



RESOURO
STRATEGIC METALS

2024

PROSPECTUS

For an offer of 16,000,000 CHES Depository Interests in the Company at an issue price of A\$0.50 each to raise A\$8,000,000

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

This is an important document and requires your immediate attention.

It should be read in its entirety.

Please consult your professional adviser(s) if you have any questions about this document.

Investment in the CDIs offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 4 for information on the key risks associated with an investment in CDIs.



April 2024



Visit Our Website
www.resouro.com

Thomson Geer
LAWYERS



TAYLOR COLLISON

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CORPORATE DIRECTORY

Directors

Christopher Eager – President, Chief Executive Officer and Director

Philippe Martins – Executive Director

Justin Clyne – Independent Non-Executive Director

Anne Landry – Independent Non-Executive Director

Corporate Secretary

Sandra Evans

Australian Local Agent & Person Responsible for ASX Communications

Justin Clyne

Registered Office (Canada)

Suite 520, 999 West Hastings Street, Vancouver, British Columbia, Canada

Registered Office (Australia)

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Sydney, New South Wales, Australia
2000

Canadian Share Registry*

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Vancouver, British Columbia, Canada
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Australian Share Registry*

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Sydney, NSW 2000

Telephone: +61 2 8072 1400

Email: hello@automicgroup.com.au

Website: <https://www.resouro.com/>

TSX-V Code: RSM

ASX Code: RAU

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Lawyers (Brazil)

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Brazil

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Auditor*

MNP LLP
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Calgary, Alberta, Canada
T2P 3G4

* Included for information purposes only. These entities have not been involved in the preparation of this Prospectus.

IMPORTANT NOTICE

Offer

The Offer detailed in this Prospectus is an invitation for eligible Applicants to apply for CDIs over common shares in Resouro Strategic Metals Inc. (ARBN 671 716 457), a company incorporated under the laws of British Columbia, Canada (under corporation number BC0430203) and registered as a foreign company in Australia (**Company**). This Prospectus is issued by the Company for the purpose of Chapter 6D of the Corporations Act. The Offer detailed in this Prospectus is an initial public offering comprising an offer of CDIs. **Each CDI represents one fully paid common share in the Company (Share)**. The Shares offered under this Prospectus will be issued to investors in the form of CDIs so that those investors may trade the Shares on ASX and settle the transactions through CHESS. Note that in this Prospectus, the terms "Shares" and "CDIs" may be used interchangeably, except where the context requires otherwise. Please refer to Sections 1, 6.3 and 6.4 and Annexure A for further information about Shares and CDIs.

Lodgement and Listing

This Prospectus is dated, and was lodged with ASIC on, 1 May 2024. Application will be made to the Australian Securities Exchange (**ASX**) within seven (7) days of the Prospectus Date for Official Quotation of the CDIs the subject of the Offer. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Expiry Date

The expiry date of this Prospectus is 5:00pm (AWST) on that date which is 13 months after the date this Prospectus was lodged with ASIC (**Prospectus Expiry Date**). No CDIs will be issued or sold on the basis of this Prospectus after the Prospectus Expiry Date.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

Prospectus Does Not Provide Investment Advice

The information detailed in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of the CDIs or any other financial products.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in CDIs. There are risks associated with an investment in CDIs and some of the key risks are detailed in Section 4. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in CDIs. There may also be risks in addition to these that should be considered, including in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the Company's performance, the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is detailed in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors, the Lead Manager or any other person in connection with the Offer.

Foreign Investors

This Prospectus does not constitute an offer or invitation to apply for CDIs in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the CDIs or the Offer or to otherwise permit a public offering of the CDIs, in any jurisdiction outside Australia. The Offer is not being extended to any investor outside Australia except to the extent otherwise determined by the Board, subject to applicable laws (refer to Section 5.14 for information in relation to certain selected foreign jurisdictions). The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The CDIs being offered pursuant to this Prospectus have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the CDIs in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law.

In particular, this Prospectus may not be distributed to any person, and the CDIs may not be offered or sold, in any country outside Australia except to the extent permitted in Section 5.14.

Taxation

The acquisition and disposal of CDIs will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring CDIs, pursuant to the Offer, from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for CDIs under this Prospectus.

Disclaimer

The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell or trade CDIs before receiving their holding statement or allotment confirmation notice, whether on the basis of a confirmation of allocation provided by any of them (such as through the Offer Information Line), a Broker or otherwise.

Past Performance Information

This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form on the Company's website at <https://www.resouro.com/>. Eligible persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's registered office are detailed in the Corporate Directory. The Offer detailed in this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia (unless otherwise determined by the Board, subject to applicable laws). The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include an Application Form. The Company (or the Lead Manager) will provide this Prospectus together with the Application Form to persons selected to apply to participate in the Offer. Applicants must complete and return the Application Form with the requisite Application Monies by following the instructions detailed on the Application Form.

By returning the Application Form with the requisite Application Monies or making a payment of Application Monies you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

No Cooling-Off Rights

Cooling off rights do not apply to an investment in CDIs offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Speculative Nature of Investment

An investment in the Company is not risk free. The CDIs offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the CDIs offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the CDIs or that there will be an increase in the value of the CDIs in the future.

Using this Prospectus

Persons wishing to apply for CDIs offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the CDIs offered pursuant to this Prospectus. If persons considering applying for CDIs offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Privacy Statement

To apply for CDIs you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold, use, disclose and otherwise handle your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and to carry out appropriate administration in relation to your Application and your needs as an investor. The Corporations Act, taxation law, and in some cases, local legislation outside of Australia, require some of this personal information to be collected. If you do not provide the information requested or do not consent to its collection, your Application may not be accepted, or may not be able to be processed efficiently, or at all.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement or as otherwise disclosed to you, and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities inside or outside of Australia, and as otherwise permitted or required by any applicable law.

If an Applicant becomes a CDI Holder or a Shareholder, the Corporations Act requires the Company to include information about the CDI Holder or Shareholder (including name, address and details of the CDIs and Shares held) in its public register. The Company's public register must also show the name and details of persons who cease to be a CDI Holder or Shareholder within the last seven years. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

In some cases, your personal information may be disclosed by the Company to recipients located in jurisdictions outside of Australia, including in Canada. These disclosures include on the Company's CDI and Share register to relevant regulatory authorities and to third parties described above (including in accordance with applicable laws in Canada as the Company is a corporation established under the *Business Corporations Act* (British Columbia) (**BCBCA**)). This includes on the Company's Share register, as required or permitted under the BCBCA, to any person lawfully entitled to examine the Share register, and under applicable Canadian laws. Apart from these instances, your personal information is not generally disclosed to recipients

located outside of Australia or Canada except with your consent or where otherwise authorised, permitted or required by law.

Your personal information will be provided to the Share Registry to assist in managing the Company's CDI and share registers. The Canadian Share Registry's Privacy Policy is available on the Share Registry's website, <https://www.computershare.com/ca/en>.

Forward-Looking Statements

This Prospectus contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include (without limitation) expectations regarding the financial position of the Company, production targets, industry growth and other trend projections, future strategies, results and outlook of the Company and the opportunities available to the Company. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "outlook", "scheduled", "target", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgments of the Company regarding future events and results. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, targets, performance or achievements of the Company to be materially different from any future results, targets, performance or achievements expressed or implied by the forward-looking information.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Past performance is not a guide to future performance. Key risk factors associated with an investment in the Company are detailed in Section 4. These and other factors could cause actual results to differ materially from those expressed in forward-looking statements.

Forward-looking information and statements are (further to the above) based on the reasonable assumptions, estimates, analysis and opinions of the Company made in light of its perception of trends, current conditions and expected developments, as well as other factors that the Company believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Although the Company believes that the assumptions and expectations reflected in such forward-looking statements and information (including as described throughout this Prospectus) are reasonable, readers are cautioned that this is not exhaustive of all factors which may impact on the forward looking information. The Company does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

Competent Persons and Practitioner Statements

Tiros Project

The information in this Prospectus relating to the Exploration Results at the Tiros Project is based on, and fairly represents, information and supporting documentation prepared by Mr Ednie Rafael Fernandes, a Competent Person who is a member of the Australian Institute of Geoscientists (membership number 7974). Mr Fernandes has sufficient experience that is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code.

Mr Fernandes has given his prior written consent to the form and context in which the Exploration Targets and the supporting information are presented in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

Novo Mundo Project

The information in this Prospectus relating to the Exploration Results at the Novo Mundo Project is based on, and fairly represents, information and supporting documentation prepared by Mr Mario Conrado Reinhardt, a Competent Person who is a member of the Australian Institute of Geoscientists (membership number 3707). Mr Reinhardt has sufficient experience that is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code.

Mr Reinhardt has given his prior written consent to the form and context in which the Exploration Results and the supporting information are presented in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

Photographs and Diagrams

Photographs and diagrams used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references in this Prospectus to "\$", "AUD" or "A\$" are references to Australian dollars, all references in this Prospectus to "C\$" or "CAD" are references to Canadian dollars and all references in this Prospectus to "US\$" or "USD" are references to United States dollars.

The CDIs will be listed on ASX and priced in Australian dollars. However, the Shares will be quoted and trading on the TSX-V in Canadian dollars. As a result, movements in foreign exchange rates may cause the price of CDIs to fluctuate for reasons unrelated to the Company's financial condition or performance.

Effect of rounding

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables detailed in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to AEST, being the time in Sydney, New South Wales, Australia, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 8.

Regulation of the Company

The Company was incorporated in British Columbia, Canada and its internal affairs are governed by the BCBCA of British Columbia, Canada and other applicable Canadian law. As the Company was not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not generally regulated by the Corporations Act or by ASIC but instead are governed by the BCBCA. See the information regarding Canadian laws in Section 6 and Annexure B for information about the material regulations that apply to the Company and its operating activities.

Letter from the Chairman

Dear Investor

On behalf of the Board, it brings me great pleasure to invite you to become an investor in Resouro Strategic Metals Inc. (TSX-V: RSM) (**Company**), a company incorporated in Canada and listed on the TSX-V and the FSE. The Offer under this Prospectus represents an opportunity to invest in a company focused on the discovery and development of critical mineral resources, via the Company's rare earth elements and titanium project located in Minas Gerais State, Brazil, which covers an area of approximately 45,048ha (being the **Tiros Project**). The Company holds a 90% ownership interest in the Tiros Project.

Rare earth elements are crucial for the ongoing energy and environmental transition, serving as critical raw materials in low-carbon technologies, such as permanent magnets in electric vehicles, wind turbines, robotics, medical equipment, and many other important technologies. Given that rare earth elements are essential components of permanent magnets used in electric vehicles and wind turbines, the Company considers the shift towards clean and sustainable energy solutions globally is poised to trigger a substantial surge in demand for these minerals. At the Prospectus Date, the Company has commenced an exploration work program at the Tiros Project, which includes a maiden auger, air core and diamond drilling campaign, with the latest drill intercepts continuing to deliver high grade results.

Following Admission, the Company intends to utilise funds raised under this Prospectus and its existing cash reserves towards:

- undertaking advanced exploration activities at the Tiros Project, including a targeted drill program, with an aim to delineate a JORC compliant Mineral Resource;
- undertaking chemical and metallurgical testwork to determine scoping level requirements at the Tiros Project;
- commencing preliminary economic evaluation and undertaking technical studies in respect to the Tiros Project; and
- ongoing working capital including corporate costs.

In addition, the Company, via its wholly owned subsidiary, also has an interest in a gold project located in Alta Floresta Gold Province, Brazil (**Novo Mundo Project**). The Company also intends to utilise funds raised under this Prospectus to undertake further exploration activities at the Novo Mundo Project, including trenching and drilling activities to evaluate the potential of the Novo Mundo Project.

This Prospectus constitutes an offer to acquire 16,000,000 CHESSE Depositary Interests in the Company (**CDIs**) over Shares at an offer price of A\$0.50 per CDI to raise A\$8,000,000 (before associated costs) (**Offer**). **The CDIs will be issued at a ratio of 1 CDI for 1 Share.** The Offer is to facilitate the multiple listing of the Company on the ASX, the TSX-V and the FSE. The Board considers that listing on the ASX will provide the Company with increased opportunities to access capital from institutional investors and an opportunity for non-institutional investors in Australia to participate in the advancement of the Projects as well as the potential to unlock what the Board believes is significant unrealised value in the Company's assets, particularly the Tiros Project.

An investment in the Company is subject to risks, given, amongst other things, the Tiros Project is in the exploration phase. These risks include the future capital requirements and dilution risks, the nature of mineral exploration and mining, operational matters, metallurgy risks and the economic, political and social context in Brazil. Please refer to Section 4 for a more detailed description of key risk factors. This Prospectus contains detailed information about the Offer and the relevant risk factors. I encourage you to read it carefully before making an investment decision and to consult with your independent professional adviser in connection with the Offer. On behalf of the Directors, I look forward to welcoming you as a Shareholder.

Yours sincerely



Christopher Eager
President, CEO and Director

Indicative Timetable

Indicative Timetable	
Lodgement of Prospectus with ASIC	1 May 2024
Exposure Period begins	1 May 2024
Exposure Period ends (unless extended)	8 May 2024
Opening Date of the Offer (unless the Exposure Period is extended)	9 May 2024
Closing Date of the Offer	23 May 2024
Expected date of issue of CDIs pursuant to the Offer	30 May 2024
Expected despatch of holding statements	30 May 2024
Expected date for commencement of trading of CDIs on ASX on a normal settlement basis	4 June 2024

Note: The above dates are indicative only and may change. The Company, in consultation with the Lead Manager, reserve the right to amend any and all of the above dates without notice (including, without limitation but subject to the Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before CDIs are issued by the Company). If the Offer is cancelled before the issue of CDIs, all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

Key Offer Information

Key Offer Details	
Securities offered under the Offer	CDIs ¹
Ratio of CDIs to Shares	1 CDI for 1 Share
Offer price per CDI under the Offer	A\$0.50
Total number of CDIs offered under the Offer	16,000,000
Gross proceeds to be received by the Company from the issue of CDIs under the Offer (before costs)	A\$8,000,000

Capital Structure	
Securities on issue on the Prospectus Date	
Shares¹	76,182,192
Options²	10,810,000
Warrants⁴	4,244,678
Performance Rights⁵	750,000
Securities on issue immediately upon Admission	
Shares/CDIs¹	92,182,192
Options^{2, 3}	12,653,643
Warrants⁴	4,244,78
Performance Rights⁵	750,000
Indicative market capitalisation⁶	A\$46.1 million

Notes:

1. CDIs are CHESS Depository Interests over underlying Shares. Refer to Annexure A for further information on CDIs. The rights attaching to the Shares and the CDIs are summarised in Sections 6.3 and 6.4 respectively.
2. Refer to Section 6.9 for the terms of the issued Options.
3. Includes the issue of 1,843,643 Lead Manager Options. Refer to Section 6.11 for the terms of the Lead Manager Options to be issued to the Lead Manager (and/or its nominees).
4. Refer to Section 6.12 for the terms of the Warrants.
5. Refer to Section 6.13 for the terms of the Performance Rights.
6. At the offer price of A\$0.50 per CDI under the Offer. The price at which the CDIs trade on ASX may be above or below this amount and would fluctuate over time. Indicative market capitalisation is shown on an undiluted basis.
7. The figures shown above are at 30 April 2024, being the latest practicable date prior to the Prospectus Date. No new Securities have been issued since this date, other than the potential exercise or conversion of an immaterial number of the Options or Warrants on issue.

How to Invest

Applications can only be made by completing and lodging an Application Form. Instructions on how to apply for CDIs are detailed in Section 5 and on the relevant Application Forms.

Questions

All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 288 664 (within Australia) from 8:30am to 5:00pm (AEST), Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, you should call + 61 2 9698 5414 from 8:30am to 5:00pm (AEST), Monday to Friday (excluding public holidays).

If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

1 Investment Overview

The information below is a selective overview only. Prospective investors should read this Prospectus in full before deciding whether to invest in the CDIs offered pursuant to this Prospectus.

Topic	Summary	More Information
A. Introduction		
Who is issuing this Prospectus?	Resouro Strategic Metals Inc. (ARBN 671 716 457), a company incorporated under the laws of British Columbia, Canada in August 1992 under the incorporation number BC0430203 and listed on the TSX Venture Exchange (TSX-V) and the Frankfurt Stock Exchange (FSE). The Company is registered as a foreign company in Australia, under Chapter 5B of the Corporations Act.	Section 2
What is the Offer?	<p>The Offer is an initial public offering of CDIs over Shares in the Company.</p> <p>Under the Offer, 16,000,000 CDIs are being offered at an offer price of A\$0.50 per CDI to raise proceeds for the Company of A\$8,000,000 (before associated costs), which is the Minimum Subscription pursuant to the Offer.</p>	Section 5.1
Why is the Offer being conducted?	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> • raise A\$8,000,000 (before associated costs) pursuant to the Offer; • assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission; • provide the Company with sufficient working capital at the time of Admission to pursue its business strategy and objectives detailed in Section 2.7; • provide a liquid market for its Shares to trade in the form of CDIs and an opportunity for others to invest in the Company; and • provide the Company with the benefits of an increased profile that arises from being a listed entity on ASX. 	Sections 5.4 and 5.5
B. Company and Business Overview		
Who is the Company and what does it do?	<p>The Company is a mineral exploration company focused on the discovery and development of critical mineral resources, via its rare earth elements and titanium project located in Minas Gerais State, Brazil, which comprises:</p> <ul style="list-style-type: none"> • 17 exploration permits and one exploration permit application held by the Company's Brazilian subsidiary; and • 6 exploration permits and one exploration permit application that have been validly assigned to the Company's Brazilian subsidiary and are awaiting ANM approval, <p>(being the Tiros Project).</p> <p>Details of the Company's exploration permits at the Tiros Project, including details as to their standing and status are detailed in Annexure E.</p>	Section 2

Topic	Summary	More Information
	<p>The Company, via its wholly owned subsidiary, also has an interest in a gold project located in Alta Floresta Gold Province which comprises three exploration permits (Novo Mundo Project) and an interest in an exploration permit, being the Santa Angela Project, which is not considered material to the Company's operations.</p>	
<p>What is the Tiros Project?</p>	<p>The Tiros Project is located in northern Minas Gerais, Brazil, and is situated approximately 350km west-north-west of Belo Horizonte, the state capital. The Tiros Project is an early-stage exploration project which is prospective for rare earth elements and titanium and covers an area of approximately 45,048 ha.</p> <p>The Company holds, via its wholly owned Brazilian subsidiary, a 90% interest in the Tiros Project and the remaining 10% interest in the Tiros Project is held by RBM Consultoria Mineral Eireli (RBM), an unrelated third-party vendor.</p> <p>Details of the exploration permits are detailed in the Independent Geologist's Report (Tiros Project).</p>	<p>Section 2.5, the Independent Geologist's Report (Tiros Project) in Part 1 of Annexure D</p>
<p>What is the Novo Mundo Project?</p>	<p>The Novo Mundo Project is located in the Alta Floresta Gold Province close to the northern border of the state of Mato Grosso, central Brazil. Within the licensed area is the small town of Novo Mundo, which is 30km west from the larger town of Guarantã do Norte.</p>	<p>Section 2.6, the Independent Geologist's Report (Novo Mundo Project) in Annexure D</p>
<p>What are the Company's strategy and objectives?</p>	<p>The Company's primary objective is to increase shareholder value through the successful identification, exploration, definition and development of critical minerals at the Tiros Project.</p> <p>Following Admission, the Company's immediate focus will be to advance the Tiros Project by:</p> <ul style="list-style-type: none"> • undertaking exploration activities at the Tiros Project, including a targeted drill program, with an aim to delineate a JORC compliant Mineral Resource; • undertaking chemical and metallurgical testwork to determine scoping level requirements; and • subject to the results of the exploration activities, commencing preliminary economic evaluation and undertake preliminary technical studies. <p>In addition to the activities to be undertaken at the Tiros Project, the Company will also undertake further exploration activities to evaluate the potential of the Novo Mundo Project.</p>	<p>Section 2.7</p>
<p>What material contracts is the Company or its subsidiaries a party to?</p>	<p>The material contracts of the Company and of its subsidiaries are detailed in Sections 3.3 and 6.7 of this Prospectus. These material contracts include (among other agreements disclosed in this Prospectus):</p> <ul style="list-style-type: none"> • Tiros Project Agreements; • Novo Mundo Agreement and Coogavepe Agreement; • Lead Manager Mandate; • key executive agreements concerning Mr Christopher Eager (President, Chief Executive Officer and Director) and Mr Philippe Martins (Executive Director) engagements; 	<p>Section 3.3 and 6.7</p>

Topic	Summary	More Information
	<ul style="list-style-type: none"> • non-executive director appointments letters with Mr Justin Clyne and Ms Anne Landry; and • indemnity agreements between the Company and each of the Directors. 	
What jurisdictions does the Company operate in?	The Company is incorporated in, and registered under the laws of, the Province of British Columbia, Canada. The Projects are located in Brazil. The Company's head office is located in Vancouver, Canada.	Section 2
How does the Company expect to fund its operations?	The Company believes that its existing cash reserves and the funds proposed to be raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives following Admission, as detailed in Sections 2.7 and 2.8 of this Prospectus.	Sections 2.7 and 2.8
Will the Company generate revenue and what are its key costs?	The Company is an early-stage exploration company, which has no present source of revenue. The Company does not derive any income from mineral exploration activities, nor does it anticipate any such income in the immediate future.	Independent Limited Assurance Report in Annexure C.
Where is the financial information in relation to the Company?	Financial information in respect to the Company, including a pro forma statement of financial position detailing the effect of the Offer, is detailed in Independent Limited Assurance Report (which is included in Annexure C).	Independent Limited Assurance Report in Annexure C
Will the Company pay dividends?	<p>The Company does not expect to pay dividends in the near future, as its focus will primarily be on using cash reserves to undertake exploration activities on the Projects.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.</p>	Section 2.11
C. Key Company Highlights and Key Risks		
What are the key strengths and competitive advantages of the Company?	<p>The Company considers it offers the following competitive advantages for investors:</p> <ul style="list-style-type: none"> • Exploration potential – the Tiros Project is located in a prospective region and the exploration potential of the Tiros Project is considered high due to the presence of historical exploration and analysis that includes favourable rare earth elements and titanium grades and relatively known geology. • Attractive global rare earth market – rare earth permanent magnets are critical for electric and hybrid vehicles, wind turbines, consumer and medical devices, robotics, drones and defence systems. Given that rare earths are essential components of permanent magnets, the shift towards clean and sustainable energy solutions is poised to trigger a substantial surge in the demand for these minerals. 	Section 2.9

Topic	Summary	More Information
	<ul style="list-style-type: none"> • Experienced team – experienced Board and management team with a broad range of mining, project development, financing and technical skills in the resource industry. 	
<p>What are the key risks of investing in the Company?</p>	<p>Prospective investors should be aware that subscribing for CDIs in the Company involves a number of risks and uncertainties. The risk factors set out in Section 4 and other risks applicable to all securities may affect the value of CDIs in the future. Accordingly, an investment in the Company should be considered highly speculative. This overview only details some of the risks that apply to an investment in the Company and investors should refer to Section 4 for a more detailed summary of the risks.</p> <ul style="list-style-type: none"> • Future Capital Requirements. The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully explored, evaluated, developed and production commences. As an exploration entity, the Company does not operate on a cashflow positive basis and is reliant on raising funds from investors in order to continue to fund its operations and execute on its exploration strategy. Whilst the Company considers that its existing cash and net proceeds from the Offer will be adequate to fund its activities and exploration program and budget for approximately 12 months, shortly thereafter, the Company will require further financing to implement its future exploration programs and fund general administrative costs. The Company considers that further financing will likely take the form of an equity capital raising which will be dilutive to Shareholders and may be undertaken at lower prices than the current market price (or Offer Price). Debt financing, if available and attractive, may involve restrictive covenants which will limit the Company's operations and activities. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when required, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern. • Nature of Mineral Exploration and Mining. The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development require large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development activities may be deterred by circumstances and factors beyond the Company's control. There can be no assurance that exploration and development at the Projects, or any other projects that may be acquired by the Company in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if a viable deposit is identified, there is no guarantee that it can be profitably exploited. • Operational Matters. The operations of the Company may be affected by various factors that are beyond the control of the Company, including failure to identify mineral deposits, failure to achieve predicted grades in exploration or mining, 	<p>Section 4</p>

Topic	Summary	More Information
	<p>operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, commodities, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. These risks and hazards could also result in damage to, or destruction of, facilities and equipment, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are largely beyond the control of the Company and, if they occur, may have an adverse effect on the financial performance of the Company and the value of its assets.</p> <ul style="list-style-type: none"> • Insufficient Resources or Reserves. Additional expenditures will be required to establish either Mineral Resource or Ore Reserve estimates on the Projects, in particular the Tiros Project, and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all. • Title Risk. The Group's exploration and development activities (including at the Projects) are dependent upon the grant, the maintenance and renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of these mineral rights depend on the Group being successful in obtaining required statutory approvals and complying with regulatory processes. A failure to obtain these statutory approvals or comply with these regulatory processes may adversely affect the Group's title to the mineral rights, may prevent or impede the grant, acquisition or advancement of, or the conduct of activities within, mineral rights and may have a material adverse effect on the business, results of operations, financial condition and prospects of the Group. Further, there is no guarantee or assurance that the licences, concessions, leases, permits or consents will be renewed or extended as and when required or that new conditions will not be imposed in connection with the Group's mineral rights. The renewal or grant of the terms of each licence is usually at the discretion of the relevant government authority. To the extent such approvals, consents or renewals are not obtained, the Group may be curtailed or prohibited from continuing with its exploration and development activities or proceeding with any future development, which may have a material adverse effect on the business, results of operations, financial condition and prospects of the Group. • Sovereign risk. The Company's mineral rights are located in Brazil. Brazil is a federal presidential democratic republic. The political conditions in Brazil are generally stable, however, changes may occur in the political, fiscal and legal systems which may affect the ownership or operations of the Company or its Group such as changes in exchange rates, control or 	

Topic	Summary	More Information																																												
	<p>fiscal regulations, regulatory regimes, political insurrection or labour unrest, inflation or economic recession.</p> <ul style="list-style-type: none"> • Environmental risk. The minerals and mining industry has become subject to increasing environmental regulations and liability. The operations and proposed activities of the Company are subject to State and Federal laws, regulations and permits concerning the environment. If such laws are breached or modified, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities. 																																													
D. Board, Management and Related Parties Interests and Arrangements and Other Significant Interests																																														
Who are the directors of the Company?	<p>The Directors from Admission are:</p> <ul style="list-style-type: none"> • Christopher Eager – President, Chief Executive Officer and Director • Philippe Martins – Executive Director • Justin Clyne – Independent Non-Executive Director • Anne Landry – Independent Non-Executive Director 	Section 3.1																																												
Who are the key management of the Company?	<p>The key management personnel of the Company from Admission are:</p> <ul style="list-style-type: none"> • Christopher Eager – President, Chief Executive Officer and Director • Philippe Martins – Executive Director • Sandra Evans – Chief Financial Officer & Corporate Secretary 	Section 3.2																																												
What interests in the Company are held by Directors and are they participating in the Offer?	<p>Directors and their related entities have, at the Prospectus Date and the time of Admission, the following interests in Securities:</p> <table border="1" data-bbox="459 1384 1209 1854"> <thead> <tr> <th data-bbox="459 1384 730 1417">Director¹</th> <th data-bbox="730 1384 914 1417">Shares/CDIs</th> <th data-bbox="914 1384 1058 1417">Options²</th> <th data-bbox="1058 1384 1209 1417">Warrants³</th> </tr> </thead> <tbody> <tr> <td colspan="4" data-bbox="459 1429 1209 1462">Securities on the Prospectus Date</td> </tr> <tr> <td data-bbox="459 1473 730 1507">Christopher Eager⁴</td> <td data-bbox="730 1473 914 1507">18,155,750</td> <td data-bbox="914 1473 1058 1507">5,750,000</td> <td data-bbox="1058 1473 1209 1507">-</td> </tr> <tr> <td data-bbox="459 1518 730 1552">Philippe Martins</td> <td data-bbox="730 1518 914 1552">505,714</td> <td data-bbox="914 1518 1058 1552">650,000</td> <td data-bbox="1058 1518 1209 1552">2,857</td> </tr> <tr> <td data-bbox="459 1563 730 1597">Justin Clyne</td> <td data-bbox="730 1563 914 1597">-</td> <td data-bbox="914 1563 1058 1597">670,000</td> <td data-bbox="1058 1563 1209 1597">-</td> </tr> <tr> <td data-bbox="459 1608 730 1641">Anne Landry</td> <td data-bbox="730 1608 914 1641">215,000</td> <td data-bbox="914 1608 1058 1641">670,000</td> <td data-bbox="1058 1608 1209 1641">-</td> </tr> <tr> <td colspan="4" data-bbox="459 1653 1209 1686">Securities immediately upon Admission</td> </tr> <tr> <td data-bbox="459 1697 730 1731">Christopher Eager⁴</td> <td data-bbox="730 1697 914 1731">18,155,750</td> <td data-bbox="914 1697 1058 1731">5,750,000</td> <td data-bbox="1058 1697 1209 1731">-</td> </tr> <tr> <td data-bbox="459 1742 730 1776">Philippe Martins</td> <td data-bbox="730 1742 914 1776">505,714</td> <td data-bbox="914 1742 1058 1776">650,000</td> <td data-bbox="1058 1742 1209 1776">2,857</td> </tr> <tr> <td data-bbox="459 1787 730 1821">Justin Clyne</td> <td data-bbox="730 1787 914 1821">-</td> <td data-bbox="914 1787 1058 1821">670,000</td> <td data-bbox="1058 1787 1209 1821">-</td> </tr> <tr> <td data-bbox="459 1832 730 1865">Anne Landry</td> <td data-bbox="730 1832 914 1865">215,000</td> <td data-bbox="914 1832 1058 1865">670,000</td> <td data-bbox="1058 1832 1209 1865">-</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> 1. Securities beneficially owned, directly and indirectly, or over which control or direction is exercised. Unless otherwise indicated, such securities are held directly. These figures do not include Shares that may be acquired on the exercise of any stock options held by the respective Directors. 2. Refer to Section 6.9 for the terms of the Options. 3. Refer to Section 6.12 for the terms of the Warrants. 4. Refer to Section 3.3 for further details regarding Mr Eager's holdings. 	Director ¹	Shares/CDIs	Options ²	Warrants ³	Securities on the Prospectus Date				Christopher Eager ⁴	18,155,750	5,750,000	-	Philippe Martins	505,714	650,000	2,857	Justin Clyne	-	670,000	-	Anne Landry	215,000	670,000	-	Securities immediately upon Admission				Christopher Eager ⁴	18,155,750	5,750,000	-	Philippe Martins	505,714	650,000	2,857	Justin Clyne	-	670,000	-	Anne Landry	215,000	670,000	-	Section 3.3
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Topic	Summary	More Information															
<p>What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?</p>	<p>The interests of Directors and their related entities, at the Prospectus Date and the time of Admission, are detailed in the table above.</p> <p>The annual fees to the Directors on Admission are as follows:</p> <table border="1" data-bbox="454 421 1214 763"> <thead> <tr> <th data-bbox="454 421 715 465">Name</th> <th data-bbox="715 421 970 465">Position/s</th> <th data-bbox="970 421 1214 465">Amount per annum</th> </tr> </thead> <tbody> <tr> <td data-bbox="454 465 715 562">Christopher Eager¹</td> <td data-bbox="715 465 970 562">President, Chief Executive Officer, Director</td> <td data-bbox="970 465 1214 562">A\$420,000</td> </tr> <tr> <td data-bbox="454 562 715 618">Philippe Martins</td> <td data-bbox="715 562 970 618">Executive Director</td> <td data-bbox="970 562 1214 618">A\$96,000</td> </tr> <tr> <td data-bbox="454 618 715 696">Justin Clyne²</td> <td data-bbox="715 618 970 696">Independent Non-Executive Director</td> <td data-bbox="970 618 1214 696">A\$96,000³</td> </tr> <tr> <td data-bbox="454 696 715 763">Anne Landry</td> <td data-bbox="715 696 970 763">Independent Non-Executive Director</td> <td data-bbox="970 696 1214 763">C\$86,400⁴</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> 1. Mr Eager provides his services via the CE Deed. Refer to Section 3.3(b) for further details. 2. Mr Clyne provides services via Clyne Corporate Advisory Pty Ltd. 3. Exclusive of goods and services tax. Fees include company secretarial services. 4. Exclusive of provincial sales tax and federal goods and services tax. <p>Advisers and other service providers are entitled to fees for services and other interests detailed in Section 6.17.</p>	Name	Position/s	Amount per annum	Christopher Eager ¹	President, Chief Executive Officer, Director	A\$420,000	Philippe Martins	Executive Director	A\$96,000	Justin Clyne ²	Independent Non-Executive Director	A\$96,000 ³	Anne Landry	Independent Non-Executive Director	C\$86,400 ⁴	<p>Sections 3.3 and 6.17</p>
Name	Position/s	Amount per annum															
Christopher Eager ¹	President, Chief Executive Officer, Director	A\$420,000															
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Anne Landry	Independent Non-Executive Director	C\$86,400 ⁴															
<p>Who are the advisers to the Offer?</p>	<p>The key advisers to the Offer are as follows:</p> <ul style="list-style-type: none"> • Taylor Collison Limited is the Lead Manager to the Offer. • Thomson Geer is the Australian legal adviser to the Company. • Borden Ladner Gervais LLP is the Canadian legal adviser to the Company. • William Freire Advogados Associados is the Brazilian legal adviser to the Company. • BDO Corporate Finance (WA) Pty Ltd is the Investigating Accountant to the Offer and the Company. • GE21 Consultoria Mineral Ltda. is the Independent Geologist to the Company. • Automic Pty Ltd is the Australian Share Registry. • Computershare Trust Company is the Canadian Share Registry. • MNP LLP is the Company's auditor. 	<p>Section 6.23</p>															
<p>What are the Lead Manager's interests in the securities of the Company?</p>	<p>At the Prospectus Date, the Lead Manager and its associates holds 1,951,409 Shares and 600,616 Warrants. Refer to Section 6.17 for further information. Refer also to Section 6.7(c) for further information regarding the Lead Manager's rights and benefits pursuant to the Mandate.</p>	<p>Section 6.17</p>															
<p>Who are the significant existing shareholders of the Company and what</p>	<p>To the best of the knowledge of the Company based on the available information, at the Prospectus Date the following Shareholder have an interest in over 5% of the Shares on issue:</p>	<p>Section 6.15</p>															

