Condensed Interim Consolidated Financial Statements of

Resouro Strategic Metals Inc.

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

For the three and nine months ended December 31, 2023 and December 31, 2022
(Expressed in Canadian Dollars)
(Amended and Restated)

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 and nine months ended December 31, 2023 and December 31, 2022.

Notice to Reader

Please be advised that various changes were made to the condensed interim consolidated financial statements for the three and nine months ended December 31, 2022 previously filed during November 2022. Please refer to note 14 for more information.

RESOURO STRATEGIC METALS INC. (formerly Resouro Gold Inc.)
(previously eShippers Management Ltd.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at,	Notes	**December 31, 2023**	March 31, 2023
ASSETS			
Current assets			
Cash		**$1,752,145**	$6,759
Prepaid expenses		**8,416**	3,899
Accounts receivable		**14,128**	45,717
Due from related party	11	**711,570**	-
Right-of-use asset	7	**43,783**	-
		2,530,042	56,375
Non-current assets			
Property and equipment	5	**13,598**	14,234
Exploration and evaluation assets	6	**1,579,962**	1,102,387
		1,593,560	1,116,621
TOTAL ASSETS		**4,123,602**	1,172,996
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	**685,333**	859,557
Due to related party	11	**106,991**	261,099
Current portion of lease obligations	8	**41,780**	-
TOTAL LIABILITY		**834,104**	1,120,656
SHAREHOLDERS' EQUITY			
Share capital	10	**10,705,750**	5,770,329
Warrants	10	**464,274**	359,707
Contributed surplus	10	**1,184,909**	-
Foreign currency translation reserve		**32,087**	32,087
Deficit		**(9,097,522)**	(6,109,783)
Total shareholders' equity		**3,289,498**	52,340
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$4,123,602**	$1,172,996
Going Concern	1		
Subsequent events	15		

Approved by the Board of Directors on February 13, 2024

"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.
(formerly Resouro Gold Inc.)
(previously eShippers Management Ltd.)
Condensed Interim Consolidated Statements of Loss and Other Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	For the three months ended December 31, 2023	For the three months ended December 31, 2022 (Restated Note 14)	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022 (Restated Note 14)
General and administrative					
Management fees		**$174,536**	$72,572	**$358,042**	$203,046
Professional fees		**473,869**	(73,122)	**989,351**	67,064
Office and administrative expenses		**23,008**	20,780	**63,302**	33,941
Share based compensation	10	**800,880**	-	**1,184,909**	-
Travel and related expenses		**82,419**	11,592	**129,328**	102,379
Depreciation	5	**704**	472	**1,525**	763
Accretion of office lease	8	**1,060**	-	**1,060**	-
Depreciation of office lease	7	**4,795**	-	**4,795**	-
Foreign exchange loss (gain)		**184,522**	50,953	**245,055**	148,973
Exploration and evaluation expenditures	6	**29,220**	314,759	**37,608**	769,740
		1,775,014	398,006	**3,014,976**	1,325,906
Other items					
Interest income		**(3,410)**	-	**(5,349)**	-
Penalty relief		**(312)**	-	**(21,888)**	-
Listing expense	4	**-**	-	**-**	1,837,480
Net loss		**$1,771,292**	$398,006	**$2,987,739**	$3,163,386
Other comprehensive loss					
Exchange difference on translating foreign operations		**-**	-	**-**	(32,087)
Net loss and other comprehensive loss		**$1,771,292**	$398,006	**$2,987,739**	$3,131,299
Net loss per share - basic and diluted		**$(0.03)**	$(0.01)	**$(0.05)**	$(0.07)
Weighted average shares outstanding basic and diluted		**70,968,764**	43,974,956	**59,776,358**	42,782,353

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

RESOURO STRATEGIC METALS INC. (formerly Resouro Gold Inc.)
(previously eShippers Management Ltd.)
Condensed Interim Consolidated Statements of Cash Flow
(Expressed in Canadian dollars)

