



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

**MANAGEMENT'S DISCUSSION & ANALYSIS  
Three and six months ended September 30, 2023  
(Reported in Canadian Dollars)  
(Amended and Restated)**

**Notice to Reader**

Please be advised that various changes were made to the condensed interim consolidated financial statements and Management Discussion and Analysis for the three and six months ended September 30, 2023 previously filed on November 23, 2023. Please refer to notes 12 and 13 to the Amended and Restated Condensed Interim Consolidated Financial Statements for the three and six months ended September 30, 2023 for additional information.

There were no subsequent events from November 23, 2023 (date of the original filing) to January 12, 2024 (date of refiling).

In connection with the filing of these Amended and Restated Condensed Interim Consolidated Financial Statements for the three and six months ended September 30, 2023, and the adjustments in notes 12 and 13, the Company is also filing (i) Amended and Restated Management Discussion and Analysis in compliance with the requirements of National Instrument 51-102 Continuous Disclosure Obligations, and (ii) CEO and CFO certifications in compliance with National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings.

## GENERAL

This amended and restated 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 restated condensed interim consolidated financial statements for the three and six months ended September 30, 2023 (the "**Financial Statements**"), the audited consolidated financial statements for the year ended March 31, 2023 and the accompanying Management's Discussion and Analysis ("**MD&A**") for that fiscal year. 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 reported are in Canadian dollars ("**CAD**") unless otherwise stated. This document is dated December 29, 2023.

The Board of Directors of the Company have reviewed and approved the information contained in this MD&A and the Financial Statements.

Readers are cautioned that this MD&A contains certain forward-looking statements. Please see the section concerning "Forward Looking Statements" below.

Additional information relating to the Company can be found on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedarplus.ca](http://www.sedarplus.ca). The Company is listed on the TSX Venture Exchange (the "**TSXV**") under the symbol "RSM" (formerly RAU). The Company holds an additional listing on the Frankfurt Stock Exchange ("**FSE**") under the symbol "BU9".

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

## FORWARD LOOKING STATEMENTS

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

## GOING CONCERN

The financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplate the realization of assets and the discharge of liabilities in the ordinary course of business. As of the date of this report, the Company had recurring net losses and negative cash flows from operations. In addition, the Company has future spending commitments with the Government of Brazil to keep its exploration concessions in good standing.

The restated 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 restated 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 restated 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 \$3,141,822 (March 31, 2023 deficit (\$1,064,281)) and an accumulated deficit of \$7,326,230 (March 31, 2023 \$6,109,783) for the six months ended September 30, 2023. The Company has incurred a loss from operations of \$1,216,447 for the six months ended September 30, 2023 (September 30, 2022 \$2,765,380).

These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's

ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management estimates that the Company currently has adequate capital to operate for the coming year.

Title to exploration and evaluation assets involve certain inherent risks due to the difficulty of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of exploration and evaluation assets. The Company has investigated title to all of its exploration and valuation assets, and, to the best of its knowledge, title to all of its properties are properly registered and in good standing. However, there can be no guarantee of title and the exploration and evaluation assets may otherwise be subject to prior claims, agreements, or transfers and rights of ownership may be affected by undetected defects. The properties in which the Company has earned or committed to earn an interest are located in Brazil.

