



Resouro Strategic Metals Inc.
(formerly Resouro Gold Inc.)
(previously eShippers Management Ltd.)

MANAGEMENT'S DISCUSSION & ANALYSIS
Year ended March 31, 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 audited consolidated financial statements for the year ended March 31, 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 July 10, 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 (the "**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 "BU9".

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 Novo Mundo Gold Project in Mato Grosso and the Tiros Titanium and Rare Earth Elements Project ("**Tiros Project**") in Minas Gerais.

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 audited 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 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, if required, to seek joint venture partners. At the date of these consolidated financial statements, the Company had acquired material property rights. The Company has identified a known body of commercial-grade mineral on two of its properties. The Company has not achieved profitable operations and has accumulated losses since inception. The Company had a working capital surplus of \$903,224 (March 31, 2023 deficit (\$1,064,281)) and an accumulated deficit attributable to shareholders of \$9,805,476 (March 31, 2023 \$6,109,783) for the year ended March 31, 2024. The Company has incurred a loss from operations of \$3,700,373 for the year ended March 31, 2024 (March 31, 2023 \$4,465,484).

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.

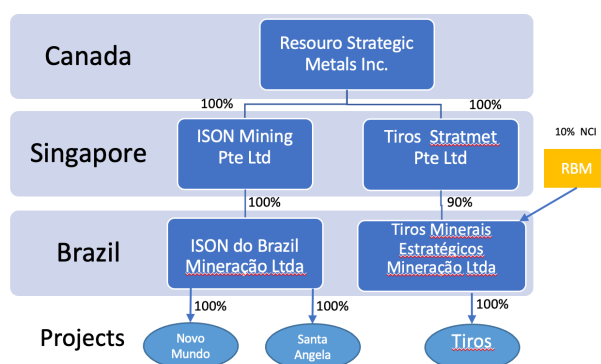
Title to exploration and evaluation assets involve certain inherent risks due to the difficulty of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of exploration and evaluation assets. The Company has investigated 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 of title and the exploration and evaluation assets may otherwise be 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 May 15, 2022, the Company changed its name from eShippers Management Ltd. to Resouro Gold Inc. On 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 520 – 999 West Hastings 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 Brasil and the Santa Angela project title and rights are under assignment and transfer to ISON do Brasil. 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 Estratégicos Mineração Ltda ("**TMEL**"), a company incorporated under the laws of Brazil. RBM Consultoria Mineral Eirlei ("**RBM**") holds a 10% non-controlling interest in TMEL.



Tiros Acquisition

On March 11, 2024, approval was received from the TSX 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 titles which are currently being explored for titanium and rare earth elements. All consideration paid is subject to a 2-year escrow required by the Australian Securities Exchange ("**ASX**") listing that went into effect on June 14, 2024.

Corporate Highlights

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 CHESS 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

Changes to the Board of Directors

During July 2023, the Company welcomed two new Directors to the Resouro Board of Directors, Anne Landry (Canada) and Justin Clyne (Australia).

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:
 - 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 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.

Issuance of Stock Options

- 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, 24,530,750 common shares were subject to escrow which has now expired as of the date of this report.

Immediately following the completion of the RTO, the Company changed its name from eShippers Management Ltd. to Resouro Gold Inc.

Exploration Projects

I The Tiros Titanium and Rare Earth Elements Project

The Tiros project, located in the Alto Paranaíba region, Minas Gerais, Brazil, has been identified as one of the world's largest and highest-grade undeveloped titanium deposits with associated heavy rare earth elements which were identified in historic drilling programs. Tiros is comprised of 25 mineral licenses totaling 450 square kilometers ("**km²**") located 317 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.

