



Resouro Strategic Metals Inc.

MANAGEMENT'S DISCUSSION & ANALYSIS
For the year ended March 31, 2026
(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 annual audited financial statements for the year ended March 31, 2026 (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 June 22, 2026.

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. The Company is listed on the Canadian TSX Venture Exchange ("**TSX-V**") under the symbol "RSM", on the Australian Securities Exchange ("**ASX**") under the symbol "RAU" 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.

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**" or "**Tiros**") 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 indicated 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 consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. At the date of these consolidated financial statements, the Company has not achieved profitable operations and has accumulated losses since inception. The Company had a working capital surplus of \$735,688 and an accumulated deficit attributable to shareholders of

\$19,727,294 for the year ended March 31, 2026. The Company has incurred a loss from operations of \$4,035,643 for the year ended March 31, 2026.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Management believes the going concern basis is appropriate, as the Company has sufficient capital to fund operations for the next twelve months and has demonstrated an ability to raise additional capital from new and existing investors. However, there can be no assurance that such financing will be available when required.

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 is 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 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 to 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 100% owned by TMEL.



Corporate Highlights

Tiros Project – Preliminary Economic Assessment

On June 14, 2026, Canada/June 15, 2026, Australia, the Company announced the results of a Preliminary Economic Assessment (“**PEA**”) for its Tiros Rare Earths and Titanium Project in Minas Gerais, Brazil. The PEA demonstrates that the project will deliver US\$715M using an 8% post-tax net present value (“**NPV**”) over a 20 year mine life with an investment rate of return (“**IRR**”) of 44.2%.

Highlights of the PEA:

1. The PEA indicates an after-tax net present value (“**NPV**”) of US\$714.9 million using an 8% nominal discount rate and an after-tax internal rate of return (“**IRR**”) of 44.2%;
2. The proposed operation contemplates annual processing throughput of 500,000 tonnes per annum (“**tpa**”) over an initial mine life of 20 years for a total run of mine (“**ROM**”) feed of 9.5 million tonnes (“**Mt**”) of high grade at 26.3% titanium dioxide (“**TiO₂**”) 10,832 parts per million (“**ppm**”) total rare earth oxides (“**TREO**”), and 2.7 strip ratio;
3. Operation targets a high-grade area of mineralization that makes up less than 1% of the Company’s previously announced 1.4 billion tonne (“**Bt**”) Measured and Indicated Resource;
4. Significant expansion potential supported by a very large titanium and rare earth mineral (“**REE**”) resource;
5. Simple open-pit mining with free digging near-surface mineralization;
6. Proposed processing flowsheet incorporates grinding and sizing beneficiation, calcination, magnetic separation/electrostatic separation and gravity separation, acid leach, sulphation/water leach, hydrolyzation, precipitation, and solid liquid separation;
7. The overall recovery of TiO₂ is 68.7% which is recovered as two products: coarse TiO₂ and fine TiO₂. The recovery of the REEs to a mixed rare earth carbonate (“**MREC**”) product is 67%;
8. Dual-revenue model based on TiO₂ and REE product streams;
9. Environmentally conscious design, assuming dry-stack tailings; and,
10. Favourable jurisdiction: Minas Gerais, Brazil with established infrastructure.

The PEA contemplates the development of an initial 500,000 tpa mining and processing operation targeting high-grade mineralisation within the Tiros Project. The proposed operation incorporates conventional open-pit mining, and a processing flowsheet designed to produce both TiO₂ concentrates and REE products, creating a diversified dual-revenue stream.

Novo Mundo – Mining and Processing Agreements

On June 1, 2026, Resouro through its Brazilian subsidiary, ISON do Brasil, announced that it had signed a mining, transport and processing agreement with Future Mining Ltda. (“**Future Mining**”) and Buriti Gold Mineração Ltda. (“**BGM**”) for a proposed mining and processing program at its 100%-owned Novo Mundo Gold project in Mato Grosso, Brazil. The Agreement establishes a structure for the proposed mining, transport and processing of gold-bearing material from Guia de Utilização No. 20/2022 under Brazilian Department of Mines (“**ANM**”) Title No. 866.035/2009 (the “**Novo Mundo GU**”), subject to the satisfaction of conditions precedent, including verification of applicable ANM and environmental authorizations, operating plans, budget, accounting protocols, safety controls and regulatory requirements.

Under the Agreement, Future Mining and BGM will prepare and implement a basic economic study, mine plan, transport plan and processing plan for shallow gold-bearing material from the Novo Mundo GU. The basic economic study, mine plan, transport plan and processing plan will not constitute a feasibility study, prefeasibility study, Mineral Reserve estimate or Ore Reserve estimate. Once the conditions precedent are satisfied, material is expected to be mined from the authorized GU area, transported to the BGM processing plant and processed for the recovery and sale of gold product, subject to applicable authorizations, operational performance, technical constraints, metallurgical performance, costs, recoveries, grade control, reconciliation, market conditions and regulatory compliance.

On June 9, 2026, Resouro announced that it had signed a binding Memorandum of Understanding (the “**MOU**”) with Future Mining and BGM for the two remaining Titles in the Novo Mundo Gold Project in Mato Grosso, Brazil. The MOU provides for the completion of work required to support the preparation and submission of the Final Exploration reports due to the ANM, for Titles 866.320/2018 and 866.171/2018. The Final Exploration Reports are due by July 28, 2026 and August 7, 2026, respectively.

Approval for DTC Eligibility

On August 11, 2025, Resouro announced that its common shares are now eligible for electronic clearing and settlement in the United States (“**US**”) through the Depository Trust Company (“**DTC**”). DTC eligibility is expected to simplify the trading process on the OTCQB exchange and enhance the liquidity of the Company’s shares for US investors by enabling Resouro’s shares to be traded through a wider network of U.S. brokerage firms, facilitating faster settlement and improved market access. This represents a meaningful step toward increasing the Company’s visibility and accessibility within the U.S. capital markets.

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. Resmin is a corporation, incorporated in Singapore and owned by Resouro’s Chairman of the Board, Christopher Eager.

In exchange for the consideration paid, TMEL holds the rights to the Tiros Project assets which are currently being explored for Titanium dioxide and rare earth elements.

Listing on Australian Securities Exchange and Concurrent Private Placement

On June 12, 2024, the Company successfully completed a dual listing on the ASX. Concurrent to the Australian Securities Exchange (“**ASX**”) listing the Company closed a private placement which was considered an Initial Public Offering (“**IPO**”) on the ASX (“**ASX offer**”).

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

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

Issuance of Shares

	Ref	Number ⁽¹⁾	Value
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
Balance at March 31, 2025		92,590,049	\$ 19,480,922
Shares issued, October 21, 2025	(v)	15,000,000	2,999,999
Share issue costs, October 21, 2025	(v)		(19,069)
Balance at March 31, 2026		107,590,049	\$ 22,461,852

⁽¹⁾ An Officer and Director of the Company owned 17% of the outstanding common shares.

- (i) On June 14, 2024, the Company successfully completed a dual listing on the ASX. Concurrent to the ASX listing the Company closed a private placement in Australia, which was considered an 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 were 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 a deemed consideration of \$0.28 for a value of \$40,000.
- (v) On October 21, 2025, the Company closed a private placement in which 15,000,000 units were issued at a price of \$0.20 per unit for cash consideration of \$3,000,000. Each unit was comprised of one common share of the capital in the Company and one-half of one common share purchase warrant, with each whole warrant being exercisable to acquire one common share at an exercise price of \$0.30 per share for a three-year period, expiring on October 21, 2028. The Company paid \$19,068 in share issue costs.

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	Number Vested	Remaining life	ASX Escrow release date
Issued: June 13, 2023	4,560,000	4,560,000	2.2	-
Issued: October 11, 2023 ⁽¹⁾	2,250,000	2,250,000	2.6	June 14, 2026
Issued: March 11, 2024 ⁽²⁾	4,000,000	4,000,000	2.9	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	-	-	-
Expired: August 14, 2025	(2,000,000)	-	-	-
Issued: March 18, 2026	1,000,000	500,000	5.0	-
Total as of March 31, 2026	11,495,000	10,995,000	2.8	

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

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

- 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 vested over a 24-month period.
- 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 the former CEO of the Company. The options lapsed on August 14, 2025, when the CEO resigned and the conditions of the options were no longer met.
- 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.
- On April 30, 2024, 50,000 stock options expired.
- 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.

8. On November 1, 2024, the Company issued 2,000,000 common share purchase options to the former CEO of the Company. The options lapsed on August 14, 2025, when the CEO resigned and the conditions of the options were no longer met.
9. On March 18, 2026, the Company issued 1,000,000 common share purchase options to a director of the Company. The options are 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 \$117,026 and will be expensed over the vesting period, 12 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 2.81%; volatility of 101%, and an expected life of 5 years. 500,000 options vested immediately upon issuance with the remaining options vesting in 12 months on March 18, 2027. The options expire on March 18, 2031.

Sustainability 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 the Company’s Sustainability program and policies for the year ended March 31, 2025, Resouro engaged an external advisor prior to the ISSB publication of the IFRS standards. Digbee provided us with an independent assessment of Resouro’s 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 offered Resouro insights into sustainability performance and assisted in addressing our ESG related risks and opportunities.

Resouro also engaged Carbon Hound Inc. to determine the Company’s reporting disclosure for Climate and Green House Gas emissions (“GHG”).

Resouro is publishing its second Sustainability report concurrently with the year end, March 31, 2026 Financial Statements and MD&A.

