

E-Tech Resources Inc.

Consolidated Financial Statements

March 31, 2025 and 2024

July 28, 2025

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of E-Tech Resources Inc. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS").

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the years presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) "*Christopher Drysdale*"
Chief Executive Officer
Halifax, Nova Scotia

(signed) "*Rob Randall*"
Chief Financial Officer
Halifax, Nova Scotia

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of E-Tech Resources Inc.

Opinion

We have audited the consolidated financial statements of E-Tech Resources Inc. (the "Company") which comprise:

- the consolidated statements of financial position as at March 31, 2025 and 2024;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated 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 *Auditors' Responsibilities for the Audit of the Consolidated financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 consolidated financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated 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 report.

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, 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 consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Auditors' Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' 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 auditors' report is Artem Valeev.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

July 28, 2025

E-Tech Resources Inc.

Consolidated Statements of Financial Position

As at March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	March 31, 2025	March 31, 2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	87,007	20,496
Amounts recoverable (note 4)	138,377	150,759
Prepaid expenses and deposits	-	17,082
	225,384	188,337
Equipment (note 5)	57,417	61,324
Resource properties (note 6)	5,218,361	4,888,607
Total assets	5,501,162	5,138,268
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	706,360	475,842
Equity (note 8)		
Capital stock	13,769,335	13,336,599
Warrants	171,575	39,200
Contributed surplus	1,145,530	1,159,288
Deficit	(10,291,638)	(9,872,661)
	4,794,802	4,662,426
Total liabilities and equity	5,501,162	5,138,268

Nature of operations and going concern (note 1)

Commitments (note 12)

Approved on behalf of the Board of Directors

(signed) "John Philpott", Director

(signed) "Ken Marshall", Director

The accompanying notes form an integral part of these consolidated financial statements.

E-Tech Resources Inc.**Consolidated Statements of Loss and Comprehensive Loss****For the years ended March 31, 2025 and 2024*****(Expressed in Canadian dollars unless otherwise indicated)***

	Year ended March 31, 2025	Year ended March 31, 2024
	\$	\$
Expenses		
Professional and consulting fees (note 9)	227,402	235,440
Salaries and benefits (note 9)	87,913	77,068
Regulatory and filing fees	27,388	37,047
Share-based compensation (notes 8 and 9)	(13,758)	169,387
Travel	11,562	40,977
Office and administration (note 9)	56,096	80,076
Marketing, promotion and advertising (note 9)	14,429	105,579
Property investigation fees	5,331	4,510
Foreign exchange loss	2,614	4,661
Net loss and comprehensive loss for the year	(418,977)	(754,745)
Weighted-average number of shares outstanding during the year	102,627,238	90,430,547
Basic and diluted loss per share	(0.004)	(0.008)

The accompanying notes form an integral part of these consolidated financial statements.

E-Tech Resources Inc.

Consolidated Statements of Changes in Equity (note 8)

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	Common Shares #	Share Capital \$	Warrants #	Warrants \$	Contributed Surplus \$	Deficit \$	Total \$
Balance – April 1, 2023	82,971,530	12,507,046	1,400,000	238,353	989,901	(9,117,916)	4,617,384
Shares issued pursuant to private placement financing	11,666,667	700,000	-	-	-	-	700,000
Share issuance costs	-	(69,600)	-	-	-	-	(69,600)
Finder warrants issued on private placement financing	-	(39,200)	781,667	39,200	-	-	-
Finder warrants expired	-	238,353	(1,400,000)	(238,353)	-	-	-
Share-based compensation	-	-	-	-	169,387	-	169,387
Loss and comprehensive loss for the year	-	-	-	-	-	(754,745)	(754,745)
Balance – March 31, 2024	94,638,197	13,336,599	781,667	39,200	1,159,288	(9,872,661)	4,662,426
Units issued pursuant to private placement financing	12,000,000	479,890	6,000,000	120,110	-	-	600,000
Financing issuance costs	-	(34,889)	-	-	-	-	(34,889)
Finder warrants issued on private placement financing	-	(12,265)	490,000	12,265	-	-	-
Share-based compensation	-	-	-	-	(13,758)	-	(13,758)
Loss and comprehensive loss for the year	-	-	-	-	-	(418,977)	(418,977)
Balance – March 31, 2025	106,638,197	13,769,335	7,271,667	171,575	1,145,530	(10,291,638)	4,794,802

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The accompanying notes form an integral part of these consolidated financial statements.

