

USHA RESOURCES LTD.

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

DECEMBER 31, 2024

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

March 3, 2025.

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

	December 31, 2024 (Unaudited)	March 31, 2024
ASSETS		
Current		
Cash and cash equivalents (Note 5)	\$ 1,118,376	\$ 1,152,735
Receivables	39,795	236,703
Prepaid expenses	297,165	150,485
	<u>1,455,336</u>	<u>1,539,923</u>
Investments (Note 10)	420,000	100,000
Exploration and evaluation assets (Note 4)	<u>6,810,738</u>	<u>4,032,639</u>
	<u>\$ 8,686,074</u>	<u>\$ 5,672,562</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (Note 7)	\$ 106,720	\$ 306,653
Flow-through premium liability (Note 6b)	96,680	29,527
Provisions (Note 11)	100,000	100,000
	<u>303,400</u>	<u>436,180</u>
Shareholders' equity		
Share capital (Note 6)	15,409,902	11,937,653
Reserves (Note 6c)	1,012,822	1,056,219
Deficit	(8,040,050)	(7,757,490)
	<u>8,382,674</u>	<u>5,236,382</u>
	<u>\$ 8,686,074</u>	<u>\$ 5,672,562</u>

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

Approved and authorized for issue by the Board of Directors on March 3, 2025:

<u>"Adrian Smith"</u>	Director	<u>"Deepak Varshney"</u>	Director
Adrian Smith		Deepak Varshney	

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

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

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023
EXPENSES				
Consulting fees (Note 7)	\$ 75,833	\$ 200,569	\$ 297,000	\$ 828,455
Insurance	7,487	3,725	24,383	11,175
Management fees (Note 7)	15,000	45,000	45,000	135,000
Office and miscellaneous	12,185	20,295	49,694	82,972
Professional fees (Note 7)	31,951	121,531	65,838	172,579
Property investigation (Note 4)	81,192	97,674	81,192	602,888
Regulatory and filing fees	-	8,821	24,996	23,288
Rent and administration charges (Note 7)	21,000	18,000	63,000	54,000
Share-based payments (Note 6c)	-	539	236,221	619,831
Shareholder communications	1,377	103,693	33,250	739,505
Transfer agent fees	1,050	1,050	3,150	3,150
Travel and entertainment	1,889	9,158	8,022	21,495
	<u>(248,964)</u>	<u>(630,055)</u>	<u>(931,746)</u>	<u>(3,294,338)</u>
Flow through premium (Note 6b)	64,189	-	93,716	-
Foreign exchange (loss)	(629)	(311)	(2,002)	(10,158)
Interest income	16,262	11,118	45,203	42,456
Unrealised gain on investment (Note 10)	<u>320,000</u>	<u>-</u>	<u>320,000</u>	<u>-</u>
Net and comprehensive profit or (loss) for the period	\$ 150,858	\$ (619,248)	\$ (474,829)	\$ (3,262,040)
Basic and diluted profit or (loss) per common share	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.06)
Weighted average number of common shares outstanding - basic and diluted	89,706,586	55,354,179	83,311,281	50,480,355

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

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

(Expressed in Canadian Dollars)

(Unaudited)

