



Resouro Strategic Metals Inc.
(formerly Resouro Gold Inc.)

MANAGEMENT'S DISCUSSION & ANALYSIS
Six months ended September 30, 2024
(Reported in Canadian Dollars)

General

This Management's Discussion and Analysis ("**MD&A**") provides a review of the operational performance of Resouro Strategic Metals Inc. ("**Resouro**", or the "**Company**"). The report was prepared in accordance with the requirements of National Instrument 51-102, Continuous Disclosure Obligations, and it should be read in conjunction with the condensed interim consolidated financial statements for the six months ended September 30, 2024 (the "**Financial Statements**"). The Financial Statements and the accompanying notes have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). All dollar amounts are reported in Canadian dollars ("**CAD**") unless otherwise stated. This document is dated November 12, 2024.

The Board of Directors of the Company have reviewed and approved the information contained in this MD&A and the Financial Statements.

Readers are cautioned that this MD&A contains certain forward-looking statements. Please see the section concerning "Forward Looking Statements" below.

Additional information relating to the Company can be found on the Canadian System for Electronic Document Analysis and Retrieval ("**SedarPlus**") at www.sedarplus.ca. The Company is listed on the Australian Securities Exchange ("**ASX**") under the symbol "RAU", the TSX Venture Exchange ("**TSXV**") under the symbol "RSM", the Over the Counter pink sheet US exchange ("**OTC**") under the symbol "RSGOF" and on the Frankfurt Stock Exchange ("**FSE**") under the symbol "8TX".

Additional information relevant to the Company's activities can be found on the Company's website at www.resouro.com.

Corporate Mandate

Resouro is a mineral exploration and development company focused on the discovery and advancement of economic mineral projects in Brazil, including the Tiros Titanium and Rare Earth Elements Project ("**Tiros Project**") in Minas Gerais and the Novo Mundo Gold Project in Mato Grosso.

Forward Looking Statements

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicate herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law and regulations.

Going Concern

The financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplate the realization of assets and the discharge of liabilities in the ordinary course of business. As of the date of this report, the Company had recurring net losses and negative cash flows from operations. In addition, the Company has future spending commitments with the Government of Brazil to keep its exploration concessions in good standing.

These condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from the carrying values shown and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. At the date of these condensed interim consolidated financial statements, the Company has not achieved profitable operations and has accumulated losses since inception. The Company had a working capital surplus of \$3,989,072 (March 31, 2024 \$900,874) and an accumulated deficit attributable to shareholders of \$13,506,783 (March 31, 2024 \$9,805,476) for the six months ended September 30, 2024. The Company has incurred a loss from operations of \$3,856,014 for the six months ended September 30, 2024 (September 30, 2023 \$1,216,447).

These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management estimates that the Company currently has adequate capital to operate for the coming year.

Title to exploration and evaluation assets involve certain inherent risks due to the difficulty of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of exploration and evaluation assets. The Company has investigated title to all of its exploration and valuation assets, and, to the best of its knowledge, title to all of its properties are properly registered and in good standing. However, there can be no guarantee that title to exploration and evaluation assets are not subject to prior claims, agreements, or transfers and rights of ownership may be affected by undetected defects. The properties in which the Company has earned or committed to earn an interest are located in Brazil.

Corporate Name History

Effective October 17, 2023, the Company changed its name from Resouro Gold Inc. to Resouro Strategic Metals Inc. ("**Resouro**").

Corporate Structure

The Company was incorporated on August 4, 1992 in the province of British Columbia, Canada. The Company's registered office is Suite 250 – 997 Seymour Street, Vancouver, British Columbia, Canada. ISON Mining Pte Ltd ("**ISON**") is 100% owned by Resouro. ISON is incorporated under the laws of Singapore. ISON owns 100% of the outstanding shares of ISON do Brasil Mineração Ltda ("**ISON do Brasil**"), a company incorporated under the laws of Brazil. The Novo Mundo project titles and rights belong ISON do Brazil and the Santa Angela project title and rights are under assignment and transfer to ISON do Brazil. Tiros Stratmet Pte Ltd ("**TSPS**") is 100% owned by Resouro. TSPS is incorporated under the laws of Singapore and owns 90% of the outstanding shares of Tiros Minerais Estrategicos Mineração Ltda ("**TMEL**"), a company incorporated under the laws of Brazil. RBM Consultoria Mineral Eirlei ("**RBM**") holds a 10% free-carry, non-controlling interest in TMEL. The Tiros project is 90% owned by TMEL.



Corporate Highlights

Tiros Acquisition

On March 11, 2024, approval was received from the TSXV to close the Tiros acquisition. The Tiros acquisition included the following transactions:

1. Resouro acquired 100% of the outstanding shares of TSPS whose 90% owned subsidiary, TMEL, holds the titles that comprise the Tiros project assets.
2. Resouro paid the following consideration for the acquisition:
 - a. 1,642,000 common shares of Resouro were issued to RBM for the acquisition of RBM's control over TSPS.
 - b. 750,000 performance rights were issued to RBM for the acquisition of RBM's control over TSPS. The rights give RBM the right to convert to common shares if the Definitive Feasibility Study ("DFS") is completed within 5 years from the date of issue.
 - c. 4,000,000 stock options were issued to Resmin for the acquisition of Resmin's 33.3% ownership in TSPS. The stock options may be exercised at a price of \$0.20 and will expire on March 11, 2029.

In exchange for the consideration paid, the Company now holds the rights to the Tiros project assets which are currently being explored for titanium and rare earth elements. All consideration paid is subject to a 2-year escrow required by the ASX listing that went into effect on June 14, 2024.

Listing on Australian Securities Exchange and Concurrent Private Placement

On June 14, 2024, the Company successfully completed a dual listing on the ASX. Concurrent to the ASX listing the Company closed a private placement which was considered an Initial Public Offering ("IPO") on the ASX ("ASX offer").

The Company successfully closed the ASX offer on June 12, 2024 in which 16,000,000 CHESSE Depository Interests ("CDI") over common shares were issued at a price of AUD\$0.50 (CAD\$0.46). Cash consideration of AUD\$8,000,000 (CAD \$7,300,718) was received.

Taylor Collison Limited, an Australian broker, acted as the Lead Manager for the ASX Offer. As compensation for its services, the Lead Manager was paid a broker fee of AUD\$440,000 (CAD\$402,600) which was equal to 5.5% of the aggregate gross proceeds of the Offer and was issued 1,843,643 stock options in the Company at an exercise price of CAD\$0.68, vesting immediately, and expiring three years from the date of issue.