Topic	Summary	More Information																								
will their interests be after completion of the Offer?	<table border="1"> <thead> <tr> <th>Name</th> <th>Number of Shares</th> <th>Percentage of Shares</th> </tr> </thead> <tbody> <tr> <td>Resmin Pte Ltd</td> <td>18,155,750</td> <td>23.83%</td> </tr> <tr> <td>Merrill Lynch Canada</td> <td>7,377,048</td> <td>9.68%</td> </tr> <tr> <td>JP Morgan Nominees</td> <td>6,141,609</td> <td>8.06%</td> </tr> </tbody> </table> <p>Based on the information known, as at the Prospectus Date, on Admission, the following Shareholder will have an interest in over 5% of the Shares on issue:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Number of Shares</th> <th>Percentage of Shares</th> </tr> </thead> <tbody> <tr> <td>Resmin Pte Ltd</td> <td>18,155,750</td> <td>19.70%</td> </tr> <tr> <td>Merrill Lynch Canada</td> <td>7,377,048</td> <td>8.00%</td> </tr> <tr> <td>JP Morgan Nominees</td> <td>6,141,609</td> <td>6.67%</td> </tr> </tbody> </table>	Name	Number of Shares	Percentage of Shares	Resmin Pte Ltd	18,155,750	23.83%	Merrill Lynch Canada	7,377,048	9.68%	JP Morgan Nominees	6,141,609	8.06%	Name	Number of Shares	Percentage of Shares	Resmin Pte Ltd	18,155,750	19.70%	Merrill Lynch Canada	7,377,048	8.00%	JP Morgan Nominees	6,141,609	6.67%	
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E. Details of the Offer and Use of Funds																										
What is the Structure of the Offer?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> the Broker Offer, which is open to Australian retail clients and other eligible clients (subject to compliance with applicable laws) of Brokers who have received an invitation from their Broker to apply for CDIs; and the Public Offer, which is open to members of the general public with registered addresses in Australia. 	Section 5.1																								
Who is eligible to participate in the Offer?	<p>The Broker Offer is open to eligible Australian retail clients and other eligible clients (subject to compliance with applicable laws) of Brokers who have received an invitation from their Broker to apply for CDIs and are not in the United States and are not acting for the account or benefit of any person in the United States. If you have been offered a firm allocation by a Broker, you will be treated as an Applicant under the broker Offer in respect of that allocation. You should contact your Broker to determine whether they may allocated Shares to you under the Broker Offer.</p> <p>The Public Offer is open to members of the general public with registered addresses in Australia.</p>	Sections 5.9 and 5.10																								
What is the allocation policy under the Offer?	<p>The Lead Manager and the Company have absolute discretion regarding the allocation of CDIs to Applicants under the Offer and may reject an Application or allocate a lesser number of CDIs than applied for by the Applicant.</p> <p>CDIs that are allocated to Brokers will be issued to Applicants nominated by the Brokers (subject to the right of the Company to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate CDIs among their clients.</p>	Sections 5.9, 5.10 and 5.12																								
What is the Minimum Subscription pursuant to the Offer?	The minimum total aggregate subscription under the Offer is 16,000,000 CDIs to raise approximately A\$8,000,000 (before associated costs).	Section 5.2																								
Is the Offer underwritten?	The Offer will not be underwritten.	Section 5.12																								

Topic	Summary	More Information
<p>What are the conditions of the Offer?</p>	<p>The Offer is conditional upon the following events occurring:</p> <ul style="list-style-type: none"> • the Company raising the Minimum Subscription; • ASX providing the Company with a list of conditions acceptable to the Company which, once satisfied, will result in ASX admitting the Company to the Official List; and • the receipt of all necessary regulatory approvals on conditions acceptable to the Company, including any approvals required by ASX and TSX-V. <p>If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies in accordance with the Corporations Act.</p>	<p>Section 5.3</p>
<p>What is the effect of the Offer on the capital structure of the Company?</p>	<p>The CDIs issued under the Offer would be approximately 17.36% of the enlarged issued Share capital of the Company immediately following completion of the Offer.</p>	<p>Section 5.7</p>
<p>What are CDIs?</p>	<p>ASX uses an electronic system called CHES for the clearance and settlement of trades on ASX. CDIs are financial products quoted on the ASX.</p> <p>The issue of CDIs instead of Shares is necessary because, under the Securities Transfer Act, uncertificated electronic share trading systems such as ASX's CHES system are incapable of transferring the ownership in shares of Canadian companies. CDIs are frequently used for trading shares of companies incorporated outside of Australia, and trade in a similar way to ordinary shares of Australian incorporated companies.</p> <p>Each CDI will represent the beneficial interest in one underlying Share. CDIs give a holder similar, but not identical, rights to a holder of Shares.</p>	<p>Section 5.15 and Annexure A</p>
<p>What is the CDI to Share ratio?</p>	<p>One CDI will represent the beneficial interest in one Share.</p>	<p>Section 5.12 and Annexure A</p>
<p>What are the terms of the CDIs offered under the Offer?</p>	<p>A description of the CDIs and the underlying Shares, including the rights and liabilities attaching to them, is detailed in Sections 6.3 and 6.4. Section 6.5 provides information regarding converting between Shares and CDIs.</p> <p>Annexure A provides a further description of the rights and entitlements attaching to CDIs generally.</p>	<p>Sections 6.3 and 6.4</p>
<p>Will the CDIs be quoted on the ASX?</p>	<p>The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List and quotation of CDIs on ASX (which will be under the ASX code "RAU").</p> <p>Completion of the Offer is conditional on ASX approving the application. If ASX does not grant permission for Official Quotation within three months after the Prospectus Date the Offer will be withdrawn and all Application Monies received by the Company (if any) will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p>	<p>Section 5.12</p>

Topic	Summary	More Information
Will any Securities be subject to restrictions on disposal?	None of the CDIs issued under the Offer will be subject to escrow. The Company will announce to ASX full details (quantity and duration) of the Securities to be held in escrow prior to the CDIs commencing trading on ASX.	Section 5.8
What are the tax implications of investing in the CDIs?	The acquisition, holding and disposal of CDIs (and the Shares in which CDIs represent the beneficial interest) will have tax consequences, which will differ depending on the individual financial affairs of each investor and applicable laws. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring CDIs pursuant to the Offer, from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its respective officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for, or purchasing, CDIs under this Prospectus (or acquiring an interest in the underlying Shares).	Section 5.17
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on the subscription for, or purchase of, CDIs under the Offer.	Section 5.12
How can I apply under the Offer?	If you have received an invitation to apply for CDIs from your Broker and wish to apply for those CDIs under the Broker Offer, you should contact your Broker for information about how to submit your Application Form and for payment instructions. Applicants under the Offer must not send their Application Forms or payment to the Share Registry. Applications under the Public Offer can be made by completing a valid online Application Form, which can be found at https://apply.automic.com.au/Resouro .	Sections 5.9 and 5.10
What is the minimum Application size?	The minimum Application under the Offer is A\$2,000 worth of CDIs (being 4,000 CDIs). There is no maximum value of CDIs that may be applied for under the Offer.	Section 5.12
When will I receive confirmation if my Application has been successful?	It is expected that initial holding statements and allotment confirmation notices will be despatched on or around 30 May 2024.	Sections 5.12 and 5.14(c)
When can I sell my CDIs on ASX?	It is expected that trading of CDIs on the ASX on a normal settlement basis will commence on or about 4 June 2024. It is the responsibility of each Applicant to confirm their holding before trading their CDIs. Applicants who sell CDIs before they receive an initial holding statement or allotment confirmation notice do so at their own risk.	Sections 5.12 and 5.16
What is the cost of the Offer?	The costs of the Offer, which are payable by the Company, are estimated to be approximately A\$938,600.	Sections 5.5 and 6.19
Can the Offer be withdrawn?	The Company reserves the right to not proceed with the Offer at any time before the issue of CDIs to successful Applicants.	Section 5.18

Topic	Summary	More Information
	If the Offer does not proceed, Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.	
F. Other Disclosures		
How will the Company report to CDI Holders on the performance of its activities?	<p>The Company will send to its CDI Holders an annual report, if the CDI Holder elects to receive one, and will also release information to CDI Holders in accordance with the continuous and periodic disclosure requirements of the Listing Rules.</p> <p>Further information regarding the Company will be available on the ASX announcements platform at https://www.asx.com.au/ and will also be available on the Company's website at https://www.resouro.com/.</p>	Section 6.22
What are the key differences between Australian and Canadian company law?	<p>As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are governed by the BCBCA and other applicable Canadian laws.</p> <p>Although there are similarities between the two jurisdictions from a company law perspective, there are differences with respect to operation of certain laws and regulations concerning shares of publicly listed companies including but not limited to:</p> <ul style="list-style-type: none"> • corporate procedures; • transactions requiring shareholder approval; • shareholders' right to requisition meetings, vote and appoint proxies; • takeovers; • substantial shareholders reporting; • related party transactions; • protection of minority shareholders – oppressive conduct; and • “two-strikes” rule in relation to remuneration reports. 	Annexure B
How can I obtain further information?	<p>All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 288 664 (within Australia) from 8:30am to 5:00pm (AEST), Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, you should call + 61 2 9698 5414 from 8:30am to 5:00pm (AEST), Monday to Friday (excluding public holidays).</p> <p>If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.</p>	

2 Company Overview

2.1 Background

The Company is a mineral exploration company focused on the discovery and development of critical mineral resources in Brazil, via its rare earth elements and titanium project located in Minas Gerais State, Brazil which comprises:

- (a) 17 exploration permits and one exploration permit application held by the Company's Brazilian subsidiary; and
- (b) 6 exploration permits and one exploration permit application that have been validly assigned to the Company's Brazilian subsidiary and are awaiting ANM approval,

(being, the **Tiros Project**).

Brazil is commonly viewed as a mature mining jurisdiction, with a stable regulatory regime. A range of leading global mining companies, including BHP, Anglo American, Vale, Rio Tinto and South32, have successfully operated in Brazil for decades. Well-developed rare-earth testing and engineering capabilities are now found in country, and Brazil has a large-scale ionic clay rare earth deposit, Serra Verde, that has commenced production.

The Tiros Project covers an area of approximately 45,048ha and has been identified as prospective for rare earth elements and titanium. The Company holds a 90% interest in the Tiros Project and the remaining 10% interest is held by RBM Consultoria Mineral Eireli (**RBM**) – an unrelated third-party vendor. Refer to the Independent Geologist's Report (Tiros Project) (in Part 1 of Annexure D) and the Brazilian Solicitor's Report (in Annexure E) for full details of the exploration permits at the Tiros Project.

Ground exploration drilling first commenced in September 2023, with the first auger drilling program, and, since then, the Company has drilled 25 auger drill holes totalling 257 metres, 31 Aircore holes totalling 1,562m and 26 Diamond holes totalling 1,634m. Resouro has commenced preliminary metallurgical test work at the Tiros Project and have identified a series of promising exploration targets within the Tiros Project.

With the exploration drill program that has been completed up until April 2024, the Company has classified mineralisation at the Tiros Project as due to a lateritic process enriching epiclastic rocks and the erosion products of volcanic rocks enriched in titanium and rare earth elements. REE and titanium mineralization are hosted in sandstones and conglomerates of the Capacete Formation, belonging to the Mata da Corda Group. Titanium is mainly associated with the mineral anatase, originated from the alteration of perovskite. REEs are suspected to be also associated with the perovskite. This mineral with formula CaTiO_3 , was affected by weathering close to surface. The calcium ion was put into solution by meteoric waters, leaving the anatase crystals with many voids. This allowed the migration of the REEs to nearby clays where they were captured through weak bonds.

In addition to the Tiros Project, the Company, via its wholly owned Brazilian subsidiary, also has interests in:

- (a) the exploration permits to a gold project located in Alta Floresta Gold Province, which comprises three exploration licences (**Novo Mundo Project**); and
- (b) an exploration permit (**Santa Angela Project**), which is not considered material to the Company's operations.

Refer to Figure 1 below in respect to the location of the Tiros Project and Figure 2 below in respect to the location of the Novo Mundo Project.

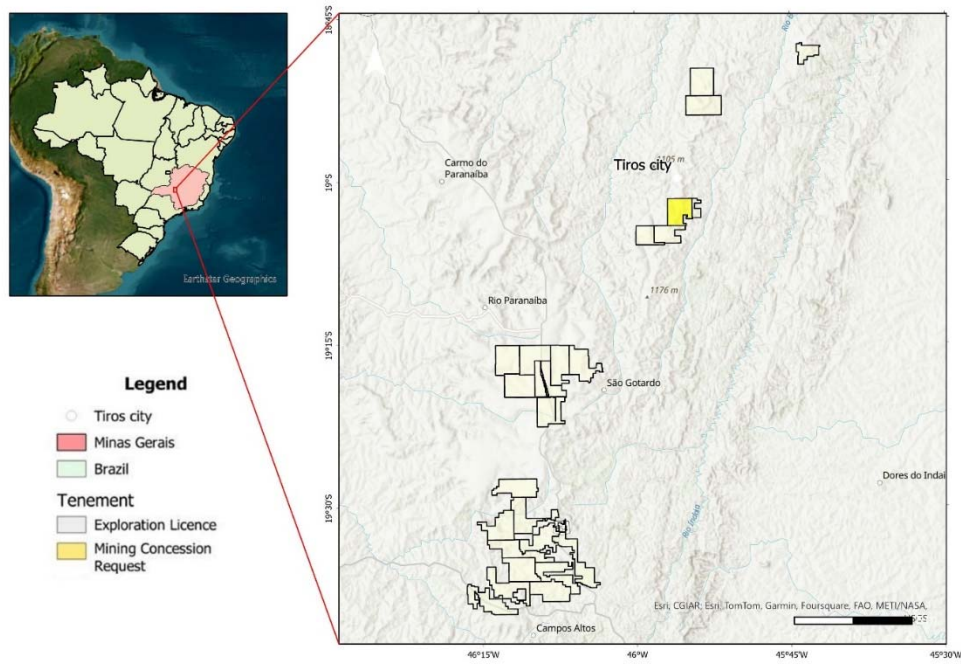


Figure 1: Tiros Project Location Map

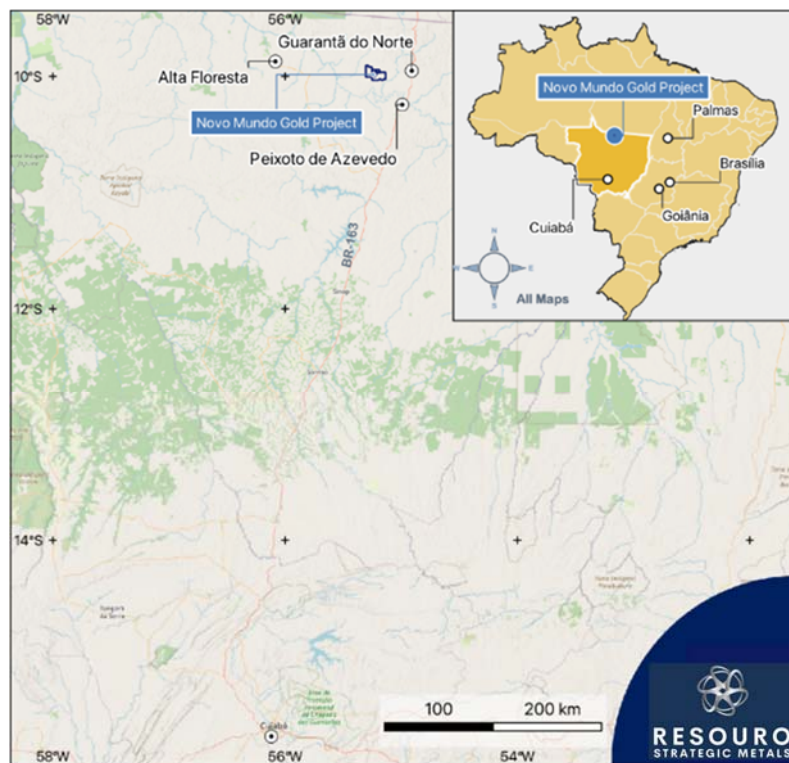


Figure 2: Novo Mundo Gold Project Location Map

2.2 Corporate Structure

The Company:

- (a) was incorporated under the laws of British Columbia, Canada in August 1992 under the incorporation number BC0430203;
- (b) has been listed on the TSX-V since 18 May 2022 and FSE since October 2022; and
- (c) has registered offices in Canada, Brazil and Australia.

The Company is the holding company of:

- (a) Tiros Stratmet Pte Ltd, a company incorporated in Singapore (**TSPS**), which holds a 90% interest in the Tiros Project via Brazil Copper Mineração Ltda (**BCML**), an entity incorporated in Brazil and to be renamed Tiros Minerais Estratégicos Ltda (**TMEL**); and
- (b) ISON Mining Pte Ltd, a company incorporated in Singapore (**ISON**), which holds a 100% interest in the Novo Mundo Project via ISON do Brazil Mineracao Ltda, an entity incorporated in Brazil.

The corporate group structure of the Company is as follows:

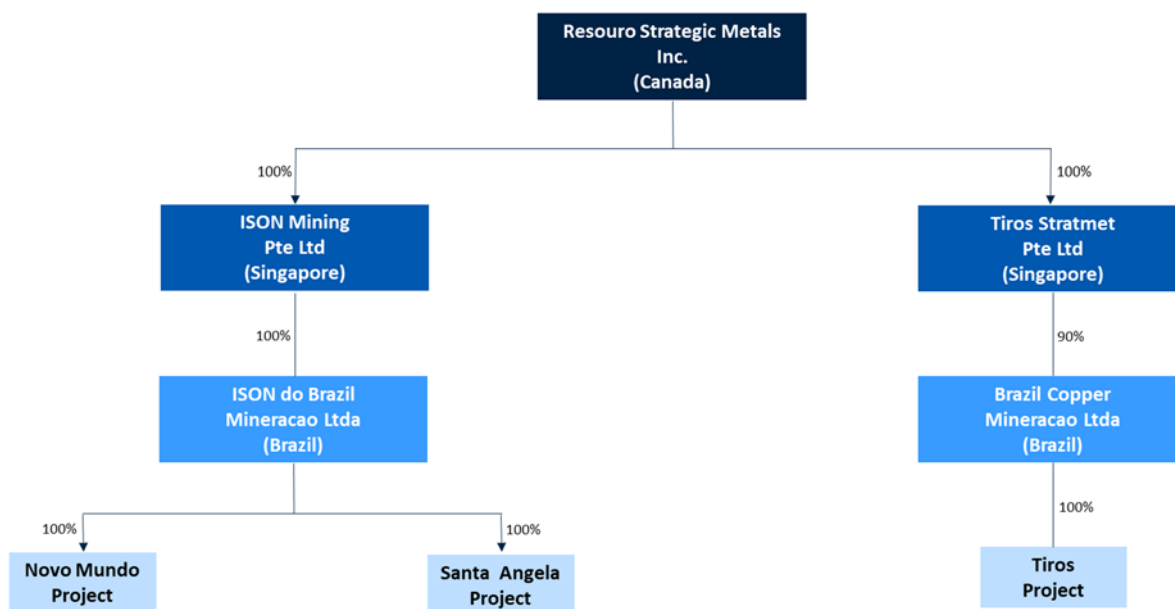


Figure 3 – Corporate structure

Further details in relation to the Company's Brazilian subsidiaries are provided in the Brazilian Solicitor's Report in Annexure E.

2.3 Company History

A chronology of the Company's recent activities is as follows:

Before May 2022	The Company (formerly known as "eShippers Management Ltd") provided web-based shipping solutions. In May 2008, the Company sold all of its assets relating to its business, including equipment and, since 2008, the Company has sought out new business opportunities in the resource sector.
May 2022	The Company completed a reverse take-over transaction whereby (amongst other matters) the Company: <ul style="list-style-type: none"> • acquired all issued and outstanding shares of ISON; and • completed a placement of Shares to raise C\$2,550,844.
February 2023	The Company entered into the Tiros Project Agreements to acquire an initial 33% interest in the Tiros Project, with the right to earn-in to a 90% interest in the Tiros Project upon the Company achieving certain milestones (refer to Section 6.7(a) for details of the Tiros Project Agreements).
March 2023	The Company commenced an initial due diligence work program at the Tiros Project which included verifying historic data, preparing two 100kg composite samples for historic drilling, planning an auger drilling program and an aircore drilling program
May 2023	The Company completed a private placement whereby 2,753,333 Shares were issued at a price of C\$0.15 per Share to raise C\$413,000.

July 2023	The Company completed a private placement whereby 13,333,333 Shares were issued at a price of C\$0.15 per Share to raise C\$2,000,000 (July 2023 Placement).
August 2023	The Company entered into the Tiros Project Agreements to acquire a 33.3% interest in the Tiros Project and the right to earn the remaining interest upon achieving certain milestones. The parties subsequently entered into an addendum agreement to accelerate the earn-in milestones and, at the Prospectus Date, the Company holds a 90% interest in the Tiros Project. The Company completed a private placement whereby 10,107,403 Shares were issued at a price of C\$0.28 per Share to raise C\$2,830,000 (August 2023 Placement).
September 2023	The Company announced the results of its initial follow up auger drilling at the Tiros Project, including that all five initial holes had hit mineralisation averaging 5,134 ppm TREO at an average NdPr of over 1,038 ppm from surface to a maximum depth of 15 m.
October 2023	The Company announced: <ul style="list-style-type: none"> the results of its follow up auger drilling at the Tiros Project, including that four of seven holes hit mineralisation of 5880ppm TREO at an average NdPr of 1462ppm at a maximum depth of 10.5m; and it changed its name from "Resouro Gold Inc." to "Resouro Strategic Metals Inc."
November 2023	Following receipt of a report detailing preliminary rare earths leaching tests on a broad composite of material from the Tiros Project, the Company accelerated its metallurgical testing program and drilling activities at the Tiros Project.
January 2024	The Company announced that the 518 samples taken from the 13 holes (AC and auger) in a recent campaign at the Tiros Project produced: <ul style="list-style-type: none"> 83% of the samples had a TREO grade above 3,000ppm; 84% of the samples had a NdPr grade of over 500ppm; and 85% of samples had a TiO₂ grade of over 10%.
March 2024	The Company announced: <ul style="list-style-type: none"> the release of its latest drilling results, including: ACTIR33 – 40 metres at 4,343ppm TREO 1,000ppm NdPr and 11.46% TiO₂, from 10m, ACTIR36 – 40m at 4,576ppm TREO and 928ppm NdPr and 15.15% TiO₂, from 6m. that it had completed a private placement whereby 3,571,428 Shares were issued at a price of C\$0.42 per Share to raise C\$1,500,000 (March 2024 Placement).
April 2024	The Company announced updated drilling results.

2.4 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company. Section 4 details (non-exhaustively) key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

2.5 Tiros Project

(a) Overview

The Tiros Project is located in northern Minas Gerais, Brazil, and is situated approximately 350 km west-north-west of Belo Horizonte, the state capital. The Tiros Project is an early-

stage exploration project focused on rare earth elements and titanium and covers an area of approximately 450 km².

A summary table of the Company's exploration permits, all of which are active at the Tiros Project is detailed below:

Tenement	Type	Holder	Assignee	Area (ha)	Grant date (dd/mm/yyyy)
832.627/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,999.33	12/01/2024
832.625/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,988.15	12/01/2024
832.624/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,978.98	12/01/2024
832.621/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,999.96	12/01/2024
832.620/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,984.17	12/01/2024
832.604/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,998.62	29/12/2023
832.601/2023	Exploration Permit	Rodrigo de Brito Mello	Brazil Copper Mineração Ltda	1,999.78	29/12/2023
832.226/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,972.27	22/11/2023
832.223/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,855.16	22/11/2023
832.029/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,986.59	28/09/2023
832.027/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,998.88	26/09/2023
832.026/2023	Exploration Permit	Brazil Copper Mineração Ltda	-	1,981.41	28/09/2023
832.025/2023	Exploration Permit	RBM Consultoria Mineral Ltda	Brazil Copper Mineração Ltda	1,995.44	28/09/2023
832.023/2023	Exploration Permit	Rodrigo de Brito Mello	Brazil Copper Mineração Ltda	1,055.16	28/09/2023
831.314/2021	Exploration Permit	Canopus Geologia e Projetos Ltda	Brazil Copper Mineração Ltda	871.55	29/11/2021
831.237/2021	Exploration Permit	Canopus Geologia e Projetos Ltda	Brazil Copper Mineração Ltda	365.86	27/01/2022
830.027/2021	Exploration Permit Application	RBM Consultoria Mineral Ltda	Brazil Copper Mineração Ltda	1,280.47	12/01/2024

Tenement	Type	Holder	Assignee	Area (ha)	Grant date (dd/mm/yyyy)
830.026/2021	Exploration Permit	Rodrigo de Brito Melo	Brazil Copper Mineração Ltda	1,735.69	29/12/2021
831.720/2020	Exploration Permit	Brazil Copper Mineração Ltda	-	1,999.33	24/03/2021
831.390/2020	Exploration Permit Application	Brazil Copper Mineração Ltda	-	1,988.15	11/03/2021
830.915/2018	Exploration Permit	Brazil Copper Mineração Ltda	-	1,978.98	04/05/2021
830.450/2017	Exploration Permit	Brazil Copper Mineração Ltda	-	1,999.96	26/07/2018
833.083/2014	Exploration Permit	Brazil Copper Mineração Ltda	-	1,984.17	21/06/2016
833.082/2014	Exploration Permit	Brazil Copper Mineração Ltda	-	1,998.62	21/06/2016
831.045/2010	Exploration Permit	Brazil Copper Mineração Ltda	-	1,999.78	31/08/2010

17 exploration permits and one exploration permit application are registered in the name of BCML, a subsidiary of the Company (refer to Section 2.2), and the remaining six exploration permits and one exploration permit application have been validly assigned to BCML and are awaiting final approval from the ANM. There is no subjective analysis by the ANM in respect to the assignment of the exploration permits and ANM approval is expected to be received in due course. Refer to Annexure E for the Brazilian Solicitor's Report for further information in relation to the Company's exploration permits comprising the Tiros Project.

(b) **Location**

The Tiros Project is located near a town called Tiros with a population of approximately 8,000 people. The town has established infrastructure and amenities to support mineral exploration and is within close proximity of major federal highways, high voltage power lines and major rail infrastructure. The Tiros Project is accessible from sealed roads with the exception of landholder entry ways that are used to access their agricultural lands and the exploration sites.

Figure 1 above details the geographical location of the Tiros Project.

The Tiros Project sites are predominately cattle grazing land with typical sub-tropical bushland along roads not cleared from grazing. The region that covers the Tiros Project area is in the geomorphological domain known as the São Francisco Plateau, which is characterized by a set of tabular surfaces, configured as plateaus supported by sedimentary covers, delimited by well-marked erosional edges, distinguishing land with a preserved surface those with recessed surfaces.

(c) **Project History**

The exploration history of the areas that make up the Tiros Project begun in 2010, with Águia Metais Ltda initially focusing on phosphate and, from 2013, focussing on titanium. From 2010 to 2017, there was extensive geological mapping covering the Capacete Formation. This mapping was based on the geophysical interpretation and field work. The main source of geophysical data used was the aeromagnetic and radiometric survey conducted by the state government agency "Codemig", using an aircraft flying at 100m altitude, with flight lines North-South, separated by 400 m each.

Between 2016 to 2017, 20 aircore drilling holes were undertaken at the exploration permits located at 833.082/2014 and 833.083/2014, totalling 1,225m with depth of the holes varying from 35 to 60m.

Between 2017 to 2023, RBM kept the Tiros Project areas in good order, expanded the property and acquired new exploration permits based on the available data, undertaking various desktop studies and a major chemical re-analysis of samples program was developed using the Iluka drill samples.

(d) **Recent Work History**

The exploration work carried out by the Company at the Tiros Project began in 2023, and comprised:

- (i) chemical reanalysis of samples from historic drilling;
- (ii) an auger, aircore and diamond drilling campaign of 257m over 25 auger holes, 1,562m over 31 air core holes and 1,634m over 26 Diamond holes (the results of which are noted below); and
- (iii) metallurgical testing using samples from drilling.

Refer to Figure 4 for details of the Company's drilling location.

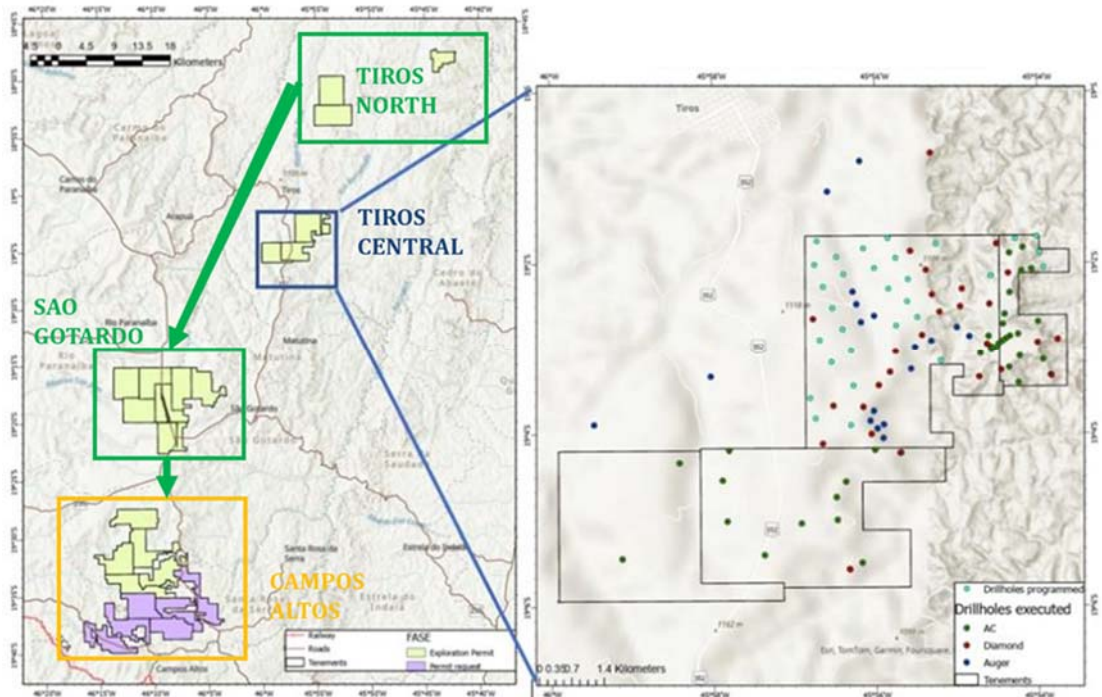


Figure 4 – Drilling location and targets

Auger Drilling

The auger drilling campaign totalled 257m in 25 auger drill holes of 10cm diameter, with the depth of the holes varying from 2 to 15m in exploration permit 831.045/2010. Drilling has been undertaken following a standard operating procedure of the auger equipment and drilled to maximum physical depth of the machinery.

The auger results received are summarised in section 9.1 of Part 1 of Annexure D, and show high levels of titanium consistent with historical drilling and high levels of rare earth elements consistent with the work undertaken by RBM. The results also indicated the material zone is consistent with that known in historical exploration although the results did indicate the lower level thickness of the zone of this deposit was not reached in the auger drilling program.