E-Tech Resources Inc.

Consolidated Statements of Cash Flows

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

	Year ended March 31, 2025	Year ended March 31, 2024
Cash provided by (used in)	\$	\$
Operating activities		
Net loss for the year	(418,977)	(754,745)
<i>Non-cash items</i>		
Share-based compensation	(13,758)	169,387
	(432,735)	(585,358)
Net changes in non-cash working capital balances related to operations:		
Decrease in amounts recoverable	12,382	31,818
Decrease (increase) in prepaid expenses and deposits	17,082	(7,697)
Increase in accounts payable and accrued liabilities	210,459	126,127
	(192,812)	(435,110)
Investing activities		
Purchases of equipment	(12,000)	-
Resource property expenditures	(293,788)	(495,953)
	(305,788)	(495,953)
Financing activities		
Proceeds from financing, net of issuance costs (note 8)	565,111	630,400
	565,111	630,400
Net change in cash during the year	66,511	(300,663)
Cash and cash equivalents – beginning of year	20,496	321,159
Cash and cash equivalents – end of year	87,007	20,496

The accompanying notes form an integral part of these consolidated financial statements.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

1. Nature of operations and going concern

Nature of operations

E-Tech Resources Inc. ("E-Tech" or the "Company") was incorporated under the Canada Business Corporations Act on April 20, 2018. The Company was classified as a Capital Pool Company as defined in the TSX Venture Exchange (the "TSXV") Policy 2.4. The principal business of the Company was the identification and evaluation of a Qualifying Transaction ("QT") and once identified and evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company and E-Tech Kalapuse Mining (Proprietary) Limited ("E-Tech Namibia"), a private company involved in the business of rare earths exploration, entered a definitive share exchange agreement dated October 10, 2020 under which the QT was completed. As a result of the QT, the Company changed its name to E-Tech Resources Inc. and adopted a financial year end of March 31st effective on the closing of the QT on October 15, 2021. On October 21, 2021, the Company commenced trading on the TSXV under the symbol REE and co-listed on the Frankfurt Stock Exchange ("FSE") under the symbol K2I on January 5, 2022.

The principal business of the Company is the exploration and evaluation of resource properties. The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain resources that are economically recoverable. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

The Company's corporate office is located at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia, and the registered office of the Company is located at 1741 Upper Water Street, Suite 600, Halifax, Nova Scotia. The Company's technical office is located at 3 Hugo Hahn Street, Klein Windhoek, Windhoek, Namibia.

Going concern

These consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a net loss for the year ended March 31, 2025 of \$418,977 (2024 – \$754,745), has a working capital deficiency of \$480,976, and has no operations at this time which will generate revenue. Management estimates current working capital may not be sufficient to fund all of the Company's planned exploration expenditures. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on securing additional financing. There is no certainty that the Company will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital. These matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these consolidated financial statements, adjustments would be necessary to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

2. Accounting policies

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on July 28, 2025.

Basis of presentation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, E-Tech Namibia. All intercompany transactions and balances have been eliminated on consolidation of the accounts. These consolidated financial statements have been prepared on a historical cost basis except for any financial assets and liabilities classified as fair value through profit and loss. The Company’s functional currency is the Canadian dollar, and these consolidated financial statements are presented in Canadian dollars.

a) Foreign currency translation

The Canadian dollar is the functional and presentation currency of the Company and its subsidiary, as this is the principal currency of the economic environment in which the Company operates. Foreign currency transactions are translated as follows: (i) monetary assets and liabilities denominated in currencies other than the Canadian dollar are translated into Canadian dollars at the exchange rate prevailing at the consolidated statements of financial position dates; and (ii) non-monetary assets and liabilities denominated in foreign currencies and measured in terms of historic costs are translated using rates of exchange at the transaction dates.

b) Resource properties and related exploration costs

Pre-exploration expenditures are expensed as incurred. All direct costs related to the acquisition of resource property interests are capitalized by property. Exploration and evaluation costs are capitalized.

Resource properties are initially measured at cost and include expenditures on acquisition of rights to explore, studies, exploratory drilling, trenching, sampling, metallurgical studies, and other direct costs related to exploration or evaluation of a project. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to supporting exploration activities in a particular area of interest.

