational background from Simon Fraser University, Mr. Varshney combines academic knowledge with practical industry experience.

As the CEO and Corporate Secretary of the Resulting Issuer, Mr. Varshney will be responsible for the day-to-day operations, acquisitions and project development, corporate secretarial functions, and financial operations of the Resulting Issuer in conjunction with the Chief Financial Officer and with outside accounting, tax and auditor support. Mr. Varshney expects to devote approximately 40% of his time to the Resulting Issuer’s activities, but will at all times devote sufficient time to the Resulting Issuer’s activities as is reasonably necessary to discharge his responsibilities as CEO. Mr. Varshney will not be an employee of the Resulting Issuer but will be

an independent consultant of the Resulting Issuer. Mr. Varshney has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

James Walker (Director) – Age: 41

Mr. Walker is a Professional Chartered Engineer with an active designation from the Institution of Mechanical Engineers. He holds a degree in Mechanical Engineering from the University of Nottingham in the United Kingdom and a degree in Mining Engineering from the University of Exeter in the United Kingdom. Mr. Walker also holds a degree in Nuclear Physics and Nuclear Engineering from Cranfield University in the United Kingdom.

Mr. 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 currently the Chief Executive Officer, President and Director of Ares Strategic Mining and Nano Nuclear Energy Inc.

Mr. Walker expects to devote approximately 10% of his time to the Resulting Issuer's activities, but will at all times devote sufficient time to the Resulting Issuer's activities as is reasonably necessary to discharge his responsibilities as a director. Mr. Walker will not be an employee or consultant of the Resulting Issuer. Mr. Walker has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

Zachary Kotowych (Director) – Age: 34

Mr. Kotowych brings nearly a decade of experience in the mining and capital markets sectors, combining technical expertise with financial acumen. He currently serves as the chief executive officer, corporate secretary and a director of Troubadour Resources Inc. and as the chief executive officer and a director of Bolt Metals Corp. Before joining Troubadour Resources, Mr. Kotowych held corporate development roles at several junior mining companies, most recently at Abitibi Metals Corp., where he helped advance the high-grade B26 polymetallic deposit and the Beschefer gold project. His background also includes equity research roles at Haywood Securities and Red Cloud Securities, focusing on mining equities.

Mr. Kotowych's technical experience encompasses exploration work with Great Bear Resources (now part of Kinross Gold Corp.), Carlisle Goldfields (now part of Alamos Gold) and Solstice Gold. He holds a master of science in geophysics and an honours bachelor of science in mathematics and geology from the University of Toronto.

Mr. Kotowych expects to devote approximately 10% of his time to the Resulting Issuer's activities, but will at all times devote sufficient time to the Resulting Issuer's activities as is reasonably necessary to discharge his responsibilities as a director. Mr. Kotowych will not be an employee or consultant of the Resulting Issuer. Mr. Kotowych has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

Rishi Kwatra (Director) – Age: 48

Mr. Kwatra has approximately 30 years of experience with finance and business development. Mr. Kwatra's many roles have included roles in corporate finance, business development, and mergers and acquisitions for several industry leaders. He has been involved in project generation and business development along with evaluating early to advanced stage M&A opportunities in the mining sector. His extensive network of international contacts in the institutional and capital

markets also brings strong financial relationships.

Mr. Kwatra has led financings for various public and private issuers. Mr. Kwatra is also a serial entrepreneur and a seasoned investor in real estate. He has studied international trade and business administration in finance at the British Columbia Institute of Technology.

Mr. Kwatra expects to devote approximately 10% of his time to the Resulting Issuer's activities, but will at all times devote sufficient time to the Resulting Issuer's activities as is reasonably necessary to discharge his responsibilities as a director. Mr. Kwatra will not be an employee or consultant of the Resulting Issuer. Mr. Kwatra has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

Khalid Naeem (Chief Financial Officer and Director) – Age: 48

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 multiple 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 Canada Revenue Agency.

As the Chief Financial Officer of the Resulting Issuer, Mr. Naeem will be responsible for coordination of the financial operations of the Resulting Issuer in conjunction with the Chief Executive Officer and with outside accounting, tax and auditing firms. Mr. Naeem expects to devote approximately 30% of his time to the Resulting Issuer's activities, but will at all times devote sufficient time to the Resulting Issuer's activities as is reasonably necessary to discharge his responsibilities as a CFO. Mr. Naeem will not be an employee of the Resulting Issuer but will be an independent consultant of the Resulting Issuer. Mr. Naeem has not entered into a non-competition or non-disclosure agreement with the Resulting Issuer.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed herein, no proposed director, officer, promoter or Control Person, is, as at the date hereof, or has been, within 10 years before the date hereof, a director, officer, promoter or Control Person of any person or company that, while that person was acting in that capacity

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement 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 (the "**Ares MCTO**") 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 Ares MCTO was revoked on October 5, 2021, following Ares's filing of the required disclosure.

No proposed director, officer, promoter or Control Person, is, as at the date hereof, or within 10 years before the date hereof has:

- (a) 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
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Qualifying Transaction.

Executive Compensation

Disclosure of the executive compensation practices for Subco is set forth in “*Part II – Information Concerning Subco – Executive Compensation*”. It is anticipated that the Resulting Issuer will continue the executive compensation practices of Subco upon closing of the Qualifying Transaction.

It is anticipated that from time to time stock options will be granted under the Resulting Issuer Option Plan to provide an incentive to the participants; to achieve the longer-term objectives of the Resulting Issuer; to give suitable recognition to the ability and industry of such Persons who contribute materially to the success of the Resulting Issuer; and to attract and retain Persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the

The following table sets forth annual compensation entitlements for services in all capacities to the Resulting Issuer for the 12 months following completion of the Qualifying Transaction in respect of all individuals who are expected to be acting in capacities of Chief Executive Officer and Chief Financial Officer of the Resulting Issuer:

Name and Position	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Deepak Varshney, CEO and Corporate Secretary	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Khalid Naeem, CFO	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Interests of Management and Others in Material Transactions

Except as disclosed in this Filing Statement, no director, executive officer or principal Totec Shareholder, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years, or in any proposed transaction, that has materially affected or will materially affect Totec.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Resulting Issuer holding positions as directors or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officer will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies under the BCA or other applicable corporate legislation.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Deepak Varshney	Usha Resources Ltd.	TSXV	CEO, President	September 2018	Present
			Director	September 2018	Present
	Core Critical Minerals Corp.	TSXV	CEO, President Director	August 2021	Present
	Orcus Resources Ltd.	TSXV	CEO, President Director	March 2020	April 2022
	Western Metallica Resources Corp.	TSXV	Director	August 2021	August 2023
	Mantra Exploration Inc.	Unlisted	Director	February 2022	January 2024
	AsiaBaseMetals Inc.	TSXV	Director	February 2022	January 2024
	Formation Metals Inc.	CSE	CEO, President Director	April 2023	Present
	Doubleview Gold Corp.	TSXV	Director	February 2024	Present
James Walker	Ares Strategic Mining	CSE	CEO, President Director	October 2016	Present
	Bayhorse Silver	TSXV	Director	May 2019	Present
	Orcus Resources Ltd.	TSXV	Director	March 2020	April 2022

	Altair Resources Inc.	TSXV	Director	August 2021	April 2022
	Core Critical Minerals Corp.	TSXV	Director	September 2021	Present
	Nano Nuclear Energy Inc.	NASDAQ	CEO, Director	April 2022	Present
	Western Metallica Resources Corp.	TSXV	Director	September 2021	September 2022
	Enyo Strategic Mining Inc.	Unlisted	Director	September 2023	Present
Rishi Kwatra	New Energy Metals Inc.	TSXV	CEO, Director	November 2022	September 2024
	Molten Metals Corp.	CSE	Director	October 2024	Present
Zachary Kotowych	Bolt Metals Corp.	CSE	CEO, Director	September 2025	Present
	Troubadour Resources Inc.	TSXV	CEO, Director	April 2025	Present
	Nova Pacific Metals Corp.	CSE	Director	May 2025	Present
Khalid Naeem	Usha Resources Ltd.	TSXV	CFO	December 2019	Present
	Orcus Resources Ltd.	TSXV	CFO	March 2020	April 2022
	Western Metallica Resources Corp.	TSXV	CFO	April 2022	September 2022
	Totec Resources Ltd.	TSXV	CFO	March 2023	Present
	Core Critical Minerals Corp.	TSXV	CFO	May 2023	Present
	Formation Metals Inc.	CSE	CFO	September 2024	Present
	Troubadour Resources Inc.	TSXV	CFO	August 2024	Present

Audit Committee and Corporate Governance

Audit Committee Charter

Upon completion of the Qualifying Transaction, the audit committee charter of Totec will be the audit committee charter of the Resulting Issuer.

Composition of Audit Committee and Independence

The following will be the members of the audit committee of the Resulting Issuer:

Member	Independent / Not Independent⁽¹⁾	Financially Literate / not Financially Literate⁽²⁾
James Walker	Independent	Financially literate
Zachary Kotowych	Independent	Financially literate
Deepak Varshney	Not Independent	Financially literate

Notes:

- (1) A member of an audit committee is independent if the member meets the meaning of that term as defined in section 1.4 of National Instrument 52-110 - Audit Committees ("**NI 52-110**").
- (2) As defined under NI 52-110.

Relevant Education and Experience

In accordance with section 6.1.1(3) of NI 52-110 relating to the composition of the audit committee for venture issuers, a majority of the members of the audit committee will not be executive officers, employees or control persons of the Resulting Issuer.

All members of the audit committee will be financially literate as required by section 1.6 of NI 52-110.

Each of the members of the audit committee will have a general understanding of the accounting principles used by the Resulting Issuer to prepare its financing statements and will seek clarification from the Resulting Issuer's auditors, where required. Each of the members of the audit committee will also have direct experience in understanding accounting principles for private and reporting companies and experience in preparing, auditing analyzing or evaluating financial statements similar to those of the Resulting Issuer.

See also "*Directors and Executive Officers*" and "*Management of the Resulting Issuer*" concerning the education and experience of each member of the Audit Committee.

Audit Committee Oversight

Recommendations of the Committee to nominate or compensate an external auditor will be adopted by the Board of the Resulting Issuer.

Reliance on Certain Exemptions

The Resulting Issuer intends to rely on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110; or
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-

- 110; or
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The audit committee does not plan to adopt any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table sets out the aggregate fees billed by Subco's Auditors to Subco and the Resulting Issuer during the last fiscal year:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
August 31, 2025	Nil	Nil	Nil	Nil

Notes:

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

Exemption

The Resulting Issuer intends to rely on the exemption in section 6.1 of NI 52-110 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

Corporate Governance Disclosure

Board of Directors

The Resulting Issuer's Board consists of four directors, three of whom (James Walker, Rishi Kwatra and Zachary Kotowych) are independent based upon the tests for independence set forth in NI 52-110, and one of whom (Deepak Varshney) is not independent.

Orientation and Continuing Education

The Resulting Issuer's Board will be responsible for, among other things, providing suitable programs, with the assistance of management, for the orientation of new directors and the continuing education of incumbent directors. Each new director will be given an outline of the nature of the Resulting Issuer's business, its corporate strategy, and current issues within the Resulting Issuer. New directors will be encouraged to review the Resulting Issuer's public disclosure records and will also be required to meet with management of the Resulting Issuer to discuss and better understand the Resulting Issuer's business and will be given the opportunity to meet with counsel to the Resulting Issuer to discuss their legal obligations as directors of the Resulting Issuer.

Board members will be encouraged to communicate with management and auditors; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars. Board members will be given full access to the Resulting Issuer's records.

Ethical Business Conduct

Good corporate governance will be an integral component to the success of the Resulting Issuer and to meet responsibilities to shareholders.

Nomination of Directors

The Resulting Issuer will not have a stand-alone nomination or corporate governance committee. The Resulting Issuer's Board will be responsible for, among other things, identifying qualified candidates for appointment, election and re-election to the Board and its committees. In identifying candidates for appointment to the Board, the Board will consider, among other factors and in the context of the needs of the Board, potential conflicts of interest, professional experience, personal character, diversity, outside commitments and particular areas of expertise. The Resulting Issuer's management will be continually in contact with individuals involved with public sector issuers. From these sources management will obtain numerous contacts and if the Resulting Issuer requires any new directors, such individuals will be brought to the attention of the Board. The Resulting Issuer will conduct due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Resulting Issuer, the ability to devote the time required, integrity of character and a willingness to serve.

Director Compensation

Upon Completion of the Qualifying Transaction the directors of the Resulting Issuer will determine how much, if any, compensation will be paid to directors for services rendered to the Resulting Issuer by them in that capacity. Such incentives may be in the form of an annual director's fee and/or in the form of incentive stock options pursuant to the Resulting Issuer Option Plan.

Indebtedness of Directors and Officers

No director, officer, promoter, member of management, nominee for elections as director of the Resulting Issuer, nor any of their Associates or Affiliates, is or has been indebted to Totec or Subco or is expected to be indebted to the Resulting Issuer following the completion of the Qualifying Transaction.

Investor Relations Arrangements

The Resulting Issuer expects to allocate a minimum of \$200,000 towards investor relations in the 12 months following the Qualifying Transaction. It has not yet entered into any arrangement for promotional and investor relations services.

Resulting Issuer Option Plan

Upon completion of the Qualifying Transaction, the stock option plan for Totec will be the stock option plan for the Resulting Issuer. Pursuant to the Resulting Issuer Option Plan, the aggregate number of Resulting Issuer Shares reserved for issuance under the plan, including any Resulting Issuer Shares reserved for issuance under any other share compensation arrangement granted or made available by Resulting Issuer from time to time, may not exceed in aggregate 10% of Resulting Issuer's Shares issued and outstanding at the time of grant. The price and vesting terms of the options are set on a grant-by-grant basis but will conform to the rules of the Exchange. Capitalized terms used in this section and not otherwise defined in this Filing Statement, have the meanings assigned to such term in the Resulting Issuer Option Plan. 36,563,000 Resulting Issuer Shares are expected to be issued and outstanding upon Completion of the Qualifying Transaction. For a summary of the Resulting Issuer Option Plan, please see "*Part I Information Concerning Totec - Stock Option Plan - Other Material Terms of the Totec Plan*".

Outstanding Options

Upon of the Completion of the Qualifying Transaction, it is anticipated that the following Resulting Issuer Options will be outstanding:

Optionee	Number of Resulting Issuer Options ⁽¹⁾	Exercise Price per Resulting Issuer Share (\$) ⁽¹⁾	Expiry Date
Deepak Varshney	65,000	\$0.10	June 13, 2032
James Walker	65,000	\$0.10	June 13, 2032
Total	130,000		

Note:

(1) On a post-Share Consolidation basis.

Escrow Securities

The Resulting Issuer Shares constituting CPC Escrow Shares will be subject to an escrow that was imposed as part of the IPO. No Resulting Issuer Shares will be subject to additional escrow pursuant to Exchange policies or NP 46-201 *Escrow for Initial Public Offerings*.

CPC Escrow Shares

CPC Escrow Shares are Common Shares held in escrow pursuant to Section 1.1 of the CPC Policy, and released in accordance with the following timeline:

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 following table sets out, as of the date hereof and to the knowledge of Totec, the name and municipality of residence of the securityholders whose Common Shares will continue to be subject to the CPC Escrow Agreement. A total of 2,700,000 Common Shares are held in escrow pursuant to the CPC Escrow Agreement and as follows:

		Prior to Giving Effect to the Qualifying Transaction		After Giving Effect to the Qualifying Transaction	
Name and Municipality of Residence of Shareholder	Designation of Class	Number of Securities held in Escrow⁽¹⁾	Percentage of Class⁽²⁾	Number of Securities to be held in Escrow⁽¹⁾	Percentage of Class⁽³⁾
Deepak Varshney Vancouver, British Columbia	Common Shares	500,000 ⁽⁴⁾	16.3%	500,000 ⁽⁴⁾	1.3%
James Walker Vancouver, British Columbia	Common Shares	350,000	11.4%	350,000	0.9%
Khalid Naeem Vancouver, British Columbia	Common Shares	50,000	1.6%	50,000	0.1%
Jon Deluce Komoka, Ontario	Common Shares	250,000	8.2%	250,000	0.6%
Navin Varshney, Vancouver, British Columbia	Common Shares	100,000	3.3%	100,000	0.3%
Paul McGuigan Vancouver, British Columbia	Common Shares	50,000	1.6%	50,000	0.1%

		Prior to Giving Effect to the Qualifying Transaction		After Giving Effect to the Qualifying Transaction	
Name and Municipality of Residence of Shareholder	Designation of Class	Number of Securities held in Escrow ⁽¹⁾	Percentage of Class ⁽²⁾	Number of Securities to be held in Escrow ⁽¹⁾	Percentage of Class ⁽³⁾
Andres Abogado Vancouver, British Columbia	Common Shares	50,000	1.6%	50,000	0.1%
Total		1,350,000	44.1%	1,350,000	3.5%

Notes:

- (1) On a post-Share Consolidation basis.
- (2) Based on 3,063,000 Shares issued and outstanding (on a post-Share Consolidation basis).
- (3) Based on 38,563,000 Resulting Issuer Shares (on a post-Share Consolidation basis) expected to be issued and outstanding upon Completion of the Qualifying Transaction.
- (4) 300,000 Common Shares are held through Castello Q Development Corporation, and 200,000 Common Shares are held through 1473632 BC Ltd., both of which are wholly owned and controlled by Deepak Varshney.

Auditor, Transfer Agent and Registrar

The auditor for Totec is Davidson & Company LLP with an address of 1200 – 609 Granville Street, Vancouver, BC V7Y 1G6.

The transfer agent and registrar for the Resulting Issuer will be is Endeavor Trust Corporation with an address of 777 Hornby Street, Suite 702, Vancouver, BC V6Z 1S4.

