E-Tech Resources Inc.
(formerly Battery Road Capital Corp.)

Unaudited Condensed Interim
Consolidated Financial Statements

December 31, 2021

February 28, 2022

Management's Responsibility for Financial Reporting

The accompanying unaudited condensed interim consolidated financial statements of **E-Tech Resources Inc.** are the responsibility of management and have been approved by the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited condensed interim consolidated financial statements and recommended their approval by the Board of Directors.

These unaudited condensed interim consolidated financial statements have not been reviewed by the external auditors of the Company.

(signed) *"Elbert Loois"*
President and Chief Executive Officer
Dusseldorf, Germany

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

(Expressed in Canadian dollars unless otherwise indicated)

	December 31, 2021	March 31, 2021
	$	$
Assets		
Current assets		
Cash and cash equivalents	**2,983,254**	55,380
Accounts receivable	**44,852**	-
Prepaid expenses and deposits	**25,960**	-
	3,054,066	55,380
Property and equipment (note 5)	**39,330**	12,421
Resource property expenditures (note 6)	**2,963,620**	788,666
Total assets	**6,057,016**	856,467
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	**402,245**	109,705
Loans payable (note 9)	**-**	218,673
Convertible debenture liability (note 9)	**-**	760,011
	402,245	1,088,390
Equity		
Shareholders' equity	**5,654,771**	(231,923)
Total liabilities and equity	**6,057,016**	856,467

Nature of operations and going concern (note 1)

Commitments (note 12)

Approved on behalf of the Board of Directors

(signed) "*John Philpott*", Director (signed) "*Daniel Whittaker*", Director

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

(Expressed in Canadian dollars unless otherwise indicated)

	Three-months ended December 31, 2021	Three-months ended December 31, 2020	**Nine-months ended December 31, 2021**	Nine-months ended December 31, 2020
	$	$	**$**	$
Expenses				
Professional fees	**70,110**	15,322	**140,981**	22,931
Salaries and consulting fees (note 9)	**39,799**	14,699	**82,615**	14,699
Regulatory and filing fees	**19,713**	-	**19,713**	-
Share-based compensation	**201,282**	-	**201,282**	-
Travel	**10,266**	10,349	**10,266**	10,349
Office and administration (note 9)	**34,539**	11,786	**70,015**	11,894
Marketing, promotion and advertising	**43,223**	-	**43,223**	-
Finance costs (note 9)	**8,837**	8,304	**107,440**	8,304
Property investigation costs	**-**	8,821	**-**	10,229
Foreign exchange gain	**(80,182)**	-	**(20,844)**	-
Listing expense (note 3)	**6,370,752**	-	**6,370,752**	-
Net loss and comprehensive loss for the period	**(6,718,339)**	(69,281)	**(7,025,443)**	(78,406)
Weighted-average number of shares outstanding during the period	**70,345,628**	200	**23,533,743**	200
Basic and diluted loss per share	**(0.10)**	(346)	**(0.30)**	(392)

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

E-Tech Resources Inc. (formerly Battery Road Capital Corp.)

Unaudited Condensed Interim Consolidated Statements of Changes in Equity

For the periods ended December 31, 2021 and 2020 and March 31, 2021

(Expressed in Canadian dollars unless otherwise indicated)