	Share Capital (Note 6)		Reserves	Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance, March 31, 2023	47,087,394	\$ 10,902,709	\$ 530,170	\$ (4,590,329)	\$ 6,842,550
Private placement (Note 6b)	8,735,714	945,000	-	-	945,000
Derecognition of former subsidiary (Note 4)	-	-	-	119,108	119,108
Reserve transferred for exercise of stock options (Note 6c)	-	220,150	(220,150)	-	-
Shares issued for mineral claims (Note 6b)	625,000	135,375	-	-	135,375
Stock options exercised (Note 6c)	2,600,000	501,750	-	-	501,750
Share-based payments (Note 6c)	-	-	619,831	-	619,831
Share issue costs (Note 6b)	-	(19,449)	1,949	-	(17,500)
Stock options expired (Note 6c)	-	-	(239,622)	239,622	-
Transfer of net assets pursuant to spin-out	-	(528,471)	-	-	(528,471)
Warrants exercised (Note 6d)	15,000	4,500	-	-	4,500
Warrants expired (Note 6d)	-	-	(27,076)	27,076	-
Net and comprehensive profit (loss) for the period	-	-	-	(3,262,040)	(3,262,040)
Balance, December 31, 2023	59,063,108	\$ 12,161,564	\$ 665,102	\$ (7,466,563)	\$ 5,360,103
Balance, March 31, 2024	60,063,108	\$ 11,937,653	\$ 1,056,219	\$ (7,757,490)	\$ 5,236,382
Flow through private placement (Note 6b)	8,043,478	925,000	-	-	925,000
Flow-through premium liability (Note 6b)	-	(160,869)	-	-	(160,869)
Shares issued for mineral claims (Note 6b)	18,100,000	2,395,250	-	-	2,395,250
Stock options exercised (Note 6c)	3,500,000	371,020	(98,520)	-	272,500
Share-based payments (Note 6c)	-	-	236,221	-	236,221
Share issue costs (Note 6b)	-	(58,152)	11,171	-	(46,981)
Stock options expired/cancelled (Note 6c)	-	-	(162,127)	162,127	-
Warrants expired (Note 6d)	-	-	(30,142)	30,142	-
Net and comprehensive profit (loss) for the period	-	-	-	(474,829)	(474,829)
Balance, December 31, 2024	89,706,586	\$ 15,409,902	\$ 1,012,822	\$ (8,040,050)	\$ 8,382,674

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

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

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net and comprehensive profit (loss) for the period	\$ (474,829)	\$ (3,262,040)
Adjustment for item not involving cash:		
Share-based payments	236,221	619,831
Property investigation costs	81,192	501,714
Recovery of flow through share premium liability	(93,716)	-
Unrealised gain on investment	(320,000)	-
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivable	196,908	(67,669)
(Increase) decrease in prepaid expenses	(146,681)	392,063
Increase (decrease) in accounts payable and accruals	(199,932)	13,439
Increase in provisions	-	100,000
Net cash and cash equivalents used in operating activities	(720,837)	(1,702,662)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in Formation Metals Inc.	-	(100,000)
Exploration and evaluation assets	(464,041)	(916,506)
Net cash and cash equivalents used in investing activities	(464,041)	(1,016,506)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue costs	(46,981)	(17,500)
Reserves	-	(220,150)
Proceeds from the issuance of share capital	1,197,500	1,671,400
Net cash and cash equivalents provided in financing activities	1,150,519	1,433,750
Increase (decrease) in cash and cash equivalents for the period	(34,359)	(1,285,418)
Cash and cash equivalents, beginning of period	1,152,735	2,536,939
Cash and cash equivalents, end of period	\$ 1,118,376	\$ 1,251,521
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -

Supplemental information:

During the nine months ended December 31, 2024, the Company issued 3,500,000 common shares pursuant to exercise of stock options at a weighted average price of \$0.08 per share, and 18,100,000 common shares pursuant to agreement to acquire exploration and evaluation assets (Note 4).

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

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED DECEMBER 31, 2024**

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Usha Resources Ltd. (the "Company" or "USHA") was incorporated under the Business Corporations Act (British Columbia) on February 26, 2018.

The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol USHA.V, the OTCQB Exchange under the symbol USHA.F and the Frankfurt Stock Exchange under the symbol JO0. The Company's head office address is 1575 Kamloops Street, Vancouver BC, V5K 3W1, Canada. The registered and records office address is Bentall 5, 1008 – 550 Burrard Street, Vancouver, BC, V6C 2B5, Canada.

