

USHA RESOURCES LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

SEPTEMBER 30, 2023

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

November 29, 2023

USHA RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)
AS AT

	September 30, 2023	March 31, 2023
ASSETS		
Current		
Cash	\$ 754,245	\$ 2,538,944
Receivables	265,159	11,103
Prepaid expenses	482,156	694,591
	<u>1,501,560</u>	<u>3,244,638</u>
Exploration and evaluation assets (Note 4)	<u>3,667,522</u>	<u>3,699,534</u>
	<u>\$ 5,169,082</u>	<u>\$ 6,944,172</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 117,772	\$ 99,617
Due to related parties (Note 6)	-	2,005
	<u>117,772</u>	<u>101,622</u>
Shareholders' equity		
Share capital (Note 5)	10,945,255	10,902,709
Obligation to issue shares (Note 5e)	208,000	-
Reserves (Note 5c)	772,448	530,170
Deficit	<u>(6,874,393)</u>	<u>(4,590,329)</u>
	<u>5,051,310</u>	<u>6,842,550</u>
	<u>\$ 5,169,082</u>	<u>\$ 6,944,172</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 9)

Approved and authorized for issue by the Board of Directors on November 29, 2023:

<u>“Navin Varshney”</u> Navin Varshney	Director	<u>“Deepak Varshney”</u> Deepak Varshney	Director
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The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

USHA RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended September 30, 2023	Three months ended September 30, 2022	Six months ended September 30, 2023	Six months ended September 30, 2022
EXPENSES				
Consulting fees (Note 6)	\$ 278,382	\$ 226,835	\$ 627,886	\$ 1,154,143
Insurance	3,725	3,450	7,450	6,400
Loss on transfer of spin-out assets (Note 4)	(54,447)	-	-	-
Management fees (Note 6)	45,000	-	90,000	-
Office and miscellaneous	21,397	139	62,677	26,443
Professional fees (Note 6)	31,538	18,152	51,049	59,536
Property investigation	3,500	-	505,214	-
Regulatory and filing fees	5,155	9,876	14,468	29,146
Rent and administration charges (Note 6)	18,000	16,500	36,000	32,500
Share-based payments (Note 5c)	436,445	18,775	619,292	150,735
Shareholder communications	46,094	-	635,812	-
Transfer agent fees	1,050	-	2,100	-
Travel and entertainment	4,820	4,778	12,337	6,474
	840,659	298,505	2,664,285	1,465,377
Foreign exchange loss	11,729	1,102	9,846	3,273
Other Income	(16,538)	(27)	(31,337)	(27)
Loss and comprehensive loss for the period	\$ 835,850	\$ 299,580	\$ 2,642,794	\$ 1,468,623
Basic and diluted loss per common share	\$ 0.02	\$ 0.01	\$ 0.05	\$ 0.05
Weighted average number of common shares outstanding - basic and diluted	48,982,119	31,071,110	48,982,119	31,071,110

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USHA RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital (Note 5)		Reserves	Share Subscriptions	Subscriptions Received in Advance	Deficit	Total Shareholders' Equity
	Shares	Amount					
Balance, March 31, 2022	23,145,605	\$ 3,658,645	\$ 294,382	\$ 34,000	\$ -	\$ (1,690,497)	\$ 2,296,530
Private placement (Note 5b)	9,651,338	2,895,401	-	(34,000)	-	-	2,861,401
Shares issued for mineral claims (Note 5b)	2,423,095	728,419	-	-	-	-	728,419
Share-based payments (Note 5c)	-	-	150,735	-	-	-	150,735
Share issue costs (Note 5b)	-	(116,017)	30,141	-	-	-	(85,876)
Stock options cancelled (Note 5c)	-	-	(69,198)	-	-	69,198	-
Loss and comprehensive loss for the year	-	-	-	-	-	(1,468,623)	(1,468,623)
Balance, September 30, 2022	35,220,038	\$ 7,166,448	\$ 406,060	\$ -	\$ -	\$ (3,089,922)	\$ 4,482,586
Balance, March 31, 2023	47,087,394	\$ 10,902,709	530,170	\$ -	-	(4,590,329)	\$ 6,842,550
Derecognition of former subsidiary (Note 4)	-	-	-	-	-	119,108	119,108
Reserve transferred for exercise of stock options (Note 5c)	-	137,392	(137,392)	-	-	-	-
Shares issued for mineral claims (Note 5b)	625,000	135,375	-	-	-	-	135,375
Obligation to issue shares (Note 5e)	-	-	-	-	208,000	-	208,000
Stock options exercised (Note 5c)	1,300,000	293,750	-	-	-	-	293,750
Share-based payments (Note 5c)	-	-	619,292	-	-	-	619,292
Stock options expired (Note 5c)	-	-	(239,622)	-	-	239,622	-
Transfer of net assets pursuant to spin-out	-	(528,471)	-	-	-	-	(528,471)
Warrants exercised (Note 5d)	15,000	4,500	-	-	-	-	4,500
Loss and comprehensive loss for the period	-	-	-	-	-	(2,642,794)	(2,642,794)
Balance, September 30, 2023	49,027,394	\$ 10,945,255	\$ 772,448	\$ -	\$ 208,000	\$ (6,874,393)	\$ 5,051,310