	Common Shares #	Share Capital $	Warrants #	Warrants $	Contributed Surplus $	Deficit $	Total Equity $
Balance – April 1, 2020	200	34,544	-	-	-	(65,037)	(30,493)
Loss and comprehensive loss for the period	-	-	-	-	-	(78,406)	(78,406)
Balance – December 31, 2020	**200**	**34,544**	**-**	**-**	**-**	**(143,443)**	**(108,899)**
Loss and comprehensive loss for the period	-	-	-	-	-	(123,024)	(123,024)
Balance – March 31, 2021	**200**	**34,544**	**-**	**-**	**-**	**(266,467)**	**(231,923)**
Shares issued on conversion of convertible debentures	133	1,596,000	-	-	-	-	1,596,000
Shares of E-Tech Kalapuse Mining (Pty) Limited exchanged	(333)	-	-	-	-	-	-
for shares of the Company	37,000,030	-	-	-	-	-	-
Shares of the Company deemed to be issued, post two for one split	25,971,500	6,492,875	-	-	-	-	6,492,875
Shares issued pursuant to private placement financing	20,000,000	5,000,000	-	-	-	-	5,000,000
Share issuance costs	-	(378,020)	-	-	-	-	(378,020)
Broker warrants issued on private placement financing	-	(238,353)	1,400,000	238,353	-	-	-
Share-based compensation	-	-	-	-	201,282	-	201,282
Loss and comprehensive loss for the period	-	-	-	-	-	(7,025,443)	(7,025,443)
Balance – December 31, 2021	**82,571,530**	**12,507,046**	**1,400,000**	**238,353**	**201,282**	**(7,291,910)**	**5,654,771**

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

(Expressed in Canadian dollars unless otherwise indicated)

	Nine-months ended December 31, 2021	Nine-months ended December 31, 2020
	$	$
Cash provided by (used in)		
Operating activities		
Net loss for the period	**(7,025,443)**	(78,406)
Non-cash items		
Share-based compensation	**201,282**	-
Capitalized depreciation (note 5)	**7,438**	-
Listing expense (note 3)	**6,370,752**	-
	(445,971)	(78,406)
Net changes in non-cash working capital balances related to operations:		
Increase in amounts recoverable	**(44,852)**	-
Increase in prepaid expenses	**(7,714)**	-
Decrease in accounts payable and accrued liabilities	**(117,030)**	(11,565)
	(615,567)	(89,971)
Investing activities		
Purchases of property and equipment	**(34,347)**	(10,708)
Resource property expenditures	**(1,938,079)**	(287,075)
	(1,972,426)	(297,783)
Financing activities		
Proceeds from financing, net of issuance costs (note 8)	**4,621,980**	-
Cash acquired upon transaction (note 3)	**276,571**	-
Receipt (repayment) of loans (note 9)	**(218,673)**	99,400
Convertible debenture contributions (note 9)	**835,989**	296,064
	5,515,867	395,464
Net change in cash during the period	**2,927,874**	7,710
Cash – beginning of period	**55,380**	15,640
Cash – end of period	**2,983,254**	23,350

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

1. Nature of operations and going concern

Nature of operations

E-Tech Resources Inc. (formerly Battery Road Capital Corp.) ("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 "Exchange") Policy 2.4. The principal business of the Company was the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

E-Tech Resources Inc. 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 (the "Agreement") dated October 10, 2020 under which the proposed Transaction would be completed. The Boards of Directors of the Company and E-Tech Namibia each unanimously approved the terms of the Transaction. The Transaction was subject to certain customary conditions including approval of the Company and E-Tech Namibia's shareholders and various regulatory approvals. As a result of the Transaction, the Company changed its name to E-Tech Resources Inc. and adopted a financial year end of March 31 effective on the closing of the Transaction on October 15, 2021. On October 21, 2021, the Company commenced trading on the TSX Venture Exchange ("TSXV") under the symbol REE and co-listed on the Frankfurt Stock Exchange ("XFRA") under the symbol K2I on January 5, 2022. Refer to note 3 for information on the Company's QT with E-Tech Namibia.

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

The 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 financial statements were approved by the Board of Directors on February 28, 2022.

Going concern

These 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 period ended December 31, 2021 of $7,025,443 (year ended March 31, 2021 – loss of $201,430) and has no operations at this time which will generate revenue. These circumstances have resulted in a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. Management believes the Company has sufficient working capital to maintain its activities for the upcoming fiscal year.

Management estimates current working capital may not be sufficient to fund all of the Company's planned 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. During the period ended December 31, 2021, the Company completed a subscription receipt financing for gross proceeds of $5,000,000 (note 8). 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 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.

Since very early in 2020 and continuing through 2021, the outbreak of the novel strain of coronavirus, specifically identified as "Covid-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the Covid-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and conditions of the Company in future periods.