The Company's business is to acquire and explore interests in mineral properties located in North America. Its portfolio includes Jackpot Lake, a lithium brine project in Nevada, three (3) lithium pegmatite projects in Ontario, White Willow, Triangle Lake, and Gathering Lake, and Southern Arm, a copper-gold project in Quebec.

The Company also owns 2,000,000 shares of Formation Metals Inc. ("FMI") with whom the Company completed an Arrangement Agreement (the "Agreement") whereby in exchange for transferring its 85% interest in the Nicobat Nickel Project, USHA shareholders were issued one (1) share of FMI with respect to every five (5) shares of USHA owned on April 12, 2023. Pursuant to the Arrangement and on the payable date of April 20, 2023, USHA completed the transfer of the Nicobat property and distributed 9,480,474 common shares of FMI to the USHA shareholders on a pro rata basis (Note 4).

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

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

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

These unaudited interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2024, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's ability to continue as a going concern is dependent upon successful results from its exploration activities and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include but are not limited to the COVID-19 global pandemic from March 2020 and political conflicts in other regions. While the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

These unaudited interim consolidated financial statements have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and follow the same accounting policies and methods of

application as the Company's March 31, 2024 annual audited financial statements, unless otherwise noted. These interim consolidated financial statements do not include all the information required for full annual financial statements and accordingly, they should be read in conjunction with the Company's most recent annual statements.

These interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of judgment considered by management in preparing the financial statements is as follows:

- i) The carrying value and the recoverability of exploration and evaluation assets included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- ii) The inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.
- iii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.
- iv) Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

4. EXPLORATION AND EVALUATION ASSETS

The Company incurred expenditures on the properties as follows:

USHA RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

Ontario Lithium Pegmatite Portfolio								
Acquisition Costs	Nicobat, Ontario	Lost Basin, Arizona	Jackpot Lake, Nevada	Southern Arm, Quebec	White Willow, Ontario	Other properties, Ontario	Total	
Balance, March 31, 2023	\$ 245,000	\$ 299,162	\$ 1,086,384	\$ -	\$ 351,025	\$ -	\$	1,981,571
Issuance of common shares	-	-	-	-	164,750	74,250		239,000
Cash consideration	-	-	-	-	99,500	60,350		159,850
Impairment	-	(299,162)	-	-	-	(18,500)		(317,662)
Transfer of property on spin-out	(245,000)	-	-	-	-	-		(245,000)
Balance, March 31, 2024	-	-	1,086,384	-	615,275	116,100		1,817,759
Issuance of common shares	-	-	-	237,500	36,500	2,121,250		2,395,250
Cash consideration	-	-	-	-	20,000	-		20,000
Balance, December 31, 2024	-	-	1,086,384	237,500	671,775	2,237,350		4,233,009
Exploration Advances:								
Balance, March 31, 2023 and March 31, 2024	-	-	60,667	-	-	-		60,667
Balance, December 31, 2024	-	-	60,667	-	-	-		60,667
Exploration Expenditures:								
Balance, March 31, 2023	283,472	202,550	1,171,273	-	-	-		1,657,295
Assay sampling	-	-	-	-	68,940	19,548		88,489
Consulting fees	-	-	23,954	-	122,570	-		146,523
Claim stacking	-	-	15,132	-	-	-		15,132
Drilling expenses	-	-	221,208	-	-	-		221,208
Exploration expenses	-	-	115,174	-	463,215	114,797		693,186
Ministry grant	-	-	-	-	(200,000)	-		(200,000)
Impairment	-	(202,550)	-	-	-	(4,592)		(207,142)
Transfer of property on spin-out	(283,472)	-	-	-	-	-		(283,472)
Transportation and road work	-	-	21,993	-	-	1,000		22,993
Balance, March 31, 2024	-	-	1,568,734	-	454,725	130,753		2,154,213
Assay sampling	-	-	-	-	1,673	-		1,673
Consulting fees	-	-	13,000	-	92,684	-		105,684
Claim stacking	-	-	50,702	-	-	-		50,702
Drilling expenses	-	-	538	-	-	-		538
Exploration expenses	-	-	(89,345)	369,088	5,700	-		285,444
Impairment	-	-	-	-	-	(81,192)		(81,192)
Balance, December 31, 2024	-	-	1,543,630	369,088	554,782	49,561		2,517,062
Total costs, March 31, 2024	\$ -	\$ -	\$ 2,715,785	\$ -	\$ 1,070,000	\$ 246,853	\$	4,032,639
Total costs, December 31, 2024	\$ -	\$ -	\$ 2,690,680	\$ 606,588	\$ 1,226,557	\$ 2,286,911	\$	6,810,738