The results of the auger program indicated the geological interpretation and method of exploration is appropriate highlighting the interface between the physical dimensions and geological profiles is consistent with the geological understanding of the Capacete Formation.

Aircore Drilling

The aircore drilling campaign totalled 1,562m over 31 aircore drill holes of ~100mm diameter, with the depth of the holes varying from ~2m to ~85m. Drilling was undertaken following a standard operating procedure of the aircore drilling equipment and undertaken by a drilling

contractor. Drilling depth was chosen to reach the hard conglomerate materials which was identified by the driller and the field geologist.

The aircore results received are summarised in section 9.2 of Part 1 of Annexure D, and show high levels of titanium consistent with historical drilling and high levels of rare earth consistent with the work undertaken by RBM. The results also indicated the material zone is consistent with that known in historical exploration.

Diamond Drilling

The diamond drilling campaign totalled 1,634m over 26 diamond drill holes of ~63.5mm diameter, with the depth of the holes varying up to ~93m. Drilling was undertaken following a standard operating procedure of the diamond drilling equipment and undertaken by a drilling contractor. Drilling depth was chosen to reach the hard conglomerate materials which was identified by the driller and the field geologist.

The diamond results received are summarised in section 9.3 of Part 1 of Annexure D, and show high levels of titanium consistent with historical drilling and high levels of rare earth consistent with the work undertaken by RBM. The results also indicated the material zone is consistent with that known in historical exploration.

(e) **Geology and Mineralisation**

Mineralisation at the Tiros Project is due to a lateritic process enriching epiclastic rocks, and the erosion products of volcanic rocks enriched in titanium and rare earth elements. Rare earth elements and titanium mineralisation are hosted in highly weathered sandstones and conglomerates of the Capacete Formation, belonging to the Mata da Corda Group. Titanium is mainly associated with the mineral anatase, originated from the alteration of perovskite. This mineral, with formula CaTiO_3 , was affected by weathering close to surface. The calcium ion was put into solution by meteoric waters, leaving the anatase crystals with many voids. This allowed the migration of the rare earth elements to nearby ionic clays.

Within the Tiros Project area, the following lithostratigraphic units were differentiated and mapped, from base to top: Bambuí Group, Areado Group, Mata da Corda Group, Laterite Cover and Alluvial Deposit. There is a North-North-East-directed band that encompasses the rocks of the Mata da Corda Group, represented by the Capacete Formation, which generally have a lateritic cover and are exposed only on the slopes of the plateaus.

The upper part of the mineralized zone is known as being of higher grade for both titanium and rare earths which should be the effect of the leaching of gangue elements due to weathering.

2.6 **Novo Mundo Project**

(a) **Overview**

The Novo Mundo Project is located in the Alta Floresta Gold Province close to the northern border of the state of Mato Grosso, central Brazil. Within the licensed area is the small town of Novo Mundo, which is 30km west from the larger town of Guarantã do Norte.

A summary table of the exploration permits at the Novo Mundo Project is detailed below:

Tenement	Type	Area (ha)	Grant date (dd/mm/yyyy)
866.320/2018	Exploration Permit	7,645.58	06/09/2018
866.171/2018*	Exploration Permit	8,159	06/09/2018
866.035/2009	Right to Apply for Mining Concession	930.35	04/05/2009

Exploration permit 866.171/2018 has been validly transferred to Ison do Brazil Mineracao Ltda and is awaiting official gazetting from the ANM to take legal effect. Refer to Annexure E for the Brazilian Solicitor's Report for further information in relation to the Company's exploration permits comprising the Novo Mundo Project.

(b) **Location, access and infrastructure**

The Novo Mundo Project is accessible from the state capital of Cuiabá by:

- (i) car along 740km of paved highway (approximately 10 hours); or
- (ii) two regional airports, which are located within a four hour drive.

The town of Novo Mundo is the closest population centre and is equipped with all basic local amenities and suppliers. There are approximately 70,000 people within a radius of 40km.

Surface water is plentiful in the area of the Novo Mundo Project, with portable pumps capable of providing sufficient water for exploration activities such as drilling. Farm tracks service the majority of the Novo Mundo Project. No power exists on the site of the Novo Mundo Project; however, two 138kV powerlines pass by the property and the town of Novo Mundo has a residential power supply.

(c) **Mineral tenure**

Two distinctly different styles of Mineralisation have been encountered in the area: a disseminated style and a vein style. There are about a dozen primary occurrences that have been targeted by informal miners since 1990. These surface workings are distributed along the East-West Luisão trend for approximately 3km and the North-West South-West Raimunda trend for approximately 2km.

(d) **Previous exploration**

Since the completion of the reverse take-over transaction in May 2022, the Company has undertaken various exploration activities on the Novo Mundo Project, including:

- (i) lito-estructural geological mapping of the major mineralized trend Dionízio-Luisão;
- (ii) trenching along the main Dionízio-Luisão trend, with the aim to identify the mineralised horizon between the main open pits, where no outcrop is available. The Company open-mapped and sampled three trenches to date, for a total of 150m and collected 183 channel samples along the trenches;
- (iii) undertaking a preliminary drilling program in June 2022. A total of 10 holes were drilled with the aim to confirm historical drilling, infill to convert resources to measure for short term mining plan and test extensions along the strike. The preliminary drilling program was concluded in September 2022 with 10 drill holes for a total of 1268m; and
- (iv) no exploration work was completed at the Novo Mundo Project during 2023. The Novo Mundo Project is currently on care and maintenance, pending some planned exploration work in 2024 to further advance the Novo Mundo Project.

2.7 Business Strategy and Objectives

The Company's objective is to increase shareholder value through the successful identification, exploration, definition and development of mineral resources, in particular, critical minerals at the Tiros Project.

Following Admission, the Company's immediate focus at the Tiros Project will be to:

- (a) undertake exploration activities at the Tiros Project, including a targeted drill program, with an aim to delineate a JORC compliant Mineral Resource;
- (b) undertake chemical and metallurgical testwork to determine scoping level requirements; and
- (c) subject to the results of the exploration activities, commence preliminary technical studies.

Over time, the Company aims to progress from an explorer into a developer, subject to the results of its exploration activities, technical studies and availability of funding. The Company intends to achieve this by undertaking:

- (a) further systematic exploration activities on the Tiros Project, with the aim of discovering, growing and ultimately developing an economic mineral deposit;
- (b) economic and technical assessments of the Tiros Project in line with industry standards (for example, the completion of a scoping study, then a prefeasibility study, followed by a definitive feasibility study); and
- (c) financing, project development and construction.

In addition to the activities to be undertaken at the Tiros Project, the Company will also undertake preliminary exploration activities at the Novo Mundo Project to evaluate the Novo Mundo Project's potential.

Although the Company's immediate focus will be on the Projects, as with most exploration entities, it will also assess new business opportunities in the resource sector that complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of permits, and/or direct equity participation, all of which would complement the Company's existing mineral portfolio. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects with reference to the objectives of the Company. At the Prospectus Date, no such acquisitions are presently being assessed by the Company.

2.8 Proposed Exploration Budgets

The Company proposes to fund its intended activities as detailed in the table below from the proceeds of the Offer and its existing cash reserves. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken. This will involve an ongoing assessment of the Tiros Project and the Novo Mundo Project and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following budget takes into account the proposed expenses for the year following Admission.

Activities	A\$
Exploration and Development Activities at the Tiros Project	
- Exploration	2,546,994
- Metallurgy	937,058
- Community	193,911
- Environmental	186,156
- Mining Technical Studies	276,511
- Logistics and Infrastructure	67,800
- Salaries, Wages and Oncosts	749,202
- Overheads	14,773
Exploration and Development Activities at the Novo Mundo Project	
- Exploration	13,119
- Overheads	11,679
Total Indicative Allocation of Funds	4,997,203

2.9 Key Strengths

The Company considers it offers the following competitive advantages for investors:

- (a) **Exploration potential** – The Tiros Project is located in a prospective region and the exploration potential of the Tiros Project is considered high due to the presence of historical exploration and analysis that includes favourable rare earths and titanium grades and relatively known geology.
- (b) **Attractive global rare earth market** – Rare earth permanent magnets are critical for electric and hybrid vehicles, wind turbines, consumer and medical devices, robotics, drones and defence systems. Given that rare earths are essential components of permanent magnets, the shift towards clean and sustainable energy solutions is poised to trigger a substantial surge in the demand for these minerals. Refer to Section 2.10 for an overview of rare earths.
- (c) **Experienced team** – experienced Board and management team with a broad range of mining, project development, financing and technical skills in the resource industry.

2.10 Rare Earth Elements Industry Overview

(a) Background

Rare earth elements are crucial for the ongoing energy and environmental transition, serving as critical raw materials in low-carbon technologies, such as permanent magnets in electric vehicles.

The transition to clean energy to address climate change requires an increased supply of specific minerals to meet the technology demands. Low-carbon technologies often depend on rare earth elements, which are recognized as “critical minerals” in Australia, Canada, the European Union, and the United States of America.

Carbonatite, alkaline igneous rock, and ionic clay deposit types are prominent sources of rare earth elements, with Asia leading in rare earth elements production. Africa, Australia, Brazil, Greenland, the US and recent discoveries in Europe offer substantial resource potential.

(b) Rare Earth Elements

Rare earth elements are a group of 17 elements that are essential for modern technologies, such as magnets, batteries, lasers, and are used in electronics (cellular phones, computer hard drives, displays), defence systems (guidance and radar systems), electric vehicles and renewable energy products (solar, wind) due to their unique properties. These elements exhibit unique magnetic, luminescent and catalytic properties, making them essential components of many products and, while substitutes are available for many applications, the substitutes are generally less effective.

Although the amount of rare earth elements required in a product may not be significant, rare earth elements are fundamental for the device to work. For example, rare earth magnets are recognized as the most efficient way to power EVs and are mostly made from iron (Fe) and the rare earth metals neodymium (Nd), praseodymium (Pr), and dysprosium (Dy).

The growing global demand for these minerals is driven by emerging economies and the push for clean energy technologies. With China currently leading rare earth elements mining and refining, western governments are attempting to diversify the rare earth elements supply chain.

(c) Rare Earth Elements Commodity Prices

At 12 December 2023:

- (i) Dysprosium (metal) is trading at \$578.40/kg, down 11.5% in 2023, but still 40.7% higher than its price of \$411.10/kg on 1 January 2021;
- (ii) Neodymium (metal) is trading at \$123.00/kg, down 41.2% in 2023, but still 12.1% higher than its price of \$109.70/kg on 1 January 2021;
- (iii) Praseodymium (metal) is trading at \$122.40/kg, down 38.3% in 2023, but still 46.8% higher than its price of \$83.40/kg on 1 January 2021; and
- (iv) Terbium (metal) is trading at \$2,230.40/kg, down 44.6% in 2023, but still 68.7% higher than its price of \$1,322.10/kg on 1 January 2021.

(d) Demand / Supply Ratio

There is very significant variability in anticipated demands for rare earth elements over the next 10 years, primarily related to the rate of adoption of clean energy technologies.

Further complicating demand projections is the reality that rare earth elements are not mined individually. While the percentage of light rare earth minerals and heavy rare earth minerals vary with the deposit, all rare earth deposits contain rare earth elements in varying percentages. Furthermore, the most common rare earth elements, lanthanum and cerium, are both the most common and lowest value rare earth elements and represent a cost for both refining and disposal.

(e) Geopolitics of Rare Earth Elements

The United States and Australia were pioneers of rare earth elements production but by the late 1980s, they had relinquished this to China. By the early 2000s, both the United States and Australia were no longer on the list of rare earth elements producing nations and have only recently re-emerged as rare earth elements producers.

According to the United States Geological Survey's (**USGS**) Mineral Commodity Summaries (2023), the top rare earth elements producers in 2022 were:

- (i) China – estimated to produce approximately 70.0% of the rare earth elements market supply;
- (ii) United States – estimated to produce approximately 14.3% of the rare earth elements market supply;
- (iii) Australia – estimated to produce approximately 6.0% of the rare earth elements market supply; and
- (iv) Burma – estimated to produce approximately 4.0% of the rare earth elements market supply.

Although China mines 70% of the world's rare earth elements, it is responsible for 85 to 90% of the refined rare earth elements, as a majority of the rare earth elements refineries are located in China.

(f) **Major Rare Earth Elements Deposit**

Rare earth elements are common and reside in a variety of geological environments, most commonly in alkaline igneous rocks (carbonatites/pegmatites), as well as residual, undersea, and placer deposits.

Rare earth elements appear in both primary and secondary mineral ores in nature. Primary ores form deep within the Earth through magmatic-hydrothermal processes, such as carbonatites and alkaline igneous deposits, while secondary ores develop on the surface through weathering and sedimentary processes, such as ionic adsorption clay deposits.

Rare earth elements are usually found in association with specific types of geology, where they are concentrated by magmatic, hydrothermal or weathering processes. These types of deposits or occurrences include alkaline igneous rock, carbonatite, hydrothermal, ion-adsorption clay, iron- rare earth elements, placer (alluvial, ash-fall, marine, or palaeo-placer), or the by-product of tin mining. Three main types of geology where rare earth elements are found include:

- (i) **Ionic Adsorption Clay (IAC) Deposits** – Ionic adsorption clays are residual soils that are formed from the intense weathering of rare earth-rich rocks, such as granites, syenites, or carbonatites, in tropical or subtropical climates.
- (ii) **Carbonatites and Carbonatite-related Deposits** – Carbonatites are igneous rocks that are composed of more than 50% carbonate minerals, such as calcite, dolomite, or ankerite. They are rare and often associated with alkaline igneous rocks, which are also enriched in rare earth elements.
- (iii) **Alkaline Igneous Deposits** – Alkaline igneous rocks are formed from magmas that have high concentrations of alkali metals (sodium and potassium) and low concentrations of silica.

(g) **Rare Earth Elements Demand**

Rare earth elements have unusual conductive, fluorescent, and magnetic properties that make them very useful when alloyed with more common metals such as iron. Rare earth elements are seen as transformational because, even when used in small quantities, these elements can have an enormous impact on the properties of the other materials they are combined with.

Rare earth elements have found uses in various ways, including:

- (i) making magnets up to 40 times stronger;
- (ii) enhancing the strength, heat resistance, as well as heat dissipation capabilities of both metals and glass;
- (iii) changing the colour brightness of computer monitors or televisions;
- (iv) in electric vehicle motors and wind turbines, where neodymium and dysprosium have a natural magnetic force and are part of permanent magnet motors, powering the rotor of the drivetrain;
- (v) in semiconductors, where rare earth elements are being added to improve the electrical or magnetic properties. This includes the addition of gadolinium, erbium, or

europium to improve the magneto-optical characteristics of gallium-nitride semiconductors used to produce high-power transistors; and

- (vi) in glass, where rare earth elements can filter harmful light frequencies.

Given that rare earth elements are essential components of permanent magnets used in electric vehicles and wind turbine motors, the shift towards clean and sustainable energy solutions is poised to trigger a substantial surge in the demand for these minerals.

At least 15 countries committed to net-zero carbon emissions by 2050. To meet the Paris Agreement climate goals, the International Energy Agency estimates that rare earth elements demand could increase three to seven times from 2021 to 2040.

Demand growth for rare earth elements is anticipated to come from:

- (i) the growth in electric vehicles as they currently represent only 1-2% of the global automotive fleet;
- (ii) offshore wind turbines are estimated to grow at 12% annually until 2030;
- (iii) the emergence of electric mobility vehicles in cities, including e-bikes and e-scooters; and
- (iv) military-grade magnets for guided weapons, drones and jet aircraft.

(h) **Rare Earth Elements Supply**

According to the USGS, global mine production of rare earth elements was 300,000 metric tons (tonnes) in 2022, with China producing 210,000 tonnes (70%), followed by the United States at 14%, and then Australia at 4%.

In addition, according to the International Energy Agency, China has the largest global share of rare earth elements processing at 90% with other rare earth elements processing located in Estonia, Malaysia and Japan.

(i) **Brazil's Rare Earth Elements Industry**

Renowned for its abundant natural resources and extensive mining heritage, Brazil is resurging as an enticing investment destination for the rare earth elements industry.

Factors like a diverse mineral portfolio, including critical minerals and rare earth elements, an 85% renewable energy supplied power grid, and strong global relationships, particularly with China and the West, amplify the country's investment appeal.

Brazil boasts some of the world's largest rare earth elements reserves, making it a potential major supplier globally. Brazil's proximity to key markets and domestic demand growth present opportunities for local companies to capitalize on the industry's potential.

Brazil holds the world's third-largest reserve of rare earth elements, totalling 21 million tonnes. However, despite this substantial reserve, Brazil's global contribution to rare earth elements production remains relatively modest. In 2021, the country produced only 500 tonnes, representing less than 0.2% of global production and USGS estimated a decline in production to only 80 tonnes in 2022.

Most of the rare earth elements reserves in Brazil are located in alkaline-carbonatitic rocks, granites and sedimentary deposits.

Despite its potential, Brazil's rare earth elements industry faces various challenges, including environmental concerns, regulatory issues, and infrastructure limitations. By addressing challenges through strategic investments, regulatory updates, and international collaborations, Brazil can optimize its rare earths industry and position itself as a key player in the global rare earths market.

2.11 **Dividend Policy**

The Company does not expect to pay dividends in the near future, as its focus will primarily be on using cash reserves to undertake exploration activities on the Projects.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

2.12 Share Option Plan

The Company has established the Share Option Plan to advance the interests of the Company by incentivising its directors, employees and consultants to align their interests with that of the Company. See Section 6.10 for further information.

2.13 Corporate Governance

The Company's main corporate governance policies and practices at the Prospectus Date and the Company's compliance and departures from the ASX Recommendations are detailed in Section 3.6.

In addition, the Company's full suite of corporate governance documents are available from the Company's website at <https://www.resouro.com/>.

3 Board, Management and Corporate Governance

3.1 Board of Directors

The names and details of the Directors in office on Admission are provided below:

(a) **Christopher Eager – President, Chief Executive Officer and Director**

Mr Christopher Eager is a mining engineer and has 35 years of experience in the mining industry. After graduating as a Mining Engineer, he worked in and managed various gold mining operations in Australia and South America. Following on from completing an MBA at ISG in Paris, Mr Eager worked in Mining Project Finance for NM Rothschild (Australia). Mr Eager was a co-founder of Monterrico Metals PLC which unlocked value in the Peruvian Rio Blanco copper project that was acquired in 2007 at a valuation of around USD 200 million. Mr Eager also co-founded Asia Energy PLC and CoalMont Ltd.

Mr Eager is not considered by the Board to be an independent director.

(b) **Philippe Martins – Executive Director**

Mr Philippe Martins is a lawyer designated by the Brazilian Bar Association (OAB), specializing in Corporate and Mining Law, with more than 20 years of experience in the Brazilian mineral market and over 10 years of experience in legal consultancy, advisory and litigation for national and international companies established in Brazil. Mr. Martins holds *latu sensu* post-graduation in Corporate Law and Mining Law, respectively at FUMEC/CAD and CEDIN, Belo Horizonte, Brazil.

Mr Martins served Luna Gold Corp. (currently Equinox Gold) for over seven years in the roles of General Legal Manager and Legal Director, where he implemented internal legal auditing controls, supervised the compliance programs, oversaw institutional and government relations, executed mineral rights acquisitions and supported the management, due diligence, and crisis management activities. An independent lawyer since 2015, Mr Martins has supported junior and mid-tier mining companies registered and operating in Brazil, as well as effected the acquisition of mining projects and mineral rights via incorporations, mergers, and joint ventures.

Mr Martins is not considered by the Board to be an independent director.

(c) **Justin Clyne – Independent Non-Executive Director**

Mr Justin Clyne is an Australian based company director and company secretary for public-listed and unlisted companies. Mr Clyne has significant experience and knowledge in international law and corporate regulatory requirements. Mr Clyne was admitted as a solicitor of the Supreme Court of New South Wales and High Court of Australia in 1996 before gaining admission as a barrister in 1998. Over the past 16 years, Mr Clyne has dedicated himself full time to the provision of corporate advisory and related services for listed entities primarily in the Australian and North American markets from incorporation through to takeovers and other large corporate transactions. Mr Clyne holds a Master of Laws in International Law from the University of New South Wales. Mr Clyne is also a qualified Chartered Company Secretary and a Member of the Australian Institute of Company Director.

Mr Clyne is considered by the Board to be an independent director.

(d) **Anne Landry – Independent Non-Executive Director**

Ms Anne Landry is an international finance professional with experience in financial structuring, investments and strategy. Ms Landry has been responsible for the oversight and bankable structuring of projects in various sectors, including mining, and with financial institutions and multilateral organisations worldwide. Ms Landry holds a Bachelor of Commerce from McGill University, a Master of Business Administration from Institut Supérieur de Gestion in Paris and is a CFA charterholder.

Ms Landry is considered by the Board to be an independent director.

3.2 Senior Management

The names and details of the Company's senior management in office on Admission are provided below:

(a) **Christopher Eager – President, Chief Executive Officer and Director**

Please refer to Mr Eager's profile in Section 3.1(a) for details.

(b) **Philippe Martins – Executive Director**

Please refer to Mr Martins' profile in Section 3.1(b) for details.

(c) **Sandra Evans – Chief Financial Officer & Corporate Secretary**

Ms Evans has over 30 years of experience in the energy, mining and manufacturing industries, both domestically and internationally. She has held senior accounting roles in several highly successful international exploration companies and brings a hands-on approach to budget management and public reporting.

3.3 Interests and Benefits

(a) **Directors' Remuneration**

Pursuant to the Articles, the Directors are entitled to remuneration for acting as Directors, if any, as the Directors may from time to time determine. This aggregate amount is currently A\$709,632. Following Admission, the total amount paid to all non-executive Directors for their services must not exceed in aggregate in any year the amount fixed by the Company at the general meeting.

The annual fees to the Directors on Admission are as follows:

Name	Position/s	Amount per annum
Christopher Eager ¹	President, Chief Executive Officer, Director	A\$420,000
Philippe Martins	Executive Director	A\$96,000
Justin Clyne ²	Non-Executive Director	A\$96,000 ³
Anne Landry	Non-Executive Director	C\$86,400 ⁴

Notes:

1. Mr Eager provides his services via the CE Deed. Refer to Section 3.3(b) for further details.
2. Mr Clyne provides services via Clyne Corporate Advisory Pty Ltd.
3. Exclusive of goods and services tax. Fees include company secretarial services.
4. Exclusive of provincial sales tax and federal goods and services tax.

(b) **Key Engagements**

The Company has entered into agreements with respect to the engagement of Messrs Christopher Eager and Philippe Martins as senior executives of the Company. The principal terms of the agreements are detailed below.

(i) **Consultancy Deed – Christopher Eager**

The Company has entered into a consultancy deed with Mr Christopher Eager and Resmin, an entity controlled by Mr Christopher Eager, (**CE Deed**) pursuant to which Mr Eager has been engaged as Chairman, Managing Director and Chief Executive Officer. The services provided by Mr Eager and Resmin include being responsible for the executive leadership, overall management and supervision of the Group and all of its operations, finance and affairs, subject to the overall control and direction of the Board.

The remuneration payable to Resmin pursuant to the CE Deed is A\$420,000 per annum from the date of official quotation of the Company's securities on the ASX, plus additional discretionary bonuses as may be determined from time to time by the Board.

The CE Deed is for an indefinite term and will continue unless terminated by:

- (A) the Company giving three months written notice to Mr Eager;
- (B) Mr Eager giving three months written notice to the Company; or
- (C) the Company without notice if (amongst other matters) Resmin or Mr Eager commits a serious or persistent breach of the CE Deed and engages in an act of serious misconduct.

The CE Deed contains additional provisions considered standard for agreements of this nature.

(ii) **Executive Director Agreement – Philippe Martins**

The Company has entered into an executive director agreement with Mr Philippe Martins (**PM Agreement**) pursuant to which Mr Martins provides executive director services. Mr Martins is responsible for (amongst other services):

- (A) adding value to the Board through their increased knowledge of the Company's business and operations, including strategy, direction and competitive pressures, and having greater access to company information than non-executive directors; and
- (B) ensuring that the Company is accountable to its shareholders and stakeholders.

The remuneration payable to Mr Martins pursuant to the PM Agreement is A\$8,000 per month, plus additional discretionary bonuses as may be determined from time to time by the Board.

The PM Agreement is for an indefinite term, and will continue unless terminated by:

- (A) the Company giving three months written notice to Mr Martins;
- (B) Mr Martins giving written notice to the Company; or
- (C) the Company without notice if (amongst other matters) Mr Martins commits a serious or persistent breach of the PM Agreement and engages in an act of serious misconduct, breach of confidentiality or misusing the Company's intellectual property or behaviour that would damage the reputation, standing or goodwill of the Company.

The PM Agreement contains additional provisions considered standard for agreements of this nature.

(c) **Non-Executive Directors Appointment Letters**

Both of the non-executive Directors, being Mr Justin Clyne and Ms Anne Landry, have entered into appointment letters with the Company confirming their roles and responsibilities as Directors of a publicly listed entity, and the Company's expectations of them as non-executive Directors including the requirement to keep the Board informed of any interests considered by the Company or which may lead to a conflict of interest, the requirement to comply with the Company's corporate governance policies, the requirement to comply with the applicable requirements by virtue of the Company being admitted to the official list of ASX and by having its CDIs listed on the ASX, the entitlement of Directors to be covered by liability insurance and ongoing confidentiality obligations.

Pursuant to these letters, the Company has agreed to pay those Directors the fees detailed in Section 3.3(a).

These letters contain additional provisions considered standard for agreements of this nature.

Non-executive Directors may resign at any time, by giving notice to the Company. They will also cease to be a director if they are not re-elected at the annual general meeting, or if any of the disqualifying events prescribed in the Articles or as prescribed by law occur. In accordance with Listing Rules, following admission to the ASX, the aggregate fees payable to all non-executive Directors may only be increased with the approval of Shareholders.

(d) **Indemnity Agreements**

The Company has entered into standard deeds of indemnity, access and insurance with each of the Directors. Pursuant to those deeds, the Company has undertaken to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director during the period of their appointment and for seven years after the Director has ceased to be a Director. The Company has further undertaken with each Director to maintain a complete set of the Company's board papers and to make them available to the Director for seven years after the Director has ceased to be a Director.

(e) **Directors' Interests in Securities**

Directors and their related entities have, at the Prospectus Date and the time of Admission, the following interests in Securities:

Director ¹	Shares/CDIs	Options ²	Warrants ³
Securities on the Prospectus Date			
Christopher Eager ⁴	18,155,750	5,750,000	-
Philippe Martins	505,714	650,000	2,857
Justin Clyne	-	670,000	-
Anne Landry	215,000	670,000	-
Securities immediately upon Admission			
Christopher Eager	18,155,750	5,750,000	-
Philippe Martins	505,714	650,000	2,857
Justin Clyne	-	670,000	-
Anne Landry	215,000	670,000	-

Notes:

- Securities beneficially owned, directly and indirectly, or over which control or direction is exercised. Unless otherwise indicated, such securities are held directly. These figures do not include Shares that may be acquired on the exercise of any stock options held by the respective Directors.
- Refer to Section 6.9 for the terms of the issued Options.
- Refer to Section 6.12 for the terms of the Warrants.
- 14,855,750 Shares and 5,750,000 Options are held by Resmin, an entity controlled by Mr Christopher Eager. The remaining 3,300,000 Shares will be held in escrow by Computershare Trust Company of Canada pursuant to an arrangement whereby such Shares are held as security for funds payable by Mr Eager to H&H Metals Corp.

(f) **Other Related Party Agreements**

Other than as disclosed in this Section 3.3 and elsewhere in this Prospectus, there are no other existing agreements or arrangements and there are currently no proposed transactions in which the Company was, or is to be, a participant, and in which any related party of the Company has or will have a direct or indirect material interest.

All future related party arrangements will be determined by the Board, having regard to their duties as Directors, and, where required, all requisite approvals, including but not limited to, Shareholder approval will be obtained. The Board monitors compliance with the law in relation to related party transactions via internal controls and obtaining legal advice where required.

3.4 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. In light of the Company's size and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Company.

The Company has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles and Recommendations 4th Edition) (**ASX Recommendations**) where considered appropriate for the Company's size and nature.

The Company's main corporate governance policies and practices at the Prospectus Date are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at <https://www.resouro.com/>.

(a) **Board of Directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder (and CDI Holder) value;
- ensure a prudential and ethical basis for the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) developing initiatives for asset growth;
- (ii) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (iii) acting on behalf of, and being accountable to, Shareholders (and CDI Holders); and
- (iv) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully-informed basis.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. On Admission, the Board will comprise of two executive Directors and two non-executive Directors.

(c) **Independence of the Board**

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisers, as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

The Board considers an independent Director to be a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent and unfettered exercise of their judgement. The Board has adopted a definition of independence that is based on the definitions in the ASX Recommendations. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board regularly assesses the independence of each Director.

The Board considers that Mr Justin Clyne and Ms Anne Landry (each a non-executive Director) are free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Messrs Christopher Eager and Philippe Martins do not satisfy the tests of independence as detailed in the ASX Recommendations. Messrs Eager and Martins are executive Directors, which is an indicia of not being independent pursuant to those tests.

Accordingly, there will be two independent Directors at the time of Admission. The Board considers that each of the independent non-executive Directors brings an objective and independent judgement to the Board's deliberations and that each of the independent non-executive Directors makes a valuable contribution to the Company through the skills they bring to the Board and their understanding of the Company's business.

(d) **Roles and Responsibilities of the Board**

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- (i) appointment, and where necessary, the replacement, of the Chief Executive Officer and other senior executives and the determination of their terms and conditions, including remuneration and termination;
- (ii) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (iii) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (iv) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;

- (v) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (vi) approving the annual, half yearly and quarterly accounts;
- (vii) approving significant changes to the organisational structure;
- (viii) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the Listing Rules if applicable);
- (ix) procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- (x) approving the Company's remuneration framework;
- (xi) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (xii) recommending to Shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the Listing Rules if applicable); and
- (xiii) meeting with the external auditor, at their request, without management being present.

(e) **Ethical Standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(f) **Independent Professional Advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration and Nomination Committee**

The remuneration of any executive Director will be decided by the Board following the recommendation of the Remuneration and Nomination Committee, without the affected executive Director participating in that decision-making process. The Remuneration and Nomination Committee comprises Justin Clyne (Independent Non-Executive Director) as chair, Anne Landry (Independent Non-Executive Director) and Philippe Martins (Executive Director). In compliance with the ASX Recommendations, the Remuneration and Nomination Committee comprises three members, a majority (two) of whom are considered independent, including the Chair.

The Directors will be paid by way of remuneration for their services as Directors the amount, if any, as the Directors may from time to time determine. If the Directors so decide, the remuneration of the Directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a Director.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as options).

The Remuneration and Nomination Committee reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders (and CDI Holders), having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Remuneration and Nomination Committee is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Audit and Risk Committee**

The Company has an Audit and Risk Committee which operates under an Audit and Risk Committee Charter which includes, but is not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and the Company's risk management systems, the identification and management of business, economic, health and safety, environmental and social sustainability risk and the external audit function. The Audit and Risk Committee comprises Anne Landry (Independent Non-Executive Director) as chair, Justin Clyne (Independent Non-Executive Director) and Philippe Martins (Executive Director). The composition of the Audit & Risk Committee does not strictly adhere or comply with the ASX Recommendations. While the Committee has three members and is chaired by an Independent Director, only two of the three members are Non-Executive Directors.

(i) **External Audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors following the recommendation from the Audit and Risk Committee.

(j) **Internal Audit**

The Company does not have an internal audit function. The Board considers the Audit and Risk Committee and financial control function in conjunction with its risk management policy is sufficient for a Company of its size and complexity.

(k) **Board Processes**

The Board processes are governed by the Articles.

3.5 Corporate Governance Policies

The Company has adopted the following policies, each of which has been prepared having regard to the ASX Recommendations and are available on the Company's website at <https://www.resouro.com/investors/#cpg>.

- (a) **Code of Conduct** – This policy details the standards of ethical behaviour that the Company expects from its directors, officers and employees.
- (b) **Continuous Disclosure Policy** – Once listed on the ASX, the Company will need to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the CDIs or Shares. As such, this policy details certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.
- (c) **Risk Management Policy** – This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.
- (d) **Securities Trading Policy** – The Board has adopted a policy that details the guidelines on the sale and purchase of Securities by its officers and key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading in Securities.
- (e) **Shareholder Communications Policy** – This policy details the practices which the Company will implement to ensure effective communication with Shareholders.
- (f) **Diversity Policy** – The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

- (g) **Whistleblower Policy** – This policy details the practices which the Company will implement to ensure any malpractice, impropriety, statutory non-compliance or wrongdoing is appropriately reported without fear of adverse consequences.
- (h) **Anti-Bribery and Anti-Corruption Policy** – This policy details the Company's zero tolerance approach to bribery and corruption and its commitment to acting professionally, fairly and with integrity in all its business dealings and relationships and upholding all laws relevant to countering bribery and corruption in all jurisdictions in which the Company operates.
- (i) **Environment, Social and Governance Policy** – This policy details the Company's commitment to operating ethically, sustainably, and in accordance with best environmental, social and governance (**ESG**) practices. The Company is committed to:
- (i) acting ethically and responsibly across every aspect of its business;
 - (ii) integrating sustainable development and ESG considerations within the Company's strategy and decision-making processes to deliver positive and sustainable outcomes; and
 - (iii) identifying, assessing and mitigating ESG risks.