2. Significant accounting policies

Statement of compliance

The Company prepares its unaudited condensed interim consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of Chartered Professional Accountants of Canada – Part 1 ("CPA Canada Handbook"), which incorporates IFRS as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the audited financial statements of Battery Road Capital Corp. for the year ended April 30, 2021 and the audited financial statements of E-Tech Namibia for the year ended March 31, 2021.

The policies applied in these unaudited condensed interim consolidated financial statements are based on the IFRS as of February 28, 2022, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ended March 31, 2022 could result in the restatement of these unaudited condensed interim consolidated financial statements.

Basis of presentation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, E-Tech Kalapuse Mining (Proprietary) Limited (note 3). All intercompany transactions and balances have been eliminated on consolidation of the accounts. These 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 ("FVTPL"). The Company's functional currency is the Canadian dollar, and these consolidated financial statements are presented in Canadian dollars.

a) 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.

b) Property and equipment

Property and equipment are 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 property and equipment. The periods generally applicable are:

- Exploration equipment 5-10 years

Gains or losses arising on the disposal of property and 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".

c) 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.

d) 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.

e) 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.

f) 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.

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.

g) 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 the 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 of FVOCI or have been elected so at initial adoption are classified at FVTPL. The Company 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	Amortized cost
Amounts recoverable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

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.

h) 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:

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.

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.

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.

i) Leases

In accordance with IFRS 16, Leases ("IFRS 16), substantially all lessee leases are recorded on the consolidated statements of financial position. The Company did not identify any leases requiring assessment under IFRS 16. The Company will monitor any leases for appropriate recognition in future periods.

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.

New accounting standards not yet adopted

The IASB issued the following standards that have not been applied in preparing these consolidated financial statements, as their effective date falls within annual periods beginning after the year ended December 31, 2021.

i) IAS 1, Presentation of Financial Statements

On January 23, 2020, the IASB issued an amendment to IAS 1, Presentation of Financial Statements, providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or noncurrent depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The Company is currently assessing the financial impact of the amendments and expects to apply the amendments at the effective date.

ii) IAS 37, Provisions, Contingent Liabilities and Contingent Assets

On May 14, 2020, the IASB issued an amendment to IAS 37, Provisions, Contingent Liabilities and Contingent Assets, to specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to the contract can either be incremental costs of fulfilling the contract or an allocation of other costs that relate directly to fulfilling contracts. The amendments are effective for contracts for which the Company has not yet fulfilled all its obligations on or after January 1, 2022 with early adoption permitted. The Company is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

iii) IFRS 9, Financing Instruments

On May 14, 2020, the IASB issued an amendment to IFRS 9, Financial Instruments, clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included. The amendment is effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The Company is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

3. Qualifying Transaction with E-Tech Namibia

Prior to the Transaction, E-Tech Namibia had 200 outstanding common shares. Under the terms of the Definitive Agreement, E-Tech Namibia converted advances received (plus applicable interest) of $1,596,000 at a value $12,000 per share to issue an additional 133 common shares. Under the terms of the Agreement, the Company completed a forward split of two common shares for each common share of the Company, and the Company acquired all of the issued and outstanding common shares of E-Tech Namibia based on 111,111.2 shares of the Company for each of the 333 common shares of E-Tech Namibia after the conversion (the "Transaction"). As a result, the Company issued a total of 37,000,030 common shares to the shareholders of E-Tech Namibia. Upon closing, E-Tech Namibia shareholders held approximately 58.8% of the outstanding shares of the Company. Upon completion of the Transaction, the Company has 62,971,530 issued and outstanding common shares. After the completion of the non-brokered private placement, issuing 20,000,000 common shares at an issue price of $0.25 per share to raise aggregate gross proceeds of $5,000,000 (the "Financing"), the Company has 82,971,530 issued and outstanding common shares.