Title to exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

Nicobat property, Ontario, Canada

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

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

USHA RESOURCES LTD.**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED DECEMBER 31, 2024**

(Expressed in Canadian Dollars)

(Unaudited)

Carrying value of exploration and evaluation assets	\$ 528,471
Fair value of net assets transferred	647,579
Gain on transfer of spin-out assets	<u>\$ 119,108</u>

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

Lost Basin property, Arizona, USA

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

During the year ended March 31, 2024, the Company did not make the final payment and therefore, terminated the agreement. The Company recorded an impairment of \$501,714 as property write-off for the acquisition and exploration expenditures related to the asset, reducing the value to \$nil.

Jackpot Lake, Nevada, USA

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

The Company has exercised its option to acquire a 100% interest in the core claims and is now the legal and beneficial owner of the core claims subject to a 1% Gross Overriding Royalty, which can be repurchased by the Company for \$1,000,000. The Company made the following payments to Ares Strategic Mining Inc. to earn 100%:

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

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

A non-refundable sum of \$75,000 (U.S.) has been paid to Usha by Stardust Power pursuant to the LOI. The LOI is non-binding, other than Usha's agreement to not engage or communicate with any other party with respect to the project through November 2024. The transaction is subject to the satisfaction of a number of conditions, including Stardust Power's satisfactory commercial and legal due diligence, the negotiation and execution of definitive agreements, and the approval of the TSX V. The Company cautions that there is no guarantee that the definitive agreement will be completed or that the other conditions will be satisfied.

White Willow Property, Ontario, Canada

The Company's fourth project is the White Willow Lithium Pegmatite Property located within the Thunder Bay Mining Division near Atikokan, Ontario, which has been assembled through the following option agreements:

1. White Willow, 712 unpatented mining claims, March 15, 2023
2. Nym Lake, 8 unpatented mining claims, March 29, 2023

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

FOR THE NINE MONTHS ENDED DECEMBER 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

3. Rubidium Ridge, 141 unpatented mining claims, July 31, 2023
4. Bingo East, 21 unpatented mining claims, March 23, 2024
5. Bingo West, 86 unpatented mining claims, March 23, 2024
6. Abiwin, 38 unpatented mining claims, April 16, 2024

White Willow

The initial option agreement comprised 712 unpatented mining claims totalling 15,510 hectares that were optioned through two (2) agreements, an option agreement and assignment agreement, whereby for total consideration of \$220,000 cash and 3,600,000 common shares of the Company as indicated in the table below it would acquire 100% interest in the claims:

	Vendor		Assignor		Total	
Payment	Cash	Shares	Cash	Shares	Cash	Shares
Signing	\$50,000 ¹	500,000	\$20,000 ¹	350,000	\$70,000	850,000
1st Anniversary	\$50,000	500,000 ²	-	500,000 ²	\$50,000	1,000,000
2nd Anniversary	\$50,000	500,000 ²	-	750,000 ²	\$50,000	1,250,000
3rd Anniversary	\$50,000	500,000 ²	-	-	\$50,000	500,000
Total	\$200,000	2,000,000	\$20,000	1,600,000	\$220,000	3,600,000
Notes	1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the "Approval"). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance.					