Exploration Projects

PROPERTY I - Tiros Titanium (“TiO₂”) 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 (“km²”) located 350 kilometres (“km”) from Belo Horizonte, the state capital which is in one of the most infrastructurally developed states of Brazil. The Tiros licenses cover the most prospective portions of the Capacete formation with the greatest exploration potential.

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 owns the subsidiary TMEL, a company incorporated in Brazil, which holds the titles that comprise the Tiros Project. The original owner, RBM, owns a 10% free-carried, non-controlling interest in TMEL.

Preliminary Economic Assessment (“PEA”) demonstrating a viable, economic Mineral Resource

On June 15, 2026, the Company announced the results of a PEA for its Tiros Rare Earth Elements and Titanium Project in Minas Gerais, Brazil. The PEA demonstrates that the project is viable and economic. The project is estimated to deliver US\$715M using an 8% post-tax NPV over a 20 year mine life with an IRR of 44.2%.

Key highlights of the PEA include:

1. The PEA indicates an after-tax net present value of US\$714.9 million using an 8% nominal discount rate and an after-tax IRR of 44.2%;
2. The proposed operation contemplates annual processing throughput of 500,000 tpa over an initial mine life of 20 years for a total ROM feed of 9.5 Mt of high grade at 26.3% TiO₂, 10,832 ppm total REE oxides and a 2.7 strip ratio;
3. Operation targets a high-grade area of mineralization that makes up less than 1% of the Company’s previously announced 1.4 Bt Measured and Indicated Resource;
4. Significant expansion potential supported by a very large TiO₂ and REE mineral resource;
5. Simple open-pit mining with free digging near-surface mineralization;
6. Proposed processing flowsheet incorporates grinding and sizing beneficiation, calcination, magnetic separation/electrostatic separation and gravity separation, acid leach, sulphation/water leach, hydrolyzation, precipitation, and solid liquid separation;
7. The overall recovery of TiO₂ is 68.7% which will be recovered to two products: coarse TiO₂ and fine TiO₂. The recovery of the REEs to a mixed REE carbonate product is 67%;
8. Dual-revenue model based on TiO₂ and REE product streams;
9. Environmentally conscious design, assuming dry-stack tailings; and,
10. Favourable jurisdiction: Minas Gerais, Brazil with established infrastructure.

The PEA contemplates the development of an initial 500,000 tpa mining and processing operation targeting high-grade mineralisation within the Tiros Project. The proposed operation incorporates conventional open-pit mining, and a processing flowsheet designed to produce both TiO₂ concentrates and REE products, creating a diversified dual-revenue stream.

The staged development approach has been selected to:

1. Minimise upfront capital requirements;
2. Reduce development and execution risk;
3. Accelerate the pathway toward production;
4. Generate operational cash flow to support future growth; and,
5. Preserve significant resource optionality for future expansion.

Summary of Tiros Project Metrics

General	Unit	Life of Mine (“LOM”) total/average
TREO price assumption	US\$ / kg	57.4
REEs ROM grade	ppm	10,852
Steady state REE in product	tonnes	3,636
TiO ₂ price assumption – coarse circuit	US\$ / tonne	900.0
TiO ₂ run of mine grade	%	26.2
	thousand tonnes per annum (“ktpa”)	
Steady state contained TiO ₂ in concentrate – coarse circuit		42.3
TiO ₂ price assumption – fine circuit	US\$ / tonne	650.0
Steady state contained TiO ₂ in concentrate – fine circuit	ktpa	47.8
Mine life	years	20
Processing rate per year	tpa	500,000
ROM Feed over LOM	Mt	9.5
Waste	Mt	20
Strip Ratio	t:t	2.7
Economics (pre-tax)		
	US\$ Million (“M”)	
NPV (8% discount rate)		1,138.8
IRR	%	62.7
Payback	years	1.3
LOM average annual cash flow	US\$ M	115.2
LOM cumulative cash flow	US\$ M	2,535.8
Economics (after-tax)		
NPV (8% discount rate)	US\$ M	714.9
IRR	%	44.2
Payback	years	1.9
LOM average annual cash flow	US\$ M	70.0
LOM cumulative cash flow	US\$ M	1,673.9
Costs		
Initial capital – net ¹	US\$ M	159.6
Initial capital – gross	US\$ M	191.1
Sustaining capital – post tax	US\$ M	59.6
Average annual operating costs	US\$ M	109.5
Average cost per tonne for run of mine	US\$ M	219.0

¹ CAPEX completed to PEA – Class 5 standards, includes USD 32M in contingency. Taxes payable on up-front capital may be partially redeemed over the life of the operations.

Mineral Resource Summary

The Tiros Project hosts a large-scale titanium dioxide and rare earth resource within the Capacete Formation, comprising:

- Measured and Indicated: 1.4 Bt grading 12% TiO₂, 4,000 ppm TREO, and 1,100 ppm MREO
- Inferred: 500 Mt grading 12% TiO₂, 3,700 ppm TREO, and 1,000 ppm MREO
- High-grade domain: 103 million tonnes grading 23% TiO₂, 9,100 ppm TREO, and 2,400 ppm MREO

The current NI 43-101 Technical Report for the Tiros Project located in Minas Gerais, Brazil, was prepared for Resouro by Atticus Geoscience Consulting, has an effective date of 9 April 2025, and was announced on 23 May 2025.

Mine Plan and Development Strategy

The grade of the Measured and Indicated Resource at Tiros supports a phased development approach, with a dual-revenue model based on TiO₂ and REE product streams. The operation targets a 9.5 MT high grade area of mineralization that grades 26.3% TiO₂ and 10,852 ppm TREO, which accounts for less than 1% of the Company's 1.4 Bt Measured and Indicated Resource.

It is designed to be 500,000 tpa initial operation over 20 years with potential for future expansion once the initial operation is advanced and technical, commercial and permitting milestones are achieved. It will be a simple open-pit mine with free digging near-surface mineralisation and an environmentally conscious design that assumes dry-stack tailings.

The mine plan used for this PEA is conceptual and is based on a simplified, flat mining sequence. Mine scheduling and sequencing are expected to be refined in subsequent studies.

Processing Route / Flowsheet

The PEA assumes a proposed processing route comprising:

- Beneficiation, including crushing, grinding, screening size classification, magnetic separation, and gravity density separation;
- Calcination at approximately 600°C to enhance magnetic removal of iron minerals;
- Magnetic / electrostatic coarse separation, acid leaching and solid/liquid separation for recovery of coarse TiO₂ concentrate;
- Magnetic separation, acid sulphation/water leach, filtration, hydrolyzation, filtration for recovery of fine TiO₂ product; and,
- Acid sulphation, water leach, precipitation and filtration for REE recovery: TREO is recovered from the leach liquor as a REE precipitate product, MREC.

Final products are expected to include:

- Coarse TiO₂ anatase concentrate - calculated grade 84.7% TiO₂, -300 /+75 micron, from METSIM® model
- Fine TiO₂ product concentrate - calculated grade 57.9% TiO₂, -20 micron, from METSIM® model
- REE concentrate as a MREC

PEA Economics

The economic analysis is based on a dual-revenue model from REE and TiO₂ product streams. Revenue assumptions are based on long-term TREO basket pricing and TiO₂ concentrate pricing with the TREO basket reflecting the distribution of REE within the Tiros deposit.

The PEA estimates initial capital of approximately US\$191 million, sustaining capital of approximately US\$59 million, and average annual operating costs of approximately US\$109 million, equivalent to approximately US\$219 per tonne of ROM material processed. Estimates are based on an assumed exchange rate of USD 1.00 = BRL 5.00. These estimates are preliminary and will be refined through future engineering, metallurgical test work, permitting work, and PFS level studies.