## CORPORATE HIGHLIGHTS

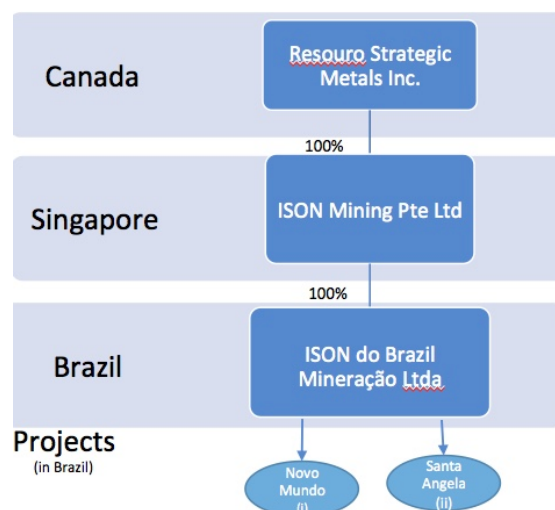
Resouro is a mineral exploration and development company focused on the discovery and advancement of economic mineral projects in Brazil, including the Novo Mundo Gold Project in Mato Grosso and the Tiros Titanium oxide and rare earth element Project ("**Titanium and REE**") in Minas Gerais.

### Corporate Structure

The Company was incorporated on August 4, 1992 in the province of British Columbia, Canada. The Company's registered office is Suite 520 – 999 West Hastings Street, Vancouver, British Columbia, Canada. ISON Mining Pte Ltd ("**ISON**") is 100% owned by Resouro. ISON 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 Novo Mundo project and the Santa Angela project titles are held by ISON do Brasil.

### Corporate name history

Effective May 15, 2022, the Company changed its name from eShippers Management Ltd. to Resouro Gold Inc. On October 17, 2023, the Company changed its name from Resouro Gold Inc. to Resouro Strategic Metals Inc. ("**Resouro**").



On August 2, 2023, the Company entered into a definitive purchase agreement ("**Tiros Agreement**") to acquire a 33.3% interest in the Tiros project ("**Tiros**") with the right to earn the remaining interest by achieving certain milestones. The Tiros Agreement included acceleration provisions. Resouro acquired 33.3% of the outstanding shares of Brazil Copper Pte 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. BCS and BCML will be renamed within 90 days to Tiros Stratmet Pte Ltd ("**TSPS**") and Tiros Minerais Estrategicos Mineracao Ltda ("**TMEL**"), respectively. Completion of the transaction is subject to the approval by the TSX Venture Exchange ("**TSXV**").

On October 19, 2023, the Company announced that it had entered into an agreement, the First Addendum, with RBM Consultoria Mineral Eirlei ("**RBM**") to accelerate the earn-in provisions detailed in the Tiros Agreement for the acquisition of the remaining 66.7% of the shares in BCS. Completion of the transaction is subject to customary

closing conditions and obtaining regulatory approvals, including the approval by the TSXV which, as at the date of these Financial Statements, remains outstanding.

#### *Corporate Updates*

On May 15, 2023, the Company closed a private placement in which 2,753,333 common shares were issued at a price of \$0.15 per common share for cash consideration of \$413,000. The Company paid \$5,292 in finders' fees.

On June 13, 2023, the company issued 4,560,000 stock options to directors, officers and a consulting firm with an exercise price of \$0.175 and a 5-year expiry period, pursuant to the Company's stock option plan. The options vest over a 24-month period with an exception. The options issued to the consulting firm will vest over a 12-month period.

During June 2023, the Company welcomed two new Directors to the Resouro Board of Directors, Anne Landry and Justin Clyne.

On July 11, 2023, the Company closed a private placement in which 13,333,333 common shares were issued at a price of \$0.15 per common share for cash consideration of \$2,000,000. Finders' fees consist of the following:

- (i) 800,000 common shares issued at a price of \$0.15 per common share; and
- (ii) 600,616 warrants to purchase common shares at an exercise price of \$0.20 per common share with an expiry date of July 11, 2026.
- (iii) Cash finders' fees of \$11,529.

On August 29, 2023, the Company closed a private placement in which 10,107,142 common shares were issued at a price of \$0.28 per common share for cash consideration of \$2,830,000. The Company paid \$186,321 in finders' fees. At the same time, the company announced its intention to pursue a secondary listing on the Australian Securities Exchange ("**ASX**"). The ASX dual listing will complement Resouro's current TSX-V (Canadian) and FSE (Frankfurt) listings and will allow the Company to better service the large Australian investor base currently supporting Resouro. The timing of the listing is subject to market conditions and being able to satisfy the appropriate ASX listing requirements.