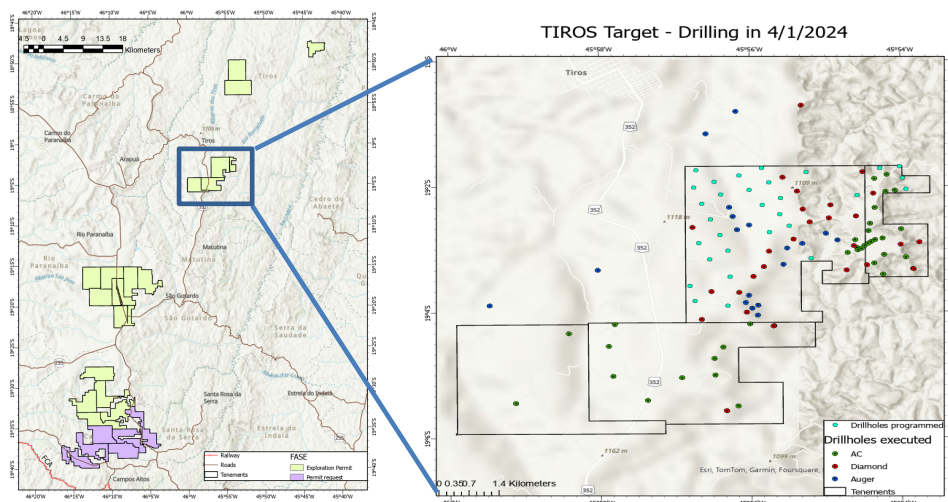
The Tiros project was owned by RBM. On July 31, 2023, Resouro entered into the Tiros Agreement followed by the First Addendum agreement signed on October 19, 2023 to acquire a 90% interest in the Tiros project and the Second Addendum, which incorporated adjustments to the Agreement in order to comply 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% non-controlling interest in TMEL.

Project History

The exploration history of the areas that make up the Tiros project began in 2010, with the original owner of the Tiros titles, Águia Metais Ltda, initially focusing on phosphate and starting in 2013, on titanium. From 2010 to 2017, there was extensive geological mapping covering the Capacete formation undertaken. This mapping was based on the geophysical interpretation and field work previously undertaken. Between 2016 to 2017, 20 air-core drilling holes were undertaken totaling 1,225 metres ("m") with depths varying from 35m to 60m. Between 2017 to 2023, during which time RBM assumed ownership of the titles, RBM maintained the Tiros project titles, expanded the project by acquiring new titles and undertaking various geological desktop studies.

The Tiros project exploration work carried out by Resouro began in 2023. It was comprised of chemical reanalysis of samples from historic drilling which included auger, air-core and diamond drilling campaigns. There were 257m over 25 auger holes, 1,562m over 30 air-core holes and, 1,634m over 26 diamond drill holes (the results of which are noted below). Refer to Figure 1 for details of the Company's drilling location.

Figure 1 – 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 1, 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

<u>FT-07</u>	<u>403540.6</u>	<u>7893845</u>	<u>944.0546</u>	<u>0</u>	<u>90</u>	<u>0</u>	<u>2</u>	<u>3.610</u>	<u>10.82</u>
<u>FT-09</u>	<u>401958.9</u>	<u>7891441</u>	<u>1039.084</u>	<u>0</u>	<u>90</u>	<u>3</u>	<u>11</u>	<u>5.768</u>	<u>16.03</u>
<u>FT-10</u>	<u>401827.6</u>	<u>7891643</u>	<u>1001.096</u>	<u>0</u>	<u>90</u>	<u>7</u>	<u>10</u>	<u>3.143</u>	<u>8.76</u>
<u>FT-11</u>	<u>401967.7</u>	<u>7891730</u>	<u>1033.299</u>	<u>0</u>	<u>90</u>	<u>0</u>	<u>10.5</u>	<u>7.181</u>	<u>10.47</u>
<u>FT-14</u>	<u>404435.9</u>	<u>7911032</u>	<u>1040.91</u>	<u>0</u>	<u>90</u>	<u>12</u>	<u>15</u>	<u>662</u>	<u>9.37</u>
<u>FT-15</u>	<u>404013.3</u>	<u>7911081</u>	<u>1034.5</u>	<u>0</u>	<u>90</u>	<u>3</u>	<u>16</u>	<u>1,846</u>	<u>9.92</u>
<u>FT-16</u>	<u>403803.7</u>	<u>7911334</u>	<u>988.3385</u>	<u>0</u>	<u>90</u>	<u>0</u>	<u>13</u>	<u>1,546</u>	<u>7.2</u>
<u>FT-18</u>	<u>405538.3</u>	<u>7910684</u>	<u>1022.839</u>	<u>0</u>	<u>90</u>	<u>2</u>	<u>9</u>	<u>2,508</u>	<u>7.66</u>
<u>FT-19</u>	<u>405670.3</u>	<u>7910407</u>	<u>1021.412</u>	<u>0</u>	<u>90</u>	<u>0</u>	<u>11</u>	<u>4,131</u>	<u>8.78</u>
<u>FT-20</u>	<u>405796.2</u>	<u>7910196</u>	<u>1037.287</u>	<u>0</u>	<u>90</u>	<u>6</u>	<u>7</u>	<u>223</u>	<u>6.14</u>
<u>FT-21</u>	<u>404814.6</u>	<u>7914113</u>	<u>892.66</u>	<u>0</u>	<u>90</u>	<u>0</u>	<u>2</u>	<u>1,882</u>	<u>4.65</u>
<u>FT-23</u>	<u>404683.3</u>	<u>7915151</u>	<u>912.154</u>	<u>0</u>	<u>90</u>	<u>0</u>	<u>11</u>	<u>5,155</u>	<u>14.03</u>
<u>FT-24</u>	<u>404434.8</u>	<u>7915040</u>	<u>916.733</u>	<u>0</u>	<u>90</u>	<u>0</u>	<u>15</u>	<u>3,885</u>	<u>13.01</u>
<u>FT-25</u>	<u>406423.4</u>	<u>7915087</u>	<u>1012.846</u>	<u>0</u>	<u>90</u>	<u>0</u>	<u>12</u>	<u>8,150</u>	<u>20.1</u>