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

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

Nym Lake

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

Payment	Cash	Shares
Signing	\$15,000 ¹	150,000 ²
1st Anniversary	\$20,000	150,000 ²
2nd Anniversary	\$25,000	150,000 ²
3rd Anniversary	\$40,000	150,000 ²
Total	\$100,000	600,000
Notes	1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the "Approval"). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance.	

On April 26, 2023, the Company completed its first payment of \$15,000 cash and issued 150,000 common shares valued at \$0.285 for a total consideration of \$57,750 to the Vendor of the Nym Claims.

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

Rubidium Ridge

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

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

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

FOR THE NINE MONTHS ENDED DECEMBER 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

3rd Anniversary	\$40,000	200,000 ²
Total	\$100,000	800,000
Notes	1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the "Approval"). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance.	

On July 18, 2023, the Company completed part of the first payment for the Rubidium Ridge option, paying \$15,000 cash to the optionors. On August 22, 2023 the Company completed its first payment for the option by issuing 200,000 common shares valued at \$0.135 for a total consideration of \$42,000 to the optionors.

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

Bingo East

The fourth acquisition comprised 21 unpatented mining claims adjacent to the east of the Bingo target whereby for total consideration of 3,000,000 common shares the Company earned a 100% interest in the claims.

The Company completed payment for the Bingo East claims by issuing 3,000,000 common shares valued at \$0.14 for a total consideration of \$420,000 after receiving approval from the TSX Venture Exchange on April 11, 2024.

Bingo West

The fifth acquisition comprised 86 unpatented mining claims adjacent to the west of the Bingo target whereby for total consideration of 12,000,000 common shares the Company earned a 100% interest in the claims.

The Company completed payment for the Bingo West claims by issuing 12,000,000 common shares valued at \$0.14 for a total consideration of \$1,680,000 after receiving approval from the TSX Venture Exchange on April 11, 2024.

Abiwin Lake

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

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

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

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

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

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

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

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

During the nine months ended December 31, 2024, the Company elected to not proceed with the Lee Lake and Mead Lake project, dropping the option, and recorded an impairment of \$81,192 as property write-off for the acquisition and exploration expenditures related to the asset, reducing the value to \$nil.

Southern Arm Property

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

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

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

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of \$1,118,376 (2023 - \$1,251,521) consist of:

	December 31, 2024	December 31, 2023
Bank balances	\$ 316,266	\$ 253,608
Short term deposits	<u>802,110</u>	<u>997,913</u>
	<u>\$ 1,118,376</u>	<u>\$ 1,251,521</u>

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

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

b) Issued:

During the nine months ended December 31, 2024, the Company issued 29,643,478 common shares pursuant to various acquisitions and exercise of stock options as stated below:

- i) 12,000,000 common shares valued at \$1,680,000 pursuant to agreement to acquire exploration and evaluation assets in Bingo West project in Ontario.
- ii) 3,000,000 common shares valued at \$420,000 pursuant to agreement to acquire exploration and evaluation assets in Bingo East project in Ontario.
- iii) 150,000 common shares valued at \$16,500 pursuant to agreement to acquire exploration and evaluation assets in Nym lake project in Ontario.
- iv) 250,000 common shares valued at \$21,250 pursuant to agreement to acquire exploration and evaluation assets in Abiwin project in Ontario.

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- v) 200,000 common shares valued at \$20,000 pursuant to agreement to acquire exploration and evaluation assets in Rubidium Ridge project in Ontario.
- vi) 2,500,000 common shares valued at \$237,500 pursuant to agreement to acquire exploration and evaluation assets in Southern Arm Property.
- vii) 1,000,000 stock options were exercised at a price of \$0.06 per share.
- viii) 100,000 stock options were exercised at a price of \$0.285 per share.
- ix) 2,400,000 stock options were exercised at a price of \$0.10 per share.
- x) 8,043,478 common shares pursuant to flow-through private placement at a price of \$0.115 per share.