3.6 Compliance and Non-Compliance with the ASX Recommendations

The ASX Recommendations are not prescriptions but guidelines. However, under the Listing Rules, the Company will be required to provide a statement disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendations that it has not followed and provide reasons for not following it.

The Company's compliance with the fourth edition of the ASX Recommendations is detailed in the following table, which the Board considers reasonable given the current stage of development of the Company and its business.

Corporate Governance Principles and Recommendations	Comply (Yes/No)	Explanation
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a board charter setting out: <ul style="list-style-type: none"> (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. 	YES	(a) The Company has adopted a Board Charter that details the specific roles and responsibilities of the Board, the Chairman and management and includes a description of those matters expressly reserved to the Board and those delegated to management. (b) The Board Charter details the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman, CEO/President and Corporate Secretary, the establishment, operation and management of Board Committees, Directors' access to company records and information, details of the Board's relationship with management, details of the Board's performance review, and details of the Board's disclosure policy. The Board Charter details the responsibilities of the CEO/President, Mr Eager. A copy of the Company's Board Charter is available on the Company's website. https://www.resouro.com/investors/#cpg .
Recommendation 1.2 A listed entity should:	YES	(a) The Company has detailed guidelines for the appointment and selection of the Board and senior executives in its Corporate

Corporate Governance Principles and Recommendations	Comply (Yes/No)	Explanation
<p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>		<p>Governance Plan. The Company's Board Charter requires the Company to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history) are undertaken before appointing a Director or senior executive, or putting someone forward for election, as a Director, which responsibility is delegated to the Remuneration and Nomination Committee under its Charter (or, in its absence, the Board).</p> <p>(b) Under the Board Charter, all material information in the Company's possession which is relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders. The Company will include this information in the notice of meeting containing the resolution to elect or re-elect the Director. In the case of candidates standing for re-election, the candidate's experience and qualification are also disclosed on the Company's website and in its Annual Information Form.</p>
<p>Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company's Remuneration and Nomination Committee Charter requires the Remuneration and Nomination Committee (or, in its absence, the Board) to ensure that each Board member is a party to a written agreement with the Company which details the terms of that Board member's appointment. The Company has written agreements with each of its directors and senior executives.</p>
<p>Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	YES	<p>The Board Charter outlines the roles, responsibility and accountability of the Corporate Secretary. The Corporate Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.</p>
<p>Recommendation 1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's</p>	PARTIALLY	<p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board and the Remuneration and Nomination Committee to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives, if any have been set, and the Company's progress in achieving them. The Diversity Policy is available on the Company's website.</p> <p>(b) The Company's Diversity Policy provides that the Board is responsible for designing and overseeing the implementation of the Diversity Policy. The Diversity Policy also requires the Board to develop initiatives that will promote and achieve diversity goals. The Remuneration and Nomination Committee is responsible for reviewing</p>

Corporate Governance Principles and Recommendations	Comply (Yes/No)	Explanation												
<p>most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		<p>the Diversity Policy and providing the Board with an annual report on the status of diversity within the Company and the effectiveness of the measurable objectives for achieving gender diversity (if any).</p> <p>The Board has not yet set measurable objectives for achieving gender diversity. At this stage in the Company's development, the Board does not consider it practicable to set measurable gender diversity objectives. In the event that the Company's employee numbers grow to a level where it becomes practical, the Board will reconsider setting measurable objectives to assist the Company to achieve gender diversity and review the Company's progress in meeting these objectives and the effectiveness of these objectives each year.</p> <p>(c) The total proportion of men and women on the Board, in senior executive positions, and across the whole workforce is as follows.</p> <table border="1" data-bbox="997 996 1442 1137"> <thead> <tr> <th></th> <th>Men</th> <th>Women</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>3</td> <td>1</td> </tr> <tr> <td>Senior Management</td> <td>-</td> <td>1</td> </tr> <tr> <td>Total</td> <td>3</td> <td>2</td> </tr> </tbody> </table> <p>Note: Messrs Christopher Eager and Philippe Martins are members of the Board and the Company's senior management and for the purposes of the above table, have been included exclusively in the "Board" category.</p>		Men	Women	Board	3	1	Senior Management	-	1	Total	3	2
	Men	Women												
Board	3	1												
Senior Management	-	1												
Total	3	2												
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>YES</p>	<p>(a) The Board is responsible for undertaking a performance evaluation, with the advice and assistance of the Remuneration and Nomination Committee, of the Board, its Committees and individual Directors against the relevant charters, corporate governance policies and agreed goals and objectives on an annual basis. The process for this is set out in the Company's Board Charter which is available on the Company's website.</p> <p>(b) The Board is also responsible for disclosing the process for periodically evaluating performance and whether, for each reporting period, a performance evaluation occurred.</p> <p>The Company intends to complete performance evaluations in respect of the Board, its Committees and individual Directors for each financial year in accordance with the review process outlined in the Board Charter.</p>												
<p>Recommendation 1.7</p> <p>A listed entity should:</p>	<p>YES</p>	<p>(a) The Board is responsible for reviewing and approving, with the assistance of the Remuneration and Nomination Committee, the performance of individual Board</p>												

Corporate Governance Principles and Recommendations	Comply (Yes/No)	Explanation
<p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>		<p>members and senior executives. The applicable process for these evaluations can be found in the Company's Board Charter, which is available on the Company's website.</p> <p>(b) The Company intends to complete performance evaluations in respect of the senior executives for each financial year which will be disclosed in the Company's annual Corporate Governance Statement.</p>

Principle 2: Structure the board to add value

<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	YES	<p>The Board has appointed a dedicated Nomination and Remuneration Committee, which will have authority and power to exercise the roles and responsibilities granted to it under the Nomination and Remuneration Committee Charter, and any other resolutions of the Board from time to time.</p> <p>The committee is comprised of three Directors of whom two are non-executive independent Directors, being Mr Justin Clyne and Ms Anne Landry. The Chair of the Nomination and Remuneration Committee is Justin Clyne. The third member is Mr Philippe Martins, who is an executive director.</p> <p>The roles and responsibilities of the Nomination and Remuneration Committee are detailed in Schedule 3 of the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The Company's Annual Information Form details the relevant qualifications and experience of the members of the Nomination and Remuneration Committee and the number of times the Nomination and Remuneration Committee met throughout the year and the individual attendances of the members at those meetings.</p>																										
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	YES	<table border="1"> <thead> <tr> <th>Board Skills Matrix</th> <th>Number of Directors that Meet the Skill</th> </tr> </thead> <tbody> <tr> <td>Leadership</td> <td></td> </tr> <tr> <td>Business leadership</td> <td>2</td> </tr> <tr> <td>Public listed company experience</td> <td>2</td> </tr> <tr> <td>Business and Finance</td> <td></td> </tr> <tr> <td>Business Strategy</td> <td>4</td> </tr> <tr> <td>Competitive Business Analysis</td> <td>1</td> </tr> <tr> <td>Corporate Financing</td> <td>3</td> </tr> <tr> <td>Financial Literacy</td> <td>4</td> </tr> <tr> <td>Mergers and Acquisitions</td> <td>2</td> </tr> <tr> <td>Risk Management</td> <td>2</td> </tr> <tr> <td>Sustainability and Stakeholder Management</td> <td></td> </tr> <tr> <td>Community Relations</td> <td>1</td> </tr> </tbody> </table>	Board Skills Matrix	Number of Directors that Meet the Skill	Leadership		Business leadership	2	Public listed company experience	2	Business and Finance		Business Strategy	4	Competitive Business Analysis	1	Corporate Financing	3	Financial Literacy	4	Mergers and Acquisitions	2	Risk Management	2	Sustainability and Stakeholder Management		Community Relations	1
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Corporate Governance Principles and Recommendations	Comply (Yes/No)	Explanation															
		<table border="1"> <tr> <td>Corporate Governance</td> <td>1</td> </tr> <tr> <td>Health and Safety</td> <td>2</td> </tr> <tr> <td>Human Resources</td> <td>1</td> </tr> <tr> <td>Remuneration</td> <td>1</td> </tr> </table> <p>A profile of each current director detailing their skills, experience and expertise is available on the Company's website and is detailed each year in the Company's Annual Information Form.</p>	Corporate Governance	1	Health and Safety	2	Human Resources	1	Remuneration	1							
Corporate Governance	1																
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Human Resources	1																
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<p>Recommendation 2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>YES</p>	<p>(a) The Board considers that of the current Directors, Justin Clyne and Anne Landry (each a non-executive Director) are independent (see Section 3.4(c) for further details). The Company's Annual Information Form will disclose the length of service of each Director, at the end of the financial year.</p> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors' interests, positions, associations and relationships are provided in the Annual Information Form and on the Company's website.</p> <p>(c) The length of service of each Director is as follows:</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Appointment Date</th> <th>Length of Service</th> </tr> </thead> <tbody> <tr> <td>Christopher Eager</td> <td>10 May 2022</td> <td>Two years</td> </tr> <tr> <td>Philippe Martins</td> <td>13 February 2023</td> <td>One year and three months</td> </tr> <tr> <td>Justin Clyne</td> <td>21 July 2023</td> <td>Nine months</td> </tr> <tr> <td>Anne Landry</td> <td>21 July 2023</td> <td>Nine months</td> </tr> </tbody> </table>	Director	Appointment Date	Length of Service	Christopher Eager	10 May 2022	Two years	Philippe Martins	13 February 2023	One year and three months	Justin Clyne	21 July 2023	Nine months	Anne Landry	21 July 2023	Nine months
Director	Appointment Date	Length of Service															
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Anne Landry	21 July 2023	Nine months															
<p>Recommendation 2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>NO</p>	<p>The Board Charter requires that, where practical, the majority of the Board should be independent. Two of the four Directors are considered by the Board to be independent directors. As such, the Board does not have a majority of independent Directors.</p>															
<p>Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>NO</p>	<p>The Board Charter provides that, where practical, the Chairman should be an independent non-executive Director and the role of the Chairman and CEO should preferably be exercised by two separate individuals. The Chairman is Mr Christopher Eager. Mr Eager is not considered an independent director. The role of CEO is also held by Mr Eager.</p> <p>The Board is mindful of the recommendation that the Chair of the Board should be an independent director and should not be the same person as the CEO. The Board will continue to take this into consideration when considering the future nomination of the Chair</p>															

Corporate Governance Principles and Recommendations	Comply (Yes/No)	Explanation
		of the Board. However, the Board believes Mr Eager's exercise of these two roles are appropriate for the Company's business and circumstances and is in the best interests of shareholders as a whole.
<p>Recommendation 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	YES	<p>The Board Charter states that the Corporate Secretary's role is to help to organise and facilitate the induction and professional development of Directors.</p> <p>The Company also has a program for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.</p>
Principle 3: Act ethically and responsibly		
<p>Recommendation 3.1 A listed entity should articulate and disclose its values.</p>	YES	The Company disclosed its values in its Board Charter, which is available on the Company's website.
<p>Recommendation 3.2 A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	YES	<p>(a) The Company's Code of Conduct applies to the Company's directors, senior executives and employees.</p> <p>(b) The Company's Code of Conduct is available on the Company's website. The Code of Conduct provides that staff are obliged to report any observed violations of the Code to the Corporate Secretary or a Director. The Code also provides that the Directors must ensure that any reported breaches of the Code undergo thorough investigation and that appropriate actions are taken.</p>
<p>Recommendation 3.3 A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	YES	The Company has adopted a whistleblower policy which applies to, amongst others, all directors, officers, employees, contractors and consultants of the Company. This policy has been prepared having regard to the ASX Recommendations and is available on the Company's website.
<p>Recommendation 3.4 A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	YES	The Company has adopted an anti-bribery and corruption policy which applies to, amongst others, all directors, officers, employees, contractors and consultants of the Company. This policy has been prepared having regard to the ASX Recommendations and is available on the Company's website.
Principle 4: Safeguard integrity in financial reporting		
<p>Recommendation 4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p>	YES/ PARTIALLY	The Company has an Audit and Risk Committee. The Audit and Risk Committee has three members, being Ms Anne Landry and Mr Justin Clyne, both of whom are non-executive Directors and considered independent Directors. The third member is Mr Philippe Martins, who is an executive director and, therefore, not considered to be independent. The Audit and Risk Committee is chaired by Ms Anne Landry.

Corporate Governance Principles and Recommendations	Comply (Yes/No)	Explanation
<p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>The roles and responsibilities of the Audit and Risk Committee are detailed in Schedule 3 of the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The Company's Annual Information Form details the relevant qualifications and experience of the members of the Audit and Risk Committee and the number of times the Audit and Risk Committee met throughout the year and the individual attendances of the members at those meetings.</p>
<p>Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	<p>The Company's Audit Management Committee Charter requires the Board to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<p>Recommendation 4.3</p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	YES	<p>The Company's Board Charter provides that the Board must, with the recommendation of the Audit and Risk Committee, review and approve a process by which the integrity of any periodic corporate report released to the market that is not audited or reviewed by an external auditor can be verified.</p>
<p>Principle 5: Make timely and balanced disclosure</p>		
<p>Recommendation 5.1</p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	YES	<p>The Company has adopted a Continuous Disclosure Policy which details the processes the Company follows to comply with its continuous disclosure obligations under the Listing Rules and other relevant legislation.</p> <p>The Company's Continuous Disclosure Policy is available on the Company website.</p>
<p>Recommendation 5.2</p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	YES	<p>The Corporate Secretary is responsible for distributing all material market announcements electronically to the Board promptly after they have been made.</p>
<p>Recommendation 5.3</p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	YES	<p>All slides and presentations used for briefings and analyst presentations are released and uploaded to ASX Market Announcements Platform prior to the briefing taking place. Further details are set out in the Company's Continuous Disclosure Policy.</p>

Corporate Governance Principles and Recommendations	Comply (Yes/No)	Explanation
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	Information about the Company and its governance is available on the Company's website. The Company's Corporate Governance Plan is included in a dedicated Corporate Governance area on the Company website.
<p>Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	YES	The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Policy outlines a range of ways in which information is communicated to shareholders, and by which shareholders can make contact with the Company to request information or bring their concerns to the attention of the Company.
<p>Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	YES	Shareholders are encouraged to participate at all extraordinary general meetings and annual general meetings of the Company. The Shareholder Communication Policy includes provisions focussed on shareholder meetings, including for shareholders to be provided a reasonable opportunity to ask questions of the Board at shareholder meetings, and for the submission of written questions by shareholders unable to attend the annual general meeting.
<p>Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	YES	All substantive resolutions which are voted on at shareholder meetings are and will be decided by a poll, rather than by a show of hands.
<p>Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	YES	The Shareholder Communications Policy states that as a part of the Company's developing investor relations program, Shareholders can elect to receive email communications where appropriate. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Corporate Secretary at first instance.
Principle 7: Recognise and manage risk		
<p>Recommendation 7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) at the end of each reporting period, the number of times the committee met throughout the period and the 	YES	<p>The Company has an Audit and Risk Committee. The Audit and Risk Committee has three members, being Ms Anne Landry and Mr Justin Clyne, both of whom are non-executive Directors and considered independent Directors. The third member is Mr Philippe Martins, who is an executive director and, therefore, not considered to be independent. The Audit and Risk Committee is chaired by Ms Anne Landry.</p> <p>The roles and responsibilities of the Audit and Risk Committee are detailed in Schedule 3 of the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The Company's Annual Information Form details the relevant qualifications and experience of the members of the Audit and</p>

Corporate Governance Principles and Recommendations	Comply (Yes/No)	Explanation
<p>individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		<p>Risk Committee and the number of times the Audit and Risk Committee met throughout the year and the individual attendances of the members at those meetings.</p>
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>YES</p>	<p>(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound. The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems.</p> <p>(b) The Board Charter requires the Company to disclose the number of times the Audit and Risk Committee (or, in its absence, the Board) met throughout the relevant reporting period, and the individual attendances of the members at those meetings. The Audit and Risk Committee Charter provides that the Audit and Risk Committee (or, in its absence, the Board) will review assessments of the effectiveness of risk management and internal compliance and control at least annually. A review will be conducted in the 2024 financial year.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>YES</p>	<p>The Company does not have an internal audit function. The Board considers the Board's oversight and financial control function in conjunction with its risk management policy is sufficient for a Company of its small size and lack of complexity. If the Company grows, the Board will consider whether the appointment of a contract internal auditor would be beneficial in assisting the Directors in discharging their responsibilities under the Audit and Risk Committee Charter. The Company evaluates and improves the effectiveness of its governance, risk management and internal control via the processes for review and oversight under that Charter.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>YES</p>	<p>The Company currently has no material exposure to environmental and social sustainability risks other than as detailed in Section 4. The Company's mineral exploration and development operations will be subject to environmental regulation and heritage legislation in the jurisdictions in which it operates.</p> <p>The Audit and Risk Committee Charter details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks as</p>

Corporate Governance Principles and Recommendations	Comply (Yes/No)	Explanation
		they arise. Review of the Company's risk management framework will be conducted at least annually.
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	YES	<p>The Board has appointed a dedicated Nomination and Remuneration Committee, which will have authority and power to exercise the roles and responsibilities granted to it under the Nomination and Remuneration Committee Charter, and any other resolutions of the Board from time to time.</p> <p>The committee is comprised of Mr Justin Clyne, Ms Anne Landry and Mr Philippe Martins two of whom are independent non-executive independent Directors, being Mr Justin Clyne and Ms Anne Landry. The chair of the Nomination and Remuneration Committee is Mr Justin Clyne.</p> <p>The roles and responsibilities of the Audit and Risk Committee are detailed in Schedule 4 of the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>The Company's Annual Information Form details the relevant qualifications and experience of the members of the Nomination and Remuneration Committee and the number of times the Nomination and Remuneration Committee met throughout the year and the individual attendances of the members at those meetings.</p>
<p>Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	YES	<p>The Company will disclose its policies and practices regarding the remuneration of Directors and senior executive in the Company's Annual Information Form.</p>
<p>Recommendation 8.3 A listed entity which has an equity based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>The Company has adopted a Share Option Plan (as summarised in Section 6.10). A copy of the Share Option Plan will be lodged with the ASX on Admission. Under the Company's Securities Trading Policy, participants are prohibited from engaging in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to any unvested entitlements in the Securities. The Company's Securities Trading Policy is available on the Company's website.</p>

4 Risk Factors

An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, a number of the risks are outside the control of the Directors and management of the Company and are unlikely to be mitigated.

The risks detailed in this Section are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risks detailed in, and others not specifically referred to in, this Section may in the future materially affect the financial performance and position of the Company and the value of the CDIs offered under this Prospectus (or the underlying Shares). The CDIs to be issued pursuant to this Prospectus (the underlying Shares) carry no guarantee with respect to the payment of dividends, return of capital or the market value of those CDIs. The risks detailed in this Section also necessarily include forward-looking statements. Actual events may be materially different to those detailed and, therefore, may affect the Company in a different way to that described.

Investors should be aware that the performance of the Company may be affected and the value of its CDIs may rise or fall over any given period. None of the Company, its directors or any person associated with any of the above parties guarantee the Company's performance, the performance of the CDIs the subject of the Offer or the market price at which the CDIs and Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether or not to apply for CDIs.

4.1 Company Specific Risks

(a) Future Capital Requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully explored, evaluated, developed and production commences. As an exploration entity, the Company does not operate on a cashflow positive basis and is reliant on raising funds from investors in order to continue to fund its operations and execute on its exploration strategy.

Whilst the Company considers that its existing cash and net proceeds from the Offer will be adequate to fund its activities and exploration program and budget for approximately 12 months, shortly thereafter, the Company will require further financing to implement its future exploration programs and fund general administrative costs. The Company considers that further financing will likely take the form of an equity capital raising which will be dilutive to Shareholders and may be undertaken at lower prices than the current market price (or Offer Price). Debt financing, if available and attractive, may involve restrictive covenants which will limit the Company's operations and activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when required, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

(b) Nature of Mineral Exploration and Mining

The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development require large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development activities may be deterred by circumstances and factors beyond the Company's control.

There can be no assurance that exploration and development at the Projects, or any other projects that may be acquired by the Company in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if a viable deposit is identified, there is no guarantee that it can be profitably exploited.

Whether a mineral deposit will be commercially viable depends on a number of factors. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on mineral rights and licences without receiving a return. There is no

certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

(c) **Operational Matters**

The operations of the Company may be affected by various factors that are beyond the control of the Company, including failure to identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, commodities, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. These risks and hazards could also result in damage to, or destruction of, facilities and equipment, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are largely beyond the control of the Company and, if they occur, may have an adverse effect on the financial performance of the Company and the value of its assets.

(d) **Insufficient Resources or Reserves**

Additional expenditures will be required to establish either Mineral Resource or Ore Reserve estimates on the Projects, in particular the Tiros Project, and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis or at all.

(e) **Limited Operating History**

The Company has incurred operating losses since its inception and does not have a significant history of business operations. Therefore, it is not possible to evaluate the Company's prospects based on past performance. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Projects, or any mineral rights/licences which are subsequently applied for or acquired by the Company. Unless and until the Company is able to realise value from its project interests, it is likely to incur ongoing operating losses.

There can be no certainty that the Company will achieve or sustain profitability, achieve or sustain positive cash flow from its operating activities or identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.

(f) **Exploration and Appraisals**

There is a significant risk for the Company of the proposed exploration activity being unsuccessful and not resulting in the discovery of a commercially viable mineral deposit. Mineral exploration by its nature is a high-risk activity and there can be no guarantee of success in the project areas where the Company holds interests in exploration permits. Whilst the Directors will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable mineral deposit may not occur.

The Company is engaged in early-stage exploration and appraisal activities. There is a risk that these activities will not result in the discovery of commercially extractable mineral deposits. Furthermore, no assurances can be given that if commercially viable mineral deposits are discovered, these will be able to be commercialised as intended, or at all.

Whether positive income flows ultimately result from exploration and development expenditure incurred by the Company is dependent on many factors such as successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

(g) **Metallurgy Risk**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and contain elements of risk such as:

- (i) errors and other risks associated with identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) errors and other risks associated with developing an economic process route to produce a metal and/or concentrate; and

- (iii) changes in mineralogy in the minerals deposit can result in inconsistent metal recovery, affecting the economic viability of a project.

(h) **Title Risk**

The Group's exploration and development activities (including at the Projects) are dependent upon the grant, the maintenance and renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of these mineral rights depend on the Group being successful in obtaining required statutory approvals and complying with regulatory processes. A failure to obtain these statutory approvals or comply with these regulatory processes may adversely affect the Group's title to the mineral rights, may prevent or impede the grant, acquisition or advancement of, or the conduct of activities within, mineral rights and may have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

Further, there is no guarantee or assurance that the licences, concessions, leases, permits or consents will be renewed or extended as and when required or that new conditions will not be imposed in connection with the Group's mineral rights. The renewal or grant of the terms of each licence is usually at the discretion of the relevant government authority. To the extent such approvals, consents or renewals are not obtained, the Group may be curtailed or prohibited from continuing with its exploration and development activities or proceeding with any future development, which may have a material adverse effect on the business, results of operations, financial condition and prospects of the Group. Refer to Section 2 and the Brazilian Solicitor's Report in Annexure E for further information.

(i) **Land Claims, Overlaps and Community Opposition**

The Company's exploration activities could potentially face disruptions or postponements from claims to the licence areas by other parties, community opposition or legal actions against the Company, including as a result of overlaps of areas covered by transmission lines. Such occurrences could have repercussions on the Company's operations and could also affect the value and performance of the CDIs/Shares.

(j) **Exploitation, Exploration and Mining Permits**

The mineral exploration permits that have been granted only permit exploration on those permits. In the event that the Group successfully delineates economic deposits on any mineral exploration permit, it will need to apply for a mining permit (as applicable). There is no guarantee that the Group will be granted a mining permit if one is applied for.

Potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of the Projects, or any other mineral exploration permits that may be acquired in the future, will result in the discovery of an economic deposit. Even if a viable deposit is identified, there is no guarantee that it can be economically exploited.

(k) **Mine Development**

Possible future development of mining operations at the Projects, in particular the Tiros Project, are dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, commodities, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk for third parties providing essential services.

No assurance can be given that the Tiros Project (or any other project) will achieve commercial viability. The risks associated with the development of a mine will be considered in full as part of the Company's exploration activities and will be managed with ongoing consideration of stakeholder interests.

(l) **Acquiring Additional Properties**

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the

Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable.

(m) **Risks Associated with Acquisitions**

If appropriate opportunities present themselves, the Company may acquire other mineral claims and/or companies. The Company currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired company or mineral rights into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortisation expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

(n) **Environmental Risks**

The minerals and mining industry has become subject to increasing environmental regulations and liability.

The operations and proposed activities of the Company are subject to state, federal and municipal laws, regulations and permits concerning the environment. If such laws are breached or modified, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities. As with most exploration operations, the Company's activities are expected to have an impact on the environment.

There are certain risks inherent in the Company's activities which could subject the Company to extensive liability. The cost and complexity in complying with the applicable environmental laws and regulations may affect the viability of potential developments of the Company's projects, and consequently the value of those projects, and the value of the Company's assets.

It may be required for the Company to conduct baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored and minimised wherever possible. No baseline studies have been done to date, and a discovery of endangered flora or fauna could, for example, prevent exploration and mining activity in certain areas.

(o) **Regulatory Requirements**

The current or future operations of the Company may require permits from various governmental authorities, and such operations will be governed by laws and regulations governing production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Amendments to current laws, regulations and permits governing operations and activities of companies such as the Company, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or costs or require abandonment or delays in the development of new projects.

(p) **Claims and Legal Proceedings**

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from the Company's operations. In addition, the Company may be involved in disputes with

other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact the Company's financial position, cash flow, results of operations and reputation, regardless of the specific outcome.

(q) **Force Majeure**

The Projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(r) **Reliance on Management and Dependence on Personnel**

The success of the Company will be largely dependent on the performance of the directors and officers and their ability to attract and retain key personnel on an ongoing basis. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

(s) **Conflicts of Interest**

Certain directors and officers of the Company may be engaged in, and may continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or propose contract or agreement that is material to the Company, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that such conflicts arise, such conflicts will be resolved in accordance with the BCBCA.

(t) **Economic, Political and Social Context in Brazil**

The success of the Company's mineral exploration and development activities in Brazil depends, in part, upon the performance of the Brazilian economy. Government policy changes (or the risk of the same) can occur following elections or in response to domestic or international issues and may entail important effects on the Company's operations. In Brazil, a new President was elected in late 2022 and took office on 1 January 2023. While the nature, scope and pace of any economic and policy changes are unknown, proposals during the Brazilian election campaign included tax reforms and an overhaul of the country's climate and environmental and nuclear policies. While the scope and pace of change in Brazil is not yet fully known, changes to existing mining policies, water use and ownership rights and royalties or other taxation levels, even if seemingly minor in nature, may adversely affect the Company's operations and financial condition.

(u) **Regulation and Tenure**

The Group's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. Although the Group believes that its exploration and planned development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development activities.

The Group's interests in mineral rights are subject to governmental approvals, licences and permits. The granting and enforcement of the terms of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Group will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Group may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties such as the Group, engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of those activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

(v) **Changes in Governmental Regulations**

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Group and cause increases in exploration expenses, capital expenditures or development or production costs or reduction in levels of activities or require abandonment or delays in exploration or development of mineral properties.

Although the Group has not experienced any material changes in law or regulation which have affected its business, if there was such a material change, this could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

(w) **Occupational Health and Safety Risk**

The health and safety of the employees of the Group are at risk due to the inherent nature of the operations of the Group.

Exploration and mining operations are inherently dangerous workplaces. The Group's exploration operations often place its employees and others in proximity with large pieces of mechanised equipment, moving vehicles, regulated materials and other hazardous conditions. As a result, the Group is subject to a variety of health and safety laws and regulations dealing with occupational health and safety. Additionally, the Group's safety record can impact the Group's reputation. Any failure to maintain safe work sites could expose the group to significant financial losses as well as civil and criminal liabilities, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

(x) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, insurance of all risks associated with exploration is not always available and, where it is available, the cost may be high.

The business of the Company is subject to risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as extreme weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, buildings, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(y) **Sovereign Risks**

Brazil is a federal presidential democratic republic. The political conditions in Brazil are generally stable, however, changes may occur in the political, fiscal and legal systems which may affect the ownership or operations of the Company or its Group such as changes in exchange rates, control or fiscal regulations, regulatory regimes, political insurrection or labour unrest, inflation or economic recession.

There are numerous risk factors associated with operating in foreign jurisdictions, such as Brazil, including economic, social or political instability or change, currency non-convertibility

or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, licensing, repatriation of income or return of capital, industrial relations laws, expropriation and nationalisation; renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, or changing political norms, government regulations that require the Company to favour or award contracts in employment of local citizens or purchasing supplies from particular jurisdictions which may be less developed than alternatives located in other jurisdictions.

There can be no guarantee that political and economic conditions shall remain stable and any adverse changes to these conditions may adversely affect the Company's operations and the Projects. In addition, failures by the Company to comply with foreign legislative or regulatory requirements may result in loss, reduction or expropriation of entitlements or the imposition of local or foreign parties as joint venture partners with carried or other interests. In addition, changes in government laws or regulations, including taxation, royalties, the repatriation of profits, restrictions on production, export controls, changes in taxation policies, environmental and ecological compliance, expropriation of property and shifts in the political stability of the country could adversely affect the Company's exploration, development and production initiatives in Brazil.

The likelihood of any of these changes, and their possible effects (if any) cannot be determined by the Company with any clarity at the present time. If any issues identified in this section were to arise, they could lead to disruption to the Company's operations, increased costs and, in some cases, total inability to establish or to continue minerals exploration, development and mining activities.

The Company's interests in Brazil are largely, at this time, comprised of various interests in exploration licences and associated contracts. If any contracts regulating the Company's interests in the Projects, were to be unenforceable in whole or in part, the Company would be adversely affected to the extent of any such unenforceability.

The Company has made investment and strategic decisions based on information currently available to the Board. Should there be any material change in the political, economic, legal and social environments in Brazil, or South America generally, the Company may reassess investment decisions and commitments to assets in Brazil and the region.

4.2 Industry Specific Risks

(a) Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Projects will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect operations.

(b) Fluctuating Market Costs

The economics of mineral exploration is affected by many factors beyond the Company's control including the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted.

(c) Competition

The mining industry is intensely competitive. The Company's ability to compete depends on, among other things, knowledgeable personnel, high product quality, competitive pricing and range of product offerings. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. The Company will compete with other mining companies, many of which have

greater financial resources for the acquisition of mineral rights, permits and concessions as well as for the recruitment and retention of qualified employees. As a result, the Company may be unable to acquire attractive mining properties on terms it considers acceptable.

(d) **Operating Hazards and Risks**

The ownership, exploration, operation and development of a mine or mineral property involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include environmental hazards, industrial accidents, explosions and third-party accidents, the encountering of unusual or unexpected geological formations, ground falls and cave-ins, mechanical failure, unforeseen metallurgical difficulties, power interruptions, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in environmental damage and liabilities, work stoppages, delayed production and resultant losses, increased production costs, damage to, or destruction of, mineral properties or production facilities and resultant losses, personal injury or death and resultant losses, asset write downs, monetary losses, claims for compensation of loss of life and/or damages by third parties in connection with accidents (for loss of life and/or damages and related pain and suffering) that occur on Company property, and punitive awards in connection with those claims and other liabilities.

4.3 General Investment Risks

(a) **Economic risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, including but not limited to:

- (i) general economic conditions;
- (ii) changes in government policies, taxation and other laws;
- (iii) the strength of the debt, equity and share markets in Australia, Canada and internationally;
- (iv) industrial disputes in Canada, Brazil and internationally;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (vii) natural disasters, social upheaval or war.

(b) **Trading Price of CDIs**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of CDIs. In addition, the price of CDIs is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the AUD on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving CDIs.

In particular, the CDI prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the market for CDIs will not be adversely affected by any such market fluctuations or factors.

There is currently no public market for CDIs, the price of CDIs is subject to uncertainty and there can be no assurance that an active market for CDIs will develop or continue after the Company is admitted to the Official List.

The price at which CDIs trade on ASX after listing may be higher or lower than the issue price of CDIs under the Offer and there can be no guarantee that the price of CDIs will increase.