Where a project is determined to be technically and commercially feasible and a decision has been made to proceed with development with respect to a particular area of interest, the relevant resource property asset is tested for impairment and the balance is reclassified as a resource property in property and equipment.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

2. Accounting policies (continued)

b) Resource properties and related exploration costs (continued)

Resource properties are tested for impairment when development of the property commences or whenever facts and circumstances indicate impairment. Such circumstances would include expiration of rights to explore with no right or expectation of renewal, substantive expenditure on further exploration and evaluation in the specific area is neither budgeted nor planned or the entity has decided to discontinue such activities in the specific area, no commercially viable quantities are discovered and exploration and evaluation activities will be discontinued, or sufficient data exists to indicate that the carrying amount of the resource properties are unlikely to be recovered in full from successful development or by sale. An impairment loss is recognized for the amount by which the resource asset's carrying amount exceeds its recoverable amount. Where the assets are not associated with a specific cash generating unit, the recoverable amount is assessed using fair value less costs to sell for the specific assets.

c) Equipment

Equipment is carried at acquisition cost, less subsequent depreciation and impairment losses. Depreciation is recognized on a straight-line basis to write down the cost or valuation, less estimated residual value of equipment. The periods generally applicable are:

- Exploration equipment 5-10 years

Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets are recognized in profit or loss within "other income".

d) Share-based compensation

The Company has a share-based compensation plan that is described in note 8. Awards of options to employees and others providing similar services under this plan are expensed based on the estimated fair value of the options at the grant date, with a corresponding credit to contributed surplus in shareholders' equity. Fair value is measured using the Black-Scholes pricing model. If the options are subject to a vesting period, the compensation cost is recognized over this period based on the Company's estimate of the shares that will eventually vest.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Consideration paid by employees on the exercise of stock options is credited to share capital together with the amounts originally recorded as share-based compensation in contributed surplus related to the exercised options.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

2. Accounting policies (continued)

e) Share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

f) Loss per share

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing earnings attributable to equity shareholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per share are determined by adjusting the weighted-average number of common shares for the dilutive effect of share-based payments, employee incentive share units, and warrants using the treasury stock method (if, and when, applicable). Under this method, stock options, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the period. The incremental number of common shares issued under stock options and repurchased from proceeds is included in the calculation of diluted earnings per share.

g) Income taxes

The Company uses the liability method of accounting for income taxes.

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. The effect on deferred tax assets or liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, or venture and it is probable that the temporary differences will not reverse in the foreseeable future.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

2. Accounting policies (continued)

g) Income taxes (continued)

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When results from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

h) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. On initial recognition, financial assets are classified and measured at amortized cost, fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”). A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to holds assets to collect contractual cash flows, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets that do not qualify to be measured at amortized cost or FVOCI or have been elected so at initial adoption are classified at FVTPL. An entity may elect on initial recognition of an equity investment to irrevocable classify it as FVOCI. Financial liabilities are recognized at amortized cost unless the Company elects to classify them as FVTPL on initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of loss and comprehensive loss. The Company’s financial instruments are classified as follows:

Asset / Liability	Classification
Cash and cash equivalents	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

2. Accounting policies (continued)

h) Financial instruments (continued)

Impairment of financial assets at amortized cost

The Company recognizes an allowance using the Expected Credit Loss (“ECL”) model on financial assets classified as amortized cost. The Company has elected to use the simplified approach for measuring ECL by using a lifetime expected loss allowance for all amounts recoverable. Under this model, impairment provisions are based on credit risk characteristics and days past due. When there is no reasonable expectation of collection, financial assets classified as amortized cost are written off. Indications of credit risk arise based on failure to pay and other factors. Should objective events occur after an impairment loss is recognized, a reversal of impairment is recognized in the statement of loss and comprehensive loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported on the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

i) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgments based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results may differ from those estimates.