During the nine months ended December 31, 2024 the Company completed a non-brokered private placement of 8,043,478 flow-through shares at \$0.115 per share for gross proceeds of \$925,000 and recognized a deferred flow-through premium of \$160,869. The Company granted 319,565 warrants as finders fees exercisable at \$0.115 for a period of two years. The warrants were valued at \$11,172 using the Black Scholes option pricing model assuming a life expectancy of 2 years, a risk-free interest rate of 3.35%, a forfeiture and dividend rate of nil, and volatility of 75.14%.

The Company calculates the tax effect of premium related to the issuance of flow-through shares by reviewing the value of corresponding common shares and warrants issued in connection with the issuance. As a result, the Company recognized a premium of \$160,869 as a flow-through premium liability on the issuance of the flow-through shares. As at December 31, 2024, the flow-through premium liability outstanding relating to flow-through shares was \$96,680.

During the year ended March 31, 2024, the Company issued 12,975,714 common shares pursuant to the private placements, various acquisitions and exercise of warrants and stock options as stated below:

- i) 300,000 stock options were exercised at a price of \$0.29 per share.
- ii) 300,000 stock options were exercised at a price of \$0.26 per share.
- iii) 600,000 stock options were exercised at a price of \$0.16 per share.
- iv) 50,000 stock options were exercised at a price of \$0.355 per share.
- v) 50,000 stock options were exercised at a price of \$0.30 per share.
- vi) 1,300,000 stock options were exercised at a price of \$0.16 per share.
- vii) 15,000 common shares pursuant to exercise of warrants at \$0.30 per share
- viii) 625,000 common shares valued at \$144,000 pursuant to agreements to acquire exploration and evaluation assets in Nym Lake, Lee Lake, Mead, Bluett, Gathering Lake and Triangle lake and Rubidium Ridge, lithium projects in Ontario.
- ix) 1,785,714 common shares pursuant to flow-through private placement at a price of \$0.14 per share.
- x) 1,000,000 common shares pursuant to flow-through private placement at a price of \$0.10 per share.
- xi) 5,950,000 units pursuant to non-flow-through private placement at a price of \$0.10 per unit. Each unit consisted of one common share in the capital of the Company and one-half of one transferable share purchase warrant exercisable at \$0.45 per share for a period of two (2) years from the closing date of the private placement. No value was attributed to the warrant component of the units.
- xii) 1,000,000 common shares valued at \$95,000 pursuant to agreement to acquire exploration and evaluation assets in White Willow project in Ontario.

During the year ended March 31, 2024, the Company completed a non-brokered private placement of 1,785,714 flow-through shares at \$0.14 per share for gross proceeds of \$250,000 and recognized a deferred flow-through premium of \$89,286. The Company also completed a non-brokered private placement of 1,000,000 flow-through shares at \$0.10 per share for gross proceeds of \$100,000 and recognized a deferred flow-through premium of \$30,000.

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On October 17, 2023, the Company issued 1,785,714 common shares pursuant to flow-through private placement at a price of \$0.14 per share. The Company granted 125,000 warrants as finders fees exercisable at \$0.20 for a period of two years. The warrants were valued at \$1,949 using the Black Scholes option pricing model assuming a life expectancy of 2 years, a risk-free interest rate of 4.89%, a forfeiture and dividend rate of nil, and volatility of 67.92%.

The Company calculates the tax effect of premium related to the issuance of flow-through shares by reviewing the value of corresponding common shares and warrants issued in connection with the issuance. As a result, the Company recognized a premium of \$119,286 as a flow-through premium liability on the issuance of the flow-through shares. As at December 31, 2024, the flow-through premium liability outstanding relating to flow-through shares was \$nil.

c) Stock options and Restricted share units

The Company maintains a Stock Option and Restricted Share Unit Plan (the "Plan") under which it is authorized to grant stock options and restricted share units to executive officers, directors, employees, and consultants. Under the Plan, the number of stock options that may be issued is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant, and the number of restricted share units that may be issued is limited to no more than 3,522,004 plan shares.