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

USHA RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	Six months ended September 30, 2023	Six months ended September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	\$ (2,642,794)	\$ (1,468,623)
Adjustment for item not involving cash:		
Share-based payments	619,292	150,735
Property investigation costs	501,714	-
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	(146,449)	(48,820)
(Increase) decrease in prepaid expenses	212,435	(631,561)
Increase in accounts payable and accruals	29,655	(52,179)
Net cash used in operating activities	<u>(1,426,147)</u>	<u>(2,050,448)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	<u>(862,797)</u>	<u>(243,142)</u>
Net cash used in investing activities	<u>(862,797)</u>	<u>(243,142)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue costs	-	(85,876)
Share subscriptions	-	(34,000)
Obligation to issue shares	208,000	-
Proceeds from the issuance of share capital	<u>298,250</u>	<u>2,895,401</u>
Net cash provided (used) in financing activities	<u>506,250</u>	<u>2,775,525</u>
Increase (decrease) in cash for the period	(1,782,694)	481,935
Cash, beginning of period	<u>2,536,939</u>	<u>1,170,795</u>
Cash, end of period	<u>\$ 754,245</u>	<u>\$ 1,652,730</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:

During the six months ended September 30, 2023, the Company issued 1,300,000 common shares pursuant to exercise of stock options at a weighted average price of \$0.23 per share, 15,000 common shares pursuant to exercise of warrants at \$0.30 per share, and 625,000 common shares pursuant to agreement to acquire exploration and evaluation assets (Note 5).

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

USHA RESOURCES LTD.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Usha Resources Ltd. (the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* on February 26, 2018. The Company was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4 and its Qualifying Transaction was approved by the regulatory authorities during the year ended March 31, 2020 (Note 4).

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.

The Company's business is to acquire and explore interests in mineral properties located in North America and its portfolio includes Jackpot Lake, a lithium project in Nevada and White Willow, a lithium pegmatite project in Ontario that is the flagship among its growing portfolio of hard-rock lithium assets.

The Company's exploration and evaluation properties are at the exploration stage. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities.

Although the Company 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 the Company'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 Company'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 consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

These unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") 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 September 30, 2023, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's ability to continue as a going concern is dependent upon successful results from its exploration activities and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include but are not limited to the COVID-19 global pandemic from March 2020 and political conflicts in other regions. While the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. 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 unaudited interim consolidated 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 Company's March 31, 2023 annual audited financial statements, unless otherwise noted. These interim consolidated financial statements do not include all the information required for full annual financial statements and accordingly, they should be read in conjunction with the Company's most recent annual statements.

These interim consolidated 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.

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim consolidated 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 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 financial statements is as follows:

- i) The carrying value and the recoverability of exploration and evaluation assets included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets 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 inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.
- iii) 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.
- iv) Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

4. EXPLORATION AND EVALUATION ASSETS

The Company incurred expenditures on the properties as follows:

USHA RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

Acquisition Costs	Ontario Lithium Pegmatite Portfolio						Total
	Nicobat, Ontario	Lost Basin, Arizona	Jackpot Lake, Nevada	White Willow, Ontario	Other properties, Ontario		
Balance, March 31, 2022	\$ 245,000	\$ 266,580	\$ -	\$ -	\$ -	\$ -	\$ 511,580
Issuance of common shares	-	-	1,011,384	280,500	-	-	1,291,884
Cash consideration	-	-	75,000	70,525	-	-	145,525
Lease payment	-	32,582	-	-	-	-	32,582
Balance, March 31, 2023	245,000	299,162	1,086,384	351,025	-	-	1,981,571
Issuance of common shares	-	-	-	61,125	74,250	-	135,375
Cash consideration	-	-	-	30,000	45,350	-	75,350
Impairment	-	(299,162)	-	-	-	-	(299,162)
Transfer of property on spin-out	(245,000)	-	-	-	-	-	(245,000)
Balance, September 30, 2023	-	-	1,086,384	442,150	119,600	-	1,648,134
Exploration Advances:							
Balance, March 31, 2022	-	-	-	-	-	-	-
Exploration advance	-	-	60,667	-	-	-	60,667
Balance, March 31, 2023	-	-	60,667	-	-	-	60,667
Exploration advance	-	-	-	55,463	101,809	-	157,273
Balance, September 30, 2023	-	-	60,667	55,463	101,809	-	217,940
Exploration Expenditures:							
Balance, March 31, 2022	277,430	199,635	-	-	-	-	477,065
Consulting fees	3,744	-	45,557	-	-	-	49,301
Geological consulting and reports	1,800	-	-	-	-	-	1,800
Drilling expenses	-	-	1,078,785	-	-	-	1,078,785
Field expenses	305	47	8,237	-	-	-	8,589
Travel and lodging	-	-	1,599	-	-	-	1,599
Assay sampling	-	2,869	-	-	-	-	2,869
Staking	-	-	37,095	-	-	-	37,095
Titles claims fees	193	-	-	-	-	-	193
Balance, March 31, 2023	283,472	202,550	1,171,274	-	-	-	1,657,296
Assay sampling	-	-	-	40,401	19,548	-	59,950
Consulting fees	-	-	23,954	-	-	-	23,954
Claim stacking	-	-	7,974	-	-	-	7,974
Drilling expenses	-	-	202,563	-	-	-	202,563
Exploration expenses	-	-	115,174	77,680	113,057	-	305,911
Impairment	-	(202,550)	-	-	-	-	(202,550)
Transfer of property on spin-out	(283,472)	-	-	-	-	-	(283,472)
Transportation and road work	-	-	28,824	-	1,000	-	29,824
Balance, September 30, 2023	-	-	1,549,762	118,081	133,605	-	1,801,448
Total costs	\$ -	\$ -	\$ 2,696,813	\$ 615,694	\$ 355,014	\$ -	\$ 3,667,522

Title to exploration and evaluation assets

Title to exploration and evaluation assets 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

USHA RESOURCES LTD.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

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(Unaudited)

history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

Nicobat property, Ontario, Canada

The Company's first acquisition was the Nicobat Project in Ontario, Canada. The Company had an 85% interest that was subsequently spun-out into its former subsidiary, Formation Metals Inc. ("FMI"), whereby through an Arrangement Agreement (the "Arrangement"), USHA shareholders were issued one (1) share of FMI with respect to every five (5) shares of USHA owned on the share distribution record date (the "Share Distribution Record Date") of April 12, 2023. Pursuant to the arrangement agreement and on the payable date of April 20, 2023, USHA completed the transfer of the Property and distributed 9,480,474 common shares of FMI to the USHA shareholders on a pro rata basis.

The carrying value of the net assets transferred to FMI, pursuant to the Arrangement, consisted of the following assets:

Carrying value of exploration and evaluation assets	\$	528,471
Fair value of net assets transferred		528,471
Loss on transfer of spin-out assets	\$	-

In accordance with IFRIC 17, Distribution of Non-cash Assets to Owners, the Company recognized the transfer of net assets to Usha shareholders at carrying amount of the net assets recognized in the consolidated statement of loss and comprehensive loss. The Arrangement resulted in a reduction of share capital amounting to \$528,471.

Lost Basin property, Arizona, USA

The Company's second acquisition was the Lost Basin Project in Arizona, USA. The Company entered into a binding Letter of Intent with AJA Mining LLC and Gold Basin Mining EXP LLC (collectively, the "Optionors") on June 3, 2020, whereby the Optionors granted the Company the exclusive option (the "Option") to acquire (the "Acquisition") 100% interest in certain 133 mineral claims in exchange for annual lease payments of US\$25,000, issuance of 1,000,000 shares upon Exchange approval of the transaction, and within three years make a final payment of US\$3,000,000 in cash or common shares.

During the six months ended September 30, 2023, the Company did not make the final payment, dropping the option, and recorded an impairment of \$501,714 for the acquisition and exploration expenditures related to the asset, reducing the value to \$nil.

