



Condensed Interim Consolidated Financial Statements of  
**Resouro Strategic Metals Inc.**

**For the three months ended June 30, 2025 and June 30, 2024**  
(Expressed in Canadian Dollars)

**Unaudited condensed interim consolidated financial statements**

In accordance with National Instrument 51-102 released by the Canadian Securities administrators, the Company discloses that its auditors have not reviewed these condensed interim consolidated financial statements for the three months ended June 30, 2025 and June 30, 2024.

**RESOURO STRATEGIC METALS INC.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Expressed in Canadian dollars)**

<b>As at,</b>	<b>Notes</b>	<b>June 30 2025</b>	<b>March 31, 2025</b>
<b>ASSETS</b>			
Current assets			
Cash		\$ 846,088	\$ 1,843,664
Prepaid expenses		66,012	54,958
Accounts receivable		25,845	26,800
		<b>937,945</b>	<b>1,925,422</b>
Non-current assets			
Right-of-use asset	6	-	7,849
Property and equipment	4	199,473	218,391
Exploration and evaluation assets	5	5,730,340	5,730,340
		<b>5,929,813</b>	<b>5,956,580</b>
<b>TOTAL ASSETS</b>		<b>6,867,758</b>	<b>7,882,002</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	8	184,617	167,342
Due to related party	11	51,167	100,019
Lease obligation - current portion	7	-	5,789
<b>TOTAL LIABILITY</b>		<b>235,784</b>	<b>273,150</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	19,480,922	19,480,922
Warrants	9	464,274	464,274
Contributed surplus		3,497,082	3,471,602
Foreign currency translation reserve		32,087	32,087
Non-controlling interest		(23,902)	17,080
Deficit attributable to shareholders		(16,818,489)	(15,857,113)
Total shareholders' equity		<b>6,631,974</b>	<b>7,608,852</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 6,867,758</b>	<b>\$ 7,882,002</b>
Going Concern	1		

Approved by the Board of Directors on August 11, 2025

"Christopher Eager"  
CEO and Director

"Philippe Martins"  
Director

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

# RESOURO STRATEGIC METALS INC.

## Condensed Interim Consolidated Statements of Loss and Other Comprehensive Loss (Expressed in Canadian dollars)

		For the three months ended June 30	
	Notes	2025	2024
<b>General and administrative</b>			
Management fees		\$ 313,884	\$ 413,252
Professional fees		167,222	455,536
Office and administrative expenses		14,132	11,960
Share-based compensation	9	25,480	82,223
Travel and related expenses		89,729	126,867
Depreciation	4	18,916	5,698
Accretion of right-of-use obligation	7	182	1,530
Depreciation of right-of-use asset	6	7,247	9,679
Foreign exchange loss (gain)		19,040	(75,982)
<b>Exploration and evaluation expenditures</b>	5	<b>370,876</b>	<b>991,566</b>
		<b>1,026,708</b>	<b>2,022,329</b>
<b>Other items</b>			
Interest income		(24,350)	(19,232)
<b>Total comprehensive loss</b>		<b>1,002,358</b>	<b>2,003,097</b>
<b>Total comprehensive loss attributable to</b>			
Common shareholders		961,376	1,909,083
Non-controlling interest	10	40,982	94,014
<b>Attributable comprehensive loss</b>		<b>\$ 1,002,358</b>	<b>\$ 2,003,097</b>
<b>Net loss per share - basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.03)</b>
<b>Weighted average shares outstanding basic and diluted</b>		<b>92,590,049</b>	<b>79,102,522</b>

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

**RESOURO STRATEGIC METALS INC.**  
**Condensed Interim Consolidated Statements of Cash Flow**  
**(Expressed in Canadian dollars)**

		<b>For the three months ended</b>	
		<b>June 30</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Cash flow used in operating activities</b>			
Loss for the period		\$ (1,002,358)	\$ (2,003,097)
Items not affecting cash:			
Share-based compensation	9	25,480	82,223
Depreciation	4	18,916	5,698
Foreign exchange		213	6,051
Accretion of right-of-use obligation	7	182	1,530
Depreciation of right-of-use asset	6	7,247	9,679
Net change in non-cash working capital balances:			
Accounts receivable		955	1,256
Prepaid expenses		(11,054)	(11,832)
Due to related parties		(48,852)	(13,765)
Accounts payable and accrued liabilities		16,840	(387,431)
Cash flow used in operating activities		(992,431)	(2,309,688)
<b>Cash flow provided by (used in) financing activities</b>			
Repayment of office lease	7	(5,145)	(8,091)
Private placement, net share issue costs	9	-	6,885,118
Cash flow provided by (used in) financing activities		(5,145)	6,877,027
<b>Cash flow used in investing activities</b>			
Property and equipment	4	-	(13,421)
Cash flow used in investing activities		-	(13,421)
<b>Net change in cash</b>		<b>(997,576)</b>	<b>4,553,917</b>
Cash at beginning of the period		1,843,664	1,921,272
<b>Cash at the end of the period</b>		<b>\$ 846,088</b>	<b>\$ 6,475,189</b>

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



**RESOURO STRATEGIC METALS INC.**  
**Condensed Interim Consolidated Statements of 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
<b>Balance at March 31, 2023</b>	<b>43,974,956</b>	<b>\$ 5,770,329</b>	<b>\$ 359,707</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,087</b>	<b>\$ (6,109,783)</b>	<b>\$ 52,340</b>
Shares issued in private placements (Note 9)	30,565,236	6,743,000	-	-	-	-	-	6,743,000
Shares issued as compensation	1,642,000	870,260	-	-	-	-	-	870,260
Shares issuance costs (Note 9)	-	(413,380)	-	-	-	-	-	(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	-	-	-	1,456,400	-	-	-	1,456,400
Non-controlling interest (Note 10)	-	-	-	-	258,519	-	-	258,519
Loss for the year attributable to shareholders	-	-	-	-	(4,680)	-	(3,695,693)	(3,700,373)
<b>Balance at March 31, 2024</b>	<b>76,182,192</b>	<b>\$ 12,985,642</b>	<b>\$ 464,274</b>	<b>\$2,842,375</b>	<b>\$ 253,839</b>	<b>\$ 32,087</b>	<b>\$ (9,805,476)</b>	<b>\$ 6,772,741</b>
Shares issued in private placements (Note 9)	16,000,000	7,300,420	-	-	-	-	-	7,300,420
Shares issuance costs (Note 9)	-	(933,772)	-	-	-	-	-	(933,772)
Shares issued - property acquisition (Note 5)	142,857	40,000	-	-	-	-	-	40,000
Agent options (Note 9)	-	-	-	428,094	-	-	-	428,094
Stock options exercised (Note 9)	265,000	88,632	-	(42,257)	-	-	-	46,375
Share based compensation (Note 9)	-	-	-	243,390	-	-	-	243,390
Loss for the year attributable to shareholders	-	-	-	-	(236,759)	-	(6,051,637)	(6,288,396)
<b>Balance at March 31, 2025</b>	<b>92,590,049</b>	<b>\$ 19,480,922</b>	<b>\$ 464,274</b>	<b>\$3,471,602</b>	<b>\$ 17,080</b>	<b>\$ 32,087</b>	<b>\$ (15,857,113)</b>	<b>\$ 7,608,852</b>
Share based compensation (Note 9)	-	-	-	25,480	-	-	-	25,480
Loss for the period attributable to shareholders	-	-	-	-	(40,982)	-	(961,376)	(1,002,358)
<b>Balance at June 30, 2025</b>	<b>92,590,049</b>	<b>\$ 19,480,922</b>	<b>\$ 464,274</b>	<b>\$3,497,082</b>	<b>\$ (23,902)</b>	<b>\$ 32,087</b>	<b>\$ (16,818,489)</b>	<b>\$ 6,631,974</b>

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

## RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and June 30, 2024

(Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Resouro Strategic Metals Inc. (“**the Company**” or “**Resouro**”), formerly Resouro Gold Inc., was incorporated on August 4, 1992, under the laws of British Columbia, Canada. The Company’s head office and registered is Suite 250, 997 Seymour Street, Vancouver, British Columbia, Canada V6B 3M1. The Company’s shares are listed on the Australian Securities Exchange (the “**ASX**”) under the symbol “**RAU**”, the Canadian Toronto Stock Exchange, Venture Exchange, (the “**TSX.V**”) under the symbol “**RSM**” and the United States Over the Counter Venture Market exchange (the “**OTCQB**”) under the symbol “**RSGOF**”.

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 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 condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from the carrying values shown and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company’s continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. At the date of these condensed interim consolidated financial statements, the Company has not achieved profitable operations and has accumulated losses since inception. The Company had a working capital surplus of \$702,161 (March 31, 2025 \$1,652,272) and an accumulated deficit attributable to shareholders of \$16,818,489 (March 31, 2025 \$15,857,113) for the three months ended June 30, 2025. The Company has incurred a loss from operations of \$1,002,358 for the three months ended June 30, 2025 (June 30, 2024 \$2,003,097).

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. SUMMARY OF MATERIAL ACCOUNTING POLICIES

These condensed interim consolidated financial statements should be read in conjunction with the annual audited financial statements for the year ended March 31, 2025. Details outlining the Company’s accounting policies are contained in the notes to the financial statements for the year ended March 31, 2025.

### 3. BASIS OF PRESENTATION

#### Statement of compliance

These condensed interim 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

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and June 30, 2024

(Expressed in Canadian Dollars)

**3. BASIS OF PRESENTATION (Continued)**

reporting period. There are no new IFRS and/or IFRIC pronouncements currently in effect that would have a material effect on the Company.

These condensed interim consolidated financial statements for the period, 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, 2024.

**Basis of presentation and measurement**

These condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The preparation of these condensed interim 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 condensed interim consolidated financial statements.

**Basis of consolidation**

These condensed interim 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 condensed interim 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)

## RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and June 30, 2024

(Expressed in Canadian Dollars)

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### 3. BASIS OF PRESENTATION (*Continued*)

#### **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.

#### **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.

## RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and June 30, 2024

(Expressed in Canadian Dollars)

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### 3. BASIS OF PRESENTATION (Continued)

#### *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 FVTPL. 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.

#### *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.

#### **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

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

**3. BASIS OF PRESENTATION** *(Continued)*

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.

*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 condensed interim 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.

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and June 30, 2024

(Expressed in Canadian Dollars)

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**3. BASIS OF PRESENTATION** *(Continued)*

**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.

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

**4. PROPERTY AND EQUIPMENT**

	<b>Asset</b>	<b>Depreciation</b>	<b>Net Book Value</b>
<b>Computer &amp; software</b>			
Opening 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
Disposals	(2,485)	262	(2,223)
Additions	51,109	(23,411)	27,698
Balance at March 31, 2025	99,179	(24,646)	74,533
Additions	-	(17,826)	(17,826)
<b>Balance at June 30, 2025</b>	<b>99,179</b>	<b>(42,472)</b>	<b>56,707</b>
<b>Office furniture &amp; renovations</b>			
Opening 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
Disposals	(219)	111	(108)
Additions	11,677	(7,054)	4,623
Balance at March 31, 2025	24,018	(8,265)	15,753
Additions	-	(42)	(42)
<b>Balance at June 30, 2025</b>	<b>24,018</b>	<b>(8,307)</b>	<b>15,711</b>
<b>Machinery &amp; equipment</b>			
Opening 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
Additions	4,972	(14,434)	(9,462)
Balance at March 31, 2025	141,233	(16,204)	125,029
Additions	-	(763)	(763)
<b>Balance at June 30, 2025</b>	<b>141,233</b>	<b>(16,967)</b>	<b>124,266</b>
<b>Office renovations</b>			
Opening balance at March 31, 2024	-	-	-
Additions	4,253	(1,177)	3,076
Balance at March 31, 2025	4,253	(1,177)	3,076
Additions	-	(287)	(287)
<b>Balance at June 30, 2025</b>	<b>4,253</b>	<b>(1,464)</b>	<b>2,789</b>
Total property and equipment at March 31, 2024	199,376	(4,589)	194,787
Total property and equipment at March 31, 2025	268,683	(50,292)	218,391
<b>Total property and equipment at June 30, 2025</b>	<b>\$ 268,683</b>	<b>\$ (69,210)</b>	<b>\$ 199,473</b>



**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and June 30, 2024

(Expressed in Canadian Dollars)

**5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES**

	March 31, 2025	Additions	June 30, 2025
<b><u>Brazil</u></b>			
<b>Novo Mundo</b>	<b>\$1,636,607</b>	<b>\$ -</b>	<b>\$1,636,607</b>
<b>Tiros project</b>	<b>3,953,203</b>	<b>-</b>	<b>3,953,203</b>
<b>Santa Angela</b>	<b>140,530</b>	<b>-</b>	<b>140,530</b>
<b>Total</b>	<b>\$5,730,340</b>	<b>\$ -</b>	<b>\$5,730,340</b>

	March 31, 2024	Additions	March 31, 2025
<b><u>Brazil</u></b>			
<b>Novo Mundo</b>	<b>\$1,636,607</b>	<b>\$ -</b>	<b>\$1,636,607</b>
<b>Tiros project</b>	<b>3,863,203</b>	<b>90,000</b>	<b>3,953,203</b>
<b>Santa Angela</b>	<b>140,530</b>	<b>-</b>	<b>140,530</b>
<b>Total</b>	<b>\$5,640,340</b>	<b>\$ 90,000</b>	<b>\$5,730,340</b>

**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 which owned 90% of TMEL. The remaining 10% of TMEL is owned by RBM as a non-controlling interest. 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:

<b>Purchase price</b>	<b>Value</b>
Stock options (Note i)	\$ 1,456,400
Common shares (Note ii)	870,260
Performance rights (Note iii)	-
Funding to TMEL prior to acquisition	1,199,962
<b>Total purchase price</b>	<b>\$ 3,526,622</b>

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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

<b>Net Assets Acquired</b>	<b>Total</b>
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)
<b>Total net assets acquired</b>	<b>\$ 3,526,622</b>

- (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 \$1,456,400 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 3.5%; 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 cannot accurately predict when the performance condition associated with those rights will be met.

