

USHA RESOURCES LTD.

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

JUNE 30, 2025

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 Horizon Assurance 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.

August 29, 2025

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

	June 30, 2025 (Unaudited)	March 31, 2025
ASSETS		
Current		
Cash and cash equivalents (Note 5)	\$ 409,191	\$ 530,345
Receivables	152,044	145,920
Prepaid expenses	58,774	78,223
	<u>620,009</u>	<u>754,488</u>
Investments (Note 10)	1,151,875	770,000
Exploration and evaluation assets (Note 4)	<u>7,320,417</u>	<u>7,420,361</u>
	<u>\$ 9,092,301</u>	<u>\$ 8,944,849</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (Note 7)	\$ 142,992	\$ 139,631
Provisions (Note 11)	100,000	100,000
	<u>242,992</u>	<u>239,631</u>
Shareholders' equity		
Share capital (Note 6)	15,450,757	15,420,132
Reserves (Note 6c)	998,782	1,012,823
Deficit	(7,600,230)	(7,727,737)
	<u>8,849,309</u>	<u>8,705,218</u>
	<u>\$ 9,092,301</u>	<u>\$ 8,944,849</u>

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 11)
Subsequent events (Note 12)

Approved and authorized for issue by the Board of Directors on August 29, 2025:

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

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

USHA RESOURCES LTD.**INTERIM CONSOLIDATED STATEMENTS OF NET AND COMPREHENSIVE PROFIT (LOSS)**

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended June 30, 2025	Three months ended June 30, 2024
EXPENSES		
Consulting fees (Note 7)	\$ -	\$ 97,000
Insurance	2,975	9,408
Management fees (Note 7)	15,000	15,000
Office and miscellaneous	17,056	16,217
Professional fees (Note 7)	18,540	16,712
Property write-off (Note 4)	36,250	-
Regulatory and filing fees	1,046	9,964
Rent and administration charges (Note 7)	22,500	21,000
Share-based payments (Note 6c)	5,833	137,098
Shareholder communications	-	19,442
Transfer agent fees	1,050	350
Travel and entertainment	2,227	3,741
	<u>(122,477)</u>	<u>(345,932)</u>
Flow through premium (Note 6b)	-	11,084
Foreign exchange loss	-	(135)
Unrealised gain (loss) on investments (Note 10)	(10,000)	-
Gain on sale of exploration and evaluation assets (Note 4)	241,213	-
Other income	3,272	13,201
	<u>3,272</u>	<u>13,201</u>
Net and comprehensive profit (loss)	\$ 112,008	\$ (321,782)
Basic and diluted loss per common share	\$ -	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	75,688,933	63,814,341

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

USHA RESOURCES LTD.**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

(Unaudited)

	Share Capital (Note 6)		Reserves	Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance, March 31, 2024	60,063,108	\$ 11,937,653	\$ 1,056,219	\$ (7,757,490)	\$ 5,236,382
Shares issued for mineral claims (Note 6b)	15,600,000	2,157,750	-	-	2,157,750
Stock options exercised (Note 6c)	2,100,000	246,370	(57,870)	-	188,500
Share issue costs (Note 6b)	-	(10,230)	-	-	(10,230)
Stock options expired/cancelled (Note 6c)	-	-	(158,626)	158,626	-
Warrants expired (Note 6d)	-	-	(30,142)	30,142	-
Loss and comprehensive loss for the period	-	-	-	(321,782)	(321,782)
Balance, June 30, 2024	77,763,108	\$ 14,331,543	\$ 809,581	\$ (7,890,504)	\$ 7,250,620
Balance, March 31, 2025	89,706,586	\$ 15,420,132	\$ 1,012,823	\$ (7,727,737)	\$ 8,705,218
Shares issued for mineral claims (Note 6b)	750,000	26,250	-	-	26,250
Share-based payments (Note 6c)	-	-	5,833	-	5,833
Restricted share units exercised (Note 6c)	125,000	4,375	(4,375)	-	-
Stock options expired/cancelled (Note 6c)	-	-	(15,499)	15,499	-
Net and comprehensive profit (loss) for the period	-	-	-	112,008	112,008
Balance, June 30, 2025	90,581,586	\$ 15,450,757	\$ 998,782	\$ (7,600,230)	\$ 8,849,309