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 vest over a 24-month period.

## **EXPLORATION OVERVIEW**

### **The Tiros Rare Earths and Titanium Project**

The Tiros Project, located at Alto Paranaíba region, Minas Gerais, Brazil, has been identified as an undeveloped titanium deposit, with associated heavy rare earth elements through historic drilling programs. Tiros is comprised of 33 mineral licenses totaling 477 square kilometers ("**km<sup>2</sup>**") located 350 km from Belo Horizonte, the state capital. The Tiros licenses cover the most prospective portion of the Capacete Formation.

On August 2, 2023, the Company entered into the Tiros Agreement to acquire a 33.3% interest in the Tiros project with the right to earn the remaining interest upon achieving certain milestones. Resouro acquired 33.3% of the outstanding shares of BCS, a company incorporated in Singapore whose subsidiary BCML, a company incorporated in Brazil, holds the titles that comprise the Tiros project area. The remaining 66.7% ownership of the BCS shares are held by RBM Consultoria Mineral Eireli ("**RBM**"). The closing of this transaction is subject to approval by the TSXV.

Under the terms of the Tiros Agreement, Resouro has purchased the shares of BCS from the Director and CEO of the Company, therefore, this constitutes a related party transaction. The shares have been acquired in exchange for 4,000,000 stock options to purchase common shares of Resouro. The stock options can be exercised at a price of \$0.20 and will expire on August 2, 2028. The 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 Pte 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 earn the remaining 66.7% ownership of the Tiros project the Company will be required to complete 3 earn-in provisions. These include an initial JORC- compliant technical report, followed by a Preliminary Feasibility Study and finally the completion of a Definitive Feasibility Study. Additional terms allow the Company to accelerate the earn-in provisions.

On October 19, 2023, the Company announced that it had entered into an agreement, the First Addendum, with RBM to accelerate the earn-in provisions detailed in the Tiros Agreement for the acquisition of the remaining 66.7% of the 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 First Addendum, RBM will assign 100% of its shares in BCS, totalling 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 terms of the Tiros Agreement RBM will receive 750,000 performance rights of Resouro that will be convertible into common shares upon completion of the DFS by Resouro. The performance rights will be subject to the applicable hold periods under TSXV policies and Canadian securities laws.

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

### The Novo Mundo Gold Project

The Novo Mundo project is located in the established gold mining district of Alta Floresta Gold Belt, Moto Grosso. The Company's 3 licences cover an area of 16,735 hectares ("ha"). To date, 5,500 meters ("m") have been drilled to identify mineralization in 10 separate zones. The most significant drill intercepts are listed below:

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

During May 2021, the Company, through its subsidiary, entered into a definitive purchase agreement with Nexa (the "**ISON-Nexa Agreement**") pursuant to which the Company agreed to purchase from Nexa a 100% right to three mineral processes and rights in the Novo Mundo Gold Project. Pursuant to the ISON-Nexa Agreement, the consideration to be paid and/or satisfied by the Company to Nexa for the mineral processes and rights is as follows:

- (i) payments totalling BRL 3,750,000 (C\$961,857) have been paid, per the ISON-Nexa Agreement;
- (ii) the granting of Net Smelter Return ("**NSR**") (see below); and
- (iii) the assumption of Nexa's obligations under an agreement (the "Novo Mundo Agreement") with "Coogavepe", who were previous owners of the projects and are a local group of artisanal miners. Coogavepe consented to the mineral rights being assigned from Nexa to the Company.