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

Consideration paid includes the following staged transactions:

- a. Initial cash payment of \$50,000 and the issuance of 142,857 common shares were completed on October 24, 2024. The shares are valued at a price of \$0.28, which was the closing common share price on October 24, 2024, for a total value of \$40,000.
- b. Milestone 1: Resouro will drill 6 holes on the tenements whereby at least 3 holes show a minimum of 20 continuous meters of intercepts with over 2,000 ppm of TREO, within 2 years of the purchase date. If drilling is not completed within 2 years, then payment is due at September 9, 2026.  
Payment: \$50,000 and 142,857 common shares of Resouro.
- c. Milestone 2: Resouro completes sufficient work to issue a JORC compliant report with an inferred resource of 100 million tonnes of at least 2,000 ppm TREO within 3 years of the purchase date.  
Payment: \$50,000 and common shares based on the 20-day Volume-Weighted Average Price ("VWAP") of Resouro shares which occur immediately prior to the date the milestone is completed, with a minimum VWAP floor price of \$0.24.
- d. Milestone 3: Up to one year after the milestone 2 payment is made the final payment is due.  
Payment: \$100,000 and common shares based on the 20-day VWAP of Resouro shares which occur immediately prior to the date the milestone is completed, with a minimum VWAP floor price of \$0.24.

## RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

#### **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 Goiás, 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 to BRL 920,000 because the Company paid the final amount early which resulted in a penalty relief of \$21,856 and was recognized as an exploration and evaluation expenditure in the statement of loss and other comprehensive loss as of March 31, 2024.

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 which 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 of which 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

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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

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. The final payment of BRL 1,500,000 (CAD \$405,000) was paid on June 19, 2024.

**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 were BRL 551,099 (\$140,530).

**Exploration and evaluation expenditures**

<b>For the three months ended,</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Drilling program	\$ -	\$ 454,746
Laboratory and studies	133,590	-
Professional consultants	169,176	441,189
Government fees	14,804	57,806
Equipment and supplies	53,306	37,825
<b>Total exploration and evaluation expenditures</b>	<b>\$ 370,876</b>	<b>\$ 991,566</b>

**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. The lease expired June 2025.

Opening balance - April 1, 2025	\$ 7,849
Depreciation, for the year	(7,247)
Foreign exchange impact	(602)
Net carrying value - June 30, 2025	\$ -
Opening balance - April 1, 2024	\$ 36,740
Depreciation, for the year	(29,326)
Foreign exchange impact	435
Net carrying value - March 31, 2025	\$ 7,849

**RESOURO STRATEGIC METALS INC.**

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**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. The lease expired June 2025.

Opening balance - April 1, 2025	\$ 5,789
Repayments	(5,145)
Accretion	182
Foreign exchange impact	(826)
Closing balance - March 31, 2025	\$ -
Opening balance - April 1, 2024	\$ 32,857
Repayments	(30,386)
Accretion	3,317
Foreign exchange impact	1
Closing balance - March 31, 2025	\$ 5,789

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	June 30, 2025	March 31, 2025
Trade and other payables	\$ 174,104	\$ 105,342
Accrued liabilities	10,513	62,000
	\$ 184,617	\$ 167,342

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

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**9. SHARE CAPITAL****Authorized**

As at the date of this report, the authorized share capital of the Company was an unlimited number of common shares without par value.

	<b>Ref</b>	<b>Number <sup>(1)</sup></b>	<b>Value</b>
Balance at March 31, 2023		43,974,956	\$ 5,770,329
Shares issued, May 10, 2023	(i)	2,753,333	413,000
Share issue costs, May 10, 2023	(i)	-	(5,292)
Shares issued, July 11, 2023	(ii)	14,133,333	2,120,000
Share issue costs - agent shares issued, July 11, 2023	(ii)	-	(120,000)
Share issue costs - agent warrants issued, July 11, 2023	(ii)	-	(104,567)
Share issue costs, July 11, 2023	(ii)	-	(11,529)
Shares issued, August 29, 2023	(iii)	10,107,142	2,830,000
Share issue costs, August 29, 2023	(iii)	-	(186,191)
Shares issued, March 19, 2024	(v)	1,642,000	870,260
Shares issued, March 25, 2024	(iv)	3,571,428	1,500,000
Shares issue costs, March 25, 2024	(iv)	-	(90,368)
<b>Balance at March 31, 2024</b>		<b>76,182,192</b>	<b>\$ 12,985,642</b>
Shares issued, June 14, 2024	(vi)	16,000,000	7,300,420
Shares issue costs, June 14, 2024	(vi)	-	(933,772)
Stock options exercised, April 26, 2024	(vii)	150,000	50,915
Stock options exercised, October 22, 2024	(viii)	115,000	37,717
Shares issued, October 24, 2024	(ix)	142,857	40,000
<b>Balance at March 31, 2025 and June 30, 2025</b>		<b>92,590,049</b>	<b>\$ 19,480,922</b>

<sup>1</sup> An Officer and Director of the Company owned 19.7% of the outstanding common shares.

**Issued**

- (i) 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.
- (ii) 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.
- (iii) 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.

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

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**9. SHARE CAPITAL (Continued)**

- (iv) On March 19, 2024, the Company issued 1,642,000 common shares to RBM as compensation for transfer of RBM's control over TSPS, a company incorporated in Singapore whose subsidiary TMEL, a company incorporated in Brazil, holds the titles that comprise the Tiros project area. A fair value of \$870,260 was assigned to the shares.
- (v) On March 25, 2024, the Company issued 3,571,428 common shares 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.
- (vi) 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 CHES Depository Interests ("CDI") over common shares were issued at a price of AUD\$0.50 (CAD\$0.46). Cash consideration of AUD\$8,000,000 (CAD \$7,300,420) was received and \$933,772 of share issue costs were recognized. The CDIs are subject to a 4 month plus 1 day hold period.

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

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	3.7	June 14, 2026
Resmin	Options	750,000	October 11, 2023	3.3	June 14, 2026
Directors	Options	750,000	October 11, 2023	3.3	June 14, 2026
RBM	Shares	1,642,000	March 11, 2024	N/A	June 14, 2026
RBM	Performance rights	750,000	October 15, 2023	3.3	June 14, 2026
Taylor Collison	Options	1,843,643	June 4, 2024	1.9	June 14, 2026

- (vii) On April 26, 2024, 150,000 stock options were exercised. The options were valued at \$50,915 which is comprised of \$26,250 cash and \$24,665 of the Black-Scholes value re-classified from contributed surplus to share capital.
- (viii) On October 22, 2024, 115,000 stock options were exercised. The options were valued at \$37,717 which is comprised of \$20,125 cash and \$17,592 of the Black-Scholes value re-classified from contributed surplus to share capital.
- (ix) On October 24, 2024, 142,857 common shares were issued to acquire 3 additional tenements in the Tiros project area (Note 6). The shares were issued at \$0.28 for a value of \$40,000.

**Escrow Shares**

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

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

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**9. SHARE CAPITAL (Continued)**

a value of \$1,670,388. Of the 29,655,750 common shares issued, 26,671,273 were subject to escrow and will be released on a timed-release basis. As of May 13, 2025, all shares have been released from escrow.

**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 remained 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% and a volatility of 89%. The warrants expired on May 15, 2024, unexercised.

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% 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	Number of Options	Tiros fair value adjustment	Number Vested	Remaining life	Escrow release date
Issued: June 13, 2023	4,560,000	-	4,560,000	2.9	-
Issued: October 11, 2023 <sup>(1)</sup>	2,250,000	-	2,250,000	3.2	June 14, 2026
Issued: March 11, 2024 <sup>(2)</sup>	4,000,000	\$ 1,456,400	4,000,000	3.6	June 14, 2026
Exercised: April 26, 2024	(150,000)	-	(150,000)	-	-
Expired: April 30, 2024	(50,000)	-	(50,000)	-	-
Exercised: October 22, 2024	(115,000)	-	(115,000)	-	-
Issued: November 1, 2024	2,000,000	-	250,000	4.3	-
Total	12,495,000	\$ 1,456,400	9,745,000	3.4	

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

(2) 4,000,000 options are held in escrow.

- 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%,



**RESOURO STRATEGIC METALS INC.**

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**9. SHARE CAPITAL (Continued)**

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%, 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%, 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.
- iv) On April 26, 2024, 150,000 stock options were exercised. The options were valued at \$50,915 which is comprised of \$26,250 cash and \$24,665 of the Black-Scholes value re-classified from contributed surplus to share capital.
- v) On April 30, 2024, 50,000 stock options expired.
- vi) On October 22, 2024, 115,000 stock options were exercised. The options were valued at \$37,717 which is comprised of \$20,125 cash and \$17,592 of the Black-Scholes value re-classified from contributed surplus to share capital.
- vii) On November 1, 2024, the company issued 2,000,000 common share purchase options to an officer of the Company. The options expire in five years from the date of grant. The stock options have a variety of vesting dates and exercise prices dependent the achievement of a variety of milestones:
  - (i) 250,000 vesting upon signing, at November 1, 2024, exercisable at CAD\$0.50;
  - (ii) 250,000 upon Delivery of a Viable REE Leaching Flowsheet, exercisable at CAD\$0.65;
  - (iii) 250,000 upon completion of a Preliminary Economic Assessment that justifies project development, exercisable at CAD\$0.75;
  - (iv) 750,000 upon Delivery of a Pre-Feasibility Study with a minimum 30% internal rate of return, exercisable at CAD\$0.90; and
  - (v) 500,000 upon the Company's market capitalisation, based on the non-diluted capital structure as at the date of the Agreement, being at least A\$150 million for a period of not less than 20 trading days based on the ASX CDI price, exercisable at CAD\$1.00.

The fair value assigned for the first tranche of stock options described above in point (i) was \$36,317 which was expensed upon issuance. The remaining options will be expensed over 24 months with an expense of \$84,507 recognized for the period ended December 31, 2024, for a total share-based compensation expense of \$120,824. The fair values were determined using the Black-Scholes option-pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 3.05%; volatility of 79.8%, and an expected life of 5 years.

For the three months ended June 30, 2025, a total share-based compensation expense of \$25,480 (June 30, 2024 \$82,223) has been recognized in the condensed interim consolidated statement of loss and other comprehensive loss.

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

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**10. NON-CONTROLLING INTEREST**

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

<b>RBM NCI Ownership</b>	
Tiros Minerais Estrategicos Mineracao Ltda ("TMEL")	10%
<b>TMEL Financials as of June 30, 2025</b>	
Net loss	\$(409,818)
<b>Net loss attributable to non-controlling interest</b>	<b>(40,982)</b>
Current assets	532,994
Non-current assets	187,392
Current liabilities	(146,021)
<b>Net assets</b>	<b>574,365</b>

<b>RBM NCI Ownership</b>	
Tiros Minerais Estrategicos Mineracao Ltda ("TMEL")	10%
<b>TMEL Financials as of March 31, 2025</b>	
Net loss	\$(2,367,594)
<b>Net loss attributable to non-controlling interest</b>	<b>(236,759)</b>
Current assets	914,726
Non-current assets	195,050
Current liabilities	(110,608)
<b>Net assets</b>	<b>999,168</b>

**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:

<b>Three months ended,</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Officers	\$118,550	\$166,431
Directors	195,334	246,821
<b>Total compensation</b>	<b>\$313,884</b>	<b>\$413,252</b>

As of June 30, 2025, \$27,584 was due to Officers and Directors for consulting fees and reimbursable expenses (March 31, 2025 - \$100,019). As of June 30, 2024, \$84,920 was due to Officers and Directors for consulting fees and reimbursable expenses.

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and June 30, 2024

(Expressed in Canadian Dollars)

**12. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT**

The Company classified its financial instruments as follows:

	June 30, 2025	March 31, 2025
Financial assets - amortized cost:		
Cash	\$ 846,088	\$ 1,843,664
Accounts receivable	25,845	26,800
Financial liabilities - amortized cost:		
Accounts payable and accruals	184,617	167,342
Due to related party	51,167	100,019

**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.

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.