In substance, the Transaction involves E-Tech Namibia shareholders obtaining control of the Company. As the Company does not meet the definition of a business prior to the Transaction, the Transaction is outside the scope of IFRS 3, Business Combinations. The Transaction has therefore been accounted for under IFRS 2, Share-based payment. Under this basis of accounting, the consolidated financial statements of the combined entity will represent the continuation of E-Tech Namibia by which E-Tech Namibia acquired the net assets and listing status of the Company as of October 15, 2021. Accordingly, the Transaction will be considered a reverse takeover transaction ("RTO") with E-Tech Namibia acquiring the Company.

The excess of the estimated fair value of the equity instruments that E-Tech Namibia is deemed to have issued to acquire the Company, plus the transaction costs less the estimated fair value of the Company's net assets (collectively the "Consideration"), will be recorded as a charge to the listing expense as a cost of obtaining the Company status as a Reporting Issuer.

The accounting for this Transaction resulted in the following:

- The consolidated financial statements are issued under the legal parent, E-Tech Resources Inc., but are considered a continuation of the financial statements of the legal subsidiary, E-Tech Namibia.
- Since E-Tech Namibia is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.
- There has been an elimination of the Company's pre-acquisition share capital of $867,818, contributed surplus of $757, the accumulated deficit of $344,441.

(Expressed in Canadian dollars unless otherwise indicated)

3. TRANSACTION WITH E-TECH NAMIBIA (continued)

Since the share and share-based consideration allocated to the former shareholders of the Company on closing the Transaction is considered within the scope of IFRS 2, the value in excess of the net identifiable assets and obligations of the Company acquired on closing is expensed in the consolidated statement of loss and comprehensive loss as listing expense.

The listing expense in the amount of $6,370,752 is comprised of the fair value of the common shares of the Company retained by the former shareholders of the Company, transaction costs less the net assets of the Company at October 15, 2021, as well as other direct expenses of the Transaction. The listing fee expense is summarized as follows:

Net assets acquired:	$
Cash	276,571
Other current assets	8,246
Less: accounts payable and accrued liabilities	(162,694)
Net assets acquired	122,123
Equities instruments deemed to be issued:	
Common shares	6,492,875
	6,370,752

The Company has estimated the fair value of the equity instruments deemed to be issued as a result of the Transaction. The fair value of the 25,971,500 post-split common shares amounted to $6,492,875, based on the non-brokered private placement financing at $0.25 per share. The fair value of the Company's common shares less net assets is recorded as a listing expense.

4. 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 period ended December 31, 2021.

5. Property and equipment

Cost	Exploration Equipment
	$
As at April 1, 2020	-
Additions	16,561
As at March 31, 2021	16,561
Additions	34,347
As at December 31, 2021	50,908

(Expressed in Canadian dollars unless otherwise indicated)

Accumulated depreciation	
As at April 1, 2020	-
Depreciation	4,140
As at March 31, 2021	4,140
Depreciation	7,438
As at December 31, 2021	11,578
Carrying amount	
Balance, March 31, 2021	12,421
Balance, December 31, 2021	39,330

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

6. Resource properties

	December 31, 2021	March 31, 2021
	$	$
Acquisition Costs		
Opening balance	29,560	13,882
Acquisition costs	255	15,678
Ending balance	29,815	29,560
Exploration Expenditures		
Opening balance	759,106	122,040
Additions incurred	2,174,699	637,066
Ending balance	2,933,805	759,106
Total Resource Properties	2,963,620	788,666

The Company's interest in resource properties consists of the Eureka deposit in Namibia. The Company holds Exclusive Prospecting Licence ("EPL") 6762, which was held for the period of three years from February 12, 2018 to February 11, 2021 and renewed for a further period of two years from July 20, 2021 to July 19, 2023.

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;

(Expressed in Canadian dollars unless otherwise indicated)

- 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 business operations as per the most recent work program filed with the Ministry.