	Notes	For the nine months ended December 31, 2023	December 31, 2022 (Restated Note 13)
Cash flow used in operating activities			
Loss for the period		**$(2,987,739)**	$(3,163,386)
Items not affecting cash:			
Listing expense	4	**-**	1,837,480
Share based compensation	10	**1,184,909**	-
Depreciation	5	**1,525**	763
Foreign exchange		**111,293**	126,821
Accretion and depreciation of office lease	7/8	**5,855**	-
Net change in non-cash working capital balances:			
Accounts receivable		**31,589**	(15,814)
Due from related party		**(711,570)**	-
Prepaid expenses		**(4,517)**	(7,799)
Accounts payable and accrued liabilities		**(176,812)**	(338,412)
Cash flow used in operating activities		**(2,545,467)**	(1,560,347)
Cash flow provided by financing activities			
Related party financing	11	**(262,724)**	50,055
Repayment of office lease	8	**(7,947)**	-
Private placement	10	**5,039,988**	2,368,277
Cash flow provided by financing activities		**4,769,317**	2,418,332
Cash flow used in investing activities			
Cash acquired from reverse take-over	4	**-**	106,780
Property and equipment	5	**(889)**	(13,877)
Exploration and evaluation costs	6	**(477,575)**	(662,664)
Cash flow used in investing activities		**(478,464)**	(569,761)
Foreign exchange impact to cash		**-**	(205,432)
Net change in cash		**1,745,386**	82,792
Cash at beginning of the period		**6,759**	9,470
Cash at the end of the period		**$1,752,145**	$92,262

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

RESOURO STRATEGIC METALS INC. (formerly Resouro Gold Inc.)
(previously eShippers Management Ltd.)
Condensed Interim Consolidated Statements of Shareholders' Equity
(Expressed in Canadian dollars)

	Share Capital						
	Number of shares	**Amount**	**Warrants**	**Contributed surplus**	**Other Comprehensive Income**	**Accumulated deficit**	**Total equity**
Balance at March 31, 2022	*29,655,750*	1,670,388	-	-	64,743	(1,644,299)	90,832
ISON shares cancelled in share exchange with shareholders in RTO (Note 4)	*(29,655,750)*	(1,670,388)	-	-	-	-	(1,670,388)
Shares issued in share exchange with shareholders in RTO recapitalization (Note 4)	*29,655,750*	1,670,388	-	-	-	-	1,670,388
Shares deemed to be issued in RTO (Note 4)	*7,031,079*	2,091,371	-	-	-	-	2,091,371
Shares issued from concurrent private placement	*7,288,127*	2,550,844	-	-	-	-	2,550,844
Warrants (Note 4)	-	(383,257)	383,257	-	-	-	-
Shares issuance costs	-	(159,017)	(23,550)	-	-	-	(182,567)
Foreign currency translation reserve	-	-	-	-	(32,656)	-	(32,656)
Loss for the period	-	-	-	-	-	(3,163,386)	(3,163,386)
Balance at December 31, 2022 (Restated Note 14)	*43,974,956*	5,770,329	359,707	-	32,087	(4,807,685)	1,354,438
Balance at March 31, 2023	*43,974,956*	5,770,329	359,707	-	32,087	(6,109,783)	52,340
Shares issued in private placement (Note 10)	*26,993,808*	5,243,000	-	-	-	-	5,243,000
Shares issuance costs (Note 10)	-	(323,012)	-	-	-	-	(323,012)
Agent shares (Note 10)	-	120,000	-				120,000
Agent warrants (Note 10)	-	(104,567)	104,567				-
Share based compensation (Note 10)	-	-	-	1,184,909	-	-	1,184,909
Loss for the period	-	-	-	-	-	(2,987,739)	(2,987,739)
Balance at December 31, 2023	***70,968,764***	**$10,705,750**	**$464,274**	**$1,184,909**	**$32,087**	**$(9,097,522)**	**$3,289,498**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

The Company has two subsidiaries. Ison Mining Pte Ltd. ("**ISON**") is 100% owned by Resouro. ISON was incorporated on April 1, 2010 under the laws of Singapore. ISON owns 100% of the outstanding shares of ISON do Brasil Mineracao Ltda ("**ISON do Brasil**"), a company incorporated on June 22, 2020 under the laws of Brazil.

The Company changed its fiscal year end to March 31st effective May 15, 2022 upon the completion of the Company's reverse takeover transaction ("**RTO**") (Note 4). The change in the fiscal year end to March 31st was made in order to streamline the Company's financial reporting.