Under ASX listing regulations, the following equity is subject to a 24-month escrow period:

Holder	Equity	Number	Issue Date	Remaining Life	Escrow Release
Resmin	Options	4,000,000	March 11, 2024	5.0	June 14, 2026
Resmin	Options	750,000	October 11, 2023	4.5	June 14, 2026
Directors	Options	750,000	October 11, 2023	4.5	June 14, 2026
RBM	Shares	1,642,000	March 11, 2024	N/A	June 14, 2026
RBM	Performance rights	750,000	October 15, 2023	4.5	June 14, 2026
Taylor Collison	Options	1,843,643	June 4, 2024	5.0	June 14, 2026

Issuance of Shares

- On May 10, 2023, the Company closed a private placement in which 2,753,333 common shares were issued at a price of \$0.15 per common share for cash consideration of \$413,000. The Company paid \$5,292 in finders' fees.
- On July 11, 2023, the Company closed a private placement in which 13,333,333 common shares were issued at a price of \$0.15 per common share for cash consideration of \$2,000,000. Finders' fees consist of the following:
 - An additional 800,000 common shares issued at a price of \$0.15 per common share; and
 - 600,616 warrants to purchase common shares at an exercise price of \$0.20 per common share with an expiry date of July 11, 2026 were issued as broker compensation; and
 - Cash finders' fees of \$11,529.
- On August 29, 2023, the Company closed a private placement in which 10,107,142 common shares were issued at a price of \$0.28 per common share for cash consideration of \$2,830,000. The Company paid \$186,191 in finders' fees.
- On March 19, 2024, the Company issued 1,642,000 common shares to RBM as compensation for transfer of RBM's control over TSPS, a company incorporated in Singapore whose subsidiary TMEL, a company incorporated in Brazil, holds the titles that comprise the Tiros project area. A fair value of \$870,260 was assigned to the shares. Further to the June 14, 2024 listing on the ASX, the 1,642,000 shares issued to RBM are subject to a 24-month escrow, ending June 14, 2026
- On March 25, 2024, the Company closed a private placement in which 3,571,428 common shares were issued at a price of \$0.42 per common share for cash consideration of \$1,500,000. The Company paid \$90,368 in share issue costs of which \$63,000 were finders' fees.
- On June 14, 2024, the Company successfully completed a dual listing on the ASX. Concurrent to the ASX listing the Company closed a private placement in Australia, which was considered an Initial Public Offering ("IPO") on the ASX ("ASX offer").

The Company successfully closed the ASX offer on June 12, 2024, in which 16,000,000 CHES Depository Interests ("CDI") over common shares were issued at a price of AUD\$0.50 (CAD\$0.46). Cash consideration of AUD\$8,000,000 (CAD \$7,300,420) was received. The CDIs are subject to a 4 month plus 1 day hold period.

Taylor Collison Limited, an Australian broker, acted as the Lead Manager for the ASX Offer. As compensation for its services, the Lead Manager was paid a broker fee of AUD\$440,000 (CAD\$402,600) which was equal to 5.5% of the aggregate gross proceeds of the Offer and was issued 1,843,643 broker options in the Company at an exercise price of CAD\$0.68, vesting immediately, and expiring three years from the date of issue. The fair value assigned for the stock options was \$428,094. The broker options are subject to a 24-month escrow period.

7. On April 26, 2024, 150,000 stock options were exercised. The options were valued at \$50,915 which is comprised of \$26,250 cash and \$24,665 of the Black-Scholes value re-classified from contributed surplus to share capital

Issuance of Stock Options

1. On June 13, 2023, the Company issued 4,560,000 stock options to directors, officers and a consulting firm with an exercise price of \$0.175 and a 5-year expiry period, pursuant to the Company's stock option plan. The options vest over a 24-month period. During April 2024, 150,000 options were exercised, and 50,000 options expired. Therefore, 4,360,000 stock options remain outstanding.
2. On October 11, 2023, the Company issued 2,250,000 stock options to directors, officers and a consulting firm with an exercise price of \$0.50 with a 5-year expiry period, pursuant to the Company's stock option plan. The options vested immediately. Further to the June 14, 2024 listing on the ASX, the 1,500,000 options issued to Directors are subject to a 24-month escrow, ending June 14, 2026.
3. On March 11, 2024, 4,000,000 stock options were issued to Resmin as compensation for its 33.3% ownership of TSPS. The options are exercisable at a price of \$0.20 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was \$1,456,400 and was expensed upon issuance. The fair value was determined using the Black-Scholes option-pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 3.87%; volatility of 75%, and an expected life of 3 years. The options vested immediately following issuance. The value of the options form part of the value of the Tiros exploration assets recognized on the balance sheet. The options are subject to a 24-month escrow, ending June 14, 2026. The options expire on March 11, 2029.

Reverse Acquisition

On September 23, 2021, the Company and its shareholders entered into a share purchase agreement (the "**Share Purchase Agreement**") with ISON Mining Pte Ltd. pursuant to which the Company purchased from the ISON's shareholders all of the issued and outstanding shares of ISON, which constituted an arm's length reverse take-over ("**RTO**") transaction for the Company. The Share Purchase Agreement is available for review under the Company's profile on SEDAR at www.sedar.com. Under the Share Purchase Agreement, the Company completed the RTO on May 15, 2022 by acquiring all of the outstanding shares of ISON in exchange for the issuance of an aggregate of 29,655,750 common shares of the Company to the shareholders of ISON.

As a condition to the completion of the RTO, the Company completed a share consolidation on the basis of 1 new common share for each 2 old common shares (the "**Share Consolidation**"). The Share Consolidation was completed immediately prior to the completion of acquisition of the shares of ISON. After completing the Share Consolidation, the Company had 7,031,079 common shares issued and outstanding with a value of \$2,091,371.

Under the terms of the Share Purchase Agreement, the Company completed a non-brokered private placement (the "**Concurrent Financing**") of 7,288,127 units at a price of \$0.35 per unit (post-Share Consolidation) for gross proceeds of \$2,550,844. The Concurrent Financing was completed concurrently with or immediately prior to the closing of the RTO. Each unit consisted of one common share and one-half of one warrant. Each whole warrant was exercisable to acquire one common share at an exercise price of \$0.50 until May 15, 2024 (subject to an acceleration clause). A value of \$383,257 was assigned to the warrants using the Black-Scholes model calculation. In addition, \$23,550 of share issue costs were assigned to warrants for a net warrant value of \$359,707. Total share issue costs of \$182,567 were incurred. As of May 15, 2024, the warrants expired, unexercised.

On May 15, 2022, at the close of the RTO, the Company had 43,974,956 common shares outstanding valued at \$5,770,329. Of these outstanding common shares, 26,671,273 common shares were subject to escrow of which 13,037,949 remain in escrow, as of the date of this report.

Exploration Projects

PROPERTY I - Tiros Titanium (“TiO₂”) and Rare Earth Elements (“REE”) Project

The Tiros project, located in the Alto Paranaíba region, Minas Gerais, Brazil. Tiros is comprised of 29 mineral licenses totaling approximately 497 square kilometers (“km²”) located 350 km from Belo Horizonte, the state capital which is located in one of the most infrastructurally developed states of Brazil. The Tiros licenses cover the most prospective portions of the Capacete formation with the greatest exploration potential.

The Tiros project is located near a town called Tiros. The town has established infrastructure and amenities to support mineral exploration and is within proximity of major federal highways, high voltage power lines and major rail infrastructure. The Tiros project is accessible from paved roads with the exception of landholder entry ways that are used to access their agricultural lands and the exploration sites.

The Tiros project was owned by RBM. On July 31, 2023, Resouro entered into the Tiros Agreement followed by the First Addendum agreement signed on October 19, 2023 to acquire a 90% interest in the Tiros project and the Second Addendum, which incorporated adjustments to the Agreement in order to comply with ASX listing rules. Resouro acquired 100% of the outstanding shares of TSPS, a company incorporated in Singapore whose subsidiary TMEL, a company incorporated in Brazil, holds the titles that comprise the Tiros project. RBM owns a 10% free-carry, non-controlling interest in TMEL.

JORC Report Published with Maiden Resource Estimate

On July 17, 2024 the Company published its JORC report for the Tiros project. Highlights of the report included the following:

- Maiden Resource Estimate (“MRE”) for the Tiros Project of 1.7 billion tonnes (bn tonnes) at 3,900 parts per million (“ppm”) Total Rare Earth oxide (“TREO”), 1,100 ppm Magnet Rare Earth Oxides (“MREO”) and 12% Titanium Dioxide (“TiO₂”) in all three resource categories.
- Of the 1.7 bn tonnes, the deposit contains a high-grade domain of 120,000,000 tonnes containing 9,000 ppm TREO, 2,400 ppm of MREO and 23% TiO₂.
- The combined Measured and Indicated resources represent 1,000,000,000 tonnes at 4,050 ppm TREO containing 1,120 ppm MREO and 12% TiO₂.
- The MRE places the Tiros Project as one of the largest undeveloped titanium and rare earth resource globally and in Brazil.

