RESOURO STRATEGIC METALS

ARBN 671 716 457

ANNUAL REPORT

Year Ended 31 March 2024

Visit Our Website
www.resouro.com

Resouro Strategic Metals Inc. (Company) is a company incorporated in Vancouver, Canada. The Company is also registered as a foreign company under the Corporations Act with ARBN 671 716 457.

Contents

Chairman's Letter

Dear Fellow Shareholders,

It is my pleasure to present to you the Resouro Strategic Metals Inc. (**Resouro** or **Company**) Annual Report for the Financial Year ended 31 March 2024 (**FY24**), marking our first Annual Report as a dual listed company.

During FY24, we have focused our operational efforts on exploration activities and at a corporate level we focused on broadening our investor base to support what we believe will be one of the world's leading titanium and rare earths projects. I am pleased to report we have made tremendous progress on these endeavours.

Achievements

Resouro has achieved several key milestones throughout the Financial Year and beyond, with the most notable being:

- The Company's listing on the Australian Securities Exchange (**ASX**) in mid-June following the successful completion of an AUD$8.0m capital raising in conjunction with the Initial Public Offering (**IPO**); and

- The Company's maiden JORC Resource Mineral Resource Estimate (**MRE**) for the Tiros Rare Earth Element (**REE**) and Titanium Project in Brazil (**Tiros** or **Project**) which delineated a 1.7 billion (**bn**) tonne resource.

The maiden MRE places the Tiros Project as one of the largest undeveloped titanium and rare earth resources not only in Brazil, but globally. This very substantial resource has been defined over a Central Block which covers just 7% of the Tiros Project land area and step-out drilling to the North and South demonstrates consistent thickness and grades up to 35 kilometres away from the Central Block.

This significant resource puts Resouro in a highly favourable position compared to our peers from an in-ground resource perspective, which is highlighted below.

Maiden JORC Resource

The Maiden JORC MRE for Tiros included 1.7 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 ("TiO_2") in all three resource categories (*refer to the table below and to the Company's announcement to the ASX on 18 July 2024 for full exploration details and relevant JORC table information*).

Of the 1.7 bn tonnes, the deposit contains a high-grade domain of 120,000,000 tonnes at 9,000 ppm TREO containing 2,400 ppm of MREO and TiO_2 of 23%. The combined Measured and Indicated resources represent 1.0 bn tonnes at 4,050 ppm TREO containing 1,120 ppm MREO and 12% TiO_2.

DOMAIN	CAT	TONNES (t)	TiO2 (%)	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**

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

The Board believes that Tiros has the potential to become a world class REE and Titanium project and we remain committed and focused on delivering a successful outcome for the Project over the next few years while doing our utmost to enhancing shareholder value along the way.

Next Steps – Tiros

In terms of next steps for Tiros, these include the following key pieces of work, already underway:

- Undertaking chemical and metallurgical testwork to determine downstream processing; and
- Completing preliminary economic evaluation and undertaking technical studies.

We look forward to updating shareholders throughout FY25 on our progress at Tiros.

Novo Mundo

In addition to Tiros, Resouro has a 100% ownership and title in the Novo Mundo Gold Project (**Novo Mundo**) located in the Alta Floresta Gold Province, in the Mato Grass state, also in Brazil. Resouro is assessing its strategic options to crystallise value from the Novo Mundo Gold Project considering the current strength of the Gold Price.

I would like to take this opportunity to thank our loyal shareholders and key stakeholders for their ongoing support, which has been instrumental in establishing and supporting Resouro on its path to success.

I would also like to thank my fellow directors, technical and operations teams on the ground for their tremendous efforts during what has been the Company's most rewarding year to date.

We look forward to another year of continued exploration and development success.

Yours faithfully,

Chris Eager

President, CEO & Director

Consolidated Financial Statements of

Resouro Strategic Metals Inc.

(formerly Resouro Gold Inc.)

For the years ended March 31, 2024 and March 31, 2023

(Expressed in Canadian Dollars)

To the Shareholders of Resouro Strategic Metals Inc.:

Opinion

We have audited the consolidated financial statements of Resouro Strategic Metals Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024 and March 31, 2023, and the consolidated statements of loss and other comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and March 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended March 31, 2024 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

MNP LLP
2000, 112 - 4th Avenue SW, Calgary AB, T2P 0H3 1.877.500.0792 T: 403.263.3385 F: 403.269.8450

Accounting for the share purchase transaction of Tiros Stratemet Pte Ltd. ("Tiros" or "TSPS").

Key Audit Matter Description

As described in Note 5 to the consolidated financial statements, the Company acquired all the issued and outstanding shares of TSPS by way of share purchase agreements from Resmin Pte Ltd and RBM Consultoria Mineral Eireli during the year ended March 31, 2024.

Determination of whether this acquisition represented a business combination or an asset acquisition required a significant amount of judgment. Management also applied significant judgment in estimating the fair value of the assets acquired. To estimate the fair value of the exploration and evaluation assets ("E&E"), management used the fair value of the equity instruments transferred as consideration.

We considered the accounting for the acquisition of TSPS as a key audit matter due to the significant judgments applied by management in concluding that this transaction did not represent a business acquisition under IFRS 3 Business combinations, and in estimating the fair value of the exploration and evaluation assets acquired.

Audit Response

We responded to this matter by performing audit procedures in relation to the accounting for the share purchase transaction of Tiros. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained and examined the share purchase agreements related to the acquisition;
- Evaluated management's analysis and consulted with internal accounting specialists regarding:

  - The determination of whether this acquisition represented an asset acquisition or a business combination under IFRS 3 Business Combinations; and
  - The accounting treatment of equity instruments paid as consideration.

- Evaluated and analyzed management's assessment of the fair value of the E&E assets acquired and equity instruments paid as consideration; and
- Obtained the signed agreements indicating ownership of claims by TSPS and tracing licenses held by TSPS to the related Brazilian government website (Agência Nacional de Mineração) as evidence of ownership of the assets acquired.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sergey Fesenko.

Calgary, Alberta

MNP LLP

July 22, 2024

Chartered Professional Accountants

RESOURO STRATEGIC METALS INC. (formerly Resouro Gold Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at,	Notes	March 31, 2024	March 31, 2023
ASSETS			
Current assets			
Cash		**$ 1,921,272**	$ 6,759
Prepaid expenses		**23,010**	3,899
Accounts receivable		**29,193**	45,717
		1,973,475	56,375
Non-current assets			
Right-of-use asset	6	**36,740**	-
Property and equipment	4	**194,787**	14,234
Exploration and evaluation assets	5	**5,640,340**	1,102,387
		5,871,867	1,116,621
TOTAL ASSETS		**7,845,342**	1,172,996
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	**938,708**	859,557
Due to related party	11	**98,685**	261,099
Lease obligation - current portion	7	**32,857**	-
		1,070,250	1,120,656
Non-current liabilities			
Lease obligation - non-current portion	7	**2,351**	-
TOTAL LIABILITY		**1,072,601**	1,120,656
SHAREHOLDERS' EQUITY			
Share capital	9	**12,985,642**	5,770,329
Warrants	9	**464,274**	359,707
Contributed surplus	9	**2,842,375**	-
Foreign currency translation reserve		**32,087**	32,087
Deficit attributable to shareholders		**(9,805,476)**	(6,109,783)
Equity attributable to shareholders		**6,518,902**	52,340
Non-controlling interest	10	**258,518**	-
Deficit attributable to non-controlling interest		**(4,680)**	-
Total shareholders' equity		**6,772,740**	52,340
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 7,845,342**	$ 1,172,996
Going Concern and Subsequent events	1 and 15		

Approved by the Board of Directors on July 10, 2024

"Christopher Eager"	*"Philippe Martins"*
CEO and Director	Director

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

RESOURO STRATEGIC METALS INC.
(formerly Resouro Gold Inc.)
Consolidated Statements of Loss and Other Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	For the year ended March 31, 2024	2023
General and administrative			
Management fees		**$ 566,030**	$ 164,923
Professional fees		**1,300,751**	403,822
Office and administrative expenses		**134,164**	141,597
Share based compensation	9	**1,385,975**	-
Travel and related expenses		**191,656**	183,052
Depreciation	4	**3,295**	1,294
Accretion of right-of-use obligation	7	**2,460**	-
Depreciation of right-of-use asset		**11,985**	-
Foreign exchange loss (gain)		**36,457**	55,508
Exploration and evaluation expenditures	5	**101,481**	1,684,872
		3,734,254	2,635,068
Other items			
Interest income		**(12,025)**	(7,405)
Interest on loan payable		**-**	341
Penalty relief		**(21,856)**	-
Listing expense	3	**-**	1,837,480
Net loss		**3,700,373**	4,465,484
Net loss attributable to			
Common shareholders		**3,695,693**	4,465,484
Non-controlling interest	10	**4,680**	-
Attributable net loss		**3,700,373**	4,465,484
Other comprehensive loss			
Items that may be reclassified subsequently to net loss			
Exchange difference on translating foreign operations		**-**	(32,656)
Total comprehensive loss		**$ 3,700,373**	$ 4,432,828
Total comprehensive loss attributable to			
Common shareholders		**3,695,693**	4,432,828
Non-controlling interest	10	**4,680**	-
Total attributable comprehensive loss		**$ 3,700,373**	$ 4,432,828
Net loss per share - basic and diluted		**$ (0.06)**	$ (0.10)
Weighted average shares outstanding basic and diluted		**62,856,955**	43,076,420