There may be relatively few or many potential buyers of CDIs on ASX at any given time. This may increase the volatility of the market price of CDIs. It may also affect the prevailing market

price at which CDI Holders are able to sell their CDIs. This may result in CDI Holders receiving a market price for their CDIs that is above or below the price that CDI Holders paid.

(c) **Climate Change**

The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(d) **Corruption and Bribery Laws**

The Company's operations are governed by, and involve interactions with, many levels of government in Australia, Canada and Brazil. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents.

Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third-party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.

(e) **Research Analyst Reports**

The market for the trading of CDIs may be influenced by the research and reports which securities or industry analysts publish about its business. Securities and industry analysts may discontinue research on the Company, to the extent such coverage currently exists, or in other cases, may never publish research on the Company. If no or too few securities or industry analysts commence coverage of the Company, the market price for the trading of CDIs may be adversely affected. In the event that securities or industry analysts initiate coverage, if one or more of those analysts publish inaccurate or unfavourable research about the Company, the market value of CDIs may decline. If one or more analysts cease coverage of the Company or fail to publish regular reports on the Company, demand for CDIs may decrease which may cause a decline in the CDI price and trading volumes.

(f) **Legal Proceedings**

The Company may be subject to litigation arising in the normal course of business or otherwise and may be involved in disputes with other parties in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure or alleged failure to comply with disclosure obligations. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve litigation favourably, either by judicial determination or settlement, it may have a material adverse effect on the Company's financial performance and results of operations. At the Prospectus Date, there are no legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

The Company may, for example in relation to cross-border disputes, be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in any particular jurisdiction, such as Canada, Brazil or Australia.

The Company's ability to enforce its rights could have a material adverse effect on its future cash flows, earnings, results of operations and financial condition.

(g) **Taxation Risk**

Tax laws in Australia and Canada are complex and are subject to change periodically, as is their interpretation by the courts and the tax revenue authorities. Significant reforms and current proposals for further reforms to Australian and Canadian tax laws, as well as new and evolving interpretations of existing laws, give rise to uncertainty.

The precise scope of any new or proposed tax laws is not yet known. Any change to the taxation of CDIs (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax) may adversely impact on CDI Holder returns, as may a change to the tax payable by CDI Holders in general. Any other changes to Australian or Canadian tax law, and practice that impacts the Company, or the Company's industry generally, could also have an adverse effect on CDI Holder returns. Any past or future interpretation of the taxation laws by the Company, which is contrary to that of a revenue authority in Australia or Canada, may give rise to additional tax payable.

Additionally, by virtue of the Company operating in Brazil and having its functional currency in CAD, both the Company and its CDI Holders are exposed to other jurisdiction specific taxation laws, which may prove onerous and complex. In order to minimise this risk, in areas of uncertainty, the Company obtains external expert advice on the application of the tax laws to its operations (as applicable). However, there is no certainty that the interpretations of tax revenue authorities will accord with that advice.

The acquisition, holding and disposal of CDIs will have tax consequences that will differ for each investor depending on their individual and specific circumstances. All potential investors in the Company are urged to obtain independent advice regarding the tax and other consequences of acquiring CDIs, pursuant to the Offer, from a taxation viewpoint and generally.

The Australian and Canadian taxation implications detailed in Section 5.17 of this Prospectus are general in nature and do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the income tax, GST, stamp duty and withholding requirement consequences should be reconsidered by CDI Holders in light of the changes. The precise Australian and Canadian taxation implications of ownership or disposal of the CDIs will depend upon each CDI Holder's specific circumstances. All potential investors in the Company are urged to obtain independent advice regarding the tax and other consequences of acquiring CDIs, pursuant to the Offer, from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its respective officers and each of its respective advisers accept no liability or responsibility with respect to any tax consequences of applying for CDIs under this Prospectus.

(h) **Accounting Standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

4.4 **Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the CDIs offered under this Prospectus. Therefore, the CDIs to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those CDIs. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for CDIs pursuant to this Prospectus.

5 Details of the Offer

5.1 Structure of the Offer

The Offer under this Prospectus invites eligible investors to apply for 16,000,000 CDIs at an offer price of A\$0.50 per CDI (**Offer Price**) to raise A\$8,000,000 (before associated costs) (**Offer**).

The Offer comprises:

- (a) the Broker Offer, which is open to clients of Brokers who receive a firm allocation of Shares from the Lead Manager; and
- (b) the Public Offer which is open to members of the general public with registered addresses in Australia.

Each CDI represents the beneficial interest in one Share. The Shares underlying the CDIs will rank equally with existing Shares on issue. Details of the CDIs and a summary of the key differences between holding CDIs and holding the underlying Shares are detailed in Sections 6.3 and 6.4, and Annexure A.

The Offer is made on the terms, and is subject to the conditions, detailed in this Prospectus.

Persons wishing to apply for CDIs under the Offer should refer to Sections 5.9 to 5.12 for further details and instructions.

5.2 Minimum Subscription

The minimum subscription pursuant to the Offer is 16,000,000 CDIs (**Minimum Subscription**). None of the CDIs offered under this Prospectus will be issued if Applications are not received and accepted by the Company for at least A\$8,000,000.

Should Applications for the Minimum Subscription not be received within four months from the Prospectus Date, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

5.3 Conditional Offer

The Offer is conditional upon the following events occurring:

- (a) the Company raising the Minimum Subscription;
- (b) ASX providing the Company with a list of conditions acceptable to the Company which, once satisfied, will result in ASX admitting the Company to the Official List; and
- (c) the receipt of all necessary regulatory approvals on conditions acceptable to the Company, including any approvals required by ASX and TSX-V.

If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies in accordance with the Corporations Act.

5.4 Purpose of the Offer

The purpose of the Offer is:

- (a) raise A\$8,000,000 (before associated costs) pursuant to the Offer;
- (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission;
- (c) provide the Company with sufficient working capital at the time of Admission to pursue its business strategy and objectives detailed in Section 2.7;
- (d) provide a liquid market for its Shares to trade in the form of CDIs and an opportunity for others to invest in the Company; and
- (e) provide the Company with the benefits of an increased profile that arises from being a listed entity on ASX.

5.5 Funding Allocation

At the Prospectus Date the Company has cash reserves of approximately A\$1,469,000¹. The Offer will have an effect on the Company's financial position, being the receipt of funds of A\$8,000,000 (before associated costs).

The Board believes that its current cash reserves and the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus (refer to Section 2.7).

The following tables show the expected use of funds raised under the Offer, together with existing cash reserves, following Admission

Funds Available	Minimum Subscription (A\$6,000,000)	
	A\$ ¹	%
Existing cash reserves of the Company	1,469,000	11%
Cash proceeds to be received by the Company from the Offer (before costs)	8,000,000	89%
Total Funds Available	9,469,000	100%

Indicative Allocation of Funds	Minimum Subscription (A\$8,000,000)	
	Activity	Indicative Allocation of Funds
	A\$ ¹	%
Tiros Project		
Exploration Activities ²	2,546,994	26.90%
Technical Studies ²	1,661,436	17.55%
Technical / Exploration Personnel Costs ³	763,975	8.06%
Novo Mundo Project		
Exploration Activities ⁴	13,119	0.14%
Technical Studies ⁴	11,679	0.12%
Deferred Novo Mundo Payment ⁵	595,228	6.29%
Corporate		
Working Capital ⁶	750,172	7.92%
Costs of the Offer ⁷	938,600	9.91%
General Administration ⁸	2,187,797	23.11%
Total Indicative Allocation of Funds	9,469,000	100%

Notes:

- Assumes an exchange rate of C\$1 = A\$1.13. The AUD equivalents of those payments will naturally fluctuate with exchange rates equivalent of various payments which will ultimately be paid in other currencies (particularly the USD and CAD).
- Comprises exploration and drilling activities and metallurgical test work, setup costs and equipment and permitting and landholder compensation. Refer to Section 2.8 for further details.
- Includes salaries and wages of the technical team and oncosts and overheads of the Tiros Project. Refer to Section 2.8 for further details.
- Refer to Section 2.8 for further details.
- Refer to Section 6.7(b) for further details.
- Working capital also includes surplus funds and funds that may be applied to future acquisitions. The Directors will allocate surplus funds at their discretion.
- Refer to Section 6.19 for a summary of total costs. The above costs represent outstanding cash costs which will be settled post-closing.
- Includes the general costs associated with the management and operation of the business including but not limited to salaries, administration expenses, audit and accounting fees, legal fees, travel costs, business development costs, listing and share registry fees, remuneration of directors, management and other personnel, insurance, investor relations expenses, rent and other associated costs.

The above estimated expenditures are indicative only and will be subject to modification on an on-going basis depending on the results obtained from the Company's activities and other factors relevant to the Board's discretion as to usage of funding. Due to market conditions and the development of new opportunities or any number of other factors (including the risk factors detailed in the Investment Overview and Section 4), actual expenditure levels may differ significantly to the above estimates. The consideration of new opportunities may result in the Company expending funds on due diligence or other acquisition costs which may not be recouped through the ultimate acquisition and/or development of the project or business under consideration.

¹ Assumes an exchange rate of C\$1 = A\$1.13.

The Company may also pursue further business opportunities, such as those (without limitation) which may complement the Projects and there may be a need to direct funds for this purpose or to raise additional equity capital or debt capital. These new business opportunities may include project acquisitions, joint ventures, acquisition of tenements/permits, direct equity participation and/or other transaction structures.

The Company intends to capitalise on future opportunities as they arise which may result in costs being incurred that are not included in these summaries.

To continue activities on the Projects beyond the work programs detailed in Section 2.8 or to capitalise on future opportunities (and depending on the success of its activities) the Company will require debt or further equity fundraisings.

5.6 Forecasts

Due to the nature of the Company's business activities and the mineral exploration industry in which it operates, there are significant uncertainties associated with forecasting future events. The Company is an early-stage exploration company, which has no present source of revenue. The Company does not derive any income from mineral exploration activities, nor does it anticipate any such income in the immediate future.

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the Company is an early-stage exploration company with no source of revenue and the future operations of the Company are inherently uncertain. The Company accordingly makes no forecast of whether it will generate revenue or profits in future.

The Directors consequently believe that, given the inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 2 for further information in respect to the Company's existing and proposed activities.

5.7 Capital Structure

On the basis that the Offer is completed on the terms in this Prospectus, the Company's capital structure on the Prospectus Date and immediately upon Admission is as follows:

Securities on issue on the Prospectus Date	
Shares ¹	76,182,192
Options ²	10,810,000
Warrants ⁴	4,244,678
Performance Rights ⁵	750,000
Securities on issue immediately upon Admission	
Shares/CDIs ¹	92,182,192
Options ^{2, 3}	12,653,643
Warrants ⁴	4,244,678
Performance Rights ⁵	750,000

Notes:

1. CDIs are CHESS Depository Interests over underlying Shares. Refer to Annexure A for further information on CDIs. The rights attaching to the Shares and the CDIs are detailed in Sections 6.3 and 6.4 respectively.
2. Refer to Section 6.9 for the terms of the Options.
3. Includes the issue of 1,843,643 Lead Manager Options. Refer to Section 6.11 for the terms of the Lead Manager Options to be issued to the Lead Manager (and/or its nominees).
4. Refer to Section 6.12 for the terms of the Warrants.
5. Refer to Section 6.13 for the terms of the Performance Rights.

The Company additionally reserves the right to also utilise its 15% annual placement capacity under Listing Rule 7.1 after Admission, and to seek approval of Shareholders to issue further securities from time to time.

The Company reserves the right to issue further securities from time to time, such as (without limitation) to raise further capital or pursuant to its Share Option Plan summarised in Section 6.10. As at the Prospectus Date, the maximum number of Shares that may be issued under the Share Option Plan is 3,383,752. Note that this number is not intended to be a prediction of the actual number of securities to be issued under the Share Option Plan, but rather an indicative ceiling for the purposes of giving flexibility for the Board to issue up to that number of additional securities in the Company during the three years from Admission, without utilising the Company's 15% placement capacity under Listing Rule 7.1.

5.8 Restricted Securities and Escrow Arrangements

Chapter 9 of the Listing Rules prohibits holders of securities in the Company which ASX classifies as 'restricted securities' from disposing or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods (being escrow restrictions).

None of the CDIs to be issued or sold pursuant to the Offer will be subject to any ASX-imposed escrow or voluntary escrow restrictions.

The Company expects the following other securities to be subject to escrow at the time of Admission:

Holder	Type of Security	No.	Escrow Period
Directors ¹	Options	2,250,000	24 Months from Admission
Resmin (Mr Chris Eager) ²	Options	4,000,000	24 Months from Admission
RBM (Mr Rodrigo De Brito Mello) ³	Performance Rights	750,000	24 Months from Admission
RBM (Rodrigo De Brito Mello) ⁴	Shares	1,642,000	24 Months from Admission

Notes:

1. Refer to Section 6.9 for further details.
2. Refer to Section 6.9 for further details.
3. Refer to Section 6.13 for further details.
4. Refer to Section 6.7(a) for further details.

The Company will announce to ASX full details (quantity and duration) of securities to be held in escrow prior to the CDIs commencing trading on ASX.

The Company's free float (as defined in the Listing Rules) at the time of listing will be not less than 20%, as required by the Listing Rules.

5.9 Broker Offer

(a) Broker Offer

The Broker Offer is open to eligible Australian retail clients and other eligible clients (subject to compliance with applicable laws) of Brokers who have received an invitation from their Broker to apply for CDIs and are not in the United States and are not acting for the account or benefit of any person in the United States. If you have been offered a firm allocation by a Broker, you will be treated as an Applicant under the Broker Offer in respect of that allocation. You should contact your Broker to determine whether they may allocated CDIs to you under the Broker Offer.

(b) How to apply under the Broker Offer

If you have received an invitation to apply for CDIs from your Broker and wish to apply for those CDIs under the Broker Offer, you should contact your Broker for information about how to submit your Application Form and for payment instructions. Applicants under the Broker Offer must not send their Application Forms or payment to the Share Registry.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Broker clients should complete and lodge their Application Form with the Broker from whom they received their invitation to apply to participate in the Broker Offer. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form.

The Broker Offer opens on the Opening Date and Applications must be received by no later than 5:00pm (AWST) on the Closing Date. It is your responsibility to ensure your Application is received before 5:00pm (AWST) on the Closing Date.

(c) **How to pay**

Applicants under the Broker Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

(d) **Offer allocation policy**

CDIs that are allocated to Brokers will be issued to Applicants nominated by the Brokers (subject to the right of the Company to reject, aggregate or scale back Applications).

It will be a matter for each Broker as to how they allocate CDIs among their clients.

(e) **Acceptance of Applications**

An Application in the Broker Offer is a binding and irrevocable offer by the Applicant to apply for the amount of CDIs in the AUD amount specified in the Application Form at the offer price of A\$0.50 on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form. At the time of making an Application, an Applicant will not know the precise number of CDIs they will be allocated (if any).

The Company has the discretion, in consultation with the Lead Manager, to refuse any Application or to allocate a lesser number of CDIs than applied for by an Applicant. Consequently, an Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of CDIs to successful Applicants, conditional upon settlement and ASX agreeing to quote the CDIs on the ASX.

The Lead Manager and the Company reserve the right to reject any Application for any reason, such as if it is not correctly completed or if it is submitted by a person who they believe is ineligible to participate in the Broker Offer, or to waive or correct any errors made by an Applicant in completing their Application.

Successful Applicants in the Broker Offer will receive the number of CDIs equal to the value of their Application accepted and allocated by the Company divided by the offer price of A\$0.50 (rounded down to the nearest whole CDI), provided that sufficient Application Monies have been paid by the Applicant as consideration for those CDIs. No refunds pursuant solely to rounding will be provided.

5.10 Public Offer

(a) **Public Offer**

The Public Offer is open to members of the general public with registered addresses in Australia.

(b) **Applications under the Public Offer**

Applications for CDIs under the Public Offer must be made by using an online Application Form at <https://apply.automic.com.au/Resouro> and paying the Application Monies electronically.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for CDIs under the Public Offer must be for a minimum of A\$2,000 worth of CDIs (4,000 CDIs) and thereafter in multiples of 1,000 CDIs and payment for CDIs must be made in full at the Offer Price of A\$0.50 per CDI.

(c) **Electronic Payment**

If paying by BPAY® or EFT, please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such CDIs for which you have paid. Applicants using BPAY or EFT should be aware of their financial institution's cut-off time (the time payment must be

made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date of the Offer. Application Monies must be received by 5pm (AEST) on the Closing Date. You do not need to return any documents if you have made payment via BPAY or EFT.

When completing the BPAY payment, Applicants should ensure that they use the specific Biller Code and your unique CRN provided on the online Application Form. If Applicants do not use the correct CRN their Application will not be recognised as valid.

(d) **Allocation Policy**

The Company and the Lead Manager have absolute discretion regarding the allocation of CDIs to Applicants under the Public Offer and may reject an Application or allocate a lesser number of CDIs than applied for. If the number of CDIs allotted is fewer than the number applied for, surplus Application Money will be refunded without interest as soon as practicable after the Closing Date.

No Applicant under the Public Offer has any assurance of being allocated all or any CDIs applied for. The allocation of CDIs by Directors will be influenced by a number of factors including, but not limited to:

- (i) the number of CDIs applied for;
- (ii) the overall level of demand for the Offer;
- (iii) the desire for a spread of investors;
- (iv) the timeliness of the bid by Applicants;
- (v) the desire for an informed and active market of CDIs following Admission; and
- (vi) any other factors that the Company and the Lead Manager consider appropriate.

The Company will not be liable for any person not allocated CDIs or not allocated the full amount paid for.

5.11 Acceptance of Applications under the Offer

An Application is an offer by an Applicant to the Company to acquire CDIs in the amount specified on the Application Form (or any lesser amount determined by the Company) at the Offer Price on the terms and conditions detailed in this Prospectus (including any supplementary or replacement prospectus) and the applicable Application Form. To the extent permitted by law, an Application is irrevocable.

An Application may be accepted by the Company in respect of the full number of CDIs specified in the Application Form or any of them, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of CDIs to successful Applicants. The Company reserves the right to reject any Application which is not correctly completed, or which is submitted by a person who the Board believes is ineligible to participate in the Offer or any part of it, or to waive or correct any errors made by the Applicant in completing their Application. The Company also reserves the right to reject any Applications in the Board's discretion.

Applicants whose Applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any Application Monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of CDIs calculated by dividing the Application Monies by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of CDIs to be allocated will be rounded down. Your Application Monies should be for the entire number of CDIs you are applying for.

5.12 Additional Terms and Conditions of the Offer

Topic	Summary
What is the type of security being offered?	CDIs over Shares in the Company. Each CDI represents an interest in one Share.

Topic	Summary
What are the rights and liabilities attached to the security being offered?	A description of the CDIs and the underlying Shares, including the rights and liabilities attaching to them, is detailed in Sections 6.3 and 6.4 and Annexure A.
What is the consideration payable for each security being offered?	Successful Applicants under the Offer will pay the offer price of A\$0.50 per CDI.
What is the Offer Period?	<p>The key dates, including details of the Offer Period, are detailed on page 9.</p> <p>No CDIs will be issued on the basis of this Prospectus later than the Expiry Date.</p> <p>The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the dates and times without notice (including, subject to the Listing Rules and the Corporations Act, to close the Offer or any part of it early, to extend the Offer or any part of it, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Completion, in each case without notifying any recipient of this Prospectus or any Applicant).</p> <p>If the Offer is cancelled or withdrawn before Completion, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>Investors are encouraged to submit their Applications as soon as possible after the Offer opens.</p>
What are the cash proceeds to be raised?	A\$8,000,000 (before associated costs) will be raised under the Offer if the Offer proceeds.
Is the Offer underwritten?	No.
Who is the Lead Manager?	Taylor Collison Limited.
What is an Applicant applying for?	An Application is an offer by the Applicant to the Company to apply for all or any of the amount of CDIs specified in the Application Form on the terms detailed in this Prospectus.
What is the minimum and maximum Application size under the Offer?	The minimum Application size under the Offer is A\$2,000 worth of CDIs (and multiples of A\$500 thereafter). There is no maximum value of CDIs that may be applied for under the Offer.
What is the allocation policy?	The Lead Manager and the Company have absolute discretion regarding the allocation of CDIs to Applicants under the Offer and may reject an Application or allocate a lesser number of CDIs than applied for by the Applicant. The Lead Manager and the Company also reserve the right to aggregate any Applications that they believe may be multiple Applications for the same person.
When will you receive confirmation you're your Application has been successful?	<p>It is expected that holding statements and allotment confirmation notices will be dispatched by standard post on or about 30 May 2024.</p> <p>Refunds (without interest) to Applicants whose Applications are not accepted, or who are allocated a lesser number of CDIs than the</p>

Topic	Summary
Will the CDIs be quoted?	<p>amount applied for, will be made as soon as practicable after Completion.</p> <p>No refunds pursuant solely to rounding will be provided.</p> <p>The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List and quotation of CDIs on ASX (which will be under the ASX code "RAU").</p> <p>Completion of the Offer is conditional on ASX approving the Company's application for admission to the Official List and for the CDIs, including those offered by this Prospectus, which are not ASX restricted securities, to be granted Official Quotation. If ASX does not grant permission for Official Quotation within three months after the Prospectus Date, the Offer will be withdrawn and all Application Monies received will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>The Company will be required to comply with the Listing Rules, subject to any waivers obtained by the Company from time to time.</p> <p>ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List and may grant Official Quotation of the CDIs being offered is not to be taken as an indication of the merits of the Company or the CDIs offered pursuant to this Prospectus.</p> <p>The issue price of all CDIs for which the Company seeks quotation will be at least 20 cents in cash (or deemed to be such) in accordance with the Listing Rules.</p>
Are there any restricted securities?	<p>Yes, please refer to Section 5.8 for details.</p>
When are the CDIs expected to commence trading?	<p>Trading on ASX is expected to commence on a normal settlement basis on or about 4 June 2024.</p> <p>Following the issue of CDIs, successful Applicants will receive a holding statement or allotment confirmation notice detailing the number of CDIs issued to them under the Offer. It is expected that holding statements and allotment confirmation notices will be dispatched by standard post on or about 30 May 2024.</p> <p>It is the responsibility of each Applicant to confirm and verify their holding (by contacting their Broker or the Offer Information Line (refer to the contact details in response to the question "What should you do with any enquiries?" below)) before trading in CDIs. Applicants who sell CDIs before they receive a holding statement or allotment confirmation notice do so at their own risk.</p> <p>The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell or trade CDIs before receiving their holding statement or allotment confirmation notice, whether on the basis of a confirmation of allocation provided by any of them (such as through the Offer Information Line), a Broker or otherwise.</p> <p>Refer to Section 5.16 for further information.</p>
Are there any taxation considerations?	<p>The acquisition, holding and disposal of CDIs (and the Shares in which CDIs represent the beneficial interest) will have tax consequences, which will differ depending on the individual financial affairs of each investor and applicable laws. All potential investors in the Company are urged to obtain independent financial advice about the</p>

Topic	Summary
	<p>consequences of acquiring CDIs pursuant to the Offer, from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its respective officers and each of its respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for, or purchasing, CDIs under this Prospectus (and of acquiring an interest in Shares).</p> <p>Refer also to Section 5.17.</p>
<p>Are there any brokerage, commission or stamp duty considerations?</p>	<p>No brokerage, commission or stamp duty is payable by Applicants on the acquisition of CDIs under the Offer.</p>
<p>Acknowledgement</p>	<p>Each Applicant will be taken to have represented, warranted, agreed and acknowledged as follows:</p> <ul style="list-style-type: none"> • you understand that the CDIs have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws; and • you have not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States or elsewhere outside Australia.
<p>What should you do with any enquiries?</p>	<p>This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.</p> <p>All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 288 664 (within Australia) from 8:30am to 5:00pm (AEST), Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 2 9698 5414 from 8:30am to 5:00pm (AEST), Monday to Friday (excluding public holidays).</p>

5.13 Application Monies

Application Monies received under the Offer will be held in a special purpose bank account until CDIs are issued to successful Applicants. The Application Monies raised from the Offer will then be the Company's property.

Applicants under the Offer whose Applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied for, will be mailed a refund (without interest) for all or part of their Application Monies, as applicable. No refunds will be paid due solely to rounding.

Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

To apply to participate in the Offer, an Application Form must be completed and received, together with the Application Monies, in accordance with this Prospectus and the instructions on the Application Form.

5.14 Foreign Jurisdictions

(a) General

No action has been taken to register or qualify the CDIs, or the Offer or otherwise to permit the public offering of the CDIs, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of CDIs in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. This Prospectus may only be distributed outside Australia to investors to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

In particular, this Prospectus may not be distributed to any person, and the CDIs may not be offered or sold, in any country outside Australia except to the extent permitted in Sections 5.14(b) to 5.14(e).

(b) Canada

This Prospectus has not been filed with any securities commission in Canada and the CDIs may not be offered or sold within Canada or for the account of any Canadian residents except in transactions exempt from, or not subject to, the prospectus and registration requirements of applicable Canadian securities laws.

(c) New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The CDIs are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(d) Singapore

This Prospectus and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(e) United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the CDIs.

The CDIs may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

5.15 **CHESS and CDIs**

Successful Applicants should note that, as the Company is incorporated in Canada, they will be issued with CDIs instead of Shares under this Prospectus. The issue of CDIs instead of Shares is necessary because, under the Securities Transfer Act, uncertificated electronic share trading systems such as ASX's Clearing House Electronic Subregister System (**CHESS**) are incapable of transferring the ownership in shares of Canadian companies. Pursuant to the ASX Settlement Rules, CDI Holders receive all economic benefits of actual ownership of the underlying Shares. CDIs are traded in a manner similar to shares of Australian companies listed on ASX.

CDIs will be held in uncertificated form and settled/transferred through CHESS. No certificates will be issued to CDI Holders. Shareholders cannot trade their Shares on ASX without first converting their Shares into CDIs.

The main difference between holding CDIs and Shares is that CDI Holders hold the beneficial ownership in Shares instead of legal title. CHESS Depositary Nominees Pty Ltd (**CDN**), a subsidiary of ASX, will hold the legal title of the underlying Shares on the Company's central securities register for the benefit of the CDI Holder. The Shares underlying the CDIs issued pursuant to this Prospectus will be registered in the name of CDN for the benefit of CDI Holders. Each CDI represents one underlying Share.

CDN receives no fees from investors for acting as the depositary nominee in respect of CDIs.

With the exception of voting rights and certain other rights of Shareholders under Canadian law (as detailed in Section 6.3), the CDI Holders are generally entitled to equivalent rights and entitlements as if they were the legal owners of Shares. CDI Holders will receive notices of general meetings of Shareholders. As CDI Holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at Shareholder meetings of the Company on the instruction of the CDI Holders on a poll, not on a show of hands. CDI Holders are entitled to give instructions for one vote for every underlying Share held by CDN. Refer to Sections 6.3 and 6.4 and Annexure A for further information about Shares and CDIs.

The Company will apply to participate in CHESS, which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Settlement Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of CDI Holders.

The Company will not issue certificates of title to CDI Holders. Instead, as soon as is practicable after the issue of CDIs pursuant to this Prospectus, successful Applicants will receive a holding statement or allotment confirmation notice which details the number of CDIs issued to them, in much the same way as the holder of shares in an Australian incorporated ASX-listed entity would receive a holding statement in respect of shares. A holding statement will also provide details of a CDI Holder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements and allotment confirmation notices, an updated holding statement will only be provided at the end of any month during which changes occur to the number of CDIs held by CDI Holders. CDI Holders may also request statements at any other time (although the Company may charge an administration fee).

British Columbia securities laws restrict the trading of Shares in Canada for a period of four months and a day from the date of issuance. This will not prevent subscribers from being able to trade CDIs on the ASX once the Company is admitted to the Official List. However, it will prevent holders of CDIs on the ASX from transferring their shares to the TSX-V during the restriction period. Outside of this initial four month period when the transfer of CDIs from the ASX to the TSX-V is restricted, Shareholders will be able to transfer their CDIs/Shares between the ASX and TSX-V.

5.16 Selling CDIs On-Market

It is the responsibility of each Applicant to confirm and verify their holding before trading in CDIs, by contacting their Broker or the Offer Information Line, or by reviewing their holding statement or allotment confirmation notice. Applicants who sell CDIs before they receive a holding statement or allotment confirmation notice do so at their own risk.

The Offer Information Line can be contacted on 1300 288 664 (within Australia) from 8:30am to 5:00pm (AEST), Monday to Friday (excluding public holidays). If you are eligible to participate in the Offer and are calling from outside Australia, you should call + 61 2 9698 5414 from 8:30am to 5:00pm (AEST), Monday to Friday (excluding public holidays).

The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell or trade CDIs before receiving their holding statement or allotment confirmation notice, whether on the basis of a confirmation of allocation provided by any of them (such as through the Offer Information Line), a Broker or otherwise.

5.17 Taxation Considerations

(a) Australian taxation implications

The following comments provide a general summary of Australian tax issues for Australian tax resident Shareholders who acquire CDIs under this Prospectus.

The categories of Shareholders considered in this summary are limited to Australian tax resident individuals, trusts (other than managed investment trusts and attribution managed investment trusts), companies and complying superannuation entities, each of whom hold their CDIs on capital account. The comments are also applicable to Australian resident corporate Shareholders (other than life insurance companies or banks) that hold on capital account a less than 10% direct or indirect shareholding in the Company. The information is given on the basis that the Company is a Canadian tax resident and not an Australian tax resident.

The tax consequences for holders of CDIs will generally be the same as for holders of Shares. In this section, references to Shares and Shareholders should also be read as a reference to CDIs in respect of the Shares and holders of CDIs.

This summary does not consider the consequences for non-Australian tax resident shareholders, or Australian tax resident Shareholders who are insurance companies, banks, Shareholders that hold their CDIs on revenue account or carry on a business of trading in shares, Shareholders who are exempt from Australian tax or Shareholders who acquired their Shares in return for services (including under an employee share or option scheme). This summary also does not cover the consequences for Australian tax resident shareholders who are subject to Division 230 of the *Income Tax Assessment Act 1997* (Cth) (the Taxation of Financial Arrangements or "TOFA" regime) or are Australian resident corporate Shareholders with a greater than 10% direct or indirect shareholding in the Company or are subject to the Controlled Foreign Company rules contained in Part X of the *Income Tax Assessment Act 1936* (Cth). The comments in this summary are also on the basis that Australian tax resident Shareholders provide their Australian tax file number (or Australian Business Number as relevant) to the Company as applicable under Australian taxation law.

This summary is based on the law in Australia in force at the date of issue of the Prospectus. This summary does not take into account the tax law of countries other than Australia. This summary is general in nature and is not intended to be an authoritative or complete statement of all applicable laws. The taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal of the CDIs will depend on each Shareholder's specific and individual circumstances.

Shareholders should obtain their own advice on the taxation implications of holding or disposing CDIs, taking into account their specific circumstances. To the maximum extent permitted by law, the Company and its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for CDIs under this Prospectus.

Dividends

Where dividends on a CDI are distributed, those dividends will constitute assessable income of an Australian tax resident shareholder. Australian tax resident Shareholders should include the dividend in their assessable income in the year they derive the dividend (including a dividend reinvestment plan as relevant). Franking credits will not be attached to any dividends paid by the Company because the Company is a Canadian tax resident, not an Australian tax resident. As dividends will not have any franking credits attached, the dividends will be taxed at the prevailing tax rate of the Shareholder.

If any dividend is paid in the future, the Company may be required to withhold and remit a percentage of the gross dividend to the Canadian tax authorities (referred to as withholding tax). The Double Tax Agreement between Australia and Canada may impact the specific rate of any withholding tax. Shareholders should seek their own advice in relation to this.

Shareholders will receive any dividend net of any Canadian withholding tax (if applicable). However, Shareholders are required to report the gross amount of the dividend in their Australian assessable income (that is, the dividend plus any withholding tax that has been deducted) as foreign sourced dividend income. To the extent Canadian dividend withholding tax is withheld on dividend payments to Australian tax resident Shareholders, a foreign income tax offset (**FITO**) may be available in Australia to the Shareholder (subject to the relevant criteria being satisfied). A FITO acts broadly as a tax credit against the Australian tax liability arising from the dividends received. Where the tax liability is less than the FITO, the excess FITO is not refundable or otherwise available for use. The rules in relation to FITOs can be complex and Shareholders should seek advice taking into account their specific circumstances.

Disposal of CDIs

The disposal of a CDI by a Shareholder will be a capital gains tax (**CGT**) event in Australia. A capital gain will arise where the capital proceeds (generally, the market value of the consideration) received (or deemed to be received) pursuant to the disposal exceeds the cost base of the CDI (broadly, the amount paid to acquire the Share plus certain related transaction costs).

Any net capital gain (taking into account all capital gains and losses made by the Shareholder for the income year) should be included in the Shareholder's assessable income.