PART IV – RISK FACTORS

Where used in this “Risk Factors” section, “Subco” refers to either Subco or the Resulting Issuer as the context may require. The current business of Subco will be the business of the Resulting Issuer upon Completion of the Qualifying Transaction. Accordingly, risk factors relating to Subco’s current business will be risk factors relating to the Resulting Issuer’s business and references to Subco in these risk factors should, where the context requires, be read to include the risks of the Resulting Issuer. Due to the nature of Subco’s business, the legal and economic climate in which it operates and its present stage of development, Subco is subject to significant risks. The risks presented below should not be considered to be exhaustive and may not be all of the risks that the Resulting Issuer and Subco may face. Subco’s future development and operating results may be very different from those expected as at the date of this Filing Statement. Additional risks and uncertainties not presently known to Subco or that Subco currently considers immaterial may also impair the business and operations of the Resulting Issuer and cause the trading price of the Common Shares to decline. If any of the following or other risks occur, the Resulting Issuer’s business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Common Shares could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. Readers should carefully consider all such risks and other information elsewhere in this Filing Statement before making an investment in Subco or the Resulting Issuer

and should not rely upon forward-looking statements as a prediction of future results. Risk factors relating to Subco include, but are not limited to, the factors set out below.

Risk Factors Relating to Totec

The Proposed Qualifying Transaction May Not Be Completed

The completion of the transactions contemplated by the Qualifying Transaction is subject to certain conditions, including obtaining all necessary regulatory approvals and other transactions comprising part of the Qualifying Transaction and other customary conditions. In particular, completion of the Transaction is conditional upon the pending approval by the Exchange of the reviewable disposition of Usha in respect of the Transaction (by way of Usha's indirect sale of the White Willow Property to Totec). There can be no assurance that all of the necessary regulatory approvals will be obtained. If the transactions contemplated are not completed for these reasons or for any other reasons, Totec will have incurred significant costs associated with the failed implementation of the Qualifying Transaction.

Furthermore, Totec has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that Totec will be able to identify a suitable Qualifying Transaction in the future. Even if a proposed Qualifying Transaction is identified in the future, the completion of such other Qualifying Transaction will be subject to a number of conditions including acceptance by the Exchange.

Limited Operating History and History of Losses

Totec has not commenced commercial operations and has no assets other than cash. Totec has no history of material earnings and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until completion of a Qualifying Transaction, Totec is not permitted to carry on any business other than the identification and evaluation of potential transactions.

Dilution

The Qualifying Transaction will be financed in part by the issuance of additional securities of Totec and this will result in further dilution to the current Totec Shareholders, which dilution may be significant and which may also result in a change of control of Totec.

Management and Conflicts of Interest

The ability of Totec to successfully complete a Qualifying Transaction is dependent on the performance of its current directors and officers, who only devote a portion of their time to the business and affairs of Totec and are, or will be, engaged in other projects or businesses. The current directors, officers and Promoters of Totec also serve as directors and/or officers of other companies which may compete with Totec in its search for the businesses or assets targeted in order to complete a Qualifying Transaction. Accordingly, situations may arise where the directors, officers and promoters of Totec are in a position of conflict with Totec.

Risk Factors Relating to the Resulting Issuer

The Resulting Issuer's business upon Completion of the Qualifying Transaction will involve the exploration and development of the White Willow Lithium Project. The risk factors associated with

the principal business of the Resulting Issuer are discussed below. Briefly, these relate to the highly speculative nature of the mining industry characterized by the requirement for large capital investment from an early stage and a low probability of finding economic mineral deposits. Due to the present stage of exploration and development of these critical minerals projects, the Resulting Issuer may be subject to significant risks. Readers should carefully consider all such risks set out in the discussion below. The Resulting Issuer's actual exploration and operating results may be very different from those expected as at the date of this Filing Statement.

Exploration and Development Risk

Mining operations generally involve a high degree of risk. The Resulting Issuer's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of mineral properties, including unusual and unexpected geologic formations, seismic activity, explosions, rock bursts, cave-ins, flooding, pit wall failure and other conditions involved in drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, delays in mining, monetary losses and possible legal liability.

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines and no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. Mineral exploration involves many risks and uncertainties, and success in exploration is dependent on a number of factors, including the quality of management, quality and availability of geological expertise and the availability of exploration capital. Substantial expenditures are required to establish mineral resources and mineral reserves, complete drilling and to develop processes to extract the minerals, develop mining and processing facilities and suitable infrastructure at any site chosen for mining, and establish commercial operations. Also, substantial expenses may be incurred on exploration projects which are subsequently abandoned due to poor exploration results or the inability to define reserves which can be mined economically. Even if an exploration program is successful and economically recoverable minerals are found, it can take a number of years from the initial phases of drilling and identification of the mineralization until production is possible, during which time the economic feasibility of extraction may change and the minerals that were economically recoverable at the time of discovery cease to be economically recoverable. There can be no assurance that the minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale operations.

The commercial viability of the critical minerals projects and other properties in which the Resulting Issuer has or may acquire an interest in the future depends upon on a number of factors, all of which are beyond the control of the Resulting Issuer, including, but not limited to: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; critical minerals prices, which are highly cyclical; general and local labour market conditions; the proximity and capacity of milling facilities; local, provincial, federal and international government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; ongoing costs of production; and availability and cost of additional funding. The exact effect of these factors, either alone or in combination, cannot be accurately predicted and their impact may result in the Resulting Issuer not being able to economically extract minerals from any identified mineral resource or mineral reserve which, in turn, could have a material and adverse impact on the Resulting Issuer's cash

flows, earnings, results of operations and financial condition and prospects. The Resulting Issuer cannot provide any certainty that the exploration or development programs planned by the Resulting Issuer will result in a profitable commercial mining operation in respect of the critical minerals projects or other properties in which the Resulting Issuer may acquire an interest in the future.

Limited Operating History and Financial Resources

Subco has a limited operating history and expects that its losses will continue for the foreseeable future. Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that the Resulting Issuer plans to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Resulting Issuer in the exploration of mineral claims may not result in the discovery of mineral deposits. Problems such as unusual or unexpected formations of rock or land and other conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. If the results of future exploration programs do not reveal viable commercial mineralization, the Resulting Issuer may decide to abandon its claims and acquire new claims for new exploration or cease operations.

There can be no assurance that the Resulting Issuer will ever be profitable in the future. The Resulting Issuer's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Property and any other properties that the Resulting Issuer has or may acquire are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Resulting Issuer's acquisition of additional properties and other factors, many of which are beyond the Resulting Issuer's control.

Uncertainty of Resource Estimates

No assurance can be given that any tonnages and grades will be achieved or that any level of recovery will be realized. The grade of mineralization recovered may differ materially and adversely from the estimated average grades in any current or future resource estimates. Future production could differ dramatically from resource estimates for, among others, the following reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- increases in operating mining costs and processing costs could adversely affect mineral resources;
- the grade of the mineral resources may vary significantly from time to time and there is no assurance that any particular grade may be recovered from the mineral resources; and
- declines in the market price of minerals may render the mining of some or all the

mineral resources uneconomic.

Any of these factors may require the Resulting Issuer to reduce its Mineral Resource estimates or increase its cost estimates. Short-term factors, such as the need for the additional development of a deposit or the processing of new different grades, may impair the Resulting Issuer's profitability. Should the market price of minerals fall, the Resulting Issuer could be required to materially write down its investment in mining properties or delay or discontinue production or the development of new projects.

Mineral Reserves

Subco has not defined any mineral reserves on its claims at the White Willow Lithium Project and there can be no assurance that any of the claims under exploration contain commercial quantities of any minerals. Even if commercial quantities of minerals are identified, there can be no assurance that the Resulting Issuer will be able to exploit the resources or, if the Resulting Issuer is able to exploit them, that it will do so on a profitable basis. Substantial expenditures may be required to locate and establish mineral reserves, to develop extraction processes and to construct mining and processing facilities at a site, and substantial additional financing may be required. It is impossible to ensure that the exploration or development programs planned by the Resulting Issuer will result in a profitable commercial mining operation. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) mineral prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; (iv) ongoing costs of production; and (v) availability and cost of additional funding. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Resulting Issuer not receiving an adequate return on invested capital.

Operational Risks

Mineral exploration and mining involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include unusual or unexpected formations, formation pressures, inclement weather conditions, seismic activity, fires, power outages, industrial accidents, flooding, explosions, rock bursts, cave-ins or pit wall failures and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, catastrophic damage to property or loss of life, labour disruptions, technological failure of mining methods, equipment failure or the inability to obtain suitable or adequate machinery, equipment or labour. Operations in which the Resulting Issuer will have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. Although the Resulting Issuer intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Resulting Issuer could incur significant costs that could have a materially adverse effect upon its financial condition.

Title to Property

The Resulting Issuer will not maintain insurance against title. Title on mineral properties and mining rights 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 conveyance history of many mining properties. Subco has diligently investigated title to its mineral claims; however, this should not be construed as a guarantee of title. The Resulting Issuer cannot give any assurance that title to property will not be challenged or impugned and cannot guarantee that the Resulting Issuer will have or acquire valid title to the White Willow Project. The possibility also exists that title to the existing property or future prospective properties may be lost due to an omission in the claim of title or prior activities of Usha which affects the Resulting Issuer's title.

Commodity Prices

The profitability of the Resulting Issuer's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Resulting Issuer. These factors include interest rates, the rate of inflation or deflation, global and regional supply and demand, consumption patterns, forward sales by producers, currency exchange fluctuations, speculative activities and increased production due to improved mining and production methods. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political and economic developments in major copper and critical mineral-producing countries throughout the world. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable.

The Resulting Issuer's future revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of copper and gold. The prices of these commodities are affected by numerous factors beyond the Resulting Issuer's control.

Dependence on Future Financings

The Resulting Issuer will require significant capital and operating expenditures in connection with the development of the White Willow Property. There can be no assurance that the Resulting Issuer will be successful in obtaining the required financing as and when needed. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which an impact on the amount of additional capital will have that may be required. To meet such funding requirements, the Resulting Issuer may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Resulting Issuer or at all. If the Resulting Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Share Price Volatility

The market price for the Resulting Issuer Shares cannot be assured. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The trading price of the Totec Shares has been, and the trading price of the Resulting Issuer Shares may continue to be, subject to large fluctuations. For the same reason, the value of any of the Resulting Issuer's securities convertible into, or exchangeable for, Resulting Issuer Shares may also fluctuate significantly, which may result in losses to investors. The price of the Resulting Issuer Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. Factors that may contribute to volatility in the securities of the Resulting Issuer include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Resulting Issuer Shares is also likely to be significantly affected by short-term changes in mineral prices or in its financial condition or results of operations as reflected in its quarterly earnings reports.

Other factors unrelated to the Resulting Issuer's performance that may have an effect on the price of the Resulting Issuer Shares include the following: lessening in trading volume and general market interest in the Resulting Issuer's securities may affect an investor's ability to trade significant numbers of Resulting Issuer Shares; the size of the Resulting Issuer's public float may limit the ability of some institutions to invest in the Resulting Issuer's securities; and a substantial decline in the price of the Resulting Issuer Shares that persists for a significant period of time could cause the Resulting Issuer Shares to be delisted from the exchange on which they trade, further reducing market liquidity. The market price for the Resulting Issuer Shares may also be affected by the Resulting Issuer's ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of the Resulting Issuer Shares.

In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could materially and adversely harm the Resulting Issuer and its financial position.

Government Regulation

The proposed mining, processing, development and mineral exploration activities of the Resulting Issuer are subject to various laws governing environmental protection, natural resources prospecting, development, production, post-closure reclamation, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. The costs associated with compliance with such laws and regulations are substantial. Although the Resulting Issuer believes that its mining and processing operations and exploration and development activities will be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be interpreted and applied in a manner which could cause additional expense, capital expenditures, restrictions on or suspension of the Resulting Issuer's operations and delays in the development of the Property and other properties in which the Resulting Issuer may acquire an interest. Moreover, governmental authorities and private parties may bring lawsuits based upon damage to property and injury to persons resulting

from the environmental, health and safety impacts of the Resulting Issuer's future operations, which could lead to the imposition of substantial fines, penalties and other civil and criminal sanctions. Substantial costs and liabilities, including bonding, reclamation funding, or other requirements for restoring the environment after the closure of mines, will be inherent in the development of the White Willow Property. There can be no assurance that any such law, regulation, enforcement or private claim, or any changes thereto, will not have a material adverse effect on the Resulting Issuer's business, financial condition or results of operations.

Permits and Licenses

The mining and exploration activities of the Resulting issuer will require permits from various governmental authorities and such operations are, and will be, governed by laws and regulations governing exploration, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety, mine permitting and other matters. Companies engaged in mining and exploration activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. While Subco believes that it will have all permits and licences necessary to carry on activities on the Property after Completion of the Qualifying Transaction, a substantial number of additional permits and licenses may be required after the Completion of the Qualifying Transaction. The Resulting Issuer anticipates that it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licenses and permits; however, there can be no assurance that all permits that the Resulting Issuer may require for mining and exploration will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Resulting Issuer may undertake. Subco believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. However, there may be unforeseen environmental liabilities of the Resulting Issuer resulting from exploration and/or mining activities and these may be costly to remedy.

Health and Safety Risk

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Resulting Issuer and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Resulting Issuer as an employer. Failure to comply with applicable health and safety laws may result in injunctions, damages, suspension or revocation of licences or permits and the imposition of penalties. There can be no assurance that the Resulting Issuer will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future health and safety laws and permits will not adversely affect the Resulting Issuer's business, results of operations, financial condition or prospects. The Resulting Issuer will have rigorous procedures in place to manage health and safety protocols in order to reduce the risk of occurrence and the severity of any accident, and will continually invest time and resources to enhance health and safety at all operations. The Resulting Issuer will have insurance policies in place to cover accidents and will regularly monitor the adequacy of such policies.

Environmental Matters

The Resulting Issuer's operations will be subject to laws and regulations regarding environmental matters, the use or abstraction of water, and the discharge of mining wastes and materials. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Resulting Issuer, including the suspension or cessation of operations. Environmental laws and regulations change frequently, and the implementation of new, or the modification of existing, laws or regulations could harm the Resulting Issuer. The Resulting Issuer cannot predict how agencies or courts in foreign countries will interpret existing laws and regulations or the effect that these adoptions and interpretations may have on the Resulting Issuer's business or financial condition.

The Resulting Issuer may be required to make significant expenditures to comply with governmental laws and regulations. Any significant mining operations will have some environmental impact, including land and habitat impact, arising from the use of land for mining and related activities, and certain impact on water resources near the project sites, resulting from water use, rock disposal and drainage run-off. No assurances can be given that such environmental issues will not have a material adverse effect on the Resulting Issuer's operations in the future. Environmental hazards may exist on the Property in which the Resulting Issuer holds interests which are unknown to Totec or Subco at the present time and which have been caused by previous or existing owners or operators of the properties. While Subco believes it does not currently have any material unsatisfied environmental obligations, exploration activities may give rise in the future to significant liabilities on the Resulting Issuer's part to the government and third parties and may require the Resulting Issuer to incur substantial costs of remediation.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Additionally, the Resulting Issuer does not intend to maintain insurance against environmental risks. As a result, any claims against the Resulting Issuer may result in liabilities the Resulting Issuer will not be able to afford, resulting in the failure of the Resulting Issuer's business. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation of existing laws, could have a material adverse impact on the Resulting Issuer and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new exploration properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important factors affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Resulting Issuer's operations, financial condition and results of operations.

Competition

The mining industry is intensely competitive in all of its phases, and the Resulting Issuer will compete with other exploration companies which have greater financial resources and technical facilities for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other persons to carry out its mineral exploration and development activities. Recent increases in base and precious metal prices have encouraged increases in mining exploration, development and construction activities, which have resulted in increased demand for, and cost of, exploration, development and construction services and equipment. Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increase potential scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays or both.

Amalgamations and Integration

From time to time, the Resulting Issuer may pursue opportunities to acquire additional mining assets and businesses. Any acquisition that the Resulting Issuer may choose to complete may be of a significant size, may change the scale of the Resulting Issuer's business and operations, and may expose the Resulting Issuer to new geographic, political, operating, financial and geological risks. The Resulting Issuer's success in its acquisition activities will depend on its ability to identify suitable acquisition candidates that fit its business strategy, negotiate acceptable terms for any such acquisition, obtain approvals from regulatory authorities in the jurisdiction of the business or property to be acquired, and integrate the acquired operations successfully with those of the Resulting Issuer. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Resulting Issuer has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Resulting Issuer may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Resulting Issuer's ongoing business and its relationships with employees, customers, suppliers and contractors; and, to the extent that the Resulting Issuer makes an acquisition outside of markets in which it has previously operated, the Resulting Issuer may have difficulty conducting and managing operations in a new operating environment.

Acquiring additional business or properties could place increased pressure on the Resulting Issuer's cash flow if such acquisitions involve cash consideration. In the event that the Resulting Issuer chooses to raise debt capital to finance any such acquisition, the Resulting Issuer's

leverage will be increased. If the Resulting Issuer chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Resulting Issuer may choose to finance any such acquisition with its existing resources. The integration of the Resulting Issuer's existing operations with any acquired business will require significant expenditures of time, attention and funds. Achievement of the benefits expected from consolidation would require the Resulting Issuer to incur significant costs in connection with, among other things, implementing financial and planning systems. The Resulting Issuer may not be able to integrate the operations of a recently acquired business or restructure the Resulting Issuer's previously existing business operations without encountering difficulties and delays. In addition, this integration may require significant attention from the Resulting Issuer's management team, which may detract attention from the Resulting Issuer's day-to-day operations. Over the short-term, difficulties associated with integration could have a material adverse effect on the Resulting Issuer's business. In addition, the acquisition of mineral properties may subject the Resulting Issuer to unforeseen liabilities, including environmental liabilities, which could have a material adverse effect on the Resulting Issuer. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from management time and effort and the resolution of any particular legal proceeding to which the Resulting Issuer may become subject could have a material effect on the Resulting Issuer's business, prospects, financial position, results of operations or the Resulting Issuer's property development.