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 experience 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

<u>HoleID</u>	<u>X</u>	<u>Y</u>	<u>Z</u>	<u>AZIMUTH</u>	<u>DIP</u>	<u>Interval FROM</u>	<u>Interval TO</u>	<u>Average TREO ppm</u>	<u>Average TiO₂%</u>
<u>ACTIR-21</u>	<u>404224</u>	<u>7893656</u>	<u>1050</u>	<u>90</u>	<u>0</u>	<u>0</u>	<u>43</u>	<u>1,979.80</u>	<u>6.31</u>
<u>ACTIR-22</u>	<u>404273</u>	<u>7893424</u>	<u>1053</u>	<u>90</u>	<u>0</u>	<u>0</u>	<u>58</u>	<u>2,704.42</u>	<u>7.60</u>
<u>ACTIR-23</u>	<u>404863</u>	<u>7893710</u>	<u>1051</u>	<u>90</u>	<u>0</u>	<u>2</u>	<u>57</u>	<u>2,704.18</u>	<u>8.24</u>
<u>ACTIR-24</u>	<u>404686</u>	<u>7893661</u>	<u>1064</u>	<u>90</u>	<u>0</u>	<u>0</u>	<u>80</u>	<u>3,624.82</u>	<u>11.36</u>
<u>ACTIR-25</u>	<u>404596</u>	<u>7893609</u>	<u>1054</u>	<u>90</u>	<u>0</u>	<u>0</u>	<u>59</u>	<u>3,027.54</u>	<u>9.05</u>
<u>ACTIR-26</u>	<u>404440</u>	<u>7893490</u>	<u>1054</u>	<u>90</u>	<u>0</u>	<u>0</u>	<u>83</u>	<u>3,210.73</u>	<u>9.96</u>
<u>ACTIR-27</u>	<u>404280</u>	<u>7893363</u>	<u>1057</u>	<u>90</u>	<u>0</u>	<u>29</u>	<u>46</u>	<u>4,214.78</u>	<u>15.06</u>
<u>ACTIR-28</u>	<u>404372</u>	<u>7893400</u>	<u>1035</u>	<u>90</u>	<u>0</u>	<u>32</u>	<u>80</u>	<u>3,712.54</u>	<u>12.31</u>
<u>ACTIR-29</u>	<u>404527</u>	<u>7893553</u>	<u>1055</u>	<u>90</u>	<u>0</u>	<u>45</u>	<u>74</u>	<u>3,942.54</u>	<u>12.11</u>
<u>ACTIR-30</u>	<u>404534</u>	<u>7893922</u>	<u>1047</u>	<u>90</u>	<u>0</u>	<u>18</u>	<u>48</u>	<u>4,480.77</u>	<u>10.93</u>
<u>ACTIR-31</u>	<u>404050</u>	<u>7893281</u>	<u>1057</u>	<u>90</u>	<u>0</u>	<u>33</u>	<u>59</u>	<u>6,410.20</u>	<u>15.13</u>
<u>ACTIR-32</u>	<u>404899</u>	<u>7893225</u>	<u>1038</u>	<u>90</u>	<u>0</u>	<u>51</u>	<u>63</u>	<u>5,305.54</u>	<u>13.80</u>
<u>ACTIR-33</u>	<u>404876</u>	<u>7892647</u>	<u>1058</u>	<u>90</u>	<u>0</u>	<u>10</u>	<u>51</u>	<u>4,342.98</u>	<u>11.46</u>
<u>ACTIR-34</u>	<u>404677</u>	<u>7894603</u>	<u>1072</u>	<u>90</u>	<u>0</u>	<u>53</u>	<u>67</u>	<u>5,165.90</u>	<u>14.00</u>
<u>ACTIR-36</u>	<u>405143</u>	<u>7895114</u>	<u>1019</u>	<u>90</u>	<u>0</u>	<u>6</u>	<u>46</u>	<u>4,575.54</u>	<u>15.15</u>
<u>ACTIR-37</u>	<u>396320</u>	<u>7888840</u>	<u>1024</u>	<u>90</u>	<u>0</u>	<u>22</u>	<u>49</u>	<u>3,198.24</u>	<u>10.47</u>
<u>ACTIR-38</u>	<u>397552</u>	<u>7890890</u>	<u>1022</u>	<u>90</u>	<u>0</u>	<u>20</u>	<u>57</u>	<u>3,277.94</u>	<u>11.89</u>