	Variation								
	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
TREO Basket Price FOB Santos (US\$/kg)	34.5	40.2	46.0	51.7	57.4	63.2	68.9	74.7	80.4
Post-tax NPV ₈ (M, US\$)	283.2	390.6	498.7	606.8	714.9	823.0	931.1	1039.2	1147.3
Post-tax IRR (%)	23.2	28.4	33.7	38.9	44.2	49.4	54.6	59.9	65.1
Pre-tax NPV ₈ (M, US\$)	491.0	652.4	814.5	976.6	1,138.8	1,300.9	14,63.0	1,625.2	1,787.3
Pre-tax IRR (%)	32.9	40.3	47.8	55.3	62.7	70.1	77.5	84.9	92.2
TiO ₂ prices									
Fine (US\$/t)	390	455	520	585	650	715	780	845	910
Coarse (US\$/t)	540	630	720	810	900	990	1080	1170	1260
Post-tax NPV ₈ (M, US\$)	544.3	587.0	629.6	672.3	714.9	757.5	800.2	842.8	885.4
Post-tax IRR (%)	35.9	38.0	40.0%	42.1%	44.2%	46.2%	48.3%	50.4%	52.4%
Pre-tax NPV ₈ (M, US\$)	883.0	946.9	1010.9	1,074.8	1,138.8	1,202.7	1,266.7	1,330.6	1,394.6
Pre-tax IRR (%)	51.0	53.9%	56.8%	59.8%	62.7%	65.6%	68.5%	71.4%	74.4%
TiO ₂ weight recoveries									
Fine	5.74	6.70	7.66	8.62	9.57	10.53	11.49	12.44	13.40
Coarse	5.09	5.93	6.78	7.63	8.48	9.33	10.17	11.02	11.87
Post-tax NPV ₈ (M, US\$)	557.4	596.8	636.1	675.5	714.9	754.3	793.6	833.0	872.4
Post-tax IRR (%)	36.6	38.5	40.4	42.3	44.2	46.1	47.9	49.8	51.7
Pre-tax NPV ₈ (M, US\$)	902.4	961.5	1,020.6	1,079.7	1,138.8	1,197.9	1,257.0	1,316.1	1,375.2
Pre-tax IRR (%)	51.9	54.6	57.3	60.0	62.7	65.4	68.0	70.7	73.4
REE weight recovery (%)									
REE weight recovery (%)	0.44	0.51	0.58	0.65	0.73	0.80	0.87	0.95	1.02
Post-tax NPV ₈ (M, US\$)	284.6	391.7	499.4	607.1	714.9	822.6	930.4	1,038.1	1,145.9
Post-tax IRR (%)	23.2	28.5	33.7	38.9	44.2	49.4	54.6	59.8	65.1
Pre-tax NPV ₈ (M, US\$)	493.1	654.0	815.6	977.2	1,138.8	1,300.4	1,462.0	1,623.6	1,785.2
Pre-tax IRR (%)	33.0%	40.4	47.9	55.3	62.7	70.1	77.4	84.8	92.1
CAPEX									
CAPEX	114.7	133.8	152.9	172.1	191.2	210.3	229.4	248.5	267.6
Post-tax NPV ₈ (M, US\$)	791.4	772.2	753.1	734.0	714.9	695.8	676.7	657.5	638.4
Post-tax IRR (%)	70.3	61.1	54.1	48.6	44.2	40.5	37.3	34.6	32.3
Pre-tax NPV ₈ (M, US\$)	1,215.2	1,196.1	1,177.0	1,157.9	1,138.8	1,119.7	1,100.5	1,081.4	1,062.3
Pre-tax IRR (%)	99.1	86.4	76.6	68.9	62.7	57.5	53.2	49.4	46.2
OPEX									
OPEX	111.8	130.4	149.0	167.7	186.3	204.9	223.5	242.2	260.8
Post-tax NPV ₈ (M, US\$)	958.6	897.6	836.7	775.8	714.9	654.0	593.1	532.1	471.2
Post-tax IRR (%)	57.3	54.0	50.7	47.4	44.2	41.0	37.8	34.7	31.6
Pre-tax NPV ₈ (M, US\$)	1,500.7	1,410.2	1,319.7	1,229.3	1,138.8	1,048.3	957.8	867.3	776.8
Pre-tax IRR (%)	81.0	76.4	71.8	67.2	62.7	58.2	53.7	49.3	44.9

Capital and Operating Cost Summary

The PEA is based on a Class 5 level capital and operating cost estimate appropriate for a preliminary economic assessment. The estimates remain preliminary and will be refined through additional engineering, metallurgical test work, permitting work, and future studies.

Operating costs are primarily driven by reagent and energy consumption, mining, stockpile management, personnel, and maintenance. The capital and operating cost estimates have been prepared based on current PEA-level engineering, process assumptions, and supplier/consultant inputs. All costs have been reviewed by the relevant technical consultants and Qualified Persons/Competent Persons as part of the PEA process.

Further work for the Prefeasibility Study (“PFS”), the next study phase, is expected to focus on optimising the flowsheet, improving beneficiation, increasing acid recycling and reducing operating costs.

Environmental Impact Assessment and Permitting

The Tiros Project environmental and permitting pathway is a critical path item for project development, financing, construction, and operations. Based on current assessments, the Project is expected to be licensed in Minas Gerais through the state environmental system, rather than federally, because the Project is located entirely within Minas Gerais.

The current regulatory assessment classifies Tiros as a large mining project with medium potential environmental impact requiring a full three-phase environmental licensing process: Preliminary License (“LP”), Installation License (“LI”), and Operating License (“LO”).

The primary environmental study requirement is expected to be a full Environmental Impact Assessment (“EIA”) and Environmental Impact Report (“RIMA”), supported by baseline studies, public consultation, fauna licensing, archaeological and cultural heritage work, water and vegetation authorizations as required, and technical review by the state environmental authorities.

Resouro has initiated a structured environmental permitting workplan for Tiros and has engaged Sete Soluções e Tecnologia Ambiental Ltda to support the licensing process and environmental study work program. Formal project-level approvals remain subject to completion and acceptance of the required environmental studies and the statutory licensing process.

Current community engagement is preliminary and ongoing, including communications with local communities, landholders, and municipal authorities in Tiros and São Gotardo. Formal project-level approvals remain subject to completion and acceptance of the required environmental studies and the statutory licensing process.

Next Steps

The PEA is an important milestone in advancing the Tiros Project toward development. Building on the outcome of the study, the Company intends to progress a range of technical, engineering, permitting, and commercial activities to further de-risk the Tiros Project and support advancement toward the next stage of development.

Next steps include infill drilling in the defined starter pit areas, additional sample generation, further metallurgical test work, flowsheet optimization, product specification work, continued environmental studies, and stakeholder engagement.

Longer term, the Company also intends to assess staged expansion opportunities beyond the initial 500,000 tpa initial operation, including future production scenarios in the range of 5 to 10 Mt per annum, subject to technical, economic, permitting, financing, and market outcomes.

The PFS will focus on flowsheet optimisation, beneficiation improvements, acid recycling opportunities, alternative process routes, product specification work, and staged scale-up scenarios.

JORC Report Published with Maiden Mineral Resource Estimate

On July 17, 2024, the Company published its JORC report for the Tiros Project. The MRE incorporated 4,766 metres of verification drilling including Diamond, Aircore and Auger across 102 drill holes including 20 historical drill holes.

The mineral resource estimate contained in the JORC report contains elements that do not comply with NI 43-101 standards and therefore, should not be relied upon by investors as a mineral reserve or feasibility-level assessment.

Highlights of the report included the following:

- Maiden mineral resource estimate (“**MRE**”) for the Tiros Project of 1.7 Bt at 3,900 ppm TREO, 1,100 ppm Magnet Rare Earth Oxides (“**MREO**”) and 12% TiO₂ in all three resource categories.
- Of the 1.7 Bt, the deposit contains a high-grade domain of 120 Mt containing 9,000 ppm TREO, (including 2,400 ppm of MREO) and 23% TiO₂.
- The combined Measured and Indicated resources represent 1 Bt at 12% TiO₂ and 4,050 ppm TREO which includes 1,120 ppm MREO.

The MRE places the Tiros Project as one of the largest undeveloped TiO₂ and REE resource globally.

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.

JORC MRE Update

On April 8, 2025 (ASX April 9, 2025), the Company provided an update to its JORC MRE 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 1. The high-grade Measured and Indicated Resource has been increased by 37% in total for no change in TiO₂ grade and similar for REE grades, Table 3.

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

Table 1: 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 TiO₂ and REE mineralisation represented in Table 3 and was modelled by applying a cut-off grade of 8,000 ppm TREO.

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

Table 2: High-grade tonne and grade based on a cut-off grade of 8,000 ppm TREO (rounding applied, refer Table 4).

Resource Category	Change in tonnes	Change in TiO ₂ %	Change in TREO (ppm)
Measured + Indicated	+37%	0%	-1%

Table 3: The percentage change in Measured and Indicated resources in the high-grade component of the MRE in tonnes, and grade.

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

The significance of the current updated 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 TiO₂ and REEs.

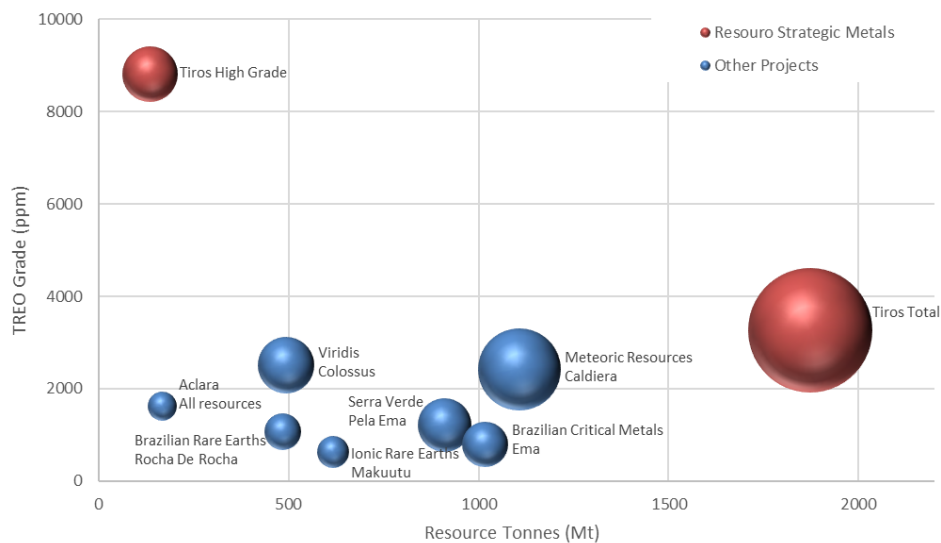


Figure 1: Bubble chart of Tiros total and high-grade MRE for REEs in comparison to selected peer projects in relation to tonnage of all mineral resources against average grade. The bubble size reflects the metal content calculated as total resource tonnes times average resource grade, TSX release dated April 8, 2025 (ASX release dated April 9, 2025).

The MRE update marks a significant milestone for the Company, establishing Resouro as one of the world’s largest and most significant resources of both TiO₂ and REEs. It also highlights a 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”) modelled the 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 -ore 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% TiO₂.

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.