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

These 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 entered into option agreements to acquire material property rights. The Company has identified a known body of commercial-grade mineral on two of its properties. The Company has not achieved profitable operations and has accumulated losses since inception. The Company had a working capital surplus of $1,695,938 (March 31, 2023 deficit ($1,064,281)) and an accumulated deficit of $9,097,522 (March 31, 2023 $6,109,783) for the nine months ended December 31, 2023. The Company has incurred a loss from operations of $2,987,739 for the nine months ended December 31, 2023 (December 31, 2022 $3,163,386 (restated – Note 14)).

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. SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited consolidated financial statements for the fiscal year ended March 31, 2023.

3. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting on the basis of International Financial Reporting Standards ("**IFRS**") and interpretations as approved by the International Accounting Standards Board ("**IASB**")" effective for the reporting period.

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

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

Basis of presentation and measurement

These 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.

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 two subsidiaries. ISON is 100% owned by Resouro. ISON was incorporated on April 1, 2010 under the laws of Singapore. ISON owns 100% of the outstanding shares of ISON do Brasil, a company incorporated on June 22, 2020 under the laws of Brazil.

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 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%

3. BASIS OF PRESENTATION *(Continued)*

Effective May 15, 2022, the Company elected to change the presentation currency in its consolidated financial statements from US dollars to Canadian dollars, which was applied on a retrospective basis. A change in presentation currency represents a change in accounting policy in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Effective May 15, 2022, the functional currency of the Company's subsidiaries ISON and ISON do Brasil changed from the US dollar to the Canadian dollar. The change in functional currency was triggered by the reverse acquisition by ISON (Note 4) and to the internal integration activities that followed the reverse acquisition and considering the significance of Canadian dollar transactions going forward. The functional currency of the parent Company continues to be the Canadian dollar. In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, the change in functional currency was applied prospectively from May 15, 2022 and all assets, liabilities and equity were translated to Canadian dollars, which is the new functional currency.

The condensed interim consolidated statements of loss and other comprehensive loss and the condensed interim consolidated statements of cash flows have been translated into the presentation currency using the average exchange rates prevailing during each reporting period. In the condensed interim consolidated statements of financial position, all assets and liabilities have been translated using the period-end exchange rates, and all resulting exchange differences have been recognized as exchange difference on translating foreign operations. Asset and liability amounts previously reported in USD have been translated into CAD, using the period-end exchange rates.

Derecognition of financial assets

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

Impairment of financial assets

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

Financial liabilities

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss. Financial liabilities are designated as either: fair value through profit or loss; or amortized cost using the effective interest rate. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at VTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value

3. BASIS OF PRESENTATION *(Continued)*

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. 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.

Critical accounting judgments and estimates

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

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

3. BASIS OF PRESENTATION *(Continued)*

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.

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

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.

(Expressed in Canadian Dollars)

4. REVERSE ACQUISITION BY ISON

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

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

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

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

The purchase price allocation was as follow:

	Amounts
Consideration paid:	
Common shares retained by acquiree shareholders	$2,091,371
Total consideration paid	**2,091,371**
Net assets acquired:	
Cash	106,780
Accounts receivable	2,655
Loan receivable (Note 4)	190,656
Accounts payable and accrued liabilities	(46,200)
Total net assets acquired	253,891
Listing expense	1,837,480
Total assets acquired	**$2,091,371**

The Company completed a concurrent non-brokered private placement of 7,288,127 units at a price of $0.35 per unit for gross cash proceeds of $2,550,844 (Note 8). Each unit consisted of one common share and one-half share purchase warrant, where each full share purchase warrant is exercisable at $0.50 per share for 24 months from the date of issuance, subject to an acceleration clause. A value of $383,257 was assigned to the warrants using the Black-Scholes model calculation (Note 9). In addition, $23,550 of share issue costs were assigned to warrants for a net warrant value of $359,707 (Note 9). Total share issue costs of $182,567 were incurred.