7. Accounts payable and accrued liabilities

	December 31, 2021	March 31, 2021
	$	$
Trade accounts payable and accrued liabilities	301,033	109,705
Amounts payable to related parties	101,212	-
	402,245	109,705

8. Shareholders' equity

a) Capital stock

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

Share split

On October 15, 2021, the Company completed its QT with E-Tech Namibia, which included the approval of a stock split of the common shares of the Company on the basis of two post-split shares issued for every one pre-split share outstanding. As of the date of the split, the Company had 12,985,750 common shares outstanding. The share split resulted in a further 12,985,750 common shares issued to existing shareholders of the Company.

E-Tech Namibia share conversion

As a result of the Transactions, the Company acquired each of the issued and outstanding E-Tech Namibia Shares pursuant to the terms of the Definitive Agreement, in exchange for 111,111.2 common shares of the Company (the "Exchange Ratio"). Existing shareholders of E-Tech Namibia's 200 issued and outstanding E-Tech Namibia Shares at the time of the Transactions received 22,222,240 common shares of the Company in aggregate at closing of the Transactions. Holders of E-Tech Namibia's convertible debentures in the amount of $1,596,000 received 133 shares of E-Tech Namibia upon conversion, which were exchanged for 14,777,790 common shares of the Company upon completion of the Transactions.

Concurrent financing

During the period ended December 31, 2021, the Company announced and completed an Offering of subscription receipts at a price of $0.25, each convertible into one post-split Company share, subject to adjustment if the split did not occur. 20,000,000 subscription receipts were issued for aggregate gross proceeds of $5,000,000. Insiders of the Company at the time of the Offering subscribed for 880,000 subscription receipts for proceeds of $220,000. The gross proceeds raised in connection with the Offering, including fees owing to the Agent, were be held in escrow on behalf of the subscribers by Computershare Trust Company of Canada (the “Escrow Agent”).

Upon completion of the Transactions on October 15, 2021, the escrowed funds resulting from the Offering were released to the Company upon receipt by the Escrow Agent of a written joint notice of the Company and E-Tech Namibia stating that the share exchange contemplated in the Definitive Agreement had closed, at which time each subscription receipt was automatically exchanged for 20,000,000 post-split shares of the Company.

In connection with the Offering, Numus Capital Corp., a related party (the “Agent”), received (a) a cash commission equal to $350,000, representing 7.0% of the aggregate gross proceeds raised by the Company from the sale of subscription receipts in connection with the Offering; and (b) 1,400,000 broker warrants entitling the Agent to purchase that number of post-split shares in the Company equal to seven percent (7%) of the subscription receipts in the Offering. The warrants are exercisable into 1,400,000 common shares of the Company at a price of $0.25 per share and expire on October 15, 2023. The value attributed to the warrants was $238,353 (note 8(c)).

In addition to the Agent fee and the warrants issued, the Company incurred other costs of $28,020, primarily related to legal and regulatory fees associated with the financing.

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.

On November 12, 2021, the Company granted 3,175,000 stock options under the Company’s Plan directors, officers, employees and consultants. Each option is exercisable into one common share of the Company at a price of $0.55 per share and will vest at the rate of 25% of the total on each of the six, twelve, eighteen and twenty-four month anniversary dates of the grant. The options expire five years from the date of grant. There were no options issued during the year ended March 31, 2021.

The estimated 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 during the period ended December 31, 2021 were as follows:

(Expressed in Canadian dollars unless otherwise indicated)

	December 31, 2021
Risk-free interest rate	0.95%
Expected volatility	140%
Expected dividend yield	-
Expected life	5 years
Weighted-average fair value per option	$0.487

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the 3,175,000 options granted on November 12, 2021 is $1,545,843. This amount is amortized over the vesting period, and $201,282 has been expensed during the period ended December 31, 2021 (2020 - $nil). The options granted during the period ended December 31, 2021 remain unvested as at December 31, 2021. As at December 31, 2021, the Company has 5,082,153 options available for granting under its Plan.