**RESOURO STRATEGIC METALS INC.**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025 and June 30, 2024

(Expressed in Canadian Dollars)

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

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



## **Resouro Strategic Metals Inc.**

**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**For the three months ended June 30, 2025**  
**(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 interim condensed financial statements for the three months ended June 30, 2025 (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 August 11, 2025.

The Board of Directors of the Company have reviewed and approved the information contained in this MD&A and the annual audited 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](http://www.sedarplus.ca). The Company is listed on the Australian Securities Exchange ("**ASX**") under the symbol "RAU", the Canadian Toronto Stock Exchange (Venture Exchange), ("**TSX.V**") under the symbol "RSM" and the United States Over the Counter Venture Market Exchange ("**OTCQB**") under the symbol "RSGOF".

Additional information relevant to the Company's activities can be found on the Company's website at [www.resouro.com](http://www.resouro.com).

## ***Corporate Mandate***

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

## ***Forward Looking Statements***

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

## ***Going Concern***

These condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from the carrying values shown and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. At the date of these condensed interim consolidated financial statements, the Company has not achieved profitable

operations and has accumulated losses since inception. The Company had a working capital surplus of \$702,161 (March 31, 2025 \$1,652,272) and an accumulated deficit attributable to shareholders of \$16,818,489 (March 31, 2025 \$15,857,113) for the three months ended June 30, 2025. The Company has incurred a loss from operations of \$1,002,358 for the three months ended June 30, 2025 (June 30, 2024 \$2,003,097).

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

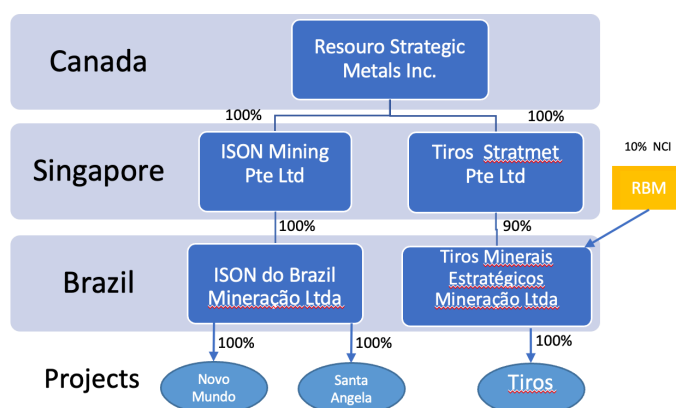
Title to exploration and evaluation assets involve certain inherent risks due to the difficulty of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of exploration and evaluation assets. The Company has investigated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

### ***Corporate Name History***

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

### ***Corporate Structure***

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



## Corporate Highlights

### Tiros Acquisition

On March 11, 2024, Resouro completed the Tiros acquisition. The following transactions were undertaken:

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

### Listing on Australian Securities Exchange and Concurrent Private Placement

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

The Company successfully closed the ASX offer on June 14, 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 broker compensation stock options 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	3.7	June 14, 2026
Resmin	Options	750,000	October 11, 2023	3.3	June 14, 2026
Directors	Options	750,000	October 11, 2023	3.3	June 14, 2026
RBM	Shares	1,642,000	March 11, 2024	N/A	June 14, 2026
RBM	Performance rights	750,000	October 15, 2023	3.3	June 14, 2026
Taylor Collison	Options	1,843,643	June 4, 2024	1.9	June 14, 2026



## Issuance of Shares

	Ref	Number	Value
Balance at March 31, 2023 <sup>(2)</sup>		43,974,956	\$ 5,770,329
Shares issued, May 10, 2023		2,753,333	413,000
Share issue costs, May 10, 2023		-	(5,292)
Shares issued, July 11, 2023		14,133,333	2,120,000
Share issue costs - agent shares issued, July 11, 2023		-	(120,000)
Share issue costs - agent warrants issued, July 11, 2023		-	(104,567)
Share issue costs, July 11, 2023		-	(11,529)
Shares issued, August 29, 2023		10,107,142	2,830,000
Share issue costs, August 29, 2023		-	(186,191)
Shares issued, March 19, 2024		1,642,000	870,260
Shares issued, March 25, 2024		3,571,428	1,500,000
Shares issue costs, March 25, 2024		-	(90,368)
Balance at March 31, 2024		76,182,192	12,985,642
Shares issued, June 14, 2024	(i)	16,000,000	7,300,420
Shares issue costs, June 14, 2024	(i)	-	(933,772)
Stock options exercised, April 26, 2024	(ii)	150,000	50,915
Stock options exercised, October 22, 2024	(iii)	115,000	37,717
Shares issued, October 24, 2024	(iv)	142,857	40,000
<b>Balance at March 31, 2025 and June 30, 2025</b>		<b>92,590,049</b>	<b>\$ 19,480,922</b>

- (i) 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.

The Company successfully closed the ASX offer on June 14, 2024, in which 16,000,000 CDIs over common shares were issued at a price of AUD \$0.50 (CAD \$0.46). Cash consideration of AUD \$8,000,000 (CAD \$7,300,420) was received and \$933,772 of share issue costs were recognized. The CDIs are subject to a 4 month plus 1 day hold period, which has now expired.

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

- (ii) On April 26, 2024, 150,000 stock options were exercised. The options were valued at \$50,915 which is comprised of \$26,250 cash and \$24,665 of the Black-Scholes value re-classified from contributed surplus to share capital.
- (iii) On October 22, 2024, 115,000 stock options were exercised. The options were valued at \$37,717 which is comprised of \$20,125 cash and \$17,592 of the Black-Scholes value re-classified from contributed surplus to share capital.
- (iv) On October 24, 2024, 142,857 common shares were issued to acquire 3 additional tenements in the Tiros project area. The shares were issued at \$0.28 for a value of \$40,000.

## Issuance of 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 a fixed number of stock options, 14,193,752, which represented 20% of the issued and outstanding common shares as of December 15, 2023.

Date	Number of Options	Tiros fair value adjustment	Number Vested	Remaining life	Escrow release date
Issued: June 13, 2023	4,560,000	-	4,560,000	2.9	-
Issued: October 11, 2023 <sup>(1)</sup>	2,250,000	-	2,250,000	3.2	June 14, 2026
Issued: March 11, 2024 <sup>(2)</sup>	4,000,000	\$ 1,456,400	4,000,000	3.6	June 14, 2026
Exercised: April 26, 2024	(150,000)	-	(150,000)	-	-
Expired: April 30, 2024	(50,000)	-	(50,000)	-	-
Exercised: October 22, 2024	(115,000)	-	(115,000)	-	-
Issued: November 1, 2024	2,000,000	-	250,000	4.3	-
Total	12,495,000	\$ 1,456,400	9,745,000	3.4	

- 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 and October 2024, 265,000 options were exercised, and 50,000 options expired. Therefore, 4,360,000 stock options remain outstanding.
- 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.
- 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.
- On November 1, 2024, the company issued 2,000,000 common share purchase options to an officer of the Company. The options expire in five years from the date of grant. The stock options have a variety of vesting dates and exercise prices dependent the achievement of a variety of milestones:
  - 250,000 vesting upon signing, at November 1, 2024, exercisable at CAD\$0.50;
  - 250,000 upon Delivery of a Viable REE Leaching Flowsheet, exercisable at CAD\$0.65;
  - 250,000 upon completion of a Preliminary Economic Assessment that justifies project development, exercisable at CAD\$0.75;
  - 750,000 upon Delivery of a Pre-Feasibility Study with a minimum 30% internal rate of return, exercisable at CAD\$0.90; and
  - 500,000 upon the Company’s market capitalisation, based on the non-diluted capital structure as at the date of the Agreement, being at least A\$150 million for a period of not less than 20 trading days based on the ASX CDI price, exercisable at CAD\$1.00.

The fair value assigned for the first tranche of stock options described above in point (i) was \$36,317 which was expensed upon issuance. The remaining options will be expensed over 24 months with an expense of \$84,507

recognized for the period ended December 31, 2024, for a total share-based compensation expense of \$120,824. The fair values were determined using the Black-Scholes option-pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 3.05%; volatility of 79.8%, and an expected life of 5 years.

## **Sustainability Inaugural Report**

During June 2024, the International Sustainability Standards Board (“ISSB”) published the Sustainability Policy, IFRS S1 and the Climate Policy, IFRS S2. Both policies became effective January 1, 2025. These policies provide the requirements for the disclosure of climate and sustainability-related financial information to meet the needs of investors and stakeholders. It ensures companies provide relevant, reliable, and comparable information about the sustainability risks and opportunities that impact their enterprise value. The financial disclosure for implementing IFRS S1 and IFRS S2 must include a comprehensive understanding of its financial impact on the company’s operations, systems, and reporting procedures. In response, Resouro published its inaugural Sustainability report with the year end, March 31, 2025, Audited Financial Statements and MD&A on its website: <https://resouro.com/about-us/#corporate-responsibility>.

To assist us with the creation of our Sustainability program and policies, Resouro engaged an external advisor prior to the ISSB publication of the IFRS standards. Digbee provided us with an independent assessment of our Environmental, Social, and Governance (“ESG”) policies and management practices at both the corporate and project level. Digbee hosts a specialized data and research platform focused on providing ESG solutions tailored to the mining sector. It offers Resouro insights into sustainability performance and assists in addressing our ESG related risks and opportunities.

Resouro also engaged an external data management and reporting firm to determine our reporting metrics for Climate and Green House Gas emissions (“GHG”).

## ***Exploration Projects***

### **PROPERTY I - Tiros Titanium Dioxide (“TiO<sub>2</sub>”) and Rare Earth Elements (“REE”) Project**

The Tiros project is located in the Alto Paranaíba region, Minas Gerais, Brazil. Tiros is comprised of 28 mineral licenses totaling approximately 497 square kilometers (“km<sup>2</sup>”) located 350 kilometres (“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 Capacet formation with the greatest exploration potential.

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. The original owner, RBM, owns a 10% free-carried, non-controlling interest in TMEL.

### **JORC Report Published with Maiden Resource Estimate**

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

- Maiden Resource Estimate (“MRE”) for the Tiros Project of 1.7 billion tonnes (“bn tonnes”) at 3,900 parts per million (“ppm”) Total Rare Earth oxide (“TREO”), 1,100 ppm Magnet Rare Earth Oxides (“MREO”) and 12% Titanium dioxide (“TiO<sub>2</sub>”) in all three resource categories.
- Of the 1.7 bn tonnes, the deposit contains a high-grade domain of 120 million tonnes (“mn tonnes”) containing 9,000 ppm TREO, (including 2,400 ppm of MREO) and 23% TiO<sub>2</sub>.
- The combined Measured and Indicated resources represent 1 bn tonnes at 4,050 ppm TREO (including 1,120 ppm MREO) and 12% TiO<sub>2</sub>.

The MRE places the Tiros Project as one of the largest undeveloped Titanium dioxide and rare earth resource globally and in Brazil.

For full exploration results including relevant JORC table information, refer to the Company's ASX announcement of 18 July 2024 (TSXV - July 17, 2024) on *Sedarplus.ca* or the Company's website [www.resouro.com](http://www.resouro.com).

## JORC Report Update

On April 8, 2025, the Company provided an update to its JORC report based on additional assays received from a 46 infill and resource expansion drill program conducted during 2024 (refer ASX releases dated 6th February 2025 and 17th March 2025; TSX-V releases dated 5th February 2025 and 16th March 2025). The revised MRE, tabled below, represents an increase of 11.7% of total resources, from step-out drilling, and an improved detail of data, from infill drill holes, Table 2. The high-grade Measured and Indicated Resource has been increased by 37% in total for no change in Titanium dioxide grade and similar for rare earths grades, Table 1.

Resource Category	Change in tonne	Change in TiO <sub>2</sub> %	Change in TREO (ppm)
<b>Measured + Indicated</b>	+37%	0%	-1%

**Table 1:** The percentage change in Measured and Indicated resources in the high-grade component of the MRE in tonnes, and grade.