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

	Asset	Depreciation	Net Book Value
Computer & software			
Opening balance March 31, 2022	$ 1,271	$ (88)	$ 1,183
Additions	459	(321)	138
Balance at March 31, 2023	1,730	(409)	1,321
Additions	2,183	(796)	1,388
Balance at December 31, 2023	**3,913**	**(1,205)**	**2,709**
Furniture			
Opening balance at March 31, 2022	-	-	-
Additions	7,552	(453)	7,099
Balance at March 31, 2023	7,552	(453)	7,099
Additions	-	(1,112)	(1,112)
Balance at December 31, 2023	**7,552**	**(1,565)**	**5,987**
Machinery			
Opening balance at March 31, 2022	-	-	-
Additions	6,246	(432)	5,814
Balance at March 31, 2023	6,246	(432)	5,814
Additions	-	(912)	(911)
Balance at December 31, 2023	**6,246**	**(1,344)**	**4,902**
Total property and equipment at March 31, 2022	$ 1,271	$ (88)	$ 1,183
Total property and equipment at March 31, 2023	$15,528	$(1,294)	$14,234
Total property and equipment at December 31, 2023	**$17,711**	**$(4,113)**	**$13,598**

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

	March 31, 2023	Translation difference	Additions	Impairment	December 31, 2023
Brazil					
Novo Mundo	$ 961,857	-	$ 477,575	-	$ 1,439,432
Santa Angela	140,530	-	-	-	140,530
Total	$ 1,102,387	$ -	$ 477,575	$ -	$ 1,579,962

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

6. 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 Goias, Brazil.

On February 25, 2023, the Company notified the seller that it was discontinuing its investments in the Buracão project. The Company has decided to reprioritize its allocation of resources from the Buracão project to the Novo Mundo gold project. Per the option agreement, the Company had the right to withdraw without further payment obligations if it gave 30 days notice before the second anniversary of signing the option agreement. The Company did not provide the required 30 days notice, and as a result the Company has incurred a penalty of 2,000,000 (Brazilian Real "**BRL**"), per the option agreement, which were due in 3 installments. The final BRL 1,000,000 payment was reduced by 8% because the Company paid the final amount early which resulted in a penalty relief of $21,888.

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

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

The final BRL 1,000,000 payment was reduced by 8% to BRL 920,000 because the Company paid the final amount early which resulted in a penalty relief of $21,888.

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

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

- NEXA shall have the first right to develop and solely fund the project and the Company will retain a 1.5% NSR; and
- if NEXA does not wish to proceed, the Company may elect to develop the 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.

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

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

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

On January 19, 2023, the Company submitted two partial exploration reports (”PER”) to the Brazilian National Mining Agency (“ANM”). Following the approval of the first PER, the Company negotiated the timing of a payment of BRL 2,500,000 to Coogavepe, the original project owner previous to NEXA, during October 2023, in order to proceed with the next phase of the exploration program.

- October 2023 BRL 750,000 (paid)
- February 2024 BRL 750,000
- July 2024 BRL 500,000
- October 2024 BRL 500,000

Pernambuco project

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

Santa Angela project

During December 2021, the Company acquired certain mineral exploration rights from the ANM to conduct mineral exploration work on the Santa Angela project in the State of Mato Grosso, Brazil. Total consideration paid for the exploration rights was BRL 551,099 ($140,530).

(Expressed in Canadian Dollars)

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

Exploration and evaluation expenditures

For the nine months ended,	December 31, 2023	December 31, 2022 Restated
Property	Tiros REE	Novo Mundo
Drilling	$ -	$ 470,677
Consulting - Geologists	20,118	180,991
Government fees	15,542	118,072
Equipment and supplies	1,948	-
Total exploration and evaluation expenditures	$ 37,608	$ 769,740

For the three months ended,	December 31, 2023	December 31, 2022 Restated
Property	Tiros REE	Novo Mundo
Drilling	$ -	$ 46,063
Consulting - Geologists	20,118	159,859
Government fees	9,102	108,837
Equipment and supplies	-	-
Total exploration and evaluation expenditures	$ 29,220	$ 314,759

7. 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. During the three months ended December 31, 2023, cash payments of $7,947 were paid, $1,060 of accretion and $4,795 of depreciation were recognized.

Opening balance - October 1, 2023	$48,578
Accumulated depreciation	
Depreciation - November 2023	(2,313)
Depreciation - December 2023	(2,482)
Closing balance - December 31, 2023	$43,783

8. LEASE OBLIGATION

The Company’s lease obligations at December 31, 2023 relate to the office lease in Australia. A discount rate of 14.5% was used to determine the present value of the lease obligations.