A CGT discount may generally be applied against the capital gain (after reduction of total capital gains by capital losses) where the Shareholder is an individual, complying superannuation entity or trustee of a trust and the CDIs have been held for at least 12 months (excluding the date of acquisition and date of disposal for CGT purposes) prior to the CGT event. If the CGT discount applies, only half (for individuals and trusts) or a third (for complying superannuation entities) of any net capital gain arising from the disposal of CDIs is included in the Shareholder's assessable income.

Where the Shareholder is the trustee of a trust that has held the CDIs for at least 12 months (excluding the date of acquisition and date of disposal for CGT purposes) prior to the CGT event, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the Australian tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will arise where the reduced cost base of the CDI exceeds the capital proceeds received (or deemed to be received) from the disposal. Capital losses may only be offset

against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied as applicable. Capital losses cannot be offset against other assessable income.

To the extent that the CDIs disposed of are considered ‘taxable Canadian property’ (see Section 5.17(b)) and subject to tax in Canada then a FITO should be available in Australia to the Australian tax resident Shareholders. The rules in relation to FITOs can be complex and Shareholders should seek advice taking into account their specific circumstances.

Goods & Services Tax (GST)

The acquisition or disposal of CDIs by Australian resident tax shareholders should not be subject to GST. However, Shareholders may incur GST on their costs associated with these events (i.e. brokerage). Shareholders who are registered for GST may not be entitled to claim full GST credits in respect of any GST included in these costs. Separate GST advice should be sought by Shareholders in this respect. No GST should be payable by Shareholders on receiving dividends distributed by the Company on CDIs.

Stamp Duty

Shareholders should not be liable for stamp duty levied by any State or Territory in Australia in respect of their acquisition of CDIs. Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

(b) Canadian taxation implications

Set out below is a general summary of certain Canadian federal income taxation considerations generally applicable to a Shareholder who acquires as beneficial owner CDIs under this Prospectus and who, for purposes of the *Income Tax Act* (Canada) including the regulations thereunder (**Tax Act**) and at all relevant times:

- is neither resident nor deemed to be resident in Canada;
- holds the CDIs as capital property and does not use or hold, and will not be deemed to use or hold, the CDIs in a business carried on in Canada;
- deals at arm’s length with the Company;
- has not entered into, with respect to their CDIs, a “derivative forward agreement”, “synthetic disposition arrangement” or a “dividend rental arrangement” each as defined in the Tax Act,

(each, a **Non-Canadian Shareholder**).

CDIs will generally be considered to be capital property to a Non-Canadian Shareholder unless the Non-Canadian Shareholder holds or uses the Shares or is deemed to hold or use the Shares in the course of carrying on a business of trading or dealing in securities or has acquired them or is deemed to have acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

Special considerations, which are not discussed in this summary, may apply to a Non-Canadian Shareholder that is an insurer that carries on an insurance business in Canada and elsewhere, an “authorized foreign bank” (as defined in the Tax Act) or that is a “foreign affiliate” (as defined in the Tax Act) of a taxpayer resident in Canada. Such Non-Canadian Shareholders should consult their own advisers.

This summary assumes that a purchaser of a CDI acquires a beneficial interest in, and is the beneficial owner of, the Share underlying the CDI.

This summary does not address or discuss the effect of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (**MLI**). The MLI entered into force in Canada on 1 December 2019. When applicable the MLI provides that a benefit under a particular treaty (such as a reduced withholding rate) shall not be granted under certain circumstances. The MLI applies to Canada's tax treaties and conventions with countries which have deposited their instruments of ratification with the OECD Depository and which have mutually indicated that their treaties or conventions with Canada will be covered by the ML.

The tax consequences for CDI holders in respect of CDIs generally should be the same as for holders of Shares. Accordingly, references to Shares should also be read in this Section 6.15(b) as a reference to CDIs in respect of the Shares.

This summary is based on the facts set out in this Prospectus, the current provisions of the Tax Act and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (**Proposed Amendments**) and the current provisions of the Canada-Australia Income Tax Convention (**Canada-Australia Tax Treaty**). This summary assumes that the Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed as, legal or tax advice to any particular Non-Canadian Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of Shares should consult their own tax advisers having regard to their own particular circumstances.

Currency Conversion

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Shares must be converted into Canadian dollars based on exchange rates as determined in accordance with the Tax Act. The amount of capital gains or capital losses realized by a Non-Canadian Shareholder may be affected by fluctuations in the Canadian/Australian dollar exchange rate.

Dividends

Dividends paid or credited, or deemed to be paid or credited, on the Shares to a Non-Canadian Shareholder will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Shareholder is entitled under any applicable income tax convention. For example, under the Canada-Australia Tax Treaty, where dividends on the Shares are considered to be paid to, or derived by, a Non-Canadian Shareholder that is the beneficial owner of the dividends and is an Australian resident for the purposes of, and is entitled to benefits of, the Canada-Australia Tax Treaty, the applicable rate of Canadian withholding tax is generally reduced to 15%.

Non-Canadian Shareholders should consult their own advisers if they are eligible for a reduced rate under any applicable income tax convention.

Disposition of Shares

A Non-Canadian Shareholder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of the Shares unless the Shares are “taxable Canadian property” to the Non-Canadian Shareholder for purposes of the Tax Act and the Non-Canadian Shareholder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Canadian Shareholder is resident.

Generally, the Shares will not constitute taxable Canadian property to a Non-Canadian Shareholder at a particular time provided that the Shares are listed at that time on a designated stock exchange (which includes the TSX-V and ASX), unless at any particular time during the 60-month period that ends at that time:

- (i) one or any combination of:
 - (A) the Non-Canadian Shareholder;

- (B) persons with whom the Non-Canadian Shareholder does not deal with at arm's length;
 - (C) partnerships in which the Non-Canadian Shareholder or a person described in (B) above holds a membership interest directly or indirectly through one or more partnerships; and
 - (D) has owned 25% or more of the issued shares of any class or series of the capital stock of the Company; and
- (ii) more than 50% of the fair market value of the Shares was derived directly or indirectly from one or any combination of:
- (A) real or immovable properties situated in Canada;
 - (B) "Canadian resource property" (as defined in the Tax Act);
 - (C) "timber resource property" (as defined in the Tax Act); and
 - (D) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists.

Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Shares could be deemed to be taxable Canadian property. Non-Canadian Shareholders whose Shares may constitute taxable Canadian property should consult their own tax advisers.

5.18 Discretion Regarding the Offer

The Company may withdraw the Offer at any time before the issue of CDIs to successful Applicants. If the Offer, or any part of it, does not proceed, the relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.

The Company, in consultation with the Lead Manager, also reserves the right to close the Offer or any part of it early, extend the date the Offer closes, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer CDIs than applied for by an Applicant.

5.19 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company. Section 4 details (non-exhaustively) key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

5.20 Paper Copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement prospectus or documents) and the applicable Application Form to eligible investors upon request and free of charge. Requests for a paper copy should be directed to the Offer Information Line on 1300 288 664 (within Australia) or + 61 2 9698 5414 (outside Australia) from 8:30am to 5:00pm (AEST), Monday to Friday (excluding public holidays).

5.21 Powers of the Company in relation to Applications

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant has applied. Without limitation, the Board may in its absolute discretion, without notice to any Applicant and without giving any reason:

- (a) withdraw the Offer at any time before the issue of CDIs to successful Applicants;
- (b) decline an Application;
- (c) accept an Application for its full amount or any lower amount;
- (d) determine a person to be eligible or ineligible to participate in the Offer;

- (e) waive or correct any errors made by an Applicant in completing their Application Form;
- (f) amend or waive the Offer application procedures or requirements in compliance with applicable laws; or
- (g) aggregate any Applications that they believe may be multiple Applications from the same person.

5.22 Accounting Standards and Auditing Standards

The Historical Financial Information has been audited or reviewed in accordance with Canadian generally accepted auditing standards in respect of annual financial reports, and these standards will continue to apply to the Company's financial statements after its Admission.

To the extent not already permitted by ASX's guidance, ASX has given in-principle advice to the Company that, based solely on the information provided and on receipt of a formal listing application from the Company, ASX would be likely to agree to the use of these accounting standards by the Company and auditing standards by Canadian generally accepted auditing standards. Accordingly, the IFRS will continue to apply to the preparation of the Company's financial statements after Admission.

Investors are urged to read the Independent Limited Assurance Report in Annexure C in full.

5.23 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

For any questions relating to the Offer and the completion of an Application Form, please call the Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 8:30am to 5:00pm (AEST), Monday to Friday (excluding public holidays).

6 Additional Information

6.1 Foreign Company Registration in Australia

On 20 November 2023, the Company was registered as a foreign company in Australia pursuant to the provisions of the Corporations Act with ARBN 671 716 457. As part of this process, the Company has appointed Mr Justin Clyne as its local agent. Mr Clyne, as the Company's local agent, is authorised to accept service of process and notices on behalf of the Company.

6.2 Company Tax Status and Financial Year

The Company is registered in Canada. A summary of the Canadian income tax and territorial tax regime which apply to the Company is detailed in Section 5.17. The Company is not a tax resident in Australia. The financial year of the Company ends on 31 March of each year. A summary of the Accounting Standards which apply to the Company is described in the Independent Limited Assurance Report (which is included in Annexure C).

6.3 Rights Attaching to Shares and Certain Provisions of the Articles

The rights and liabilities attaching to Shares in the Company are governed by the Articles and the BCBCA. A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Articles, as well as certain Shareholder rights under the BCBCA, are described below. This summary is not exhaustive and does not constitute a definitive statement of all the rights and liabilities of Shareholders and is qualified by the terms of the Articles and the BCBCA. The summary assumes that the Company is admitted to the Official List.

If you would like a copy of the Articles, this is available by contacting the Company via email at sandra.evans@resouro.com. You should consult with your own legal adviser if you require further information.

For the avoidance of doubt, unless a reference is made to a beneficial owner of a Share (which includes a CDI Holder) the below summary relates to the rights of a directly registered holder of Shares in the Company only. A summary of certain rights of CDI Holders is described in Section 6.4.

(a) Voting

At any meeting of Shareholders:

- (i) on a vote by show of hands, every person present who is a Shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (ii) on a poll, every Shareholder entitled to vote on the matter is entitled, in respect of each share entitled to be voted on the matter and held by that Shareholder, to one vote and may exercise that vote either in person or by proxy.

If there are joint Shareholders registered in respect of any Share, any one of the joint Shareholders may vote at any meeting of Shareholders, either personally or by proxy, in respect of the Share as if that joint Shareholder were solely entitled to it. If more than one joint Shareholder is present at any meeting of Shareholders, personally or by proxy, and more than one of the joint Shareholders votes in respect of that Share, then only the vote of the joint Shareholder present whose name stands first in the central securities register in respect of the Share will be counted.

As detailed in Section 6.4, holders of CDIs can attend but cannot vote in person at a general meeting, and must instead direct CDN how to vote in advance of the meeting. Any notice of meeting issued to CDI Holders will include a form permitting the holder to direct CDN to cast proxy votes in accordance with the CDI Holder's written instructions.

If, pursuant to the Listing Rules, a notice of meeting contains a voting exclusion statement which excludes certain named persons (or class of persons) and their associates from voting on a particular resolution, any votes cast on that resolution by the named person (or class or person) excluded from voting or an associate of that person must be disregarded.

(b) Meetings

Unless deferred or waived in accordance with the BCBCA, an annual general meeting of Shareholders is required to be held by the Company once in every calendar year and not more than 15 months after the last annual general meeting of Shareholders.

The BCBCA and the Articles require that notice of a meeting of Shareholders for public companies must be provided not less than 21 days in advance of the meeting. However, public

companies incorporated under the BCBCA are also subject to the requirements of National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (NI 54-101), which provides for minimum notice periods of greater than the minimum 21 day period in the statute. Under NI 54-101, the record date for determining the registered Shareholders that are entitled to receive notice of the meeting may not be less than 30 days nor more than 60 days prior to the date for the meeting, subject to certain exceptions. In addition as a "reporting issuer" under NI 54-101, the Company is required, subject to certain exemptions, to notify certain intermediaries at least 25 days prior to the record date.

Under the BCBCA, the Company is required to give notice only to registered Shareholders entitled to vote at the meeting as well as its directors. Under applicable Canadian securities laws, the Company is also required to give notice to certain beneficial shareholders.

As noted above, CDI Holders may only exercise their vote by directing CDN accordingly.

In addition, under the BCBCA, a Shareholder(s) holding in the aggregate of at least 5% of the Shares has the right to requisition a general meeting of Shareholders for the purpose of transacting any business that may be transacted at a general meeting of Shareholders. The BCBCA details the information that must be included in such a request, and the timing requirements.

(c) **Shareholders Rights to Bring a Resolution Before a Meeting**

A shareholder proposal (a **Proposal**) is a document setting out a matter that the submitter wishes to have considered at the next annual general meeting of the Company. Under the BCBCA, Proposals may be submitted by both registered and beneficial Shareholders who are entitled to vote at an annual Shareholders' meeting who in the aggregate constitute at least one percent of the Shares or have Shares with a fair market value of more than C\$2,000, provided that the shareholder has been a registered owner or beneficial owner of one or more Shares for an uninterrupted period of at least two years before the date of the signing of the Proposal. Such entitled shareholder may not submit a Proposal if within two years of the date of signing the Proposal, the person failed to present, in person or by proxy, at an annual general meeting, an earlier Proposal of which they were the submitter and in response to which the Company had complied with the technical requirements for Proposals under the BCBCA. A Proposal must be received at the registered office of the Company at least three months before the anniversary of the previous year's annual reference date.

If a Proposal has been submitted in accordance with the BCBCA, the Company would then be required to set out the text of the Proposal in its management proxy circular (and, if requested by the person submitting the Proposal, include or attach in its management proxy circular a statement by the Shareholder in support of the Proposal not exceeding 1,000 words).

The BCBCA provides for exemptions from the requirements to include a Proposal in the Company's management proxy circular in certain circumstances, including where:

- (i) the directors have called an annual general meeting to be held after the date on which the Proposal is received by the company and have sent notice of that meeting;
- (ii) the Proposal is not valid, as it does not meet the requirements of the BCBCA;
- (iii) substantially the same proposal was submitted to Shareholders in a notice of meeting or, an information circular or equivalent, relating to a general meeting that was held not more than 5 years before the receipt of the Proposal, and did not receive the prescribed amount of support at the meeting;
- (iv) it clearly appears that the Proposal does not relate in a significant way to the business or affairs of the company;
- (v) it clearly appears that the primary purpose for the Proposal is (i) securing publicity, or (ii) enforcing a personal claim or redressing a personal grievance against the company or any of its directors, officers or security holders;
- (vi) the Proposal has already been substantially implemented;
- (vii) the Proposal, if implemented, would cause the company to commit an offence; or
- (viii) the Proposal deals with matters beyond the company's power to implement.

(d) **Dividends**

Pursuant to the Articles and subject to applicable law, the Board may from time to time declare and authorise payment of such dividends as they may deem advisable, and the Board may determine the date for payment of such dividends, manner of payment of the dividend and the record date for determining the Shareholders entitled thereto.

Subject to the rights of the holders of Shares with special rights as to dividends (currently there are no such special rights), any dividend paid by the Company shall be allocated among Shareholders entitled thereto in proportion to their respective holdings of the Shares in respect of which such dividend is being paid.

(e) **Transfer of Shares**

Pursuant to the Articles and subject to applicable law, Shares may be transferred by a written instrument of transfer which complies with the Articles and applicable law.

The Board must not refuse to register a transfer of CDIs when required by the Listing Rules or ASX Settlement Rules.

(f) **Issue of Further Shares**

The BCBCA permits shares with or without par value. Pursuant to the Company's Notice of Articles, the Company is authorised to issue an unlimited number of common shares without par value.

The Shares may be issued for such consideration as the Company's directors may determine. Shares issued by a company governed by the BCBCA are non-assessable and may only be issued if consideration for such shares is fully paid.

As a TSX-V listed company, issuances of securities by the Company require the prior approval of TSX-V. TSX-V may impose conditions on a transaction or grant exemptions from its own requirements. TSX-V will consider various factors, including the involvement of insiders in the transaction, the offering price relative to the market price and whether the transaction materially affects control of the issuer.

TSX-V will generally require securityholder approval for: (a) any transaction which results in the creation of a new Control Person (defined below); (b) any transaction where the number of securities issued or issuable to non-arm's length parties as a group as payment of the purchase price for an acquisition, exceeds 10% of the number of outstanding securities of the company; and (c) the sale of more than 50% of the company's assets, business or undertaking.

The TSX-V defines "**Control Person**" as any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of a company so as to affect materially the control of that company, or that holds more than 20% of the outstanding voting shares of a company except where there is evidence showing that the holder of those securities does not materially affect the control of the company.

For distributions of listed securities in reliance on a prospectus exemption (known as private placements), TSX-V may require securityholder approval if the transaction results in the creation of a new Control Person. The TSX-V may also require securityholder approval for a private placement that appears to be undertaken as a defensive tactic to a takeover bid or if the issuance of securities pursuant to the private placement is a related party transaction.

(g) **Voluntary Dissolution**

Pursuant to the BCBCA, the Company may apply to be dissolved if it is authorised to do so by an ordinary resolution passed by the Shareholders, it has no assets and it has no liabilities or has made adequate provisions for the payment of each of its liabilities.

Pursuant to the BCBCA, the Company may liquidate if it has been authorised to do so by a special resolution passed by the Shareholders. Concurrently, the Company must also appoint a qualified liquidator approved by an ordinary resolution passed by the Shareholders.

If the Company is wound up, liquidated or dissolved, then, subject to applicable law and to the rights of the holders of shares with special rights upon winding up, if any, the assets of the Company legally available for distribution among the Shareholders, after payment of all debts and other liabilities of the Company, shall be distributed to the Shareholders in proportion to their respective holdings of the shares in respect of which such distribution is being made.

(h) **Variation of Rights**

At present, the Company's only class of Shares is common shares without par value. Subject to the Articles and the BCBCA, amendments to the special rights and restrictions attached to any issued shares of the Company require the approval of the holders of the class or series of shares affected.

(i) **Directors – Appointment and Removal**

Each of the Directors shall be elected at each annual general meeting of Shareholders and shall serve in office until immediately before the election or appointment of Directors at the next annual general meeting, unless they vacate their office earlier. Each Director retiring at an annual general meeting of Shareholders is eligible to be re-elected at that meeting.

The Board may also appoint additional Directors (up to one-third of the number of Directors elected at the previous annual general meeting) or Directors to fill a casual vacancy. Directors so elected or appointed must retire at the next annual general meeting, at which they may seek re-election.

A Director may be removed from office by a special resolution passed by the Shareholders. The Board shall also be entitled to remove from office any Director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the Board may appoint a director to fill the resulting vacancy.

(j) **Directors – Fees and Remuneration**

Under the Articles, the Directors may fix the remuneration of the Directors, officers and employees of the Company. Additional remuneration may be paid above this fixed amount to directors providing professional or other services to the Company outside the ordinary duties of a director. Under applicable Canadian securities law, a report on executive compensation is required to be included in the management proxy circular in connection with the annual meeting each year.

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

(k) **Indemnities**

The Company must indemnify a director or former director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. In addition, subject to any restrictions in the BCBCA, the Company may indemnify any other person.

(l) **Alteration to the Articles**

The Company's charter documents consist of a "Notice of Articles", which sets forth the name of the company and the amount and type of authorised capital, and "Articles" which govern the management of the company. The notice of articles is filed with the Registrar of Companies and the articles are filed with the company's registered and records office. Subject to the BCBCA, the Articles regulate the business and affairs of the company and provide for matters including the allotment and issuance of shares, the calling of, and voting at, Shareholders' and directors' meetings and the quorum requirements for such meetings, elections to the Board and appointment of officers, the payment of dividends, the borrowing powers and restrictions on a corporation, filling of vacancies, notices, types and duties of officers, the appointment of committees and other routine conduct.

The required authorisation to amend the Notice of Articles or Articles under the BCBCA will be specified in the BCBCA or the Articles based on the type of resolution.

In many instances, including a change of name or amendments to the Articles, the BCBCA or the Articles may provide for approval solely by a resolution of the directors or by ordinary resolution of the Shareholders. If the type of resolution is not specified in the BCBCA or the Articles, most amendments will require a special resolution of the Shareholders to be approved by not less than two-thirds of the votes cast by the Shareholders voting on the resolution.

Amendments to the special rights and restrictions attached to issued Shares require, in addition to any resolution provided for by the Articles, consent by a special resolution of the holders of the class or series of Shares affected.

6.4 Rights Attaching to CDIs

With the exception of voting rights and certain rights afforded to directly registered Shareholders, CDI Holders generally have equivalent rights as holders whose securities are legally registered in their own name. The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI Holders as if they were the directly registered legal owners of the underlying Shares.

The ASX Settlement Rules require the Company to give notices to CDI Holders of general meetings of Shareholders. The notice of meeting must include a voting instruction form permitting the CDI Holder to direct CDN how to vote on a particular resolution, in accordance with the CDI Holder's written directions. CDN is then obliged under the ASX Settlement Rules to lodge proxy votes in accordance with the directions of CDI Holders. CDI Holders cannot vote personally at Shareholder meetings, except as a proxy holder if CDN has appointed them as proxy holder in respect of Shares underlying their CDIs. Specifically, CDN may upon request from one or more CDI Holders, appoint one or more CDI Holders (or their nominees) as proxy holders, subject to and in accordance with the ASX Settlement Rules, to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy form.

Otherwise, the CDI Holder must convert their CDIs into directly registered Shares prior to the relevant record date for the meeting in order to vote in person at the meeting. However, if thereafter the former CDI Holder wishes to sell their investment on ASX, it would be necessary to convert the Shares back to CDIs.

However, there are also certain mandatory voting exclusions pursuant to the Listing Rules which, commencing from Admission, will apply pursuant to the Articles to prevent the votes of certain Shareholders (and CDI Holders) from being counted towards the approval of certain resolutions, as for any ASX-listed company.

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance.

Annexure A provides a further description of the rights and entitlements attaching to CDIs generally.

6.5 Converting Between Shares and CDIs

CDI Holders may at any time convert their holding of CDIs (tradeable on ASX) to Shares by:

- (a) in the case of CDIs held through the issuer sponsored sub-register, contacting the Share Registry in Australia directly to obtain the applicable request form; or
- (b) in the case of CDIs which are sponsored on the CHESSE sub-register, contacting their controlling participant (usually a broker). In this case, their controlling participant will arrange for completion of the relevant form and its return to the Share Registry in Australia.

Upon receipt of a request form the relevant number of CDIs will be cancelled. The Shares will be transferred from CDN and be registered into the name of the CDI Holder in book entry or certificated form on the register of Shareholders in Canada with a holding statement or a share certificate despatched to the registered address. Trading will no longer be possible on ASX.

A holder of Shares may also convert their Shares to CDIs, by contacting the Corporate Secretary via email at sandra.evans@resouro.com. In this case, the Shares will be transferred from the Shareholder's name into the name of CDN and a holding statement, reflecting the CDIs issued, will be despatched to the registered address of the holder who converted their Shares to CDIs. The CDIs will be tradeable on ASX.

Annexure A provides a further description of these matters and the rights and entitlements attaching to CDIs generally.

6.6 Comparison of Laws

The Company, as a company incorporated under the laws of British Columbia, Canada, is governed by the Articles of the Company and the laws of British Columbia, Canada, specifically the BCBCA. In

addition to this, as the Company's shares are listed on TSX-V, the Company is also governed by the rules, regulations and policies of the TSX-V.

Subject to the Company's application for admission to the Official List being granted by ASX, the CDIs offered by this Prospectus will be granted Official Quotation. The Listing Rules (and other ASX rules) will apply to the Company (except to the extent waived by ASX from time to time).

Annexure B summarises some material differences relating to certain laws applicable to holding shares in an Australian public company as compared to holding Shares or CDIs in the Company. The summary is a general description only. It is provided as a general guide and does not purport to be a comprehensive analysis of all the consequences resulting from holding, acquiring or disposing of Shares or CDIs in the Company. Further, it is not an exhaustive statement of all relevant laws, rules, regulations and policies. The laws, regulations, policies and procedures are subject to change from time to time. The outline is not legal advice, and may not be used or relied on for that purpose. If you are in any doubt as to your own legal position, you should seek independent professional advice.

6.7 Material Contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for CDIs under the Offer.

The provisions of such material contracts are summarised in this Section 6.7 or in Section 3.3 above (and some of them are also summarised in the Brazilian Solicitor's Report in Annexure E).

(a) Tiros Project Agreements

The Company has a 90% interest in the Tiros Project. The agreements by which the Company acquired its interest in the Tiros Project are detailed below.

(i) Main Agreement

In or about August 2023, the Company entered into agreements to acquire a 33.3% interest in the Tiros Project and the right to earn the remaining interest upon achieving certain milestones (**Tiros Project Agreements**). Pursuant to the terms of the Tiros Project Agreements:

- (A) the Company acquired 33.3% of the outstanding shares of TSPS (then named Brazil Copper Pte Ltd), a company incorporated in Singapore whose subsidiary BCML (to be renamed TMEL), a company incorporated in Brazil, holds the titles that initially comprised the area of the Tiros Project. The remaining 66.7% ownership of the TSPS shares were held by RBM Consultoria Mineral Eireli (**RBM**); and
- (B) the Company issued 4,000,000 Options exercisable at C\$0.20 and expiring on 11 March 2029 (refer to Section 6.9(c) for the terms and conditions of those Options) to Mr Christopher Eager under the terms of the Plan in consideration for the Company's acquisition of the outstanding shares of TSPS.

The Tiros Project Agreements were subsequently amended, via addendum agreed to by all the parties, in October 2023 (**First Addendum**) and January 2024 (**Second Addendum**).

The Tiros Project Agreements provided that the Company, via TSPS, would increase its ownership interest in BCML via a three-stage earn-in. However, the earn-in was accelerated pursuant to the First Addendum (the terms of which are summarised in Section 6.7(a)(ii)) following which the Company became the holder of 100% of the issued and outstanding shares of TSPS (and held a 90% indirect interest in the Tiros Project).

RBM holds a 10% free carried interest in BCML's equity (the **RBM BCML Interest**) until a decision to mine the Tiros Project is made by TSPS (at its sole discretion). Following the completion of a definitive feasibility study, the Company will have the exclusive option to facilitate the sale of all rights over the RBM BCML Interest. If a decision to mine the Tiros Project is made by TSPS, then TSPS and RBM must contribute to the costs incurred by BCML in proportion to their respective shareholdings in BCML, save that TSPS shall fund RBM's free carried 10% interest in BCML by way of loans.

BCML's gross proceeds shall be allocated in the following order of priority:

- (A) paying of all operational expenses incurred by BCML;
- (B) paying any debt financing arrangement incurred to fund operations, including the loans provided by TSPS in favour of RBM;
- (C) keeping as working capital, as deemed appropriate by TSPS; and
- (D) distributing dividends, proportionally to respective shareholding.

Additionally, TSPS may require that RBM to grant a security interest over its shareholding to third parties to obtain investments.

Otherwise, the Tiros Project Agreements provide that no party shall be liable for any loss of profits, consequential or indirect losses or damages and that any assets that are part of the Tiros Project Agreements may only be assigned to third parties if the other party agrees.

(ii) **First Addendum**

Pursuant to the terms of the First Addendum:

- (A) RBM assigned and transferred to the Company 100% of its issued shares in TSPS; and
- (B) the Company issued RBM:
 - (I) 1,642,000 Shares; and
 - (II) 750,000 Performance Rights (refer to Section 6.13 for the terms and conditions of the Performance Rights),

each subject to any applicable hold or escrow periods under the policies of the TSX-V or the Listing Rules.

Following completion of the assignment of all RBM's shares in TSPS to Resouro and the issuance of the securities detailed above, the Company became the holder of 100% of the issued and outstanding shares of TSPS (and therefore holds a 90% indirect interest in the Tiros Project).

(iii) **Second Addendum**

Pursuant to the terms of the Second Addendum, the parties agreed that:

- (A) Mr Mello would not be appointed to the Board provided in the First Addendum) or as project manager of the Tiros Project pursuant to the terms of the Tiros Project Agreements; and
- (B) the BCML constitution will not be amended; and
- (C) there will be no change to the rights attaching to any securities issued by BCML and no alternation of the share capital (whether by way of reduction, increase, consolidation, subdivision, cancellation or otherwise) of BCML, other than as expressly set out in the Tiros Project Agreements.

(b) **Novo Mundo Agreement and Coogavepe Agreement**

On 6 May 2021, ISON entered into a definitive purchase agreement (**Novo Mundo Agreement**) with Nexa Recursos Minerais SA (**Nexa Sub**), a subsidiary of Nexa Resources SA (NYSE: NEXA) (**Nexa**), pursuant to which the Company agreed to purchase from Nexa Sub a 100% right to three mineral processes and rights in the Novo Mundo Gold Project.

The Novo Mundo Agreement provides that:

- (i) the consideration to be paid and/or satisfied by the Company to Nexa Sub for the acquiring the Novo Mundo Project includes:
 - (A) cash payments (which have been paid);
 - (B) the potential granting of net smelter royalty (refer to Section 6.7(b)(ii)); and

- (C) the assumption of Nexa's obligations under an agreement (**Coogavepe Agreement**) with "Coogavepe", who were previous owners of the Novo Mundo Project and are a local group of artisanal miners.
- (ii) by May 2024, the Company and Nexa Sub will determine if the Novo Mundo Gold Project is a precious metal or base metal (copper, zinc, lead) project. If the Novo Mundo Gold Project is determined to be:
 - (A) a base metal project:
 - (I) Nexa Sub can elect to explore base metals within the Novo Mundo Project and grant a 1.5% net smelter royalty to the Company. The Company will retain the right to develop all and any precious metals at the project site and continue mining operations on the mineral rights unless they adversely affect the development of the base metals mining project; or
 - (II) Nexa Sub can elect not to explore base metals within the Novo Mundo Gold Project, then the Company can elect to explore the Novo Mundo Gold Project and grant a 1.5% net smelter royalty to Nexa;
 - (B) 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% net smelter royalty to Nexa Sub; or
 - (C) a predominantly precious metals, then base metals will be considered to be by-products of the precious metals production for the purposes of the Novo Mundo Agreement.
- (iii) the Company has the option to buy back any net smelter royalty granted under the Novo Mundo Agreement for a purchase price of US\$5,000,000 if such purchase is made before 11 May 2026. After 11 May 2026, the Company has a right of first refusal to buy back the net smelter royalty if any third party wants to purchase it.

The terms of the Coogavepe Agreement provide that if the Company determines to continue with the work moving on to the third phase of exploration, it must pay Coogavepe the amount of BRL 2,500,000 (approximately A\$782,245) within 30 days of the first approval of the lodged final exploration reports delivered to ANM relating to the Novo Mundo tenements. The approval of the first partial exploration report occurred in January 2023, and the parties agreed on parcelling the mentioned amount, being BRL 750,000 due and paid 20 December 2023, BRL 250,000 due and paid 20 February 2024 and BRL 1,500,000 due 31 May 2024. If a Novo Mundo tenement reaches the phase of mining, the Company shall pay to Coogavepe, from the effective sale of the ore extracted from the exploration areas, a 1.5% net smelter royalty.

(c) **Lead Manager Mandate**

The Company has entered into a mandate letter with Taylor Collison Limited to act as Lead Manager to the Offer (**Mandate**).

In consideration for the Lead Manager providing customary lead manager services, including the Lead Manager using reasonable endeavours to find investors to participate in the Offer, the Company has agreed to:

- (i) pay the Lead Manager a capital raising fee of 5.5% of the total amount raised under the Offer to be paid in cash only on the issue of CDIs under this Prospectus (**Management Fee**); and
- (ii) issue the Lead Manager (and/or its nominees) with the following Lead Manager Options (on the terms detailed in Section 6.11) immediately following ASX conditional approval for listing on the Official List, if the Minimum Subscription is achieved, 1,843,643 Lead Manager Options.

In addition to the fees described above, the Company has agreed to reimburse the Lead Manager for all reasonable expenses and travel costs, including the reasonable fees and disbursements of a legal adviser retained by the Lead Manager resulting from or arising out of the Mandate but not, for the sake of clarity, in connection with the performance of the services contemplated by the Mandate.

The Mandate may be terminated by the Lead Manager or the Company by written notice at any time with or without cause upon seven days written notice to the other party and will otherwise terminate on 30 April 2025 (unless otherwise extended by agreement from both parties in writing).

If the Company terminates the Mandate (other than for cause), the Company must pay to the Lead Manager within 10 business days after such termination a withdrawal fee equivalent to 40% of the Management Fee (calculated as if the Offer had been completed), which the Company may pay via the issue of Shares.

The Mandate contains other standard indemnities, confidentially obligations and terms and conditions expected to be included in a mandate of this nature.

(d) **Material contracts regarding Directors, key management personnel and other related parties**

Refer to Section 3.3 for information regarding the Company's agreements with Directors, key management personnel and other related parties of the Company.