<u>ACTIR-39</u>	<u>405672</u>	<u>7910407</u>	<u>992</u>	<u>90</u>	<u>0</u>	<u>6</u>	<u>16</u>	<u>4,867.20</u>	<u>9.34</u>
<u>ACTIR-40</u>	<u>406571</u>	<u>7914075</u>	<u>1039</u>	<u>90</u>	<u>0</u>	<u>47</u>	<u>51</u>	<u>6,611.91</u>	<u>14.94</u>
<u>ACTIR-41</u>	<u>422780</u>	<u>7919369</u>	<u>910</u>	<u>90</u>	<u>0</u>	<u>6</u>	<u>12</u>	<u>7,564.85</u>	<u>18.02</u>
<u>ACTIR-42</u>	<u>423471</u>	<u>7921116</u>	<u>959</u>	<u>90</u>	<u>0</u>	<u>17</u>	<u>35</u>	<u>6,417.17</u>	<u>18.45</u>
<u>ACTIR-43</u>	<u>407349</u>	<u>7914551</u>	<u>1054</u>	<u>90</u>	<u>0</u>	<u>47</u>	<u>53</u>	<u>9,713.40</u>	<u>21.63</u>
<u>ACTIR-46</u>	<u>386029</u>	<u>7868243</u>	<u>1109</u>	<u>90</u>	<u>0</u>	<u>41</u>	<u>53</u>	<u>4,331.61</u>	<u>14.42</u>
<u>ACTIR-48</u>	<u>380630</u>	<u>7860388</u>	<u>1125</u>	<u>90</u>	<u>0</u>	<u>24</u>	<u>41</u>	<u>4,746.34</u>	<u>11.60</u>
<u>ACTIR-50</u>	<u>381569</u>	<u>7862210</u>	<u>1122</u>	<u>90</u>	<u>0</u>	<u>13</u>	<u>32</u>	<u>3,442.69</u>	<u>11.55</u>

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 varied 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.

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

Geology and Mineralisation

Mineralisation 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 mineralisation 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:

Exploration

- a. Post receipt of pending drill hole assays undertake an assessment of the data collected and confirm boundaries, average grades and thicknesses of mineralization.
- b. Conduct further exploration "scout holes" and infill drilling to define a mineral resource estimate for the Tiros Project in accordance with JORC Code, which will include demonstrating preliminary and reasonable prospects for economic extraction, with sufficient flexibility to support the evaluation of both bulk-tonnage and mining methods.
- c. Perform further density tests on the lithologies of interest.
- d. Metallurgical and Processing: Undertake mineralogical and preliminary metallurgical studies to demonstrate the potential recoveries and subsequent economic extraction of payable metals, such as in support of the production of concentrates for export or in support of secondary processing. Also carry out the characterization of the presence of uranium and thorium in REE concentrates.
- e. Other related studies: Carry out a topographic survey of the Tiros Project area.
- f. Other related studies: Determine if the asset meets investment hurdles to undertake further studies.