The options outstanding as at December 31, 2021 are:

Exercise Price per Share	**Number of Options Outstanding**	**Expiry Date**	**Remaining Contractual Life (in years)**	**Number of Options Vested**
$0.55	3,175,000	November 12, 2026	4.9	-

c) Warrants

Pursuant to the subscription receipt financing completed by the Company during the period ended December 31, 2021, the Company issued 1,400,000 broker warrants to Numus Capital Corp. The broker warrants are exercisable at a price of $0.25 and expire on October 15, 2023. The value of the warrants, as determined under the Black-Scholes pricing model, is $238,353 and has been recorded as a share issuance cost.

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

	October 2021 Warrants
Risk-free interest rate	0.67%
Expected volatility	140%
Expected dividend yield	-
Expected life	2 years
Fair value per warrant	$0.17

(Expressed in Canadian dollars unless otherwise indicated)

The changes in the Company's warrants during the period ended December 31, 2021 and the year ended March 31, 2021 are as follows:

	Expiry Date	Exercise Price $	Number	Value $
Balance – April 1, 2020 and March 31, 2021			-	-
Agent warrants issued pursuant to financing	October 15, 2023	0.25	1,400,000	238,353
Balance –December 31, 2021			1,400,000	238,353

The warrants outstanding as at December 31, 2021 are:

Exercise Price	Number of Warrants Outstanding	Expiry Date	Remaining Life (years)	Number of Warrants Exercisable
$0.25	1,400,000	October 15, 2023	1.8	1,400,000

9. Related party transactions

Amounts payable to officers, directors and related party companies were $101,212 at December 31, 2021 (March 31, 2021 - $978,684). 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.

a) Compensation of key management personnel:

Management and consulting fees in the amount of $61,313 for the nine-month period ended December 31, 2021 (year ended March 31, 2021 - $nil) were incurred for services of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company. Fees of $21,146 were capitalized to resource properties during the period ended December 31, 2021 for services of the CEO.

The Company has a consulting arrangement with the CEO, which provides that, should a change in control event occur, any outstanding options issued to the CEO will be fully vested and accessible for exercising. In addition, the Company shall immediately pay a lump sum equivalent of six (6) to twelve (12) months of service fees to the CEO depending on the timing of the change of control event.

During the period ended December 31, 2021, the Company granted 3,175,000 stock options, of which 2,450,000 were granted to officers and directors of the Company (note 8). No stock options were issued to related parties during the year ended March 31, 2021.

During the period ended December 31, 2021 and the year ended March 31, 2021, consulting fees were paid to related parties of the Company. During the period ended December 31, 2021, the Company paid consulting fees of $25,000 to a company with common board members and executives of E-Tech (March 31, 2021 - $nil), of which $18,750 was capitalized to resource properties. In addition, the Company paid consulting fees of $58,500 to a director of the Company during the period ended December 31, 2021, of which $55,900 was capitalized to resource properties.

During the year ended March 31, 2021, consulting fees of NAD$1,338,872 (CAD$113,148) were paid to two directors of E-Tech Namibia. In addition, option fees on EPL 6762 of NAD$153,865 (CAD$13,003) were paid to an entity controlled by a director of E-Tech Namibia.

b) Former parent company transactions

Prior to the completion of the Transaction on October 15, 2021, a related party relationship existed between E-Tech Namibia and its parent company, E-Tech Metals Limited. During the year ended March 31, 2021, expenses previously incurred by E-Tech Metals Limited were transferred to E-Tech Namibia. These expenses amounted to NAD$2,499,241 (CAD$211,211), of which NAD$1,798,766 (CAD$152,014) related to resource properties and NAD$700,475 (CAD$59,197) to administrative expenses. As at March 31, 2021, amounts payable to E-Tech Metals Limited were NAD$2,587,540 (CAD$218,673), which was repaid in full during the period ended December 31, 2021.

