

E-Tech Resources Inc.

**Unaudited Condensed Interim
Consolidated Financial Statements**

September 30, 2023

November 28, 2023

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) "*Todd Burlingame*"
Chief Executive Officer
Halifax, Nova Scotia

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

E-Tech Resources Inc.

Unaudited Condensed Interim Consolidated Statements of Financial Position

As at September 30, 2023 and March 31, 2023

(Expressed in Canadian dollars unless otherwise indicated)

	September 30, 2023	March 31, 2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	644,479	321,159
Value added taxes recoverable	65,179	182,577
Prepaid expenses and deposits	18,842	9,385
	<u>728,500</u>	513,121
Equipment (note 3)	69,897	78,469
Resource property expenditures (note 4)	4,573,596	4,391,208
	<u>5,371,993</u>	4,982,798
Total assets		
	<u>5,371,993</u>	4,982,798
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	440,362	365,414
	<u>440,362</u>	365,414
Shareholder's Equity		
Share capital	13,098,246	12,507,046
Warrants	277,553	238,353
Contributed surplus	1,108,928	989,901
Deficit	(9,553,096)	(9,117,916)
	<u>4,931,631</u>	4,617,384
	<u>4,931,631</u>	4,617,384
Total liabilities and equity		
	<u>5,371,993</u>	4,982,798

Nature of operations and going concern (note 1)

Commitments (note 10)

Approved on behalf of the Board of Directors

(signed) "John Philpott", Director

(signed) "James Megann", Director

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

E-Tech Resources Inc.

Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss For the three and six-month periods ended September 30, 2023 and 2022 (Expressed in Canadian dollars unless otherwise indicated)

	Three-months ended September 30, 2023	Three-months ended September 30, 2022	Six-months ended September 30, 2023	Six-months ended September 30, 2022
	\$		\$	\$
Expenses				
Professional and consulting fees (note 7)	54,933	100,490	128,064	172,503
Salaries and benefits (note 7)	33,270	41,527	39,164	142,354
Regulatory and filing fees	8,769	6,852	17,897	13,895
Share-based compensation (note 6)	52,669	(102,194)	119,027	203,754
Travel	16,391	1,829	24,349	13,521
Office and administration (note 7)	18,278	22,221	42,944	48,333
Marketing, promotion and advertising (note 7)	27,241	34,480	55,799	74,024
Property investigation expenses	-	-	4,509	-
Foreign exchange loss (gain)	(938)	7,744	3,427	27,589
Net loss and comprehensive loss for the period	(210,613)	(112,949)	(435,180)	(695,973)
Weighted-average number of shares outstanding during the period	90,350,697	82,971,730	86,222,896	82,971,730
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)

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

E-Tech Resources Inc.

Unaudited Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)
For the periods ended September 30, 2023 and 2022 and March 31, 2023
(Expressed in Canadian dollars unless otherwise indicated)

	Common Shares #	Share Capital \$	Warrants #	Warrants \$	Contributed Surplus \$	Deficit \$	Total Equity (Deficiency) \$
Balance – March 31, 2022	82,971,530	12,507,046	1,400,000	238,353	603,845	(7,937,204)	5,412,040
Share-based compensation (note 6)	-	-	-	-	203,754	-	203,754
Loss and comprehensive loss for the period	-	-	-	-	-	(695,973)	(695,973)
Balance – September 30, 2022	82,971,530	12,507,046	1,400,000	238,353	807,599	(8,633,177)	4,919,821
Share-based compensation (note 6)	-	-	-	-	182,302	-	182,302
Loss and comprehensive loss for the period	-	-	-	-	-	(484,739)	(484,739)
Balance – March 31, 2023	82,971,530	12,507,046	1,400,000	238,353	989,901	(9,117,916)	4,617,384
Shares issued pursuant to private placement financing (note 6)	11,666,667	700,000	-	-	-	-	700,000
Share issuance costs (note 6)	-	(69,600)	-	-	-	-	(69,600)
Broker warrants issued on private placement financing (note 6)	-	(39,200)	781,667	39,200	-	-	-
Share-based compensation (note 6)	-	-	-	-	119,027	-	119,027
Loss and comprehensive loss for the period	-	-	-	-	-	(435,180)	(435,180)
Balance – September 30, 2023	94,638,197	13,098,246	2,181,667	277,553	1,108,928	(9,553,096)	4,931,631