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

RESOURO STRATEGIC METALS INC. (formerly Resouro Gold Inc.)
Consolidated Statements of Cash Flow
(Expressed in Canadian dollars)

	Notes	For the year ended March 31, 2024	2023
Cash flow used in operating activities			
Loss for the year		**$ (3,700,373)**	$ (4,465,484)
Items not affecting cash:			
Listing expense	3	**-**	1,837,480
Impairment of exploration and evaluation assets	5	**-**	1,062,833
Share-based compensation	9	**1,385,975**	-
Depreciation	4	**3,295**	1,209
Foreign exchange		**-**	55,508
Accretion of right-of-use obligation	7	**2,460**	-
Depreciation of right-of-use asset	8	**11,985**	-
Net change in non-cash working capital balances:			
Accounts receivable		**17,934**	(14,621)
Prepaid expenses		**(1,062)**	(3,899)
Due to related parties		**98,685**	-
Accounts payable and accrued liabilities		**(639,386)**	(269,077)
Cash flow used in operating activities		**(2,820,487)**	(1,795,966)
Cash flow provided by financing activities			
Related party financing	11	**(261,099)**	(46,315)
Repayment of right of lease obligation	7	**(15,977)**	-
Private placement, net share issue costs	9	**6,449,620**	2,368,277
Cash flow provided by financing activities		**6,172,544**	2,321,962
Cash flow used in investing activities			
Cash acquired from reverse take-over	3	**-**	106,780
Cash obtained from acquisition	5	**48,713**	-
Funding prior to acquisition	5	**(1,199,962)**	-
Property and equipment	4	**(12,071)**	(14,257)
Exploration and evaluation costs	5	**(274,225)**	(621,230)
Cash flow used in investing activities		**(1,437,545)**	(528,707)
Net change in cash		**1,914,513**	(2,711)
Cash at beginning of the year		**6,759**	9,470
Cash at the end of the year		**$ 1,921,272**	$ 6,759

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

RESOURO STRATEGIC METALS INC. (formerly Resouro Gold Inc.)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share Capital							
	Number of shares	**Amount**	**Warrants**	**Contributed surplus**	**Non-controlling interest**	**Other comprehensive income**	**Accumulated deficit**	**Total equity**
Balance at March 31, 2022	*29,655,750*	$ 1,670,388	$ -	$ -	$ -	$ 64,743	$ (1,644,299)	$ 90,832
ISON shares cancelled in share exchange with shareholders in RTO (Note 3)	*(29,655,750)*	(1,670,388)	-	-	-	-	-	(1,670,388)
Shares issued in share exchange with shareholders in RTO recapitalization (Note 3)	*29,655,750*	1,670,388	-	-	-	-	-	1,670,388
Shares deemed to be issued in RTO (Note 3)	*7,031,079*	2,091,371	-	-	-	-	-	2,091,371
Shares issued from concurrent private placement	*7,288,127*	2,550,844	-	-	-	-	-	2,550,844
Warrants (Note 3)	-	(383,257)	383,257	-	-	-	-	-
Shares issuance costs	-	(159,017)	(23,550)	-	-	-	-	(182,567)
Foreign currency translation reserve	-	-	-	-	-	(32,656)	-	(32,656)
Loss for the year	-	-	-	-	-	-	(4,465,484)	(4,465,484)
Balance at March 31, 2023	*43,974,956*	5,770,329	359,707	-	-	32,087	(6,109,783)	52,340
Shares issued in private placements (Note 9)	*30,565,236*	6,743,000	-	-	-	-	-	6,743,000
Shares issued as compensation (Note 5)	*1,642,000*	870,260	-	-	-	-	-	870,260
Shares issuance costs (Note 9)	-	(416,380)	-	-	-	-	-	(413,380)
Agent shares (Note 9)	-	120,000	-	-	-	-	-	120,000
Agent warrants (Note 9)	-	(104,567)	104,567	-	-	-	-	-
Share based compensation (Note 9)	-	-	-	1,385,975	-	-	-	1,385,975
Acquisition compensation issued (Note 5)	-	-	-	1,456,400	-	-	-	1,456,400
Non-controlling interest (Note 10)	-	-	-	-	258,518	-	-	258,518
Loss for the year attributable to shareholders	-	-	-	-	(4,680)	-	(3,695,693)	(3,695,693)
Balance at March 31, 2024	***76,182,192***	**$ 12,985,642**	**$ 464,274**	**$ 2,842,375**	**$ 253,838**	**$ 32,087**	**$ (9,805,476)**	**$ 6,777,420**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Resouro Strategic Metals Inc. ("**the Company"** or **"Resouro**"), formerly Resouro Gold Inc. and previously eShippers Management Ltd. ("**eShippers**"), was incorporated on August 4, 1992 under the laws of British Columbia, Canada. The Company's head office and registered is Suite 520 – 999 West Hastings Street, Vancouver, British Columbia, Canada V6C 3L5. The Company's shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "RSM" previously "RAU", the Over-the-Counter pink sheet US exchange (the "**OTC**") under the symbol "RSGOF" and the Frankfurt Stock Exchange (the "**FSE**") under the symbol "BU9".

The Company has four subsidiaries. Ison Mining Pte Ltd. ("**ISON**") is owned by Resouro. ISON was 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. Tiros Stratmet Pte Ltd ("**TSPS**") is 100% owned by Resouro. TSPS was incorporated under the laws of Singapore. TSPS owns 90% of the outstanding shares of Tiros Minerais Estrategicos Mineração Ltda ("**TMEL**"), a company incorporated under the laws of Brazil. A third party holds a 10% non-controlling interest ("**NCI**") over the Tiros project assets through its 10% ownership of TMEL.

The Company changed its fiscal year end to March 31st effective May 15, 2022, upon the completion of the Company's reverse takeover transaction ("**RTO**") (Note 3). The change in the fiscal year end to March 31st was made in order to streamline the Company's financial reporting.

The Company is an exploration stage company and has interests in mineral exploration properties in Brazil. Substantially all of the Company's efforts are devoted to financing and developing these properties and/or acquiring new ones. There has been no determination whether the Company's interests in mineral exploration properties contain mineral reserves, which are economically recoverable. The recoverability of resources discovered is dependent upon the reserves being economically recoverable, the ability of the Company to obtain the necessary financing to complete their exploration and development, confirmation of the Company's interest in the underlying claims and leases, ability to obtain the necessary permits to mine, and future profitable production or proceeds from the disposition of these assets.

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 to seek joint venture partners. At the date of these consolidated financial statements, the Company has entered into agreements to acquire material property rights. The Company has not achieved profitable operations and has accumulated losses since inception. The Company had a working capital surplus of $903,225 (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.

2. MATERIAL ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and Interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**") effective for the reporting period. There are no new IFRS and/or IFRIC pronouncements currently in effect that would have a material effect on the Company.

2. MATERIAL ACCOUNTING POLICIES (*Continued*)

These audited consolidated financial statements for the year ended March 31, 2024, were prepared using the same basis of presentation, accounting policies and methods of computation as those of the audited consolidated financial statements for the year ended March 31, 2023.

Basis of presentation and measurement

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The preparation of these consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the application of the policies and reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Basis of consolidation

These consolidated financial statements comprise the accounts of the parent company, and its wholly-owned subsidiaries, after the elimination of all material intercompany balances and transactions.

Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. The Company has four subsidiaries. ISON is 100% owned by Resouro. ISON was incorporated under the laws of Singapore. ISON owns 100% of the outstanding shares of ISON do Brasil, a company incorporated under the laws of Brazil. TSPS is 100% owned by Resouro. TSPS was incorporated under the laws of Singapore. TSPS owns 90% of the outstanding shares of TMEL, a company incorporated under the laws of Brazil. A third party owns a 10% NCI of the Tiros project assets through its 10% ownership of TMEL.

Subsidiaries are deconsolidated from the date control ceases. The interest of non-controlling shareholders in the acquiree are initially measured at the non-controlling shareholders' proportionate share of the acquiree's identifiable net assets (after any relevant fair value adjustments to the assets, liabilities and contingent liabilities recognised as part of the business combination). Changes in the Company's ownership interests that do not result in a loss of control are accounted for as equity transactions with the existing shareholder.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The non-controlling interests' share of losses, where applicable, is attributed to the non-controlling interests irrespective of whether the non-controlling shareholders have a binding obligation and are able to make an additional investment to cover the losses.