6.8 Related Party Transactions

Other than as disclosed elsewhere in this Prospectus, there are no existing agreements or arrangements and there are currently no proposed transactions in which the Company was, or is to be, a participant, and in which any related party of the Company has or will have a direct or indirect material interest.

All future related party arrangements (if any) will be determined by the Board, having regard to their duties as Directors, and, where required, all requisite approvals, including but not limited to Shareholder approval, will be obtained if required. The Board monitors compliance with the law in relation to related party transactions via internal controls and obtaining legal advice, where required.

6.9 Terms and Conditions of the Issued Options

(a) **Overview**

At the Prospectus Date, the Company had the following Options on issue, all of which were issued under the Share Option Plan:

Tranche	Exercise Price	Expiry Date	Vesting Schedule	Number
Tranche A Management Options	0.175	13 June 2028	One-third vests on the grant, one-third vests on the first and one-third vests on second anniversary of the grant date	4,360,000
Tranche B Management Options	0.175	13 June 2028	One-fourth vests after three months from grant date, one-fourth vests after six months from grant date, one-fourth vests after nine months from grant date and one-fourth vests after twelve months from the grant date	200,000
Tranche C Management Options	0.500	11 October 2028	Vests on grant date.	2,250,000
Resmin Options	0.20	11 March 2029	Nil	4,000,000
TOTAL				10,810,000

The terms and conditions of the issued Options are provided in Sections 6.9(b) and 6.9(c).

(b) **Terms and Conditions – Management Options**

The terms of the Management Options are subject to the terms of the Share Option Plan, a summary of which is provided in Section 6.10.

(c) **Terms and Conditions – Resmin Options**

The terms of the Resmin Options are as follows:

(i) **Entitlement**

Each Resmin Option entitles the Holder holding the Resmin Option to, before the Expiry Date, subscribe for one Share (which may be issued in the form of one CDI, if applicable) on payment of the Exercise Price.

(ii) **Exercise Price and Expiry Date**

The Exercise Price and Expiry Date for Resmin Options are as follows:

Exercise Price	Expiry Date
C\$0.20	11 March 2029

(iii) **Exercise of Resmin Options**

Resmin Options are exercisable by the Holder before the Expiry Date subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board of:

- (A) a signed Notice of Exercise; and
- (B) a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price.

(iv) **No Issue Unless Cleared Funds**

Where a cheque is presented as payment of the Exercise Price on the exercise of Resmin Options, the Company will not, unless otherwise determined by the Board, allot and issue Shares/CDIs until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

(v) **Minimum Exercise**

Resmin Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Resmin Options are held by a Holder or the Board otherwise agrees.

(vi) **Actions on Exercise**

Following the exercise of Resmin Options:

- (A) the Resmin Options will automatically lapse; and
- (B) the Company will allot and issue the number of Shares/CDIs for which the Holder is entitled to subscribe for or acquire through the exercise of the Resmin Options.

(vii) **Timing of the Issue of Shares on Exercise and Quotation**

If the Company is not admitted to the official list of ASX, within five Business Days from the date of receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Resmin Option being exercised, the Company will:

- (A) allot and issue Shares pursuant to the exercise of the Resmin Options; and
- (B) if admitted to the official list of a recognised securities exchange at the time (other than the ASX), and the approval of such exchange for the issuance of the Shares upon exercise of the Resmin Options has not previously been obtained, apply for official quotation on that exchange of Shares issued pursuant to the exercise of the Resmin Options.

If the Company is admitted to the official list of ASX, within five Business Days after the later of the following:

- (A) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Resmin Option being exercised; and
- (B) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a Notice of Exercise as detailed in Section 6.13(e)(i) above,

the Company will:

- (C) allot and issue the CDIs pursuant to the exercise of the Resmin Options;
- (D) as soon as reasonably practicable and if applicable, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the CDIs does not require disclosure to investors; and
- (E) apply for official quotation on ASX of CDIs issued pursuant to the exercise of the Resmin Options.

(viii) **Shares Issued on Exercise**

Shares/CDIs issued on the exercise of the Resmin Options rank equally with all existing Shares/CDIs.

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the CDIs issued upon the exercise of the Resmin Options.

(ix) **Adjustment for Reorganisation**

Subject to any Applicable Laws, the number of Resmin Options held by a Holder may, in the sole and absolute discretion of the Board, be adjusted to such number as is appropriate and so that the Holder does not suffer any material detriment following any variation in the share capital of the Company arising from:

- (A) a reduction, subdivision or consolidation of share capital;
- (B) a reorganisation of share capital;
- (C) a distribution of assets in specie;
- (D) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or
- (E) any issue of ordinary shares or other equity securities or instruments which convert into ordinary shares by way of capitalisation of profits or reserves.

Upon any adjustment being made, the Board will notify each Holder (or his or her legal personal representative where applicable) in writing, informing them of the number of Resmin Options held by the relevant Holder.

If there is any reorganisation of the issued share capital of the Company, the terms of Resmin Options and the rights of the Holder who holds such Resmin Options will:

- (A) subject to Section 6.9(c)(ix)(B), be subject to adjustment in the events and in the manner following, subject to the prior approval of the TSX-V:
 - (I) **(subdivision)** in the event of a subdivision of Shares as constituted on the date hereof, at any time while a Resmin Option is in effect, into a greater number of Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase

is then being exercised, such additional number of Shares as result from the subdivision without the Holder making any additional payment or giving any other consideration therefor;

(II) **(consolidation)** in the event of a consolidation of the Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Shares, the Company will thereafter deliver and the Holder will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(III) **(change)** in the event of any change of the Common Shares as constituted on the date hereof, at any time while a Resmin Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as the Holder would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change; and

(IV) **(reorganisation)** in the event of a capital reorganisation, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while a Resmin Option is in effect, the Holder will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Resmin Option, the kind and amount of shares and other securities and property receivable upon such capital reorganisation, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Resmin Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganisation or a reclassification of the capital of the Company for the purposes of this Section 6.9(c)(ix)(A); and

(B) if the Company is admitted to the official list of ASX at the time, be varied, including an adjustment to the number of Resmin Options and/or the Exercise Price (if any) applicable to Resmin Options, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(x) **Holder in New Issues and Other Rights**

A Holder who holds Resmin Options is not entitled to:

- (A) notice of, or to vote or attend at, a meeting of the Shareholders;
- (B) receive any dividends declared by the Company;
- (C) any right to a return of capital, whether in winding up of the Company, upon a reduction of capital in the Company or otherwise;
- (D) participate in any new issues of securities offered to Shareholders during the term of the Resmin Options; or
- (E) cash for the Resmin Options or any right to participate in surplus assets or profits of the Company on winding up,

unless and until the Resmin Options are exercised and the Holder holds Shares/CDIs.

(xi) **Adjustment for Rights Issue**

If the Company makes an issue of Shares/CDIs pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment):

- (A) subject to Section 6.9(c)(xi)(B), the Exercise Price of a Resmin Option will not be changed, adjusted or altered in any manner; and
- (B) if the Company is admitted to the official list of ASX at the time, the Exercise Price of a Resmin Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E [P - (S + D)]}{N+1}$$

O = the old Exercise Price of the Resmin Option.

E = the number of underlying Shares/CDIs into which one Resmin Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares/CDIs during the five trading days ending on the day before the ex-rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares/CDIs (except those to be issued under the pro rata issue).

(xii) **Adjustment for Bonus Issue of Shares**

If the Company makes a bonus issue of Shares/CDIs or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (A) subject to Section 6.9(c)(xii)(B), the Resmin Options will be not be changed, adjusted or altered in any manner in relation to a bonus issue of Shares; and
- (B) if the Company is admitted to the official list of ASX at the time:
 - (I) the number of Shares/CDIs which must be issued on the exercise of a Resmin Option will be increased by the number of Shares/CDIs which the Holder would have received if the Holder had exercised the Resmin Option before the record date for the bonus issue; and
 - (II) no change will be made to the Exercise Price.

(xiii) **Change of Control**

For the purposes of these terms and conditions, a **Change of Control Event** occurs if:

- (A) the Company proposes to:
 - (I) amalgamate, merge or consolidate with any other company (other than a wholly-owned subsidiary or internal reorganisation) whether by way of plan of arrangement, scheme of arrangement or otherwise; or
 - (II) enter into a sale or transfer (in one transaction or a series of related transactions) of all or substantially all of the:
 - (a) undertaking and business of the Company; or
 - (b) assets of the Company as an entirety or substantially as an entirety so that the Company shall cease to operate as an active business;
- (B) an offer is made to purchase or repurchase the Shares/CDIs or any part thereof to all or substantially all holders of Shares/CDIs; or

- (C) any person acquires a beneficial interest in 50.1% or more of the issued Shares/CDIs by any other means.

Where a Change of Control Event has occurred or, in the opinion of the Board, there is a state of affairs that will or is likely to result in a Change of Control Event occurring, if the Board has procured an offer for all holders of Resmin Options on like terms (having regard to the nature and value of the Resmin Options) to the terms proposed under the Change of Control Event and the Board has specified (in its absolute discretion) a period during which the holders of Resmin Options may elect to accept the offer and, if the Holder has not so elected at the end of that offer period, the Resmin Options, if not exercised within ten days of the end of that offer period, shall expire.

(xiv) **Quotation**

The Company will not seek official quotation of any Resmin Options.

(xv) **No Transfer of Resmin Options**

Resmin Options may not be assigned, transferred, encumbered with a Security Interest in or over them, or otherwise disposed of by a Holder, unless:

- (A) the prior consent of the Board is obtained, which consent may be withheld in the Board's sole discretion and which, if granted, may impose such terms and conditions on such assignment, transfer, encumbrance with a Security Interest or disposal as the Board sees fit; or
- (B) such assignment or transfer occurs by force of law upon the death or total and permanent disablement of a Holder to the Holder's legal personal representative.

(xvi) **Shares to be Reserved**

The Company will at all times keep available, and reserve if necessary under applicable law, out of its authorized share capital, such number of Shares as shall then be issuable upon the exercise of the Resmin Options, and such Shares shall be issued as fully paid and non-assessable.

(xvii) **No Fractional Shares**

The Company will not be obligated to issue any fraction of a Share on the exercise of any Resmin Option. To the extent that any Resmin Option evidenced hereby confers the right to be issued a fraction of a Share, the same will be rounded to the nearest whole number of Shares. The Holder shall not be entitled to any cash or other consideration in lieu of any fractional interest in a Share.

(xviii) **Governing Law**

The option certificate for the Resmin Options shall be construed and enforced in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

(xix) **Further Assurance**

The Company and the Holder shall and will from time to time and at all times hereafter do and perform all such acts and things and execute all such additional documents as may be required to give effect to the terms and conditions of the Resmin Options.

(xx) **Entire Agreement**

These terms and conditions supersede all other agreements, documents, writings and verbal understandings among the Company and the Holder relating to the subject matter hereof and represents the entire agreement between the Company and the Holder relating to the subject matter hereof.

(xxi) **Enurement**

Subject to the other provisions hereof, these terms and conditions shall enure to the benefit of and be binding upon the Company and the Holder hereto and their respective heirs, executors, administrators, successors and permitted assigns.

These terms and conditions shall continue to constitute a binding obligation of the Company notwithstanding any change of control of its voting securities during the term hereof.

(xxii) **Resmin Options to be Recorded**

Resmin Options will be recorded in the appropriate register of the Company.

(xxiii) **Share Option Plan**

The Resmin Options are issued under and in accordance with the Share Option Plan and are subject to these terms and the Share Option Plan. In the event of any inconsistency between these terms and the Share Option Plan, these terms shall prevail.

6.10 Share Option Plan

The Company has established a share option plan (**Share Option Plan**) to advance the interests of the Company by incentivising its directors, employees and consultants to align their interests with that of the Company. A copy of the Share Option Plan will be available on the Company's ASX announcements platform.

A summary of the material terms and conditions of the Share Option Plan is provided below.

(a) **Overview**

The Share Option Plan provides Participants, as defined herein, with the opportunity, through Options, to acquire an ownership interest in the Company. Options are rights to acquire Shares upon payment of monetary consideration (i.e., the exercise price), subject also to vesting criteria determined at the time of the grant. See "Vesting Provisions for Options" in paragraph (f) below.

(b) **Share Option Plan Cap**

The maximum number of Options that the Company may issue under the Share Option Plan is 14,193,752. Part of the Company's capacity under the Share Option Plan has been utilised to issue Options to certain directors, officers, consultants, and employees of the Company and the Resmin Options (as part of the consideration under the Tiros Project Agreements – refer to Section 6.7(a)) and, as at the Prospectus Date, the Company has an available capacity of 3,383,752 Options under the Share Option Plan.

(c) **Eligibility under the Share Option Plan**

Pursuant to the Share Option Plan, the Board may grant Options to any directors, officers, consultants, and employees of the Company or its subsidiaries, and employees of a person or company which provides management services to the Company or its subsidiaries (such persons hereinafter collectively referred to as **Participants**). Subject to compliance with applicable requirements of the TSX-V, Participants may elect to hold Options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Share Option Plan in the same manner as if the Options were held by the Participant.

(d) **Administration of the Share Option Plan**

The Share Option Plan shall be administered by the Board or by a special committee of the directors appointed from time to time by the Board pursuant to rules of procedure fixed by the Board. A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Share Option Plan, the Board shall have authority to construe and interpret the Share Option Plan and all option agreements entered into thereunder, to define the terms used in the Share Option Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Share Option Plan and to make all other determinations necessary or advisable for the administration of the Share Option Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all Participants in the Share Option Plan and on their legal personal representatives and beneficiaries.

(e) **Restrictions on the Granting of Options**

The granting of Options under the Share Option Plan is subject to the following additional restrictions on grants and issuances:

- (i) the number of Shares reserved for issuance to insiders (as a group) pursuant to all security based compensation granted to a Participant at any point in time and during any 12 month period shall not exceed 10% of the issued and outstanding Shares;
- (ii) the number of Shares reserved for issuance to any one participant pursuant to all security based compensation granted to a Participant during any 12 month period shall not exceed 5% of the issued and outstanding Shares;
- (iii) the number of Shares reserved for issuance to any one Participant, who is a consultant, during any 12 month period shall not exceed 2% of the issued and outstanding Shares; and
- (iv) the number of Shares reserved for issuance to all Participants who are engaged or employed in investor relations activities during any 12 month period shall not exceed in the aggregate 2% of the issued and outstanding Shares.

It is not currently anticipated that any financial assistance or support agreements will be provided to Participants by the Company or any related entity of the Company.

(f) **Vesting Provisions for Options**

Options shall be exercisable in accordance with the terms set by the Board, in its sole discretion. Additionally, all Options granted and all vesting restrictions, methods of vesting, exercise prices, and other terms of the grants shall also be in accordance with all rules, regulations and policies of the TSX-V.

(g) **Exercise of Options**

Options may be exercised at a price that shall be fixed by the Board at the time that the Option is granted (**Exercise Price**), provided that such Exercise Price shall in no event be lower than the discounted market price, as such term is defined by the policies of the TSX-V, or the lowest price permitted by the policies of the TSX-V.

No Option shall be exercisable after ten years from the date the Option is granted. Under the Option Plan, should the term of an Option expire on a date that falls within a blackout period or within ten business days following the expiration of a blackout period, such expiration date will be automatically extended to the tenth business day after the end of the blackout period, subject to compliance with TSX Venture Policy 4.4.

(h) **Termination of Options**

Options may be exercised after the Participant has left their employment/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (i) in the case of the death of a Participant, any vested Option held by them at the date of death will become exercisable by the Participant's lawful personal representatives, heirs or executors until one year after the date of death of such Participant;
- (ii) if a Participant shall cease to be a director, officer, consultant, employee of the Company, or its subsidiaries, for any reason (other than for cause or by reason of death), such Participant may exercise his Option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within ninety (90) days after the Participant ceases to be a director, officer, consultant, employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within thirty (30) days after the cessation of the Participant's services to the Company, subject to extension at the discretion of the Board up to a maximum of 12 months, which shall be subject to policies of the TSX-V.
- (iii) in the case of a Participant being dismissed from employment or service for cause, such Participant's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

(i) **Transferability**

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of the Share Option Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the TSX-V. During the lifetime of a Participant any benefits, rights and Options may only be exercised by the Participant.

(j) **Adjustments**

If the outstanding Shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company or another company or entity through re organisation, merger, re capitalisation, re classification, stock dividend, subdivision or consolidation, or any adjustment relating to the Shares optioned or issued on exercise of Options, or the Exercise Price per share as set forth in the respective option agreement, shall be adjusted by the Board, in its sole and absolute discretion, provided that a Participant shall be thereafter entitled to receive the amount of securities or property (including cash) to which such Participant would have been entitled to receive as a result of such reorganisation if, on the effective date thereof, he had been the holder of the number of Shares to which he was entitled upon exercise of his Option(s).

Adjustments shall be made by the Board and, other than in connection with a consolidation or a split of the Shares, be subject to the approval of the TSX-V.

(k) **Amendment and Termination Provisions in the Share Option Plan**

The Board may terminate or discontinue the Share Option Plan at any time without the consent of the Participants provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Plan.

The Board may not amend the Share Option Plan or issuances of Options without prior TSX-V acceptance and shareholder approval where applicable. For greater certainty, without limitation, amendments to any of the following provisions of the Share Option Plan will be subject to shareholder approval:

- (i) persons eligible to be granted or issued Options under the Share Option Plan;
- (ii) the maximum number or percentage, as the case may be, of listed shares that may be issuable under the Share Option Plan;
- (iii) the limits under the Share Option Plan on the amount of Options that may be granted or issued to any one person or any category of persons (such as, for example, Insiders);
- (iv) the method for determining the Exercise Price of the Options;
- (v) the maximum term of the Options;
- (vi) the expiry and termination provisions applicable to the Options, including the addition of a blackout period;
- (vii) the addition of a net exercise provision; and
- (viii) any method or formula for calculating prices, values or amounts under the Share Option Plan that may result in a benefit to a Participant, including but not limited to the formula for calculating the appreciation of a stock appreciation right (as defined in the policies of the TSX-V).

6.11 Terms and Conditions of the Lead Manager Options

The Company intends to issue, prior to Admission, the Lead Manager Options to the Lead Manager (and/or its nominees) as follows:

Exercise Price (A\$)	Number	Expiry Date
0.75	1,843,643	Three years from the date of issue

The terms of the Lead Manager Options are as follows:

(a) **Entitlement**

Each Lead Manager Option entitles the holder holding the Lead Manager Option (**Holder**) to subscribe for one Share on payment to the Company of the Exercise Price by the Expiry Date, subject to the terms below.

(b) **Expiry Date**

A Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Method of Exercise**

The Lead Manager Options are exercisable by the Holder at any time on or prior to the Expiry Date, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board:

- (i) a signed notice of exercise of Lead Manager Options in the form determined by the Board from time to time (**Notice of Exercise**);
- (ii) a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price multiplied by the number of Lead Manager Options being exercised; and
- (iii) the option certificate or certificates for those Lead Manager Options for cancellation by the Company (if any such certificate or certificates exist).

(d) **No Issue Unless Cleared Funds**

Where a cheque is presented as payment of the Exercise Price on the exercise of Lead Manager Options, the Company will not, unless otherwise determined by the Board, allot and issue Shares until after any cheque delivered in payment of the Exercise Price multiplied by the number of Lead Manager Options being exercised has been cleared by the banking system.

(e) **Minimum Exercise**

Lead Manager Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Lead Manager Options are held by a Holder or the Board otherwise agrees.

(f) **Actions on Exercise**

Following the exercise of Lead Manager Options:

- (i) the Lead Manager Options will automatically lapse; and
- (ii) the Company will allot and issue the number of Shares for which the Holder is entitled to subscribe for through the exercise of the Lead Manager Options.

(g) **Timing of the Issue of Shares on Exercise and Quotation**

(i) Subject to the receipt of each of a Notice of Exercise, the option certificate or certificates (if any certificate or certificates exist) and payment of the Exercise Price in accordance with Sections 6.11(c) and 6.11(d), the Company must:

- (A) allot and issue the Shares pursuant to the exercise of the Lead Manager Options;
- (B) if the Company is admitted to the official list of ASX at the time, as soon as reasonably practicable and, if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act, if required, to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (C) if the Company is admitted to the official list of ASX at the time, but subject to the Listing Rules, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Lead Manager Options,

within five Business Days after:

- (D) receipt by the Company of each of a Notice of Exercise and the option certificate or certificates (if any certificate or certificates exist) given in accordance with these terms and conditions and payment of the Exercise Price for each Lead Manager Option being exercised; or
 - (E) if at the date in Section 6.11(g)(i)(D) there is excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) – the date when that information ceases to be excluded information.
- (ii) Notwithstanding Section 6.11(g)(i) above, a Holder who is entitled to the issue of Shares upon the exercise of Lead Manager Options, may prior to the issue of those Shares elect for the Shares to be issued subject to a holding lock for a period of 12 months. Following any such election:
- (A) the Shares upon issue will be held by such Holder on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding); and
 - (B) the Company will apply a holding lock on the Shares and such Holder is taken to have agreed to that application of that holding lock.
- (iii) The Company shall release the holding lock on the Shares on the earlier to occur of:
- (A) the date that is 12 months from the date of issue of the Share;
 - (B) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or
 - (C) the date a transfer of the Shares occurs pursuant to Section 6.11(g)(iv) of these terms and conditions.
- (iv) The Shares shall be transferable by such Holder and the holding lock will be lifted provided that the transfer of the Shares complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following transfer for the balance of the period in Section 6.11(g)(iii)(A).
- (h) **Shares Issued on Exercise**
- Shares issued on the exercise of the Lead Manager Options rank equally with all existing Shares.
- (i) **Adjustment for Reorganisation**
- If there is any reorganisation of the issued share capital of the Company, the terms of Lead Manager Options and the rights of the Holder who holds such Lead Manager Options will be varied, including an adjustment to the number of Lead Manager Options and/or the Exercise Price applicable to Lead Manager Options, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.
- (j) **Holder in New Issues and Other Rights**
- A Holder who holds Lead Manager Options is not entitled to:
- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
 - (ii) receive any dividends declared by the Company; or
 - (iii) participate in any new issues of securities offered to Shareholders during the term of the Lead Manager Options,
- unless and until the Lead Manager Options are exercised and the Holder holds Shares.
- (k) **Adjustment for Rights Issue**
- If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of a Lead Manager Option.
- (l) **Adjustment for Bonus Issue of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Holder's Lead Manager Options will be increased to the number of Shares which the Holder would have received if the Holder had exercised those Lead Manager Options before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (m) **Quotation**
The Company will not seek official quotation of any Lead Manager Options.
- (n) **No Transfer of Lead Manager Options**
Lead Manager Options are not transferable.
- (o) **Lead Manager Options to be Recorded**
Lead Manager Options will be recorded in the appropriate register of the Company.

6.12 Terms and Conditions of the Warrants

(a) **Overview**

At the Prospectus Date, the Company had the following Warrants on issue:

Tranche	Exercise Price	Expiry Date	Number
Class A Warrants	C\$0.50 ¹	10 May 2024	3,644,062
Class B Warrants	C\$0.20	11 July 2026	600,616
TOTAL			4,244,678

Note:

1. Warrants are subject to an acceleration clause which provides that if, at any time after the grant date of the Warrant, the VWAP of the Shares on the TSX-V is equal to or greater than C\$0.70 for any 10 consecutive trading day period, the Company may elect to accelerate the expiry date of the Warrant and, in such case, the Warrants will expire on the date that is 30 days following the date upon which the Company provides notice, via press release or written notice, that the Expiry Date has been accelerated.

(b) **Terms and Conditions – Class A Warrants**

A summary of the material terms and conditions of the Class A Warrants is detailed below.

- (i) All Class A Warrants rank equally and *pari passu* between them.
- (ii) Class A Warrants are exercisable by:
 - (A) duly completing and executing the required warrant exercise form;
 - (B) delivering payment of the exercise price; and
 - (C) surrendering the relevant warrant certificate,with the Company on or before 10 May 2024.
- (iii) Upon exercise of the Class A Warrants, the Holder will be issued one Share per Class A Warrant exercised.
- (iv) The Class A Warrants are transferable to any third party, subject to the Company receiving a duly completed and executed warrant transfer form and evidence of compliance with all applicable securities law, if required by the Company.
- (v) No voting rights or dividend rights attach to the Class A Warrants.
- (vi) If at any time prior to 10 May 2024, the Company:
 - (A) subdivides or redivides the outstanding Shares into a greater number of shares;
 - (B) reduces, combines or consolidates the outstanding Shares into a smaller number of shares; or

- (C) issues Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend (other than the issue of Shares to Shareholders who have elected to receive dividends in the form of Shares),

(each event a **Share Reorganisation**). On the record date or the effective date of the Share Reorganisation, the exercise price of the Class A Warrants will be adjusted immediately by multiplying the exercise price immediately prior to this date by a fraction:

- (D) the numerator of which shall be the total number of Shares outstanding immediately prior to the Share Reorganisation; and
- (E) the denominator of which shall be the total number of Shares outstanding immediately after the Share Reorganisation is complete.

The number of Shares which the Class A Warrant holder is entitled to purchase upon exercise of each Warrant shall be adjusted at the same time as the Share Reorganisation by multiplying the number by the inverse of the aforesaid fraction.

- (vii) If at any time prior to 10 May 2024, the Company fixes a record date for a Rights Offering for an offer period of not more than 45 days after the record date, and at a price per share less than 95% of the Current Market Price on the record date, the exercise price shall be adjusted immediately after the record date by multiplying the exercise price in effect on the record date by a fraction:

- (A) the numerator of which shall be the aggregate of:
 - (I) the number of Shares on the Record Date; and
 - (II) the quotient determined by dividing either:
 - (a) the product of the number of Shares issued or subscribed for pursuant to the Rights Offering and the price at which such Shares are offered; or
 - (b) the product of the exchange or conversion price of the securities distributed under the Rights Offering and the number of Shares for or into which such securities were exchanged or converted during the offer period,

by the Current Market Price of the Shares at the record date for the Rights Offering; and

- (B) the denominator of which shall be the total number of Shares outstanding immediately after the end of the Rights Offering.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation.

- (viii) If and whenever, prior to 10 May 2024, the Company fixes a record date for the making of a distribution to all or substantially all the holders of outstanding Shares of:

- (A) shares of a class other than the Shares;
- (B) rights, Options or Warrants or securities exchangeable or exercisable for or convertible into Shares;
- (C) evidences of indebtedness of the Company; or
- (D) any property or assets of the Company,

and if such issue or distribution does not constitute a Share Reorganisation or a Rights Offering (any of such non-excluded events being a **Special Distribution**), the exercise price of the Class A Warrants shall be adjusted effective immediately after the record date of the Special Distribution to the amount determined by multiplying the exercise price at the record date by a fraction:

- (E) the numerator shall be the difference between:
 - (I) the product of the number of Shares issued and the Current Market Price on the record date for the Special Distribution; and
 - (II) the fair value as determined by the Board acting reasonably of the Special Distribution; and
- (F) the denominator shall be the total number of Shares outstanding on the record date of the Special Distribution multiplied by the Current Market Price.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation.

- (ix) If, at any time prior to 10 May 2024, there is:
 - (A) a reclassification of the Shares at any time outstanding or a change of the Shares into other shares;
 - (B) a capital reorganisation of the Company not covered in Section 6.9(c)(ix);
 - (C) a consolidation, amalgamation or merger of the Company with or into any other corporation; or
 - (D) a sale of the property and assets of the Company as or substantially as an entirety to any other person,

a holder of Class A Warrants which have not been exercised prior to the effective date of such event shall, upon the exercise of such Class A Warrants, will receive the number of shares or other securities or property of the Company resulting from such event, that such holder would have been entitled to receive on the effective date of such event, had the holder had been the registered holder of the number of Shares to which the holder was previously entitled upon due exercise of the Class A Warrants.

If necessary, appropriate adjustment will be made in the application of the provisions in the Class A Warrants certificates with respect to the rights and interests of the holders of Warrants to the end that the provisions set forth in the Class A Warrants certificates shall be made applicable to any shares or securities or property to which the holder may be entitled upon the exercise of such Class A Warrants after the event in Section 6.12(b)(ix)(A)-6.12(b)(ix)(D).

(c) **Terms and Conditions – Warrants with an exercise price of C\$0.20 and expiry date of 11 July 2026**

A summary of the material terms and conditions of the Class B Warrants is detailed below.

- (i) Upon exercise of the Class B Warrants, the Class B Warrant holder will be issued one Share per Class B Warrant exercised.
- (ii) Class B Warrants are exercisable by:
 - (A) duly completing and executing the required warrant exercise form; and
 - (B) delivering payment of the exercise price,
 with the Company on or before 11 July 2026.
- (iii) The Class B Warrants are non-assignable, non-transferable and may not be exercised by or for the benefit of any person other than the Class B Warrant holder.
- (iv) No voting rights or dividend rights attach to the Class B Warrants.
- (v) If at any time prior to 11 July 2026, the Company:
 - (A) subdivides or redivides the outstanding Shares into a greater number of shares; or

- (B) issues Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend (other than any stock dividends constituting dividends paid in the ordinary course),

the exercise price of the Class B Warrants in effect immediately prior to such subdivision or dividend shall be proportionately reduced or if the Shares shall be consolidated into a smaller number of Shares, the exercise price in effect immediately prior to such consolidation shall be proportionately increased (any such subdivision, dividend or consolidation a **Capital Reorganisation**).

Upon each adjustment of the exercise price of the Class B Warrants, the holder of the Class B Warrants shall be entitled to acquire at the Exercise Price resulting from such adjustment, the number of Shares obtained by multiplying the exercise price of the Class B Warrants in effect immediately prior to the Capital Reorganisation by the number of Shares which may be acquired immediately prior to the Capital Reorganisation and dividing the product thereof by the exercise price of the Class B Warrants resulting from the Capital Reorganisation.

- (vi) If prior to 11 July 2026, the Company is a party to any reorganisation, merger, dissolution or sale of all or substantially all of its assets, the Class B Warrants will be adjusted to apply the securities to which the holder of that number of Shares subject to the unexercised Class B Warrants would have been entitled by reason of such reorganisation, merger, dissolution or sale of all or substantially all of its assets (each an **Event**).

The exercise price of the Class B Warrants shall be adjusted to be the amount determined by multiplying the exercise price in effect immediately prior to the Event by the number of Shares subject to the unexercised Class B Warrants immediately prior to the Event, and dividing the product by the number of securities to which the holder of that number of Shares subject to the unexercised Class B Warrants would have been entitled to by reason of such Event.

- (vii) If prior to 11 July 2026, the Company shall change or reclassify its outstanding Shares into a different class of securities, the rights of the Class B Warrants will be adjusted as follows:

- (A) the number of the successor class of securities which the holder of the Class B Warrants shall be entitled to acquire as part of the Shares shall be that number of the successor class of securities which a holder of that number of Shares subject to the unexercised Class B Warrants immediately prior to the change or reclassification would have been entitled to by reason of such change or reclassification; and

- (B) the exercise price of the Class B Warrants shall be determined by multiplying the exercise price in effect immediately prior to the change or reclassification by the number of Shares subject to the unexercised Class B Warrants immediately prior to the change or reclassification, and dividing the product thereof by the number of Shares determined in Section 6.12(c)(vii)(A) above.

- (viii) If prior to 11 July 2026, the Company shall fix a record date for a Rights Offering to all or substantially all Shareholders entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Shares or securities convertible into or exchangeable for Shares at a price per share or having a conversion or exchange price per share less than 95% of the Fair Market Value, the exercise price of the Class B Warrants shall be adjusted immediately after the record date to equal the price determined by multiplying the exercise price of the Class B Warrants by a fraction of which:

- (A) the numerator is:

- (I) the total number of Shares outstanding on the record date; plus

- (II) the number arrived at by dividing the aggregate subscription or purchase price of the total number of additional Shares offered for subscription or purchase or the aggregate conversion or exchange

price of the convertible or exchangeable securities by the Fair Market Value; and

- (B) the denominator is:
 - (I) the total number of Shares outstanding on the record date; plus
 - (II) the total number of additional Shares so offered (or, as the case may be, into which the convertible or exchangeable securities so offered are convertible or exchangeable).

Any Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such calculation.

- (ix) If prior to 11 July 2026, the Company fixes a record date for the making of a distribution to all or substantially all the holders of outstanding Shares of:
 - (A) shares of any class, whether of the Company or another company;
 - (B) rights, Options or Warrants;
 - (C) evidences of indebtedness of the Company; or
 - (D) other assets or property,

and if such issue or distribution does not constitute a Capital Reorganisation or a Rights Offering (any of such non-excluded events being a **Special Distribution**), the exercise price of the Class B Warrants shall be adjusted immediately after the record date of the Special Distribution to the amount determined by multiplying the exercise price at the record date by a fraction:

- (E) the numerator shall be the difference between:
 - (I) the product of the number of Shares issued and the Fair Market Value on the record date for the Special Distribution; and
 - (II) Fair Market Value to the holders of such shares of such Special Distribution; and
- (F) the denominator shall be the total number of Shares outstanding on the record date of the Special Distribution multiplied by the Fair Market Value.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation.