The ISON-Nexa Agreement provides that by May 2024 the parties will determine if the Novo Mundo Gold Project is a precious metal or base metal (copper, zinc, lead) project. If it is determined to be a base metal project, Nexa can elect to explore the Novo Mundo Gold Project and grant a 1.5% NSR to the Company. If Nexa does not want to

proceed with exploration, then the Company can elect to explore the Novo Mundo Gold Project and grant a 1.5% NSR to Nexa. If the Novo Mundo Gold Project is determined to be a precious metal project, then the Company has the right to explore and develop the Novo Mundo Gold Project and will grant a 1.5% NSR to Nexa. If the Novo Mundo Gold Project is predominantly precious metals, then base metals will be considered to be precious metals for the purposes of the ISON-Nexa Agreement. The Company has the option to buy back any NSR granted under the ISON-Nexa Agreement. The purchase price for such buy back is US\$ 5,000,000 if purchased before May 11, 2026. After May 11, 2026, the Company has a right of first refusal to buy back the NSR if any third party wants to purchase it.

As noted above, the Company has agreed to assume all of Nexa's obligations under the Novo Mundo Agreement with Cooperativa dos Garimpeiros do Vale do Rio Peixoto ("**Coogavepe**"). These obligations include, without limitation, the following:

- (i) Nexa paid Coogavepe an initial price of BRL 400,000 for the transfer of the mineral processes and rights as follows: (a) a first instalment of BRL 150,000 was paid within 30 days after execution of the Novo Mundo Agreement; and (b) a second instalment of BRL 250,000 was paid within 30 days after the date that Agência Nacional de Mineração ("**ANM**") completed the transfer of the mineral processes and rights to the Company's Brazilian subsidiary, Ison do Brazil Mineracao Ltda ("**ISON Brazil**"). These obligations have been satisfied by Nexa; and
- (ii) Nexa agreed to incur phase one mineral exploration expenditures in the amount of BRL 1,000,000 within 24 months of the date of the assignment of the Mineral processes and rights with the purpose of identifying economic mineralization for base metals (the "Initial Survey"). This obligation was satisfied by Nexa; and
- (iii) As of the date of the transfer of the mineral processes and rights or registration date at the ANM, Nexa had a non-extendable period of 24 months to carry out the Initial Survey. The Initial Survey and phase one exploration period was completed on September 18, 2021; and
- (iv) If the Company is interested in continuing with the phase two of exploration work, it must pay Coogavepe the amount of BRL 2,500,000.

On January 19, 2023, the Company submitted two partial exploration reports ("**PER**") to the ANM. The approval for the first PER related with the Mineral Process 866.171/2018 was received on July 28, 2023 and the second approval related with the Mineral Process 866.320/2018 as received August 7, 2023. The Company negotiated the timing of the BRL 2,500,000 payment due to Coogavepe, the original project owner previous to NEXA, in order to proceed with the next phase of the exploration program.

The phase 2 exploration period ended on January 19, 2023 with the delivery by the Company of the two remaining partial exploration reports for the mineral rights described in items (i) and (ii) of the following paragraph. The Company is interested in continuing with the exploration work, and will pay Coogavepe the amount of BRL 2,500,000 in 4 instalments being (i) BRL 750,000 on December 20, 2023, (ii) BRL 750,000 on February 20, 2024, BRL 500,000 on April 20, 2024, and (iv) BRL 500,000 on June 20, 2024. This condition was negotiated and agreed within the 6<sup>th</sup> Addendum to the Novo Mundo contract. Upon granting the mining concession or bulk mining concession (*Guia de Utilização*) to the Company in any mineral process, the Company shall pay to Coogavepe, from the effective commercialization of the ore extracted from the concessions, a 1.5% NSR. The Novo Mundo Agreement also contemplates the assignment of some areas of the exploration areas to Coogavepe and providing them the right to apply for a Permissão de Lavra Garimpeira ("PLG"). Effectively, the PLG is an Artisanal Mining Permit and is regulated by Federal Law 7,805/1989 and is an autonomous and extraordinary mining regime assigned exclusively to individuals exercising artisanal mining and cooperatives. PLGs allow its titleholders to extract secondary gold from alluvial (river), colluvial and eluvial sources or weathered soil down to 30 metres.