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the functional and reporting currency of Resouro and its subsidiaries. Below is a list of ownership percentages and functional currencies of Resouro's subsidiaries:

Entity Name	Functional Currency	Ownership Percentage
Ison Mining Pte Ltd. ("**ISON**")	Canadian Dollar	100%
Ison Do Brasil Mineração ("**ISON do Brasil**")	Canadian Dollar	100%
Tiros Stratmet Pte Ltd ("**TSPS**")	Canadian Dollar	100%
Tiros Minerais Estrategicos Mineração Ltda ("**TMEL**")	Canadian Dollar	90% (10% NCI)

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets

The Company recognizes financial assets when it becomes party to the contractual provisions of an instrument. On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: amortized cost; fair value through other comprehensive income ("FVTOCI"); or fair value through profit or loss ("FVTPL"). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date. The Company's financial assets consist of cash and accounts receivable classified at amortized cost.

The Company's financial assets consist of cash and accounts receivable classified at amortized cost.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Impairment of financial assets

An expected credit loss ("ECL") model applies to financial assets measured at amortized cost, contract assets and debt investments at FVTOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The Company's financial assets measured at amortized cost are subject to the ECL model.

Financial liabilities

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss. Financial liabilities are designated as either: fair value through profit or loss; or amortized cost using the effective interest rate. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at VTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. The Company's financial liabilities consist of accounts payable and accrued liabilities, loan payable and due to related party classified at amortized cost. Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

2. MATERIAL ACCOUNTING POLICIES (*Continued*)

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement date, right-of-use assets are measured at cost, where cost comprises (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

A lease liability is initially measured at the present value of the unpaid lease payments, discounted using the lessee's incremental borrowing rate applied to the lease liabilities. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of leased asset. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) re-measuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in substance fixed lease payments.

Cash

Cash in the consolidated statements of financial position is comprised of cash at banks and on-hand.

Property, plant and equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The carrying amounts of property, plant, and equipment (including initial and subsequent capital expenditure) are amortized to their estimated residual value over the estimated useful lives of the specific assets

concerned. Amortization is provided using the straight-line basis evenly over the estimated useful lives of the property, plant and equipment. Property and equipment is comprised of furniture, office equipment, computer equipment, computer software and facility equipment.

The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Amortization methods, useful lives and residual values are reviewed each year end and adjusted if appropriate.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Exploration and evaluation assets and expenditures

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties pursuant to the terms of the agreement. Exploration expenditures, net of recoveries, are recorded in the statement of loss and other comprehensive loss as incurred.

After an exploration and evaluation asset is determined by management to be commercially viable and technically feasible, exploration and evaluation expenditures on the property will first be assessed for impairment before being transferred to property under development. Thereafter, all costs will be capitalized to the property.

Option payments to acquire an exploration and evaluation asset, made at the sole discretion of the Company under an option agreement, are capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the mineral property until the payments are in excess of acquisition costs, at which time they are then credited to the statement of loss and other comprehensive loss. Option payments are at the discretion of the optionee and, accordingly, are accounted for when receipt is reasonably assured.

Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work being carried out by the Company or its partners on a property, when a property is abandoned or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management’s estimate of their net recoverable amount. The recoverability of the carrying amount of mineral properties is dependent on the successful development and commercial exploitation or the sale of the respective areas of interest.

Exploration and evaluation assets and mineral properties are not subject to depletion or amortization – they are assessed for impairment annually or when circumstances indicate that the carrying value may not be recoverable.

At disposal, gains or losses of an item within Exploration and Evaluation Assets, are calculated as the difference between the proceeds from disposal and the carrying amount. Those gains or losses are recognized net within other income in the statement of loss and other comprehensive loss.

Impairment of non-financial assets

The carrying amounts of Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset’s recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable regarding previous years. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of assets or liabilities that effect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Provisions and asset retirement obligations

A provision is recognized if, as a result of a past event, Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions, including asset retirement obligations, are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Non-controlling interest

Non-controlling interest represents equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of shareholders’ equity (deficiency). Changes in the Company’s ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

Non-controlling interest consists of the non-controlling interest at the date of the original acquisition plus the non-controlling interest share of changes in equity since the date of acquisition. The Company owns 90% of the Tiros property assets held by its subsidiary, TMEL. These consolidated financial statements include 100% of the assets and liabilities related to TMEL and include a non-controlling interest representing 10% of TMEL.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a financing to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as part of the share-based payment reserve.

2. MATERIAL ACCOUNTING POLICIES (*Continued*)

Transaction costs directly attributed to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Share-based compensation

The fair value of stock options granted to employees is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each statement of financial position date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and officers of the Company.

Earnings (loss) per share

Basic earnings (loss) per share ("**EPS**") is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders, and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss because the effects of potentially dilutive common shares would be anti-dilutive.

Critical accounting judgments and estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Information about significant areas of estimation uncertainty and judgments made by management in preparing the financial statements are described below. The preparation of financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

Critical accounting judgments require management to make assumptions that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Functional currency

The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment. The Canadian dollar was determined to be the functional currency for all entities within the corporate group on a prospective basis. All entities continue to measure the items in their financial statements using their functional currencies.

2. MATERIAL ACCOUNTING POLICIES (*Continued*)

Mineral properties under exploration

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Going Concern

These consolidated financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management has applied judgment in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern assumption is appropriate for a period of at least twelve months following the end of the reporting period. Given the judgment involved, actual results may lead to a materially different outcome.

Acquisitions

The acquisition in Note 5 required management to make a judgment as to whether the entity constituted a business under the definitions of IFRS 3. The assessment required management to assess the inputs, processes, and ability of those entities to produce outputs at the time of acquisition. Pursuant to the assessment, the acquisition of the entity was considered an asset acquisition.

Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share-based payments and warrant valuations

The determination of the fair value of stock options or warrants using the Black-Scholes option pricing model, requires the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

3. REVERSE ACQUISITION BY ISON

During September 2021, the Company entered into a definitive share purchase agreement ("SPA"), subsequently amended, with ISON for an arm's-length reverse takeover, wherein the Company acquired all of the outstanding shares of ISON from its shareholders in exchange for 29,655,750 post-consolidation common shares of the Company, after its two-for-one share consolidation. During November 2021, the Company entered into a loan agreement with ISON for US$150,000 (C$190,656) bearing interest at 5% per annum calculated and payable monthly in arrears until the completion of the RTO. The transaction closed on May 15, 2022 at which time the ISON loan was re-classified to inter company.

(Expressed in Canadian Dollars)

3. REVERSE ACQUISITION BY ISON (*Continued*)

This transaction constituted a reverse asset acquisition by ISON of eShippers, who did not meet the definition of a business, before acquisition, under IFRS 3 Business Combinations (“IFRS 3”), and therefore the transaction was not a business combination as defined therein. The substance of the transaction was a reverse acquisition of a non-operating company. Although legally, eShippers is regarded as the parent or continuing entity, ISON, whose shareholders held approximately 67.4% of the voting shares of the Company immediately after the transaction, is treated as the acquirer for accounting purposes following the principles of IFRS 3. As a result, the transaction is accounted for as an asset acquisition with ISON being identified as the acquirer and the transaction being measured at the fair value of the equity consideration deemed issued to the eShippers’ shareholders in accordance with IFRS 2 Share-based Payments (“IFRS 2”).

Consequently, the transaction is accounted for as a continuation of the financial statements of ISON, together with a deemed issuance of shares equivalent to the shares held by the former shareholders of the Company, and a recapitalization of the equity of eShippers. These consolidated financial statements include the completion of the RTO recorded on May 15, 2022. ISON, the continuing entity for accounting purposes, is considered to have acquired the assets and liabilities of the eShippers in a capital transaction. The consolidated statements of loss and comprehensive loss include the full results of ISON for the year ended March 31, 2023, and for eShippers from the date of acquisition, May 15, 2022, to March 31, 2023. As the acquirer for accounting purposes, ISON’s net assets are included in the consolidated statements of financial position at their carrying amounts.

IFRS 2 applies to transactions where any entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. In accordance with IFRS 2, the amount assigned to the listing expense in profit or loss is $1,837,480, being the difference between the aggregate estimated fair value of deemed issuance shares equivalent to the shares held by the former shareholders of eShippers, less the fair value of the net assets acquired of eShippers. The estimated fair value of the deemed issuance shares equivalent to the shares held by the former shareholders of the eShippers was based on the concurrent financing.

The purchase price allocation was as follow:

	Amounts
Consideration paid:	
Common shares retained by acquiree shareholders	$2,091,371
Total consideration paid	**2,091,371**
Net assets acquired:	
Cash	106,780
Accounts receivable	2,655
Loan receivable	190,656
Accounts payable and accrued liabilities	(46,200)
Total net assets acquired	253,891
Listing expense	1,837,480
Total assets acquired	**$2,091,371**

The Company completed a concurrent non-brokered private placement of 7,288,127 units at a price of $0.35 per unit for gross cash proceeds of $2,550,844 (Note 9). Each unit consisted of one common share and one-half share purchase warrant, where each full share purchase warrant is exercisable at $0.50 per share for 24 months from the date of issuance, subject to an acceleration clause. A value of $383,257 was assigned to the warrants using the Black-Scholes model calculation (Note 9). In addition, $23,550 of share issue costs were assigned to warrants for a net warrant value of $359,707 (Note 9). Total share issue costs of $182,567 were incurred.

(Expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Asset	Depreciation	Net Book Value
Computer & software			
Opening balance March 31, 2022	$ 1,271	$ (88)	$ 1,183
Additions	459	(321)	138
Balance at March 31, 2023	1,730	(409)	1,321
Additions	48,825	(1,088)	47,737
Balance at March 31, 2024	**50,555**	**(1,497)**	**49,058**
Furniture			
Opening balance at March 31, 2022	-	-	-
Additions	7,552	(453)	7,099
Balance at March 31, 2023	7,552	(453)	7,099
Additions	5,008	(869)	4,139
Balance at March 31, 2024	**12,560**	**(1,322)**	**11,238**
Machinery			
Opening balance at March 31, 2022	-	-	-
Additions	6,246	(432)	5,814
Balance at March 31, 2023	6,246	(432)	5,814
Additions	130,015	(1,338)	128,677
Balance at March 31, 2024	**136,261**	**(1,770)**	**134,491**
Total property and equipment at March 31, 2022	$ 1,271	$ (88)	$ 1,183
Total property and equipment at March 31, 2023	15,528	(1,294)	14,234
Total property and equipment at March 31, 2024	**$199,376**	**$(4,589)**	**$194,787**

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

	March 31, 2023	Translation difference	Additions	Impairment	March 31, 2024
Brazil					
Novo Mundo	$ 961,857	$ -	$ 674,750	$ -	$ 1,636,607
Tiros project	-	-	3,863,203	-	3,863,203
Santa Angela	140,530	-	-	-	140,530
Total	$ 1,102,387	$ -	$ 4,537,953	$ -	$ 5,640,340

	March 31, 2022	Translation difference	Additions	Impairment	March 31, 2023
Brazil					
Buracão Gold	$ 138,918	$ (4,533)	$ 902,923	$ (1,037,308)	$ -
Novo Mundo	733,687	(23,937)	252,107	-	961,857
Pernambuco	26,386	(861)	-	(25,525)	-
Santa Angela	145,270	(4,740)	-	-	140,530
Total	$ 1,044,261	$ (34,071)	$ 1,155,030	$ (1,062,833)	$ 1,102,387

The Tiros Rare Earth Elements and Titanium Oxide Project

On July 31, 2023, the Company entered into a definitive purchase agreement ("**Tiros Agreement**") to acquire a 33.3% interest in the Tiros project ("**Tiros**") with the right to earn the remaining interest by achieving certain milestones. The Tiros Agreement included acceleration provisions. Resouro acquired 80,000 shares of TSPS a company incorporated in Singapore whose subsidiary TMEL, a company incorporated in Brazil, holds the titles that comprise the Tiros project area. The Company received approval from the TSX Venture Exchange ("**TSXV**") on March 11, 2024 which constitutes the closing date.

On October 19, 2023, the Company announced that it had entered into an agreement, the First Addendum, with RBM Consultoria Mineral Eirlei ("**RBM**") to accelerate the earn-in provisions detailed in the Tiros Agreement which resulted in the transfer of RBM's control over TSPS to Resouro. Therefore, at March 11, 2024, upon close of the transaction, Resouro owned 100% of TSPS. This transaction has been accounted for as an acquisition of net assets, rather than a business combination, as the net assets acquired did not represent a separate business operation. The Company applied IFRS 2 Share-based Payments in accounting for and assessing the transaction.

The following tables summarize the fair value of the total consideration paid and the aggregate fair value of the identified assets acquired, and liabilities assumed:

Purchase price	**Total**
Stock options	$ 1,456,400
Common shares	870,260
Performance rights	-
Funding to TMEL prior to acquisition	1,199,962
Total purchase price	3,526,622

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES *(Continued)*

Net Assets Acquired		**Total**
Current assets	$	68,172
Property and equipment		171,777
Exploration and evaluation assets		3,863,203
Current liabilities		(318,012)
Value of net assets allocated to NCI – 10%		(258,518)
Total net assets acquired	$	3,526,622

(i) 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 $1,540,000 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 3.5%; volatility of 69%, and an expected life of 5 years. The options vested immediately following issuance.

(ii) On March 19, 2024, the Company issued 1,642,000 common shares to RBM as compensation for the 66.7% ownership of TSPS, a company incorporated in Singapore whose subsidiary TMEL, a company incorporated in Brazil, holds the titles that comprise the Tiros project area. The shares are subject to a four month hold period. A fair value of $870,260 was assigned to the shares.

(iii) In consideration of RBM accelerating the earn-in provision of the Tiros Agreement RBM will receive 750,000 performance rights of Resouro that will be convertible into common shares upon completion of the Definitive Feasibility Study by Resouro. The performance rights are considered to have no value at this time because management is not expecting the performance condition associated with those rights to be met prior to the 5-year expiry date.

Buracão Gold project

During February 2021, the Company entered into an option agreement with a private owner to acquire 100% interest in mineral rights on the Buracão Gold project, located on the border between the States of Tocantins and Goias, Brazil.

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. Per the option agreement, the Company had the right to withdraw without further payment obligations if it gave 30 days notice before the second anniversary of signing the option agreement. The Company did not provide the required 30 days notice, and as a result the Company has incurred a penalty of 2,000,000 (Brazilian Real "**BRL**"), per the option agreement, which were due in 3 installments. The final BRL 1,000,000 payment was reduced by 8% because the Company paid the final amount early which resulted in a penalty relief of $21,856.

Therefore, a total of BRL 1,920,000 was paid as follows:

- Paid: July 25, 2023 – BRL 500,000 ($134,850)
- Paid: September 21, 2023 – BRL 500,000 ($134,850)
- Paid: October 6, 2023 – BRL 920,000 ($248,124)

5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES *(Continued)*

The final BRL 1,000,000 payment was reduced by 8% to BRL 920,000 because the Company paid the final amount early which resulted in a penalty relief of $21,856.

As a result of the withdrawal from the option agreement, the $503,508 of acquisition costs were written-off from the exploration and evaluation assets and recorded as a net loss under exploration and evaluation expenditures in the statement of loss and other comprehensive loss. In addition, the $533,800 penalty was recognized as an impairment cost under exploration and evaluation expenditures in the statement of loss and other comprehensive loss for a total impairment of $1,037,308 at March 31, 2023.

Novo Mundo project

On May 11, 2021, the Company entered into an agreement with NEXA Recursos Minerais S.A. ("**NEXA**") for the rights to conduct exploration work for up to three years (the "**Exploration Period**") on the Novo Mundo project located in the State of Mato Grosso, Brazil. The Company is now the rightful owner and titleholder of the Novo Mundo Project subject to the terms of the purchase agreement.

The Company has the rights to conduct exploration work at its sole discretion. If within the remaining exploration period for each Mineral Right an identified resource target is predominately precious metals, the Company shall have the first right to develop and solely fund the project and NEXA will retain a 1.5% Net Smelter Return ("**NSR**").

If within the remaining exploration period for each Mineral Right an identified resource target is predominately base metals:

- NEXA shall have the first right to develop and solely fund a base metals project and the Company will retain a 1.5% NSR; and
- if NEXA does not wish to proceed, the Company may elect to develop a base metals project and NEXA will retain a 1.5% NSR.
- if it is determined that the Project is predominantly a precious metals Project, any base metals should be considered as byproducts of gold, silver and/or indium deposits in the Mineral Rights shall not be considered as base metals, and shall be part of the precious metals project.

Either party has the option to buy back the NSR from the counterparty for:

- US$2,000,000 for the full 1.5% NSR (can be adjusted proportionately for partial buyback) before May 11, 2023; and
- US$5,000,000 for the full 1.5% NSR (can be adjusted proportionately for partial buyback) between May 11, 2021 to May 11, 2026.

On January 19, 2023, the Company submitted two partial exploration reports ("**PER**") to the Brazilian National Mining Agency ("**ANM**"). Following the approval of the first PER, the Company negotiated the timing of a payment of BRL 2,500,000 to Coogavepe, the original project owner previous to NEXA, during October 2023, in order to proceed with the next phase of the exploration program. As of March 31, 2024, BRL 1,5000,000 (CAD $405,000) was outstanding. The amount was settled subsequent to year-end on June 19, 2024.

Pernambuco project

During December 2021, the Company acquired certain mineral exploration rights from the Brazilian department of mines Agência Nacional de Mineração ("**ANM**") to conduct exploration work on the Pernambuco project in the State of Pernambuco, Brazil. Total consideration paid was BRL100,099 ($25,525). The Company has decided to discontinue its exploration activities with the Pernambuco project. As a result, the $25,525 of acquisition costs were written-off from the exploration and evaluation assets 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.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES *(Continued)*

Santa Angela project

During 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).