Jackpot Lake, Nevada, USA

The Company's third acquisition is the Jackpot Lake Lithium Brine Property located within Clark County, 35 kilometres northeast of Las Vegas, Nevada, and is comprised of 140 mineral claims (the "core claims") that total 2,800 acres (approximately 11.3 km²). The Company has also staked 302 claims totalling 5,914 acres surrounding the 140 optioned claims. The total footprint of the project now comprises 442 mineral claims with a total area footprint of approximately 35.3 square kilometres or 8,714 acres.

The Company has exercised its option to acquire a 100% interest in the core claims, paying Ares Strategic Mining Inc. (the "Vendor") \$75,000 cash and a total of 3,077,165 shares valued at \$1,011,384, for total aggregate value of \$1,086,384, and is now the legal and beneficial owner of the core claims subject to a 1% Gross Overriding Royalty, which can be repurchased by the Company for \$1,000,000.

White Willow Property, Ontario, Canada

The Company's fourth acquisition is the White Willow Lithium Pegmatite Property located within the Thunder Bay Mining Division near Atikokan, Ontario.

The initial acquisition comprised 712 unpatented mining claims totalling 15,510 hectares that were optioned through two (2) agreements, an Option Agreement ("Willow Option") and Assignment Agreement ("Willow Assignment") with 2758145 Ontario Ltd. ("Vendor") and Grid Metals Corp. ("Assignor"), respectively, 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:

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

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(Unaudited)

Payment	Vendor		Assignor		Total	
	Cash	Shares	Cash	Shares	Cash	Shares
Signing	\$50,000 ¹	500,000 ²	\$20,000 ¹	350,000 ²	\$70,000 ¹	850,000 ²
1st Anniversary	\$50,000	500,000 ²	-	500,000 ²	\$50,000	1,000,000 ²
2 nd Anniversary	\$50,000	500,000 ²	-	750,000 ²	\$50,000	1,250,000 ²
3 rd 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.					

On March 28, 2023, the Company completed its first payment of \$70,000 cash and issued 850,000 common shares to the Vendor and Assignor for the White Willow property.

Subsequently, the Company entered into a separate option agreement with 2758145 Ontario Ltd., Peter Gehrels and Allan George Onchulenko to acquire a 100% interest in the "Nym" group of claims comprising 8 unpatented claims within the centre of the White Willow Property by making payments of cash and common shares of the Company as follows:

Payment	Cash	Shares
Signing	\$15,000 ¹	150,000 ²
1st Anniversary	\$20,000	150,000 ²
2 nd Anniversary	\$25,000	150,000 ²
3 rd Anniversary	\$40,000	150,000 ²
Total	\$100,000	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.	

On April 26, 2023, The Company completed its first payment of \$15,000 cash and issued 150,000 common shares to the Vendor of the Nym Claims.

Subsequently, the Company entered into a separate option agreement with 2758145 Ontario Ltd., Peter Gehrels and Allan George Onchulenko to acquire a 100% interest in the "Rubidium Ridge" group of claims comprising 141 unpatented claims adjacent to the west of the White Willow Property by making payments of cash and common shares of the Company as follows:

Payment	Cash	Shares
Signing	\$15,000 ¹	200,000 ²
1st Anniversary	\$20,000	200,000 ²
2 nd Anniversary	\$25,000	200,000 ²
3 rd Anniversary	\$40,000	200,000 ²
Total	\$100,000	800,000
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.	

On July 18, 2023, the Company completed part of the first payment for the Rubidium Ridge option, paying \$15,000 cash to the optionors. On August 22, 2023 the Company completed its first payment for the option by issuing 200,000 common shares to the optionors.