Aboriginal Title

The White Willow Property or other future properties owned or optioned by the Resulting Issuer may now or in the future be the subject of First Nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Resulting Issuer's ownership interest in the White Willow Property cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the White Willow Property is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Resulting Issuer's activities. Should the Resulting Issuer apply for a notice of work permit application, they may require First Nations engagement and there is no assurance that the Resulting Issuer will be able to establish a practical working relationship which would allow it to explore and potentially develop the White Willow Property.

Key Personnel

Locating and developing mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and production personnel involved. The success of the Resulting Issuer is largely dependent on the performance of its key personnel. The Resulting Issuer's success is also largely dependent on its ability to hire and retain other highly qualified personnel. This is particularly true in highly technical businesses such as mineral exploration. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for this workforce is intense. As the Resulting Issuer's

business activity grows, the Resulting Issuer will require additional key executive, financial, operational, administrative and mining personnel. The Resulting Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. These individuals are in high demand and the Resulting Issuer may not be able to attract the personnel it needs. Failure to retain key personnel or to attract and retain additional key individuals with necessary skills could have a materially adverse impact upon the Resulting Issuer's business, its operating results as well as its overall financial condition. The Resulting Issuer has not purchased any "key-man" insurance with respect to any of its directors, officers or key employees and has no current plans to do so.

Community Groups

There is an ongoing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Resulting Issuer or its relationships with the communities in which it operates, which could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, cash flows or prospects.

Insurance and Uninsured Risk

The business of the Resulting Issuer will be subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, explosions, rock bursts, cave-ins, natural phenomena such as inclement weather conditions, floods and earthquakes, changes in the regulatory environment and political or social instability. Such occurrences or events could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Resulting Issuer or others, delays in mining, monetary losses and possible legal liability.

Although the Resulting Issuer plans to maintain insurance for protection against certain risks in amounts it considers being reasonable, such insurance may not cover all the potential risks associated with Resulting Issuer's operations. The Resulting Issuer may also decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against political risk and risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Resulting Issuer or to other companies in the mining industry on acceptable terms. The Resulting Issuer will periodically evaluate the cost and coverage of the insurance against certain risks to determine if it would be appropriate to obtain such insurance. Without such insurance, losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Resulting Issuer may become subject to conflicts of interest. In accordance with the *Business Corporations Act* (British Columbia), directors who have a material

interest in any person who is a party to a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer. However, in conflict of interest situations, the Resulting Issuer's directors and officers may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions. Circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Resulting Issuer.

No Dividends

The Resulting Issuer does not expect to pay dividends on the issued and outstanding Resulting Issuer Shares upon Completion of the Qualifying Transaction or in the foreseeable future. If the Resulting Issuer generates any future earnings such cash resources will be retained to finance further growth and current operations. The board of directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based on the financial position of the Resulting Issuer and other factors relevant at that time. Until the Resulting Issuer pays dividends, which it may never do, a shareholder will not be able to receive a return on his or her investment in the Resulting Issuer Shares unless such Resulting Issuer Shares are sold. In such event, a shareholder may only be able to sell his, her or its Resulting Issuer Shares at a price less than the price such shareholder originally paid for them, which could result in a loss of such shareholder's investment.

PART V – GENERAL MATTERS

Sponsorship

Totec intends to seek a waiver from the Exchange in respect of the requirement in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements* to engage a sponsor for the Transaction.

Experts

Except as disclosed herein, no Person whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement currently holds, directly or indirectly, more than 1% of the Common Shares or Subco Shares, or holds any property of Totec or Subco or of an Associate or Affiliate of Totec or Subco and no such Person is expected to be elected, appointed or employed as director, senior officer or employee of Totec or Subco or of an Associate or Affiliate of the Resulting Issuer and no such Person is a promoter of Totec or Subco or an Associate or Affiliate of Totec or Subco.

As of the date of this filing statement, Davidson and Company has reported that it is independent in accordance with the code of professional conduct of the Chartered Professional Accountants of British Columbia with respect to Totec and Horizon Assurance LLP has reported that it is independent as determined by the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario and Alberta with respect to Subco.

Other Material Facts

Totec is not aware of any other material facts relating to Totec, and Subco or the Resulting Issuer or to the Qualifying Transaction that are not disclosed under the preceding items and are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to Totec, Subco, and the Resulting Issuer, assuming Completion of the Qualifying Transaction, other than those set forth herein.

Board Approval

The Board has approved this Filing Statement. Where information contained in this Filing Statement rests particularly within the knowledge of a Person other than Totec, Totec has relied upon information furnished by such Person.

CERTIFICATE OF TOTEC RESOURCES LTD.

DATED: January 12, 2026

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Totec Resources Ltd. assuming Completion of the Qualifying Transaction.

/s/ Deepak Varshney

/s/ Khalid Naeem

Deepak Varshney

Khalid Naeem

Chief Executive Officer, Corporate
Secretary and Director

Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF TOTEC RESOURCES LTD.

/s/ Andrew Abogado

/s/ James Walker

Andres Abogado

James Walker

Director

Director

CERTIFICATE OF 1540359 BC LTD.

DATED: January 12, 2026

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of 1540359 BC Ltd. assuming Completion of the Qualifying Transaction.

/s/ Deepak Varshney

Deepak Varshney

President

ON BEHALF OF THE BOARD OF DIRECTORS OF 1540359 BC LTD.

/s/ Deepak Varshney

Deepak Varshney

Director

ACKNOWLEDGEMENT – PERSONAL INFORMATION

“**Personal Information**” means any information about an identifiable individual, and includes information contained in any items in the attached Filing Statement that are analogous to items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40, and 41 of Form 3B2 of the Exchange, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (i) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B to the Corporate Finance Manual of the Exchange (“Appendix 6B”)) pursuant to this Filing Statement; and
- (ii) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated at as of January 12, 2026

TOTEC RESOURCES LTD.

By: /s/ Deepak Varshney
Deepak Varshney
CEO, Corporate Secretary
and Director

SCHEDULE A
FINANCIAL STATEMENTS FOR TOTEC

TOTEC RESOURCES LTD.

(A Capital Pool Company)

FINANCIAL STATEMENTS

March 31, 2025

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Totec Resources Ltd.

Opinion

We have audited the accompanying financial statements of Totec Resources Ltd. (the "Company"), which comprise the statements of financial position as at March 31, 2025 and 2024 and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Accounting Standards, 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:

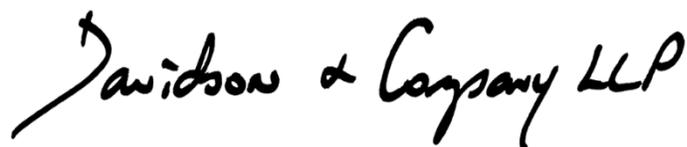
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

May 22, 2025

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

	March 31, 2025	March 31, 2024
ASSETS		
Current		
Cash and cash equivalents (Note 5)	\$ 181,334	\$ 226,852
Receivables	4,313	9,039
	<u>\$ 185,647</u>	<u>\$ 235,891</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 37,979	\$ 26,073
Shareholders' equity		
Share capital (Note 7)	351,604	351,604
Reserves (Note 7d)	37,691	37,691
Deficit	(241,627)	(179,477)
	<u>147,668</u>	<u>209,818</u>
	<u>\$ 185,647</u>	<u>\$ 235,891</u>

Nature of business and continuing operations (Note 1)

Approved on Behalf of the Board on May 22, 2025:

"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 years ended March 31, 2025 and 2024
(Expressed in Canadian dollars)

	Year ended March 31, 2025	Year ended March 31, 2024
EXPENSES		
Office and miscellaneous	\$ 4,909	\$ 12,589
Professional fees (Notes 6, 9)	28,320	32,645
Regulatory and filing fees	8,253	13,792
Rent and administration charges	<u>30,000</u>	<u>30,000</u>
	71,482	89,026
Interest income	<u>(9,332)</u>	<u>(5,920)</u>
Loss and comprehensive loss for the year	\$ 62,150	\$ 83,106
Basic and diluted loss per common share (Note 8)	\$ 0.02	\$ 0.02
Weighted average number of common shares outstanding - basic and diluted (Note 8)	3,426,000	3,426,000

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

TOTEC RESOURCES LTD.

Statement of Changes in Shareholders' Equity

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

	Share Capital (Note 7)				Total Shareholders' Equity
	Shares	Amount	Reserves	Deficit	
Balance, March 31, 2023	6,126,000	\$ 351,604	\$ 37,691	\$ (96,371)	\$ 292,924
Loss and comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,106)</u>	<u>(83,106)</u>
Balance, March 31, 2024	6,126,000	\$ 351,604	\$ 37,691	\$ (179,477)	\$ 209,818
Loss and comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,150)</u>	<u>(62,150)</u>
Balance, March 31, 2025	<u>6,126,000</u>	<u>\$ 351,604</u>	<u>\$ 37,691</u>	<u>\$ (241,627)</u>	<u>\$ 147,668</u>

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

TOTEC RESOURCES LTD.

Statement of Cash Flows

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

	Year ended March 31, 2025	Year ended March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss and comprehensive loss for the year	\$ (62,150)	\$ (83,106)
Changes in non-cash working capital items:		
(Increase) decrease in receivables	4,726	(3,988)
Increase (decrease) in accounts payable and accrued liabilities	11,906	(39,933)
Net cash and cash equivalents used in operating activities	<u>(45,518)</u>	<u>(127,027)</u>
Decrease in cash and cash equivalents for the year	(45,518)	(127,027)
Cash and cash equivalents, beginning of year	<u>226,852</u>	<u>353,879</u>
Cash and cash equivalents, end of year	<u>\$ 181,334</u>	<u>\$ 226,852</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 year ended March 31, 2025 and 2024.

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

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

(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. 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.

On March 10, 2023, the Company completed its initial public offering (the “Offering”) and issued 3,426,000 common shares for gross proceeds of \$342,600 pursuant to the Offering. The common shares commenced trading on the Exchange on March 14, 2023, 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.

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 \$62,150 for the year ended March 31, 2025, which resulted in an accumulated deficit of \$241,627 as at March 31, 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 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.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(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. 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.

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

(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.

Contingently issuable shares are not considered outstanding common shares and consequently are not included in basic and diluted loss per share.

(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 asset 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 11 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 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.

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

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 material increase in credit risk. To assess whether there is a material 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 financial liability when its contractual obligations are discharged, cancelled or expire.

(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.

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

(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 judgments

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:

Judgments**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 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.

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

(h) Changes in accounting policies

Future accounting changes:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is not yet able to determine the impact to the consolidated financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at March 31, 2025. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on the consolidated financial statements of the Company.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of \$181,334 (March 31, 2024 - \$226,852) consist of:

	Year ended March 31, 2025	Year ended March 31, 2024
Bank balances	\$ 7,387	\$ 14,199
Short term deposits	173,947	212,653

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	Year ended March 31, 2025	Year ended March 31, 2024
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	\$ 12,500	\$ 15,000

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

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 year ended March 31, 2025, \$9,746 (2024 - \$8,298) was due to related parties included in accounts payable and accrued liabilities.

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

As at March 31, 2025 and 2024 the issued share capital was comprised of 6,126,000 common shares.

(c) Escrowed shares

As at March 31, 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.

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

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, 2023	260,000	\$ 0.05
Outstanding, March 31, 2024 and March 31, 2025	260,000	\$ 0.05

The following stock options were outstanding as at March 31, 2025:

	Number of options outstanding	Exercise Price	Expiry Date	Remaining contractual life (years)
Director's Stock Options	260,000	\$0.05	June 13, 2032	7.21

(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, 2023	342,600	\$ 0.10
Outstanding, March 31, 2024 and March 31, 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	2.95

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended March 31, 2025 was based on the loss attributable to common shareholders of \$62,150 (2024 – \$83,106) 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 are contingently returnable and consequently are not considered to be outstanding for the loss per share calculations for the years ended March 31, 2025 and 2024.

9. PROFESSIONAL FEES

During the year ended March 31, 2025, the Company incurred \$28,320 (2024 - \$32,645) in professional fees, which consists of accounting, audit fees and legal fees.

10. 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:

	2025	2024
Loss before income taxes	\$ (62,150)	\$ (83,106)
Expected income tax recovery at statutory rates	\$ (17,000)	\$ (22,000)
Change in statutory, foreign tax, foreign exchange rates and other	1,000	(1,000)
Share issue cost	(27,000)	(27,000)
Adjustment to prior years provision versus statutory returns and expiry of non-capital losses	1,000	24,000
Change in unrecognized deductible temporary differences	42,000	26,000
Total income tax expense (recovery)	\$ -	\$ -

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

	2025	2024
Share issue costs	\$ 60,000	\$ 80,000
Non-capital losses carried forward	282,000	199,000

11. 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.

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

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 year ended March 31, 2025.

12. 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, 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

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.

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.

TOTEC RESOURCES LTD.

Notes to the Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

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

As at March 31, 2025, the Company's financial instruments consist of cash and cash equivalents, receivables, and 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.

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

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements
For the six months ended September 30, 2025
(Expressed in Canadian dollars)
(Unaudited)

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 Naeem, 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 Naeem, 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.

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements
For the six months ended September 30, 2025
(Expressed in Canadian dollars)
(Unaudited)

(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

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements
For the six months ended September 30, 2025
(Expressed in Canadian dollars)
(Unaudited)

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

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements

For the six months ended September 30, 2025

(Expressed in Canadian dollars)

(Unaudited)

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.

TOTEC RESOURCES LTD.

Notes to the Interim Financial Statements

For the six months ended September 30, 2025

(Expressed in Canadian dollars)

(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.

SCHEDULE B

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR TOTEC

TOTEC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025

The effective date of this report is May 22, 2025

Management Discussion & Analysis

Management’s discussion and analysis (“MD&A”) provides a detailed analysis of the results and financial condition of Totec Resources Ltd. (the “Company” or “Totec”) for the year ended March 31, 2025. The following management discussion and analysis, prepared as of May 22, 2025, should be read together with the financial statements for the year ended March 31, 2025, with the related notes attached thereto and the audited financial statements for the year ended March 31, 2024, with the related notes attached thereto, prepared in accordance with International Financial Reporting Standards (“IFRS”). The MD&A supplements but does not form part of the financial statements. Management is responsible for the preparation of the financial statements and the MD&A for the year ended March 31, 2025. News releases and previous filings may be found on SEDAR+ at www.sedarplus.ca.

Description of Business

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act on January 25, 2022. The Company was classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4 on March 10, 2023. The Company will not carry on any business other than the identification and evaluation of assets or a business with a view to completing a Qualifying Transaction which will be subject to receipt of shareholder approval and acceptance by regulatory authorities.

On March 10, 2023, the Company completed its initial public offering (the “Offering”) and issued 3,426,000 common shares (the “Shares”) for gross proceeds of \$342,600 pursuant to the Offering. The Company’s common shares were listed on the TSX-V and immediately halted pending closing of the Offering. The common shares commenced trading on the TSX-V on March 14, 2023, under the trading symbol “TOTC.P”.

Forward Looking Statements

This Management Discussion and Analysis contains certain forward-looking statements and information relating to Totec that is based on the beliefs of the Company, or management, as well as assumptions made by and information currently available to the Company or management. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “implied”, “intend” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company regarding future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties noted with the inflationary pressures, rising interest rates, the global financial climate and the conflicts in Ukraine and the Middle East affecting current economic conditions and increasing economic uncertainty. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, implied, expected or intended. In each instance, forward-looking information should be considered in the light of the accompanying meaningful cautionary statements herein. Totec cautions that forward-looking statements involve risk and uncertainty.

TOTEC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025

Overall Performance

The Company does not generate revenues from operations. The Company's net loss for the year ended March 31, 2025 was \$62,150 (March 31, 2024: \$83,106).

Working capital as at March 31, 2025 was \$147,668 (March 31, 2024: \$209,818), and comprised cash and cash equivalents of \$181,334 (March 31, 2024: \$226,852), receivables of \$4,313 (March 31, 2024: \$9,039), and accounts payable and accrued liabilities of \$37,979 (March 31, 2024: \$26,073).

Summary of Corporate Activities

There are no significant corporate activities during the year ended March 31, 2025 and 2024.

Financial Instruments

IFRS 9 establishes three primary measurement categories for financial assets: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the instrument.

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income (loss) ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified and measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be

TOTEC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025

measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Asset or Liability	IFRS 9 Classification
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

A description of financial instruments is provided in Note 4 to the audited financial statements for the year March 31, 2025.

Summary of Quarterly Results & Results of Operations

The table below provides, for each of the last eight quarterly periods, a summary of corporate losses and is derived from quarterly financial statements prepared by management. The Company's audited financial statements are prepared in accordance with IFRS and are expressed in Canadian dollars.

	Loss per quarter	Loss per share	Property costs
April 1, 2023 – June 30, 2023	19,797	0.01	-
July 1, 2023 – September 30, 2023	16,589	0.00	-
October 1, 2023 – December 31, 2023	21,551	0.01	-
January 1, 2024 – March 31, 2024	25,170	0.01	-
April 1, 2024 – June 30, 2024	14,527	0.00	-
July 1, 2024 – September 30, 2024	18,615	0.01	-
Oct 1, 2024 – December 31, 2024	10,405	0.00	-
January 1, 2025 – March 31, 2025	18,603	0.01	-

Discussion of Operations for the year ended March 31, 2025

Loss and comprehensive loss for the year ended March 31, 2025, was \$62,150 (2024: \$83,106) of which \$28,320 (2024: \$32,645) was spent on audit, accounting, and legal fees. Regulatory and filing fees of \$8,253 (2024: \$13,792) were incurred for the year ended March 31, 2025.