Exploration and evaluation expenditures

For the year ended,	March 31, 2024	March 31, 2023
Drilling	$ 14,342	$ 437,321
Consulting - Geologists	51,957	184,718
Impairment – Pernambuco project	-	25,525
Impairment – Buracão project	-	1,037,308
Government fees	18,854	-
Equipment and supplies	16,328	-
Total exploration and evaluation expenditures	$ 101,481	$ 1,684,872

6. RIGHT-OF-USE ASSETS

On October 1, 2023, the Company entered into a lease to rent office space in Australia for a term of twenty-one months. As a result, $48,578 was added to the right-of-use asset and the associated liability for payments. A discount rate of 14.5% was used to determine the present value of the lease obligations. During the period ended March 31, 2024, cash payments of $15,977 were paid, $2,460 of accretion and $11,985 of depreciation were recognized.

Opening balance - March 31, 2023	$ -
Additions	48,578
Accumulated depreciation	(11,985)
Foreign exchange impact	147
Closing balance - March 31, 2024	$36,740

7. LEASE OBLIGATION

The Company's lease obligations at March 31, 2024 relate to the office lease in Australia. A discount rate of 14.5% was used to determine the present value of the lease obligations.

Opening balance - March 31, 2023	$ -
Additions	48,578
Repayments	(15,977)
Foreign exchange impact	147
Accretion	2,460
Closing balance - March 31, 2024	$35,208

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2024	March 31, 2023
Trade and other payables	$ 972,478	$ 246,200
Accrued liabilities	67,768	613,357
	$ 938,708	$ 859,557

9. SHARE CAPITAL

Authorized

As at December 31, 2023, the authorized share capital of the Company was an unlimited number of common shares without par value.

	Ref	*Number*[1]	Value
Balance at March 31, 2022		***29,655,750***	**$1,670,388**
Shares cancelled in share exchange with shareholders in RTO	(ii)	*(29,655,750)*	(1,670,388)
Shares issued in share exchange with shareholders in RTO[2]	(ii)	*29,655,750*	1,670,388
Shares deemed to be issued in RTO	(ii)	*7,031,079*	2,091,371
Shares issued from concurrent private placement	(i)	*7,288,127*	2,550,844
Warrants	(i)	-	(359,707)
Share issue costs	(i)	-	(182,567)
Balance at March 31, 2023		***43,974,956***	**$5,770,329**
Shares issued, May 10, 2023	(iii)	*2,753,333*	413,000
Share issue costs, May 10, 2023	(iii)	-	(5,292)
Shares issued, July 11, 2023	(iv)	*14,133,333*	2,120,000
Share issue costs - agent shares issued, July 11, 2023	(iv)	-	(120,000)
Share issue costs - agent warrants issued, July 11, 2023[3]	(iv)	-	(104,567)
Share issue costs, July 11, 2023	(iv)	-	(11,529)
Shares issued, August 29, 2023	(v)	*10,107,142*	2,830,000
Share issue costs, August 29, 2023	(v)	-	(186,191)
Shares issued, March 25, 2024	(vii)	*3,571,428*	1,500,000
Share issue costs, March 25, 2024	(vii)	-	(90,368)
Shares issued March 19, 2024	(vi)	*1,642,000*	870,260
Balance at March 31, 2024		***76,182,192***	**$12,985,642**

[1] An Officer and Director of the Company owned 24% of the outstanding common shares as of March 31, 2024.
[2] As of March 31, 2024 there are 16,738,641 shares held in escrow.

Issued

(iv) On May 15, 2022, the Company completed a non-brokered private placement of 7,288,127 units at a price of $0.35 per unit for gross proceeds of $2,550,844 concurrent to the RTO. Each unit consisted of one common share and one-half share purchase warrant, where each full share purchase warrant is exercisable at $0.50 per share for 24 months from the date of issuance, subject to an acceleration clause. There were 3,644,062 warrants issued. 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.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (*Continued*)

(v) Under the terms of the RTO, the Company issued the following shares:

- The pre-RTO shareholders were deemed to have been issued 7,031,079 common shares with a fair market value of $2,091,371.
- The Company issued 29,655,750 common shares as consideration to the ISON shareholders with a value of $1,670,388. Of the 29,655,750 common shares issued, 24,530,750 were subject to escrow and will be released on a timed-release basis.

The terms of the escrow agreements bind the common shares held in escrow to be released on a time-released basis. As of March 31, 2024, there remain 15,782,391common shares held under a Surplus Escrow Agreement:

	Percentage of Total Escrowed Securities Released	Total Number of Escrowed Securities Released
Release Dates		
May 13, 2022	5%	1,127,314
November 13, 2022	5%	1,127,314
May 13, 2023	10%	2,254,627
November 13, 2023	10%	2,254,627
May 13, 2024	15%	3,381,942
November 13, 2024	15%	3,381,942
May 13, 2024	40%	9,018,507
Total	100%	24,546,273

As of March 31, 2024, there remain 956,250 common shares held in escrow under a Value Escrow Agreement:

	Percentage of Total Escrowed Securities Released	Total Number of Escrowed Securities Released
Release Dates		
May 16, 2022	10%	212,500
November 16, 2022	15%	318,750
May 16, 2026	15%	318,750
November 16, 2023	15%	318,750
May 16, 2024	15%	318,750
November 16, 2024	15%	318,750
May 16 2024	15%	318,750
Total	100%	2,125,000

(vi) 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.

(vii) 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. The Company issued an additional 800,000 common shares valued at $120,000 to a broker as a finders' fee. The Company issued 600,616 warrants to a broker as a finders' fee with an exercise price of $0.20. The warrants expire on July 11, 2026. The Company paid an additional $11,529 in cash finders' fees.

(viii) 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.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL *(Continued)*

(ix) 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. The shares are subject to a four month hold period. A fair value of $870,260 was assigned to the shares.

(x) On March 25, 2024, the Company issued 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.

Reserve for warrants

On May 15, 2022, the Company completed a non-brokered private placement of 7,288,127 units at a price of $0.35 per unit for gross proceeds of $2,550,844 concurrent to the RTO. Each unit consisted of one common share and one-half share purchase warrant, where each full share purchase warrant is exercisable at $0.50 per share for 24 months from the date of issuance with an expiry date of May 15, 2024, subject to an acceleration clause. The fair value of the warrants was recognized upon issuance, to reserve for warrants, where they will remain until expiration or exercise. There were 3,644,062 warrants issued. A fair value of $359,707 was assigned to the warrants, using the Black-Scholes option pricing model, and the following assumptions: expected dividend yield of 0%; risk-free interest rate of 2.6%; volatility of 89%, and an expiry date of May 15, 2024.

On July 11, 2023, the Company issued 600,616 common share purchase warrants to a broker as a finders' fee. A fair value of $104,567 was assigned to the warrants, using the Black-Scholes option pricing model and the following assumptions: expected dividend yield of 0%; risk-free interest rate of 4.13%; volatility of 105%; share price of $0.25 and an expected life of 36 months.

In consideration of RBM accelerating the earn-in provision of the Tiros Agreement RBM will receive 750,000 performance rights of Resouro that will be convertible into common shares upon completion of the Definitive Feasibility Study by Resouro. The performance rights are considered to have no value at this time because management is not expecting the performance condition associated with those rights to be met prior to the 5-year expiry date. The performance rights will be subject to the applicable hold periods under TSXV policies and Canadian securities laws.

Stock options

On January 18, 2024, the Company announced the results of the Annual General Meeting ("**AGM**") which included the approval of an amended stock option plan. The amended stock option plan allows the Company to issue up to 14,193,752 stock options which represents 20% of the issued and outstanding common shares as of December 15, 2023.

Date Issued	Number of Options	SBC Expense	Tiros fair value adjustment	Number Vested	Remaining life	Escrow release date
June 13, 2023	4,560,000	$585,935	-	1,603,332	4.2	-
October 11, 2023 (1)	2,250,000	800,040	-	2,250,000	4.5	June 14, 2026
March 11, 2024	4,000,000	-	1,456,400	4,000,000	4.9	June 14, 2026
Total	10,810,000	$1,385,975	$1,456,400	7,853,332	4.5	

(1) 1,500,000 options are held in escrow

(Expressed in Canadian Dollars)

9. SHARE CAPITAL *(Continued)*

i) On June 13, 2023, the company issued 4,560,000 common share purchase options to directors and officers of the Company. The options were exercisable at a price of $0.175 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was $789,732, which will be expensed over the next 24 months. 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 3.18%; volatility of 112%; share price of $0.21, and an expected life of 5 years. The options vest over a 24-month period following issuance with the exception of the options issued to a consulting firm, which vest over a 12-month period.

ii) On October 11, 2023, the company issued 2,250,000 common share purchase options to directors and officers of the Company. The options were exercisable at a price of $0.50 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was $800,040 and were 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 4.33%; volatility of 112%, share price of $0.45 and an expected life of 5 years. The options vested immediately following issuance and expire on October 11, 2028.

iii) On March 11, 2024, 4,000,000 stock options were issued to Resmin as compensation for its 33.3% ownership of TSPS. Upon TSXV approval the compensation was issued to close the acquisition. 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%, share price of $0.5 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 expire on March 11, 2029.