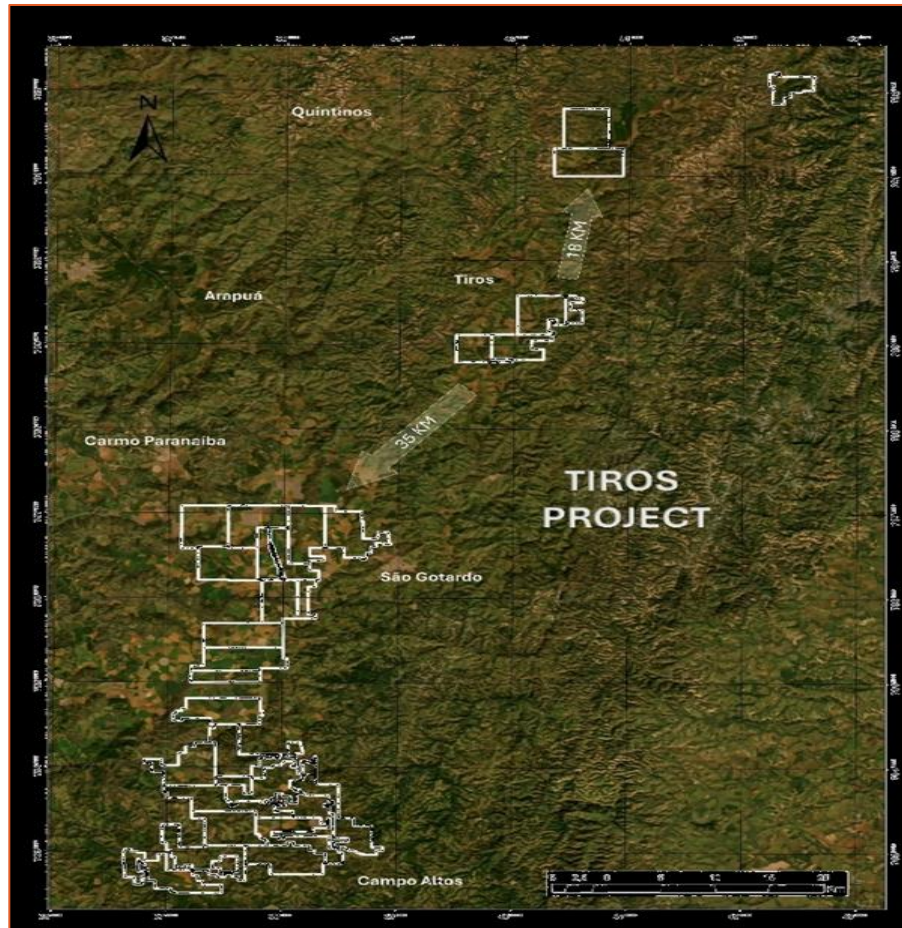


Figure 2: View of the Resouro Tiros project.

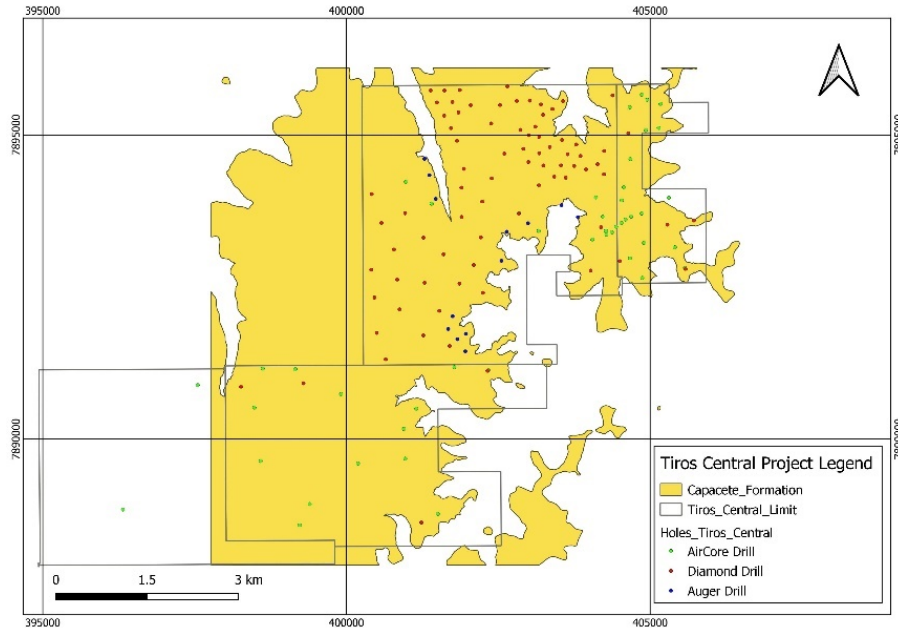


Figure 3: Plan view of the Tiros Central block showing drill holes locations

Geology, Mineralization and Interpretation

TiO₂ and TREO mineralization are hosted in the Capacete Formation, belonging to the Mata da Corda Group. TiO₂ is associated with the mineral anatase, originating from the alteration of perovskite.

The REE 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 tamarugite pyroclastic flows, hosted in the Brasília Belt, southwest of the São Francisco Craton.

Mineralization at the Tiros Project is due to a lateritic process enriching epiclastic rocks, and the erosion products of volcanic rocks enriched in TiO₂ and REEs. REE and TiO₂ mineralization are hosted in highly weathered sedimentary rocks of the Capacete Formation, belonging to the Mata da Corda Group. The upper part of the mineralized zone is known to be higher in grade for both TiO₂ and REEs 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-Northeast 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.

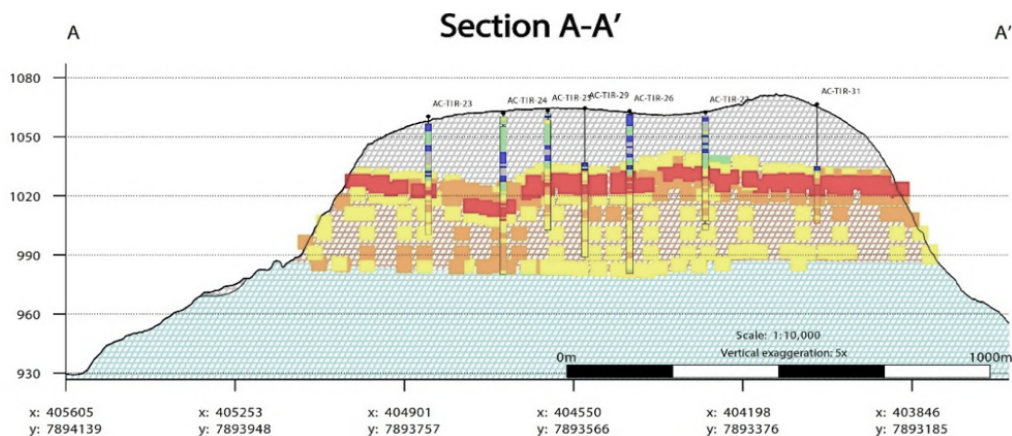


Figure 4: An illustrated cross section of the Tiros Project mineralisation demonstrating the relationship with overburden, high-grade mineralisation (red) and low-grade mineralisation (yellow and brown).

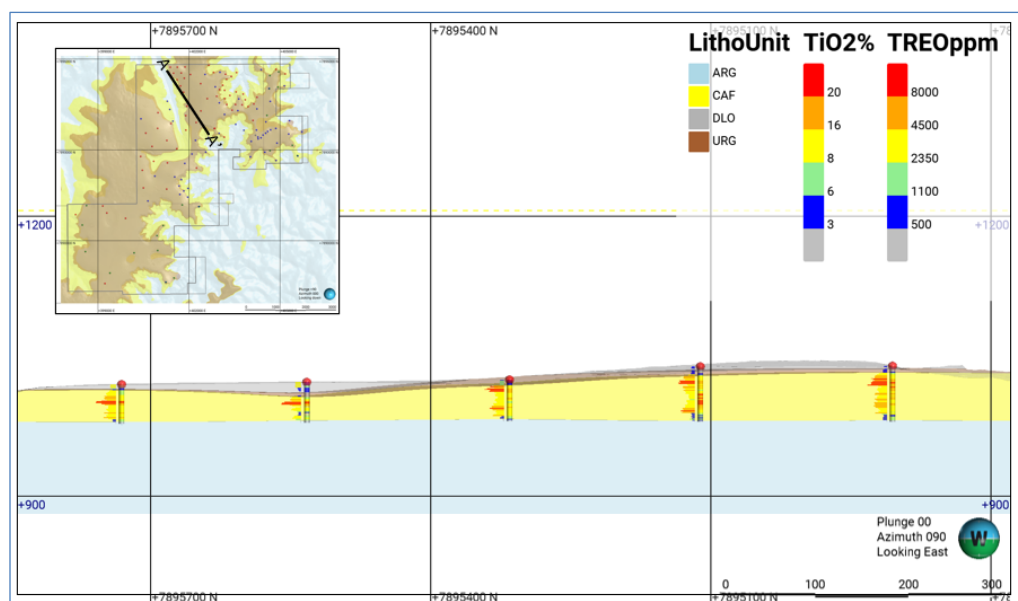


Figure 5: Section view (A-A) of the Tiros deposit showing the major lithological units (ARG - Areado Group, CAF - Capacete Formation, URG - Urucuia Group/ Tertiary Cover, DLO - Detritus-Lateritic Overburden), and drill holes coloured by TREO ppm, and TiO₂% coloured in the bars.