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

Lee Lake, Mead, Bluett, Gathering Lake and Triangle Lake projects, Ontario, Canada

On May 3, 2023, the Company entered into five (5) option agreements with 2758145 Ontario Ltd. of Atikokan, Ont., to acquire a 100% interest in five lithium pegmatite projects located in Ontario: the Lee Lake, Mead, Bluett, Gathering Lake and Triangle Lake projects. The Company can acquire a 100% interest in the property by making payments of cash and common shares of the Company as follows:

Property	Lee Lake		Bluett		Mead		Gathering Lake		Triangle Lake	
	Cash	Shares	Cash	Shares	Cash	Shares	Cash	Shares	Cash	Shares
Signing	\$10,000	75,000	\$5,000	50,000	\$5,000	50,000	\$12,000	50,000	\$13,350	50,000
1 st Anniversary	\$20,000	100,000	\$12,500	75,000	\$12,500	75,000	\$12,500	75,000	\$12,500	75,000
2 nd Anniversary	\$40,000	125,000	\$20,000	100,000	\$20,000	100,000	\$20,000	100,000	\$20,000	100,000
3 rd Anniversary	\$60,000	150,000	\$25,000	187,500	\$25,000	187,500	\$25,000	187,500	\$25,000	187,500
Total	\$130,000	450,000	\$62,500	412,500	\$62,500	412,500	\$69,500	412,500	\$70,850	412,500

On June 6, 2023, the Company completed its first payment for each of the options, paying \$45,350 cash and issuing 275,000 common shares to the vendor.

5. SHARE CAPITAL

a) Authorized:

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

b) Issued:

During the six months ended September 30, 2023, the Company issued 1,940,000 common shares pursuant to the various acquisitions and exercise of warrants and stock options as stated below:

- i) 300,000 stock options were exercised at a price of \$0.29 per share.
- ii) 300,000 stock options were exercised at a price of \$0.26 per share.
- iii) 600,000 stock options were exercised at a price of \$0.16 per share.
- iv) 50,000 stock options were exercised at a price of \$0.355 per share.
- v) 50,000 stock options were exercised at a price of \$0.30 per share.
- vi) 15,000 common shares pursuant to exercise of warrants at \$0.30 per share
- vii) 625,000 common shares pursuant to agreements to acquire exploration and evaluation assets in Nym lake, Lee Lake, Mead, Bluett, Gathering Lake and Triangle lake and Rubidium Ridge, lithium projects in Ontario.

During the year ended March 31, 2023, the Company issued 20,014,624 common shares pursuant to the private placement, exercise of warrants and stock option as stated below:

- i) 9,651,338 shares were issued in a non-brokered private placement at a price of \$0.30 per share.
- ii) 9,230,769 shares were issued in a non-brokered private placement at a price of \$0.325 per share.
- iii) 124,817 warrants were exercised at a price of \$0.30 per share.
- iv) 532,700 stock options were exercised at a price of \$0.20 per share.
- v) 75,000 stock options were exercised at a price of \$0.10 per share.
- vi) 200,000 stock options were exercised at a price of \$0.29 per share.
- vii) 200,000 stock options were exercised at a price of \$0.33 per share.

On April 4, 2022, the Company closed the first tranche of the non-brokered private placement, issuing an aggregate of 769,333 non-flow through units at \$0.30 per unit raising gross proceeds of \$230,800, of which \$34,000

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

was received in the year ended March 31, 2022. On May 16, 2022, the Company closed the second tranche of the non-brokered private placement, issuing an aggregate of 2,934,998 non-flow through units at \$0.30 per unit raising gross proceeds of \$880,499. On May 18, 2022, the Company closed the third tranche of the non-brokered private placement, issuing an aggregate of 1,435,000 non-flow through units at \$0.30 per unit raising gross proceeds of \$430,500. On June 15, 2022, the Company closed the fourth and final tranche of the non-brokered private placement, issuing an aggregate of 4,512,007 non-flow through units at \$0.30 per unit raising gross proceeds of \$1,353,602. In total, Usha has raised gross proceeds of \$2,895,401 in all four tranches. Each unit consisted of one common share in the capital of the Company and one-half of one transferable share purchase warrant exercisable at \$0.45 per share for a period of two (2) years from the closing date of the private placement. No value was attributed to the warrant component of the units.

The Company granted 286,227 warrants as finders fees exercisable at \$0.45 for a period of two years. The warrants were valued at \$30,142 using the Black Scholes option pricing model assuming a life expectancy of 2 years, a risk-free interest rate of 2.6%, a forfeiture and dividend rate of nil, and volatility of 76%.

On March 22, 2023, the Company closed the non-brokered private placement, issuing an aggregate of 9,230,769 non-flow through units at \$0.325 per unit raising gross proceeds of \$3,000,000. Each unit consisted of one common share of the Company and one transferable common share purchase warrant exercisable at \$0.50 per share for a period of three (3) years from the closing date of the private placement.