For the year ended March 31, 2024, a share-based compensation expense of $1,385,975 (March 31, 2023 $nil) has been recognized in the consolidated statement of loss and other comprehensive loss.

10. NON-CONTROLLING INTEREST

As of March 11, 2024, which marked the close of the Tiros acquisition, Resouro owned 90% of the outstanding shares of TMEL and RBM owned 10% of the outstanding shares of TMEL.

	RBM NCI Ownership
Tiros Minerais Estrategicos Mineracao Ltda ("**TMEL**")	10%
	TMEL Financials as of March 31, 2024
Net loss	$(46,800)
Net loss attributable to non-controlling interest	**(4,680)**
Current assets	43,259
Non-current assets	170,553
Current liabilities	(282,588)
Net assets	**(68,776)**

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES

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:

	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).

12. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company classified its financial instruments as follows:

	March 31, 2024	March 31, 2023
Financial assets - amortized cost:		
Cash	$ 1,921,272	$ 6,759
Accounts receivable	29,193	45,717
Financial liabilities **-** *amortized cost:*		
Accounts payable and accruals	938,708	859,557
Due to related party	98,685	261,099

Fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of cash, accounts receivable, accounts payable and accrued liabilities, and due to related party approximate their fair value because of the short-term nature of these instruments.

Capital risk management

Capital is comprised of the Company’s components of shareholders’ equity. The Company’s objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (*Continued*)

Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company is not subject to any capital restrictions and did not change its approach to capital management during the most recent period.

Credit risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash, and accounts receivable. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company relies on the issuance of shares and warrants and loans from an officer of the Company in order to fund exploration programs.

Currency risk

The Company and its subsidiaries have identified its functional currency as the Canadian dollar. Certain administrative and exploration expenditures have been paid in the EURO, the United States dollar, the Australian dollar and the Brazilian Real. The Company's exposure to foreign currency risk arises primarily on fluctuations in value between the Canadian dollar and those currencies. The Company does not have any derivative instruments in place to manage fluctuations in foreign exchange values. Management believes the foreign exchange risk related to currency conversion is minimal.

Interest rate risk

As the Company's interest-bearing assets and liabilities are not subject to significant interest rates, the Company's income and operating cash flows are not significantly affected by changes in the market interest rates.

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Year ended March 31,	
	2024	2023
Loss for the year	**$(3,700,373)**	$(4,465,484)
Expected income tax expense (recovery)	**(999,101)**	(1,205,681)
Canadian income tax rate	**27%**	27%
Effect of change in statutory and foreign tax rates and other	**30,968**	192,064
Permanent differences		
Share based compensation	**378,506**	-
Share issue costs	**(146,205)**	(35,889)
Listing expenses	**-**	494,573
Change in unrecognized deductible temporary differences and other	**735,832**	554,933
Total income tax expense (recovery)	**$ -**	$ -

(Expressed in Canadian Dollars)

13. INCOME TAXES (Continued)

The significant components of the Company's temporary differences and unused tax losses are as follows:

Period ended,	**March 31, 2024**	**Expiry date range**	March 31, 2023	Expiry date range
Non-capital losses - Canada	**$8,934,406**	**2028-2044**	$5,027,664	2027-2043
Non-capital losses - Brazil	**$2,474,824**	**No expiry date**	$2,276,038	No expiry date
Non-capital losses - Singapore	**$12,804**	**2043-2044**	$166,684	2043
Exploration and evaluation assets	**564,143**	**No expiry date**	973,720	No expiry date
Allowable capital losses	**-**	**No expiry date**	1,345,085	No expiry date
Share issuance costs	**512,949**	**2027-2044**	106,337	2027-2043
	$12,499,126		$9,895,528	

14. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment: the acquisition and exploration of mineral properties in Brazil.

15. SUBSEQUENT EVENTS

On June 14, 2024, the Company successfully completed a dual listing on the Australian Securities Exchange ("**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 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. 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 stock options in the Company at an exercise price of CAD$0.68, vesting immediately, and expiring three years from the date of issue. The options are subject to a 24-month escrow period.

Under ASX listing regulations, the following equity is subject to a 24-month escrow period. These equity instruments will be released from escrow on June 14, 2026:

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

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.

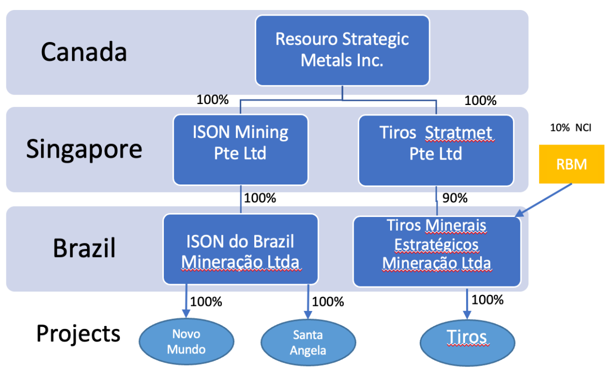
Title to exploration and evaluation assets involve certain inherent risks due to the difficulty of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of exploration and evaluation assets. The Company has investigated 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 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% non-controlling interest in TMEL.



<u>Tiros Acquisition</u>

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

1. 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.

2. 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:

   (i) 800,000 common shares issued at a price of $0.15 per common share; and
   (ii) 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
   (iii) Cash finders' fees of $11,529.

3. 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.

4. 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

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, 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 ("**km^2**") 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.

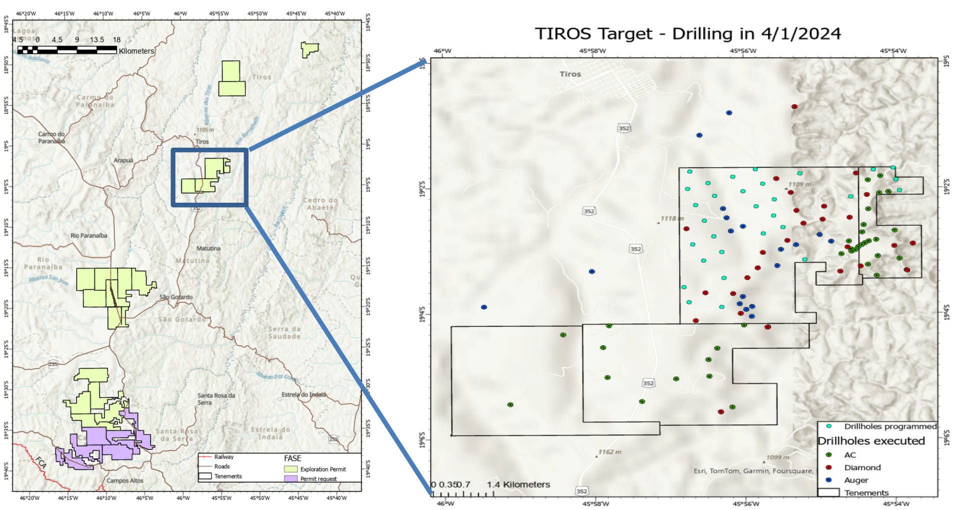
The Tiros project is located near a town called Tiros. The town has established infrastructure and amenities to support mineral exploration and is within proximity of major federal highways, high voltage power lines and major rail infrastructure. The Tiros project is accessible from paved roads with 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

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 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

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 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.

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 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 peroviskite. 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 poject 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:

Resouro Drill Hole 10 16.21 m @ 2.97 g/t gold ("**Au**") from 55.9 m *Including* 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
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 *Including* 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
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 *Including* 5.26 m @ 6.82 g/t Au from 64.08 m

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 Coogavepa 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 n°6784/2018, 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

ASX Additional Information

Additional information required pursuant to **Chapter 4** of the Australian Securities Exchange Limited Listing Rules and also pursuant to the ASX's Conditions of Admission, and not disclosed elsewhere in this Annual Report, is set out below. The information is current as of 21 July, 2024.

Corporate Governance:

The Company's Corporate Governance Statement and Appendix 4G, for the financial year ended 31 March 2024, which are lodged together with this Annual Report, can be found on the Company's website under the 'Investors' tab at www.resouro.com/investors/

Securityholder Information:

Details of Substantial Holders:

As a company incorporated in British Columbia, Canada, the provisions of Chapter 6C of the *Corporations Act 2001 (Cth)* (**Corporations Act**) dealing with notification of substantial holdings does not apply to CDI holders and shareholders in Resouro. However, pursuant to a Deed of Undertaking entered into between the Company and the ASX, the Company has undertaken to inform to the ASX on becoming aware of a person becoming a substantial holder in the Company within the meaning of section 671B of the Corporations Act, varying its substantial holding by 1% or more or ceasing to be a substantial holder, in each case to the best knowledge of the Company.