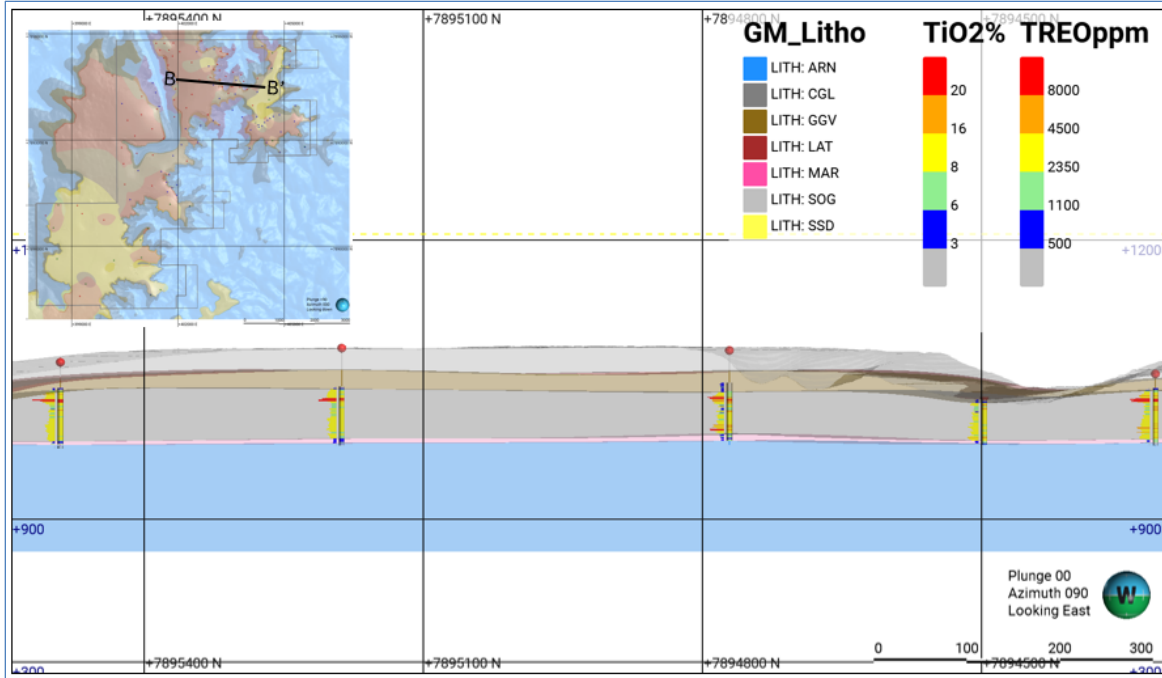


Figure 6: Section view (B-B) of the Tiros deposit showing the facies of the principal lithologic units, (ARN - Arenite, CGL - Conglomerate, GGV - Gravel/ Sediments Gravel, LAT - Laterite, MAR - Magnetic Arenite, SOG - Soil General, SSD - Sand/sediment Sand), and drill holes coloured by TREO ppm, and TiO₂% coloured bars.

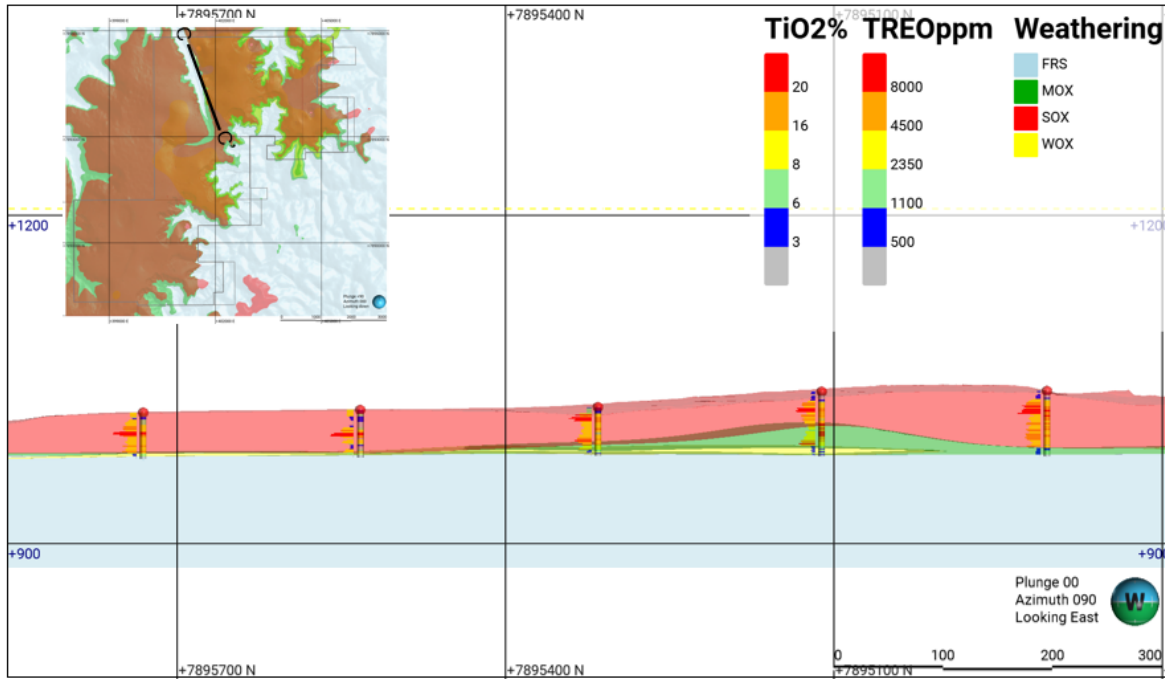


Figure 7: Section view (C-C) of the Tiros deposit showing the weathering / oxidation model, (FRS – Fresh, MOX – moderately oxidised, SOX – Strongly Oxidised, WOX – Weakly Oxidised), and drill holes coloured by TREO ppm and TiO₂% as coloured bars.

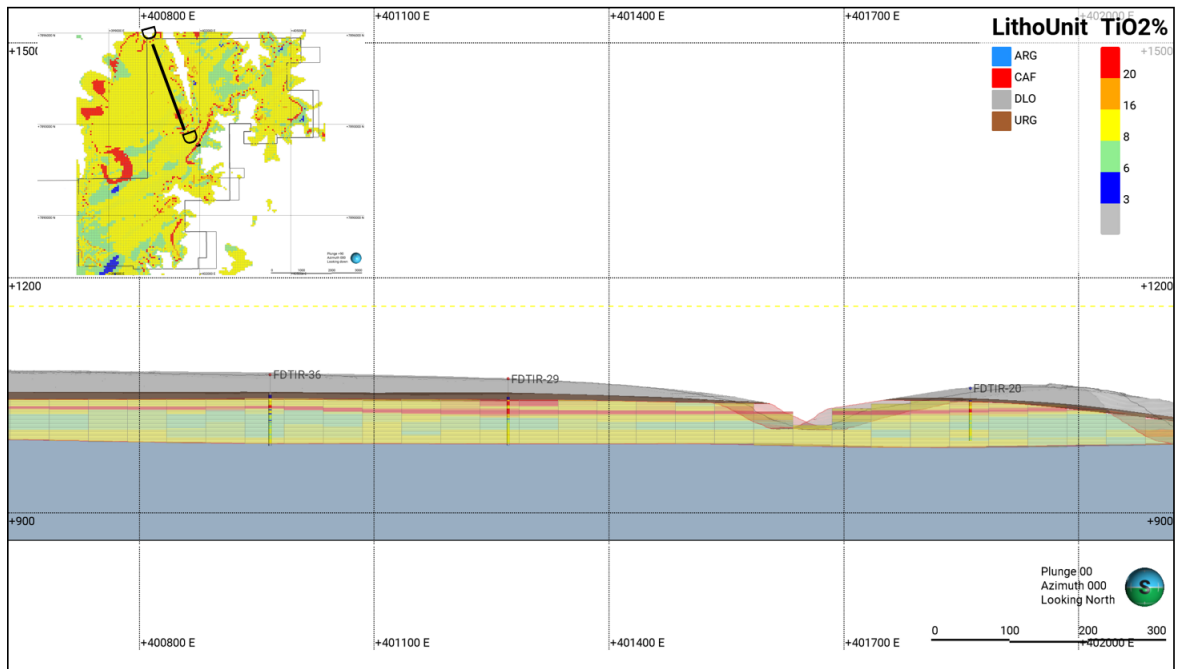


Figure 8: Section view (D-D) of the Tiros deposit showing the block model coloured by $\text{TiO}_2\%$ within the major lithological units. Only the Capacete Formation (CAF) has been blocked and estimated.