Liquidity, Capital Resources and Capital Expenditures

As at March 31, 2025, the Company's working capital, defined as current assets less current liabilities, was \$147,668 (March 31, 2024: \$209,818). 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. The successful completion of such financing is not guaranteed, and depends on a number of factors, including the general sentiment in the capital markets, the strength of commodities prices and the strength of the local and global economies.

TOTEC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025

Other source of funds potentially available to the Company is through the exercise of 260,000 stock options granted to directors and officers at a price of \$0.05 per share expiring ten years from the grant date until June 13, 2032.

Capital expenditures are limited to those items that may be used to identify and evaluate assets or businesses for future investment, with the exception that the Company cannot spend more than the \$3,000 per month on allowable general and administrative (G&A) expenses until the completion of a Qualifying Transaction for purposes other than to identify and evaluate assets or businesses and obtain shareholder approval for a proposed Qualifying Transaction if necessary. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Financial risk factors

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

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and interest receivable. The Company limits its exposure to credit loss by placing its cash and G.I.C.'s with major financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2025, the Company's cash and receivables exceeded its current liabilities. In order to meet future obligations as they become due, the Company may need to access funding from the issuance of equity securities, the exercise of stock options or through other sources. The Company's access to financing is uncertain and there is no assurance of continued access to equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in a foreign currency. As at March 31, 2025, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

TOTEC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025

c) *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.

The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises, e.g., COVID-19. Global government actions, along with market uncertainty could cause an economic slowdown resulting in a decrease in the demand for metals and have a negative impact on metal prices, as well as possible disruptions to global supply chains. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

Related Party Transactions

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	Year ended March 31, 2025	Year ended March 31, 2024
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	\$ 12,500	\$ 15,000

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Outstanding Share Data

Authorized Capital

Unlimited common shares with no par value and unlimited preferred shares with no par value.

Issued and Outstanding Capital

6,126,000 common shares were issued and outstanding at March 31, 2025, and March 31, 2024.

Stock Options & Warrants Outstanding (at March 31, 2025):

	Number	Exercise Price	Expiry Date
Director's stock options	260,000	\$0.05	June 13, 2032
Agent's warrants	342,600	\$0.10	March 10, 2028

Subsequent Events

There are no subsequent events.

TOTEC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

The effective date of this report is December 1, 2025

Management Discussion & Analysis:

Management’s discussion and analysis (“MD&A”) provides a detailed analysis of the results and financial condition of Totec Resources Ltd. (the “Company” or “Totec”) for the six months ended September 30, 2025. The following management discussion and analysis, prepared as of December 1, 2025, should be read together with the unaudited interim financial statements for the six months ended September 30, 2025 with the related notes attached thereto and the audited financial statements for the year ended March 31, 2025 with the related notes attached thereto, prepared in accordance with International Financial Reporting Standards (“IFRS”). The MD&A supplements, but does not form part of the financial statements. Management is responsible for the preparation of the financial statements and the MD&A for the six months ended September 30, 2025. News releases and previous filings may be found on SEDAR+ at www.sedarplus.ca.

Description of Business:

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act on January 25, 2022. The Company was classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4 on March 10, 2023. The Company will not carry on any business other than the identification and evaluation of assets or a business with a view to completing a Qualifying Transaction which will be subject to receipt of shareholder approval and acceptance by regulatory authorities.

On March 10, 2023, the Company completed its initial public offering (the “Offering”) and issued 3,426,000 common shares (the “Shares”) for gross proceeds of \$342,600 pursuant to the Offering. The Company’s common shares were listed on the TSX-V and immediately halted pending closing of the Offering. The common shares commenced trading on the TSX-V on March 14, 2023, under the trading symbol “TOTC.P”.

Forward Looking Statements:

This Management Discussion and Analysis contains certain forward-looking statements and information relating to Totec that is based on the beliefs of the Company, or management, as well as assumptions made by and information currently available to the Company or management. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “implied”, “intend” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company regarding future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties noted with the inflationary pressures, rising interest rates, the global financial climate and the conflicts in Ukraine and the Middle East affecting current economic conditions and increasing economic uncertainty. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, implied, expected or intended. In each instance, forward-looking information should be considered in the light of the accompanying

TOTEC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

meaningful cautionary statements herein. Totec cautions that forward-looking statements involve risk and uncertainty.

Overall Performance

The Company does not generate revenues from operations. The Company's loss for the six months ended September 30, 2025 was \$99,749 (September 30, 2024: \$33,142).

Working capital as at September 30, 2025, was \$47,919 (March 31, 2025: \$147,668), and comprised cash and cash equivalents of \$84,997 (March 31, 2025: \$181,334), receivables of \$5,313 (March 31, 2025: \$4,313), prepaid expenses of \$nil (March 31, 2025: \$nil) and accounts payable and accrued liabilities of \$42,391 (March 31, 2025: \$37,979).

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business and obtain the necessary financing to do so, within 24 months of listing on the TSX-V.

Summary of Corporate Activities

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 240 claims currently forming part of the Usha's White Willow Property.

Critical accounting policies and estimates

The preparation of the interim financial statements in accordance with International Financial Reporting Standards requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates. A detailed description of these matters, as well as the significant accounting policies adopted by the Company are disclosed in the notes to the interim financial statements for the six months ended September 30, 2025.

Financial Instruments

IFRS 9 establishes three primary measurement categories for financial assets: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the instrument.

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income (loss) ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified and measured at amortized cost or FVTPL.

TOTEC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

<u>Asset or Liability</u>	<u>IFRS 9 Classification</u>
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Prepaid expenses	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

RECENT ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee.

During the six months ended September 30, 2025, the Company was not required to, and has not adopted any new standards, interpretations, amendments, and improvements to existing standards which had a material impact on the Company's interim financial statements. The Company also

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does not expect the adoption of any currently announced new standards, interpretations, amendments, and improvements to existing standards to have a material impact on the Company's interim financial statements.

Summary of Quarterly Results & Results of Operations

The table below provides, for each of the last eight quarterly periods, a summary of corporate losses and is derived from unaudited quarterly financial statements prepared by management. The Company's condensed interim financial statements are prepared in accordance with IFRS applicable to interim financial statements and are expressed in Canadian dollars.

	Loss per quarter	Loss per share	Property costs
October 1, 2023 – December 31, 2023	21,551	0.01	-
January 1, 2024 – March 31, 2024	25,170	0.01	-
April 1, 2024 – June 30, 2024	14,527	0.00	-
July 1, 2024 – September 30, 2024	18,615	0.01	-
October 1, 2024 – December 31, 2024	10,405	0.00	-
January 1, 2025 – March 31, 2025	18,603	0.01	-
April 1, 2025 – June 30, 2025	60,253	0.02	-
July 1, 2025 – September 30, 2025	37,495	0.03	-

Discussion of Operations for the six months ended September 30, 2025

Loss and comprehensive loss for the six months ended September 30, 2025, was \$99,749 (2024: \$33,142) of which \$56,152 (2024: \$18,888) was spent on audit, accounting and legal fees. Regulatory and filing fees of \$8,965 (2024: \$2,665) were incurred for the six months ended September 30, 2025. Rent and administration fees of \$15,000 (2024 - \$15,000) were incurred for the six months ended September 30, 2025.

Liquidity, Capital Resources and Capital Expenditures

At September 30, 2025, the Company's working capital, defined as current assets less current liabilities, was \$47,919 (March 31, 2025: \$147,668). 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. The successful completion of such financing is not guaranteed, and depends on a number of factors, including the general sentiment in the capital markets, the strength of commodities prices and the strength of the local and global economies.

Other source of funds potentially available to the Company is through the exercise of 260,000 stock options granted to directors and officers at a price of \$0.05 per share expiring ten years from the grant date until June 13, 2032.

Capital expenditures are limited to those items that may be used to identify and evaluate assets or businesses for future investment, with the exception that the Company cannot spend more than the

TOTEC RESOURCES LTD.
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FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

\$3,000 per month on allowable general and administrative (G&A) expenses until the completion of a Qualifying Transaction for purposes other than to identify and evaluate assets or businesses and obtain shareholder approval for a proposed Qualifying Transaction if necessary. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Financial risk factors

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

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents and interest receivable. The Company limits its exposure to credit loss by placing its cash and G.I.C.'s with major financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2025, the Company's cash and cash equivalents, prepaid expenses and receivables exceeded its current liabilities. In order to meet future obligations as they become due, the Company may need to access funding from the issuance of equity securities, the exercise of stock options or through other sources. The Company's access to financing is uncertain and there is no assurance of continued access to equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in a foreign currency. As at September 30, 2025, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

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c) *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.

The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises, e.g., COVID-19. Global government actions, along with market uncertainty could cause an economic slowdown resulting in a decrease in the demand for metals and have a negative impact on metal prices, as well as possible disruptions to global supply chains. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

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 Naeem, 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,	Deepak Varshney	Reimbursements	\$ 5	\$ 5

TOTEC RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

CEO				
Khalid Naeem, 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.

Outstanding Share Data

Authorized Capital

Unlimited common shares with no par value and unlimited preferred shares with no par value.

Issued and Outstanding Capital

6,126,000 common shares were issued and outstanding at September 30, 2025, and as at September 30, 2024.

Stock Options & Warrants Outstanding (at September 30, 2025):

	Number	Exercise Price	Expiry Date
Director's stock options	260,000	\$0.05	June 13, 2032
Agent's warrants	342,600	\$0.10	March 10, 2028

Subsequent Events

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.

SCHEDULE C

CARVE-OUT FINANCIAL STATEMENTS FOR THE WHITE WILLOW PROJECT

USHA RESOURCES LTD.

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO

CARVE-OUT FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

MARCH 31, 2025 AND 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Usha Resources Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the carve-out financial statements of the White Willow Project (the "Project") of Usha Resources Ltd. (the "Company"), which comprise the carve-out statements of financial position as at March 31, 2025 and 2024, and the carve-out statements of loss and comprehensive loss, changes in net parent investment, and cash flows for the years then ended, and notes to the carve-out financial statements, including material accounting policy information.

In our opinion, the accompanying carve-out financial statements present fairly, in all material respects, the financial position of the Project as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis of 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 and the Project in accordance with the ethical requirements that are relevant to our audit of the carve-out 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2 in the carve-out financial statements, which indicates that the Project incurred a net loss during the year ended March 31, 2025 and, as of that date, the Project has not had positive cash flows from operations. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Project's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the carve-out financial statements of the current period. The matters were addressed in the context of our audit of the carve-out financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter of the Material Uncertainty Related to Going Concern described

above, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended March 31, 2025, which we obtained prior to the date of this auditor's report.

Our opinion on the carve-out financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the carve-out financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the carve-out financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, management is responsible for assessing the Project'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 Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the carve-out 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 carve-out 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 carve-out 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 Project'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 Project'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 carve-out 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 Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the carve-out financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Julia Zhou.

January 8, 2026
Markham, Ontario

Horizon Assurance LLP
Chartered Professional Accountants
Licensed Public Accountants

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
CARVE-OUT STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	March 31, 2025	March 31, 2024
ASSETS		
Exploration and evaluation assets (Note 4)	<u>\$ 799,944</u>	<u>\$ 768,678</u>
	<u>\$ 799,944</u>	<u>\$ 768,678</u>
LIABILITIES AND NET PARENT INVESTMENT		
Liabilities	\$ -	\$ -
Net Parent Investment		
Contribution from Usha Resources Ltd.	831,444	786,178
Deficit	<u>(31,500)</u>	<u>(17,500)</u>
	<u>799,944</u>	<u>768,678</u>
	<u>\$ 799,944</u>	<u>\$ 768,678</u>
Nature and continuance of operations	(Note 1)	
Subsequent event	(Note 10)	

Approved and authorized for issue by the Board of Directors of USHA on January 8, 2026:

<u>“Navin Varshney”</u>	Director	<u>“Deepak Varshney”</u>	Director
Navin Varshney		Deepak Varshney	

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

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
CARVE-OUT STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended March 31, 2025	Year ended March 31, 2024
EXPENSES		
Professional fees	<u>\$ 14,000</u>	<u>\$ 17,500</u>
Net and comprehensive loss for the year	<u>\$ (14,000)</u>	<u>\$ (17,500)</u>

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

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
CARVE-OUT STATEMENTS OF CHANGES IN NET PARENT INVESTMENT
(Expressed in Canadian Dollars)

	Contributions from Usha Resources Ltd.	Deficit	Total
Balance, March 31, 2023	\$ 351,025	\$ -	\$ 351,025
Contribution towards White Willow Property	435,153	-	435,153
Net and comprehensive profit loss for the year	<u>-</u>	<u>(17,500)</u>	<u>(17,500)</u>
Balance, March 31, 2024	<u>\$ 786,178</u>	<u>\$ (17,500)</u>	<u>\$ 768,678</u>
Balance, March 31, 2024	\$ 786,178	\$ (17,500)	\$ 768,678
Contribution towards White Willow Property	45,266	-	45,266
Net and comprehensive loss for the year	<u>-</u>	<u>(14,000)</u>	<u>(14,000)</u>
Balance, March 31, 2025	<u>\$ 831,444</u>	<u>\$ (31,500)</u>	<u>\$ 799,944</u>

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

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
CARVE-OUT STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended March 31, 2025	Year ended March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net and comprehensive loss for the year	\$ (14,000)	\$ (17,500)
Net cash and cash equivalents used in operating activities	<u>(14,000)</u>	<u>(17,500)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	<u>(31,266)</u>	<u>(417,653)</u>
Net cash and cash equivalents used in investing activities	<u>(31,266)</u>	<u>(417,653)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution from Usha Resources Ltd.	<u>45,266</u>	<u>435,153</u>
Net cash and cash equivalents provided in financing activities	<u>45,266</u>	<u>435,153</u>
Change in cash and cash equivalents for the year	<u>-</u>	<u>-</u>
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the period for income taxes	<u>\$ -</u>	<u>\$ -</u>

During the years ended March 31, 2025 and 2024, the Project had no non-cash investing or financing activities.

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

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

The White Willow Lithium-Pegmatite Project (the “Property”) is a mineral exploration and evaluation property in Ontario. During the years presented, the Property was under option (the “Option”) and assignment (the “Assignment”) for the right to earn a 100% interest.

Exploration of the Property was undertaken by Usha Resources Ltd. (“USHA” or the “Company”). USHA is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol USHA.V, the OTCQB Exchange under the symbol USHAF and the Frankfurt Stock Exchange under the symbol JO0. USHA’s head office address is 1575 Kamloops Street, Vancouver BC, V5K 3W1, Canada. The registered and records office address is Bentall 5, 1008 – 550 Burrard Street, Vancouver, BC, V6C 2B5, Canada.

On March 24, 2023, USHA entered into an option agreement (the “Option”) with 2758145 Ontario Ltd (the “Vendor”) to acquire a 100% interest in 712 mineral claims located in the Thunder Bay Mining Division of Ontario. The Company also entered into an assignment agreement (the “Assignment”) with Grid Metals Corp. (the “Assignor”) to permit USHA to enter into the Option. Under the terms of the Option and Assignment agreements, USHA may earn a 100% in the Property by making total cash payments of \$220,000 and issuing an aggregate of 3,600,000 common shares over a three-year period from the date of TSX Venture Exchange approval. On July 31, 2025, the Company entered into an amendment to its mineral property option agreement with the Vendor with respect to this Property, see Note 4 for detail.

Although management of USHA has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee USHA's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Property’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These carve-out financial statements are presented in Canadian dollars, which is the functional currency of the Property.

These carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Property 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 Property is not expected to continue operations for the foreseeable future.

2. BASIS OF PREPARATION

These carve-out financial statements have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These carve-out financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these carve-out financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These carve-out financial statements reflect the assets, liabilities, operations and cash flows of the Property undertaken by USHA for the years ended March 31, 2025 and 2024.

The purpose of these carve-out financial statements is to provide general purpose historical financial information of the Property in connection with the proposed transaction dated March 13, 2025, where the Company entered into a non-binding letter of intent (the “LOI”) with Totec Resources Ltd. (“TOTEC”) outlining the preliminary terms of a proposed transaction. Under the LOI, TOTEC intends to acquire the 468 mineral claims (the “Acquired Property”) from the Company that comprise the Company’s White Willow property.

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

These carve-out financial statements reflect the Property related activities and transactions as if the Property had been operating separately during the years presented. Therefore, these carve-out financial statements present the historical operational information of USHA related to the Property.

The carve-out financial statements have been extracted and carved out from the historical accounting records of USHA, with estimates used, where necessary, for certain allocations of expenses:

- i) The carve-out statements of financial position reflect the assets and liabilities recorded by USHA, on the basis that they are specifically identifiable and attributable to the Property; and
- ii) The carve-out statement of loss and comprehensive loss includes expenses of USHA, on the basis that they are specifically identifiable and attributable to the Property. Management concluded that other expenses incurred by USHA are not reasonable to allocate to the Property as they relate to other activities of USHA.
- iii) The historical costs and expenses reflected in these carve-out financial statements include an allocation for certain corporate and shared service functions historically incurred by USHA, including but not limited to consulting fees, professional fees, salaries and benefits, share-based compensation, and other shared services. The carve-out statements of loss and comprehensive loss include a pro-rata allocation of USHA's expenses incurred in each of the periods presented, based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets compared to the expenditures incurred on all of USHA's exploration and evaluation assets, and based on specifically identifiable activities attributable to the Property.

Management cautions readers of these carve-out financial statements, that the Property's results do not necessarily reflect what the financial position, loss and comprehensive loss or cash flows would have been had the Property been a separate entity. Further, the allocation of income and expenses in these carve-out statements of loss and comprehensive loss do not necessarily reflect the nature and level of the Property's future income and operating expenses.