Critical accounting estimates and judgments:

Asset acquisitions

The Company applies judgment in determining whether the exploration and evaluation assets it acquires are considered to be asset acquisitions or business combinations. Key factors in this determination are whether reserves have been established, whether the project is capable of being managed as a business by a market participant, and the nature of the additional work to convert resources into reserves.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

2. Accounting policies (continued)

i) Use of estimates and judgments (continued)

Estimate of recovery for non-financial assets

Events or changes in circumstances may give rise to significant impairment charges or reversals of impairment in a particular year. In accordance with the Company's accounting policy, each non-financial asset unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is made and an impairment loss is recognized to the extent that carrying amount exceeds recoverable amount. The recoverable amount of an asset or cash generating unit is measured at the higher of fair value less costs to sell and value in use.

Value in use is generally determined as the present value of the estimated future cash flows, but only those expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is determined based on the present value of estimated future cash flows from each long-lived asset or cash generating unit. The assumptions used in determining the fair value less costs of disposal are typically life of mine plans, long-term commodity prices, discount rates, foreign exchange rates, and net asset value multiples.

Future cash flow estimates are based on expected production and sales volumes, mineral prices (considering current and historical prices, price trends and related factors), reserves, operating costs, restoration and rehabilitation costs, and future capital expenditures.

Share-based payments

Equity-settled share-based payments issued to employees are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. Fair value is measured using the Black-Scholes pricing model and requires the exercise of judgment in relation to variables such as expected volatilities and expected lives based on information available at the time the fair value is measured.

Taxation

The Company's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from tax loss carry-forwards, capital losses, and temporary differences are recognized only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, mineral prices, reserves, operating costs, restoration and rehabilitation costs, capital expenditure, dividends, and other capital management transactions.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

2. Accounting policies (continued)

i) Use of estimates and judgments (continued)

Judgments are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the statement of financial position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amount of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

Functional currency

The functional currency for the Company and its subsidiary is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency of the Company and its Namibian subsidiary to be the Canadian dollar. The Company reconsiders the functional currency of its entities if there is a change in events and conditions, which determine the primary economic environment.

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. Please refer to note 1 for additional information.

j) Warrants

From time to time, the Company issues warrants in conjunction with share capital. Proceeds are allocated between share capital and warrants based on the relative fair value of each instrument. The fair value of the warrants is estimated using an appropriate option price model. Warrants issued not in conjunction with share capital are valued based on the fair value of the service or goods received.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

2. Accounting policies (continued)

k) New and revised IFRS Accounting Pronouncements

The amendments to IAS 1, Presentation of Financial Statements, clarifies the presentation of liabilities. The classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period and is affected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendment issued in October 2022 also clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments were effective for annual reporting periods beginning on or after January 1, 2024, and the implementation of this amendment did not have a material impact on the Company.

There are no other standards or amendments or interpretations to existing standards issued but not yet effective that are expected to have a material impact on the Company.

3. Capital management

E-Tech manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to continue as a going concern. The Company considers capital to be shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. There are no external restrictions on the Company's capital. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025.

4. Amounts recoverable

	March 31, 2025	March 31, 2024
	\$	\$
Sales taxes recoverable	130,253	150,759
Other accounts receivable	8,124	-
	138,377	150,759

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

5. Equipment

Cost	Exploration Equipment
	\$
As at April 1, 2023 and March 31, 2024	107,306
Additions	12,000
As at March 31, 2025	119,306
Accumulated depreciation	
As at April 1, 2023	28,837
Depreciation	17,145
As at March 31, 2024	45,982
Depreciation	15,907
As at March 31, 2025	61,889
Carrying amount	
Balance, March 31, 2024	61,324
Balance, March 31, 2025	57,417

Depreciation of exploration equipment is recorded as an addition to resource exploration expenditures.

6. Resource properties

	March 31, 2025	March 31, 2024
	\$	\$
<i>Acquisition Costs</i>		
Opening balance	69,279	64,441
Acquisition costs	3,625	4,838
Ending balance	72,904	69,279
<i>Exploration Expenditures</i>		
Opening balance	4,819,328	4,326,767
Additions incurred	326,129	492,561
Ending balance	5,145,457	4,819,328
<i>Total Resource Properties</i>	5,218,361	4,888,607

The Company's interest in resource properties consists of the Eureka property in Namibia.