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

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

	Three months ended June 30, 2025	Three months ended June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net and comprehensive profit (loss)	\$ 112,008	\$ (321,782)
Adjustments for items not involving cash:		
Share-based payments	5,833	137,098
Unrealised loss (gain) on investments	10,000	-
Property write-off	36,250	-
Recovery of flow through share premium liability	-	(11,084)
Gain on sale of exploration and evaluation assets	(241,213)	-
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	(6,124)	93,131
Decrease in prepaid expenses	19,449	29,215
Decrease in accounts payable and accruals	3,361	(208,995)
Increase in provisions	-	66,821
Net cash and cash equivalents used in operating activities	(60,436)	(215,596)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(60,718)	(52,039)
Net cash and cash equivalents used in investing activities	(60,718)	(52,039)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue costs	-	(10,230)
Proceeds from the issuance of share capital	-	188,500
Net cash and cash equivalents provided in financing activities	-	178,270
Decrease in cash and cash equivalents for the period	(121,154)	(89,365)
Cash and cash equivalents, beginning of period	530,345	1,152,735
Cash and cash equivalents, end of period	\$ 409,191	\$ 1,063,370
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -

Supplemental information:

During the three months ended June 30, 2025, the Company issued 125,000 common shares pursuant to exercise of restricted share units ("RSUs"), and 750,000 common shares pursuant to agreement to acquire exploration and evaluation assets (Note 4). The Company received 1,306,250 shares pursuant to the option agreement whereby the Optionee can earn up to 100% interest in the Triangle and Gathering Lake Property (Note 4).

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Usha Resources Ltd. (the "Company" or "USHA") was incorporated under the Business Corporations Act (British Columbia) on February 26, 2018. The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol USHA.V, the OTCQB Exchange under the symbol USHA.F and the Frankfurt Stock Exchange under the symbol JO00. 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. Its portfolio includes Jackpot Lake, a lithium brine project in Nevada; White Willow, a lithium pegmatite project in Ontario; and Southern Arm, a copper-gold project in Quebec.

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 IFRS Accounting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2025, 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 consolidated 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, 2025 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. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

USHA RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2025
(Expressed in Canadian Dollars)
(Unaudited)

Basis of consolidation

These interim consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries, Usha Resources (USA) Corp. which was incorporated on June 1, 2020 and 1540359 B.C. Ltd., which was incorporated on May 20, 2025. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All material intercompany transactions and balances have been eliminated.

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.

Segment information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. The Company's non-current assets on a geographic basis are as follows:

	June 30, 2025	March 31, 2025
Canada	\$ 5,761,706	\$ 5,481,149
USA	2,710,586	2,709,212
	<u>\$ 8,472,292</u>	<u>\$ 8,190,361</u>

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

FOR THE THREE MONTHS ENDED JUNE 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

4. EXPLORATION AND EVALUATION ASSETS

The Company incurred expenditures on the properties as follows:

Acquisition Costs	Ontario Lithium Pegmatite Portfolio				Total
	Jackpot Lake, Nevada	Southern Arm, Quebec	White Willow, Ontario	Other properties, Ontario	
Balance, March 31, 2024	\$ 1,086,384	\$ -	\$ 495,525	\$ 235,850	\$ 1,817,759
Issuance of common shares	-	237,500	-	2,157,750	2,395,250
Cash consideration	-	-	-	20,000	20,000
Impairment	-	-	-	(48,750)	(48,750)
Balance, March 31, 2025	1,086,384	237,500	495,525	2,364,850	4,184,259
Issuance of common shares	-	-	26,250	-	26,250
Cash consideration	-	-	25,000	5,000	30,000
Option out shares received	-	-	-	(52,350)	(52,350)
Option out payment received	-	-	-	(5,000)	(5,000)
Impairment	-	-	-	(36,250)	(36,250)
Balance, June 30, 2025	1,086,384	237,500	546,775	2,276,250	4,146,909
Exploration Advances:					
Balance, March 31, 2024	60,667	-	-	-	60,667
Balance, March 31, 2025 and June 30, 2025	60,667	-	-	-	60,667
Exploration Expenditures:					
Balance, March 31, 2024	1,568,734	-	454,725	130,753	2,154,213
Assay sampling	-	-	1,674	-	1,674
Consulting fees	21,302	80,000	47,783	-	149,085
Claim stacking	50,702	-	-	-	50,702
Drilling expenses	538	-	-	-	538
Exploration expenses	(79,115)	925,080	5,700	-	851,665
Impairment	-	-	-	(32,441)	(32,441)
Balance, March 31, 2025	1,562,161	1,005,080	509,882	98,312	3,175,436
Option out shares received	-	-	-	(98,312)	(98,312)
Consulting fees	1,374	30,000	4,344	-	35,718
Balance, June 30, 2025	1,563,535	1,035,080	514,226	-	3,112,842
Total costs, March 31, 2025	\$ 2,709,212	\$ 1,242,580	\$ 1,005,407	\$ 2,463,162	\$ 7,420,361
Total costs, June 30, 2025	\$ 2,710,586	\$ 1,272,580	\$ 1,061,001	\$ 2,276,250	\$ 7,320,417