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

During the nine months ended December 31, 2024, the Company granted nil stock options (2023 – 4,625,000) having a total fair value of \$nil (2023 - \$619,831) and a weighted average grant-date value of \$nil (2023 – \$0.19) per option. During the nine months ended December 31, 2024, the Company recognized share-based compensation of \$nil (2023 – \$619,831) relating to options vested during the period.

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

	December 31, 2024	December 31, 2023
Risk-free interest rate	Nil%	4.58%
Expected dividend yield	Nil	Nil
Expected stock price volatility	Nil%	68.48%
Expected life	Nil	2.17 years
Expected forfeiture rate	Nil	Nil

During the nine months ended December 31, 2024, 3,500,000 of the outstanding stock options were exercised. The corresponding amount of \$98,520 was transferred from reserves to share capital.

During the nine months ended December 31, 2024, 1,327,547 of the outstanding stock options were cancelled or expired. The corresponding amount of \$162,127 was transferred from reserves to deficit.

	Number	Weighted Average Exercise Price
Outstanding, March 31, 2023	3,432,774	\$ 0.26
Granted	8,625,000	0.13
Exercised	(2,600,000)	0.19
Expired/Cancelled	(2,170,000)	0.26
Outstanding, March 31, 2024	7,287,774	\$ 0.13
Exercised	(3,500,000)	0.08
Expired/Cancelled	(1,327,547)	0.29
Outstanding, December 31, 2024	2,460,227	\$ 0.16

The following stock options were outstanding and exercisable as at December 31, 2024:

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	Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date	Remaining contractual life (years)
Options	150,000	150,000	\$ 0.20	September 17, 2025	0.71
Options	185,227	185,227	\$ 0.20	July 5, 2026	1.51
Options	100,000	100,000	\$ 0.29	April 12, 2025	0.28
Options	575,000	575,000	\$ 0.16	August 3, 2025	0.59
Options	500,000	500,000	\$ 0.20	August 28, 2025	0.66
Options	200,000	200,000	\$ 0.16	August 29, 2025	0.66
Options	100,000	100,000	\$ 0.18	September 6, 2025	0.68
Options	50,000	50,000	\$ 0.20	November 9, 2025	0.86
Options	50,000	50,000	\$ 0.06	March 13, 2026	1.20
Options	50,000	50,000	\$ 0.06	March 13, 2026	1.20
Options	500,000	500,000	\$ 0.06	March 13, 2026	1.20

During the nine months ended December 31, 2024, the Company granted nil restricted share units (RSUs) (March 31, 2024 – 3,050,000) having a total fair market value of \$nil (March 31, 2024 - \$553,250) and recognized a pro-rated share-based compensation of \$236,221 (March 31, 2024 – \$317,029) based on the vesting period of one year from the date of grant.

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

	Number	Weighted Average Exercise Price
Outstanding, March 31, 2023	-	\$ -
Granted	3,050,000	0.18
Outstanding, March 31, 2024 and December 31, 2024	3,050,000	\$ 0.18

The following restricted share units were outstanding as at December 31, 2024:

	Number of RSUs outstanding	Number of RSUs exercisable	Exercise Price	Expiry Date	Remaining contractual life (years)
RSUs	50,000	50,000	\$ 0.265	February 28, 2026	1.16
RSUs	3,000,000	3,000,000	\$ 0.180	February 28, 2026	1.16

d) Warrants

As at December 31, 2024, the Company had 16,135,636 warrants outstanding.

A summary of changes in outstanding warrants is as follows:

	Warrants outstanding	Weighted Average Exercise Price
Outstanding and exercisable at March 31, 2023	18,163,790	\$ 0.47
Warrants issued	6,075,000	0.20
Warrants expired	(3,295,822)	0.39
Warrants exercised	(15,000)	0.30
Outstanding and exercisable at March 31, 2024	20,927,968	\$ 0.40
Warrants issued	319,565	0.12

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Warrants expired	(5,111,897)	0.45
Outstanding and exercisable at December 31, 2024	16,135,636	\$ 0.38

During the nine months ended December 31, 2024, 5,111,897 of the outstanding warrants expired. The corresponding amount of \$30,142 was transferred from reserves to share capital.