EPL 6762

The Company holds Exclusive Prospecting Licence ("EPL") 6762, which was held for the period of three years from February 12, 2018 to July 19, 2023 and renewed for a period of two years from July 20, 2023 to July 19, 2025, for which a further renewal application has been submitted.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

6. Resource properties (continued)

The Company obtained EPL 6762 by entering into an agreement with Kalapuse General Dealers (Pty) Ltd (“KGD”), who agreed to extract the Eureka licence area EPL 6762 from its EPL 5469 licence area with the consent of Namibia’s Ministry of Mines and Energy in a letter received on June 15, 2017. Pursuant to the agreement with KGD, E-Tech Namibia agreed to:

- pay an initial non-refundable payment of £7,500 to KGD (the “Initial KGD Payment”), which has been paid in full;
- pay a second non-refundable payment to KGD of £7,500 for the successful completion of phase 1 and excision of the area of interest into a new exclusive prospecting licence (the “Second KGD Payment”), of which £3,250 has been paid;
- pay a third non-refundable payment to KGD of £50,000 (exclusive of VAT) upon successful completion of phase 2 and commencement of a pre-feasibility study (the “Third KGD Payment”);
- pay KGD a royalty of 1.5% of the gross value of products sold from mining the deposit until production is terminated (the “KGD Royalty”).

EPL 6762 is located in the magisterial District “G” (Karibib) and has been duly issued by the Minister to E-Tech Namibia and is validly existing under the applicable Namibian Laws. The Company has full and exclusive right, including receipt of all required permits, licences and other applicable government approvals in respect of EPL 6762, enabling E-Tech to carry out its exploration activities as per the most recent work program filed with the Ministry.

EPL 8748

During the year ended March 31, 2023, the Company signed an agreement to acquire 85% of EPL 8748, located adjacent to EPL 6762 (“EPL 8748 Agreement”). Pursuant to the EPL 8748 Agreement, the Company will acquire an 85% interest in EPL 8748 for aggregate cash consideration of \$210,000 and the issuance of an aggregate of 1,200,000 common shares of the Company (the “E-Tech Shares”). EPL 8748 will be held through a special purpose vehicle (“Newco”) that will be owned 85% by the Company. The parties to the EPL 8748 Agreement will enter into a shareholders agreement, which will contain terms providing that if any party’s interest is reduced to less than 10%, its interest will automatically be converted into a 5% free carried interest. Annually, on the anniversary of the EPL 8748 Agreement, the Company will have the option to acquire the minority interest from the vendor at fair market value.

The E-Tech Shares will be issued to the vendor once certain conditions set out in the EPL 8748 Agreement have been met, including the granting of EPL 8748 to the vendor and the transfer of EPL 8748 to Newco. Upon issuance, the E-Tech Shares will be subject to escrow or other trading restrictions and will be released from these restrictions in tranches over a period of four years from the closing date of the transaction. Cash consideration of \$30,000 was paid by the Company during the year ended March 31, 2023, with \$80,000 to be paid on completion of certain conditions including submission of the application to transfer EPL 8748. The balance of \$100,000 will be paid on completion of the transfer of EPL 8748 to Newco.

The transaction pursuant to the terms and conditions of the EPL 8748 Agreement is conditional upon TSX Venture Exchange approval.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

7. Accounts payable and accrued liabilities

	March 31, 2025	March 31, 2024
	\$	\$
Trade accounts payable and accrued liabilities	272,044	175,240
Amounts payable to related parties (note 9)	434,316	300,602
	<u>706,360</u>	<u>475,842</u>

8. Shareholders' equity

a) Capital stock

Authorized: Unlimited number of common shares, without nominal or par value

During the year ended March 31, 2025, the Company completed a private placement financing for gross proceeds of \$600,000. The Company issued 12,000,000 units pursuant to the financing at a price of \$0.05 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of E-Tech at an exercise price of \$0.10 per share. The warrants have been allocated a value of \$120,110 using the relative fair value method and expire on August 1, 2026. Directors and an officer of the Company subscribed for 1,800,000 of the units issued.

Numus Capital Corp. ("Numus Capital") acted as agent for the financing. Numus Capital is an Exempt Market Dealer and a related party controlled by a director and a significant shareholder of the Company. As compensation for its services for the private placement, Numus Capital received a cash commission of \$24,500 and 490,000 finder warrants. Each warrant entitles Numus Capital to acquire one common share of the Company at an exercise price of \$0.10 and is exercisable for a period of 24 months from closing. The finder warrants have been valued at \$12,265 based on the Black-Scholes pricing model. In addition to the cash commission and the finder warrants, the Company incurred additional costs of \$10,389 associated with the financing, consisting primarily of legal and regulatory costs.