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 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.

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

FOR THE THREE MONTHS ENDED JUNE 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

Jackpot Lake, Nevada, USA

The Company acquired the Jackpot Lake Lithium Brine Property (“Jackpot Lake”) 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 exercised its option to acquire a 100% interest in the core claims 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. The Company made the following payments to Ares Strategic Mining Inc. to earn 100%:

- On May 2, 2022, the Company completed its first payment of \$75,000 cash and issued 1,678,062 common shares valued at \$570,541.
- On September 14, 2022, the Company completed its second payment and issued 745,033 common shares valued at \$225,000.
- On March 9, 2023, the Company completed its final payment and issued 654,070 common shares valued at \$215,843.

On March 15, 2024, the Company entered into a letter of intent (LOI) with Stardust Power Inc. (“Stardust Power”) granting Stardust Power the right to earn up to a 90-per-cent interest, subject to a 2-per-cent net smelter royalty (NSR), in Jackpot Lake.

A non-refundable sum of \$75,000 (U.S.) has been paid to Usha by Stardust Power pursuant to the LOI. The LOI is non-binding. The transaction is subject to the satisfaction of a number of conditions, including Stardust Power's satisfactory commercial and legal due diligence, the negotiation and execution of definitive agreements, and the approval of the TSX-V. The Company cautions that there is no guarantee that the definitive agreement will be completed or that the other conditions will be satisfied. The Company paid a finder fee of \$7,500 (U.S.) in relation to the LOI.

The LOI has now expired, and the Company is uncertain if Stardust intends to proceed with the transaction.

White Willow Property, Ontario, Canada

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

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

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

The Company completed its first payment of \$70,000 cash and issued 850,000 common shares valued at \$0.25 per share for a total consideration of \$280,500 to the Vendor and Assignor on March 28, 2023.

The Company completed its second payment of \$50,000 cash and issued 1,000,000 common shares valued at \$0.095 per share for a total consideration of \$145,000 to the Vendor and Assignor on March 27, 2024.

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

FOR THE THREE MONTHS ENDED JUNE 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

The Company completed its third payment to the Assignor and issued 750,000 common shares valued at \$0.035 on May 1, 2025. On July 31, 2025, the Company entered into an amendment to its mineral property option agreement with the Vendor, amending the option agreement as follows: (i) amend the balance payment owing to the Vendor from \$100,000 in cash and 500,000 common shares of the Company to \$25,000 cash and 1,000,000 common shares. The Company completed the cash payment of \$25,000 on June 16, 2025 and issued 1,000,000 common shares on August 6, 2025 to the Vendor. Following this payment, the Company became the 100% owner of the claims.

On May 13, 2025, the Company entered into a non-binding letter of intent with Totec Resources Ltd. ("Totec") for Totec to acquire from the Company an option to acquire a 100% interest in 240 claims currently forming part of the Company's White Willow Property.

Other Properties, Ontario, Canada

The other properties comprise of the following option agreements:

1. Nym Lake, 8 unpatented mining claims, March 29, 2023
2. Rubidium Ridge, 141 unpatented mining claims, July 31, 2023
3. Bingo East, 21 unpatented mining claims, March 23, 2024
4. Bingo West, 86 unpatented mining claims, March 23, 2024
5. Abiwin, 38 unpatented mining claims, April 16, 2024
6. Lee Lake, Mead, Bluett, Gathering Lake and Triangle Lake projects, Ontario, Canada

The Nym Lake option agreement comprised 8 unpatented mining claims within the centre of the property, whereby for total consideration of \$100,000 cash and 600,000 common shares of the Company as indicated in the table below it would acquire 100% interest in the claims:

Payment	Cash	Shares
Signing	\$15,000 ¹	150,000 ²
1st Anniversary	\$20,000	150,000 ²
2nd Anniversary	\$25,000	150,000 ²
3rd 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 valued at \$0.285 for a total consideration of \$57,750 to the Vendor of the Nym Claims.