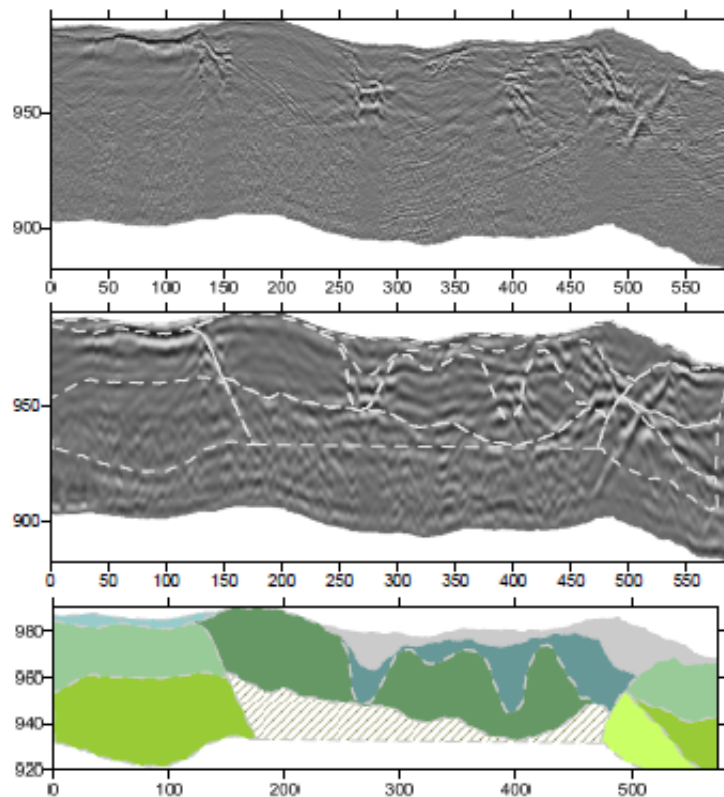


Figure 9: An example of how ground penetrating radar at Tiros has been used in assisting the interpretation of geological boundaries along with drill data for the classification of mineralisation domains. Top image, raw ground radar data; Middle image, initial interpretation of ground radar domains.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

Drilling Techniques

Three drilling methods were undertaken on the Tiros project area: diamond, air-core and auger drilling. The following is a breakdown of the drilling techniques used for the MRE:

- Diamond drilling: Historic drilling included Vicenza (2011), who completed a single diamond drill hole (HQ-size), oriented vertically reached 82.45 m.
- Followed by nineteen 75 mm diameter air-core drill holes were drilled by the Iluka-Vicenza JV which totalled 914 m with depths of up to 60 m. Diamond drilling (HQ-size) by Resouro included 78 drill holes totalling 5,195 m with depths up to 108 m.
- Auger drilling included 71 holes of 10 cm diameter, totalling 693 m with depths up to 20 m. Air-core drilling by Resouro totalled 40 holes totalling 2,200 m with depths up to 86 m.

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.

Measurement protocols were established to ensure samples were representative. 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 1.0 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 historic air-core samples were from 1-metre-long intervals, originally analysed with a portable XRF by Iluka-Vicenza Joint Venture, and then were re-analysed by SGS Geosol laboratories in Belo Horizonte.

Sample Analysis Method

All drilling and sampling data has been verified, validated and imported into a server cloud-based data management system, that includes 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, for a total of 5,615 samples.

The majority of the samples have been analysed by SGS Geosol laboratories, using the laboratory method ICP95A for the major rock components and their oxides, and the laboratory method IMS95A for the REEs: Cerium (Ce), Lanthanum (La), Neodymium (Nd), Praseodymium (Pr), Samarium (Sm), Europium (Eu), Gadolinium (Gd), Terbium (Tb), Dysprosium (Dy), Erbium (Er), Holmium (Ho), Lutetium (Lu), Thulium (Tm), Ytterbium (Yb), and Yttrium (Y), as well as Uranium (U) and Thorium (Th). To evaluate their distribution and modelling, the REEs have been grouped by calculating and combining assay values for the heavy rare earth oxides (“HREO”) and light rare earth oxides (“LREO”) oxide factions. The results were then to obtain a TREO.

The calculation of the HREO, the LREO and TREO is completed within the database and exported as three columns ready for analysis and modelling.

Estimation Methodology and Cut-off Grade Selection

The mineral resource estimate was completed using industry-standard geological modelling, estimation, and validation procedures, including 3D geological interpretation, grade interpolation, and density modelling, and supports reasonable prospects for economic extraction.

The geometry and stratigraphic location of the mineralised unit make 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 below in Figure 10.

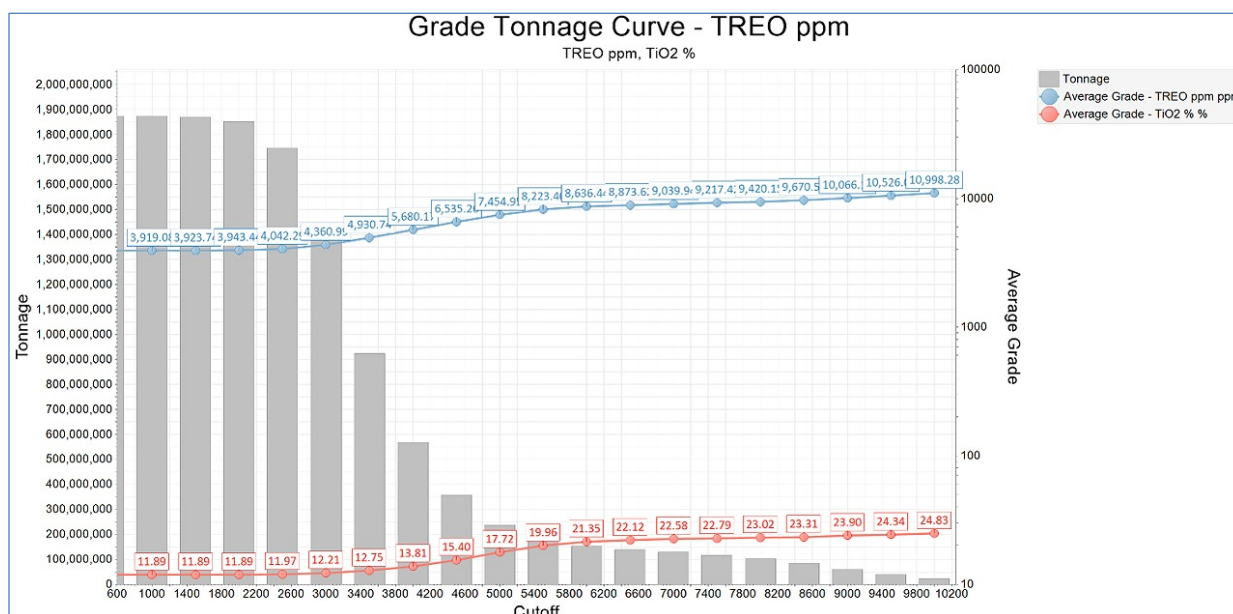


Figure 10: Tiros Project Grade-Tonnage Curve for TREO and TiO₂, for combined measured, indicated and inferred resources.

Criteria Used for Classification

Classification of the mineral resource 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 11.

	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

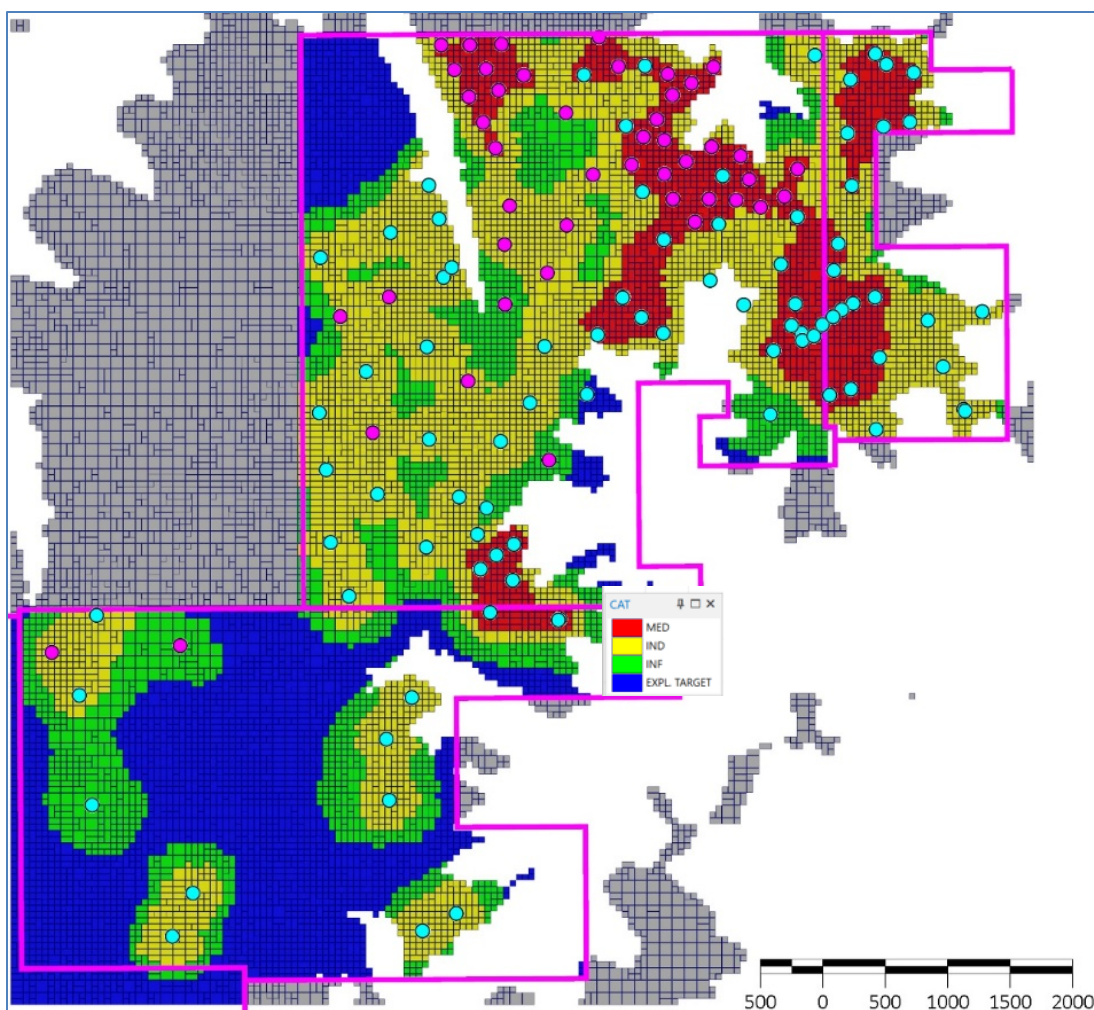


Figure 11: Plan view of the Tiros deposit with the classification of the mineral resources: Measured (red), Indicated (yellow), and Inferred (green); blue material is the area without classification considered as an exploration target.