The following warrants were outstanding at December 31, 2024:

	Number of Shares	Exercise Price	Expiry Date
Warrants:			
Agent's warrants	510,302	\$ 0.50	March 22, 2026
Agent's warrants	125,000	\$ 0.20	October 17, 2025
Agent's warrants	319,565	\$ 0.115	August 08, 2026
Non-flow through warrants	3,450,000	\$ 0.20	November 03, 2025
Non-flow through warrants	2,500,000	\$ 0.20	November 06, 2025
Non-flow through warrants	9,230,769	\$ 0.50	March 22, 2026

7. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures paid or payable to key management personnel consisting of directors, former directors or companies with common directors was as follows:

Name of the Key management personnel	Company's Name	Nature of Transaction	Nine months ended December 31, 2024	Nine months ended December 30, 2023
Deepak Varshney, CEO	Castello Q Development Corporation	Management/Consulting fees	\$ 135,000	\$ 135,000
Navin Varshney, Director	N.K.V. Engineering & Consulting Ltd	Rent and administration charges	63,000	54,000
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	24,000	28,500

a) Accounts payable included \$8,596 (2023: \$6,363) owed to directors and officers of the Company for operating expenses paid on behalf of the Company during the nine months ended December 31, 2024.

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

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

8. FINANCIAL INSTRUMENTS**Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

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- Level 3 – Inputs that are not based on observable market data.

Cash and cash equivalents are carried at fair value using a level 1 fair value measurement. The recorded values of receivables, investments and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk by placing its cash and cash equivalents with a major financial institution. Management feels that the Company's credit risk with respect to cash and cash equivalents is remote.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash and cash equivalents is not considered significant.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal year. The Company intends to settle these with funds from its positive working capital position.

Foreign currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at December 31, 2024, the Company did not have any financial instruments denominated in foreign currencies and considers foreign currency risk to be insignificant.

Price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

9. CAPITAL MANAGEMENT

Capital is comprised of all the components of the Company's shareholders' equity as at December 31, 2024, the Company's shareholders' equity was \$8,382,674 and there was no long-term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. The Company is not subject to any externally imposed capital requirements or debt covenants. There were no changes in the Company's approach to capital management during the nine months ended December 31, 2024.

10. INVESTMENTS

The Company received 2,000,000 Units of Formation Metals Inc. valued at \$100,000, to settle \$100,000 in debt with the Company. Each Unit consists of one share and one warrant, exercisable at \$0.20 per share until November 3, 2025. As at December 31, 2024, the shares are valued at \$420,000 (March 31, 2024 - \$100,000). The gain in fair value of the shares of \$320,000 (March 31, 2024 - \$nil) is recognized in the statement of profit or (loss) and comprehensive profit or (loss).

11. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the normal course of business. The outcome of all the proceedings and claims against the Company is subject to future resolution,

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including the uncertainties of litigation. Management believes that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate, will not have a material adverse effect on the financial condition of the Company. As of December 31, 2024, the Company has accrued a provision of \$100,000 related to certain legal proceedings for which the outcome is uncertain at this time.

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

In connection with the flow-through share financings in 2024, the Company is committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada) totaling \$925,000 by December 31, 2024. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures. As at December 31, 2024, the Company has spent \$369,088 in qualifying exploration expenditures required in connection with the flow-through share financings by December 31, 2024.

12. SUBSEQUENT EVENTS

On March 15, 2024, the Company signed a Letter of Intent with Stardust Power, Inc. granting Stardust Power exclusivity with respect to negotiations related to the Jackpot Lake Lithium Brine Project until December 31, 2024. The exclusivity has been extended to February 28, 2025.