On February 22, 2024, the Company completed its first anniversary payment of \$20,000 cash to the Vendor of the Nym Claims. On April 16, 2024, the Company issued 150,000 common shares valued at \$0.11 for a total consideration of \$16,500 to the Vendor of the Nym Claims.

The Rubidium Ridge option agreement comprised 141 unpatented mining claims adjacent to the west of the property whereby for total consideration of \$100,000 cash and 800,000 common shares of the Company as indicated in the table below it would acquire 100% interest in the claims:

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

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

FOR THE THREE MONTHS ENDED JUNE 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

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 valued at \$0.135 for a total consideration of \$42,000 to the optionors.

On May 14, 2024, the Company issued 200,000 common shares valued at \$0.10 for a total consideration of \$20,000 to the optionors. On May 31, 2024, the Company paid \$20,000 cash to the optionors completing the 1st Anniversary payments.

Bingo East comprised 21 unpatented mining claims adjacent to the east of the Bingo target whereby for total consideration of 3,000,000 common shares the Company earned a 100% interest in the claims. The Company completed payment for the Bingo East claims by issuing 3,000,000 common after receiving approval from the TSX Venture Exchange on April 11, 2024.

Bingo West comprised 86 unpatented mining claims adjacent to the west of the Bingo target whereby for total consideration of 12,000,000 common shares the Company earned a 100% interest in the claims. The Company completed payment for the Bingo West claims by issuing 12,000,000 common shares after receiving approval from the TSX Venture Exchange on April 11, 2024.

The Abiwin Lake option agreement comprised 38 unpatented mining claims to the immediate northwest of the property whereby for total consideration of \$100,000 cash and 1,000,000 common shares of the Company as indicated in the table below it would acquire 100% interest in the claims:

Payment	Cash	Shares
Signing	\$15,000 ¹	250,000 ²
1 st Anniversary	\$20,000	250,000 ²
2 nd Anniversary	\$25,000	250,000 ²
3 rd Anniversary	\$40,000	250,000 ²
Total	\$100,000	1,000,000
Notes	1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the "Approval"). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance.	

The Company paid \$15,000 cash and issued 250,000 common shares valued at \$0.085 for a total consideration of \$21,250 for the Abiwin Lake claims after receiving approval from the TSX Venture Exchange on May 6, 2024.

During the three months ended June 30, 2025, the Company elected to not proceed with the Abiwin project, dropping the option, and recorded an impairment of \$36,250 as property write-off for the acquisition and exploration expenditures related to the asset, reducing the value to \$nil.

On May 3, 2023, the Company entered into five (5) option agreements to acquire a 100% interest in five lithium pegmatite projects located in Ontario: Lee Lake, Mead, Bluett, Gathering Lake and Triangle Lake. 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	
Payment	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

The Company completed its initial payment for each of Lee Lake, Mead, Bluett, Gathering Lake and Triangle Lake projects after receiving approval from the TSX Venture Exchange on June 6, 2023 by paying \$45,350 cash and issuing 275,000 common shares valued at \$0.27 each for a total consideration of \$74,250.

During the three months ended June 30, 2025, the Company entered into an amendment agreement to the Triangle and Gathering Lake option agreements with the vendor. Pursuant to the amendment, the parties agreed to amend the payment terms of the option agreements whereby the Company will pay the vendor \$5,000 cash and 5% of the consideration paid to the Company if the Company sells the Triangle Lake Property and Gathering Lake Property within one year from the date of execution of the Amendment. These amended payment terms replace all payment

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED JUNE 30, 2025**

(Expressed in Canadian Dollars)

(Unaudited)

obligations of the Company under the option agreement that have not been paid to the Vendor. This payment of \$5,000 was completed by the Company in May 2025.

During the three months ended June 30, 2025, the Company entered into a mineral option agreement with Molten Metals Corp. ("MMC") whereby MMC can earn up to 100% interest in the Triangle Lake and Gathering Lake Property. The consideration due is a total of \$5,000 cash and the issuance of 1,375,000 shares of MMC, to be issued as to (i) 1,306,250 to the Company and (ii) 68,750 to the original property owner, to earn 100%. In May 2025, the Company received total consideration from MMC consisting of \$5,000 in cash and 1,306,250 common shares, and the vendor received their consideration directly from MMC. The option payment and share consideration received by the Company from MMC were credited to the capitalized cost of the mineral property and the excess is recognized as income during the three months ended June 30, 2025.