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.

All assay intervals (Table 1) are determined using cut-off grades of 1,000 ppm for TREO and 6% for TiO_2 while the high-grade zone is defined using a cut-off grade of 6,000 ppm for TREO and/or 16% for TiO_2 . 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 ₂ %	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, illustrated in 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.

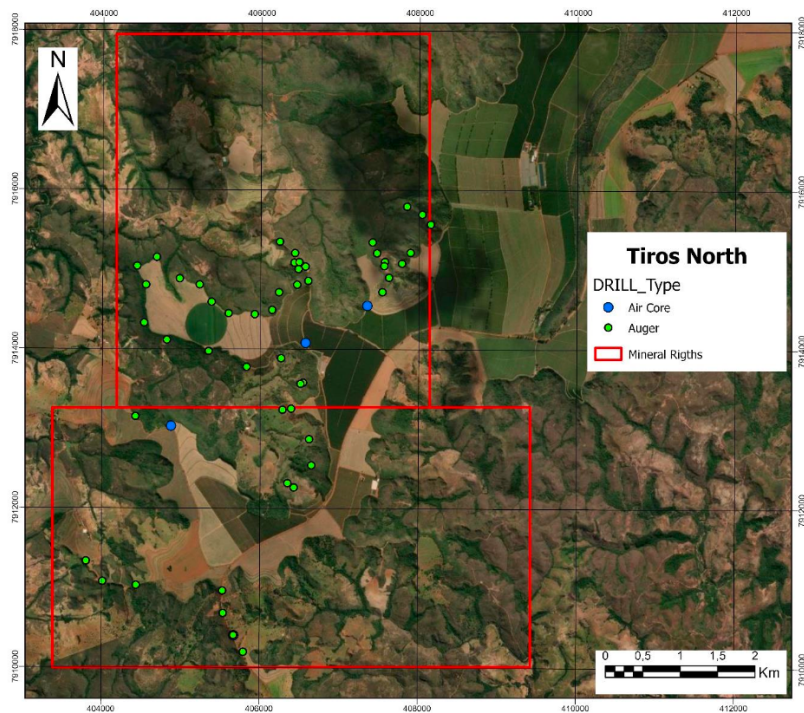


Figure 12: Map of the drilling grid at the Tiros North Block

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 issuance of 142,857 common shares of Resouro, valued at \$50,000.
- 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.

Project Exploration History

The exploration of the Tiros Project began in 2010. Highlights include:

From 2010 to 2017: extensive geological mapping and drilling programs covering the Capacete formation were undertaken:

- An auger drilling campaign was undertaken 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. The auger results indicated high levels of titanium dioxide and rare earth elements.
- An air-core drilling campaign was undertaken totaled 1,562 m over 29 air-core drill holes (10 cm diameter), with the depth of the holes varying from 40 m to 85 m. The air-core results indicated high levels of titanium dioxide and rare earth elements.
- A diamond drilling campaign was undertaken totaled 1,634 m from 26 diamond drill holes (6.35 cm in diameter), with holes up to 93 m in depth.

PROPERTY II - Novo Mundo Gold Project

The Novo Mundo project is located in the 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:

Resouro Drill Hole 010 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
Resouro Drill Hole 002 Located 200 m to the west of Drill Hole 10 11.65 m @ 5.11 g/t Au from 65.89 m <i>Including</i> 2.5 m @ 8.09 g/t Au from 66.39 m and 4.6 m @ 6.30 g/t Au from 72.94 m
Historic Drill Hole FNV 009 Located to the East of Drill Hole 10 6.61 m @ 5.47 g/t Au from 62.73 m <i>Including</i> 5.26 m @ 6.82 g/t Au from 64.08 m

On May 11, 2021, the Company, through its subsidiary, ISON, 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 titles in the Novo Mundo Gold project area.

Resouro has the right to explore the Novo Mundo project area for precious metals and if a commercially viable project is discovered, Resouro will grant a 1.5% net smelter royalty ("**NSR**") to Nexa. 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 for Titles, 866.320/2018 and 866.171/2018. Final Exploration Reports are due in 2026 for these two Titles, respectively on July 28, 2026 and August 7, 2026.

During 2023, ANM granted the mining concession Guia de Utilização No. 20/2022 under ANM Title No. 866.035/2009 (the "**Novo Mundo GU**") to the Company. The Company will pay a 1.5% net service revenue ("**NSR**") to Cooperativa dos Garimpeiros do Vale do Rio Peixoto ("**Coogavepe**"), if any effective commercialization is undertaken on the Novo Mundo GU. Coogavepe may also be assigned some of the exploration areas which will provide them with the right to apply for a Permissão de Lavra Garimpeira ("**PLG**") which is effectively an Artisanal Mining Permit.

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

- (i) Novo Mundo GU - ANM Title 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;
- (ii) ANM Title 866.320/2018, Exploration License No. 6787/2018, which is active and existing under the BMC for gold ore, covering 8,645.58 ha; and
- (iii) ANM Title 866.171/2018, Exploration License No. 6784/2018, which is active and existing under the BMC for gold ore, covering 8,159.00 ha,

The Titles are located in the Novo Mundo Municipality, State of Mato Grosso, Brazil.

As of the date of this report, Resouro has completed all regulatory requirements for the ANM as required to maintain the project's tenements in good standing.

Novo Mundo – Mining and Processing Agreement

On June 1, 2026, Resouro announced that it had signed a mining, transport and processing agreement ("**Agreement**") with Future Mining and BGM through its Brazilian subsidiary, ISON do Brasil, for a proposed mining and processing program at its 100%-owned Novo Mundo Gold project in Mato Grosso, Brazil. The agreement establishes a structure for the mining, transport and processing of gold-bearing material from the Novo Mundo GU subject to the satisfaction of conditions precedent, including verification of applicable ANM and environmental authorizations, operating plans, budgets, accounting protocols, safety controls and regulatory requirements.

Under the Agreement, Future Mining and BGM will prepare and implement a basic economic study and related mine plan, transport and processing plans for shallow gold-bearing material from the Novo Mundo GU. These plans will not constitute a feasibility study, prefeasibility study, Mineral Reserve estimate or Ore Reserve estimate.

Subject to satisfaction of conditions precedent, material is expected to be mined from the authorized GU area, transported to the BGM processing plant and processed for the recovery and sale of gold product. The program remains subject to applicable authorizations, operating performance, technical constraints, metallurgical performance, costs, recoveries, grade control, reconciliation, market conditions and regulatory compliance.

ISON will remain the titleholder/controller of the Novo Mundo GU and related ANM rights. The Agreement does not transfer or encumber any mineral title, mining right or GU. Future Mining and BGM will be responsible for funding and undertaking the operational workstreams, including mining contractors, equipment, haulage, plant processing, security, laboratory work, metallurgical accounting and operating cost funding, subject to agreed controls and oversight.

The parties have agreed to establish a joint operating committee to approve key matters, including budgets, monthly production plans, assay protocols, reconciliation procedures, environmental and safety controls, cost deductions and payment flows. The Agreement also contains audit rights, confidentiality obligations, anti-corruption undertakings, indemnities, suspension rights and Brazilian-law dispute resolution provisions.

Commencement of operations remains subject to customary conditions precedent, including confirmation of the Novo Mundo GU, required environmental and operating authorizations, approval of operating plans and protocols, agreement on budget and payment mechanics, completion of satisfactory due diligence, and any required corporate, stock exchange or regulatory filings or approvals.

On June 9, 2026, Resouro announced that it had signed a binding Memorandum of Understanding (the “**MOU**”) with Future Mining and BGM for the two remaining Titles in the Novo Mundo Gold Project, located in Mato Grosso, Brazil. The MOU provides for the completion of work required to support the preparation and submission of the Final Exploration reports to the ANM for Titles No. 866.320/2018 and No. 866.171/2018. The Final Exploration Reports are due by July 28, 2026, and August 7, 2026, respectively.

Highlights

- Estimated budget for the work program to complete the Final Exploration Reports is BRL 500,000, to be shared 50% by Future Mining/BGM and 50% by ISON/Resouro.
- Future Mining/BGM is expected to make available its regional infrastructure, logistics, and personnel to support the work program.
- The MOU contemplates a 50%-50% allocation between Future Mining/BGM and ISON/Resouro in the title ownership and proceeds from production under the relevant ANM Titles, with the implementation mechanism to be set out in definitive agreements and subject to ANM requirements and applicable Brazilian mining laws.
- The parties agree to complete and sign definitive documents within 30 calendar days from signing of the MOU.

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).

As of the year ended March 31, 2026, Resouro has completed all regulatory requirements for the ANM as required to maintain the project’s tenements in good standing.

Results of Operations

Year ended March 31, 2026

The Company recorded a total comprehensive loss of \$4,035,643 of which \$165,462 was attributable to a non-controlling interest (“NCI”), for the year ended March 31, 2026, compared to a total comprehensive loss of \$6,288,396 of which \$236,759 was attributable to an NCI, for the year ended March 31, 2025.