II The 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 3 contiguous exploration licences cover an area of 16,735 hectares ("ha"). To date, 5,500 meters ("m") 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 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 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 provides that for a period of 3 years ending May 2024, Nexa has the right to, at their own cost, explore for base metals, provided this work does not interfere with the Resouro exploration program. If Nexa discovers a commercially viable base metals project, Nexa will grant Resouro a 1.5% net smelter royalty ("NSR"). If Nexa does not wish to proceed with base metals exploration, then the Company can elect to explore the Novo Mundo Project area for base metals and if a commercially viable project is found then 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 any NSR granted under the ISON-Nexa Agreement. The purchase price for such buy back is US \$5,000,000 if purchased before 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.

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

Resouro is liable to assume 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 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.

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 mineral process, the Company shall pay a 1.5% net service revenue ("**NSR**") to Coogavepe, from the effective commercialization of the 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 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 1268 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.

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 (C\$140,530).

IV The Buracão Gold Project

In February 2021, the Company, through its Brazilian subsidiary, 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 CAD \$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 CAD \$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.

V Pernambuco project

In December 2021, the Company acquired 3 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 (C\$25,525). 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

Year ended March 31, 2024

The Company recorded an operational net loss of \$3,700,373 for the year ended March 31, 2024, compared to an operational net loss of \$4,465,484 for the year ended March 31, 2023. The loss recognized for the prior year ended March 31, 2023 included the \$1,837,480 listing expense recognized at the completion of the RTO on May 15, 2022 and \$1,684,872 of exploration costs incurred to undertake a drilling program on the Novo Mondo property. In comparison, the net loss recognized for the year ended March 31, 2024 was primarily due to professional fees incurred as the Company engaged the expertise of audit, legal and marketing professionals to execute a secondary listing process, resulted in the listing on the ASX effective June 14, 2024. Management fees were also higher for the year because the Company engaged the expertise of four Directors and two Officers as consultants. In addition, 1,385,975 was recognized for share based compensation to recognize the issuance of stock options during the year.

QUARTERLY FINANCIAL INFORMATION

The following table provides selected financial information for the eight quarters up to March 31, 2024 and should be read in conjunction with the Company's financial statements.

Quarter ended	March 31, 2024	December 31, 2023 ⁽³⁾	September 30, 2023 ⁽³⁾	June 30, 2023
Net loss	\$(712,634)	\$(1,771,292)	\$(661,628)	\$(554,819)
Earnings (loss) per share ⁽²⁾	(0.01)	(0.03)	(0.01)	(0.01)
Weighted average shares outstanding ⁽²⁾	62,856,955	62,565,888	62,687,295	45,518,033

Quarter ended	March 31, 2023	December 31, 2022 ⁽³⁾	September 30, 2022 ⁽³⁾	June 30, 2022 ⁽³⁾
Net loss	\$(1,302,098)	\$(398,006)	\$(713,651)	\$(214,249)
Listing expense	-	-	-	(1,837,480)
Earnings (loss) per share ⁽²⁾	(0.03)	(0.00)	(0.02)	(0.05)
Weighted average shares outstanding ⁽²⁾	43,076,420	43,974,956	43,974,956	40,370,937

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

⁽²⁾ Basic and diluted

⁽³⁾ Restated and amended

A net loss of \$554,819 and \$2,051,729 were recognized for the three months ended June 30, 2023 and June 30, 2022 respectively. The loss for the three months ended June 30, 2022 was primarily due to the recognition of a \$1,837,480 listing expense as a result of closing the RTO on May 15, 2022. Expenditures related to the three months ended June 30, 2023 include the following significant components: Professional fees of \$128,355 (June 30, 2022 - \$13,935); office costs of \$16,255 (June 30, 2022 - \$268); management fees of \$71,237 (June 30, 2022 - \$82,728); exploration expenses of \$717 (June 30, 2022 - \$10,566); travel expenses of \$31,443 (June 30, 2022 - \$37,681); stock based compensation fees of \$301,916 (June 30, 2022 nil) and \$4,483 in foreign exchange loss (June 30, 2022 - \$69,071).