These carve-out financial statements have been prepared on a going concern basis, which assumes that the Property will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At March 31, 2025, the Property was dependent upon the support from USHA. Whether and when the Property can obtain profitability and positive cash flows from operations is uncertain. These material uncertainties may cast significant doubt on the ability of the Property to continue as a going concern. These carve-out financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Property be unable to continue as a going concern. Such adjustments could be material.

Critical accounting estimates and judgments

The preparation of these carve-out financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the carve-out financial statements and the reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of judgment considered by management in preparing the carve-out financial statements is as follows:

- i) The carrying value and the recoverability of the Property included in the statements of financial position. The cost model is utilized and the value of the Property is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition and exploration of mineral properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets after an impairment test and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

Any option payments received by the Property from third parties or tax credits refunded to the Property are credited to the capitalized cost of the mineral property. If payments received exceed the capitalized cost of the mineral property, the excess is recognized as income in the year received. The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Property to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

At the end of each reporting period, the Property is reviewed to determine whether there is any indication that the assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to the recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation

The Property recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Property's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Property's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Property's estimates of reclamation costs, are charged to profit and loss for the year. The Property had no provisions for environmental rehabilitation as at March 31, 2025 and 2024.

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 statement of financial position date.

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.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. 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 taxation authority and the Property intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Classification

The Property determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified and measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Property may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Property may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Property has elected to measure them at FVTPL.

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

Impairment of financial assets at amortized cost: The Property 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 Property 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.

New Accounting Pronouncements

IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements, to replace IAS 1, Presentation of Financial Statements. This new standard sets out requirements for the presentation and disclosure of information in financial statements, including:

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
NOTES TO THE CARVE-OUT FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

- i. classifying all income and expense into specified categories and provide specified totals and subtotals in the statement of income or loss,
- ii. how information is aggregated or disaggregated, and
- iii. the disclosure of management-defined performance measures.

Retrospective application of this standard is mandatory for annual periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed. The Company has not applied this standard in preparing these consolidated financial statements as it plans to adopt the standard at its effective date. As at March 31, 2025, the impact of adopting this standard on the consolidated financial statements is currently under assessment.

4. EXPLORATION AND EVALUATION ASSETS

USHA incurred expenditures on the Property as follows:

	Ontario Lithium Pegmatite Portfolio	
Acquisition Costs	White Willow, Ontario	
Balance, March 31, 2023	\$	351,025
Issuance of common shares		95,000
Cash consideration		49,500
Balance, March 31, 2024 and 2025		495,525
Exploration Expenditures:		
Balance, March 31, 2023		-
Assay sampling		26,594
Consulting fees (Note 9)		61,285
Exploration expenses		185,275
Balance, March 31, 2024		273,153
Assay sampling		1,674
Consulting fees (Note 9)		23,892
Exploration expenses		5,700
Balance, March 31, 2025		304,419
Total costs, March 31, 2024	\$	768,678
Total costs, March 31, 2025	\$	799,944

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 USHA has investigated title, and to the best of its knowledge, the title is in good standing.

White Willow property, Ontario, Canada

The initial option agreement comprised 712 unpatented mining claims totalling 15,510 hectares that were optioned through two (2) agreements, an option agreement and assignment agreement, whereby for total consideration of

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\$220,000 cash and 3,600,000 common shares of the Company as indicated in the table below it would acquire 100% interest in the claims:

Payment	Vendor		Assignor		Total	
	Cash	Shares	Cash	Shares	Cash	Shares
Signing	\$50,000 ¹	500,000	\$20,000 ¹	350,000	\$70,000	850,000
1st Anniversary	\$50,000	500,000 ²	-	500,000 ²	\$50,000	1,000,000
2nd Anniversary	\$50,000	500,000 ²	-	750,000 ²	\$50,000	1,250,000
3rd Anniversary	\$50,000	500,000 ²	-	-	\$50,000	500,000
Total	\$200,000	2,000,000	\$20,000	1,600,000	\$220,000	3,600,000
Notes	1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the "Approval"). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance.					

The Company has granted to each of the Vendor and Assignor a 1.5% net-smelter returns royalty ("NSR") of which the Company may purchase two-thirds at any time for consideration of \$1.25-million and \$1-million, respectively.

The Company completed its first payment of \$70,000 cash and issued 850,000 common shares valued at \$0.33 per share for a total consideration of \$280,500 to the Vendor and Assignor on March 28, 2023.

The Company completed its second payment of \$50,000 cash and issued 1,000,000 common shares valued at \$0.145 per share for a total consideration of \$145,000 to the Vendor and Assignor on March 27, 2024.

The Company issued 750,000 common shares valued at \$0.035 to the Assignor on May 1, 2025 as part of its 2nd anniversary payment.

On July 31, 2025, the Company entered into an amendment to its mineral property option agreement with the Vendor with respect to the White Willow Property. Under the original terms of the Agreement, the Company had a total consideration payable to the Vendor of \$100,000 in cash and 1,000,000 common shares in connection with the second and third anniversary obligations. Pursuant to the amendment, the parties agreed to amend the balance payable to \$25,000 cash and 1,000,000 common shares, payable on or before August 31, 2025. The Company completed the cash payment of \$25,000 on June 16, 2025 and issued 1,000,000 common shares on August 6, 2025 to the Vendor. The Company now owns a 100% beneficial interest in the mineral claims.

5. NET PARENT INVESTMENT

The Property is not a separate legal entity. Net parent investment represents contributions from USHA.

6. CAPITAL MANAGEMENT

The Property manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Property's management to sustain future development of the business. The Property considers its capital to consist of contributions from USHA.

The Property manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of underlying assets. The Property is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Property has no traditional revenue sources. The Property's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business, rather than through a process of forced liquidation, is primarily dependent upon its continued ability to find and develop mineral property interests, and there being a favorable market in which to sell or option the mineral properties interest; and/or its ability to borrow or raise additional funds from equity markets. The Property's objective when managing capital is to safeguard its ability to continue as a going concern in order to carry out exploration and evaluation activities and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. There has been no change to the Property's approach to capital management for the year ended March 31, 2025.

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7. 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 Property does not have any financial instruments.

Financial risk management

The Property's risk exposures and the impact on the Property'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. Management feels that the Property's credit risk is remote.

Interest rate risk

The Property 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. The Property's interest rate risk is not considered significant.

Liquidity risk

The Property does not have any financial liabilities as at March 31, 2025 and 2024. The Property 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 2.

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 March 31, 2025, the Property 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 Property's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Property closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Property.

8. INCOME TAXES

During the years ended March 31, 2025 and 2024, the Property did not have legal form as the Property was part of USHA. Expenses presented on the carve-out statements of loss and comprehensive loss represent an allocation of USHA's expenses and do not represent tax deductible expenses to the Property.

9. RELATED PARTY TRANSACTIONS

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
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FOR THE YEARS ENDED MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Property, directly or indirectly. Key management personnel consist of members of the Company's Board of Directors and corporate officers and related companies. To determine related party transactions for the Property, the allocation methodology outlined in Note 2 has been consistently applied.

For the year ended March 31, 2025, the Property incurred consulting expense of \$20,000 (2024 – \$60,000) paid to the CEO of the Company and accounting fees of \$4,000 (2024 - \$10,800) paid to the CFO of the Company.

Name of the Key management personnel	Company's Name	Nature of Transaction	Year ended March 31, 2025	Year ended March 31, 2024
Deepak Varshney, CEO	Castello Q Development Corporation	Management fees/consulting fees	\$ 20,000	\$ 60,000
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	4,000	10,800

10. SUBSEQUENT EVENTS

In relation to the Assignment agreement (Note 4), the Company completed its third payment and issued 750,000 common shares valued at \$0.035 to the Assignor on May 1, 2025.

On May 13, 2025, the Company entered into a non-binding LOI with TOTEC outlining the preliminary terms of a proposed transaction. Under the LOI, TOTEC intends to acquire an option to purchase 240 mineral claims from the Company that form part of the 468 mineral claims comprising the Company's White Willow property. The terms have since been adjusted for TOTEC to acquire all 468 mineral claims.

On July 31, 2025, the Company entered into an amendment to its mineral property option agreement with the Vendor with respect to the White Willow Property (Note 4). The parties agreed to amend the balance payment owing to the Vendor from \$100,000 in cash and 1,000,000 common shares of the Company to \$25,000 cash and 1,000,000 common shares. The Company completed the cash payment of \$25,000 on June 16, 2025 and issued 1,000,000 common shares on August 6, 2025 to the Vendor. The Company now owns a 100% beneficial interest in the mineral claims.

USHA RESOURCES LTD.

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO

INTERIM CARVE-OUT FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

SEPTEMBER 30, 2025 AND 2024

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
INTERIM CARVE-OUT STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)
AS AT

	September 30, 2025 (Unaudited)	March 31, 2025
ASSETS		
Exploration and evaluation assets (Note 4)	<u>\$ 893,365</u>	<u>\$ 799,944</u>
	<u>\$ 893,365</u>	<u>\$ 799,944</u>
LIABILITIES AND NET PARENT INVESTMENT		
Liabilities	\$ -	\$ -
Net Parent Investment		
Contribution from Usha Resources Ltd.	929,865	831,444
Deficit	<u>(36,500)</u>	<u>(31,500)</u>
	<u>893,365</u>	<u>799,944</u>
	<u>\$ 893,365</u>	<u>\$ 799,944</u>
Nature and continuance of operations (Note 1)		
Subsequent event (Note 9)		

Approved and authorized for issue by the Board of Directors of USHA on November 28, 2025:

<u>“Navin Varshney”</u>	Director	<u>“Deepak Varshney”</u>	Director
Navin Varshney		Deepak Varshney	

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

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
INTERIM CARVE-OUT STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Six months ended September 30, 2025	Six months ended September 30, 2024
EXPENSES		
Professional fees	\$ 5,000	\$ 7,000
Net and comprehensive loss for the period	\$ (5,000)	\$ (7,000)

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

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
INTERIM CARVE-OUT STATEMENTS OF CHANGES IN NET PARENT INVESTMENT
(Expressed in Canadian Dollars)
(Unaudited)

	Contributions from Usha Resources Ltd.	Deficit	Total
Balance, March 31, 2024	\$ 786,178	\$ (17,500)	\$ 768,678
Contribution towards White Willow Property	45,486	-	45,486
Net and comprehensive loss for the period	<u>-</u>	<u>(7,000)</u>	<u>(7,000)</u>
Balance, September 30, 2024	<u>\$ 831,664</u>	<u>\$ (24,500)</u>	<u>\$ 807,164</u>
Balance, March 31, 2025	\$ 831,444	\$ (31,500)	\$ 799,944
Contribution towards White Willow Property	98,421	-	98,421
Net and comprehensive loss for the period	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Balance, September 30, 2025	<u>\$ 929,865</u>	<u>\$ (36,500)</u>	<u>\$ 893,365</u>

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

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
INTERIM CARVE-OUT STATEMENTS 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		
Net and comprehensive loss for the period	\$ (5,000)	\$ (7,000)
Net cash and cash equivalents used in operating activities	<u>(5,000)</u>	<u>(7,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	<u>(93,421)</u>	<u>(38,486)</u>
Net cash and cash equivalents used in investing activities	<u>(93,421)</u>	<u>(38,486)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution from Usha Resources Ltd.	<u>98,421</u>	<u>45,486</u>
Net cash and cash equivalents provided (used) in financing activities	<u>98,421</u>	<u>45,486</u>
Change in cash and cash equivalents for the period	<u>-</u>	<u>-</u>
Cash and cash equivalents, beginning of period	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of period	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid during the period for income taxes	<u>\$ -</u>	<u>\$ -</u>

During the six months ended September 30, 2025 and 2024, the Project had no non-cash investing or financing activities.

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

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
NOTES TO THE UNAUDITED INTERIM CARVE-OUT FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
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1. NATURE AND CONTINUANCE OF OPERATIONS

The White Willow Lithium-Pegmatite Project (the “Property”) is a mineral exploration and evaluation property comprised of 489 claims located in the Province of Ontario. During the years presented, the Property was under option (the “Option”) and assignment (the “Assignment”) for the right to earn a 100% interest.

Exploration of the Property was undertaken by Usha Resources Ltd. (“USHA” or the “Company”). USHA is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol USHA.V, the OTCQB Exchange under the symbol USHAF and the Frankfurt Stock Exchange under the symbol JO0. USHA’s head office address is 1575 Kamloops Street, Vancouver BC, V5K 3W1, Canada. The registered and records office address is Bentall 5, 1008 – 550 Burrard Street, Vancouver, BC, V6C 2B5, Canada.

On March 24, 2023, USHA entered into an option agreement (the “Option”) with 2758145 Ontario Ltd (the “Vendor”) to acquire a 100% interest in 712 mineral claims located in the Thunder Bay Mining Division of Ontario (the “Larger Property”), which claims include the claims forming the Property. The Company also entered into an assignment agreement (the “Assignment”) with Grid Metals Corp. (the “Assignor”) to permit USHA to enter into the Option. Under the terms of the Option and the Assignment, USHA had the right to earn a 100% in the Larger Property by making total cash payments of \$220,000 and issuing an aggregate of 3,600,000 common shares over a three-year period from the date of TSX-V approval. On July 31, 2025, the Company entered into an amendment to the Option, see Note 4 for detail.

Although management of USHA has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee USHA's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Property’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These unaudited interim carve-out financial statements are presented in Canadian dollars, which is the functional currency of the Property.

These unaudited interim carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Property 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 Property is not expected to continue operations for the foreseeable future.

2. BASIS OF PREPARATION

These unaudited interim carve-out financial statements have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and follow the same accounting policies and methods of application as the Property’s March 31, 2025 annual audited carve-out financial statements, unless otherwise noted. These unaudited interim carve-out financial statements do not include all the information required for full annual carve-out financial statements and accordingly, they should be read in conjunction with the Property’s most recent annual statements. These unaudited interim carve-out financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these unaudited interim carve-out financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These unaudited interim carve-out financial statements reflect the assets, liabilities, operations and cash flows of the Property undertaken by USHA for the six months ended September 30, 2025 and 2024.

The purpose of these unaudited interim carve-out financial statements is to provide general purpose historical financial information of the Property in connection with the proposed transaction dated March 13, 2025, where the Company

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entered into a non-binding letter of intent (the “LOI”) with Totec Resources Ltd. (“TOTEC”) outlining the preliminary terms of a proposed transaction involving TOTEC’s acquisition of the Property from the Company.

These unaudited interim carve-out financial statements reflect the Property related activities and transactions as if the Property had been operating separately during the years presented. Therefore, these unaudited interim carve-out financial statements present the historical operational information of USHA related to the Property.

The unaudited interim carve-out financial statements have been extracted and carved out from the historical accounting records of USHA, with estimates used, where necessary, for certain allocations of expenses:

- i) the unaudited interim carve-out statements of financial position reflect the assets and liabilities recorded by USHA, on the basis that they are specifically identifiable and attributable to the Property;
- ii) the unaudited interim carve-out statement of loss and comprehensive loss includes expenses of USHA, on the basis that they are specifically identifiable and attributable to the Property. Management concluded that other expenses incurred by USHA are not reasonable to allocate to the Property as they relate to other activities of USHA; and
- iii) the historical costs and expenses reflected in these unaudited interim carve-out financial statements include an allocation for certain corporate and shared service functions historically incurred by USHA, including but not limited to consulting fees, professional fees, salaries and benefits, share-based compensation, and other shared services. The carve-out statements of loss and comprehensive loss include a pro-rata allocation of USHA’s expenses incurred in each of the periods presented, based on the percentage of exploration and evaluation activity on the carve-out exploration and evaluation assets compared to the expenditures incurred on all of USHA’s exploration and evaluation assets, and based on specifically identifiable activities attributable to the Property.

Management cautions readers of these unaudited interim carve-out financial statements, that the Property’s results do not necessarily reflect what the financial position, loss and comprehensive loss or cash flows would have been had the Property been a separate entity. Further, the allocation of income and expenses in these carve-out statements of loss and comprehensive loss do not necessarily reflect the nature and level of the Property’s future income and operating expenses.

These unaudited interim carve-out financial statements have been prepared on a going concern basis, which assumes that the Property will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At September 30, 2025, the Property was dependent upon the support from USHA. Whether and when the Property can obtain profitability and positive cash flows from operations is uncertain. These material uncertainties may cast significant doubt on the ability of the Property to continue as a going concern. These unaudited interim carve-out financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Property be unable to continue as a going concern. Such adjustments could be material.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unaudited interim carve-out financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the unaudited interim carve-out financial statements and the reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of judgment considered by management in preparing the unaudited interim carve-out financial statements is as follows:

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- i) The carrying value and the recoverability of the Property included in the statements of financial position. The cost model is utilized and the value of the Property is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- ii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

4. EXPLORATION AND EVALUATION ASSETS

USHA incurred expenditures on the Property as follows:

	Ontario Lithium Pegmatite Portfolio	
Acquisition Costs	White Willow, Ontario	
Balance, March 31, 2023	\$	351,025
Issuance of common shares		95,000
Cash consideration		49,500
Balance, March 31, 2024 and 2025		495,525
Issuance of common shares		66,250
Cash consideration		25,000
Balance, September 30, 2025		586,775
Exploration Expenditures:		
Balance, March 31, 2023		-
Assay sampling		26,594
Consulting fees (Note 8)		61,285
Exploration expenses		185,275
Balance, March 31, 2024		273,153
Assay sampling		1,674
Consulting fees (Note 8)		23,892
Exploration expenses		5,700
Balance, March 31, 2025		304,419
Consulting fees (Note 8)		2,172
Balance, September 30, 2025		306,590
Total costs, March 31, 2025	\$	799,944
Total costs, September 30, 2025	\$	893,365

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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 USHA has investigated title, and to the best of its knowledge, the title is in good standing.