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

E-Tech Resources Inc.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

For the six-month periods ended September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise indicated)

	Six-months ended September 30, 2023	Six-months ended September 30, 2022
	\$	\$
Cash provided by (used in)		
Operating activities		
Net loss for the period	(435,180)	(695,973)
<i>Non-cash items</i>		
Share-based compensation	119,027	203,754
	<u>(316,153)</u>	<u>(492,219)</u>
Net changes in non-cash working capital balances related to operations:		
Decrease in amounts recoverable	117,398	204,291
Decrease (increase) in prepaid expenses	(9,457)	42,247
Increase in accounts payable and accrued liabilities	173,366	64,973
	<u>(34,846)</u>	<u>(180,708)</u>
Investing activities		
Purchases of equipment	-	(60,027)
Resource property expenditures	(272,234)	(575,488)
	<u>(272,234)</u>	<u>(635,515)</u>
Financing activities		
Proceeds from private placement, net of issuance costs (note 6)	630,400	-
	<u>630,400</u>	<u>-</u>
Net change in cash during the period	323,320	(816,223)
Cash – beginning of period	321,159	1,797,690
Cash – end of period	644,479	981,467

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

E-Tech Resources Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2023 and 2022 (Expressed in Canadian dollars unless otherwise indicated)

1. Nature of operations and going concern

Nature of operations

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

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

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

The Company's corporate office is located at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia, and the registered office of the Company is located at 1741 Upper Water Street, Suite 600, Halifax, Nova Scotia. The Company's technical office is located at 18 Liliencron Street, Windhoek, Namibia.

Going concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a net loss for the six-month period ended September 30, 2023 of \$435,180 (net loss of \$1,180,712 for the year ended March 31, 2023) and has no operations at this time which will generate revenue. Management estimates current working capital may not be sufficient to fund all of the Company's planned exploration expenditures. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on securing additional financing. There is no certainty that the Company will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital. These matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

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

E-Tech Resources Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2023 and 2022 (Expressed in Canadian dollars unless otherwise indicated)

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 Company’s annual audited financial statements for the year ended March 31, 2023.

The policies applied in these unaudited condensed interim consolidated financial statements are based on the IFRS as of November 28, 2023, 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, 2024 could result in the restatement of these unaudited condensed interim consolidated financial statements.

Basis of presentation

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

Significant accounting policies

These financial statements have been prepared using the same policies and methods of computation as the annual financial statements of the Company for the year ended March 31, 2023. Refer to note 2, *Significant Accounting Policies*, and note 4, *Capital Management*, of the Company’s annual financial statements for information on the accounting policies as well as new accounting standards adopted.

3. Equipment

Cost	Exploration Equipment
As at April 1, 2022	\$ 47,279
Additions	60,027
As at March 31, 2023 and September 30, 2023	<u>107,306</u>

E-Tech Resources Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2023 and 2022 (Expressed in Canadian dollars unless otherwise indicated)

Accumulated depreciation

As at April 1, 2022	13,946
Depreciation	<u>14,891</u>
As at March 31, 2023	28,837
Depreciation	<u>8,572</u>
As at September 30, 2023	<u>37,409</u>
Carrying amount	
Balance, March 31, 2023	<u>78,469</u>
Balance, September 30, 2023	<u>69,897</u>