Resource Category	Million tonnes	TiO <sub>2</sub> %	TREO (ppm)
<b>Measured</b>	367	12	4,100
<b>Indicated</b>	1,000	12	4,000
<b>Measured + Indicated</b>	1,400	12	4,000
<b>Inferred</b>	500	12	3,700

**Table 2:** Total MRE tonne and grade using a cut-off grade of 1,000 ppm TREO (rounding applied, refer Table 4).

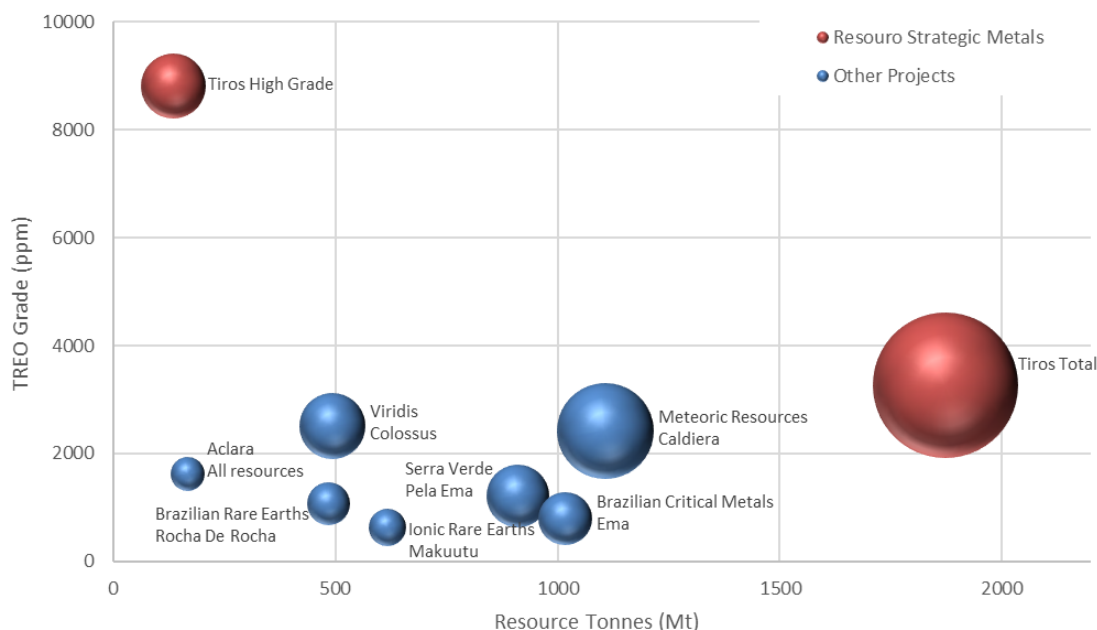
The MRE has an area of high-grade Titanium dioxide and rare earths mineralisation represented in Table 3 and was modelled by applying a cut-off grade of 8,000 ppm TREO.

Resource Category	Million tonne	TiO <sub>2</sub> %	TREO (ppm)
<b>Measured</b>	30	24	9,301
<b>Indicated</b>	74	23	8,865
<b>Measured + Indicated</b>	103	23	9,100
<b>Inferred</b>	33	22	8,300

**Table 3:** High-grade tonne and grade based on a cut-off grade of 8,000 ppm TREO (rounding applied, refer Table 4).

The Central Block MRE represents just under 8% of Resouro's total tenement holding area in the Tiros region which spans four project areas called Tiros North, Tiros Central, and in the south Sao Gotardo, and Campos Altos, Figure 3.

The significance of the current MRE and the potential for further prospective resources across all tenements can be visualised in Figure 1 and Figure 2. The Tiros project MRE is substantially larger and higher-grade when compared selectively to other rare earths projects with similar characteristics or geographic location. This combined with the potential for resource expansion from exploration places Tiros as a globally significant resource of both Titanium dioxide and rare earths.



**Figure 1:** Bubble chart of Tiros total and high-grade MRE for rare earths in comparison to selected peer projects in relation to tonnage of all mineral resources against average grade. The bubble size reflects the metal content calculated as total resource tonnes times average resource grade, ASX release dated 9 April 2025.

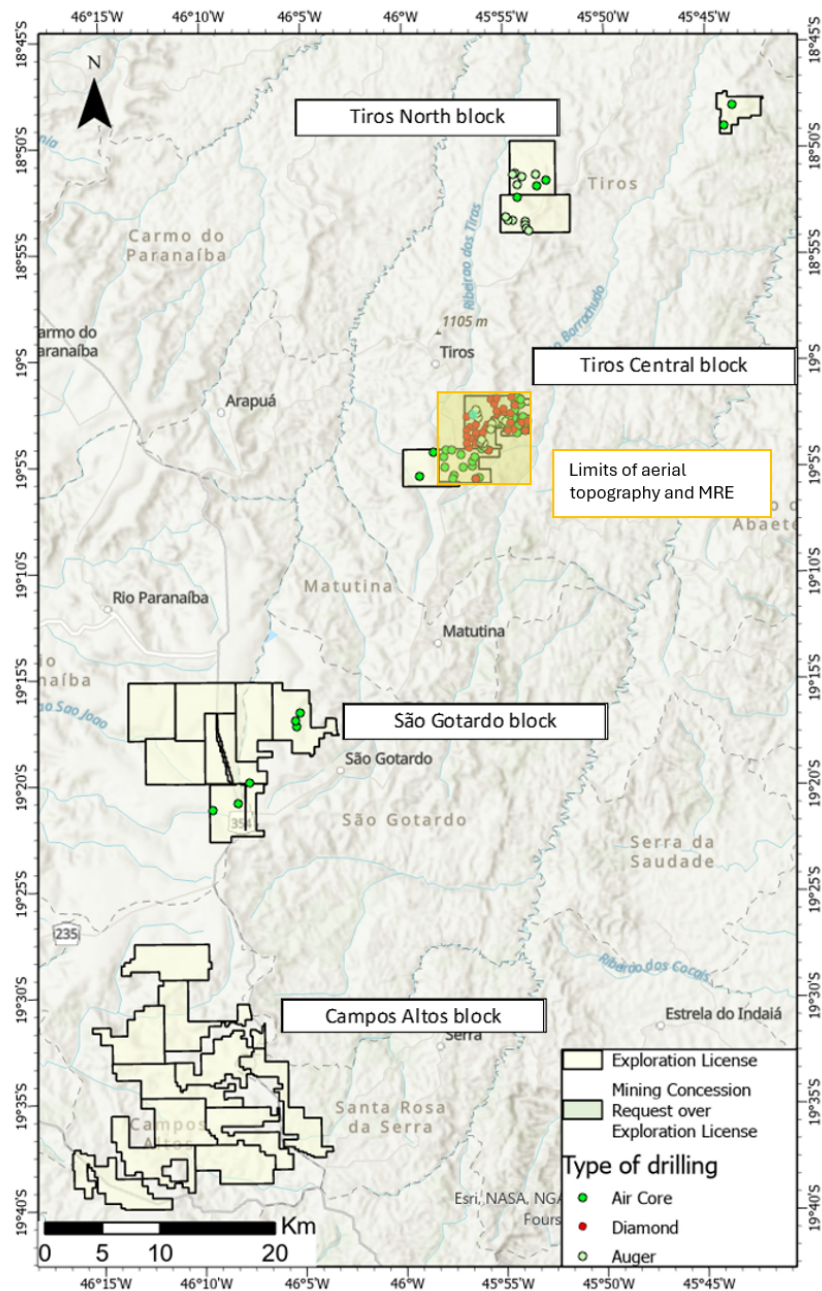
This MRE update marks a significant milestone for the Company, establishing as one of the world’s largest and most significant resources of both Titanium dioxide and rare earths. It also highlights a very high-grade mineralisation zone, which will be the focus of the Company’s initial scoping study and subsequent feasibility studies, along with the related economic assessments.

### Key Resource Parameters

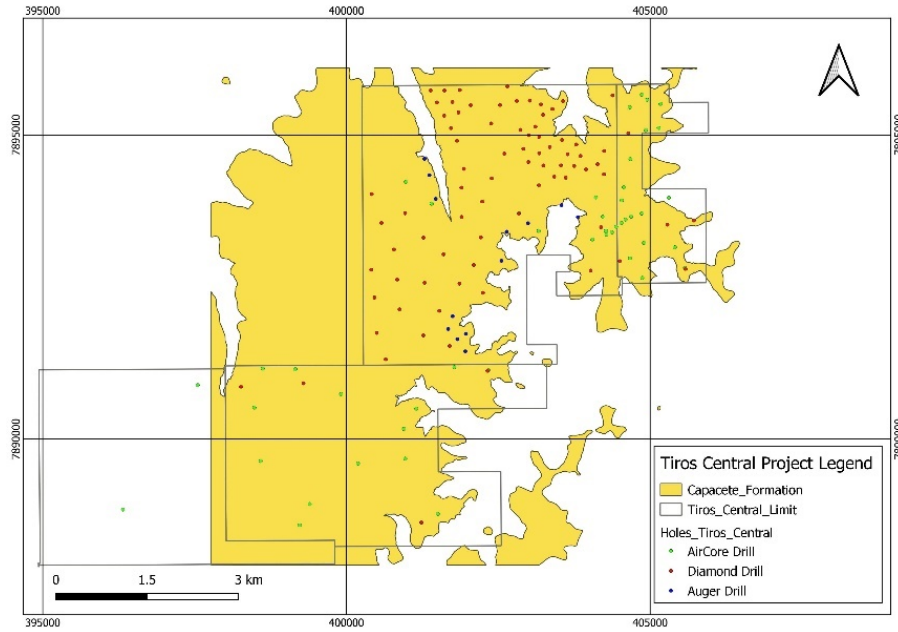
Atticus Geoscience (“Atticus”) has modelled this MRE utilising the results of 152 drill holes across the Tiros central tenements (refer to Figures 4 and 5) including 78 diamond drill holes, 29 air core holes, and 25 auger holes undertaken by Resouro (2023 to 2025) and one (1) diamond drill hole and 19 air core historical drill holes undertaken by previous tenement owners (Vicenza 2011, and Iluka, 2016).

A conservative assumption of 1,000 ppm TREO (refer to Figure 10) cut-off was applied to the resource estimation which delivered an MRE of 1.9 bn tonnes @ 3,920 ppm TREO (Measured, Indicated, Inferred) comprising an outstanding 1,100 ppm MREO (oxides of Pr, Nd, Tb, and Dy) and 12% TiO<sub>2</sub>.

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



**Figure 2:** View of the Resouro tenements including the Tiros Project. In particular, the Tiros Central block is illustrated as it is the subject of this mineral resource estimate



**Figure 3:** Plan view of the Tiros Central block showing drill holes locations

### Mineral Resource Estimate

The total Mineral Resource Estimate at Tiros, applying a 1,000 ppm TREO cut-off, presents 1.9 billion tonnes at 12% TiO<sub>2</sub> and 3,920 ppm TREO with 1,075 ppm MREO (oxides of Pr, Nd, Tb, and Dy). The Indicated and Measured resources represent 1.4 billion tonnes at 12% TiO<sub>2</sub> and 4,029 ppm TREO containing 1,100 ppm MREO with a high-grade zone identified as summarised in Table 4. The grade-tonnage curve for the mineral resource estimation is shown in Figure 10.

DOMAIN	Category	Million Tonne	TiO <sub>2</sub> %	TREO (ppm)	MREO (ppm)	MREO/TREO ratio
HG (High Grade)	Measured	30	24	9,300	2,500	27%
	Indicated	74	23	8,900	2,300	26%
	<b>M + I</b>	<b>103</b>	<b>23</b>	<b>9,100</b>	<b>2,400</b>	<b>26%</b>
	Inferred	33	22	8,300	2,200	27%
MG (Medium Grade)	Measured	340	11	3,700	1,000	27%
	Indicated	930	11	3,600	1,000	28%
	<b>M + I</b>	<b>1,300</b>	<b>11</b>	<b>3,600</b>	<b>1,000</b>	<b>28%</b>
	Inferred	470	11	3,400	920	27%
TOTAL (HG+MG)	Measured	367	12	4,100	1,100	27%
	Indicated	1,000	12	4,000	1,100	28%
	<b>M + I</b>	<b>1,400</b>	<b>12</b>	<b>4,000</b>	<b>1,100</b>	<b>28%</b>
	Inferred	500	12	3,700	1,000	27%
<b>Total</b>	<b>M + I + I</b>	<b>1,900</b>	<b>12</b>	<b>3,900</b>	<b>1,100</b>	<b>28%</b>

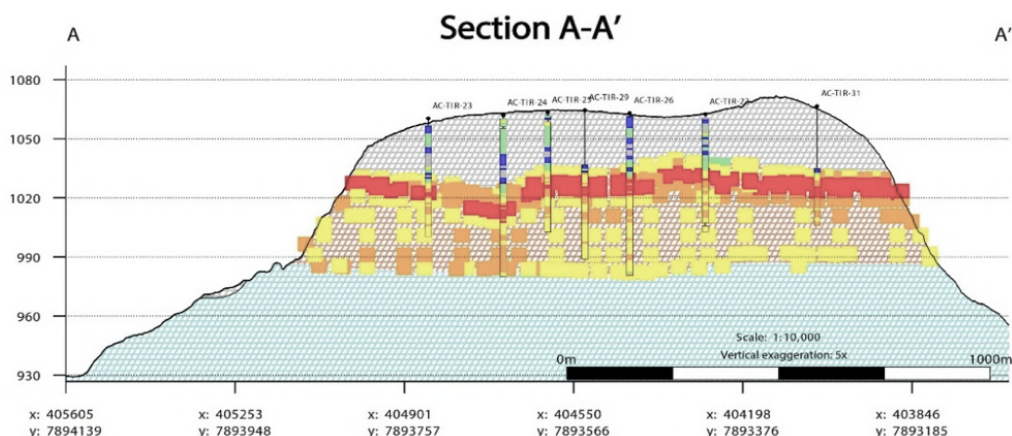
**Table 4:** Values in the Mineral Resource Estimate have been rounded to 2 significant figures for the Inferred and 3 significant figures for Indicated and Measured as to reflect the uncertainty of the estimation.