For full exploration results including relevant JORC table information, refer to the Company’s ASX announcement of 18 July 2024 (TSXV 17 July 2024) on *Sedarplus.ca* or the Company’s website *Resouro.com*.

Table 1: JORC-compliant maiden MRE, Tiros Project, Brazil (1,000 ppm TREO cut-off)

DOMAIN	CAT	TONNES (t)	TiO ₂ (%)	TREO (ppm)	MREO (ppm)
HG (High Grade)	Inferred	42,000,000	23	8,700	2,200
	Indicated	55,700,000	23	9,030	2,380
	Measured	20,800,000	24	9,320	2,530
	Sum	120,000,000	23	9,000	2,400
MG (Medium Grade)	Inferred	620,000,000	11	3,500	950
	Indicated	704,000,000	11	3,650	1,020
	Measured	224,000,000	11	3,570	997
	Sum	1,500,000,000	11	3,500	930
	Totals	1,700,000,000	12	3,900	1,100

Methodology for deriving the MRE statistics:

- The MRE incorporates 4,766 metres (“m”) of verification drilling including Diamond, Aircore and Auger across 102 drill holes including 20 historical drill holes.
- The maiden MRE is derived from the Central tenements of the Tiros Project, being ~7% of the tenements that comprise the total Tiros Project area.
- The majority of the resource is open laterally and found to be homogeneous in nature.
- Resource exists within Brazil’s most advanced mining state (Minas Gerais) with developed infrastructure, existing access to road, rail and port, in a supportive community, and a favourable environmental region which will support the development of the Tiros Project.

The current maiden Mineral Resource Estimate at Tiros, applying a 1,000 ppm TREO cut-off, presents 1.7 bn tonnes @ 3,900 ppm TREO with 1,100 ppm MREO praseodymium, neodymium, terbium, dysprosium (“Pr, Nd, Tb, Dy”). The Indicated and Measured resources represent 1bn tonnes at 4,050 ppm TREO containing 1,120 ppm MREO and 12.0% TiO2 with a high grade (“HG”) zone identified as summarised in Table 1, above, and shown in Figures 1 and 2. The grade-tonnage curves for the mineral resource estimate are shown on the graphs below:

Figure 1 – Grade Tonnage Curve TREO ppm

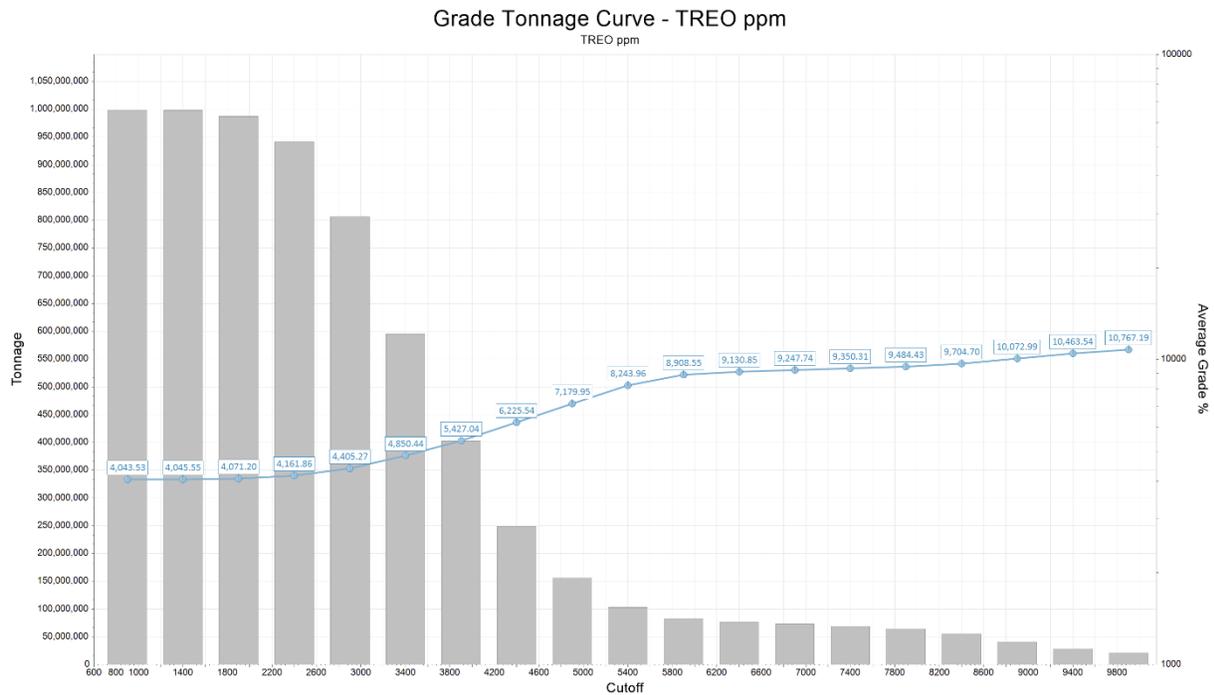
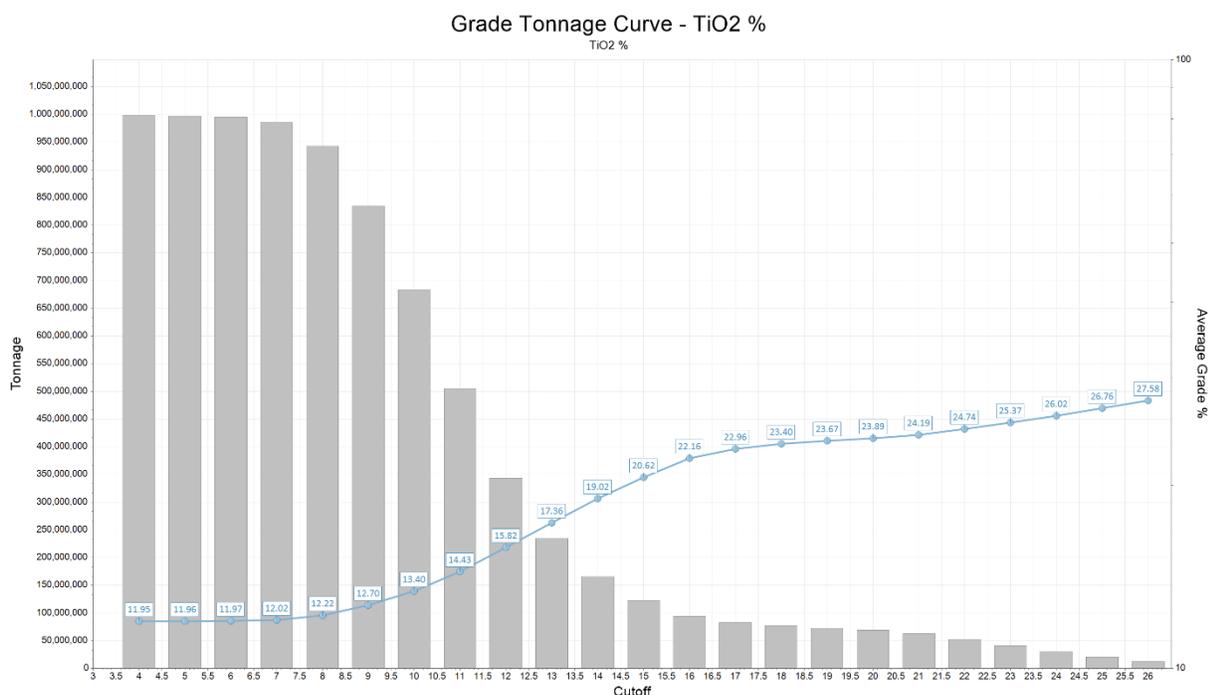