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

4. Resource properties

	Six-months ended September 30, 2023	Year ended March 31, 2023
	\$	\$
<i>Acquisition Costs</i>		
Opening balance	64,441	29,815
Acquisition costs	<u>4,583</u>	<u>34,626</u>
Ending balance	<u>69,024</u>	<u>64,441</u>
<i>Exploration Expenditures</i>		
Opening balance	4,326,767	3,534,006
Additions incurred	<u>177,805</u>	<u>792,761</u>
Ending balance	<u>4,504,572</u>	<u>4,326,767</u>
<i>Total Resource Properties</i>	<u>4,573,596</u>	<u>4,391,208</u>

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

EPL 6762

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

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:

E-Tech Resources Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise indicated)

- pay an initial non-refundable payment of £7,500 to KGD, which has been paid in full;
- pay a second non-refundable payment to KGD of £7,500 for the successful completion of phase 1 and excision of the area of interest into a new exclusive prospecting, 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; and
- pay KGD a royalty of 1.5% of the gross value of products sold from mining the deposit until production is terminated (the “KGD Royalty”).

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

During the six-month period ended September 30, 2023, the Company incurred exploration expenditures of \$166,206 on EPL 6762 (March 31, 2023 - \$797,388).

EPL 8748

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

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

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

5. Accounts payable and accrued liabilities

	September 30, 2023	March 31, 2023
	\$	\$
Trade accounts payable and accrued liabilities	218,270	235,753
Amounts payable to related parties	222,092	129,661
	<u>440,362</u>	<u>365,414</u>

E-Tech Resources Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2023 and 2022 (Expressed in Canadian dollars unless otherwise indicated)

6. Shareholders' equity

a) Capital stock

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

During the six-month period ended September 30, 2023, the Company completed a private placement financing. 11,666,667 common shares of the Company were issued at \$0.06 per share, for gross proceeds of \$700,000. Insiders subscribed for 4,666,667 of the shares sold pursuant to the financing. Numus Capital Corp. ("Numus Capital") acted as an agent for the financing. Numus Capital is an Exempt Market Dealer and a related party controlled by a director and a significant shareholder of the Company. As compensation for its services for the private placement, Numus Capital received a cash commission of \$46,900 and 781,667 broker warrants to purchase 781,667 common shares of the Company. The warrants have been valued at \$39,200 based on the Black-Scholes pricing model, have an exercise price of \$0.06 per common share and expire on August 11, 2025. In addition to cash commission and the broker warrants, the Company incurred additional costs of \$22,700 associated with the private placement, consisting primarily of legal and regulatory costs.

All securities issued pursuant to the private placement are subject to a hold period of four months and one day from the date of closing.

Escrowed shares

As at September 30, 2023, 7,488,302 common shares of the Company are subject to an escrow arrangements pursuant to the terms of the Transaction. 10% of the escrowed shares were released from escrow upon completion of the Transaction, and an additional 15% have been and will be released every six months thereafter.

b) Stock options

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

The changes in the Company's stock options during the period ended September 30, 2023 and the year ended March 31, 2023 are as follows:

	Number of options	Weighted- average exercise price
		\$
Balance, April 1, 2022	3,175,000	0.55
Granted	1,060,000	0.10
Forfeited	(1,375,000)	0.55
Balance, March 31, 2023	2,860,000	0.38
Granted	1,200,000	0.10
Balance, September 30, 2023	4,060,000	0.30

E-Tech Resources Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise indicated)

During the period ended September 30, 2023, Mr. Todd Burlingame was appointed as the Company's CEO. In August 2023, Mr. Burlingame was granted 1,200,000 stock options pursuant to his agreement with E-Tech, exercisable into 1,200,000 common shares of the Company at \$0.10 per share. 600,000 of the options will vest at a rate of 25% on each of the six-month anniversary dates of the grant, and 600,000 of the options will vest based on specified performance criteria. All of the options granted will expire five years from the date of grant.

In November 2022, the Company granted 1,060,000 stock options under the Company's Plan to directors, officers, employees and consultants. Each option is exercisable into one common share of the Company at a price of \$0.10 per share and will vest at the rate of 25% of the total on each of the six-month anniversary dates of the grant. The options expire five years from the date of grant.