A net loss of \$661,628 and \$713,651 were recognized for the three months ended September 30, 2023 and September 30, 2022 respectively. Expenditures incurred during the three months ended September 30, 2022 were reclassified for the purposes of streamlining the comparative reports. Expenditures related to the three months ended September 30, 2023 include the following components: Professional fees of \$395,289 (September 30, 2022 - \$116,539); office costs of \$24,039 (September 30, 2022 - \$12,892); management fees of \$112,269 (September 30, 2022 - \$57,457); exploration expenses of \$7,671 (September 30, 2022 - \$444,415); travel expenses of \$15,466 (September 30, 2022 - \$53,105); stock based compensation expense of \$112,696 (September 30, 2022 nil) and \$56,050 in foreign exchange loss (September 30, 2022 - \$28,950). 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. During the three months ended September 30, 2022, the Company undertook a drilling program on one of its properties in Brazil, which resulted in a significantly higher exploration expense for the period.

A net loss of \$1,771,292 and \$398,006 were recognized for the three months ended December 31, 2023 and December 31, 2022 respectively. Expenditures incurred during the three months ended December 31, 2022 were reclassified for the purposes of streamlining the comparative reports. Expenditures related to the three months ended December 31, 2023 include the following components: Professional fees of \$473,869 (December 31, 2022 - \$(73,122)); office costs of \$23,008 (December 31, 2022 - \$20,780); management fees of \$174,536 (December 31, 2022 - \$72,572); exploration expenses of \$29,220 (December 31, 2022 - \$314,759); travel expenses of \$82,419 (December 31, 2022 - \$11,592); stock based compensation expense of \$800,880 (December 31, 2022 nil) and \$184,523 in foreign exchange loss (December 31, 2022 - \$50,953). The Company incurred higher professional fees during the three months ended December 31, 2023 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 as consultants. Effective October 1, 2023, the Company assumed the obligations of an office lease in Australia which resulted in accretion and lease liability depreciation expenses.

A 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 March 31, 2024, the Company had a deficit attributable to shareholders of \$9,805,476 (March 31, 2023 - \$6,109,783). The Company reported cash of \$1,921,272, accounts receivable and prepaid of \$52,203, accounts payable and accrued liabilities of \$938,709 and an amount due to a related party of \$98,685. The Company has no long-term debt.

During the year ended March 31, 2024, cash increased by \$1,914,513. The cash raised through the private placements closed during the year has funded the Company's activities throughout the year ended March 31, 2024. During the year ended March 31, 2024 the Company raised \$6,449,620 through four private placements that closed on May 10, 2023, July 11, 2023, August 29, 2023 and March 25, 2024. The funds raised during the year ended March 31, 2024 combined with the \$7,300,718 raised through the ASX private placement that closed on June 12, 2024, will fund 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 year ended March 31, 2024, net cash used in operating activities amounted to \$2,795,781 (March 31, 2023 - \$1,795,966).

Investing activities

During the year ended March 31, 2024, the Company used \$1,438,701 cash through investing activities (March 31, 2023 \$528,707).

Financing activities

During the year ended March 31, 2024, cash provided from financing activities was \$6,148,995 (March 31, 2023 - \$2,321,962). Funds provided by financing activities for the year ended March 31, 2023 were realized from the gross proceeds of \$2,368,277 received through the RTO Concurrent Financing which closed on May 15, 2022. Funds provided by financing activities for the year ended March 31, 2024 were realized from the gross cash proceeds of \$6,426,071 received through four private placements. Additional financing has been 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 audited Financial Statements for the year ended March 31, 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. The aggregate value of transactions relating to key management personnel are as follows:

	Year ended, March 31, 2024	Year ended, March 31, 2023
Officers	\$ 362,260	\$ 111,169
Directors	203,770	53,754
Total compensation	\$ 566,030	\$ 164,923

As at March 31, 2024, a loan valued at \$nil (March 31, 2023 - \$261,099) was due to an Officer of the Company. During the year ended March 31, 2024, the loan was repaid in full.

As at March 31, 2024, \$98,685 was due to Officers and Directors for fees and reimbursable expenses (March 31, 2023 - \$19,325).

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 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 92,332,192 common shares, 600,616 broker share purchase warrants, 10,610,000 common share purchase options, 1,843,643 broker compensation options and 750,000 performance rights.

DIRECTORS AND OFFICERS

Chris Eager, Chairman of the Board and Chief Executive Officer
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)
Logan Francis, Chief Operations Officer
Sandra Evans, Chief Financial Officer and Corporate Secretary