Figure 2 – Grade Tonnage Curve TiO2 %



Atticus Geoscience (“Atticus”) has modelled the maiden MRE utilizing the results of 102 drill holes across the Tiros central tenements including 28 diamond drill holes, 29 Air Core holes, 25 Auger holes undertaken by Resouro during 2023 and 2024, plus one diamond drill hole and 19 Air Core historical drill holes undertaken by previous tenement owners (Vicenza and Iluka, 2011 and 2016). Atticus and Resouro have undertaken resource modelling by focusing on neighbouring comparable studies and operations within the region and Brazil and have provided a tonnage based on preliminary metallurgical work expected to have reasonable prospects for future economic extraction. A conservative assumption of 1,000 ppm TREO cut-off was applied to the resource estimation which delivered an MRE of 1.7 bn tonnes @ 3,900 ppm TREO (Measured, Indicated, Inferred) comprising of an outstanding 1,100 ppm MREO (Pr, Nd, Tb, Dy) and 12% TiO2. Notably, the MREO is the weighted average of Pr6O11, Nd2O3, Tb4O7 and Dy2O3 in this announcement.

The MRE was limited by the aerial topography covering 3,300 ha, which represents approximately 7% of the Resouro tenements that comprise the Project area. The MRE excludes neighbouring Resouro-owned tenements which indicate further potential for expansion.

On August 13, 2024 (August 12, 2024 TSXV), the Company announced the results of its first phase of the metallurgical study. The purpose of this phase of the metallurgical study was to achieve maximum extractions and recovery of Rare Earth and Titanium minerals, applying patented technology provided by its partner, The Altium Group (“Altium”). In addition, the results demonstrated that the acid used to achieve the extractions can be regenerated with minimal loss and zero waste.

Altium assessed an approximately 50kg representative sample, covering five diamond drill holes of the Tiros JORC compliant resource in laboratory conditions and produced the following extraction results:

Table 2: Metallurgical Extraction using 50kg of representative sample.

TEST	TREY	LREE	MREE	HREE
L3	80.8%	81.6%	96.2%	74.8%

Altilium has marked the successful completion of its latest metallurgical testing phase, utilising its proprietary Ti/REE Process™ on a 50 kg composite sample provided by Resouro. This rigorous testing process, carried out at Core Resources Laboratories in Brisbane, involved air-drying and milling the sample to 0.5mm to analyze its chemical and mineral content. Three leach tests were conducted to understand the metal extractions, with the goal of generating a solution rich in rare earth elements (“REEs”) and a residue enriched with titanium. Notably, the third test, which incorporated a pre-treatment process, achieved the highest rare earth extractions known in the industry to date, demonstrating the effectiveness of Altilium's innovative approach.

Three optimization sighter leach tests were conducted using nitric acid (HNO₃) applying the Altilium Ti/REE Process™ at Core Resources Laboratories in Brisbane to generate Pregnant Leach Solution (“PLS”) and residue. The samples were assayed for aluminium (Al), calcium (Ca), cobalt (Co), chromium (Cr), iron (Fe), gallium (Ga), magnesium (Mg), manganese (Mn), nickel (Ni), sulphur (S), scandium (Sc), silicon (Si), titanium (Ti), and rare earth elements (REEs).

The sighter leach test conditions were assessed as follows:

- L1 test involved leaching at the standard acid concentration used in the Altilium Ti/REE Process™.
- L2 test involved leaching at high concentration of acid.
- L3 test involved a pre leach heat treatment process and leaching at the standard acid concentration used in the Altilium Ti/REE Process™.

In all these tests, REE metal extractions, acid consumptions and residue compositions were measured with the summary of extraction of the REE noted below.

Table 3: Metallurgical Extraction using 50kg of representative sample under the three test conditions.

TEST	TREY	LREE	MREE	HREE
L1	69.3%	69.3%	72.5%	73.8%
L2	59.8%	59.8%	63.8%	62.5%
L3	80.8%	81.6%	96.2%	74.8%

Notably, the titanium dioxide (“TiO₂”) contained in the sample reported between 2.5 – 4.5% in the PLS with the remaining pleasingly not reporting to the PLS indicating a strong possibility of TiO₂ recovery by traditional metallurgical recovery methods from the residue.

The representative samples were taken from the Tيروس central project area over four tenements which are the subject of the recent maiden JORC MRE announcement by Resouro dated July 18th, 2024.

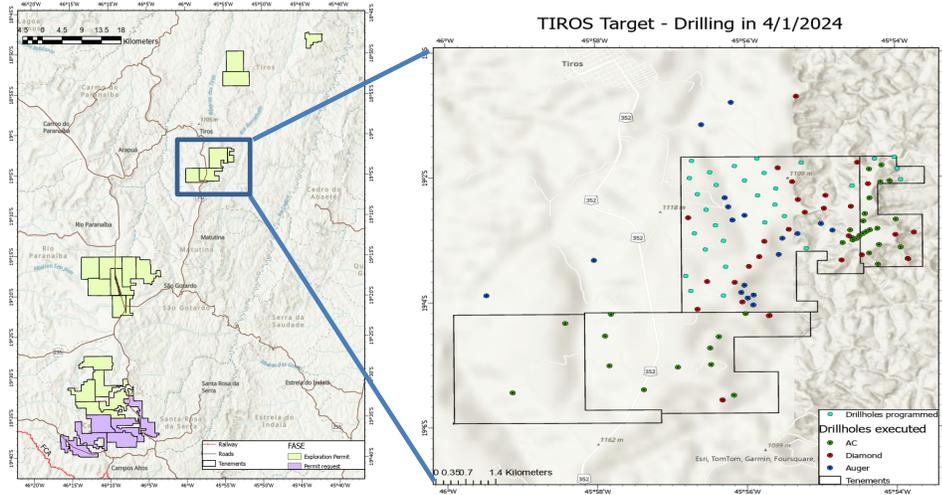
Building on these promising results, Altilium is now focused on the next phase of development, which involves designing and executing a laboratory-scale test programme to establish the Altilium Ti/REE Process™ flowsheet. The company aims to optimise the process parameters to improve the grades and extraction efficiency of target metals, including titanium, silica, REEs, scandium, iron, and aluminium.

On September 9, 2024 the Company entered into a binding agreement to acquire 3 additional tenements in the Tيروس project area. The tenements complement the existing holdings by extending the mineral rights held in the North to the Southern holdings. The 3 tenements, totaling 4,744 ha, are contiguous with the Sao Gotardo block of the Tيروس project and intersect the Capacete Formation associated with the project.

Consideration paid includes the following staged transactions:

- a. Initial payment \$50,000 and 142,857 common shares of Resouro.
- b. Milestone 1: Resouro will drill 6 holes on the tenements whereby at least 3 holes show a minimum of 20 continuous meters of intercepts with over 2,000 ppm of TREO, within 2 years of the purchase date. If drilling is not completed within 2 years, then payment is due at September 9, 2026.
Payment: \$50,000 and 142,857 common shares of Resouro.

Figure 4 – Drilling location and targets



Auger Drilling

The auger drilling campaign totaled 257m in 25 auger drill holes which were 10 centimeters (“cm”) in diameter, with the depth of 6m to 15m in the Tiros central property (“tenement”) shown in Figure 4, above. Drilling has been undertaken following the standard operating procedures for the auger equipment and drilled to maximum physical depth of the equipment.