White Willow property, Ontario, Canada

The Larger Property comprised 712 unpatented mining claims totalling 15,510 hectares that were optioned through two (2) agreements, an option agreement and assignment agreement, whereby for total consideration of \$220,000 cash and 3,600,000 common shares of the Company as indicated in the table below it would acquire 100% interest in the claims:

Payment	Vendor		Assignor		Total	
	Cash	Shares	Cash	Shares	Cash	Shares
Signing	\$50,000 ¹	500,000	\$20,000 ¹	350,000	\$70,000	850,000
1st Anniversary	\$50,000	500,000 ²	-	500,000 ²	\$50,000	1,000,000
2nd Anniversary	\$50,000	500,000 ²	-	750,000 ²	\$50,000	1,250,000
3rd Anniversary	\$50,000	500,000 ²	-	-	\$50,000	500,000
Total	\$200,000	2,000,000	\$20,000	1,600,000	\$220,000	3,600,000
Notes	1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the "Approval"). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance.					

The Company has granted to each of the Vendor and Assignor a 1.5% net-smelter returns royalty ("NSR") of which the Company may purchase two-thirds at any time for consideration of \$1.25-million and \$1-million, respectively.

The Company completed its first payment of \$70,000 cash and issued 850,000 common shares valued at \$0.33 per share for a total consideration of \$280,500 to the Vendor and Assignor on March 28, 2023.

The Company completed its second payment of \$50,000 cash and issued 1,000,000 common shares valued at \$0.145 per share for a total consideration of \$145,000 to the Vendor and Assignor on March 27, 2024.

The Company issued 750,000 common shares valued at \$0.035 to the Assignor on May 1, 2025 as part of its 2nd anniversary payment.

On July 31, 2025, the Company entered into an amendment to its mineral property option agreement with the Vendor with respect to the Larger Property. Under the original terms of the Agreement, the Company had a total consideration payable to the Vendor of \$100,000 in cash and 1,000,000 common shares in connection with the second and third anniversary obligations. Pursuant to the amendment, the parties agreed to amend the balance payable to \$25,000 cash and 1,000,000 common shares, payable on or before August 31, 2025. The Company completed the cash payment of \$25,000 on June 16, 2025 and issued 1,000,000 common shares on August 6, 2025 to the Vendor. The Company now owns a 100% beneficial interest in the Larger Property.

5. NET PARENT INVESTMENT

The Property is not a separate legal entity. Net parent investment represents contributions from USHA.

6. CAPITAL MANAGEMENT

The Property manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Property's management to sustain future development of the business. The Property considers its capital to consist of contributions from USHA.

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The Property manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of underlying assets. The Property is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Property has no traditional revenue sources. The Property's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business, rather than through a process of forced liquidation, is primarily dependent upon its continued ability to find and develop mineral property interests, and there being a favorable market in which to sell or option the mineral properties interest; and/or its ability to borrow or raise additional funds from equity markets. The Property's objective when managing capital is to safeguard its ability to continue as a going concern in order to carry out exploration and evaluation activities and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. There has been no change to the Property's approach to capital management for the six months ended September 30, 2025.

7. 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 Property does not have any financial instruments.

Financial risk management

The Property's risk exposures and the impact on the Property'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. Management feels that the Property's credit risk is remote.

Interest rate risk

The Property 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. The Property's interest rate risk is not considered significant.

Liquidity risk

The Property does not have any financial liabilities as at September 30, 2025 and 2024. The Property 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 2.

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 September 30, 2025, the Property did not have any financial instruments denominated in foreign currencies and considers foreign currency risk to be insignificant.

WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
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(Unaudited)

Price risk

Equity price risk is defined as the potential adverse impact on the Property’s earnings due to movements in individual equity prices or general movements in the level of the stock market. The Property closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Property.

New Accounting Pronouncements

IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements, to replace IAS 1, Presentation of Financial Statements. This new standard sets out requirements for the presentation and disclosure of information in financial statements, including:

- i. classifying all income and expense into specified categories and provide specified totals and subtotals in the statement of income or loss,
- ii. how information is aggregated or disaggregated, and
- iii. the disclosure of management-defined performance measures.

Retrospective application of this standard is mandatory for annual periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed. The Company has not applied this standard in preparing these consolidated financial statements as it plans to adopt the standard at its effective date. As at September 30, 2025, the impact of adopting this standard on the consolidated financial statements is currently under assessment.

8. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Property, directly or indirectly. Key management personnel consist of members of the Company’s Board of Directors and corporate officers and related companies. To determine related party transactions for the Property, the allocation methodology outlined in Note 2 has been consistently applied.

For the six months ended September 30, 2025, the Property incurred consulting expense of \$nil (2024 – \$30,000) paid to the CEO of the Company and accounting fees of \$2,000 (2024 - \$2,000) paid to the CFO of the Company.

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	Castello Q Development Corporation	Management fees/consulting fees	\$ nil	\$ 30,000
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	2,000	2,000

9. SUBSEQUENT EVENT

On October 22, 2025, the Company transferred the Property to 1540359 B.C. Ltd. (“Usha SubCo”), a wholly-owned subsidiary governed under the laws of British Columbia, 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, the Company entered into a definitive share exchange agreement with TOTEC and Usha Subco in respect of TOTEC’s qualifying transaction on the TSX-V (the “Qualifying Transaction”). Upon closing, TOTEC

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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 (the "Investor Consideration") issued to each Investor (defined herein) for each Investor Share (defined herein) held by such Investor after completion of the Concurrent Financing (defined herein).

In connection with the Qualifying Transaction, Usha Subco intends to complete a private placement (the "Concurrent Financing") of up to 28,000,000 units of Usha Subco (each, a "Unit") at a price of \$0.15 per Unit, for gross proceeds of up to \$4,200,000. Each Unit will be comprised of one (1) common share of Usha Subco (an "Investor Share") and one (1) common share purchase warrant of Usha Subco that will entitle the holder thereof to acquire one additional Investor Share at an exercise price of \$0.25 for a period of two (2) years from the date of issuance. No subscriptions under the Concurrent Offering will be accepted by Usha Subco until the Transaction has been approved by the TSX-V.

Each person who (i) acquires Units under the Concurrent Financing, (ii) agrees to become a party to, and bound by, the Definitive Agreement as an "Investor" by executing an adoption agreement"" and (iii) holds an Investor Share as at the completion of the Qualifying Transaction, will receive the Investor Consideration upon completion of the Transaction.

SCHEDULE D

**CARVE-OUT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE WHITE WILLOW
PROJECT**

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

The effective date of this report is January 8, 2026

Management Discussion & Analysis:

Management’s discussion and analysis (“MD&A”) provides an analysis of the historical information of the White Willow Lithium-Pegmatite Project (the “Property”) for the years ended March 31, 2025 and 2024. The following management discussion and analysis, prepared as of January 8, 2026, should be read together with the audited carve-out financial statements for the years ended March 31, 2025 and 2024 with the related notes attached thereto, prepared in accordance with International Financial Reporting Standards (“IFRS”). The MD&A supplements but does not form part of the financial statements. Management is responsible for the preparation of the carve-out financial statements and the MD&A for the years ended March 31, 2025 and 2024. News releases and previous filings may be found on SEDAR+ at www.sedarplus.ca.

Description of Property:

The Property is a mineral exploration and evaluation property in Ontario. During the years presented, the Property was under option (the “Option”) and assignment (the “Assignment”) for the right to earn a 100% interest.

Exploration of the Property was undertaken by Usha Resources Ltd. (the “Company” or “USHA”). The Company is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol USHA.V, the OTCQB Exchange under the symbol USHAF and the Frankfurt Stock Exchange under the symbol JO0. The Company’s head office address is 1575 Kamloops Street, Vancouver BC, V5K 3W1, Canada. The registered and records office address is Bentall 5, 1008 – 550 Burrard Street, Vancouver, BC, V6C 2B5, Canada.

On March 24, 2023, USHA entered into an option agreement (the “Option”) with 2758145 Ontario Ltd (the “Vendor”) to acquire a 100% interest in 712 mineral claims located in the Thunder Bay Mining Division of Ontario. The Company also entered into an assignment agreement (the “Assignment”) with Grid Metals Corp. (the “Assignor”) to permit USHA to enter into the Option.

Under the terms of the Option and Assignment agreements, USHA may earn a 100% in the Property by making total cash payments of \$220,000 and issuing an aggregate of 3,600,000 common shares over a three-year period from the date of TSX Venture Exchange approval as follows:

Payment	Vendor		Assignor		Total	
	Cash	Shares	Cash	Shares	Cash	Shares
Signing	\$50,000 ¹	500,000	\$20,000 ¹	350,000	\$70,000	850,000
1st Anniversary	\$50,000	500,000 ²	-	500,000 ²	\$50,000	1,000,000
2nd Anniversary	\$50,000	500,000 ²	-	750,000 ²	\$50,000	1,250,000
3rd Anniversary	\$50,000	500,000 ²	-	-	\$50,000	500,000
Total	\$200,000	2,000,000	\$20,000	1,600,000	\$220,000	3,600,000
Notes	<ol style="list-style-type: none"> 1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the “Approval”). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance. 					

The Company has granted to each of the Vendor and Assignor a 1.5% net-smelter returns royalty (“NSR”) of which the Company may purchase two-thirds at any time for consideration of \$1.25-million and \$1-million, respectively.

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
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FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

The Company completed its first payment of \$70,000 cash and issued 850,000 common shares valued at \$0.33 per share for a total consideration of \$280,500 to the Vendor and Assignor on March 28, 2023.

The Company completed its second payment of \$50,000 cash and issued 1,000,000 common shares valued at \$0.145 per share for a total consideration of \$145,000 to the Vendor and Assignor on March 27, 2024.

The Company issued 750,000 common shares valued at \$0.035 to the Assignor on May 1, 2025 as part of its 2nd anniversary payment.

On July 31, 2025, the Company entered into an amendment to its mineral property option agreement with the Vendor with respect to the White Willow Property. The parties agreed to amend the Agreement as follows: (i) amend the balance payment owing to the Vendor from \$100,000 in cash and 500,000 common shares of the Company to \$25,000 cash and 1,000,000 common shares. The Company completed the cash payment of \$25,000 on June 16, 2025 and issued 1,000,000 common shares on August 6, 2025 to the Vendor. The Company now owns a 100% beneficial interest in the mineral claims.

Forward Looking Statements:

This Management Discussion and Analysis contains certain forward-looking statements and information relating to Usha that is based on the beliefs of the Company, or management, as well as assumptions made by and information currently available to the Company or management. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “implied”, “intend” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company regarding future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties noted and the recent outbreak of an epidemic or a pandemic, the novel coronavirus (COVID-19). Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, implied, expected or intended. In each instance, forward-looking information should be considered in the light of the accompanying meaningful cautionary statements herein. Management cautions that forward-looking statements involve risk and uncertainty.

Summary of Exploration and Corporate Activities

The initial acquisition comprised 712 unpatented mining claims totalling 15,510 hectares that were optioned through two (2) agreements, an Option agreement and an Assignment agreement.

The audited carve-out financial statements reflect the assets, liabilities, operations and cash flows of the Property undertaken by USHA for the years ended March 31, 2025 and 2024.

During the year ended March 31, 2024, the Company completed three (3) phases of fieldwork over nineteen (19) weeks; limited fieldwork was completed during the year ended March 31, 2025.

The purpose of these carve-out financial statements is to provide general purpose historical financial information of the Property in connection with the proposed transaction dated March 13, 2025, where the Company entered into a non-binding letter of intent (the “LOI”) with Totec Resources Ltd. (“TOTEC”) outlining the preliminary terms of a proposed transaction. Under the

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
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LOI, TOTEC intends to acquire an option to purchase 240 mineral claims (the “Acquired Property”) from the Company that form part of the 469 mineral claims comprising the Company’s White Willow property.

Management cautions readers of these carve-out financial statements, that the Property’s results do not necessarily reflect what the financial position, loss and comprehensive loss or cash flows would have been had the Property been a separate entity. Further, the allocation of income and expenses in these carve-out statements of loss and comprehensive loss do not necessarily reflect the nature and level of the Property’s future income and operating expenses.

Critical accounting policies and estimates

The preparation of the carve-out financial statements in accordance with International Financial Reporting Standards requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates. A detailed description of these matters, as well as the significant accounting policies adopted for the Property are disclosed in the notes to the audited carve-out financial statements for the years ended March 31, 2025 and 2024.

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 Property does not have any financial instruments.

Financial risk management

The Property’s risk exposures and the impact on the Property’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. Management feels that the Property’s credit risk is remote.

Interest rate risk

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The Property 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. The Property's interest rate risk is not considered significant.

Liquidity risk

The Property does not have any financial liabilities as at March 31, 2025 and 2024. The Property 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 2.

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 March 31, 2025, the Property 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 Property's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Property closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Property.

New Accounting Pronouncements

IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements, to replace IAS 1, Presentation of Financial Statements. This new standard sets out requirements for the presentation and disclosure of information in financial statements, including:

- classifying all income and expense into specified categories and provide specified totals and subtotals in the statement of income or loss,
- how information is aggregated or disaggregated, and
- the disclosure of management-defined performance measures.

Retrospective application of this standard is mandatory for annual periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed. The Company has not applied this standard in preparing these consolidated financial statements as it plans to adopt the standard at its effective date. As at March 31, 2025, the impact of adopting this standard on the consolidated financial statements is currently under assessment.

Selected Annual Information

The following table sets out certain audited carve-out financial information for the Property for each of the last three fiscal years.

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
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Fiscal year ended March 31	2025	2024	2023
Loss and comprehensive loss	\$ 14,000	\$ 17,500	\$ Nil
Exploration & evaluation assets	799,944	768,678	351,025
Total assets	799,944	768,678	351,025
Deficit	31,500	17,500	Nil

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Summary of Quarterly Results & Results of Operations

The table below provides, for each of the last eight quarterly periods, a summary of corporate losses and is derived from unaudited quarterly financial statements prepared by management. The Company's condensed interim financial statements are prepared in accordance with IFRS applicable to interim financial statements and are expressed in Canadian dollars.

	Profit (loss) per quarter	Profit (loss) per share	Property costs
Apr. 1, 2023 - Jun. 30, 2023	\$ (4,375)	\$ -	\$ 89,329
July. 1, 2023 - Sep. 30, 2023	(4,375)	-	6,907
Oct. 1, 2023 - Dec. 31, 2023	(4,375)	-	23,032
Jan. 1, 2024 - Mar. 31, 2024	(4,375)	-	298,386
Apr. 1, 2024 - Jun. 30, 2024	(3,500)	-	21,323
Jul. 1, 2024 - Sep. 30, 2024	(3,500)	-	17,163
Oct. 1, 2024 - Dec. 31, 2024	(3,500)	-	15,230
Jan. 1, 2025 - Mar. 31, 2025	(3,500)	-	(22,450)

Discussion of Operations for the year ended March 31, 2025

The Property had a net loss of \$14,000 for the year ended March 31, 2025, (2024 – \$17,500). The Property's significant operating expenses include the following:

- Professional fees of \$14,000 (2024 – \$17,500)

Professional fees of \$14,000 (2024 – \$17,500) consist of the legal, financial reporting, and audit expenses.

Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Property, directly or indirectly. Key management personnel consist of members of the Company's Board of Directors and corporate officers and related companies. To determine related party transactions for the Property, the allocation methodology outlined in Note 2 has been consistently applied.

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

For the year ended March 31, 2025, the Property incurred consulting expense of \$20,000 (2024 – \$60,000) paid to the CEO of the Company and accounting fees of \$4,000 (2024 - \$10,800) paid to the CFO of the Company.

Name of the Key management personnel	Company's Name	Nature of Transaction	Year ended March 31, 2025	Year ended March 31, 2024
Deepak Varshney, CEO	Castello Q Development Corporation	Management fees/consulting fees	\$ 20,000	\$ 60,000
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	4,000	10,800

Subsequent Events and Proposed Transactions

In relation to the Assignment agreement (Note 4), the Company completed its third payment and issued 750,000 common shares valued at \$0.035 to the Assignor on May 1, 2025.

On May 13, 2025, the Company entered into a non-binding LOI with TOTEC outlining the preliminary terms of a proposed transaction. Under the LOI, TOTEC intends to acquire an option to purchase 240 mineral claims from the Company that form part of the 469 mineral claims comprising the Company's White Willow property. The terms have since been adjusted for TOTEC to acquire all 469 mineral claims.

On July 31, 2025, the Company entered into an amendment to its mineral property option agreement with the Vendor with respect to the White Willow Property. The parties agreed to amend the Agreement as follows: (i) amend the balance payment owing to the Vendor from \$100,000 in cash and 1,000,000 common shares of the Company to \$25,000 cash and 1,000,000 common shares. The Company completed the cash payment of \$25,000 on June 16, 2025 and issued 1,000,000 common shares on August 6, 2025 to the Vendor. The Company now owns a 100% beneficial interest in the mineral claims.

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025**

The effective date of this report is November 28, 2025

Management Discussion & Analysis:

Management’s discussion and analysis (“MD&A”) provides an analysis of the historical information respecting the White Willow Lithium-Pegmatite Project (the “Property”), comprised of 489 claims located in Ontario, for the six months ended September 30, 2025 and 2024. The following management discussion and analysis, prepared as of November 28, 2025, should be read together with the unaudited interim carve-out financial statements for the six months ended September 30, 2025 with the related notes attached thereto, and the audited carve-out financial statements for the year ended March 31, 2025 with the related notes attached thereto, prepared in accordance with International Financial Reporting Standards (“IFRS”). The MD&A supplements but does not form part of the financial statements. Management is responsible for the preparation of the unaudited interim carve-out financial statements and the MD&A for the six months ended September 30, 2025. News releases and previous filings may be found on SEDAR+ at www.sedarplus.ca.