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

- (i) ANM Mineral Process 866.035/2009, Exploration License No. 5004/2009, which is active and existing under the BMC for gold ore, covering 930.35 hectares, located in the Novo Mundo Municipality, State of Mato Grosso, Brazil;
- (ii) ANM Mineral Process 866.320/2018, Exploration License No. 6787/2018, which is active and existing under the BMC for gold ore, covering 8,645.58 hectares, located in the Novo Mundo Municipality, State of Mato Grosso, Brazil; and
- (iii) ANM Mineral Process 866.171/2018, Exploration License n°6784/2018, which is active and existing under the BMC for gold ore, covering 8,159.00 hectares, located in the Novo Mundo Municipality, State of Mato Grosso, Brazil.

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

- desktop work and historical data integration for target definition and ranking;
- regional geological recognisance over the project's tenements and in particular, along the pre-defined mineralized trends;
- geological mapping of the major Dionízio-Luisão mineralized trend;
- detailed geological mapping of the Luisão pit east front and sample, to understand the outcropping ore structural control;
- rock (grab) chip sampling over the main Dionízio-Luisão and surroundings with the aim to identify other parallel trends and check main trend continuity, where 309 samples were collected to date;
- re-logging of the historical drill core with the aim to redefine the rock code and to describe the hydrothermal alteration related to the ore zones. A total of 3,320 metres have been re-logged to date. A few selected ore zones were resampled for ICP multi-element analysis for the definition of the geochemistry of the alteration related to the ore.
- trenching along the main Dionízio-Luisão trend, with the aim to identify the mineralized horizon between the main open pits, where no outcrop is available. The Company open-mapped and sampled 3 trenches to date, for a total of 150 metres and collected 183 channel samples along the trenches;
- commencement of the preliminary drilling program in June 2022. A total of 10 drill holes were programmed with the aim to confirm historical drilling, infill to convert resources to measured for short term mining plan, test extensions along the strike and down plunge to the main outcropping ore bodies and to test structural control defined by the detailed mapping. The preliminary drilling program was concluded in September 2022 with 10 drill holes for a total of 1268 metres;
- current drilling log, sampling and QAQC sample were concluded a week after the conclusion of the drilling program; and
- rock chip and drilling samples were trucked to ALS Lab in Cuiabá and then to Lima for analysis, with results forthcoming;
- 3D geological and hydrothermal alteration model is currently being finalized. The model also includes the structural interpretation taken from the oriented cores. The model has the aim to define the ore controls and to generate exploration vectors for the next exploration program. In addition, the model will be integrated with the grade model for the generation of a new resource estimative for the drilled targets.

During the six months ended September 30, 2023, Resouro completed an interim exploration report for the ANM as required to maintain the project in good standing. Other work included three-dimensional modeling and analysis of the new and historic data to plan the next phase of trenching, sampling, and drilling.

### **Santa Angela project**

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

### **The Buracão Gold Project**

In February 2021, the Company, through its Brazilian subsidiary, entered a definitive purchase agreement (the "**Buracão Agreement**"). The terms of the Buracão Agreement provided for the acquisition by the Company of a 100% interest in two (2) mineral processes and rights in the Buracão Gold Project. The total purchase price for the mineral processes and rights is USD \$2.6M of which CAD \$503,508 has been paid to date. On February 25, 2023, the Company notified the seller that it was discontinuing its investments in the Buracão project. The Company has decided to reprioritize its allocation of resources from the Buracão project to the Novo Mundo gold project. The Company did not provide the 30 days notice required and was therefore subject to a \$533,800 (BRL 2,000,000) penalty. As a result, the \$503,508 of acquisition costs and the \$533,800 penalty fee were written-off from the exploration and evaluation assets and recorded as a net loss as a exploration and evaluation expenditure in the statement of loss and other comprehensive loss for the year ended March 31, 2023.