During the year ended March 31, 2024, the Company completed a private placement financing. 11,666,667 common shares of the Company were issued at \$0.06 per share, for gross proceeds of \$700,000. Directors and an officer subscribed for 500,000 of the shares sold pursuant to the financing. Numus Capital acted as an agent for the financing. As compensation for its services for the private placement, Numus Capital received a cash commission of \$46,900 and 781,667 finder warrants. The warrants have been valued at \$39,200 based on the Black-Scholes pricing model, have an exercise price of \$0.06 per common share and expire on August 11, 2025. In addition to the cash commission and the finder warrants, the Company incurred additional costs of \$22,700 associated with the private placement, consisting primarily of legal and regulatory costs.

Escrowed shares

As at March 31, 2025, all common shares of the Company previously held subject to escrow arrangements pursuant to the terms of the QT have been released.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

8. Shareholders' equity (continued)

b) Stock options

The Company has a stock option plan (the "Plan") for directors, officers, employees and consultants. The Board of Directors have the authority to issue up to 10% of the issued and outstanding common shares of the Company. The options can have up to a ten-year life, and the vesting period is set by the Board. Options are granted at a price no lower than the market price of the common shares.

The changes in the Company's stock options during the years ended March 31, 2025 and 2024 are as follows:

	Number of options	Weighted- average exercise price
Balance, April 1, 2023	2,860,000	\$ 0.38
Granted	1,200,000	0.10
Balance, March 31, 2024	4,060,000	\$ 0.30
Forfeited/Expired	(1,200,000)	0.10
Balance, March 31, 2025	2,860,000	\$ 0.38

During the year ended March 31, 2024, Mr. Todd Burlingame was appointed as the Company's Chief Executive Officer ("CEO") and was granted 1,200,000 stock options pursuant to his agreement with E-Tech, exercisable into 1,200,000 common shares of the Company at \$0.10 per share. Mr. Burlingame was replaced as the Company's CEO during the year ended March 31, 2025, and the 1,200,000 options issued with an exercise price of \$0.10 expired unexercised. No stock options were issued during the year ended March 31, 2025.

The fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. Weighted-average assumptions used in the pricing model for the options issued were as follows:

	March 31, 2024
Share price	\$0.06
Risk-free interest rate	4.72%
Expected volatility	140%
Expected dividend yield	-
Expected life	5 years
Weighted-average fair value per option	\$0.047

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

8. Shareholders' equity (continued)

b) Stock options (continued)

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the 1,200,000 options granted during the year ended March 31, 2024 was \$56,735, and the estimated fair value of the 1,060,000 options granted during the year ended March 31, 2023 was \$94,689. These amounts are amortized over the vesting period of the options. The Company recorded a recovery of share-based compensation of \$13,758 during the year ended March 31, 2025 as a result of the cancellation of 1,200,000 stock options during the year (2024 – share-based compensation expense of \$169,387). As at March 31, 2025, all stock option have vested (2024 – 2,630,000 vested), and 7,803,820 are available for granting under its Plan.

The options outstanding as at March 31, 2025 are:

Exercise Price per Share	Number of Options Outstanding	Expiry Date	Remaining Contractual Life (in years)	Number of Options Vested
\$0.55	1,800,000	November 12, 2026	1.6	1,800,000
\$0.10	1,060,000	November 24, 2027	2.6	1,060,000

c) Warrants

The changes in the Company's warrants during the years ended March 31, 2025 and 2024 are as follows:

	Expiry Date	Weighted-Average Exercise Price \$	Number	Value \$
Balance – March 31, 2023			1,400,000	238,353
Finder warrants issued	August 11, 2025	0.06	781,667	39,200
Warrants expired	October 21, 2023	0.25	(1,400,000)	(238,353)
Balance – March 31, 2024			781,667	39,200
Warrants issued pursuant to financing	August 1, 2026	0.10	6,000,000	120,110
Finder warrants issued	August 1, 2026	0.10	490,000	12,265
Balance – March 31, 2025			<u>7,271,667</u>	<u>171,575</u>