Description of Property:

The Property is a mineral exploration and evaluation property in Ontario. During the years presented, a collection of 712 mineral claims located in Ontario (the “Larger Property”) was under option (the “Option”) and assignment (the “Assignment”) for the right to earn a 100% interest.

Exploration of the Property was undertaken by Usha Resources Ltd. (the “Company” or “USHA”). The Company is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol USHA.V, the OTCQB Exchange under the symbol USHAF and the Frankfurt Stock Exchange under the symbol JO0. The Company’s head office address is 1575 Kamloops Street, Vancouver BC, V5K 3W1, Canada. The registered and records office address is Bentall 5, 1008 – 550 Burrard Street, Vancouver, BC, V6C 2B5, Canada.

On March 24, 2023, USHA entered into an option agreement (the “Option”) with 2758145 Ontario Ltd (the “Vendor”) to acquire a 100% interest in 712 mineral claims located in the Thunder Bay Mining Division of Ontario. The Company also entered into an assignment agreement (the “Assignment”) with Grid Metals Corp. (the “Assignor”) to permit USHA to enter into the Option.

Under the terms of the Option and Assignment agreements, USHA had the right to earn a 100% in the Larger Property by making total cash payments of \$220,000 and issuing an aggregate of 3,600,000 common shares over a three-year period from the date of TSX Venture Exchange approval as follows:

Payment	Vendor		Assignor		Total	
	Cash	Shares	Cash	Shares	Cash	Shares
Signing	\$50,000 ¹	500,000	\$20,000 ¹	350,000	\$70,000	850,000
1st Anniversary	\$50,000	500,000 ²	-	500,000 ²	\$50,000	1,000,000
2nd Anniversary	\$50,000	500,000 ²	-	750,000 ²	\$50,000	1,250,000
3rd Anniversary	\$50,000	500,000 ²	-	-	\$50,000	500,000
Total	\$200,000	2,000,000	\$20,000	1,600,000	\$220,000	3,600,000
Notes	<ol style="list-style-type: none"> 1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the “Approval”). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance. 					

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025**

The Company has granted to each of the Vendor and Assignor a 1.5% net-smelter returns royalty (“NSR”) of which the Company may purchase two-thirds at any time for consideration of \$1.25-million and \$1-million, respectively.

The Company completed its first payment of \$70,000 cash and issued 850,000 common shares valued at \$0.33 per share for a total consideration of \$280,500 to the Vendor and Assignor on March 28, 2023.

The Company completed its second payment of \$50,000 cash and issued 1,000,000 common shares valued at \$0.145 per share for a total consideration of \$145,000 to the Vendor and Assignor on March 27, 2024.

The Company issued 750,000 common shares valued at \$0.035 to the Assignor on May 1, 2025 as part of its 2nd anniversary payment.

On July 31, 2025, the Company entered into an amendment to the Option to amend the terms as follows: (i) amend the balance payment owing to the Vendor from \$100,000 in cash and 1,000,000 common shares of the Company to \$25,000 cash and 1,000,000 common shares. The Company completed the cash payment of \$25,000 on June 16, 2025 and issued 1,000,000 common shares on August 6, 2025 to the Vendor, as a result of which the Company acquired a 100% beneficial interest in the Larger Property.

223 of the claims comprising the Larger Property were subsequently dropped by the Company.

Forward Looking Statements:

This Management Discussion and Analysis contains certain forward-looking statements and information relating to Usha that is based on the beliefs of the Company, or management, as well as assumptions made by and information currently available to the Company or management. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “implied”, “intend” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company regarding future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties noted and the recent outbreak of an epidemic or a pandemic, the novel coronavirus (COVID-19). Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, implied, expected or intended. In each instance, forward-looking information should be considered in the light of the accompanying meaningful cautionary statements herein. Management cautions that forward-looking statements involve risk and uncertainty.

Summary of Exploration and Corporate Activities

The initial acquisition related to 712 unpatented mining claims (the Larger Property) totalling 15,510 hectares that were optioned through two (2) agreements, an Option agreement and an Assignment agreement. The claims comprising the Larger Property include the claims forming the Property.

The unaudited interim carve-out financial statements reflect the assets, liabilities, operations and cash flows of the Property undertaken by USHA for the six months ended September 30, 2025 and 2024.

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025**

During the year ended March 31, 2024, the Company completed three (3) phases of fieldwork over nineteen (19) weeks; limited fieldwork was completed during the year ended March 31, 2025.

During the six months ended September 30, 2025, in relation to the Assignment agreement (Note 4), the Company completed its third payment and issued 750,000 common shares valued at \$0.035 to the Assignor on May 1, 2025. The Company completed its final payment of \$25,000 cash on June 16, 2025 and issued 1,000,000 common shares valued at \$0.040 on August 6, 2025 to the Vendor, as a result of which the Company acquired a 100% beneficial interest in the Larger Property.

On May 13, 2025, the Company entered into a non-binding LOI with TOTEC Resources Ltd. (“TOTEC”) outlining the preliminary terms of a proposed transaction involving TOTEC’s acquisition of the Property from the Company. Under the LOI, TOTEC originally intended to acquire an option to purchase a subset of claims comprising the Property (being 240 mineral claims) from the Company and the terms have since been adjusted to contemplate TOTEC’s acquisition of all 489 claims comprising the Property.

The purpose of the unaudited interim carve-out financial statements is to provide general purpose historical financial information of the Property in connection with TOTEC’s proposed acquisition of the Property.

Management cautions readers of these unaudited interim carve-out financial statements, that the Property’s results do not necessarily reflect what the financial position, loss and comprehensive loss or cash flows would have been had the Property been a separate entity. Further, the allocation of income and expenses in these unaudited carve-out statements of loss and comprehensive loss do not necessarily reflect the nature and level of the Property’s future income and operating expenses.

Critical accounting policies and estimates

The preparation of the unaudited interim carve-out financial statements in accordance with International Financial Reporting Standards requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates. A detailed description of these matters, as well as the significant accounting policies adopted for the Property are disclosed in the notes to the unaudited interim carve-out financial statements for the six months ended September 30, 2025 and 2024.

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

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025**

- Level 3 – Inputs that are not based on observable market data.

The Property does not have any financial instruments.

Financial risk management

The Property's risk exposures and the impact on the Property'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. Management feels that the Property's credit risk is remote.

Interest rate risk

The Property 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. The Property's interest rate risk is not considered significant.

Liquidity risk

The Property does not have any financial liabilities as at September 30, 2025 and 2024. The Property 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 2.

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 September 30, 2025, the Property 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 Property's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Property closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Property.

New Accounting Pronouncements

IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements, to replace IAS 1, Presentation of Financial Statements. This new standard sets out requirements for the presentation and disclosure of information in financial statements, including:

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025**

- classifying all income and expense into specified categories and provide specified totals and subtotals in the statement of income or loss,
- how information is aggregated or disaggregated, and
- the disclosure of management-defined performance measures.

Retrospective application of this standard is mandatory for annual periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed. The Company has not applied this standard in preparing these consolidated financial statements as it plans to adopt the standard at its effective date. As at September 30, 2025, the impact of adopting this standard on the consolidated financial statements is currently under assessment.

Selected Annual Information

The following table sets out certain audited carve-out financial information for the Property for each of the last three fiscal years.

Fiscal year ended March 31	2025	2024	2023
Loss and comprehensive loss	\$ 14,000	\$ 17,500	\$ Nil
Exploration & evaluation assets	799,944	768,678	351,025
Total assets	799,944	768,678	351,025
Deficit	31,500	17,500	Nil

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Summary of Quarterly Results & Results of Operations

The table below provides, for each of the last eight quarterly periods, a summary of corporate losses and is derived from unaudited quarterly financial statements prepared by management. The Company's condensed interim financial statements are prepared in accordance with IFRS applicable to interim financial statements and are expressed in Canadian dollars.

	Profit (loss) per quarter	Profit (loss) per share	Property costs
Oct. 1, 2023 - Dec. 31, 2023	\$ (4,375)	\$ -	\$ 23,032
Jan. 1, 2024 - Mar. 31, 2024	(4,375)	-	298,386
Apr. 1, 2024 - Jun. 30, 2024	(3,500)	-	21,323
Jul. 1, 2024 - Sep. 30, 2024	(3,500)	-	17,163
Oct. 1, 2024 - Dec. 31, 2024	(3,500)	-	15,230
Jan. 1, 2025 - Mar. 31, 2025	(3,500)	-	(22,450)
Apr. 1, 2025 - Jun. 30, 2025	(5,000)	-	53,422
Jul. 1, 2025 - Sep. 30, 2025	-	-	40,000

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025**

Discussion of Operations for the six months ended September 30, 2025

The Property had a net loss of \$5,000 for the six months ended September 30, 2025, (2024 – \$7,000). The Property’s significant operating expenses include the following:

- Professional fees of \$5,000 (2024 – \$7,000)

Professional fees of \$5,000 (2024 – \$7,000) consist of the legal, financial reporting, and audit expenses.

Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Property, directly or indirectly. Key management personnel consist of members of the Company’s Board of Directors and corporate officers and related companies. To determine related party transactions for the Property, the allocation methodology outlined in Note 2 has been consistently applied.

For the six months ended September 30, 2025, the Property incurred consulting expense of \$nil (2024 – \$30,000) paid to the CEO of the Company and accounting fees of \$2,000 (2024 - \$2,000) paid to the CFO of the Company.

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	Castello Q Development Corporation	Management fees/consulting fees	\$ nil	\$ 30,000
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	2,000	2,000

Subsequent Events and Proposed Transactions

On October 22, 2025, the Company transferred the Property to 1540359 B.C. Ltd. (“Usha SubCo”), a wholly-owned subsidiary governed under the laws of British Columbia, 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, the Company entered into the Definitive Agreement with TOTEC and Usha Subco in respect of TOTEC’s qualifying transaction on the TSX-V (the “Qualifying Transaction”). 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 (the “Purchaser Consideration”)

**WHITE WILLOW, A LITHIUM-PEGMATITE- PROJECT IN ONTARIO
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025**

issued to each Investor (defined herein) for each Investor Share (defined herein) held by such Investor after completion of the Concurrent Financing (defined herein).

In connection with the Qualifying Transaction, Usha Subco intends to complete a private placement (the "Concurrent Financing") of up to 28,000,000 units of Usha Subco (each, a "Unit") at a price of \$0.15 per Unit, for gross proceeds of up to \$4,200,000. Each Unit will be comprised of one (1) common share of Usha Subco (an "Investor Share") and one (1) common share purchase warrant of Usha Subco that will entitle the holder thereof to acquire one additional Investor Share at an exercise price of \$0.25 for a period of two (2) years from the date of issuance. No subscriptions under the Concurrent Offering will be accepted by Usha Subco until the Transaction has been approved by the TSX-V.

Each person who (i) acquires Units under the Concurrent Financing, (ii) agrees to become a party to, and bound by, the Definitive Agreement as an "Investor" by executing an adoption agreement"" and (iii) holds an Investor Share as at the completion of the Qualifying Transaction, will receive the Investor Consideration upon completion of the Transaction.

SCHEDULE E
FINANCIAL STATEMENTS FOR SUBCO

1540359 B.C. LTD.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

PERIOD FROM MAY 20, 2025 (DATE OF INCORPORATION)
TO AUGUST 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
1540359 B.C. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 1540359 B.C. LTD. (the "Company"), which comprise the statements of financial position as at August 31, 2025, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the period from May 20, 2025 (date of incorporation) to August 31, 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2025, and its financial performance and its cash flows for the period from May 20, 2025 (date of incorporation) to August 31, 2025 in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

Basis of 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the financial statements, which indicates that the Company incurred a net loss during the period from May 20, 2025 (date of incorporation) to August 31, 2025 and, as of that date, the Company's current liabilities exceeded its total assets. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter of the Material Uncertainty Related to Going Concern described above, we have determined that there are no other key audit matters to communicate in our report.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Julia Zhou.

November 3 , 2025
Markham, Ontario

Horizon Assurance LLP
Chartered Professional Accountants
Licensed Public Accountants

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

	August 31, 2025		May 20, 2025	
			(Date of Incorporation)	
ASSETS				
Current				
Cash	\$	0	\$	0
Total assets	\$	0	\$	0
LIABILITIES AND NET SHAREHOLDER'S EQUITY				
Current				
Accounts payable and accrued liabilities	\$	432	\$	-
Total liabilities		432		-
Shareholders' equity				
Share capital (Note 4)		0		0
Deficit		(432)		-
Total shareholders' equity		(432)		0
Total Liabilities and Shareholders' Equity	\$	0	\$	0

Nature of operations and going concern (Note 1)
Subsequent event (Note 10)

Approved and authorized for issue by the Board of Directors on November 3, 2025:

“Navin Varshney”
 Navin Varshney

Director

“Deepak Varshney”
 Deepak Varshney

Director

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

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

**Period from
May 20, 2025
(Date of Incorporation)
to August 31, 2025**

Expenses

Professional fees	\$	432
		(432)

Net and comprehensive loss for the year	\$	(432)
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Loss per share - basic and diluted	\$	(432)
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Weighted average number of shares outstanding - basic and diluted		1
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The accompanying notes are an integral part of these financial statements.

1540359 B.C. LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

Period from May 20, 2025 (Date of Incorporation) to August 31, 2025

	Share Capital (Note 4)			Total Shareholders' Equity
	Number	Amount	Deficit	
Balance, May 20, 2025 (Date of Incorporation)	1	\$ 0	\$ -	\$ 0
Loss for the period	-	-	(432)	(432)
Balance, August 31, 2025	1	\$ 0	\$ (432)	\$ (432)

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

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

	Period from May 20, 2025 (Date of Incorporation) to August 31, 2025
Cash flows from operating activities	
Net and comprehensive loss for the year	\$ 432
Increase in accounts payable and accrued liabilities	(432)
Net cash used in operating activities	-
Change in cash for the year	-
Cash, beginning of year	-
Cash, end of year	\$ -

During the period ended August 31, 2025, the Company had no cash flows from operating and investing activities, and the Company issued 1 common share for \$0.0001.

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

1540359 B.C. LTD.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM MAY 20, 2025 (DATE OF INCORPORATION) TO AUGUST 31, 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 9). As at August 31, 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 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 August 31, 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 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. BASIS OF PREPARATION

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of Measurement

These financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of Estimates and Judgments

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

Critical judgments exercised and assumptions made by management in applying accounting policy information that have the most significant effect on the amounts presented in these financial statements are as follows:

- The application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, twelve months from the year end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.
- The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities.

3. MATERIAL ACCOUNTING POLICIES

Loss per share

The Company presents basic loss per share 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 period. The Company has no instruments that have a dilutive potential; therefore, the basic and diluted earnings per share are the same.

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Financial instruments

The Company recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Under IFRS 9, such financial assets or financial liabilities are initially recognized at fair value, and the subsequent measurement depends on their classification..

Financial assets

The Company classifies its financial assets into three categories, depending on the cash flow characteristics of the assets and the business objective for managing the assets. Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. The Company's accounting policy for each category is as follows:

Amortized cost: Assets are held within a business model with the objective of collecting their contractual cash flow; and the contractual cash flows consist solely of payments of principal and interest. They are recognized initially at fair value plus directly attributable transaction costs and subsequently measured at amortized cost less cumulative impairment losses. A gain or loss on a debt investment is recognized in profit and loss when the asset is derecognized or impaired.

Fair value through profit and loss ("FVTPL"): Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a financial asset measured at FVTPL that is not part of a hedging relationship is recognized in profit and loss and presented on a net basis in the period in which it arises. IFRS 9 contains an option to designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial asset at FVTPL is available at initial recognition and is irrevocable.

1540359 B.C. LTD.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM MAY 20, 2025 (DATE OF INCORPORATION) TO AUGUST 31, 2025

(Expressed in Canadian Dollars)

Fair value through other comprehensive income ("FVTOCI"): Assets are held within a business model that includes both hold to collect their contractual cash flow and sell the assets; and the contractual cash flows consist solely of payments of principal and interest. For debt instruments measured at FVTOCI, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses are recognized directly in profit or loss.

The cumulative fair value gains or losses recognized in other comprehensive income ("OCI") are reclassified to profit or loss when the asset is derecognized. An election may be made to classify an equity investment, that is neither held for trading nor represents contingent consideration recognized by an acquirer in a business combination, as held at FVTOCI. The option to designate an equity instrument at FVTOCI is available at initial recognition and is irrevocable. This designation results in all gains and losses being presented in OCI except dividend income which is recognized in profit or loss.

Financial assets should be reclassified when and only when an entity changes its business model for managing financial assets. Any such reclassifications are applied prospectively from the date of the reclassification.

Financial liabilities

Under IFRS 9, financial liabilities are primarily classified at amortized cost with limited exceptions. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires. The Company's accounting policy for each category is as follows:

FVTPL: This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term, and certain financial liabilities that were designated at FVTPL from inception. IFRS 9 contains an option to designate a financial liability as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial liability at FVTPL is available at initial recognition and is irrevocable.

Amortized cost: Financial liabilities are recognized initially at fair value net of directly attributable transaction costs. They are subsequently recognized at amortized cost using effective interest method with interest expense recognized on an effective yield basis.

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts, and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

The Company classifies its financial instruments as follows:

<u>Asset or Liability</u>	<u>Classification</u>
Accounts payable and accrued liabilities	Amortized cost

New Accounting Pronouncements

IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements, to replace IAS 1, Presentation of Financial Statements. This new standard sets out requirements for the presentation and disclosure of information in financial statements, including:

- i) classifying all income and expense into specified categories and provide specified totals and subtotals in the statement of income or loss,
- ii) how information is aggregated or disaggregated, and
- iii) the disclosure of management-defined performance measures.

Retrospective application of this standard is mandatory for annual periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed. The Company has not applied this standard in preparing these financial statements as it plans to adopt the standard at its effective date. As at August 31, 2025, the impact of adopting this standard on the financial statements is currently under assessment.