The auger results show high levels of titanium consistent with historical drilling and high levels of rare earth elements consistent with the work undertaken by RBM. The results also indicated the material ore zone is consistent with that known in historic exploration although the results did indicate the lower-level thickness of the ore zone because the lower boundary was not reached in the auger drilling program.

The results of the auger program indicated the geological interpretation and method of exploration is appropriate and is consistent with the geological understanding of the Capacete Formation.

Results of the Resouro auger drilling campaign

HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TREO ppm	Average TiO ₂ %
FT-01	401470.1	7893949	1002.723	0	90	0	6	4,189	20.56
FT-02	401368.3	7894337	997.0978	0	90	0	11	5,253	15.26
FT-03	401286	7894607	997.0582	0	90	0	6	4,058	15.03
FT-04	402991	7893548	1027.228	0	90	3	15	6,699	19.41
FT-05	402639.2	7893409	1018.939	0	90	2	9	3,455	10.92
FT-07	403540.6	7893845	944.0546	0	90	0	2	3,610	10.82
FT-09	401958.9	7891441	1039.084	0	90	3	11	5,768	16.03
FT-10	401827.6	7891643	1001.096	0	90	7	10	3,143	8.76
FT-11	401967.7	7891730	1033.299	0	90	0	10.5	7,181	10.47
FT-14	404435.9	7911032	1040.91	0	90	12	15	662	9.37
FT-15	404013.3	7911081	1034.5	0	90	3	16	1,846	9.92
FT-16	403803.7	7911334	988.3385	0	90	0	13	1,546	7.2
FT-18	405538.3	7910684	1022.839	0	90	2	9	2,508	7.66

FT-19	405670.3	7910407	1021.412	0	90	0	11	4,131	8.78
FT-20	405796.2	7910196	1037.287	0	90	6	7	223	6.14
FT-21	404814.6	7914113	892.66	0	90	0	2	1,882	4.65
FT-23	404683.3	7915151	912.154	0	90	0	11	5,155	14.03
FT-24	404434.8	7915040	916.733	0	90	0	15	3,885	13.01
FT-25	406423.4	7915087	1012.846	0	90	0	12	8,150	20.1

Air core Drilling

The air core drilling campaign totaled 1,562m over 30 air-core drill holes of approximately 10 cm diameter, with the depth of the holes varying from approximately 40m to 85m. Drilling was undertaken following the standard operating procedures for the air-core drilling equipment and undertaken by an experienced drilling contractor. Drilling depth was chosen to reach the hard conglomerate materials.

The air-core results show high levels of titanium consistent with historic drilling and high levels of rare earth consistent with the work undertaken by RBM. The results also indicated the material ore zone is consistent with that known in historic exploration work.

Results of the Resouro Air core drilling campaign

HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TREO ppm	Average TiO ₂ %
ACTIR-21	404224	7893656	1050	90	0	0	43	1,979.80	6.31
ACTIR-22	404273	7893424	1053	90	0	0	58	2,704.42	7.60
ACTIR-23	404863	7893710	1051	90	0	2	57	2,704.18	8.24
ACTIR-24	404686	7893661	1064	90	0	0	80	3,624.82	11.36
ACTIR-25	404596	7893609	1054	90	0	0	59	3,027.54	9.05
ACTIR-26	404440	7893490	1054	90	0	0	83	3,210.73	9.96
ACTIR-27	404280	7893363	1057	90	0	29	46	4,214.78	15.06
ACTIR-28	404372	7893400	1035	90	0	32	80	3,712.54	12.31
ACTIR-29	404527	7893553	1055	90	0	45	74	3,942.54	12.11
ACTIR-30	404534	7893922	1047	90	0	18	48	4,480.77	10.93
ACTIR-31	404050	7893281	1057	90	0	33	59	6,410.20	15.13
ACTIR-32	404899	7893225	1038	90	0	51	63	5,305.54	13.80
ACTIR-33	404876	7892647	1058	90	0	10	51	4,342.98	11.46
ACTIR-34	404677	7894603	1072	90	0	53	67	5,165.90	14.00
ACTIR-36	405143	7895114	1019	90	0	6	46	4,575.54	15.15
ACTIR-37	396320	7888840	1024	90	0	22	49	3,198.24	10.47
ACTIR-38	397552	7890890	1022	90	0	20	57	3,277.94	11.89
ACTIR-39	405672	7910407	992	90	0	6	16	4,867.20	9.34
ACTIR-40	406571	7914075	1039	90	0	47	51	6,611.91	14.94
ACTIR-41	422780	7919369	910	90	0	6	12	7,564.85	18.02
ACTIR-42	423471	7921116	959	90	0	17	35	6,417.17	18.45
ACTIR-43	407349	7914551	1054	90	0	47	53	9,713.40	21.63
ACTIR-46	386029	7868243	1109	90	0	41	53	4,331.61	14.42

ACTIR-48	380630	7860388	1125	90	0	24	41	4,746.34	11.60
ACTIR-50	381569	7862210	1122	90	0	13	32	3,442.69	11.55

Diamond Drilling

The diamond drilling campaign completed to date comprises 1,634m in 26 diamond drill holes of 6.35 cm diameter, with the depth of the holes varying up to ~93m. Drilling was undertaken following a standard operating procedure of the diamond drilling equipment and undertaken by an experienced drilling contractor. Drilling depth was chosen to reach the hard conglomerate materials which was identified by the driller and the field geologist.

Results of the Resouro Diamond drilling campaign.

HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TREO ppm	Average TiO2%
FDTIR-01	402326	7891121	1032	90	0	12.4	21.4	7,930.30	20.15
FDTIR-02	404643	7895024	1033	90	0	34	58	5,226.21	12.47
FDTIR-03	405585	7892798	1019	90	0	3	26	6,972.28	14.58
FDTIR-04	401235	7888631	1052	90	0	16	26	6,835.08	17.97
FDTIR-05	404499	7892925	1051	90	0	19	31.9	5,535.54	16.72
FDTIR-06	405286	7893524	1067	90	0	35	49	4,926.38	13.55
FDTIR-07	404023	7892769	1032	90	0	12	18.45	5,453.72	10.60
FDTIR-08	404389	7895655	1013	90	0	13	79	3,787.55	10.06
FDTIR-09	404241	7894354	1055	90	0	37	92.85	4,494.95	12.90
FDTIR-10	405722	7893594	1004	90	0	0	6	1,709.93	5.76
FDTIR-11	403611	7894297	1016	90	0	35	54.4	4,787.55	12.37
FDTIR-12	403171	7894171	1075	90	0	41	63.8	5,958.69	13.86
FDTIR-13	402835	7893707	1083	90	0	17	81.15	3,838.22	11.46
FDTIR-14	402214	7893320	1011	90	0	20	50.15	5,169.93	14.78
FDTIR-15	401701	7891530	1084	90	0	39	101.3	2,019.68	9.55
FDTIR-16	400647	7891313	1083	90	0	36	93	4,281.26	10.42
FDTIR-17	403000	7894552	1016	90	0	36	91.75	4,327.63	11.69
FDTIR-18	402097	7892865	995	90	0	0	66	4,027.60	12.44
FDTIR-19	403646	7894678	1019	90	0	9	79	4,099.00	10.79

Geology and Mineralization

Mineralization at the Tiros Project is due to a lateritic process enriching epiclastic rocks, and the erosion products of volcanic rocks enriched in titanium and rare earth elements. Rare earth and titanium mineralization are hosted in highly weathered sandstones and conglomerates of the Capacete Formation, belonging to the Mata da Corda Group. Titanium is mainly associated with the mineral anatase, originated from the alteration of perovskite. The upper part of the mineralized zone is known as being of higher grade for both titanium and rare earths which should be the effect of the leaching of gangue elements due to weathering. The Company is observing a high-grade zone at depth.