Opening balance - October 1, 2023	$48,578
Repayments	(7,947)
FX impact	89
Accretion - November 2023	533
Accretion - December 2023	528
Closing balance - December 31, 2023	$41,780

(Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	March 31, 2023
Trade and other payables	$ 126,244	$ 246,200
Accrued liabilities	559,089	613,357
	$ 685,333	$ 859,557

10. SHARE CAPITAL

Authorized

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

	Ref	*Number*	Value
Balance at March 31, 2022		***29,655,750***	**$1,670,388**
Shares cancelled in share exchange with shareholders in RTO	(ii)	*(29,655,750)*	(1,670,388)
Shares issued in share exchange with shareholders in RTO[1]	(ii)	*29,655,750*	1,670,388
Shares deemed to be issued in RTO	(ii)	*7,031,079*	2,091,371
Shares issued from concurrent private placement	(i)	*7,288,127*	2,550,844
Warrants	(i)		(359,707)
Share issue costs	(i)	-	(182,567)
Balance at March 31, 2023		***43,974,956***	**$5,770,329**
Shares issued, May 10, 2023	(iii)	*2,753,333*	413,000
Share issue costs, May 10, 2023	(iii)	-	(5,292)
Shares issued, July 11, 2023	(iv)	14,133,333	2,120,000
Share issue costs - agent shares issued, July 11, 2023	(iv)	-	(120,000)
Share issue costs - agent warrants issued, July 11, 2023[3]	(iv)	-	(104,567)
Share issue costs, July 11, 2023	(iv)	-	(11,529)
Shares issued, August 29, 2023	(v)	10,107,142	2,830,000
Share issue costs, August 29, 2023	(v)	-	(186,191)
Balance at December 31, 2023		***70,968,764***	**$10,705,750**

[1] An Officer and Director of the Company owned 26% of the outstanding common shares as of December 31, 2023.

Issued

(i) On May 15, 2022, the Company completed a non-brokered private placement of 7,288,127 units at a price of $0.35 per unit for gross proceeds of $2,550,844 concurrent to the RTO. Each unit consisted of one common share and one-half share purchase warrant, where each full share purchase warrant is exercisable at $0.50 per share for 24 months from the date of issuance, subject to an acceleration clause. There were 3,644,062 warrants issued. A value of $383,257 was assigned to the warrants using the Black-Scholes model calculation. In addition, $23,550 of share issue costs were assigned to warrants for a net warrant value of $359,707. Total share issue costs of $182,567 were incurred.

(ii) 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.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (*Continued*)

- The Company issued 29,655,750 common shares as consideration to the ISON shareholders with a value of $1,670,388. Of the 29,655,750 common shares issued, 24,530,750 were subject to escrow and will be released on a timed-release basis.

The terms of the escrow agreements bind the common shares held in escrow to be released on a time-released basis:

	Percentage of Total Escrowed Securities to be Released	Total Number of Escrowed Securities to be Released
Release Dates		
May 13, 2022	10%	2,453,075
November 13, 2022	20%	4,906,150
May 13, 2023	30%	7,359,225
November 13, 2023	40%	9,812,300
Total	100%	24,530,750

(iii) 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.

(iv) 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.

(v) 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 $186,321 in finders' fees.

Reserve for warrants

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

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 (restated) 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% (restated), and an expected life of 36 months.

Stock options

The Company's stock option plan (the "Plan") is a 10% rolling Plan, whereby the maximum number of common shares that may be reserved for issuance under the plan shall not exceed 10% of the outstanding common shares at the time of grant.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (*Continued*)

i) On June 13, 2023, the company issued 4,560,000 common share purchase options to directors and officers of the Company. The options were exercisable at a price of $0.175 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was $789,732, which will be expensed over the next 24 months. The fair value was determined using the Black-Scholes option-pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 3.18%; volatility of 112% (restated), 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 $697,348, 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 89%, and an expected life of 5 years. The options vest immediately following issuance.

For the nine months ended December 31, 2023, a share based compensation expense of $1,184,909 (December 31, 2022 $nil) has been recognized in the condensed interim consolidated statement of loss and other comprehensive loss.

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:

	Three months ended, December 31, 2023	Nine months ended, December 31, 2023
Officers	$ 112,107	$ 217,107
Directors	62,429	140,935
Total compensation	$ 174,536	$ 358,042

	Three months ended, December 31, 2022 (Restated – Note 14)	Nine months ended, December 31, 2022 (Restated – Note 14)
Officers	$ 66,000	$ 167,476
Directors	6,572	35,570
Total compensation	$ 72,572	$ 203,046

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

As at December 31, 2023, $106,991 was due to Officers and Directors for fees and reimbursable expenses (December 31, 2022 - $27,000).