During the year ended March 31, 2025, the Company elected to not proceed with the Lee Lake and Mead Lake project, dropping the option, and recorded an impairment of \$81,191 as property write-off for the acquisition and exploration expenditures related to the asset, reducing the value to \$nil.

During the year ended March 31, 2024, the Company elected to not proceed with the Bluett project, dropping the option, and recorded an impairment of \$23,092 as property write-off for the acquisition and exploration expenditures related to the asset, reducing the value to \$nil.

Southern Arm Property

The Company acquired a copper-gold project in Quebec. The property was optioned from Abitibi Metals Corp. and comprises of 200 hectares of prospective ground in the metal-rich northwest Abitibi sub province.

On July 17, 2024, the Company entered into an option agreement with Abitibi Metals Corp. to acquire a 100% interest in the Southern Arm Project for the following consideration:

- 2,500,000 shares to be issued within fifteen (15) days of acceptance of the agreement by the TSX-V;
- 2,500,000 shares to be issued on or before the first anniversary of the date of approval by the TSX-V; and
- \$2,000,000 in work expenditures before the second anniversary of the date of approval by the TSX-V.

On August 8, 2024, the Company issued 2,500,000 common shares at a price of \$0.095 to Abitibi Metals after receiving approval from the TSX Venture Exchange.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of \$409,191 (2024 - \$1,063,370) consist of:

	June 30, 2025	June 30, 2024
Bank balances	\$ 409,191	\$ 11,909
Short term deposits	-	1,051,461
	<u>\$ 409,191</u>	<u>\$ 1,063,370</u>

6. SHARE CAPITAL**a) Authorized:**

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

b) Issued:

During the three months ended June 30, 2025, the Company issued 875,000 common shares pursuant to property acquisition and exercise of restricted share units as stated below:

- 750,000 common shares valued at \$26,250 pursuant to agreement to acquire exploration and evaluation assets in White Willow project in Ontario.
- 125,000 common shares valued at \$4,375 pursuant to the exercise of restricted share units.

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED JUNE 30, 2025**

(Expressed in Canadian Dollars)

(Unaudited)

During the year ended March 31, 2025, the Company issued 29,643,478 common shares pursuant to various acquisitions and exercise of stock options as stated below:

- i) 12,000,000 common shares valued at \$1,680,000 pursuant to agreement to acquire exploration and evaluation assets in Bingo West project in Ontario.
- ii) 3,000,000 common shares valued at \$420,000 pursuant to agreement to acquire exploration and evaluation assets in Bingo East project in Ontario.
- iii) 150,000 common shares valued at \$16,500 pursuant to agreement to acquire exploration and evaluation assets in Nym lake project in Ontario.
- iv) 250,000 common shares valued at \$21,250 pursuant to agreement to acquire exploration and evaluation assets in Abiwin project in Ontario.
- v) 200,000 common shares valued at \$20,000 pursuant to agreement to acquire exploration and evaluation assets in Rubidium Ridge project in Ontario.
- vi) 2,500,000 common shares valued at \$237,500 pursuant to agreement to acquire exploration and evaluation assets in Southern Arm Property.
- vii) 1,000,000 stock options were exercised at a price of \$0.06 per share.
- viii) 100,000 stock options were exercised at a price of \$0.285 per share.
- ix) 2,400,000 stock options were exercised at a price of \$0.10 per share.
- x) 8,043,478 common shares pursuant to flow-through private placement at a price of \$0.115 per share.

During the year ended March 31, 2025, as mentioned in (x) above, the Company completed a non-brokered private placement of 8,043,478 flow-through shares at \$0.115 per share for gross proceeds of \$925,000. The Company calculates the tax effect of the premium related to the issuance of flow-through shares by reviewing the value of the corresponding common shares and warrants issued. As a result, a premium of \$160,870 was recognized as a flow-through premium liability upon issuance, which was derecognized and recognized as other income as the Company incurred eligible expenditures and renounced the corresponding tax benefits to shareholders. As at March 31, 2025, the flow-through premium liability outstanding relating to flow-through shares was \$nil.