Within the Tiros project area, the following lithostratigraphic units were differentiated and mapped, from base to top: Bambuí Group, Areado Group, Mata da Corda Group, Laterite Cover and Alluvial Deposit. There is a North-North-East-directed band that encompasses the rocks of the Mata da Corda Group, represented by the Capacete formation, which generally have a lateritic cover and are exposed only on the slopes of the plateau based on the

evaluation of the Tiros project. The following work plan has been undertaken:

Proposed Future Plans

Resouro began the 12,000m air core and diamond drilling survey campaign in September 2023 with the first 4,766m of drilling reported in the MRE. Following completion of the initial phase, Resouro plans to carry out further topographic surveys over the neighbouring tenements owned by Resouro where drilling has been undertaken in addition to further drilling and metallurgical test work focusing on areas where stripping ratios are optimal for bulk mining trials to deliver the quickest time frames. This includes:

- In-fill drilling to define further JORC compliant Resource.
- Further metallurgical test work programs with preferred laboratory partners to optimise REE leaching and TiO₂ conditions.
- Undertake a scoping study with an EPCM partner and subject matter experts in 2024, before undertaking any prefeasibility studies.
- Complete a preliminary mining and environmental baseline survey and studies to submit bulk mining trials.
- Downstream studies and product testing to align the metallurgical flow sheet with offtake partners.

PROPERTY II - Novo Mundo Gold Project

The Novo Mundo project is located in the established gold mining district of Alta Floresta Gold Belt, Mato Grosso. The Company's three contiguous exploration licences cover an area of 16,735 ha. To date, 5,500m have been drilled to identify mineralization in 10 separate zones. The most significant drill intercepts are listed below:

<p>Resouro Drill Hole 10 16.21 m @ 2.97 g/t gold (“Au”) from 55.9 m <i>Including</i> 2.29 m @ 11.4 g/t Au at 55.9 m and 1.08 m @ 19.93 g/t Au at 71.03 m</p>
<p>Resouro Drill Hole 002 Located 200 m to the west of Drill Hole 10 11.65 m @ 5.11 g/t Au from 65.89 m <i>Including</i> 2.5 m @ 8.09 g/t Au from 66.39 m and 4.6 m @ 6.30 g/t Au from 72.94 m</p>
<p>Historic Drill Hole FNV 009 Located to the East of Drill Hole 10 6.61 m @ 5.47 g/t Au from 62.73 m <i>Including</i> 5.26 m @ 6.82 g/t Au from 64.08 m</p>

On November 18, 2018, Nexa signed an agreement with Coogavepa in order to acquire precious metal mineral rights in return for exploration and development expenditures. The Company agreed to assume all Nexa's obligations under the Novo Mundo Agreement with Coogavepe.

Resouro assumed the following obligations:

- (i) Nexa paid Coogavepe an initial price of BRL 400,000 for the transfer of the mineral processes and rights as follows:
 - (a) a first instalment of BRL 150,000 was paid within 30 days after execution of the Novo Mundo Agreement; and
 - (b) a second instalment of BRL 250,000 was paid within 30 days after the date that Agência Nacional de Mineração (“ANM”) completed the transfer of the exploration precious metal mineral rights to

the Company's Brazilian subsidiary, Ison do Brazil Mineracao Ltda ("**ISON Brazil**"). These obligations have been satisfied by Nexa; and

- (ii) Nexa agreed to incur phase one mineral exploration expenditures within 24 months of the date of the assignment of the Mineral processes and rights with the purpose of identifying economic mineralization for base metals (the "**Initial Survey**"). This obligation was satisfied by Nexa on September 18, 2021; and
- (iii) During October 2023, the Company confirmed its commitment to undertake phase 3 of the exploration work. A payment of BRL 2,500,000 was due to Coogavepe. During December 2023, BRL 750,000 was paid. An additional BRL 250,000 was paid in February 2024 with the final payment of BRL 1,500,000 paid in June 2024. Interest will be paid in August 2024 as a result in delays to making the final payments.

On May 11, 2021, the Company, through its subsidiary, entered into a definitive purchase agreement with Nexa Recursos Minerais S.A. ("**Nexa**"), (the "**ISON-Nexa Agreement**"), pursuant to which the Company agreed to purchase from Nexa a 100% right to three precious metal exploration licences in the Novo Mundo Gold Project. Pursuant to the ISON-Nexa Agreement, the consideration to be paid and/or satisfied by the Company to Nexa is as follows:

- (i) payments totalling BRL 3,750,000 (C\$961,857) have been paid, per the ISON-Nexa Agreement;
- (ii) the assumption of Nexa's obligations under an agreement (the "**Novo Mundo Agreement**") with Cooperativa dos Garimpeiros do Vale do Rio Peixoto ("**Coogavepe**"), who were previous owners of the projects and are a local group of artisanal miners. Coogavepe consented to the mineral rights being assigned from Nexa to the Company.

The ISON-Nexa Agreement provided that for a period of three years ended May 2024, Nexa has the right to explore for base metals at their own cost. If Nexa had discovered a commercially viable base metals project, Nexa would grant Resouro a 1.5% net smelter royalty ("**NSR**"). However, once Nexa's timeframe expired, the Company may now elect to explore the Novo Mundo Project area for base metals and if a commercially viable project is found the Company will grant a 1.5% NSR to Nexa. If the Novo Mundo Gold Project is predominantly precious metals, then base metals will be considered to be precious metals for the purposes of the ISON-Nexa Agreement. The Company has the option to buy back the NSR granted under the ISON-Nexa Agreement for a purchase price of US\$5,000,000 if purchased prior to May 11, 2026. After May 11, 2026, the Company has a right of first refusal to buy back the NSR if any third party wants to purchase it.

On January 19, 2023, the Company submitted two partial exploration reports ("**PER**") to the ANM. The approval for the first PER related with the Mineral Process 866.171/2018 was received on July 28, 2023, and the second approval related with the Mineral Process 866.320/2018 was received August 7, 2023.

Upon Coogavepe granting the mining concession or bulk mining concession (*Guia de Utilização*) to the Company pertaining to any base metal mineral process, the Company shall pay a 1.5% net service revenue ("**NSR**") to Coogavepe, from the effective commercialization of the base metal ore extracted from the concessions. The Novo Mundo Agreement also contemplates the assignment of some of the exploration areas to Coogavepe and providing them the right to apply for a Permissão de Lavra Garimpeira ("**PLG**"). Effectively, the PLG is an Artisanal Mining Permit and is regulated by Federal Law 7,805/1989 and is an autonomous and extraordinary mining regime assigned exclusively to individuals exercising artisanal mining and cooperatives. PLGs allow its titleholders to extract secondary gold from alluvial, colluvial and eluvial sources or weathered soil down to 30 metres.

The mineral processes and rights acquired under and subject to the ISON-Nexa Agreement are as follows:

- (i) ANM Mineral Process 866.035/2009, Exploration License No. 5004/2009, which is active and existing under the Brazilian Mining Code ("**BMC**") for gold ore, covering 930.35 ha, located in the Novo Mundo Municipality, State of Mato Grosso, Brazil;
- (ii) ANM Mineral Process 866.320/2018, Exploration License No. 6787/2018, which is active and existing under the BMC for gold ore, covering 8,645.58 ha, located in the Novo Mundo Municipality, State of Mato Grosso, Brazil; and

- (iii) ANM Mineral Process 866.171/2018, Exploration License nº6784/2018, which is active and existing under the BMC for gold ore, covering 8,159.00 ha, located in the Novo Mundo Municipality, State of Mato Grosso, Brazil.