1540359 B.C. LTD.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM MAY 20, 2025 (DATE OF INCORPORATION) TO AUGUST 31, 2025

(Expressed in Canadian Dollars)

4. 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.

5. 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 period from May 20, 2025 (date of incorporation) to August 31, 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 August 31, 2025, the Company did not have any cash and cash equivalents.

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 August 31, 2025, the Company did not have any cash and cash equivalents. Therefore, the Company is not exposed to interest rate risk as at August 31, 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 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.

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 August 31, 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.

1540359 B.C. LTD.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM MAY 20, 2025 (DATE OF INCORPORATION) TO AUGUST 31, 2025

(Expressed in Canadian Dollars)

6. CAPITAL MANAGEMENT

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.

7. RELATED PARTY TRANSACTIONS

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

During the period ended August 31, 2025, there were no transactions with related parties.

8. INCOME TAX

The Company's provision for income taxes differs from the amount computed by applying the base current rate of 27% for British Columbia and to the loss for the year before taxes as shown in the following table:

	Period from Incorporation on May 20, 2025 to August 31, 2025
Loss before income taxes	\$ (432)
Expected income tax recovery on statutory rates	(117)
Changes in tax benefits not recognized	117
Income tax (recovery) expense	\$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	As at August 31, 2025
Non-capital losses	\$ 117
	117
Deferred tax assets not recognized	(117)
Deferred tax liability	\$ -

Certain deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As at August 31, 2025, the Company had an accumulated non-capital loss of \$432, which would expire in 2045.

9. 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 240 claims constituting Usha's White Willow Pegmatite Property (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. The transaction was subsequently amended to include all 489 claims that constitute the Property.

1540359 B.C. LTD.

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM MAY 20, 2025 (DATE OF INCORPORATION) TO AUGUST 31, 2025

(Expressed in Canadian Dollars)

The Transaction will be structured as follows: (i) Usha will assign the Property to Usha SubCo; and (ii) Totec will then acquire all of the issued and outstanding shares of Usha SubCo. The Transaction is intended to constitute Totec's qualifying transaction (the "Qualifying Transaction"), as defined in Policy 2.4 of the TSX Venture Exchange. For Usha, the Transaction represents a strategic step to focus on its other core assets, while retaining exposure to the Property through an equity interest in Totec.

In connection with the Transaction, Usha has transferred the Property to Usha SubCo (note 10), a wholly-owned subsidiary governed under the laws of British Columbia. Totec will then acquire all of the issued and outstanding shares of Usha SubCo, thereby indirectly acquiring the Property. The final structure and form of the Transaction have been set forth in a definitive agreement (the "Definitive Agreement") entered into among the parties (note 10), which replaced the LOI. Completion of the Transaction remains subject to the satisfaction of customary closing conditions, including receipt of required tax, corporate and securities law confirmations for both Totec and Usha.

10. SUBSEQUENT EVENTS

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, the Definitive Agreement in respect of the Qualifying Transaction was entered into by Totec, Usha and Usha Subco. 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.

The Company intends to complete a concurrent private placement of up to 28,000,000 units (each, a "Unit") at a price of \$0.15 per Unit, for aggregate gross proceeds of up to \$4,200,000. Each Unit will be comprised of one common share of the Company (the "Investor Share") and one common share purchase warrant of Company that will entitle the holder (the "Investor") thereof to acquire one additional common share at an exercise price of \$0.25 for a period of two years from the date of issuance (the "Financing").

SCHEDULE F

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR SUBCO

1540359 B.C. Ltd.
MANAGEMENT DISCUSSION AND ANALYSIS
PERIOD FROM MAY 20, 2025 (DATE OF INCORPORATION)
TO AUGUST 31, 2025

The effective date of this report is November 3, 2025

Management Discussion & Analysis:

Management’s discussion and analysis (“MD&A”) provides a detailed analysis of the results and financial condition of 1540359 B.C. Ltd. (the “Company” or “Usha SubCo”) for the period ended August 31, 2025. The following management discussion and analysis, prepared as of November 3, 2025, should be read together with the audited financial statements for the period ended August 31, 2025 with the related notes attached thereto, prepared in accordance with International Financial Reporting Standards (“IFRS”). The MD&A supplements, but does not form part of the financial statements. Management is responsible for the preparation of the financial statements and the MD&A for the period ended August 31, 2025.

Description of Business:

The Company was incorporated as a private company by Certificate of Incorporation pursuant to the provisions of the Business Corporations Act on May 20, 2025. 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 9).

As at August 31, 2025, the Transaction (Note 9) had not yet been completed.

Forward Looking Statements:

This Management Discussion and Analysis contains certain forward-looking statements and information relating to Usha SubCo that is based on the beliefs of the Company, or management, as well as assumptions made by and information currently available to the Company or management. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “implied”, “intend” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company regarding future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties noted with the inflationary pressures, rising interest rates, the global financial climate and the conflicts in Ukraine and the Middle East affecting current economic conditions and increasing economic uncertainty. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, implied, expected or intended. In each instance, forward-looking information should be considered in the light of the accompanying meaningful cautionary statements herein. Usha SubCo cautions that forward-looking statements involve risk and uncertainty.

Overall Performance

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The Company does not generate revenues from operations. The Company's loss for the period ended August 31, 2025 was \$432 (2024: \$nil).

Working capital as at August 31, 2025, was \$(432) (2024: \$nil), and comprised cash of \$nil (2024: \$nil and accounts payable and accrued liabilities of \$432 (2024: \$nil).

The Company's continuing operations are economically dependent on Usha and its related entities for financial support and to fund any administrative or operational obligations. .

Summary of Corporate Activities

No activity as of period ended August 31, 2025.

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.

Critical accounting policies and estimates

The preparation of these financial statements in accordance with International Financial Reporting Standards requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates. A detailed description of these matters, as well as the significant accounting policies adopted by the Company are disclosed in the notes to the audited financial statements for the period ended August 31, 2025.

Financial Instruments

IFRS 9 establishes three primary measurement categories for financial assets: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the instrument.

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income (loss) ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified and measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

1540359 B.C. Ltd.
MANAGEMENT DISCUSSION AND ANALYSIS
PERIOD FROM MAY 20, 2025 (DATE OF INCORPORATION)
TO AUGUST 31, 2025

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

<u>Asset or Liability</u>	<u>IFRS 9 Classification</u>
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Prepaid expenses	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

RECENT ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee.

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements, to replace IAS 1, Presentation of Financial Statements. This new standard sets out requirements for the presentation and disclosure of information in financial statements, including:

1540359 B.C. Ltd.
MANAGEMENT DISCUSSION AND ANALYSIS
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TO AUGUST 31, 2025

- i) classifying all income and expense into specified categories and provide specified totals and subtotals in the statement of income or loss,
- ii) how information is aggregated or disaggregated, and
- iii) the disclosure of management-defined performance measures.

Retrospective application of this standard is mandatory for annual periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed.

The Company has not applied this standard in preparing these financial statements as it plans to adopt the standard at its effective date. As at August 31, 2025, the impact of adopting this standard on the financial statements is currently under assessment.

Summary of Quarterly Results & Results of Operations

The Company has a loss and comprehensive loss of \$432 from May 20, 2025 (date of incorporation) to August 31, 2025.

Discussion of Operations for the period ended August 31, 2025

Loss and comprehensive loss for the period ended August 31, 2025, was \$432 (2024: \$nil) which was spent on audit, accounting and legal fees.

Liquidity, Capital Resources and Capital Expenditures

At August 31, 2025, the Company's working capital, defined as current assets less current liabilities, was \$(432) (2024: nil). 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.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Financial risk factors

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

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents and interest receivable. The Company limits its exposure to credit loss by placing its cash and G.I.C.'s with major financial institutions.

1540359 B.C. Ltd.
MANAGEMENT DISCUSSION AND ANALYSIS
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TO AUGUST 31, 2025

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2025, the Company's cash and cash equivalents, prepaid expenses and receivables exceeded its current liabilities. In order to meet future obligations as they become due, the Company may need to access funding from the issuance of equity securities, the exercise of stock options or through other sources. The Company's access to financing is uncertain and there is no assurance of continued access to equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in a foreign currency. As at August 31, 2025, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

c) *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.

The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises, e.g., COVID-19. Global government actions, along with market uncertainty could cause an economic slowdown resulting in a decrease in the demand for metals and have a negative impact on metal prices, as well as possible disruptions to global supply chains. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

1540359 B.C. Ltd.
MANAGEMENT DISCUSSION AND ANALYSIS
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TO AUGUST 31, 2025

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.

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.

There were no related party transactions as of period ended August 31, 2025.

Outstanding Share Data

Authorized Capital

Unlimited common shares with no par value and unlimited preferred shares with no par value.

Issued and Outstanding Capital

1 common share was issued and outstanding at August 31, 2025.

Subsequent Events

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, the Definitive Agreement in respect of the Qualifying Transaction was entered into by Totec, Usha and Usha Subco. 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.

The Company intends to complete a concurrent private placement of up to 28,000,000 units (each, a “Unit”) at a price of \$0.15 per Unit, for aggregate gross proceeds of up to \$4,200,000. Each Unit will be comprised of one common share of the Company (the “Investor Share”) and one common share purchase warrant of Company that will entitle the holder (the “Investor”) thereof to acquire

1540359 B.C. Ltd.
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one additional common share at an exercise price of \$0.25 for a period of two years from the date of issuance (the “Financing”).

SCHEDULE G
PRO FORMA FINANCIAL STATEMENTS

TOTEC RESOURCES LTD.
(A Capital Pool Company)

Pro-forma Financial Statements

September 30, 2025

(Unaudited)

(Expressed in Canadian Dollars)

TOTEC RESOURCES LTD.
PRO-FORMA STATEMENT OF FINANCIAL POSITION
As at September 30, 2025
(Unaudited) - (Expressed in Canadian Dollars)

	1540359 B.C. LTD. August 31, 2025 (Unaudited)	Carve Out September 30, 2025 (Unaudited)	Totec September 30, 2025 (Unaudited)	Pro-Forma Adjustments			Post Adjustment Balance
				1 Financing	2 RTO	3 Carve Out Acquisition of Notes White Willow	
ASSETS							
Current							
Cash and cash equivalents	\$ -	\$ -	\$ 84,997	\$ 4,185,000	\$ -	\$ (50,000)	\$ 4,219,997
Receivables	-	-	5,313	-	-	-	5,313
	-	-	90,310	4,185,000	-	(50,000)	4,225,310
Exploration and evaluation assets	\$ -	\$ 893,365	\$ -	\$ -	\$ -	\$ -	\$ 893,365
	\$ -	\$ 893,365	\$ 90,310	\$ 4,185,000	\$ -	\$ (50,000)	\$ 5,118,675
LIABILITIES AND SHAREHOLDERS' EQUITY							
Current							
Accounts payable and accrued liabilities	\$ 432	\$ -	\$ 42,391	\$ -	\$ -	\$ -	\$ 42,823
Shareholders' equity							
Share capital	-	-	351,604	4,500,000	107,846	929,865	5,889,315
Cash payment	-	-	-	-	-	(50,000)	(50,000)
Share issue costs	-	-	-	(315,000)	-	-	(315,000)
Contributions from USHA	-	929,865	-	-	-	(929,865)	-
Reserves	-	-	37,691	-	(37,691)	-	-
Deficit	(432)	(36,500)	(341,376)	-	(70,155)	-	(448,463)
	(432)	893,365	47,919	4,185,000	-	(50,000)	5,075,852
	\$ -	\$ 893,365	\$ 90,310	\$ 4,185,000	\$ -	\$ (50,000)	\$ 5,118,675

Basis of presentation (Note 2)
Pro-forma assumptions and adjustments (Note 3)

The accompanying notes are an integral part of these pro-forma financial statements

TOTEC RESOURCES LTD.
NOTES TO THE PRO-FORMA FINANCIAL STATEMENTS
Six months ended September 30, 2025
(Unaudited) - (Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

TOTEC RESOURCES LTD. (the “**Company**” or “**Totec**”) 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 Exchange 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 (the “**LOI**”) with Usha Resources Ltd. (“**Usha**”) for the Company to acquire from Usha an option to acquire a 100% interest in 489 claims (the “**Acquired White Willow Interest**”) currently forming part of the Usha’s White Willow Property. The LOI was superseded by a share purchase agreement (“**Agreement**”) dated October 22, 2025, among Totec, 1540359 B.C. Ltd. (“**Usha Subco**”), Usha and the shareholders of Usha Subco (the “**Vendors**”), which contemplates the acquisition by Totec of all of the outstanding common shares of Usha Subco from the Vendors in exchange for (i) one common share of Totec (on a post-Consolidation basis) for every common share of Usha Subco held by the Vendors and (ii) the payment of \$50,000 in cash to Usha. The Acquired White Willow Interest was assigned from Usha to Usha Subco on October 22, 2025 pursuant to an assignment agreement between Usha and Usha Subco, in consideration for 5,500,000 common shares of Usha Subco. Completion of the transactions contemplated under the Agreement is subject to, among other things, approval of the Exchange.

2. BASIS OF PRESENTATION

These unaudited pro-forma financial statements have been compiled for the purposes of inclusion in the filing statement of Totec dated January 12, 2026.

The unaudited pro-forma statement of financial position as at September 30, 2025 has been derived from the unaudited financial statements of the Company as at September 30, 2025 and the adjustments and assumptions contained in Note 3. The unaudited pro-forma statement of financial position for the six months ended September 30, 2025 have been prepared as if the reorganization of Totec contemplated in the Agreement had occurred on September 30, 2025.

This unaudited pro-forma financial statements should also be read in conjunction with the unaudited interim financial statements of Company for the six months ended September 30, 2025 as well as the audited consolidated financial statements of Usha for the year ended March 31, 2025 and the unaudited consolidated interim financial statements of Usha for the six months ended September 30, 2025.

It is management’s opinion that this pro-forma financial statements include all adjustments necessary for the fair presentation of the transactions described herein and are in accordance with International Financial Reporting Standards. The pro-forma financial statements are not intended to reflect the results of operations or the financial position of the Company which would have actually resulted had the transactions been effected on the dates indicated. Furthermore, the unaudited pro-forma financial information is not necessarily indicative of the results of operations that may be obtained in the future. Actual amounts recorded upon consummation of the transactions will differ from those recorded in the unaudited pro-forma financial statements and the differences may be material.

3. PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma financial statements give effect to the following:

- a) The Acquired White Willow Interest, as described in Note 1, having a carrying value of \$893,365 as of September 30, 2025. These pro-forma financial statements include adjustments of the consideration to be

TOTEC RESOURCES LTD.
NOTES TO THE PRO-FORMA FINANCIAL STATEMENTS
Six months ended September 30, 2025
(Unaudited) - (Expressed in Canadian Dollars)

paid by Totec, which is based on the Agreement as described in Note 1. Usha is in the process of finalizing the value of the net assets transferred, therefore these figures are subject to change. As a result, the final transfer price allocation may be materially different from the allocations presented in these pro-forma financial statements.

- b) Totec having carried out a consolidation of its common shares on a 2:1 basis (the “**Consolidation**”).
- c) As of September 30, 2025, Usha Subco having 35,500,000 common shares issued and outstanding, comprising 30,000,000 shares issued at \$0.15 per share pursuant to private placement financing for proceeds of \$4,500,000, for which finder’s fees of up to 7% were payable, and 5,500,000 shares at \$0.15 per share held by Usha, as described in Note 1. Upon completion of the Agreement, all issued and outstanding shares of Usha Subco will be consolidated with Totec in accordance with the terms of the Agreement.
- d) Usha Subco having completed a reverse takeover of Totec, whereby (i) Totec has paid \$50,000 in cash to Usha and (ii) the 35,500,000 common shares of Usha Subco have been exchanged for an equal number of common shares of the Company at \$0.15 per share, in a non-arm’s length transaction, resulting in Usha Subco’s acquisition of the Company’s assets and corresponding listing expenses.

4. SHARE CAPITAL AND SHARE CONTINUITY (PRO-FORMA):

a) Authorized Share Capital

Unlimited common shares with no par value.

b) Issued and Outstanding

As at September 30, 2025, before applying effect of the Transaction described in Note 1 and the adjustments in Note 3, the Company had 6,126,000 common shares issued and outstanding.

c) Pro-Forma Adjusted Share Capital

Following the effects of Pro-forma adjustment, Usha Subco:

- Issued 30,000,000 shares issued pursuant to private placement financing; and 5,500,000 shares to Usha (Note 3c) and 3,063,000 shares pursuant to acquisition of Totec; and
- Paid \$315,000 in finder’s fees relating to the private placement.

The following table reflects the post-adjustment share capital of Totec:

TOTEC RESOURCES LTD.
NOTES TO THE PRO-FORMA FINANCIAL STATEMENTS
Six months ended September 30, 2025
(Unaudited) - (Expressed in Canadian Dollars)

	Shares	Amount
Balance, September 30 2025 (Pre-Adjustment)	1	\$ -
Issuance of common shares for White Willow property	5,500,000	929,865
Cash payment for White Willow property	-	(50,000)
Shares issued for private placement	30,000,000	4,500,000
Cancellation of Usha Subco incorporator's share	(1)	-
Share issuance costs	-	(315,000)
Acquisition of Totec (Post 2:1 Consolidation)	3,063,000	459,450
Balance, September 30, 2025 (Post-Adjustment)	38,563,000	\$ 5,524,315

d) Escrowed shares

As at September 30, 2025, before applying effect of the Transaction described in Note 1 and the adjustments in Note 3, the Company had 2,700,000 common shares issued at \$0.05 per share held in escrow pursuant to the requirements of the Exchange. The Company Completed a share consolidation on a 2:1 basis, reducing the number of common shares in Escrow to 1,350,000.

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.