Quarterly Financial Information

The following table provides selected financial information for the eight quarters up to March 31, 2026, and should be read in conjunction with the Company’s financial statements.

Quarter ended	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Total comprehensive loss	\$(1,202,052)	\$(1,108,051)	\$(722,300)	\$(1,002,358)
Net loss, non-controlling interest	51,282	43,831	29,367	40,982
Earnings (loss) per share ⁽¹⁾	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average shares outstanding ⁽¹⁾	107,590,049	104,003,092	92,590,049	92,590,049

Quarter ended	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Total comprehensive loss	\$(1,008,867)	\$(1,423,516)	\$(1,852,917)	\$(2,003,097)
Net loss, non-controlling interest	31,958	50,094	60,693	94,014
Earnings (loss) per share ⁽¹⁾	(0.00)	(0.02)	(0.02)	(0.03)
Weighted average shares outstanding ⁽¹⁾	92,590,049	92,526,532	92,332,192	79,102,522

⁽¹⁾ Basic and diluted

Discussion of quarterly results

Three months ended March 31, 2026 compared to March 31, 2025

Total comprehensive loss of \$1,202,052 and \$1,008,867 were recognized for the three months ended March 31, 2026, and March 31, 2025, respectively of which \$51,282 and \$31,958 was attributable to the NCI, respectively, for the three months ended March 31, 2026 and March 31, 2025.

The Company continued with the metallurgical study for the Tiros Project during the three months ended March 31, 2026. In comparison, the Company undertook the metallurgical study and an auger drilling program for the Tiros project during the three months ended March 31, 2025. Expenditures related to the three months ended March 31, 2026, include the following significant components:

- Management fees of \$182,385 (March 31, 2025 - \$331,337);
- Exploration and evaluation expenditures \$477,708 (March 31, 2025 - \$398,653);
- Investor relations \$163,944 (March 31, 2025 - \$123,145);
- Travel – project related nil (March 31, 2025 - \$36,126);
- Professional fees \$273,492 (March 31, 2025 - \$147,207);
- Share-based compensation expense (\$4,450) (March 31, 2025 – (\$23,011));
- Office and administrative expenses \$56,790 (March 31, 2025 - \$74,394);
- Foreign exchange (gain) (\$12,537) (March 31, 2025 – (\$91,985)); and,
- Offset by interest income \$8,844 (March 31, 2025 - \$31,559).

The Company incurred \$477,708 of exploration fees for the three months ended March 31, 2026, as it undertook the metallurgical study program and continued working on its environmental impact assessment study. Similar exploration costs of \$398,653 were incurred for the three months ended March 31, 2025, as the company continued to progress its auger drilling program. The Company incurred similar professional fees during the three months ended March 31, 2026 and March 31, 2025, as it engaged the expertise of audit, legal and consulting professionals to support the various exploration projects.

Three months ended December 31, 2025 compared to December 31, 2024

Total comprehensive loss of \$1,108,051 and \$1,423,516 were recognized for the three months ended December 31, 2025, and December 31, 2024, respectively of which \$43,831 was attributable to the NCI, for the three months ended December 31, 2025 (December 31, 2024 - \$50,094).

The Company continued with the metallurgical study for the Tiros Project during the three months ended December 31, 2025. In comparison, the Company undertook a drilling program during the three months ended December 31, 2024. Expenditures related to the three months ended December 31, 2025, include the following significant components:

- Management fees of \$288,049 (December 31, 2024 - \$449,650);
- Exploration and evaluation expenditures \$521,769 (December 31, 2024 - \$493,075);
- Investor relations \$137,975 (December 31, 2024 - \$172,296);
- Travel – project related \$78,913 (December 31, 2024 - \$38,563);
- Professional fees \$37,337 (December 31, 2024 - \$125,526);
- Share-based compensation expense nil (December 31, 2024 - \$152,501);
- Office and administrative expenses \$34,193 (December 31, 2024 - \$30,328);
- Foreign exchange loss \$6,738 (December 31, 2024 - \$107,050); and,
- Offset by interest income \$9,923 (December 31, 2024 - \$48,410).

The Company incurred \$521,769 of exploration fees for the three months ended December 31, 2025, as it undertook the metallurgical study program and initiated its environmental impact assessment work. Similar exploration costs of \$493,075 were incurred for the three months ended December 31, 2024, as the Company progressed its auger drilling program.

Three months ended September 30, 2025 compared to September 30, 2024

Total comprehensive loss of \$722,300 and \$1,852,917 were recognized for the three months ended September 30, 2025, and September 30, 2024, respectively of which \$29,367 was attributable to the NCI, for the three months ended September 30, 2025 (September 30, 2024 - \$60,693).

Expenditures related to the three months ended September 30, 2025, include the following significant components:

- Professional fees \$161,703 (September 30, 2024 - \$530,704);
- Office and administrative expenses \$35,105 (September 30, 2024 - \$28,173);
- Investor relations \$40,997 (September 30, 2024 - \$174,841);
- Management fees of \$269,450 (September 30, 2024 - \$355,028);
- Exploration and evaluation expenditures \$177,203 (September 30, 2024 - \$917,764);
- Travel and related expenses \$33,900 (September 30, 2024 - \$53,068);
- Share-based compensation expense nil (September 30, 2024 - \$31,677);
- Foreign exchange loss \$7,010 (September 30, 2024 - gain (\$2,856)); and,
- Offset by interest income \$16,068 (September 30, 2024 - \$72,374).

The Company continued with the metallurgical study for the Tiros Project during the three months ended September 30, 2025. In comparison, the Company undertook an auger drilling program during the three months ended September 30, 2024 which resulted in higher exploration costs. In comparison, the Company incurred higher professional fees during the three months ended September 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 September 30, 2024, due to the engagement of a Chief Operations Officer (“COO”).

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).

Expenditures related to the three months ended June 30, 2025, include the following significant components:

- Professional fees \$178,891 (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);
- Investor relations \$85,245 (June 30, 2024 - \$202,872);
- Exploration and evaluation expenditures \$370,876 (June 30, 2024 - \$991,566);
- Travel and related expenses \$6,160 (June 30, 2024 - \$126,867);
- Share-based compensation expense \$25,480 (June 30, 2024 - \$82,223);
- Foreign exchange loss \$19,040 (June 30, 2024 - gain (\$75,982)); and,
- Offset by interest income \$24,350 (June 30, 2024 - \$19,232).

The Company continued with the metallurgical study for the Tiros Project during the three months ended June 30, 2025. In comparison, the Company undertook an auger drilling program during the three months ended June 30, 2024 which resulted in higher exploration costs. 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 March 31, 2026, the Company had a deficit attributable to shareholders of \$19,727,294 (March 31, 2025 - \$15,857,113). The Company reported a cash position of \$1,091,663, accounts receivable of \$32,690 and a prepaid balance of \$70,866. Current liabilities are comprised of accounts payable of \$380,583 and an amount due to a related parties of \$78,948.

During the year ended March 31, 2026, cash decreased by \$752,001. Funds were provided by the gross proceeds of \$2,999,999 received through a private placement that closed on October 21/22, 2025. The 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 year ended March 31, 2026, net cash used in operating activities amounted to \$3,711,561 (March 31, 2025 - \$6,766,682).

Investing activities

During the year ended March 31, 2026, the Company used \$16,225 of cash to acquire additional property and equipment assets. During the year ended March 31, 2025, the Company used \$119,307 to acquire assets. The Company acquired additional property and equipment assets to support the ongoing project and administrative efforts in Brazil. In addition, the Company acquire three additional titles to complement its Tiros project land holdings for net cash proceeds of \$50,000.

Financing activities

During the year ended March 31, 2026, the Company increased its net cash position by \$2,980,930 through a private placement that closed on October 21/22, 2025 (March 31, 2025–\$6,794,743). Funds were provided during the year ended March 31, 2025, from the gross proceeds of \$7,300,420 received through a private placement that closed on

June 14, 2024, which closed concurrently with the Company completing a public listing on the ASX. The Company used \$5,145 to cover its office lease obligations (March 31, 2025- \$32,737). During the year ended March 31, 2025, the Company received \$46,375 in cash as a result of the exercise of stock options.

Financial Instruments, Risks and Capital Management

The Company does not utilize complex financial instruments in hedging metal price, foreign exchange or interest exposure. Any hedging activity requires approval of the Company's Board of Directors. The Company will not hold or issue derivative instruments for speculation or trading purposes. Please refer to the Audited Consolidated Financial Statements for the year ended March 31, 2026.

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:

Years ended,	March 31, 2026	March 31, 2025
Officers	\$ 519,468	\$ 706,260
Directors	534,300	843,008
Total compensation	\$ 1,053,768	\$ 1,549,268

As of March 31, 2026, \$78,948 was due to Officers and Directors for consulting fees and reimbursable expenses (March 31, 2025 - \$100,019).

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 the annual audited financial statements for the year ended March 31, 2026.

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 107,910,049 common shares, 600,616 broker share purchase warrants, 11,175,000 common share purchase options, 1,843,643 broker compensation options, 750,000 performance rights and 7,500,000 common share purchase warrants.

DIRECTORS AND OFFICERS

Simon Stilwell, Board Chair and Remuneration Committee Chair (Audit Committee Member)

Chris Eager, Director and Chief Executive Officer (Audit Committee Member)

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

Sandra Evans, Chief Financial Officer and Corporate Secretary