Pursuant to the financing completed by the Company during the year ended March 31, 2025, E-Tech issued 6,000,000 common share purchase warrants and issued 490,000 finder warrants to a related party, Numus Capital. The warrants have an exercise price of \$0.10 and expire on August 1, 2026. The value of the finder warrants, as determined under the Black-Scholes pricing model, was \$12,265 and was recorded as a share issuance cost.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

8. Shareholders' equity

c) Warrants (continued)

During the year ended March 31, 2024, the Company issued 781,667 finder warrants to a related party, Numus Capital, pursuant to the private placement financing. The warrants have an exercise price of \$0.06 per common share and expire on August 11, 2025. The value of the warrants, as determined under the Black-Scholes pricing model, was \$39,200 and was recorded as a share issuance cost. Also, during the year ended March 31, 2024, 1,400,000 finder warrants held by Numus Capital with an exercise price of \$0.25 expired unexercised.

The assumptions used in the pricing model and fair value results are as follows:

	August 2024 Warrants	August 2023 Warrants
Risk-free interest rate	3.49%	4.70%
Expected volatility	125%	140%
Expected dividend yield	-	-
Expected life	2 years	2 years
Fair value per warrant	\$0.05	\$0.05

d) Deferred Share Units

The Company has a Deferred Share Unit ("DSU") Plan, where DSUs may be granted to eligible participants, which include members of its Board of Directors, officers, consultants, and employees of the Company. DSUs typically vest over a three-year period and are measured at their fair values as of the date of grant. The fair value is recognized as share compensation expense over the vesting period on the consolidated statements of loss and comprehensive loss. As at March 31, 2025, no DSUs have been issued by the Company.

9. 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.

Accounts payable includes net amounts payable to officers, directors and related party companies of \$434,316 at March 31, 2025 (2024 - \$300,602). The following related party transactions were in the normal course of operations and were measured at the exchange amounts, which are the amounts agreed to by the related parties.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

9. Related party transactions (continued)

a) Compensation of key management personnel:

Key management includes all directors, as well as the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”). Compensation of key management is summarized as follows:

	March 31, 2025	March 31, 2024
	\$	\$
Management and consulting fees	118,713	210,473
Share-based compensation	7,940	108,625
	126,653	319,098

During the year ended March 31, 2025, professional and consulting fees and salaries and benefits in the amount of \$118,713 were incurred for the services of the CEO, the CFO and a director (2024 - \$210,473 for the services of the CEO, the CFO, and a director). Included in the fees incurred by key management are \$26,300 in fees that were capitalized to resource properties during the year for services of the CEO and a director (2024 - \$132,000 for the services of the CEO and a director).

During the year ended March 31, 2025, the Company completed a private placement financing for gross proceeds of \$600,000. 12,000,000 units of the Company were issued at a price of \$0.05 per unit. Directors and an officer of E-Tech subscribed for 1,800,000 of the units issued.

During the year ended March 31, 2024, the Company completed a private placement financing for gross proceeds of \$700,000. 11,666,667 common shares of the Company were issued at a price of \$0.06 per share. Directors and an officer of E-Tech subscribed for 500,000 of the common shares issued.

During the year ended March 31, 2024, the Company granted 1,200,000 stock options to the CEO of the Company. During the year ended March 31, 2025, the 1,200,000 stock options held by the former CEO with an exercise price of \$0.10 were forfeited (note 8).

b) Services agreements:

At March 31, 2025 and 2024, the Company has a services agreement with Numus Financial Inc. (“Numus”), a related party company owned by a director and a significant shareholder of the Company for the provision of consulting services, controller services, rent and other office costs, at a total fee of \$12,200 per month and continuing until both parties mutually agree to terminate. Service fees are incurred on a cost recovery basis and include general and administration charges such as utilities and accounting services of the Company. During the year ended March 31, 2025, the Company incurred costs for consulting and controller services in the amount of \$126,000 (2024 - \$126,000), and incurred rent and office costs in the amount of \$20,400 (2024 - \$20,400).

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

9. Related party transactions (continued)

b) Services agreements: (continued)

As outlined in the services agreement effective October 15, 2021, if the services agreement is cancelled by the Company, a break fee of eighteen (18) months of remuneration, being \$144,000, will be payable to Numus, in addition to the service fees applicable for the 90-day notice period. If the controller services are cancelled by the Company, a break fee of six (6) months of remuneration, being \$15,000, will be payable to Numus, in addition to the service fees applicable for the 90-day notice period. If the office services are cancelled by the Company, a break fee of six (6) months of remuneration, being \$10,200, will be payable to Numus, in addition to the service fees applicable for the 90-day notice period. Numus also will have a right of first refusal to act as an advisor on an E-Tech transaction for a fee of 1.25% of the value of the transaction.