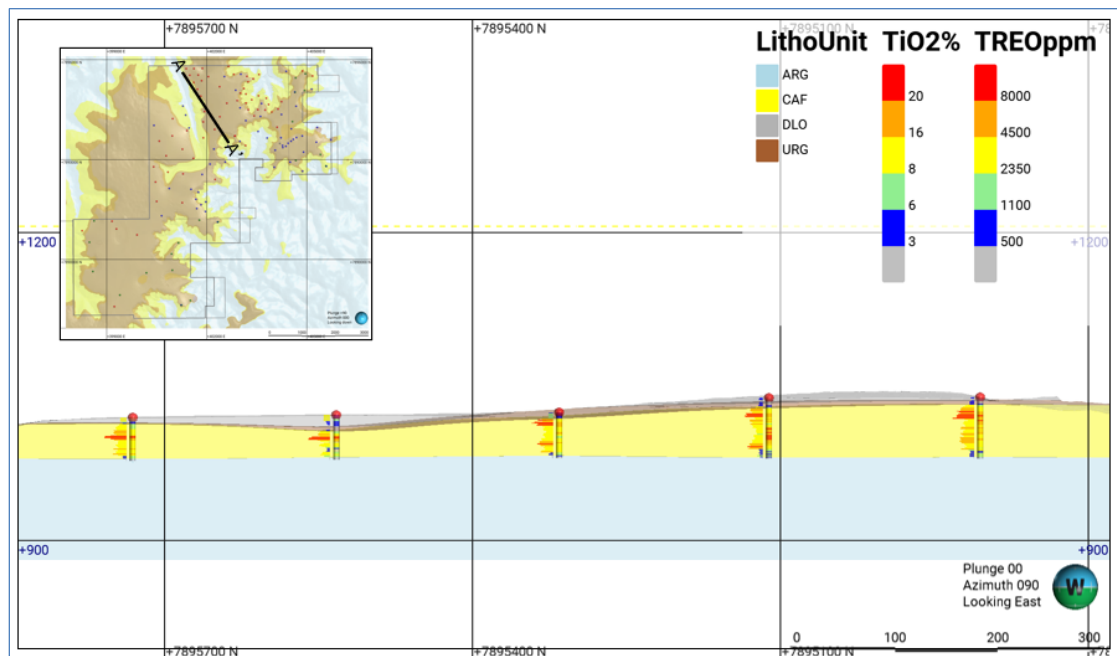
## Geology and Interpretation

Titanium dioxide and rare earths oxide mineralization are hosted in the Capacete Formation, belonging to the Mata da Corda Group. Titanium dioxide is associated with the mineral anatase, originating from the alteration of perovskite. The rare earths minerals are distributed throughout the Capacete formation and are a particular mineralogical feature of this volcano-stratigraphic horizon. The Capacete Formation a relatively thin stratigraphic unit (Figures 4,5,6,7,8 and 9) that is comprised of interbedded fine and coarser grained volcanic derived deposits, including what may be ash tuffs, reworked coarse sediments and volcanoclastic breccias.

The formation is the erosion product of the rocks of the Patos Formation, also belonging to the Mata da Corda Group. The Patos Formation represents a voluminous stratigraphy of Upper Cretaceous kamafugite pyroclastic flows, hosted in the Brasília Belt, southwest of the São Francisco Craton.

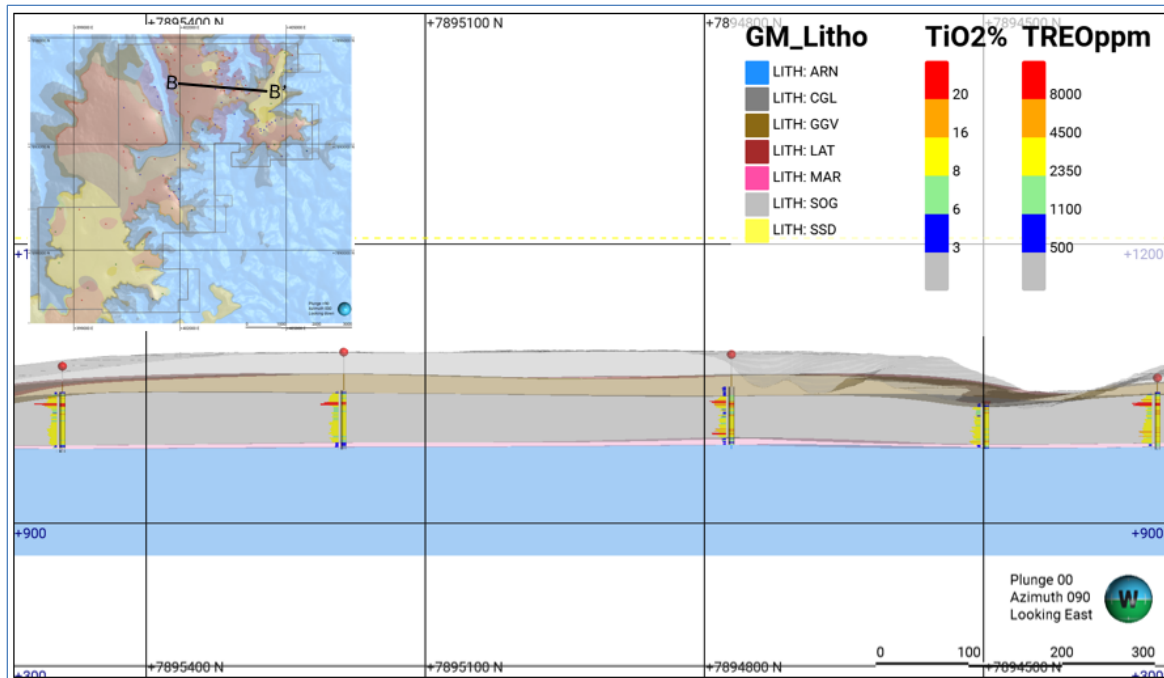


**Figure 4:** An illustrated cross section of the Tiros Project mineralisation demonstrating the relationship with overburden, high-grade mineralisation (red) and low-grade mineralisation (yellow and brown).

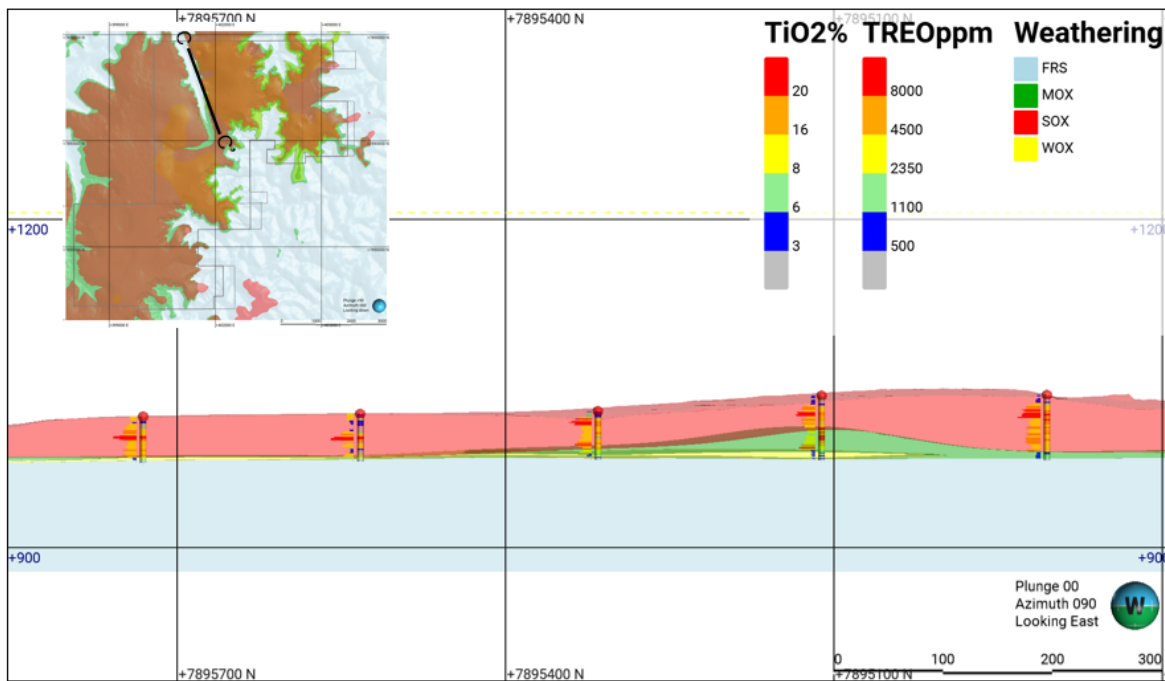


**Figure 5:** Section view (A-A') of the Tiros deposit showing the major lithological units (ARG - Areado Group, CAF - Capacete Formation, URG - Urucua Group/ Tertiary Cover, DLO - Detritus-Lateritic Overburden), and drill holes coloured by TREO ppm, and TiO<sub>2</sub>% coloured in the bars.

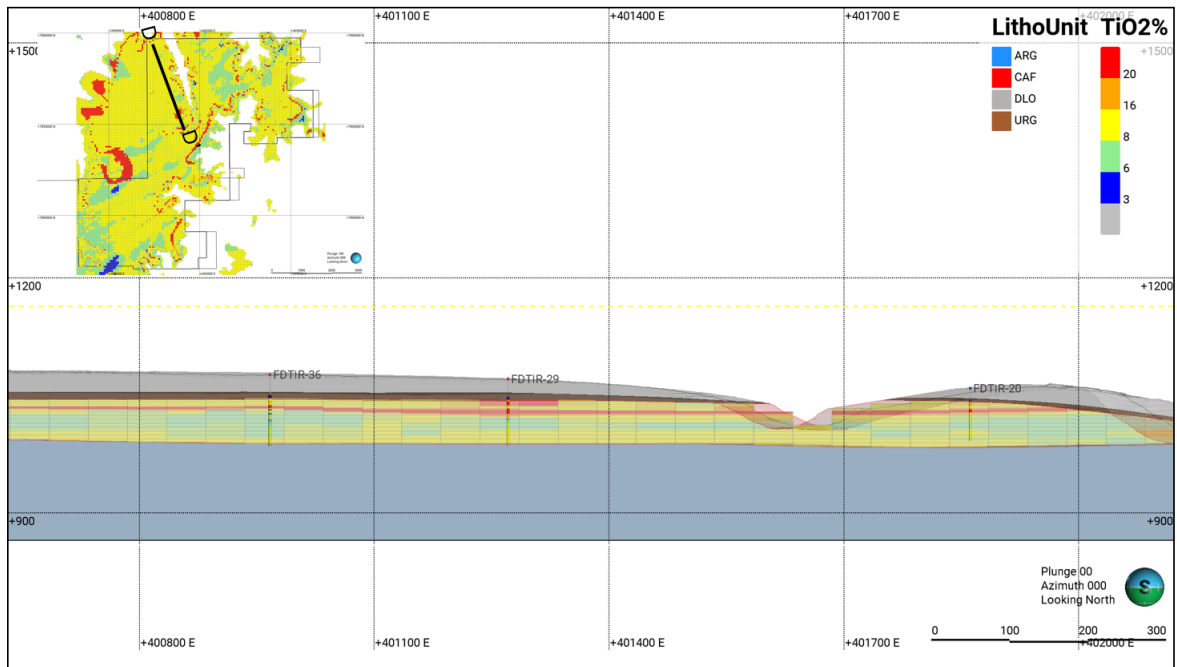




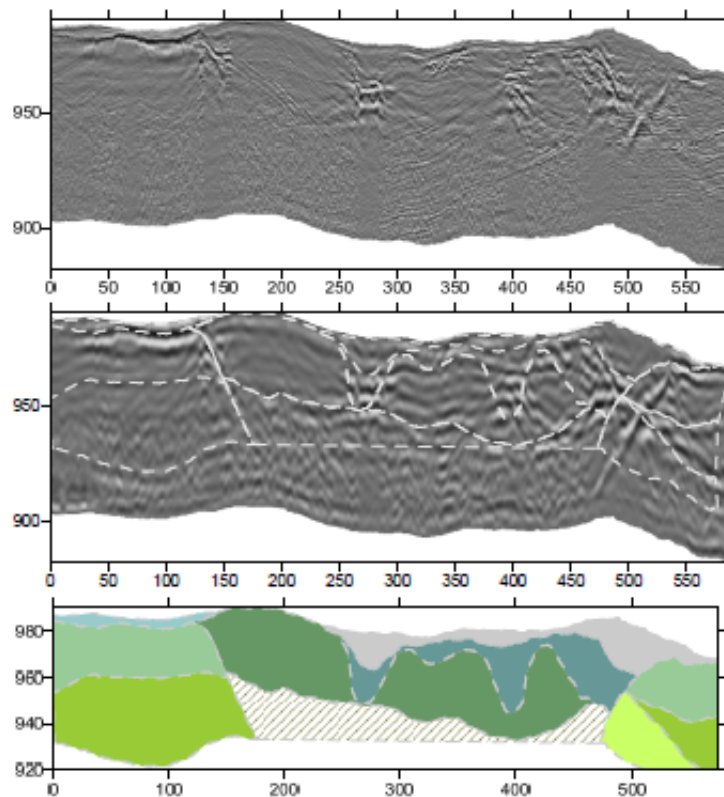
**Figure 6:** Section view (B-B) of the Tiros deposit showing the facies of the principal lithologic units, (ARN - Arenite, CGL - Conglomerate, GGV - Gravel/ Sediments Gravel, LAT - Laterite, MAR - Magnetic Arenite, SOG - Soil General, SSD - Sand/sediment Sand), and drill holes coloured by TREO ppm, and TiO<sub>2</sub>% coloured bars.