Exploration began on the Novo Mundo project following the conclusion of the RTO in May 2022. The main exploration activities on the project have included:

- desktop work and historical data integration for target definition and ranking;
- regional geological recognisance over the project's tenements and in particular, along the pre-defined mineralized trends;
- geological mapping of the major Dionízio-Luisão mineralized trend;
- detailed geological mapping of the Luisão pit east front and sample, to understand the outcropping ore structural control;
- rock (grab) chip sampling over the main Dionízio-Luisão and surroundings with the aim to identify other parallel trends and check main trend continuity, where 309 samples were collected to date;
- re-logging of the historical drill core with the aim to redefine the rock code and to describe the hydrothermal alteration related to the ore zones. A total of 3,320 metres have been re-logged to date. A few selected ore zones were resampled for ICP multi-element analysis for the definition of the geochemistry of the alteration related to the ore.
- trenching along the main Dionízio-Luisão trend, with the aim to identify the mineralized horizon between the main open pits, where no outcrop is available. The Company open-mapped and sampled 3 trenches to date, for a total of 150 metres and collected 183 channel samples along the trenches;
- commencement of the preliminary drilling program in June 2022. A total of 10 drill holes were programmed with the aim to confirm historical drilling, infill to convert resources to measured for short-term mining plan, test extensions along the strike and down plunge to the main outcropping ore bodies and to test structural control defined by the detailed mapping. The preliminary drilling program was concluded in September 2022 with 10 drill holes for a total of 1,268 metres;
- current drilling log, sampling and QAQC sample were concluded a week after the conclusion of the drilling program; and
- rock chip and drilling samples were trucked to ALS Lab in Cuiabá and then to Lima for analysis, with results forthcoming;
- 3D geological and hydrothermal alteration model is currently being finalized. The model also includes the structural interpretation taken from the oriented cores. The model has the aim to define the ore controls and to generate exploration vectors for the next exploration program. In addition, the model will be integrated with the grade model for the generation of a new resource estimative for the drilled targets.

During the year ended March 31, 2024, Resouro completed an interim exploration report for the ANM as required to maintain the project in good standing. Other work included three-dimensional modeling and analysis of the new and historic data to plan the next phase of trenching, sampling, and drilling.

PROPERTY III - Santa Angela project

The Santa Angela project is an early-stage exploration property. It is situated within the same geologic belt, approximately 150 km from the Novo Mundo project. In December 2021, the Company acquired certain mineral exploration rights from the ANM to conduct mineral exploration work on the Santa Angela project in the State of Mato Grosso, Brazil. Total consideration paid for the exploration rights was BRL 551,099 (\$140,530).

PROPERTY IV - Buracão Gold Project

In February 2021, the Company, through its Brazilian subsidiary, ISON do Brasil, entered into a definitive purchase agreement (the "**Buracão Agreement**"). The terms of the Buracão Agreement provided for the acquisition by the Company of a 100% interest in two (2) mineral processes and rights in the Buracão Gold Project. The total purchase price for the mineral processes and rights is USD \$2.6M of which \$503,508 has been paid to date. On February 25, 2023, the Company notified the seller that it was discontinuing its investments in the Buracão project. The Company has decided to reprioritize its allocation of resources from the Buracão project to the Novo Mundo gold project. The Company did not provide the 30 days notice required and was therefore subject to a \$533,800 (BRL

2,000,000) penalty. As a result, the \$503,508 of acquisition costs and the \$533,800 penalty fee were written-off from the exploration and evaluation assets and recorded as a net loss as a exploration and evaluation expenditure in the statement of loss and other comprehensive loss for the year ended March 31, 2023.

Following discontinuation of the Buracão agreement, the Company paid a total of BRL 1,920,000 to the seller between July 2023 and October 2023. The October 2023 payments earned the Company an 8% discount which was recorded as \$21,888 penalty relief on the consolidated statements of comprehensive loss. The Company reverted the assignment of the Buracão mineral rights back to the seller on August 4, 2023.

PROPERTY V - Pernambuco project

In December 2021, the Company acquired three mineral exploration rights from the ANM to conduct exploration work on the Pernambuco project in the State of Pernambuco, Brazil. Total consideration paid was BRL 100,099. The Company has ceased exploration activities and thus its commitments on the Pernambuco project. As a result, \$25,525 of exploration and evaluation assets were written-off and recorded as a net loss under exploration and evaluation expenditures in the statement of loss and other comprehensive loss for the year ended March 31, 2023.

Results of Operations

Period ended September 30, 2024

The Company recorded a comprehensive net loss of \$3,856,014 of which \$154,707 is attributable to a non-controlling interest, for the six months ended September 30, 2024, compared to a comprehensive net loss of \$1,216,447 for the six months ended September 30, 2023.

Quarterly Financial Information

The following table provides selected financial information for the eight quarters up to September 30, 2024 and should be read in conjunction with the Company's financial statements.

Quarter ended	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Net loss, common shareholders	\$(1,792,224)	\$(1,909,083)	\$(712,634)	\$(1,771,292)
Net loss, non-controlling interest	(60,693)	(94,014)	(4,680)	-
Earnings (loss) per share ⁽²⁾	(0.02)	(0.03)	(0.01)	(0.03)
Weighted average shares outstanding ⁽²⁾	92,332,192	79,102,522	62,856,955	62,565,888

Quarter ended	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022 ⁽¹⁾
Net loss	\$(661,628)	\$(554,819)	\$(1,302,098)	\$(398,006)
Earnings (loss) per share ⁽²⁾	(0.01)	(0.01)	(0.03)	(0.00)
Weighted average shares outstanding ⁽²⁾	62,687,295	45,518,033	43,076,420	43,974,956

⁽¹⁾ Results of operations based on ISON Mining Pte Ltd. (the acquirer for accounting purposes)

⁽²⁾ Basic and diluted

Discussion of quarterly results

Three months ended September 30, 2024 compared to September 30, 2023

Net loss of \$1,852,917 and \$661,628 were recognized for the three months ended September 30, 2024 and September 30, 2023 respectively.

Net loss attributable to common shareholders of \$1,792,224 and \$661,628 were recognized for the three months ended September 30, 2024 and September 30, 2023, respectively. The Company completed its drilling program on the Tiros tenements and continued with the metallurgical study during the three months ended September 30, 2024 which resulted in significantly higher exploration costs than the comparative period ended September 30, 2023. Expenditures related to the three months ended September 30, 2024 include the following significant components:

- Professional fees of \$507,736 (September 30, 2023 - \$387,127);
- Office costs of \$28,173 (September 30, 2023 – \$24,039);
- Management fees of \$355,028 (September 30, 2023 – \$112,269);
- Sustainability and climate fees of \$22,968 (September 30, 2023 – nil);
- Exploration expenses of \$917,764 (September 30, 2023 - \$7,671);
- Travel expenses of \$53,068 (September 30, 2023 - \$15,466);
- Stock based compensation expense of \$31,677 (September 30, 2023 \$82,113); and
- (\$2,856) in foreign exchange gain (September 30, 2023 - \$56,050).
- (\$72,374) in interest income (September 30, 2023 - \$1,939).

In comparison, the Company incurred higher professional fees during the three months ended September 30, 2023 as it engaged the expertise of audit, legal and marketing professionals to execute the IPO process which, resulted in the Company successfully listing on the ASX on June 14, 2024. Management fees were also higher for the period because the Company engaged the expertise of two new Directors as consultants.