During the years ended March 31, 2025 and 2024, the Company had an agreement with Numus for the provision of digital media services. During the year ended March 31, 2025, the Company incurred fees for digital media services in the amount of \$8,603 (2024 - \$67,544).

c) Financing services:

During the year ended March 31, 2025, Numus Capital acted as the agent for the Company's private placement financing. Numus Capital is an Exempt Market Dealer and a related party owned by significant shareholders of the Company. As compensation for its services pursuant to the private placement, Numus Capital received a cash commission of \$24,500 and 490,000 finder warrants. The finder warrants have been valued at \$12,265, have an exercise price of \$0.10 per common share and expire on August 1, 2026.

During the year ended March 31, 2024, Numus Capital acted as the agent for the Company's private placement financing. As compensation for its services, Numus Capital received a cash commission of \$46,900 and received 781,667 finder warrants. The finder warrants have been valued at \$39,200, have an exercise price of \$0.06 per common share and expire on August 11, 2025. In addition, 1,400,000 finder warrants held by Numus Capital with an exercise price of \$0.25 expired unexercised during the year ended March 31, 2024.

10. Financial instruments

Credit risk

The Company's maximum exposure to credit risk is represented by the carrying amount of the Company's cash and amounts recoverable. The Company manages credit risk by maintaining its cash with high-credit quality financial institutions or in trust with the Company's lawyer.

E-Tech Resources Inc.

Notes to the Consolidated Financial Statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

10. Financial instruments (continued)

Liquidity risk

The Company's approach to managing liquidity risk is to continue to maintain a cash balance to be able to meet the funding of its liabilities when required. As at March 31, 2025, the Company had a cash and cash equivalents balance of \$87,007 and a working capital deficiency of \$480,976 (2024 – cash and cash equivalents balance of \$20,496 and a working capital deficiency of \$287,505). The Company's ability to continue to meet its liabilities, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

Foreign currency rate risk

A portion of the Company's transactions occur in United States, South African and Namibian currencies; accordingly, the related financial assets and liabilities are subject to fluctuations in the respective exchange rates. For the year ended March 31, 2025, the sensitivity of the Company's net loss due to changes in the exchange rate between the Canadian dollar and foreign currencies (primarily the United States dollar and the Namibian dollar) would have impacted net loss by \$1,440 for a 5% increase or decrease in the Canadian dollar.

Fair value

During the year ended March 31, 2025, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities. The fair values of the Company's cash and accounts payable and accrued liabilities are considered to approximate the carrying amounts due to their short term to maturity.

11. Income taxes

Deferred income tax recovery differs from the amount that would be computed by applying the federal and provincial statutory income tax rate of 29% to operating loss before income taxes. The reasons for the difference are as follows:

	March 31, 2025	March 31, 2024
	\$	\$
Operating loss before income taxes	(418,977)	(754,745)
Income tax recovery based on substantively enacted rates	(121,503)	(218,876)
Current year loss and deductible temporary differences for which no asset recognized	124,735	167,744
Permanent differences and other	(3,232)	51,132
Income tax recovery	-	-

E-Tech Resources Inc.

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For the years ended March 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise indicated)

11. Income taxes (continued)

The Company has not recognized deferred tax assets during the years ended March 31, 2025 and 2024. The Company has the following deductible temporary differences for which no deferred tax asset or liability is recognized in the consolidated statement of financial position:

	March 31, 2025	March 31, 2024
	\$	\$
Resource properties	44,132	18,290
Eligible capital property and deferred financing	83,977	114,444
Non-capital loss carryforwards	723,214	564,655
	<u>851,323</u>	<u>697,389</u>

As at March 31, 2025, the Company has unused non-capital losses of approximately \$2.5 million available for carry forward purposes, which expire in 2045 (2024 - \$1.9 million).

12. Commitments

At March 31, 2025, the Company has a services agreement with Numus for the provision of consulting services, controller services, rent and other office costs, at a fee of \$12,200 per month and continuing until both parties mutually agree to terminate. See note 9 for further details.