**Figure 7:** Section view (C-C) of the Tiros deposit showing the weathering / oxidation model, (FRS – Fresh, MOX – moderately oxidised, SOX – Strongly Oxidised, WOX – Weakly Oxidised), and drill holes coloured by TREO ppm and TiO<sub>2</sub>% as coloured bars.



**Figure 8:** Section view (D-D) of the Tiros deposit showing the block model coloured by  $\text{TiO}_2\%$  within the major lithological units. (only the Capacete (CAF) formation has been blocked and estimated).



**Figure 9:** An example of how ground penetrating radar at Tiros has been used in assisting the interpretation of geological boundaries along with drill data for the classification of mineralisation domains. Top image, raw ground radar data; Middle image, initial interpretation of ground radar domains; Bottom image, interpreted geological domains.

## **Drilling Techniques**

Three types of drilling were carried out on the Project: diamond, air core and auger drilling. The following is a breakdown of the three types of drill holes used in the MRE.

Historical drilling included Vicenza (2011), who completed a single diamond drill hole (HQ-size), oriented vertically and reaching 82.45 metres (“m”). Nineteen 75-millimetre (“mm”) diameter air core drill holes were undertaken by the Iluka-Vicenza JV and totalled 914 m with depths of up to 60 m.

Auger drilling undertaken by Resouro totalled nine (9) drill holes of 100 mm diameter, totalling 86.5 m and with depth of the holes up to about 15 m. Air core drilling by Resouro totalled 23 holes totalling 1,425.5 m and up to depths of 85 m. Diamond drilling (HQ-size) by Resouro totalled 78 drill holes totalling 5290 m with depths up to 110 m. All holes were vertical and with depths below 110 m, therefore no trajectory measures were collected, and deviation of the holes is presumed to be negligible.

## **Sampling and Sub-Sampling Techniques**

Samples were taken from diamond, air core, and auger drill holes. All drilled material was sampled, with nothing being discarded. The sampling intervals were chosen based on geological description during logging of the drill core and pulverized cuttings. The samples were collected according to industry best practice procedures.

Measures to ensure sample representativity, include setting up of a specific sampling procedure and having a dedicated-on-site full-time survey team. A Quality Assurance (QA) and Quality Control (QC) (“QA/QC”) program was implemented across all drilling campaigns and in the resampling of air core holes.

Best practices of drill core recovery and depth marker audits were adhered to during drilling and sampling. The diamond drilling recovery was verified by matching the drill core lengths against the recoveries recorded in the core boxes. For auger and air core drilling, verification was undertaken by weighing chip bags using industry standard work procedures.

Diamond drill core samples (HQ-size core), with an average length of 1.00 metre, were split in half using a spatula, and then in half again, with one quarter of the material sent for chemical analysis and the remaining three quarters stored in the secure core storage shed. The historical air core sample cuttings are from 1-metre-long intervals, originally analysed with a portable XRF by Iluka-Vicenza Joint Venture, were re-analysed by Resouro sending 1.0-kilogram average weight samples to SGS laboratories in Belo Horizonte. Auger samples are all 1.0 metre in length with all material being sent for analysis. The sampling and QA/QC were planned by the geologists and care was taken to avoid any contamination between neighbouring samples.

## **Sample Analysis Method**

All drilling and sampling data has been verified, validated and imported into a “SQL” Server cloud-based data management system, including data and meta-data on the collar, survey, lithology, alteration, density and assay samples. Information from all the drill holes in the resource area were used in the geological modelling and resource calculation, a total of 5,615 samples.

The majority of the samples have been analysed in the SGS Geosol laboratories, using the laboratory method ICP95A for the major rock component elements and their oxides, and the laboratory method IMS95A for the rare earth elements (“REEs”): Ce, La, Nd, Pr, Sm, Eu, Gd, Tb, Dy, Er, Ho, Lu, Tm, Yb, and Y, as well as U and Th. To evaluate their distribution and modelling, the REEs have been grouped by calculating and combining assay values for the heavy (“HREO”) and light (“LREO”) oxide factions and then summing these values to obtain a Total Rare Earth Oxide (“TREO”).

The calculation of the HREO, the LREO and TREO is completed within the database and exported as three new columns ready for analysis and modelling. Below are the formulas used to calculate the HREO, LREO, MREO and TREO:

$$\textbf{HREO: } ([Dyppm]*1.1477) + ([Erppm]*1.1435) + ([Euppm]*1.158) + ([Gdppm]*1.1526) + ([Hoppm]*1.1455) + ([Luppm]*1.1371) + ([Tbppm]*1.1761) + ([Tmppm]*1.1421) + ([Ybppm]*1.1386) + ([Yppm]*1.2699)$$

$$\textbf{LREO: } ([Ceppm]*1.1712) + ([Lapmm]*1.1727) + ([Ndppm]*1.1664) + ([Prppm]*1.2081) + ([Smppm]*1.1596)$$

$$\textbf{MREO: } \text{has been reported as a metal equivalent, using the calculation of: } ([Prppm]*1.2081) + ([Ndppm]*1.1664) + ([Tbppm]*1.1761) + ([Dyppm]*1.1477)$$

$$\textbf{TREO: } \text{HREO} + \text{LREO}$$

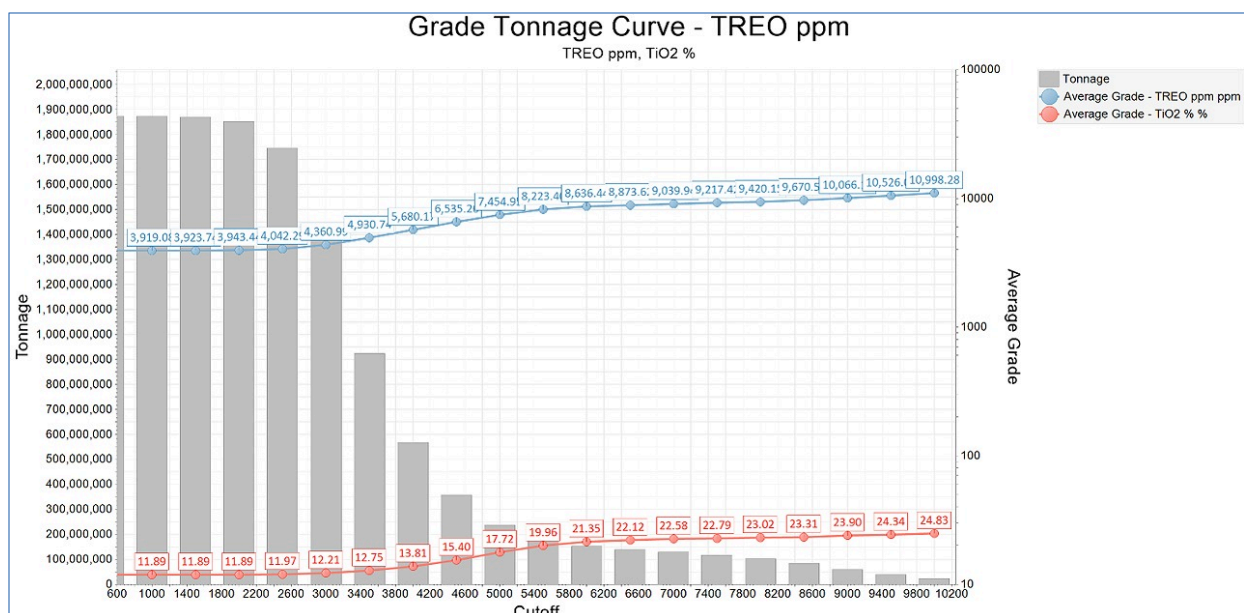
### Estimation Methodology and Cut-off Grade Selection

The estimation of the mineral resource is broken down into the following stages:

- Validation of the information utilized in the resource and database compilation.
- Interpretation and 3D modelling of the lithology, oxidation and mineralization.
- Development of the estimation domains.
- Compositing of grade within the domains.
- Exploratory data analysis.
- Block model definition.
- Interpolation of grade within the defined domains.
- Review and model the variability in the rock density.
- Evaluation of confidence in the estimation.
- Model validation.
- Definition of reasonable economic extraction.

Validation of the data and database compilation was completed using GeobankTM data management software. The interpretation and 3D geological modelling were completed using Leapfrog GeoTM software. Statistical studies were performed using MicromineTM tools, and the block model and subsequent estimation and validation was carried out using the MicromineTM 2020 software.

The geometry and stratigraphic location of the mineralised unit makes it suitable for extraction via open pit mining methods. A cut-off grade of 1,000 ppm TREO was selected based on other studies for similar deposits. A statistical review of the block model identified a marked drop or limit of mineralisation at 1,000 ppm that was then used as the basis of the block model statistics, represented in Figure 10.



**Figure 10:** Tiros Project Grade-Tonnage Curve for TREO and TiO<sub>2</sub>, for combined measured, indicated and inferred resources.

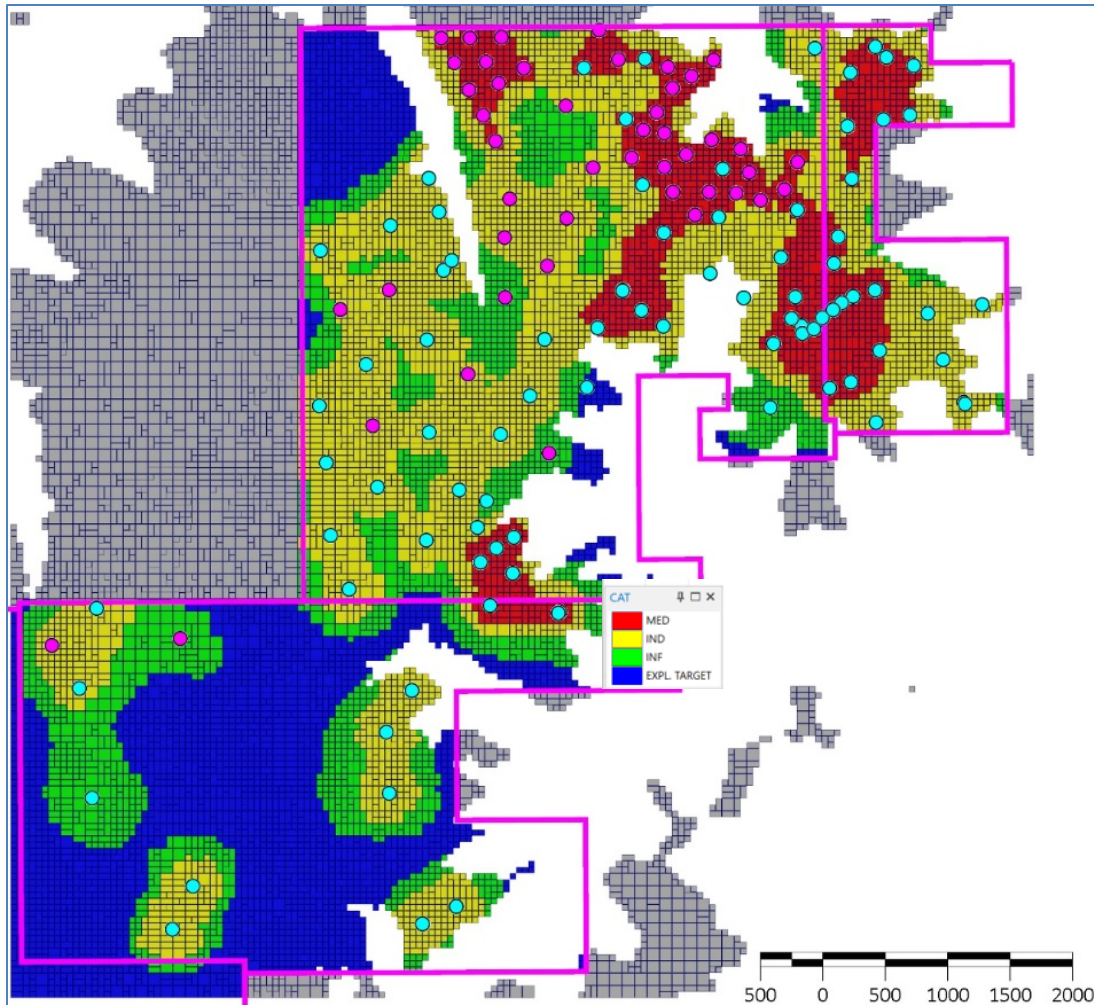
### Criteria Used for Classification

Classification of the mineral resources is based on the ranges observed in the search ellipsoids and the number of drill hole composites that went into estimating the blocks. Table 5 shows the parameters used to define the different resource classifications with Figure 11 depicting the distribution of mineral resource classification (Measured Resources in red, Indicated Resources in yellow, and Inferred Resources as green and exploration targets in blue.