As part of the transaction, the Company granted 319,565 warrants as finders' fees, exercisable at \$0.115 for a period of two years. The warrants were valued at \$11,171 using the Black-Scholes option pricing model, assuming a life expectancy of two years, a risk-free interest rate of 3.35%, a forfeiture and dividend rate of nil, and volatility of 75.14%.

c) Stock options and Restricted share units

The Company maintains a Stock Option and Restricted Share Unit Plan (the "Plan") under which it is authorized to grant stock options and restricted share units to executive officers, directors, employees, and consultants. Under the Plan, the number of stock 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, and the number of restricted share units that may be issued is limited to no more than 3,522,004 plan shares.

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 three months ended June 30, 2025, the Company granted nil stock options (2024 – nil) and recognized share-based compensation of \$nil (2024 – \$nil) relating to options vested during the period.

During the three months ended June 30, 2025, 100,000 of the outstanding stock options were cancelled or expired. The corresponding amount of \$15,499 was transferred from reserves to deficit.

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

FOR THE THREE MONTHS ENDED JUNE 30, 2025

(Expressed in Canadian Dollars)

(Unaudited)

	Number	Weighted Average Exercise Price
Outstanding, March 31, 2024	7,287,774	\$ 0.13
Exercised	(3,500,000)	0.08
Expired/Cancelled	(1,327,547)	0.29
Outstanding, March 31, 2025	2,460,227	0.16
Expired/Cancelled	(100,000)	0.29
Outstanding, June 30, 2025	2,360,227	\$ 0.15

The following stock options were outstanding and exercisable as at June 30, 2025:

	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	0.22
Options	185,227	185,227	\$ 0.20	July 5, 2026	1.01
Options	575,000	575,000	\$ 0.16	August 3, 2025	0.09
Options	500,000	500,000	\$ 0.20	August 28, 2025	0.16
Options	200,000	200,000	\$ 0.16	August 29, 2025	0.16
Options	100,000	100,000	\$ 0.18	September 6, 2025	0.19
Options	50,000	50,000	\$ 0.20	November 9, 2025	0.36
Options	600,000	600,000	\$ 0.06	March 13, 2026	0.70

During the three months ended June 30, 2025, the Company granted 250,000 restricted share units (RSUs) (March 31, 2025 – nil) having a total fair market value of \$8,750 (March 31, 2025 - \$nil) and recognized a pro-rated share-based compensation of \$5,833 (March 31, 2025 – \$236,221) based on 50% vesting immediately and 50% vesting after six months from the date of grant.

A summary of changes in outstanding restricted share units is as follows:

	Number	Weighted Average Exercise Price
Outstanding, March 31, 2024 and March 31, 2025	3,050,000	\$ 0.18
Granted	250,000	0.04
Exercised	(125,000)	0.04
Outstanding, June 30, 2025	3,175,000	\$ 0.18

During the three months ended June 30, 2025, 125,000 (March 31, 2025 – nil) were exercised and the corresponding amount of \$4,375 (March 31, 2025 - \$nil) was transferred from reserves to share capital.

The following restricted share units were outstanding as at June 30, 2025:

	Number of RSUs outstanding	Number of RSUs exercisable	Expiry Date	Remaining contractual life (years)
RSUs	50,000	50,000	February 28, 2026	0.67
RSUs	3,000,000	3,000,000	February 28, 2026	0.67
RSUs	125,000	-	February 28, 2028	2.67

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED JUNE 30, 2025**

(Expressed in Canadian Dollars)

(Unaudited)

d) Warrants

As at June 30, 2025, the Company had 16,135,639 warrants outstanding.

A summary of changes in outstanding warrants is as follows:

	Warrants outstanding	Weighted Average Exercise Price
Outstanding at March 31, 2024	20,927,991	\$ 0.40
Warrants issued	319,565	0.12
Warrants expired	(5,111,917)	0.45
Outstanding at March 31, 2025 and June 30, 2025	16,135,639	\$ 0.38

The following warrants were outstanding and exercisable at June 30, 2025:

	Number of Shares	Exercise Price	Expiry Date
Warrants:			
Agent's warrants	510,305	\$ 0.50	March 22, 2026
Agent's warrants	125,000	\$ 0.20	October 17, 2025
Agent's warrants	319,565	\$ 0.115	August 08, 2026
Non-flow through warrants	3,450,000	\$ 0.20	November 03, 2025
Non-flow through warrants	2,500,000	\$ 0.20	November 06, 2025
Non-flow through warrants	9,230,769	\$ 0.50	March 22, 2026