As at December 31, 2023, a related party owed the Company $711,570 (March 31, 2023 - $nil). The party is considered a related party by virtue of the fact that Resouro’s CEO owns 33.3% of the outstanding shares.

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company classified its financial instruments as follows:

	December 31, 2023	March 31, 2023
Financial assets - amortized cost:		
Cash	$ 1,752,145	$ 6,759
Accounts receivable	14,128	45,717
Due from related party	711,570	-
Financial liabilities - amortized cost:		
Accounts payable and accruals	685,333	859,557
Due to related party	106,991	261,099

Fair value

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

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

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

Capital risk management

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

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 United States dollars 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.

(Expressed in Canadian Dollars)

14. RESTATEMENT OF DECEMBER 31, 2022 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Subsequent to the filing of the condensed interim consolidated financial statements for the nine months ended December 31, 2022, the Company identified items that required restatement to the December 31, 2022 condensed interim consolidated financial statements.

i) The Company closed an RTO on May 15, 2022. The valuation of the warrants issued in the concurrent private placement were understated. The listing expense derived from the purchase price allocation was overstated.
ii) At the close of the RTO on May 15, 2022, the Company changed its functional currency. Initial accounting for the change in the functional currency wasn't performed in accordance with IAS 21 "The effects of changes in foreign exchange rates". Subsequent to the period ended December 31, 2022, management corrected the accounting for the mentioned above change. This correction resulted in adjustments to multiple financial statements line items.
iii) Certain expenses reported in comparative periods were reclassified to conform with the current period presentation.

i) Reconciliation of the Condensed Interim Consolidated Statements of Loss and Other Comprehensive Loss

	For the nine months ended December 31, 2022		
	Previously reported	Restatement adjustment	Restated
General and administrative			
Management fee	$132,773	$70,273	$203,046
Professional fees	166,245	(99,181)	67,064
Office and administrative expenses	120,090	(86,149)	33,941
Travel and related expenses	14,952	87,427	102,379
Depreciation	-	763	763
Foreign exchange loss	10,270	138,703	148,973
Exploration and evaluation expenditures	910,643	(140,903)	769,740
Net loss	1,354,973	(29,067)	1,325,906
Other items			
Interest on loan payable	256	(256)	-
Listing expense	2,214,558	(377,078)	1,837,480
Net loss and comprehensive loss	$3,569,787	$(406,401)	$3,163,386
Other comprehensive loss			
Exchange difference on translating foreign operations	-	(32,087)	(32,087)
Net loss and comprehensive loss	$3,569,787	$(438,488)	$3,131,299
Net loss per share - basic and diluted	$(0.08)	$ 0.01	$(0.07)
Weighted average shares outstanding basic and diluted	42,782,353	-	42,782,353

Certain expenses reported in comparative periods were reclassified to conform with the current period presentation.

(Expressed in Canadian Dollars)

14. RESTATEMENT OF DECEMBER 31, 2022 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

	For the three months ended December 31, 2022		
	Previously reported	Restatement adjustment	Restated
General and administrative			
Management fee	$3,339	$69,233	$72,572
Professional fees	20,483	(93,605)	(73,122)
Office and administrative expenses	39,281	(18,501)	20,780
Travel and related expenses	(9,452)	21,044	11,592
Depreciation	-	472	472
Foreign exchange loss	(219,730)	270,683	50,953
Exploration and evaluation expenditures	253,469	61,290	314,759
Net loss	87,390	310,616	398,006
Other items			
Listing expense	-	-	-
Net loss and comprehensive loss	$87,390	$310,616	$398,006
Other comprehensive loss			
Exchange difference on translating foreign operations	-	-	-
Net loss and comprehensive loss	$87,390	$310,616	$398,006
Net loss per share - basic and diluted	$(0.00)	$(0.01)	$(0.01)
Weighted average shares outstanding basic and diluted	43,974,956	-	43,974,956

Certain expenses reported in comparative periods were reclassified to conform with the current period presentation.