Following discontinuation of the Buracão agreement, the Company paid a total of BRL 1,920,000 to the seller in three payments: 1) BRL 500,000 on July 24, 2023, 2) BRL 500,000 September 19, 2023 and 3) BRL 920,000 November 19, 2023 which was paid early, in October 2023 with an 8% discount. The Company reverted the assignment of the Buracão mineral rights back to the seller on August 4, 2023.

### **Pernambuco project**

In December 2021, the Company acquired certain mineral exploration rights from the ANM to conduct exploration work on the Pernambuco project in the State of Pernambuco, Brazil. Total consideration paid was BRL 100,099 (C\$25,525). The Company has ceased exploration activities and thus its commitments on the Pernambuco project. As a result, \$25,525 of exploration and evaluation assets were written-off and recorded as a net loss under

exploration and evaluation expenditures in the statement of loss and other comprehensive loss for the year ended March 31, 2023.

## CORPORATE OVERVIEW

On September 23, 2021, the Company and its shareholders entered into a share purchase agreement (the "**Share Purchase Agreement**") with ISON Mining Pte Ltd. pursuant to which the Company purchased from the ISON's shareholders all of the issued and outstanding shares of ISON, which constituted an arm's length reverse take-over ("**RTO**") transaction for the Company. The Share Purchase Agreement is available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Under the Share Purchase Agreement, the Company completed the RTO on May 15, 2022 by acquiring all of the outstanding shares of ISON in exchange for the issuance of an aggregate of 29,655,750 common shares of the Company to the shareholders of ISON of which 9,812,300 of these common shares are subject to escrow as of September 30, 2023.

As a condition to the completion of the RTO, the Company completed a share consolidation on the basis of 1 new common share for each 2 old common shares (the "**Share Consolidation**"). The Share Consolidation was completed immediately prior to the completion of acquisition of the shares of ISON. After completing the Share Consolidation, the Company had 7,031,079 common shares issued and outstanding.

Under the terms of the Share Purchase Agreement, the Company completed a non-brokered private placement (the "**Concurrent Financing**") of 7,288,127 units at a price of \$0.35 per unit (post-Share Consolidation) for gross proceeds of \$2,550,844. The Concurrent Financing was completed concurrently with or immediately prior to the closing of the RTO. Each unit consisted of one common share and one-half of one warrant. Each whole warrant will be exercisable to acquire one common share at an exercise price of \$0.50 until May 15, 2024 (subject to an acceleration clause). A value of \$383,257 was assigned to the warrants using the Black-Scholes model calculation. In addition, \$23,550 of share issue costs were assigned to warrants for a net warrant value of \$359,707. Total share issue costs of \$182,567 were incurred.

On May 15, 2022, at the close of the RTO, the Company had 43,974,956 common shares outstanding valued at \$5,770,329. Of these outstanding common shares, 24,530,750 common shares were subject to escrow.

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

## RESULTS OF OPERATIONS

### Six months ended September 30, 2023

The Company recorded a net loss of \$1,255,192 for the six months ended September 30, 2023, compared to a net loss of \$3,105,063 for the six months ended September 30, 2022. The loss recognized for the six months ended September 30, 2022 was primarily due to a \$1,837,480 listing expense recognized at the completion of the RTO on May 15, 2022 and \$657,174 of exploration costs incurred to undertake a drilling program. The majority of the expenses incurred for the six months ended September 30, 2023 were due to higher professional fees as the Company engaged the expertise of audit, legal and marketing professionals to execute the IPO process, which if successful, will result in the Company having a public listing on the ASX. Management fees were also higher for the period because the Company engaged the expertise of two new Directors as consultants.

## QUARTERLY FINANCIAL INFORMATION

The following table provides selected financial information for the eight quarters up to September 30, 2023 and should be read in conjunction with the Company's financial statements.