Blocks were assigned a classification based on the statistical parameters, upon which the edges of the classification boundaries were smoothed to produce the final model, Figure 12.

	Distance		
	X - Y (along structure)	Min N° Drillholes	Min N° Samples
Measured	150	3	6
Indicated	260	2	4
Inferred	400	2	2

**Table 5:** Resource Classification search ellipsoids summary for Tiros



**Figure 11:** Plan view of the Tiro deposit with the classification of the mineral resources: Measured (red), Indicated (yellow), and Inferred (green); blue material is the area without classification considered as an exploration target.

### **Mining, Metallurgy, and Other Material Modifying Factors**

For a mineral deposit to be considered a mineral resource, it must demonstrate “Reasonable Prospects for Eventual Economic Extraction” (“**RPEEE**”). This implies that mineral resources are reported at an appropriate cut-off grade that takes into account the potential costs of extraction scenarios and processing recoveries.

The geometry and stratigraphic location of the mineralised unit makes this project suitable for extraction via open pit mining methods. However, as results for metallurgical test-work on the potential recoveries have not yet been concluded it has not been possible to define a break-even cut-off for an optimised pit.

To define the portion of the resource that shows reasonable prospects for eventual economic extraction a cut-off grade of 1,000 ppm TREO was selected based on other studies for similar deposits. In addition, statistical analysis of this deposit has identified that approximately 1,000 ppm identifies a marked drop or limit of mineralisation.



## Tiros North Block Auger Drilling Results

On April 21, 2025, the Company announced the auger drilling results on the Tiros North Block.

The North block was initially chosen because earlier results from auger drilling showed a high-grade zone close to the surface. Assay results exclude additional 18 auger holes for 180 m of drilling, with results pending at ALS laboratory, at Vespasiano, Minas Gerais.

All assay intervals (Table 1) are determined using cut-off grades of 1,000 ppm for TREO and 6% for TiO<sub>2</sub> while the high-grade zone is defined using a cut-off grade of 6,000 ppm for TREO and/or 16% for TiO<sub>2</sub>. These results from the Northern Permit of the Tiros North Block confirm high-grade mineralisation is continuous and is either exposed at surface or covered by a thin layer of overburden.

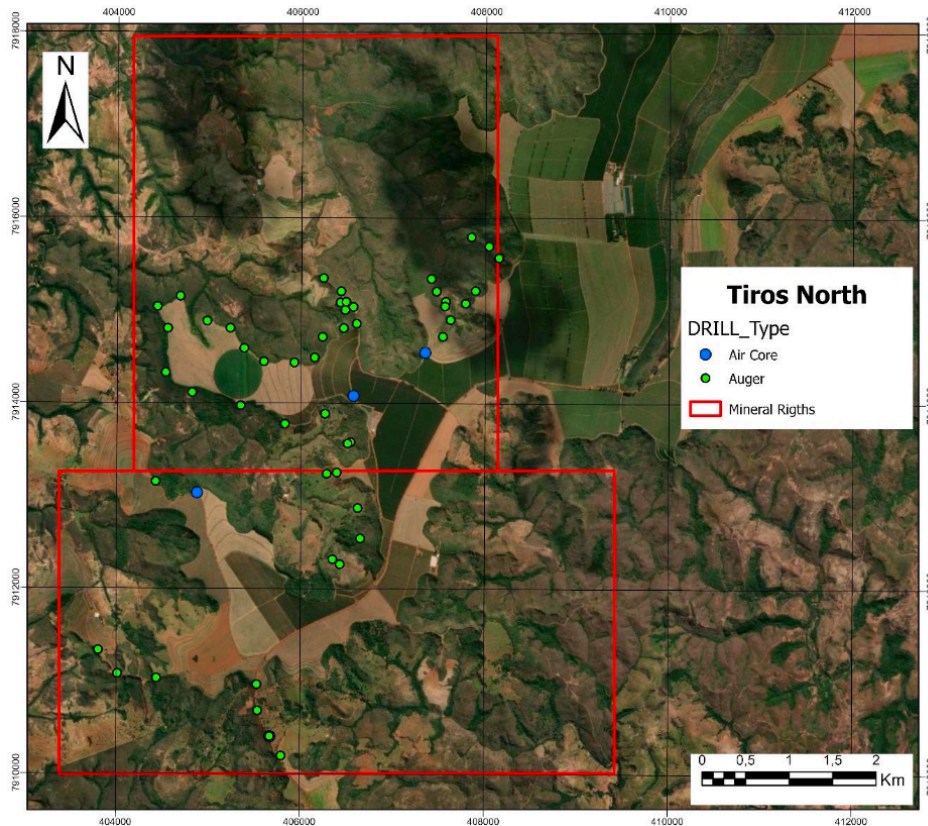
**Table 6: Significant Assay intervals from Auger Holes, Tiros North**

Hole_ID	Type	From	To	TiO <sub>2</sub> %	TREO ppm	NdPr ppm
FT-26	Auger	10.00	12.00	10.63	2,170	337
FT-27	Auger	0.00	10.70	10.76	4,694	1,520
FT-28	Auger	9.00	20.00	16.97	8,322	1,644
Includes	Auger	14.00	20.00	22.08	11,793	2,441
Also includes	Auger	19.00	20.00	25.6	12,138	2,370
FT-29	Auger	1.00	12.00	19.28	6,669	1,218
Includes	Auger	5.00	12.00	23.41	8,149	1,677
FT-30	Auger	4.00	12.00	13.34	5,606	732
Includes	Auger	10.00	12.00	18.58	10,063	1,915
FT-31	Auger	2.00	13.00	15.24	3,720	646
Includes	Auger	5.00	9.00	17.71	4,070	558
FT-32	Auger	0.00	11.65	15.35	7,178	1,325
Includes	Auger	6.00	10.00	20.81	14,229	2,884
Also includes	Auger	8.00	9.00	22.1	18,827	4,058
FT-33	Auger	0.00	14.00	16.13	5,137	1,147

Includes	Auger	3.00	7.00	20.94	7,001	1,602
FT-34	Auger	0.00	11.00	13.35	3,322	661
Includes	Auger	4.00	6.00	18.60	2,920	719
FT-35	Auger	0.00	1.00	6.02	4,460	653
FT-36	Auger	0.00	3.50	10.30	2,522	610
FT-38	Auger	0.00	8.00	11.93	4,175	1,120
FT-39	Auger	2.00	3.00	6.70	4,139	274
FT-40	Auger	0.00	7.00	8.98	2,570	518
FT-42	Auger	1.00	9.50	15.01	8,118	1,694
Includes	Auger	5.00	9.00	18.90	11,059	2,514
FT-43	Auger	0.00	12.00	11.17	3,513	502
Includes	Auger	11.00	12.00	17.60	9,136	1,766
FT-44	Auger	0.00	1.00	8.62	4,136	1,237
FT-47 (partial)	Auger	8.00	12.00	10.64	1,565	248

The Tiros North Block, Figure 12, is a plateau, where the Capacete Formation is preserved. Auger holes were positioned along the rim of the plateau, in zones with little or no overburden.





**Figure 12:** Map of the drilling grid at the Tiros North Block

The geological map of the Capacete formation, Figure 12, demonstrates the relationship between mineralization and overburden. The current campaign targets zones not covered by overburden.

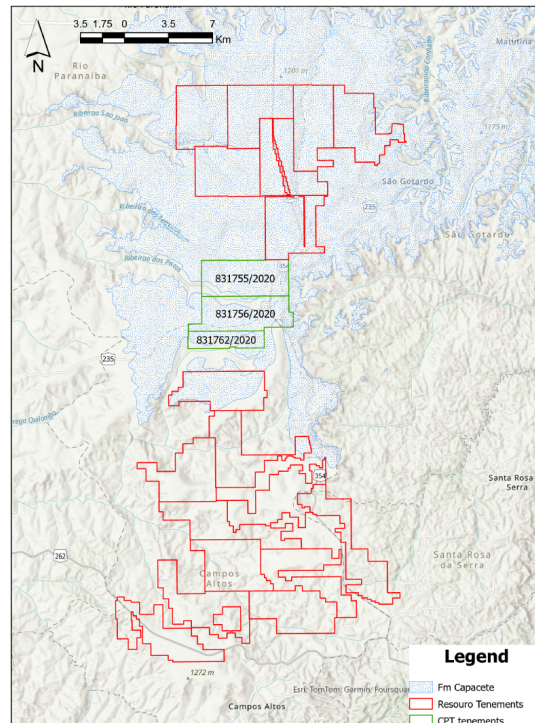
### **Tiros Acquisition of Additional Tenements**

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

Consideration paid includes the following staged transactions:

- a. Initial payment \$50,000 and 142,857 common shares of Resouro.
- b. Milestone 1: Resouro will drill 6 holes on the tenements whereby at least 3 holes show a minimum of 20 continuous meters of intercepts with over 2,000 ppm of TREO, within 2 years of the purchase date. If drilling is not completed within 2 years, then the payment is due on September 9, 2026.  
Payment: \$50,000 and 142,857 common shares of Resouro.
- c. Milestone 2: Resouro completes sufficient work to issue a JORC compliant report with an inferred Resouro of 100 mn tonnes of at least 2,000 ppm TREO within 3 years of the purchase date.  
Payment: \$50,000 and common shares based on the 20-day Volume Weighted Average Price (“VWAP”) of Resouro shares which occur immediately prior to the date the milestone is completed, with a minimum VWAP floor price of \$0.24.
- d. Milestone 3: Up to one year after the milestone 2 payment is made the final payment is due.  
Payment: \$100,000 and common shares based on the 20-day VWAP of Resouro shares which occur immediately prior to the date the milestone is completed, with a minimum VWAP floor price of \$0.24.

The Company considers this consolidation of tenements in the highly prospective Capacete Formation a strategic acquisition to complement the current land holdings in the Tiros area.

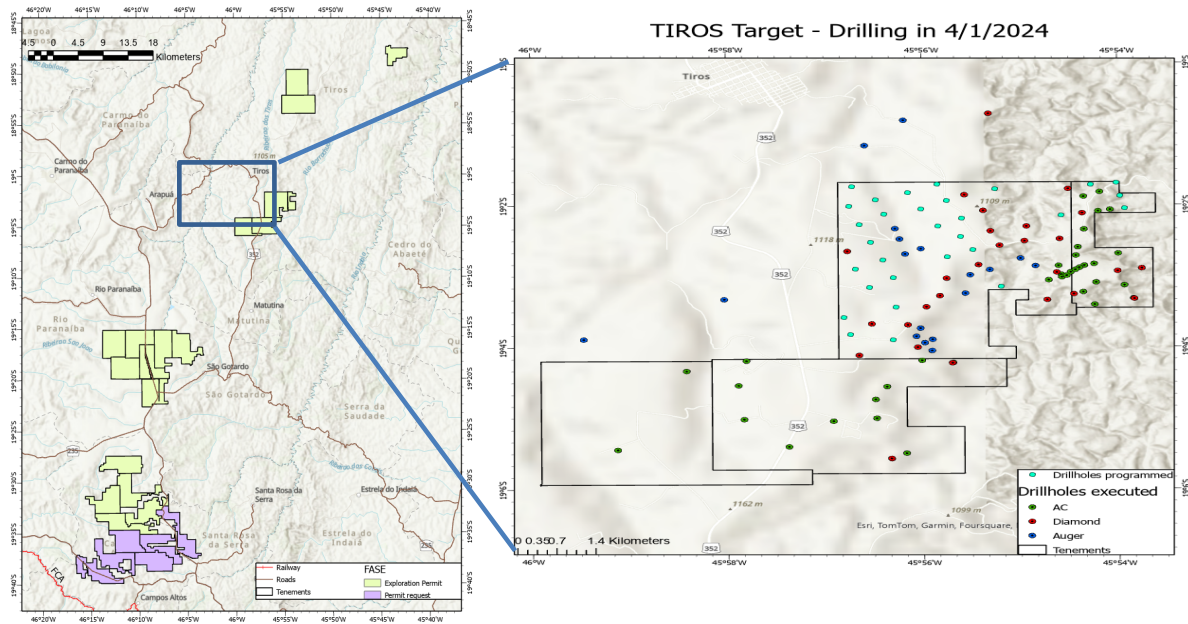


**Figure 13: Acquired Tenements**

### 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 from in 2013. 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 m with depths varying from 35 m to 60 m. 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 257 m drilled over 25 auger holes, 1,562 m drilled over 30 air-core holes and 1,634 m drilled over 26 diamond drill holes (the results of which are noted below). Refer to Figure 14 for details of the Company's drilling locations.