Three months ended June 30, 2024 compared to June 30, 2023

Net loss attributable to common shareholders of \$1,909,083 and \$554,819 were recognized for the three months ended June 30, 2024 and June 30, 2023, respectively. The Company was undertaking a drilling program and a concurrent metallurgical study during the three months ended June 30, 2024 which resulted in significantly higher exploration costs than the comparative period ended June 30, 2023. Expenditures related to the three months ended June 30, 2024 include the following significant components:

- Professional fees of \$455,536 (June 30, 2023 - \$128,355);
- Management fees of \$413,252 (June 30, 2023 – \$71,237);
- Exploration expenses of \$991,566 (June 30, 2023 - \$717);
- Travel expenses of \$126,867 (June 30, 2023 - \$31,443);
- Office costs of \$11,960 (June 30, 2023 – \$16,255);
- Stock based compensation fees of \$82,223 (June 30, 2023 \$301,916); and
- \$75,982 in foreign exchange gain (June 30, 2023 - \$4,483 loss).

Three months ended March 31, 2024 compared to March 31, 2023

Net loss of \$712,634 and \$1,302,098 were recognized for the three months ended March 31, 2024 and 2023 respectively. Expenditures incurred during the three months ended March 31, 2024 include the following components:

- Professional fees of \$303,238 (March 31, 2023 – \$346,470);
- Office costs of \$70,862 (March 31, 2023 – \$107,657);
- Management fees of \$207,988 (March 31, 2023 – \$(47,834));
- Exploration expenses of \$62,873 (March 31, 2023 - \$915,132);
- Travel expenses of \$62,328 (March 31, 2023 - \$80,674);
- Office lease accretion and depreciation expenses of \$14,445 (March 31, 2023 – nil); and
- \$(241,761) in foreign exchange gain (March 31, 2023 - \$(100,001)).

The Company incurred higher professional fees during the three months ended March 31, 2024 as it engaged the expertise of audit, legal and marketing professionals to execute the IPO process which resulted in the Company completing a public listing on the ASX on June 14, 2024. Management fees were also higher for the period because the Company engaged the expertise of two new Directors and an officer as consultants.

Financial Condition, Liquidity and Capital Resources

As at September 30, 2024, the Company had a deficit attributable to shareholders of \$13,506,783 (March 31, 2024 - \$9,805,476). The Company reported cash of \$4,318,843, accounts receivable and prepaid of \$53,412, accounts payable and accrued liabilities of \$275,810 and an amount due to a related party of \$88,480. The Company has no long-term debt.

During the six months ended September 30, 2024, cash increased by \$2,397,571. The cash raised through the private placement closed during the year has funded the Company's activities throughout the year ended March 31, 2024. Funds were provided from the gross proceeds of \$7,300,718 received through a private placement that closed on June 12, 2024 which closed concurrently with the Company completing a public listing on the ASX. This funding will finance the Company's exploration programs and administrative costs for the next 12 months. The Company has demonstrated an ability to raise new capital in the past 12 months and the Board is confident of continuing to be able to raise new capital as needed to fund its operations.

Operating activities

During the six months ended September 30, 2024, net cash used in operating activities amounted to \$4,436,140 (September 30, 2023 - \$1,933,485).

Investing activities

During the six months ended September 30, 2024, the Company used \$13,410 cash through investing activities (September 30, 2023 \$2,158).

Financing activities

During the six months ended September 30, 2024, cash provided from financing activities was \$6,804,615 (September 30, 2023 - \$5,036,017). Funds were provided from the gross proceeds of \$7,300,718 received through a private placement that closed on June 12, 2024 which closed concurrently with the Company completing a public listing on the ASX.

Financial Instruments, Risks and Capital Management

The Company does not utilize complex financial instruments in hedging metal price, foreign exchange or interest exposure. Any hedging activity requires approval of the Company's Board of Directors. The Company will not hold or issue derivative instruments for speculation or trading purposes. Please refer to the Condensed Interim Consolidated Financial Statements for the six months ended September 30, 2024.

Related Party Transactions

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, which includes the directors and officers. The aggregate value of transactions related to key management personnel are as follows:

Six months ended,	September 30, 2024	September 30, 2023
Officers	\$270,306	\$105,000
Directors	497,975	78,506
Total compensation	\$768,281	\$183,506

As of September 30, 2024, \$88,480 was due to Officers and Directors for consulting fees and reimbursable expenses (March 31, 2024 - \$98,685).

As of September 30, 2023, a loan valued at \$259,420 was due to an Officer of the Company. During the six months ended September 30, 2023, nil was repaid. The loan amount was unsecured, non-interest bearing and repayable on demand and convertible into common shares after one year. The loan was repaid during the year ended March 31, 2024, therefore, no amounts were due as of September 30, 2024.

As of September 30, 2023, a related party owed the Company \$642,859. The party was considered a related party by virtue of the fact that Resouro's CEO owned 33.3% of the outstanding shares. As of March 11, 2024, the Company purchased the related party: the Tiros acquisition (Note 5). Amounts owed at the time of the purchase were included in the fair value of the total consideration paid as the identified liabilities assumed. Therefore, as of September 30, 2024, there were no amounts due to the related party as a result of the Tiros acquisition.

Internal Controls and Disclosure Controls Over Financial Reporting

On November 23, 2007, the British Columbia Securities Commission by which the Company is regulated, exempted Venture Issuers from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is required to file basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements or obligations that are not disclosed in the Financial Statements.

Accounting Policies and Recent Accounting Pronouncements

The Company's significant accounting policies are presented in Note 2 of the annual audited financial statements for the year ended March 31, 2024.

Risks and Uncertainties

In addition to the usual risks associated with an investment in an exploration-stage company, management and the directors of the Company believe that, in particular, the following risk factors should be considered. It should be noted that the list is not exhaustive and that other risk factors may apply. For further information regarding the Company's risks, please refer to the detailed disclosure below concerning the material risks and uncertainties associated with the Company's business. An investment in the Company may not be suitable for all investors.

No assurance of titles or borders

The acquisition of the right to exploit mineral properties is a very detailed and time-consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that such rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's surface or mineral properties may be subject to prior unregistered agreements; transfers or claims and title may be affected by, among other things, undetected defects. Such third-party claims could have a material adverse impact on the Company's operations.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

Financing risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. The Company's ability to secure a new project is dependent upon the Company's ability to obtain financing through equity or debt financing or other means. The securities markets can experience a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, may experience wide fluctuations in share prices which will not necessarily be related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Mineral property exploration and mining risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. The main operating risks include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The Company may earn an interest in certain properties through option agreements and acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of prefeasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property. The market prices for silver, gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Insured and uninsured risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in the damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability. Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company. Some work is carried out through independent

consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

Environmental risks and hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

Conflicts of interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Political and currency risks

The Company is operating in countries that currently have varied political environments. Changing political situations may affect the way the Company operates. The Company's equity financings are sourced in Canadian dollars, but for the most part, it incurs its expenditures in local currencies. There are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the Brazilian real could have an adverse impact on the amount of exploration conducted.

Key personnel risk

The Company's success depends on key personnel working in management and administrative capacities or as consultants. The loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business, and the results of operations.

Outstanding Share Data

As of the date of this MD&A, the Company has issued 92,447,192 common shares, 600,616 broker share purchase warrants, 10,495,000 common share purchase options, 1,843,643 broker compensation options and 750,000 performance rights.

DIRECTORS AND OFFICERS

Chris Eager, Chairman of the Board

Anne Landry, Director and Audit Committee Chair (Remuneration Committee)

Justin Clyne, Director and Remuneration Committee Chair (Audit Committee)

Philippe Martins, Director (Audit Committee, Remuneration Committee)

Alistair Stephens, Chief Executive Officer

Sandra Evans, Chief Financial Officer and Corporate Secretary