In November 2021, the Company granted 3,175,000 stock options to directors, officers, employees and consultants, of which 1,350,000 stock with an exercise price of \$0.55 per share were cancelled and 25,000 stock options with an exercise price of \$0.55 per share expired unexercised during the year ended March 31, 2023.

The fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. Weighted-average assumptions used in the pricing model for the options issued during the six-month period ended September 30, 2023 and the year ended March 31, 2023 were as follows:

	September 30, 2023	March 31, 2023
Share price	\$0.06	\$0.10
Risk-free interest rate	4.72%	3.85%
Expected volatility	140%	140%
Expected dividend yield	-	-
Expected life	5 years	5 years
Weighted-average fair value per option	\$0.047	\$0.089

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the 1,200,000 options granted during the period ended September 30, 2023 was \$56,735, the estimated fair value of the 1,060,000 options granted during the year ended March 31, 2023 was \$94,689, and the estimated fair value of the 3,175,000 options granted during the year ended March 31, 2022 was \$1,545,843. These amounts are amortized over the vesting period of the options. The Company has expensed \$119,027 during the six-month period ended September 30, 2023 (year ended March 31, 2023 - \$386,056) and has 5,403,820 stock options available for granting under its Plan.

The options outstanding as at September 30, 2023 are:

Exercise Price per Share	Number of Options Outstanding	Expiry Date	Remaining Contractual Life (in years)	Number of Options Vested
\$0.55	1,800,000	November 12, 2026	3.1	1,350,000
\$0.10	1,060,000	November 24, 2027	4.2	265,000
\$0.10	1,200,000	August 23, 2028	4.9	-

E-Tech Resources Inc.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements For the periods ended September 30, 2023 and 2022 (Expressed in Canadian dollars unless otherwise indicated)

c) Warrants

During the six-month period ended September 30, 2023, the Company issued 781,667 broker warrants to a related party, Numus Capital, pursuant to the private placement financing. The warrants have an exercise price of \$0.06 per common share and expire on August 11, 2025. The value of the warrants, as determined under the Black-Scholes pricing model, was \$39,200 and was recorded as a share issuance cost.

Pursuant to the subscription receipt financing completed by the Company during the year ended March 31, 2022, the Company issued 1,400,000 broker warrants to Numus Capital Corp. (“Numus Capital”). The broker warrants are exercisable at a price of \$0.25 and expired unexercised subsequent to the end of the period on October 15, 2023. The value of the warrants, as determined under the Black-Scholes pricing model, was \$238,353 and was recorded as a share issuance cost.

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

	August 2023 Warrants	October 2021 Warrants
Risk-free interest rate	4.70%	1.00%
Expected volatility	140%	140%
Expected dividend yield	-	-
Expected life	2 years	2 years
Fair value per warrant	\$0.05	\$0.17

The warrants outstanding as at September 30, 2023 are:

Exercise Price	Number of Warrants Outstanding	Expiry Date
\$0.25	1,400,000	October 15, 2023
\$0.06	781,667	August 11, 2025

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.

Accounts payable includes amounts payable to officers, directors and related party companies of \$222,092 at September 30, 2023 (March 31, 2023 – \$129,661). 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:

Key management includes all directors, as well as the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”). During the six-month period ended September 30, 2023, professional and consulting fees and salaries and benefits in the amount of \$84,848 were incurred for the services of the CEO, the CFO and one director (March 31, 2023 - \$262,838 for the services of the CEO, the interim

E-Tech Resources Inc.

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CEO, the CFO, and two directors, including the CEO termination fee of \$58,333). Included in the fees paid to key management during the six-month period ended September 30, 2023 are \$42,000 in fees that were capitalized to resource properties for the services of the CEO and a director (March 31, 2023 - \$62,588 for the services of the CEO and two directors).