Quarter ended	September 30, 2023 <sup>(3)</sup>	June 30, 2023	March 31, 2023	December 31, 2022 <sup>(3)</sup>
Net loss	\$(661,628)	\$(554,819)	\$(1,302,098)	\$(398,006)
Earnings (loss) per share <sup>(2)</sup>	(0.01)	(0.01)	(0.03)	(0.00)
Weighted average shares outstanding <sup>(2)</sup>	62,687,295	45,518,033	43,076,420	42,782,353



Quarter ended	September 30, 2022 <sup>(3)</sup>	June 30, 2022 <sup>(3)</sup>	March 31, 2022 <sup>(1)</sup>	December 31, 2021 <sup>(1)</sup>
Net loss	\$(713,651)	\$(214,249)	\$(149,548)	\$(223,618)
Listing expense	-	(1,837,480)	-	-
Earnings (loss) per share <sup>(2)</sup>	(0.02)	(0.05)	(0.00)	(0.01)
Weighted average shares outstanding <sup>(2)</sup>	43,974,956	40,370,937	29,655,750	28,665,261

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

<sup>(2)</sup> Basic and diluted

<sup>(3)</sup> Restated and amended

A net loss of \$554,819 and \$2,051,729 were recognized for the three months ended June 30, 2023 and June 30, 2022 respectively. The loss for the three months ended June 30, 2022 was primarily due to the recognition of a \$1,837,480 listing expense as a result of closing the RTO on May 15, 2022. Expenditures related to the three months ended June 30, 2023 include the following significant components: Professional fees of \$128,355 (June 30, 2022 - \$13,935); office costs of \$16,255 (June 30, 2022 - \$268); management fees of \$71,237 (June 30, 2022 - \$82,728); exploration expenses of \$717 (June 30, 2022 - \$10,566); travel expenses of \$31,443 (June 30, 2022 - \$37,682); stock based compensation fees of \$301,916 (June 30, 2022 nil) and \$4,483 in foreign exchange loss (June 30, 2022 - \$69,071).

A net loss of \$661,628 and \$713,651 were recognized for the three months ended September 30, 2023 and September 30, 2022 respectively. Expenditures related to the three months ended September 30, 2023 include the following components: Professional fees of \$387,127 (September 30, 2022 - \$126,251); office costs of \$24,039 (September 30, 2022 - \$12,893); management fees of \$112,269 (September 30, 2022 - \$47,746); exploration expenses of \$7,671 (September 30, 2022 - \$444,415); travel expenses of \$15,466 (September 30, 2022 - \$53,105); stock based compensation expense of \$82,113 (September 30, 2022 nil) and \$56,050 in foreign exchange loss (September 30, 2022 - \$28,950). The Company incurred higher professional fees during the three months ended September 30, 2023 as it engaged the expertise of audit, legal and marketing professionals to execute the IPO process which, if successful, will result in the Company having a public listing on the ASX. Management fees were also higher for the period because the Company engaged the expertise of two new Directors as consultants. During the three months ended September 30, 2022, the Company undertook a drilling program on one of its properties in Brazil, which resulted in a significantly higher exploration expense for the period.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2023, the Company had a deficit of \$7,326,230 (March 31, 2023 - \$6,109,783). The Company reported cash of \$3,107,133, accounts receivable and prepaid of \$674,804, accounts payable and accrued liabilities of \$380,695 and an amount due to a related party of \$259,420. The Company has no long-term debt.

During the six months ended September 30, 2023, cash increased by \$3,100,374 (September 30, 2022 - \$456,492). The cash raised through the RTO Concurrent Financing provided funding for the Company's activities during the six months ended September 30, 2022. During the six months ended September 30, 2023 the Company raised \$413,000 through a private placement that closed on May 10, 2023; \$2,000,000 through a private placement that closed on July 11, 2023 and \$2,830,000 through a private placement that closed on August 29, 2023. The funds raised during the six months ended September 30, 2023 will fund the Company's exploration program and administrative costs for the next 12 months.