The Company granted 510,302 warrants as finders fees exercisable at \$0.50 for a period of three years. The warrants were valued at \$70,306 using the Black Scholes option pricing model assuming a life expectancy of 3 years, a risk-free interest rate of 3.2%, a forfeiture and dividend rate of nil, and volatility of 70%.

During the year ended March 31, 2023, 3,077,165 common shares valued at \$1,011,384 were issued pursuant to the Jackpot Lake agreement with Ares Strategic Mining Inc, 500,000 common shares valued at \$165,000 were issued to 2758145 Ontario Ltd. and 350,000 common shares valued at \$115,500 were issued to Grid Metals Corp. pursuant to the White Willow Property agreements (Note 4).

As at September 30, 2023, there were nil (2022: 330,000) shares in escrow.

c) Stock options

The Company maintains a Stock Option Plan (the "Plan") under which it is authorized to grant stock options to executive officers, directors, employees, and consultants. Under the Plan, the number of options that may be issued is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant.

The exercise price of each stock option shall equal the market price of the Company's shares, less any applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of five years and vest at the discretion of the Board of Directors.

During the six months ended September 30, 2023, the Company granted 4,575,000 stock options (2022 – 1,388,000) and 3,050,000 restricted share units (2022 – nil) having a total fair value of \$619,292 (2022 - \$150,735) and a weighted average grant-date value of \$0.19 (2022 – \$0.30) per option. During the six months ended September 30, 2023, the Company recognized share-based compensation of \$619,292 (2022 – \$150,735) relating to options vested during the period.

The fair value of options and restricted share units granted was estimated on the date of grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	September 30, 2023	September 30, 2022
Risk-free interest rate	9.78%	2.88%
Expected dividend yield	Nil	Nil
Expected stock price volatility	140.13%	75.92%
Expected life	4.57 years	2.14 years
Expected forfeiture rate	Nil	Nil

During the six months ended September 30, 2023, 1,300,000 of the outstanding stock options were exercised. The corresponding amount of \$137,392 was transferred from reserves to share capital.

USHA RESOURCES LTD.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

During the six months ended September 30, 2023, 2,170,000 of the outstanding stock options were cancelled or expired. The corresponding amount of \$239,622 was transferred from reserves to deficit.

	Number	Weighted Average Exercise Price
Outstanding, March 31, 2022	1,837,927	\$ 0.21
Granted	3,023,547	0.28
Exercised	(1,007,700)	0.24
Expired/Cancelled	<u>(421,000)</u>	<u>0.29</u>
Outstanding, March 31, 2023	3,432,774	\$ 0.26
Granted	7,625,000	0.19
Exercised	(1,300,000)	0.23
Expired/Cancelled	<u>(2,170,000)</u>	<u>0.26</u>
Outstanding, September 30, 2023	7,587,774	\$ 0.20

The following stock options and restricted share units (RSUs) were outstanding and exercisable as at September 30, 2023:

	Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date	Remaining contractual life (years)
Options	150,000	150,000	\$ 0.20	September 17, 2025	2.22
Options	185,227	185,227	\$ 0.20	July 5, 2026	3.02
Options	100,000	100,000	\$ 0.30	April 5, 2024	0.77
Options	400,000	400,000	\$ 0.285	May 10, 2024	0.86
Options	237,000	237,000	\$ 0.29	May 27, 2024	0.91
Options	30,000	30,000	\$ 0.30	September 16, 2024	1.22
Options	50,000	50,000	\$ 0.25	September 27, 2024	1.25
Options	235,547	235,547	\$ 0.30	February 7, 2025	1.61
Options	100,000	100,000	\$ 0.29	April 12, 2025	1.79
Options	375,000	375,000	\$ 0.30	May 8, 2025	1.86
RSUs	50,000	50,000	\$ -	February 28, 2026	2.67
Options	1,175,000	1,175,000	\$ 0.16	August 3, 2025	2.10
Options	700,000	700,000	\$ 0.16	August 16, 2025	2.13
Options	500,000	500,000	\$ 0.20	August 28, 2025	2.16
Options	200,000	200,000	\$ 0.16	August 29, 2025	2.17
Options	100,000	100,000	\$ 0.18	September 6, 2025	2.19
RSUs	3,000,000	3,000,000	\$ -	February 28, 2026	2.67

d) Warrants

As at September 30, 2023, the Company had 18,148,790 warrants outstanding.