**Figure 14: Drilling locations and targets**

## Auger Drilling

An auger drilling campaign totaled 257 m for 25 auger drill holes (10 cm in diameter) and varied in depth from 6 m to 15 m in the Tiros central property (“tenement”) shown in Figure 14, 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 dioxide consistent with historical drilling and high levels of rare earth elements consistent with the work undertaken by RBM. The results also indicated material mineralization is consistent with known historic exploration, although the results did indicate a lower-level thickness of the mineralized 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.

**Table 7: Results of the Resouro Auger drilling campaign**

HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TREO ppm	Average TiO <sub>2</sub> %
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 1,562 m over 30 air-core drill holes (10 cm diameter), with the depth of the holes varying from 40m to 85m. Drilling was undertaken following the standard operating procedures for the air-core drilling equipment and undertaken by an experienced drilling contractor. Drilling depth was chosen to reach the hard conglomerate materials.

The air-core results show high levels of titanium dioxide 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.

**Table 8: Results of the Resouro Air Core drilling campaign**

HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TREO ppm	Average TiO <sub>2</sub> %
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 comprised of 1,634 m from 26 diamond drill holes (6.35 cm in diameter), with holes up to 93 m in depth. 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.

**Table 9: Results of the Resouro Diamond drilling campaign.**

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

### Geology and Mineralization

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

Within the Tiros project area, the following lithostratigraphic units were differentiated and mapped, from base to top: Bambuí Group, Areado Group, Mata da Corda Group, laterite and alluvial cover. There is a North-North-East-directed layer 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.



## PROPERTY II - Novo Mundo Gold Project

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

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

On November 18, 2018, Nexa Recursos Minerais S.A. ("Nexa") signed an agreement with Cooperativa dos Garimpeiros do Vale do Rio Peixoto ("Coogavepa") in order to acquire precious metal mineral rights in return for exploration and development expenditures. The Company agreed to assume all Nexa's obligations under the Novo Mundo Agreement with Coogavepe.

Resouro assumed the following obligations:

- (i) Nexa paid Coogavepe an initial price of BRL 400,000 for the transfer of the mineral processes and rights as follows:
  - (a) a first instalment of BRL 150,000 was paid within 30 days after execution of the Novo Mundo Agreement;
  - (b) a second instalment of BRL 250,000 was paid within 30 days after the date that Agência Nacional de Mineração ("ANM") completed the transfer of the exploration precious metal mineral rights to the Company's Brazilian subsidiary, Ison do Brazil Mineracao Ltda ("ISON Brazil"). These obligations have been satisfied by Nexa;
- (ii) Nexa agreed to incur phase one mineral exploration expenditures within 24 months of the date of the assignment of the Mineral processes and rights with the purpose of identifying economic mineralization for base metals (the "Initial Survey"). This obligation was satisfied by Nexa on September 18, 2021; and
- (iii) During October 2023, the Company confirmed its commitment to undertake phase 3 of the exploration work. A payment of BRL 2,500,000 was due to Coogavepe. During December 2023, BRL 750,000 was paid. An additional BRL 250,000 was paid in February 2024 with the final payment of BRL 1,500,000 paid in June 2024. Interest was paid during August 2024 as a result of delays in making the final payments.

On May 11, 2021, the Company, through its subsidiary, entered into a definitive purchase agreement with Nexa Recursos Minerais S.A. (“**Nexa**”), (the “**ISON-Nexa Agreement**”), pursuant to which the Company agreed to purchase from Nexa a 100% right to three precious metal exploration licences in the Novo Mundo Gold Project.

Pursuant to the ISON-Nexa Agreement, the consideration to be paid and/or satisfied by the Company to Nexa is as follows:

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

The provision in the ISON-Nexa Agreement which gave Nexa a three year period to explore for base metals, expired May 2024. Resouro may now explore the Novo Mundo Project area for base metals and if a commercially viable project is found Resouro will grant a 1.5% net smelter royalty (“**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 purpose of the ISON-Nexa Agreement. The Company has the option to buy back the NSR granted under the ISON-Nexa Agreement for a purchase price of US\$5,000,000 if purchased prior to May 11, 2026. After May 11, 2026, the Company has a right of first refusal to buy back the NSR if any third party wants to purchase it.

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

Upon Coogavepe granting the mining concession or bulk mining concession (*Guia de Utilização*) to the Company pertaining to any base metal mineral process, the Company shall pay a 1.5% net service revenue (“**NSR**”) to Coogavepe, from the effective commercialization of the base metal ore extracted from the concessions. The Novo Mundo Agreement also contemplates the assignment of some of the exploration areas to Coogavepe and providing them the right to apply for a Permissão de Lavra Garimpeira (“**PLG**”). Effectively, the PLG is an Artisanal Mining Permit 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 m.

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

- (i) ANM Mineral Process 866.035/2009, Exploration License No. 5004/2009, which is active and existing under the Brazilian Mining Code (“**BMC**”) for gold ore, covering 930.35 ha, located in the Novo Mundo Municipality, State of Mato Grosso, Brazil;
- (ii) ANM Mineral Process 866.320/2018, Exploration License No. 6787/2018, which is active and existing under the BMC for gold ore, covering 8,645.58 ha, located in the Novo Mundo Municipality, State of Mato Grosso, Brazil; and
- (iii) ANM Mineral Process 866.171/2018, Exploration License 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.

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

- desktop work and historical data integration for target definition and ranking;
- regional geological recognisance over the project’s tenements and in particular, along the pre-defined mineralized trends;
- geological mapping of the major Dionízio-Luisão mineralized trend;
- detailed geological mapping of the Luisão pit east front and sample, to understand the outcropping ore structural control;

- rock (grab) chip sampling over the main Dionízio-Luisão and surroundings with the aim to identify other parallel trends and check main trend continuity, where 309 samples were collected to date;
- re-logging of the historical drill core with the aim to redefine the rock code and to describe the hydrothermal alteration related to the ore zones. A total of 3,320 metres have been re-logged to date. A few selected ore zones were resampled for ICP multi-element analysis for the definition of the geochemistry of the alteration related to the ore.
- trenching along the main Dionízio-Luisão trend, with the aim to identify the mineralized horizon between the main open pits, where no outcrop is available. The Company open-mapped and sampled 3 trenches to date, for a total of 150 metres and collected 183 channel samples along the trenches;
- commencement of the preliminary drilling program in June 2022. A total of 10 drill holes were programmed with the aim to confirm historical drilling, infill to convert resources to measured for short-term mining plan, test extensions along the strike and down plunge to the main outcropping ore bodies and to test structural control defined by the detailed mapping. The preliminary drilling program was concluded in September 2022 with 10 drill holes for a total of 1,268 m;
- 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; and,
- 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 three months ended June 30, 2025, Resouro completed all regulatory requirements for the ANM as required to maintain the project's tenements in good standing.

### **PROPERTY III - Santa Angela project**

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



## Results of Operations

### Three months ended June 30, 2025

The Company recorded a comprehensive loss of \$1,002,358 of which \$40,982 is attributable to a non-controlling interest (“NCI”), for the three months ended June 30, 2025, compared to a comprehensive loss of \$2,002,097 for the three months ended June 30, 2024, of which \$94,014 was attributable to the NCI.

### Quarterly Financial Information

The following table provides selected financial information for the eight quarters up to June 30, 2025, and should be read in conjunction with the Company’s financial statements.

Quarter ended	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Total comprehensive loss	\$(1,002,358)	\$(1,008,866)	\$(1,423,516)	\$(1,852,917)
Net loss, non-controlling interest	40,982	31,958	50,094	60,693
Earnings (loss) per share <sup>(1)</sup>	(0.01)	(0.00)	(0.02)	(0.02)
Weighted average shares outstanding <sup>(1)</sup>	92,590,049	89,155,810	92,526,532	92,332,192

Quarter ended	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Total comprehensive loss	\$(2,003,097)	\$(712,635)	\$(1,771,291)	\$(661,628)
Net loss, non-controlling interest	94,014	4,680	-	-
Earnings (loss) per share <sup>(1)</sup>	(0.03)	(0.01)	(0.03)	(0.01)
Weighted average shares outstanding <sup>(1)</sup>	79,102,522	62,856,955	70,968,764	62,687,295

<sup>(1)</sup> Basic and diluted

### Discussion of quarterly results

#### Three months ended June 30, 2025 compared to June 30, 2024

Total comprehensive loss of \$1,002,358 and \$2,003,097 were recognized for the three months ended June 30, 2025, and June 30, 2024, respectively of which \$40,982 was attributable to the NCI, for the three months ended June 30, 2025 (June 30, 2024 - \$94,014).

The Company continued with the metallurgical study for the Tiros project during the three months ended June 30, 2025. In comparison, the company undertook a drilling program during the three months ended June 30, 2024 which resulted in higher exploration costs. Expenditures related to the three months ended June 30, 2025, include the following significant components:

- Professional fees \$167,222 (June 30, 2024 - \$455,536);
- Office and administrative expenses \$14,132 (June 30, 2024 - \$11,960);
- Management fees of \$313,884 (June 30, 2024 - \$413,252);
- Exploration and evaluation expenditures \$370,876 (June 30, 2024 - \$991,566);
- Travel and related expenses \$89,729 (June 30, 2024 - \$126,867);
- Share-based compensation expense \$25,480 (June 30, 2024 - \$82,223);
- Foreign exchange gain \$19,040 (June 30, 2024 - gain (\$75,982)); and,
- Offset by interest income \$24,350 (June 30, 2024 - \$19,232).

In comparison, the Company incurred higher professional fees during the three months ended June 30, 2024, 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 higher for the three months ended June 30, 2024, due to the engagement of a Chief Operations Officer (“COO”).

### ***Financial Condition, Liquidity and Capital Resources***

As at June 30, 2025, the Company had a deficit attributable to shareholders of \$16,818,489 (March 31, 2025 - \$15,857,113). The Company reported a cash position of \$846,088, accounts receivable of \$25,845 and a prepaid balance of \$66,012. Current liabilities are comprised of accounts payable of \$174,104, accrued liabilities of \$10,513 and an amount due to a related party of \$51,167.

During the three months ended June 30, 2025, cash decreased by \$997,576. Funds were provided from the gross proceeds of \$7,300,718 received through a private placement that closed on June 14, 2024, which closed concurrently with the Company completing a public listing on the ASX. This funding, together with any future capital raising initiatives, will finance the Company’s exploration programs and administrative costs for the next 12 months. The Company has demonstrated its ability to raise new capital during the past 12 months and the Board is confident that it can continue to raise new capital as needed to fund its operations.

#### **Operating activities**

During the three months ended June 30, 2025, net cash used in operating activities amounted to \$992,431 (June 30, 2024 - \$2,309,688).

#### **Investing activities**

During the three months ended June 30, 2025, the Company used \$nil cash through investing activities (June 30, 2024 - \$13,421). The Company acquired additional property and equipment assets to support the ongoing project and administrative efforts in Brazil.

#### **Financing activities**

During the three months ended June 30, 2025, cash used by financing activities was \$5,145 (June 30, 2024 – cash provided \$6,877,027). Funds were provided during the three months ended June 30, 2024, from the gross proceeds of \$7,300,718 received through a private placement that closed on June 14, 2024, which closed concurrently with the Company completing a public listing on the ASX.

### **Financial Instruments, Risks and Capital Management**

The Company does not utilize complex financial instruments in hedging metal price, foreign exchange or interest exposure. Any hedging activity requires approval of the Company’s Board of Directors. The Company will not hold or issue derivative instruments for speculation or trading purposes. Please refer to the condensed interim Consolidated Financial Statements for the three months ended June 30, 2025.

### ***Related Party Transactions***

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

<b>Three months ended,</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Officers	\$118,550	\$166,431
Directors	195,334	246,821
<b>Total compensation</b>	<b>\$313,884</b>	<b>\$413,252</b>

As of June 30, 2025, \$27,584 was due to Officers and Directors for consulting fees and reimbursable expenses (March 31, 2025 - \$100,019). As of June 30, 2024, \$84,920 was due to Officers and Directors for consulting fees and reimbursable expenses.

### ***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 material accounting policies are presented in Note 2 of the annual audited financial statements for the year ended March 31, 2025.

### ***Risks and Uncertainties***

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

#### **No assurance of titles or borders**

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

#### **Competition**

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

#### **Financing risks**

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. The Company's ability

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

### **Mineral property exploration and mining risks**

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. The main operating risks include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The Company may earn an interest in certain properties through option agreements and acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of prefeasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property. The market price for our various target 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 maintains 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.

### **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 92,590,049 common shares, 600,616 broker share purchase warrants, 12,495,000 common share purchase options, 1,843,643 broker compensation options and 750,000 performance rights outstanding.

## **DIRECTORS AND OFFICERS**

Chris Eager, Chairman of the Board

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

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

Philippe Martins, Director (Audit Committee Member, Remuneration Committee Member)

Alistair Stephens, Chief Executive Officer

Sandra Evans, Chief Financial Officer and Corporate Secretary