### Operating activities

During the six months ended September 30, 2023, net cash used in operating activities amounted to \$1,933,485 (September 30, 2022 - \$1,336,528).

### Investing activities

During the six months ended September 30, 2023, the Company used \$2,158 cash through investing activities (September 30, 2022 \$506,104).

### Financing activities

During the six months ended September 30, 2023, cash provided from financing activities was \$5,036,017 (September 30, 2022 - \$2,299,128). Funds provided by financing activities for the six months ended September 30, 2022 were realized from the gross proceeds of \$2,550,844 received through the RTO Concurrent Financing

which closed on May 15, 2022. Funds provided by financing activities for the six months ended September 30, 2023 were realized from the gross proceeds of \$413,000 received through a private placement that closed on May 10, 2023. Additional financing has been provided from the gross proceeds of \$2,000,000 received through a private placement that closed on July 11, 2023. And the Company raised additional proceeds of \$2,830,000 received through a private placement that closed on August 29, 2023.

## **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 Financial Statements for the six months ended September 30, 2023.

## **RELATED PARTY TRANSACTIONS**

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

For the period ended September 30, 2023	
Officers	\$ 105,000
Directors	78,506
Total compensation	\$ 183,506
For the period ended September 30, 2022	
Officers	\$ 91,732
Directors	38,742
Total compensation	\$ 130,474

As at September 30, 2023, a loan valued at \$259,420 (March 31, 2022 - \$261,099) was due to an Officer of the Company. During the period ended September 30, 2023, nil was repaid (September 30, 2022 - nil). The loan amounts are unsecured, non-interest bearing and are repayable on demand and convertible into common shares after one year.

As at September 30, 2023, nil was due to Officers and Directors for fees and reimbursable expenses which would be included in accounts payable and accrued liabilities (September 30, 2022 - \$37,807).

As at September 30, 2023, a related party owed the Company \$642,859. The party is considered a related party by virtue of the fact that Resouro's CEO holds 33.3% of the outstanding shares.

## **INTERNAL CONTROLS AND DISCLOSURE CONTROLS OVER FINANCIAL REPORTING**

On November 23, 2007, the British Columbia Securities Commission by which the Company is regulated, exempted Venture Issuers from certifying disclosure controls and procedures, as well as, Internal Controls over Financial Reporting as of December 31, 2007, and thereafter. Since the Company is a Venture Issuer, it is required to file basic certificates. The Company makes no assessment relating to establishment and maintenance of disclosure controls and procedures as defined under National Instrument 52-109.

## **OFF-BALANCE SHEET ARRANGEMENTS**

There are no off-balance sheet arrangements or obligations that are not disclosed in the Financial Statements.

## **ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS**

The Company's significant accounting policies are presented in Note 2 of the annual audited financial statements for the year ended March 31, 2023.

## **RISKS AND UNCERTAINTIES**

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

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

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

### **Competition**

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

### **Financing risks**

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

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

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. The main operating risks include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The Company may earn an interest in certain properties through option agreements and acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of prefeasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property. The market prices for silver, gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

### **Insured and uninsured risks**

In the course of exploration, development and production of mineral properties, the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in the damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability. Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company. Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

### **Environmental risks and hazards**

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

**Conflicts of interest**

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

**Political and currency risks**

The Company is operating in countries that currently have varied political environments. Changing political situations may affect the way the Company operates. The Company's equity financings are sourced in Canadian dollars, but for the most part, it incurs its expenditures in local currencies. There are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the Brazilian real could have an adverse impact on the amount of exploration conducted.

**Key personnel risk**

The Company's success depends on key personnel working in management and administrative capacities or as consultants. The loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business, and the results of operations.

**OUTSTANDING SHARE DATA**

As of the date of this MD&A, the Company has issued 70,968,764 common shares, 4,244,680 share purchase warrants and 6,810,000 common share purchase options.