7. 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. Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The aggregate amount of expenses 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	Three months ended June 30, 2025	Three months ended June 30, 2024
Deepak Varshney, CEO	Castello Q Development Corporation	Management fees/consulting fees	\$ 45,000	\$ 45,000
Navin Varshney, Director	N.K.V. Engineering & Consulting Ltd	Rent and administration charges	22,500	21,000
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	12,000	7,500

USHA RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2025
(Expressed in Canadian Dollars)
(Unaudited)

a) Accounts payable included \$9,456 (2024: \$2,225) owed to directors and officers of the Company for operating expenses paid on behalf of the Company during the three months ended June 30, 2025.

b) During the year ended March 31, 2024, the Company granted 1,650,000 RSUs to related parties as follows:

Name of the Key management personnel	Company's Name	Number of RSUs issued
Deepak Varshney, CEO	Castello Q Development Corporation	1,000,000
Navin Varshney, Director	N.K.V. Engineering & Consulting Ltd	500,000
Khalid Naeem, CFO	Aterna Advisors Inc.	150,000

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

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash and cash equivalents 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 June 30, 2024, 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 THREE MONTHS ENDED JUNE 30, 2025
(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.

9. CAPITAL MANAGEMENT

Capital is comprised of all the components of the Company's shareholders' equity as at June 30, 2025, the Company's shareholders' equity was \$8,849,309 and there was no long-term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to 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 three months ended June 30, 2025.

10. INVESTMENTS

During the three months ended June 30, 2025, the Company received 1,306,250 units of Molten Metals Corp. valued at \$391,875 as an option payment towards acquisition of Triangle and Gathering Lake Property from the Company (Note 4). The fair value as at June 30, 2025 is \$0.30 per share and as follows:

	Investment in Molten Metals Corp.	
Fair value as at March 31, 2025	\$	-
Additions		391,875
Fair value as at June 30, 2025	\$	391,875

During the year ended March 31, 2024, the Company received 2,000,000 units of Formation Metals Inc. valued at \$100,000, to settle \$100,000 in debt with the Company. Each unit consisted of one share and one warrant, exercisable at \$0.20 per share until November 3, 2025. The fair value as at June 30, 2025 is \$0.38 per share and fair value adjustment as follows:

	Investment in Formation Metals Inc.	
Fair value as at March 31, 2024	\$	100,000
Fair value adjustment		670,000
Fair value as at March 31, 2025		770,000
Fair value adjustment		(10,000)
Fair value as at June 30, 2025	\$	760,000

11. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the normal course of business. These matters are evaluated individually based on their nature, status, and potential financial impact, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. During the year ended March 31, 2024, the Company received a demand letter from a vendor related to the Jackpot Lake project, claiming payment for certain invoices issued during the year. Management believes these invoices should not have been billed, as the related work arose from the vendor's own error, and the vendor had previously agreed to perform the corrective work at their own cost. As the parties were unable to reach a settlement and the vendor has indicated an intention to

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED JUNE 30, 2025**

(Expressed in Canadian Dollars)

(Unaudited)

pursue litigation, the Company has recognized a provision of \$100,000 in connection with this matter. The ultimate outcome of the dispute is uncertain and may differ from the amount accrued.

Additionally, the Company may enter into contracts for services in the normal course of operations. The Company's current contractual commitments vary in terms and can be terminated upon sufficient notice.

In connection with the flow-through share financings in 2024, the Company is committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada) totaling \$925,000 by December 31, 2026. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures. As at June 30, 2025, the Company has fulfilled its necessary qualifying exploration expenditures required in connection with the flow-through share financings.

On March 15, 2024, Usha Resources Ltd. signed a Letter of Intent with Stardust Power, Inc. granting Stardust Power exclusivity with respect to negotiations related to the Jackpot Lake Lithium Brine Project until June 30, 2025 (note 4). The LOI has now expired, and the Company is uncertain if Stardust intends to proceed with the transaction.

12. SUBSEQUENT EVENTS

Subsequent to the three months ended June 30, 2025:

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

On August 3, 2025, 575,000 stock options expired unexercised.

On August 28, 2025, 500,000 stock options expired unexercised.

On August 29, 2025, 200,000 stock options expired unexercised.