(Expressed in Canadian Dollars)

14. RESTATEMENT OF DECEMBER 31, 2022 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

iii) Reconciliation of the Condensed Interim Consolidated Statement of Cash Flow

	For the nine months ended December 31, 2022		
	Previously reported	Restatement adjustment	Restated
Cash flow used in operating activities			
Loss for the period	$(3,569,787)	$406,401	$(3,163,386)
Items not affecting cash:			
Listing expense	2,214,558	(377,078)	1,837,480
RTO transactions	-	-	-
Share based compensation	-	-	-
Depreciation	779	(16)	763
Foreign exchange	10,270	116,551	126,821
Net change in non-cash working capital balances:			
Accounts receivable	(16,068)	254	(15,814)
Due from related party	-	-	-
Prepaid expenses	-	(7,799)	(7,799)
Accounts payable and accrued liabilities	(324,623)	(13,789)	(338,412)
Cash flow used in operating activities	(1,684,871)	124,524	(1,560,347)
Cash flow provided by financing activities			
Related party financing	(49,882)	99,937	50,055
Private placement, net of share issue costs	2,394,373	(26,096)	2,368,277
Cash flow provided by financing activities	2,344,491	73,841	2,418,332
Cash flow used in investing activities			
Cash acquired from reverse take-over	66,580	40,200	106,780
Property and equipment	(12,815)	(1,062)	(13,877)
Exploration and evaluation costs	(603,780)	(58,884)	(662,664)
Cash flow used in investing activities	(550,015)	(19,746)	(569,761)
Foreign exchange impact to cash	(26,914)	(178,518)	(205,432)
Net change in cash	82,691	101	82,792
Cash at beginning of the period	9,470	-	9,470
Cash at the end of the period	$92,161	$101	$92,262

15. SUBSEQUENT EVENTS

a) On August 2, 2023 the Company entered into a Definitive Agreement for Mineral Rights Acquisition and Other Covenants ("**Tiros Agreement**") to acquire a 33.3% interest in the Tiros project and will have the right to earn the remaining interest upon achieving certain milestones. Upon TSXV approval, the Company will acquire 33.3% of the outstanding shares of Brazil Copper Ptd Ltd. ("**BCS**"), a company incorporated in Singapore whose subsidiary Brazil Copper Mineracao Ltda. ("**BCML**"), a company incorporated in Brazil, holds the titles that comprise the Tiros project area. The remaining 66.7% ownership of the BCS shares will be held by RBM Consultoria Mineral Eireli ("**RBM**").

The closing of the transaction is subject to approval by the TSXV.

Under the terms of the Tiros Agreement, Resouro will purchase 33.3% of the outstanding shares of BCS from Resouro's CEO, therefore, this constitutes a related party transaction. The shares will be acquired in exchange for 4,000,000 stock options ("**options**") to purchase common shares of Resouro. The options can

15. SUBSEQUENT EVENTS *(continued)*

be exercised at a price of $0.20 and will expire on August 2, 2028. Issuance of the options is subject to approval by the TSXV.

Within 90 days of executing the Tiros Agreement the following corporate name changes will be made:

1. Brazil Copper Ptd Ltd. ("**BCS**") will be renamed:
   Tiros Stratmet Pte Ltd ("**TSPS**")
2. Brazil Copper Mineracao Ltda. ("**BCML**") will be renamed:
   Tiros Minerais Estrategicos Mineracao Ltda ("**TMEL**")

In order to acquire the remaining 66.7% ownership of BCS the Company will be required to complete certain milestones referred to as the earn-in provisions.

b) On October 19, 2023, the Company announced that it had entered into an agreement with RBM to accelerate the earn-in provisions detailed in the Tiros Agreement for the acquisition of the remaining 66.7% of the outstanding shares in BCS. Completion of the transaction is subject to customary closing conditions and obtaining regulatory approvals, including the approval by the TSXV.

Under the terms of the agreement, RBM will assign 100% of its shares in BCS, totaling 160,000 shares to Resouro. Resouro will issue 1,642,000 fully paid common shares of Resouro to RBM. Upon completion of the assignment of all RBM shares to Resouro and the issuance of common shares to RBM, the earn-in will be complete and Resouro will hold 100% of the issued and outstanding shares of BCS.

In consideration of RBM accelerating the earn-in provision of the Tiros Agreement RBM will receive 750,000 performance warrants of Resouro that will be convertible into common shares upon completion of the Definitive Feasibility Study by Resouro. The performance warrants will be subject to the applicable hold periods under TSXV policies and Canadian securities laws.

c) 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. The amendment was approved by shareholders at the January 16, 2024 AGM.