As a result of the Transactions, the Company acquired each of the issued and outstanding E-Tech Namibia Shares pursuant to the terms of the Definitive Agreement, in exchange for 111,111.2 common shares of the Company (the "Exchange Ratio"). Existing shareholders of E-Tech Namibia's 200 issued and outstanding E-Tech Namibia Shares received 22,222,240 common shares of the Company in aggregate at closing of the Transactions.

c) Convertible debenture

During the period ended December 31, 2021 and the year ended March 31, 2021, the Company received loans from related parties, including a director of the Company and other significant shareholders, in the form of a convertible debenture. The balance of the convertible debenture was, prior to the completion of the Transactions, settled in exchange for E-Tech Namibia shares and further exchanged for shares of the Company based on the exchange ratio for the Transactions. As at October 15, 2021, the amount of the convertible debenture was $1,596,000, including interest. Holders of E-Tech Namibia's convertible debentures in the amount of $1,596,000 received 133 shares of E-Tech Namibia upon conversion, which were exchanged for 14,777,790 common shares of the Company.

d) Services agreement:

At December 31, 2021, the Company has a services agreement with Numus Financial Inc. ("Numus"), a related party company owned by significant shareholders of E-Tech 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 period ended December 31, 2021, the Company incurred costs for consulting and controller services in the amount of $26,250, and incurred rent and office costs in the amount of $4,250 (year ended March 31, 2021 - $nil).

As outlined in the services agreement effective October 15, 2021, if the services agreement is cancelled by the Company without just cause (as defined in the agreement), 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 without just cause, 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 without just cause, 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.

e) Financing broker:

Numus Capital acted as the Agent for the Company's subscription receipt. Numus Capital is an Exempt Market Dealer and a related party owned by significant shareholders of E-Tech. As compensation for its services for the Offering, Numus Capital received a 7% cash commission of $350,000 and received 1,400,000 broker warrants to purchase 1,400,000 common shares of the Company. The warrants have an exercise price of $0.25 per common share and expire on October 15, 2023.

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. All of the sales taxes recoverable are with the Government of Canada.

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 December 31, 2021, the Company had a cash balance of $2,983,254 and a working capital balance of $2,651,821. 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.

Fair value

During the period ended December 31, 2021, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities. The fair values of the Company's cash, amounts recoverable, and accounts payable and accrued liabilities are considered to approximate the carrying amounts due to their short term to maturity. Investments are recorded at fair value based on the quoted market price which is a level 1 fair value category as the securities exchanged in the quoted market are identical to the interments held by the Company.

11. Income taxes

a) Deferred income tax recovery differs from the amount that would be computed by applying the federal and provincial statutory income tax rate of 29% (2020 – 25%) to net loss before income taxes. The reasons for the difference are as follows:

(Expressed in Canadian dollars unless otherwise indicated)

	December 31, 2021 $	December 31, 2020 $
Operating loss before income taxes	(7,025,443)	(78,406)
Income tax recovery based on substantively enacted rates	(2,037,378)	(19,602)
Current year loss and deductible temporary differences for which no asset recognized	131,488	19,602
Permanent differences and other	1,905,890	-
Income tax recovery	-	-

The Company has not recognized deferred tax assets during the period ended December 31, 2021 or the year ended March 31, 2021. The Company has the following temporary differences for which no deferred tax asset or liability is recognized in the statement of financial position:

	December 31, 2021 $	March 31, 2021 $
Resource properties	713,338	256,805
Eligible capital property and deferred financing	168,168	-
Non-capital loss carryforwards	133,974	-
	1,015,480	256,805

No provision for current taxation has been made during the period ended December 31, 2021 or the year ended March 31, 2021, as no such liability is anticipated.

12. Commitments

E-Tech has an agreement with the CEO which provides that, should a change in control event occur, any outstanding options issued to the CEO will be fully vested and accessible for exercising. In addition, the Company shall immediately pay a lump sum equivalent of six (6) to twelve (12) months of service fees to the CEO depending on the timing of the change of control event. The agreement may also be terminated by the Company or the Consultant with three months' notice. If these agreements are terminated by the Company without cause, an amount equal to three (3) months of compensation plus one more per completed year of service to a maximum of twelve (12) months of compensation will be due to the CEO.

At December 31, 2021, E-Tech had a services agreement with Numus Financial Inc. 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.