It is important to note that:

(a) the requirement to provide this information is limited to circumstances where the information is notified in writing to Resouro by or on behalf of the holder or where Resouro otherwise has specific knowledge that one or more of these events has occurred and has the relevant particulars;

(b) Resouro is not required to, and does not intend to, make enquiries of any person, including (without limitation) its shareholders, to identify or verify details of substantial holdings;

(c) unless a holder advises Resouro of the details of any associates (or other relevant persons) that have a relevant interest (or deemed relevant interest) in its Shares, Resouro will be unaware of these other relevant interests, if any; and

(d) accordingly, any information that Resouro provides to ASX is provided only to the best of the knowledge and belief of Resouro and Resouro expressly disclaims responsibility for the accuracy and completeness of the information provided to the maximum extent permitted by law.

Having regard to the above qualifications and limitations, the tables below detail the information known to Resouro as at 21 July 2024 concerning substantial holdings in Resouro. Terms which are defined in Chapter 6C of the Corporations Act are used with their defined meanings.

In accordance with the aforementioned Deed of Undertaking entered into between the Company and the ASX, the Company provides ASX with the following information in relation to the substantial holding held by Regal Funds Management Pty Limited.

1. **Details of Substantial Holder**

Name:	Regal Funds Management Pty Limited
ACN/ARSN (if applicable):	107 576 821
Date of becoming a Substantial Holder:	12 June 2024

2. **Details of Voting Power**

To the best of the Company's knowledge, the total number of equity securities and votes attached to all voting shares in the Company that the Substantial Holder or its associates had a relevant interest in (within the meaning of section 608 of the *Corporations Act 2001* (Cth)) on the date the Substantial Holder became a substantial holder is as follows:

Class of Securities	Substantial Holder		
	Number of Securities	Person's Votes *	Voting Power *
Shares	7,381,471	7,381,471	-
CDIs	2,613,086	2,613,086	-
TOTAL	9,994,557	9,994,557	10.82%

* *The number of votes held by the substantial holder and the substantial holder's voting power is calculated on the basis that all CDIs were held as shares. Each share represents one CDI.*

3. **Details of Present Registered Holders**

To the best of the Company's knowledge, the persons registered as holders of the equity securities referred to above are as follows:

Holder of Relevant Interest	Registered Holder of Securities	Class and Number of Securities
Regal Funds Management Pty Limited	UBS Nominees Pty Ltd	29,466 Shares
	Merrill Lynch Canada	2,267,821 Shares
	J P Morgan Securities LLC	5,084,184 Shares
	J P Morgan Prime Nominees Ltd	2,613,086 CDIs

In accordance with the aforementioned Deed of Undertaking entered into between the Company and the ASX, the Company provides ASX with the following information in relation to the substantial holding held by Warman Investments Pty Ltd.

1. **Details of Substantial Holder**

Name:	Warman Investments Pty Ltd
ACN/ARSN (if applicable):	008 404 144
Date of becoming a Substantial Holder:	12 June 2024

2. Details of Voting Power

To the best of the Company's knowledge, the total number of equity securities and votes attached to all voting shares in the Company that the Substantial Holder or its associates had a relevant interest in (within the meaning of section 608 of the *Corporations Act 2001* (Cth)) on the date the Substantial Holder became a substantial holder is as follows:

Class of Securities	Number of Securities	Substantial Holder	
		Person's Votes *	Voting Power *
Shares	2,224,357	2,224,357	-
CDIs	3,500,000	3,500,000	-
TOTAL	5,724,357	5,724,357	6.19%

* *The number of votes held by the substantial holder and the substantial holder's voting power is calculated on the basis that all CDIs were held as shares. Each share represents one CDI. This includes 600,000 CDIs held through an associate, Viking Management Services Pty Ltd atf VHK Super Fund. Refer table below.*

3. Details of Present Registered Holders

To the best of the Company's knowledge, the persons registered as holders of the equity securities referred to above are as follows:

Holder of Relevant Interest	Registered Holder of Securities	Class and Number of Securities
Warman Investments Pty Ltd	Warman Investments Pty Ltd	2,142,857 Shares 2,900,000 CDIs
Warman Investments Pty Ltd	Morgan Stanley	81,500 Shares
Viking Management Services Pty Ltd atf VHK Super Fund	Viking Management Services Pty Ltd atf VHK Super Fund	600,000 CDIs

Number of Holders of Each Class of Equity Securities:

Category	Number of Holders
Common Shares (1)	67
CHESS Depositary Interests	273
Unlisted Options	13
Unlisted Warrants	1
Performance Rights (2)	1

Note (1): The number of common shareholders does not include the beneficial holders held through the largest common shareholder, CDS & Co.

Note (2): As at the date of this information, none of the Performance Rights have been vested.

Voting Rights:

Shareholder Voting Rights are summarized in section 6.3 on page 80 and CDI Voting Rights are summarized in section 6.20 (a) on page 111 of the Company's prospectus dated 1 May 2024 and lodged with the ASX on 13 June 2024.

Unlisted Option Holders, Warrant Holders and Performance Rights holders do not have voting rights until such a time as those securities are converted into Common Shares or CDIs.

Distribution Range of CDI Holders:

Range	Total Holders	Number of CDIs	% of CDIs
1 to 1,000	19	10,317	0.03%
1,001 to 5,000	36	120,418	0.30%
5,001 to 10,000	97	805,285	1.99%
10,001 to 100,000	87	2,833,084	7.00%
100,001 and over	34	36,683,858	90.68%
Totals	**273**	**40,452,962**	**100.00%**

Distribution Range of Common Share Holders:

Range	Total Holders	Number of Common Shares	% of Common Shares
1 to 1,000	13	1,824	0.00%
1,001 to 5,000	14	65,896	0.07%
5,001 to 10,000	3	17,142	0.02%
10,001 to 100,000	10	615,556	0.67%
100,001 and over	27	91,631,774	99.24%
Totals	**67**	**93,332,192**	**100.00%**

Distribution Range of Unlisted Option Holders:

Range	Total Holders	Number of Options	% of Options
1 to 1,000	0	0	0.00%
1,001 to 5,000	0	0	0.00%
5,001 to 10,000	0	0	0.00%
10,001 to 100,000	0	0	0.00%
100,001 and over	13	12,453,643	100.00%
Totals	**13**	**12,453,643**	**100.00%**

Distribution Range of Unlisted Warrant Holders:

Range	Total Holders	Number of Warrants	% of Warrants
1 to 1,000	0	0	0.00%
1,001 to 5,000	0	0	0.00%
5,001 to 10,000	0	0	0.00%
10,001 to 100,000	0	0	0.00%
100,001 and over	1	600,616	100.00%
Totals	**1**	**600,616**	**100.00%**

Distribution Range of Performance Rights Holders:

Range	Total Holders	Number of Performance Rights	% of Performance Rights
1 to 1,000	0	0	0.00%
1,001 to 5,000	0	0	0.00%
5,001 to 10,000	0	0	0.00%
10,001 to 100,000	0	0	0.00%
100,001 and over	1	750,000	100.00%
Totals	**1**	**750,000**	**100.00%**

Unmarketable Parcels:

There was a total of 15 holders of less than a marketable parcel of CDIs on the ASX, comprising a total of 6,880 CDIs (0.01699% of CDIs on issue), being a parcel of less than 935 CDIs based on a closing price of AUD$0.535 per CDI on the ASX on 21 July 2024.