A summary of changes in outstanding warrants is as follows:

USHA RESOURCES LTD.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

	Warrants outstanding	Weighted Average Exercise Price
Outstanding and exercisable at March 31, 2022	3,435,639	\$ 0.38
Warrants issued	14,852,968	0.48
Warrants exercised	(124,817)	0.30
Outstanding and exercisable at March 31, 2023	18,163,790	\$ 0.47
Warrants exercised	(15,000)	0.30
Outstanding and exercisable at September 30, 2023	18,148,790	\$ 1.53

The following warrants were outstanding at September 30, 2023:

	Number of Shares	Exercise Price	Expiry Date
Warrants:			
Agent's warrants	5,250	\$ 0.30	October 21, 2023
Agent's warrants	2,100	\$ 0.30	December 2, 2023
Agent's warrants	5,250	\$ 0.35	December 2, 2023
Agent's warrants	134,237	\$ 0.45	November 12, 2023
Agent's warrants	10,500	\$ 0.45	December 17, 2023
Agent's warrants	49,200	\$ 0.45	April 1, 2024
Agent's warrants	75,800	\$ 0.45	May 13, 2024
Agent's warrants	114,800	\$ 0.45	May 17, 2024
Agent's warrants	46,427	\$ 0.45	June 14, 2024
Agent's warrants	510,302	\$ 0.50	March 22, 2026
Flow-through warrants	243,500	\$ 0.35	December 2, 2023
Non-flow through warrants	1,017,915	\$ 0.30	October 21, 2023
Non-flow through warrants	50,000	\$ 0.30	November 23, 2023
Non-flow through warrants	119,903	\$ 0.30	December 2, 2023
Non-flow through warrants	1,483,834	\$ 0.45	November 12, 2023
Non-flow through warrants	223,333	\$ 0.45	December 17, 2023
Non-flow through warrants	384,667	\$ 0.45	April 1, 2024
Non-flow through warrants	1,467,499	\$ 0.45	May 13, 2024
Non-flow through warrants	717,500	\$ 0.45	May 17, 2024
Non-flow through warrants	2,256,004	\$ 0.45	June 14, 2024
Non-flow through warrants	9,230,769	\$ 0.50	March 22, 2026

e) Subscriptions received in advance:

During the six months ended September 30, 2023, the Company received \$208,000 related to the stock option exercise completed on October 17, 2023.

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

6. 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	Six months ended September 30, 2023	Six months ended September 30, 2022
Deepak Varshney, CEO	Castello Q Development Corporation	Management/Consulting fees	\$ 90,000	\$ 90,000
Navin Varshney, Director	N.K.V. Engineering & Consulting Ltd	Rent and administration charges	36,000	32,500
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	21,000	15,000

Accounts payable included \$nil (2022: \$8,700) owed to directors and officers of the Company for operating expenses paid on behalf of the Company during the six months ended September 30, 2023.

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.

Cash is carried at fair value using a level 1 fair value measurement. The recorded values of receivables and 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 with a major financial institution. Management feels that the Company's credit risk with respect to cash is remote.

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 risk on cash is not considered significant.

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.

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, 2023, the Company did not have any financial instruments denominated in foreign currencies and considers foreign currency risk to be insignificant.

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023**

(Expressed in Canadian Dollars)

(Unaudited)

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.

8. CAPITAL MANAGEMENT

Capital is comprised of all the components of the Company's shareholders' equity as at September 30, 2023, the Company's shareholders' equity was \$5,051,310 and there was no long-term debt outstanding. The Company manages its capital structure to maximize its financial flexibility adjusting it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. 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 six months ended September 30, 2023.

9. SUBSEQUENT EVENTS

On October 17, 2023, the Company issued 1,300,000 common shares at a price of \$0.16 per share pursuant to stock option exercises.

On October 20, 2023, the Company successfully completed a non-brokered private placement, raising \$249,999.96 through the issuance of 1,785,714 flow-through shares at \$0.14 per share. The funds will be used for Canadian exploration expenses on Ontario projects by December 31, 2023.

On November 3, 2023, the Company settled \$100,000 of the debt owed by Formation Metals Inc. for 2,000,000 shares at a price of \$0.05 per share.

On November 8, 2023, the Company successfully completed a non-brokered private placement, raising \$595,000 through the issuance of 5,950,000 non flow-through shares at \$0.10 per share.

On November 23, 2023, the Company granted 50,000 stock options to a consultant at an exercise price of \$0.20 per shares with an expiry date of November 9, 2025.