During the six-month period ended September 30, 2023, the Company completed a private placement financing for gross proceeds of \$700,000. 11,666,667 common shares of the Company were issued at a price of \$0.06 per share. Insiders of the Company subscribed for 4,666,667 of the common shares issued.

During the six-month period ended September 30, 2023, the Company granted 1,200,000 stock options to an officer of the Company. During the year ended March 31, 2023, the Company granted 1,060,000 stock options, of which 800,000 were granted to officers and directors of the Company. See note 6 for further information on the options granted. Also during the year ended March 31, 2023, 1,250,000 stock options held by the former CEO with an exercise price of \$0.55 per share were forfeited.

b) Services agreements:

At September 30, 2023 and March 31, 2023, the Company has a services agreement with Numus Financial Inc. (“Numus”), a related party company owned by a director and by a significant shareholder of the Company for the provision of consulting services, controller services, rent and other office costs, at a total fee of \$12,200 per month and continuing until both parties mutually agree to terminate. Service fees are incurred on a cost recovery basis and include general and administration charges such as utilities and accounting services of the Company. During the six-month period ended September 30, 2023, the Company incurred costs for consulting and controller services in the amount of \$63,000 (March 31, 2023 - \$126,000), and incurred rent and office costs in the amount of \$10,200 (March 31, 2023 - \$20,400).

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.

Also at September 30, 2023 and March 31, 2023, the Company has an agreement with Numus for the provision of digital media services. The agreement provides for the provision of digital media services in the amount of \$5,800 per month until November 30, 2023, with an option to extend. During the six-month period ended September 30, 2023, the Company incurred fees for digital media services in the amount of \$34,800 (March 31, 2023 - \$63,200).

c) Financing broker

During the six-month period ended September 30, 2023, Numus Capital acted as the agent for the Company’s private placement financing. As compensation for its services pursuant to the private placement, Numus Capital received a cash commission of \$46,900 and received 781,667 broker

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Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise indicated)

warrants. The broker warrants have been valued at \$39,200, have an exercise price of \$0.06 per common share and expire on August 11, 2025.

During the year ended March 31, 2022, 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 the Company. 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 expired unexercised subsequent to the end of the period on October 15, 2023.

8. 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. The value added taxes recoverable are with the Government of Canada and the Namibia Revenue Authority.

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 September 30, 2023, the Company had a cash and cash equivalents balance of \$644,479 and a working capital balance of \$288,138 (March 31, 2023 – cash balance of \$321,159 and a working capital balance of \$147,707). The Company's ability to continue to meet its liabilities, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

Foreign currency rate risk

A portion of the Company's transactions occur in United States, South African and Namibian currencies; accordingly, the related financial assets and liabilities are subject to fluctuations in the respective exchange rates. For the six-month period ended September 30, 2023, the sensitivity of the Company's net loss due to changes in the exchange rate between the Canadian dollar and foreign currencies (primarily the United States dollar and the Namibian dollar) would have impacted net loss by \$1,081 for a 5% increase or decrease in the Canadian dollar.

Fair value

During the six-month period ended September 30, 2023, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities. The fair values of the Company's cash and cash equivalents, 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.

E-Tech Resources Inc.

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9. Income taxes

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

	September 30, 2023	September 30, 2022
	\$	\$
Operating loss before income taxes	(435,180)	(695,973)
Income tax recovery based on substantively enacted rates	(126,202)	(201,832)
Current year loss and deductible temporary differences for which no asset recognized	90,524	142,743
Permanent differences and other	35,678	59,089
Income tax recovery	-	-

10. Commitments

At September 30, 2023, the Company has a services agreement with Numus for the provision of consulting services, controller services, rent and other office costs, at a fee of \$12,200 per month and continuing until both parties mutually agree to terminate. As at September 30, 2023, the Company also has an agreement with Numus for the provision of digital media services at a fee of \$5,800 per month until November 30, 2023, with the option to extend. See note 7 for further details.