Top 20 CDI Holders:

Name	Number of CDIs	% of CDIs
CITICORP NOMINEES PTY LIMITED	7,726,677	19.09%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,984,208	14.78%
WARMAN INVESTMENTS PTY LTD	2,981,500	7.36%
OFFELBAR PTY LTD	2,601,191	6.43%
ILWELLA PTY LTD	2,508,333	6.20%
MR PETER VELDHUIZEN	2,200,000	5.43%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,785,000	4.41%
STRATA INVESTMENT HOLDINGS PLC	1,369,500	3.38%
SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA A/C>	893,284	2.21%
BNP PARIBAS NOMS PTY LTD	884,091	2.18%
UBS NOMINEES PTY LTD	817,475	2.02%
CHIFLEY PORTFOLIOS PTY LTD ATF THE DAVID HANNON RETIREMENT FUND	766,500	1.89%
STRATA INVESTMENT HOLDINGS PLC	700,000	1.73%
VIKING MANAGEMENT SERVICES PTY LTD <VHK SUPERANNUATION FUND A/C>	600,000	1.48%
BALCOMO INVESTMENTS PTY LTD <NETWEALTH WRAP 068289 A/C>	589,000	1.45%
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	562,426	1.39%
LASER BEAM PTY LTD	449,166	1.11%
FIGTREE INVESTMENT MANAGEMENT PTY LTD	370,000	0.91%
CITICORP NOMINEES PTY LIMITED	318,055	0.79%
CEOA PTY LTD <CEOA SUPER FUND A/C>	300,000	0.74%
Total Top 20	34,406,406	84.99%
Balance	6,076,556	15.01%
Total CDIs	**40,482,962**	**100.00%**

Top 20 Common Shareholders:

Name	Number of Common Shares	% of Common Shares
CHESS DEPOSITARY NOMINEES PTY LIMITED	38,417,247.000000	41.61
CDS & CO	20,882,248.000000	22.62
RESMIN PTE LTD	18,155,750.000000	19.66
MARCELO JULIANO DE CARVALHO	2,500,000.000000	2.71
WARMAN INVESTMENTS PTY LIMITED	2,142,857.000000	2.32
CHIFLEY PORTFOLIOS PTY LTD	1,666,667.000000	1.81
RBM CONSULTORIA MINERAL EIRELI	1,642,000.000000	1.78
GEOFFREY NICHOLAS ANICH	825,000.000000	0.89
BALCOMO INVESTMENTS PTY LTD NETWEALTH WRAP 068289 A/C	589,000.000000	0.64
LUIS PHILIPPE MENDES MARTINS	500,000.000000	0.54
ILWELLA PTY LTD	404,762.000000	0.44
STEPHANIE CHRISTINE BEREZAN	400,000.000000	0.43
SWISS LIFE LUXEMBOURG SA	371,428.000000	0.40
MERRILL LYNCH CANADA	357,107.000000	0.39
BILL BROOKS PTY LTD TR BILL BROOKS SUPERANNUATION FUND	333,333.000000	0.36
ANDREW PHILLIPS	250,000.000000	0.27
EXCHANGES CONTROL FOR CLASS C01	241,822.000000	0.26
BUNDORAN PTY LIMITED J MACPHILLAMY S/F A/C	216,160.000000	0.23
HAYWOOD SECURITIES INC <A/C HCI-8472-C>	190,476.000000	0.21
DAVID HANNON	178,607.000000	0.19
Total Top 20	90,264,464	97.76%
Balance	2,067,728	2.24%
Total Common Shares	**93,332,192**	**100.00%**

Note: The information relating to the top 20 common shareholders is as at 30 June, 2024 being the latest information available through the Company's Canadian share registry, Computershare.

Option Holders with more than 20% of Options on Issue:

Name	Number of Options	% of Options
Resim Pte Ltd	5,750,000	46.17%

Warrant Holders with more than 20% of Warrants on Issue:

Name	Number of Warrants	% of Warrants
Taylor Collison	600,616	100.00%

Performance Rights Holders with more than 20% of Performance Rights on Issue:

Name	Number of Performance Rights	% of Performance Rights
RBM Consultoria Mineral Eireli	750,000	100.00%

Escrowed Securities:

The following securities in the Company are subject to ASX imposed escrow for a period of 24 months following the company's admission to the ASX.

Category	Number of Securities
Shares	1,642,000
Options	7,343,643
Performance Rights	750,000

Business Objectives:

Since the Company's admission to the ASX and to the date of this Annual Report, the Company has used its cash and assets in a form readily convertible to cash that it had at the time of admission, consistent with its business objectives.

Buy-Back:

There is no current on market buy-back.

Listings:

The Company is listed on the ASX under the ticker code "**RAU**", the TSXV under the code "**RSM**", the Frankfurt Stock Exchange under the code "**FSE**" and the OTC under the code "**RSGOF**".

Corporations Act 2001 (Cth.):

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act which have not yet been completed.

As a foreign registered company, Resouro is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act.

Restrictions Under Canadian Law:

Any restrictions on the acquisition of securities imposed by Canadian law including any limitations on the acquisition of securities imposed by the Company's Articles are contained within Annexure B commencing on page 129 of the Company's prospectus dated 1 May 2024 and lodged with the ASX on 13 June 2024.

Employee Incentive Scheme:

No securities were purchased on market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

Additional information required pursuant to **Chapter 5** of the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this Annual Report is set out below. The information is current as of 21 July, 2024.

Listing Rule 5.20 Information on Mining Tenements:

The Company has 3 separate projects, the Tiros Rare Earths and Titanium Project in the state of Minas Gerais and the Novo Mundo Gold Project and Santa Angela project, both in the Alto Floresta Gold Province, all in Brazil.

For the purposes of the Company's IPO on the ASX which was completed in June 2024, the Company obtained a report from William Freire Advogados Associados in relation to the Company's tenement holdings (**William Freire Report**). The William Freire report contains the details of the Company's tenements with respect to all 3 projects and includes the information required pursuant to this Listing Rule. There have not been any changes to the status of the Company's tenement holdings since the William Freire Report and the date of this Annual Report. A link to the required information pursuant to this Listing Rule can be found via the following link commencing on page 414 through to page 418 of the Company's prospectus:

Resouro Tenement Information

Listing Rule 5.21 Information:

- Listing Rule 5.21.1:

The Company's JORC MRE released to the ASX on 18 July 2024 was the Company's maiden JORC MRE. Given the recent publication of the JORC MRE, there has not been an annual review as required to be reported in accordance with this rule.

- Listing Rule 5.21.2:

On 18 July 2024, the Company reported its maiden JORC 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 ("TiO_2")** in all three resource categories (*refer to the table below*).

Of the 1.7 bn tonnes, the deposit contains a **high grade domain of 120,000,000 tonnes at 9,000 ppm TREO containing 2,400 ppm of MREO and TiO_2 of 23%.** The combined Measured and Indicated resources represent **1.0 bn tonnes at 4,050 ppm TREO containing 1,120 ppm MREO and 12% TiO_2**.

DOMAIN	CAT	TONNES (t)	TiO2 (%)	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**

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

Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The tonnage and grade figures in the resource statement are rounded off to reflect the relative uncertainty of the estimate, for this reason the summations may not add up.

- The MRE incorporates 4,766 metres 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. The Resource exists within Brazil's most advanced mining state of Minas Gerais).

- <u>Listing Rule 5.21.3:</u>

The Company's JORC MRE released to the ASX on 18 July 2024 was the Company's maiden JORC MRE. Given the recent publication of the JORC MRE, there have not been any material changes required to be reported in accordance with this rule.

- <u>Listing Rule 5.21.4:</u>

The Company's JORC MRE released to the ASX on 18 July 2024 was the Company's maiden JORC MRE and, as such, a comparison is not available.

- <u>Listing Rule 5.21.5:</u>

The Company continues to review the governance arrangements and internal controls it has in place with respect to its resource reporting including the frequency and scope of these reviews. Governance and control surrounding resource reporting will remain an ongoing area of review in accordance with each periodic reporting requirement. The Company ensures that material supplied to the Competent Person is checked by the Company's senior executives and consultants to ensure accuracy and relevance.

- <u>Listing Rule 5.24:</u>

The MRE and information in this Annual Report relating to the MRE is based on, and fairly represents, information and supporting documentation prepared by Mr Simon Mortimer, a Competent and Qualified Person and registered professional geologist (FAIG #7795) with experience in geology, mineral exploration, geological modelling, mineral resource estimation and classification, and database management. Mr Mortimer has worked alongside Mr Luis Oviedo, a Competent and Qualified Person and registered professional geologist (Chilean comisión of mines, number 013) with domain experience in Rare Earth Element deposits. Mr Oviedo and Mr Simon Mortimer are consultants for Atticus Geoscience and between them have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify them as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and as Qualified Person under the National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mr Luis Oviedo and Mr Simon Mortimer consent to the inclusion of this information in this Annual Report and of the matters based on the information in the form and context in which it appears.

CORPORATE DIRECTORY

DIRECTORS 01

Christopher Eager – President, Chief Executive Officer and Director
Philippe Martins – Executive Director
Justin Clyne – Independent Non-Executive Director
Anne Landry – Independent Non-Executive Director

CORPORATE SECRETARY: 02

Sandra Evans

AUSTRALIAN LOCAL AGENT & PERSON RESPONSIBLE FOR ASX COMMUNICATIONS: 03

Justin Clyne

REGISTERED OFFICE (CANADA): 04

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Vancouver, British Columbia, Canada
Tel: +1 416 642 1807

REGISTERED OFFICE (AUSTRALIA): 05

Level 10, Kyle House, 27 Macquarie Place
Sydney, New South Wales, Australia 2000
Tel: + 61 407 123 143

CANADIAN SHARE REGISTRY: 06

Computershare Trust Company
3rd Floor, 510 Burrard Street
Vancouver, British Columbia, Canada V6C 3B9

AUSTRALIAN SHARE REGISTRY: 07

Automic Pty Ltd
Level 5, 126 Philip Street, Sydney, NSW 2000
Telephone: +61 2 8072 1400

Website: https://www.resouro.com
TSX-V Code: RSM
ASX Code: RAU