6.13 Terms and Conditions of the Performance Rights

At the Prospectus Date, the Company had the following Performance Rights on issue:

Number	Expiry Date
750,000	15 October 2028

A summary of the material terms and conditions of the Performance Rights is detailed below.

(a) **Entitlement**

Each performance right on these terms and conditions (**Performance Right**) that vests entitles the holder (**Holder**) to be issued (without having to pay any cash consideration) one Share or CDI (as applicable).

(b) **Performance Period**

The Performance Rights are subject to the following vesting condition and performance period:

Performance Rights	Vesting Condition	Performance Period
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(c) **Lapse of a Performance Right**

If the Vesting Condition has not been achieved within the Performance Period, the Performance Rights will automatically lapse at 5.00pm (BRT) on the last day of the Performance Period and the Holder shall have no entitlement to Shares or CDIs pursuant to the Performance Rights.

(d) **Notification to Holder**

Upon the satisfaction of the Vesting Condition, the Company shall, within 30 days from the date of satisfaction of the Vesting Condition, provide written notice to the Holder of such satisfaction (**Vesting Notice**).

(e) **Timing of Issue of Shares/CDIs and Quotation**

If the Company is not admitted to the official list of ASX, within five Business Days from the date of the Vesting Notice, the Company will:

- (i) allot and issue Shares pursuant to the conversion of the Performance Rights; and
- (ii) if admitted to the official list of a recognised securities exchange at the time (other than the ASX) and the approval of such exchange for the issuance of the Shares upon conversion of the Performance Rights has not previously been obtained, apply for official quotation on that exchange of Shares issued pursuant to the conversion of the Performance Rights.

If the Company is admitted to the official list of ASX, within five Business Days after the later of the following:

- (i) the date of the Vesting Notice; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (iii) allot and issue CDIs pursuant to the conversion of the Performance Rights; and
- (iv) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the CDIs does not require disclosure to investors; and
- (v) apply for official quotation on ASX of CDIs issued pursuant to the conversion of the Performance Rights.

(f) **Shares/CDIs Issued**

Shares/CDIs issued pursuant to the conversion of the Performance Rights rank equally with all existing Shares/CDIs.

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the CDIs issued upon the conversion of the Performance Rights.

(g) **Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the terms of Performance Rights and the rights of the Holder who holds such Performance Rights will:

- (i) if the Company is admitted to the official list of ASX at the time, be varied, including an adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation; or
- (ii) if the Company is not admitted to the official list of ASX at the time, and the Company shall subdivide, redivide or change the outstanding Shares into a greater number of

Shares, or consolidate, combine or reduce the outstanding Shares into a lesser number of Shares, then, in each such event the number of Shares issuable upon conversion of each Performance Right (the **Share Rate**) shall be adjusted by multiplying the Share Rate in effect immediately prior to such event by a fraction, of which the denominator shall be the total number of Shares outstanding before giving effect to such event, and of which the numerator shall be the total number of Shares outstanding after giving effect to such event.

(h) **Holder Rights**

A Holder who holds Performance Rights is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by the Company;
- (iii) any right to a return of capital, whether in winding up of the Company, upon a reduction of capital in the Company or otherwise;
- (iv) participate in any new issues of securities offered to Shareholders during the term of the Performance Rights; or
- (v) cash for the Performance Rights or any right to participate in surplus assets or profits of the Company on winding up,

unless and until the Performance Rights are satisfied and the Holder holds Shares or CDIs.

(i) **Pro Rata Issue of Securities**

If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, a Holder shall not be entitled to participate in the rights issue in respect of any Performance Rights, other than in respect of Shares/CDIs issued in respect of converted Performance Rights.

A Holder will not be entitled to any adjustment to the number of Shares/CDIs they are entitled to or adjustment to any performance milestone which is based, in whole or in part, upon the Company's share price, as a result of the Company undertaking a rights issue.

(j) **Adjustment for Bonus Issue**

If, during the term of any Performance Right, securities are issued pro rata to Shareholders generally by way of bonus issue, the number of Shares/CDIs to which the Holder is then entitled, shall:

- (i) subject to Section 6.13(j)(ii), not be amended or varied in any way; and
- (ii) if the Company is admitted to the official list of ASX at the time, be increased by that number of securities which the Holder would have been issued if the Performance Rights then held by the Holder were vested immediately prior to the record date for the bonus issue.

(k) **Change of Control**

For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:

- (i) the Company proposes to:
 - (A) amalgamate, merge or consolidate with any other company (other than a wholly-owned subsidiary or internal reorganisation) whether by way of plan of arrangement, scheme of arrangement or otherwise; or
 - (B) enter into a sale or transfer (in one transaction or a series of related transactions) of all or substantially all of the:
 - (I) undertaking and business of the Company; or
 - (II) assets of the Corporation as an entirety or substantially as an entirety so that the Corporation shall cease to operate as an active business;
- (ii) an offer to purchase or repurchase the Shares/CDIs or any part thereof is made to all or substantially all holders of Shares/CDIs; or

- (iii) any person acquires a beneficial interest in 50.1% or more of the issued Shares/CDIs by any other means.

Where a Change of Control Event has (i) occurred or (ii) been announced by the Company, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether the Vesting Condition has been satisfied.

(l) **Quotation**

The Company will not seek official quotation of any Performance Rights.

(m) **Performance Rights Not Property**

A Holder's Performance Rights are personal contractual rights granted to the Holder only and do not constitute any form of property.

(n) **No Transfer of Performance Rights**

Unless otherwise determined by the Board, Performance Rights cannot be transferred to or vest in any person other than the Holder.

(o) **Shares to be Reserved**

The Company will at all times keep available, and reserve if necessary under applicable law, out of its authorized share capital, such number of Shares as shall then be issuable upon the exercise of the Performance Rights, and such Shares shall be issued as fully paid and non-assessable.

(p) **No Fractional Shares**

The Company will not be obligated to issue any fraction of a Share or CDI on the exercise of any Performance Right. To the extent that any Performance Right evidenced hereby confers the right to be issued a fraction of a Share or CDI, the same will be rounded to the nearest whole number of Shares or CDIs. The Holder shall not be entitled to any cash or other consideration in lieu of any fractional interest in a Share or CDI.

(q) **Governing Law**

This Performance Rights certificate shall be construed and enforced in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

(r) **Successors**

This Performance Rights certificate shall enure to the benefit of and shall be binding upon the Holder and the Company and their respective successors.

6.14 Further disclosures regarding Performance Rights

In accordance with the requirements of ASX and the Listing Rules, the following information is provided (along with the other information in this Prospectus) in relation to the Performance Rights:

- (a) 750,000 Performance have been issued to RBM, which is owned by Mr Rodrigo De Brito Mello;
- (b) RBM (who is an unrelated party to the Company and does not hold any Securities other than the Shares issued under the Tiros Project Agreements) was issued the Performance Rights as it is the vendor of the Tiros Project pursuant to the Tiros Project Agreements. The Company may engage Mr Mello, having regard to his experience with the Tiros Project, as a consultant with services to be provided on an ad hoc basis (as required);
- (c) In respect of the Performance Rights issued pursuant to the Tiros Project Agreements:
 - (i) the Performance Rights were issued pursuant to the acquisition of the Tiros Project (refer to Section 6.7(a) for the terms of that acquisition);
 - (ii) the Performance Rights were issued as part consideration for the acquisition of the Tiros Project in order for the Company to:
 - (A) undertake the commercial goals detailed in Section 2.7 (which are consistent with the relevant vesting condition); and
 - (B) manage the risk of dilution to Shareholders and exposure to risk by:
 - (l) limiting dilution to Shareholders via the issue of performance securities in lieu of only Shares; and

- (II) providing an instrument which hedges the Company's initial exposure to risk (given that the Performance Rights will not have a dilutionary effect on Shareholders' investments unless and until exercised after the relevant vesting condition is achieved (refer to Section 6.13 for details of the vesting condition));
- (iii) the undertaking being acquired (partly) via the issue of Performance Rights is the Tiros Project, details of which are provided in Section 2, Annexure D and Annexure E;
- (iv) Mr Mello holds all of the shares in RBM and his ultimate interest in the Tiros Project (not considering his interest in Securities) on completion of the acquisition of the Tiros Project is 10% via his holding in RBM;
- (v) the number of Performance Rights issued was determined by the Board following arm's length negotiations with Mr Mello, and having regard to the pricing of comparable acquisition agreements in the industry generally. The Board considers that the number of Performance Rights to be appropriate and equitable for the following reasons:
 - (A) the issue of the Performance Rights is a reasonable and appropriate method to provide cost-effective consideration as the non-cash form of consideration to acquire the Tiros Project will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of consideration were paid; and
 - (B) the Performance Rights will only convert into Shares after the relevant milestones are achieved. The Board considers that the milestones for the Performance Shares are appropriate and equitable in the circumstances;
- (vi) none of the Performance Rights will be issued to someone who does not have an ownership interest in the Tiros Project;
- (vii) the Performance Rights will convert into 750,000 Shares if converted. On conversion of the Performance Rights to Shares, existing Shareholders will be diluted by approximately 0.81% (assuming no further Securities are issued); and
- (viii) the full terms of the Performance Rights are provided in Section 6.13.

6.15 Effect of the Offer on Control and Substantial Shareholders

To the best of the knowledge of the Company based on the available information, at the Prospectus Date the following Shareholder will have an interest in over 5% of the Shares on issue:

Name	Number of Shares	Percentage of Shares
Resmin Pte Ltd	18,155,750	23.83%
Merrill Lynch Canada	7,377,048	9.68%
JP Morgan Nominees	6,141,609	8.06%

Based on the information known, as at the Prospectus Date, on Admission, the following Shareholder will have an interest in over 5% of the Shares on issue:

Name	Number of Shares	Percentage of Shares
Resmin Pte Ltd	18,155,750	19.70%
Merrill Lynch Canada	7,377,048	8.00%
JP Morgan Nominees	6,141,609	6.67%

6.16 Interests and Benefits

No Director or proposed director of the Company (or entity in which they are a director and/or a shareholder) has, or has had in the two years before the Prospectus Date, any interests in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
 - (c) the Offer, and
- no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:
- (d) any Director or proposed director of the Company to induce him or her to become, or to qualify as, a Director; or
 - (e) any Director or proposed director of the Company for services which he (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus.

6.17 Interests of the Lead Manager (and its associates) in the Offer and the Company

Taylor Collison Limited (being the Lead Manager) has been appointed as the lead manager for the Offer. The Lead Manager and the Company are parties to the Lead Manager Mandate that is summarised in Section 6.7(c).

(a) Fees payable to the Lead Manager in connection with the Offer

The fees payable to the Lead Manager in connection with the Offer are detailed in Section 6.18.

(b) Fees paid to the Lead Manager in connection with prior capital raisings

The Company paid the Lead Manager the following in fees in connection with capital raisings undertaken before the Prospectus Date:

- (i) the issue of 800,000 Shares at C\$0.15 per Share, the equivalent of 6% of gross proceeds raised, and 600,616 Warrants with an exercise price of C\$0.20 expiring on 11 July 2026 in connection with the July 2023 Placement (raising C\$2,000,000 through the issuance of 13,333,333 Shares at C\$0.15 per Share;
- (ii) C\$169,804, 6% of gross proceeds raised, in cash in connection with the August 2023 Placement (raising C\$2,830,000 through the issuance of 10,107,403 Shares at C\$0.28 per Share); and
- (iii) C\$63,000 in cash in connection with the March 2024 Placement (raising C\$1,500,000 through the issuance of 3,571,429 Shares at C\$0.42 per Share).

Refer to Section 6.18 for further information.

(c) Lead Manager and its associates' interest in Securities

Following completion of the Offer, the Lead Manager and its associates have an interest in the following Securities:

Shares	Warrants	Options
1,951,409	600,616	1,843,643

Notes:

1. Assumes that only those Warrants and Options held by the Lead Manager and its associates are exercised.

6.18 Interests of Promoters, Experts and Advisers

(a) No interests except as disclosed

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) holds, has, or has had in the two years before the Prospectus Date, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (iii) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as provided in this Section 6.17 or as disclosed elsewhere in this Prospectus.

(b) **Lead Manager**

Taylor Collison Limited is the Lead Manager to the Offer and will receive A\$440,000 from the Company following the successful completion of the Offer for its services as Lead Manager to the Offer. During the two years preceding the lodgement of this Prospectus with ASIC, Taylor Collison Limited has received approximately C\$232,804 in fees from the Company for lead manager services.

(c) **Australian Legal Adviser**

Thomson Geer has acted as the Australian legal adviser to the Company in relation to this Prospectus. In respect of this work, Thomson Geer will be paid approximately A\$155,000 for these services. During the two years preceding the lodgement of this Prospectus with ASIC, Thomson Geer has received approximately A\$195,000 in fees from the Company for providing legal services.

(d) **Canadian Legal Adviser**

Borden Ladner Gervais LLP has acted as the Canadian legal adviser to the Company in relation to this Prospectus. In respect of this work, Borden Ladner Gervais LLP will be paid approximately A\$10,000 for these services. During the two years preceding the lodgement of this Prospectus with ASIC, Borden Ladner Gervais LLP has received approximately A\$344,032 in fees from the Company for providing legal services.

(e) **Brazilian Legal Adviser**

William Freire Advogados Associados has acted as Brazilian legal adviser to the Company and prepared the Brazilian Solicitor's Report in Annexure E. In respect of this work, William Freire Advogados Associados will be paid approximately A\$39,385 for these services. During the two years preceding the lodgement of this Prospectus with ASIC, William Freire Advogados Associados has received approximately A\$2,200 in fees from the Company for legal services.

(f) **Investigating Accountant**

BDO Corporate Finance (WA) Pty Ltd has acted as the Company's Investigating Accountant and prepared the Independent Limited Assurance Report in Annexure C of this Prospectus for the Company. In respect of this work, BDO Corporate Finance (WA) Pty Ltd will be paid approximately A\$35,000 by the Company. During the two years preceding the lodgement of this Prospectus with ASIC, BDO Corporate Finance (WA) Pty Ltd has not received any fees from the Company for any other services.

(g) **Independent Geologist**

GE21 Consultoria Mineral Ltda. has prepared the Independent Geologist's Reports in Annexure D for the Company. In respect of this work, GE21 Consultoria Mineral Ltda. will be paid approximately C\$65,000 by the Company. During the two years preceding the lodgement of this Prospectus with ASIC, GE21 Consultoria Mineral Ltda. has received approximately C\$48,000 in fees from the Company for providing geological services.

(h) **Australian Share Registry**

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on industry standard terms and conditions.

(i) **Canadian Share Registry**

Computershare Trust Company has acted as the Company's transfer agent and is paid for these services on industry standard terms and conditions.

(j) **Auditor**

MNP LLP has been appointed to act as auditor to the Company. The Company estimates it will pay MNP LLP a total of C\$48,435 for these services in connection with this Prospectus. During the 24 months preceding lodgement of this Prospectus with ASIC, MNP LLP has provided audit services to the Company, the total value of these services was C\$115,310.

6.19 Costs of the Offer

The total costs of the Offer payable by the Company are:

Item of expenditure	A\$ ^{1 2}
ASIC Lodgement Fee	9,600
ASX Listing Fee	142,000
Australian Legal Counsel Fees	155,000
Canadian Legal Counsel Fees	10,000
Lead Manager Fee	440,000
Independent Limited Assurance Report	35,000
Independent Solicitor's Report	40,000
Independent Technical Report	65,000
Share Registry	27,000
Other expenses of the Offer (typesetting)	15,000
TOTAL	938,600

Notes:

1. The table above contains the AUD equivalent of various payments which will ultimately be paid in other currencies (particularly the USD and CAD). The AUD equivalents of those payments naturally will fluctuate with exchange rates.
2. Assumes an exchange rate of A\$1 = C\$1.13.

6.20 Regulatory Relief

(a) **ASIC Relief**

The Company has applied to ASIC for, and ASIC has granted, a modification of section 707 of the Corporations Act such that a modified form of subsection 707(3) and 707(4) applies to sale offers, within 12 months of issue, of CDIs issued:

- (i) by the Company upon the transmutation of Shares within 12 months of the issue of those Shares;
- (ii) to holders of Options, on exercise of the Options, and:
 - (A) the Options were issued or granted prior to the date of Admission without disclosure under Chapter 6D of the Corporations Act;
 - (B) the issue of CDIs upon transmutation of Shares, and upon the exercise of Options, did not involve any further offer; and
- (iii) to holders of Warrants, on exercise of the Warrants, and:
 - (A) the Warrants were issued or granted prior to the date of Admission without disclosure under Chapter 6D of the Corporations Act; and
 - (B) the issue of CDIs upon transmutation of Shares, and upon the exercise of Warrants, did not involve any further offer.

The effect of the modification is that sale offers of such CDIs within 12 months after their issue would not need disclosure under Part 6D.2 of the Corporations Act.

(b) **ASIC Class Order Relief**

Pursuant to ASIC Class Order CO 14/827 (**Class Order**), ASIC has given class order relief for offers for the issue or sale of CDIs, where the underlying foreign securities are quoted on ASX and are held by CDN as the depository nominee. The purpose of the relief is to remove any uncertainty about how offers of CDIs over underlying foreign securities are regulated under

the Corporations Act, ensuring offers of CDIs are regulated as an offer of securities under the disclosure provisions of Chapter 6D of the Corporations Act.

Pursuant to the Class Order, the Company provides the following information:

Topic	Description
Nature of CDIs	<p>The Shares to be issued pursuant to the Offer will trade on ASX in the form of CDIs if and when ASX grants Quotation to those securities.</p> <p>A CDI is a unit of beneficial ownership in a Share, where the underlying Share is registered in the name of a depository nominee (being CDN)), for the purpose of effectively enabling the Share to be traded on ASX.</p> <p>For further information see Section 6.4 and Annexure A.</p>
Specific features of CDIs	<p>The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder.</p> <p>Each CDI will represent one underlying Share.</p> <p>CDI Holders have the same economic benefits of holding the underlying Shares. CDI Holders are able to transfer and settle transactions electronically on ASX.</p> <p>With the exception of voting rights and certain other rights of Shareholders under Canadian law (as detailed in Section 6.3), the CDI Holders are generally entitled to equivalent rights and entitlements as if they were the legal owners of Shares. CDI Holders will receive notices of general meetings of Shareholders.</p> <p>For further information see Section 6.4 and Annexure A.</p>
Identity and role of the depository nominee	<p>The Shares underlying the CDIs to be issued pursuant to this Prospectus will be registered in the name of CDN. CDN is a wholly owned subsidiary of ASX established specifically to fulfil the functions of a depository nominee in the CHESSE settlement system.</p> <p>CDN holds an Australian Financial Services Licence (licence number 254514) that authorises it to provide custodial and depository services to retail and wholesale clients. It is also admitted as a participant in the CHESSE facility.</p> <p>Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder. CDN is obliged not to dispose of the underlying securities, nor to create any interest (including a security interest) which is inconsistent with the title of CDN to the underlying securities or the interests of the holders of CDIs in respect of those securities, except as otherwise specifically allowed for under the ASX Settlement Rules.</p> <p>By completing an Application Form, an Applicant will apply for Shares to be issued to CDN, which will in turn issue CDIs to the Applicant.</p> <p>CDN receives no fees from investors for acting as the depository nominee in respect of CDIs.</p>
How to convert CDIs into Shares	<p>Information on how to convert CDIs into Shares is detailed in Section 6.5 and Annexure A.</p>
Voting rights	<p>CDI Holders cannot vote personally at Shareholder meetings.</p> <p>As CDI Holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at Shareholder meetings of the Company on the instruction of the CDI Holders on a poll, not on a show of hands.</p> <p>CDI Holders are entitled to give instructions for one vote for every underlying Share held by CDN.</p> <p>CDI Holders are also entitled to instruct CDN to appoint one or more proxy holders in relation to the Shares underlying their CDIs.</p>

Topic	Description
	<p>Alternatively, the CDI Holder can, if they wish, request to convert their CDIs into Shares prior to the record date for the relevant meeting in order to vote in person at the meeting.</p> <p>For further information see Sections 6.3 and 6.4 and Annexure A.</p>
Dividends or other distributions	<p>The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, or other distributions flow through to CDI Holders as if they were the legal owners of the underlying securities.</p> <p>As each CDI will represent one underlying Share, in the event the Company pays a dividend or undertakes a distribution CDI Holders will receive the same benefit as if they were holding Shares.</p>
Corporate actions	<p>Further to the information above, the ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI Holders as if they were the legal owners of the underlying securities. The same applies to other corporate actions such as reorganisations of capital.</p> <p>However, in some cases, marginal differences may exist between the resulting entitlements of CDI Holders and the entitlements they would have accrued if they held Shares directly. This is because, for the purposes of certain corporate actions, CDN's holding of Shares is treated as a single holding, rather than as a number of smaller separate holdings corresponding to the individual interests of CDI Holders (thus, for example, CDI Holders will not benefit to the same extent from the rounding up of fractional entitlements as if they held Shares directly).</p>
Takeovers	<p>If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance.</p>

(c) **ASX in-principle waivers**

ASX has provided the Company in-principle advice that ASX would, upon receipt of the Company's formal application to ASX for admission, be likely to grant a waiver from each of the following:

- (i) *Listing Rule 1.1 Condition 6* and *Listing Rule 2.4* to the extent necessary to permit the Company to apply for quotation of only those fully paid common shares (to be settled on ASX in the form of CDIs) issued into the Australian market, subject to the following conditions:
 - (A) the Company applies for quotation of new fully paid common shares issued into the Australian market on a monthly basis, and the Company provides an Appendix 4A which provides a monthly update of the net changes in the number of its common shares over which CDIs are issued; and
 - (B) the Company releases details of this waiver as pre-quotation disclosure;
- (ii) *Listing Rule 1.1 Condition 12* to the extent necessary to permit the Company to have up to 750,000 Performance Rights on issue with an exercise price of less than \$0.20;
- (iii) *Listing Rule 2.8* to the extent necessary to allow the Company not to apply for quotation of the fully paid main class of securities in the Company transferred to the Australian subregister as a result of holders wishing to hold their securities in the form of CDIs, within 10 business days of issue of those CDIs, subject to the following conditions:
 - (A) the Company applies for quotation of the main class of securities transferred to the Australian subregister on a monthly basis, and the company provides

- an Appendix 4A which provides a monthly update of the net changes in the number of the main class of securities over which CDIs are issued; and
- (B) the Company releases details of this waiver as pre-quotation disclosure;
- (iv) *Listing Rules 4.2A and 4.2B* to the extent necessary to permit the Company not to lodge half yearly accounts, on the following conditions:
- (A) that the Company lodges with ASX the half-year financial statements and interim Management's Discussion and Analysis (**MD&A**) that the Company is required to lodge with the Canadian securities regulatory authorities in accordance with its obligations under the relevant Canadian laws (**Canadian Reporting Requirements**) at the same time that the Company lodges those documents with those Canadian securities regulatory authorities; and
- (B) if the Company will not be able to provide the half year financial statements and interim MD&A on the date required by the Canadian Reporting Requirements, the Company notifies ASX at least one business day before that date (and in any event as soon as the Company becomes aware that it will not be able to provide the half year financial statements and interim MD&A on the required date);
- (v) *Listing Rule 5.3* to the extent necessary to permit the Company not to lodge quarterly activity and cash flow reports as required by the Listing Rules on the following conditions:
- (A) that the Company lodges with ASX the quarterly financial statements and interim MD&A that the Company is required to lodge with the Canadian securities regulatory authorities in accordance with its obligations under the relevant Canadian laws at the same time that the Company lodges those documents with those Canadian securities regulatory authorities; and
- (B) if the Company will not be able to provide the quarterly financial statements and interim MD&A by the date required by the relevant Canadian laws, the Company notifies ASX at least one business day before that date (and in any event as soon as the Company becomes aware that it will not be able to provide the reports on the required date);
- (vi) *Listing Rule 5.5* to the extent necessary to permit the Company not to lodge quarterly expenditure report as required by the Listing Rules on the following conditions:
- (A) that the Company lodges with ASX the quarterly Financial Statements and interim MD&A that the Company is required to lodge with the Canadian securities regulatory authorities in accordance with Canadian Reporting Requirements at the same time that the Company lodges those documents with those Canadian securities regulatory authorities; and
- (B) if the Company will not be able to provide the quarterly Financial Statements and interim MD&A on the date required by the Canadian Reporting Requirements, the Company notifies ASX at least one business day before that date (and in any event as soon as the Company becomes aware that it will not be able to provide the quarterly Financial Statements and interim MD&A on the required date);
- (vii) *Listing Rule 6.10.3* to the extent necessary to permit the Company to set the "specified time" to determine whether a shareholder is entitled to vote at a shareholders meeting in accordance with the requirements of the relevant Canadian legislation;
- (viii) *Listing Rules 6.16, 6.19, 6.21 and 6.22* to the extent necessary to permit the Company to have existing Options on issue (**Existing Options**) pursuant to the Share Option Plan and Warrants that do not comply with Listing Rule 6.16 on the following conditions:
- (A) the full terms of the Existing Options and the Warrants, and the Share Option Plan are released to the marked as pre-quotation disclosure; and

- (B) the Company does not issue further Options or Warrants which do not comply with Listing Rule 6.16;
- (ix) *Listing Rule 10.11* to the extent necessary to permit the Company to issue or agree to issue securities to a related party without shareholder approval on the following conditions:
 - (A) the Company complies with the requirements imposed on it under TSX-V rules;
 - (B) where the Company seeks security holder approval for the issue of securities to a related party, the votes of the related party (and its associates) not be counted and a voting exclusion statement be included in the notice of meeting;
 - (C) the Company (by no later than the lodgement of its full year accounts with ASX in each year), must give ASX, for release to the market, a statement that it remains subject to, and continues to comply with, the requirements of the TSX-V with respect to new issues of securities; and
 - (D) if the Company becomes aware of any change to the application of the TSX-V rules with respect to the issue of securities to related parties, or that the Company is no longer in compliance with the requirements of TSX-V with respect to the issue of securities to related parties, it must immediately advise ASX;
- (x) *Listing Rule 14.2.1* to the extent necessary to permit the Company not to provide in its proxy form for holders of CDIs to vote against a resolution to elect a director or to appoint an auditor, on the following conditions.
 - (A) the Company complies with the relevant Canadian laws as to the content of proxy forms applicable to resolutions for the election of directors and the appointment of an auditor;
 - (B) the notice given by the Company to CDI holders under ASX Settlement Operating Rule 13.8.9 makes it clear that holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case;
 - (C) the Company releases details of the waiver to the market as pre-quotation disclosure and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs; and
 - (D) without limiting ASX's right to vary or revoke its decision under Listing Rule 18.3, the waiver from Listing Rule 14.2.1 applies for so long as the relevant Canadian laws prevent the Company from permitting shareholders to vote against a resolution to elect a director or appoint an auditor;
- (xi) *Listing Rule 14.3* to the extent necessary to permit the Company to accept nominations for the election of directors in accordance with the shareholder proposal provisions of sections 188 and 189 of the BCBCA, on the following conditions.
 - (A) the Company releases the terms of the waiver to the market as pre-quotation disclosure; and
 - (B) the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs; and
- (xii) *Listing Rule 15.7* to the extent necessary to permit the Company to give information that is for release to the market simultaneously to both ASX and TSX-V.

6.21 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

6.22 Continuous Disclosure Obligations

Following Admission, the Company will be subject to regular reporting and disclosure obligations. Specifically, the Company will be required to continuously disclose to the ASX market any information it has which a reasonable person would expect to have a material effect on the price or the value of the CDIs (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders, CDI Holders and market participants. Distribution of other information to Shareholders, CDI Holders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

6.23 Consents

(a) General

The parties referred to in this Section:

- (i) have given the following consents in accordance with the Corporations Act which have not been withdrawn at the date of lodgement of this Prospectus with ASIC;
- (ii) except in the cases of the Directors, make no representation regarding, and to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement or report included in this Prospectus with the consent of that party as specified in this Section; and
- (iii) except in the cases of the Directors, have not authorised or caused the issue of this Prospectus or the making of the Offer.

(b) Directors

Each of the Directors has given their written consent to being named in this Prospectus in the form and context in which they are named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, them, in each case in the form and context as they appear in this Prospectus.

(c) Lead Manager

Taylor Collison Limited has given its written consent to being named as the Lead Manager to the Offer in the form and context in which it is named in this Prospectus and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Taylor Collison Limited, in each case in the form and context as they appear in this Prospectus.

(d) Australian Legal Adviser

Thomson Geer has given its written consent to being named in this Prospectus as Australian legal adviser to the Company in relation to this Prospectus, in the form and context in which it is named.

(e) Canadian Legal Adviser

Borden Ladner Gervais LLP has given its written consent to being named in this Prospectus as Canadian Legal Adviser to the Company in relation to this Prospectus, in the form and context in which it is named.

(f) Brazilian Legal Adviser

William Freire Advogados Associados has given its written consent to being named as the Brazilian Legal Adviser in this Prospectus in the form and context in which it is named and to the inclusion of the Brazilian Solicitor's Report in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, William Freire Advogados Associados, in each case in the form and context as they appear in this Prospectus.

(g) Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd has given its written consent to being named as the Investigating Accountant in this Prospectus in the form and context in which it is named and to the inclusion of the Independent Limited Assurance Report in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and

statements relating to, made by, or said to be based on statements by, BDO Corporate Finance (WA) Pty Ltd, in each case in the form and context as they appear in this Prospectus.

(h) **Independent Geologist**

GE21 Consultoria Mineral Ltda. has given its written consent to being named as the Independent Geologist in this Prospectus in the form and context in which it is named and to the inclusion of the Independent Geologist's Reports in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, GE21 Consultoria Mineral Ltda., in each case in the form and context as they appear in this Prospectus.

(i) **Australian Share Registry**

Automic Pty Ltd has given its written consent to being named as the Company's Australian Share Registry in this Prospectus in the form and context in which it is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Automic Pty Ltd, in each case in the form and context as they appear in this Prospectus.

(j) **Canadian Share Registry**

Computershare Trust Company has given its written consent to being named as the Company's Canadian Share Registry in this Prospectus in the form and context in which it is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Computershare Trust Company, in each case in the form and context as they appear in this Prospectus.

(k) **Auditor**

MNP LLP has given its written consent to being named as the Company's auditor in this Prospectus, to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, MNP LLP and to all references in this Prospectus relating to MNP LLP's audit or review opinions for the Company's 2023 financial accounts, in each case in the form and context as they appear in this Prospectus.

6.24 **Electronic Prospectus**

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Corporations Act prohibits any person from passing on to another person an Application Form, unless it is attached to or accompanies a hard copy of this Prospectus or a complete and unaltered electronic copy of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

6.25 **Documents Available for Inspection**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at Suite 520, 999 West Hastings Street, Vancouver, British Columbia, Canada V6E 2E9:

- (a) this Prospectus; and
- (b) the Articles.

6.26 **Governing law**

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in Western Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Western Australia and of the Commonwealth of Australia.

6.27 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in the Independent Limited Assurance Report (which is included in Annexure C) there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

7 Authorisation

This Prospectus has been authorised by each Director and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and the issue of this Prospectus and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:



Christopher Eager
President, CEO and Director
1 May 2024

8 Glossary of Terms

In this Prospectus, unless the context requires otherwise:

A\$ or AUD	Australian dollars.
Admission	Admission of the Company to the Official List, following completion of the Offer.
AEST	Australian Eastern Standard Time.
AGM	Annual general meeting of a company's shareholders.
ANM	Agência Nacional de Mineração (the National Mining Agency of Brazil).
Annexure	An annexure of this Prospectus.
Applicable Law	Any one or more or all, as the context requires, of: <ul style="list-style-type: none">(a) the Corporations Act;(b) the BCBCA;(c) the <i>Securities Act</i> (British Columbia);(d) the Listing Rules (as applicable);(e) the Articles, as amended from time to time;(f) the TSX-V Policies; and(g) any practice note, policy statement, regulatory guide, class order, legislative instrument, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend paragraphs (a) and (d) above.
Applicant	A person who submits an Application.
Application	A valid application for CDIs under the Offer.
Application Form	An application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility).
Application Monies	Application monies to be paid by Applicants applying for Securities pursuant to the Offer under this Prospectus.
Articles	The articles of incorporation of the Company as may be amended from time to time (noting that the references in this Prospectus to the Articles are to the articles as adopted by the Company at the time of Admission).
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange Limited (ACN 000 943 377) or, where the context requires, the financial market operated by it.
ASX Recommendations	The ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles and Recommendations 4 th Edition).
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Rules	ASX Settlement Operating Rules of ASX Settlement.
August 2023 Placement	Has the meaning given in Section 2.3.
AWST	Australian Western Standard Time.
BCBCA	<i>Business Corporations Act</i> (British Columbia), as amended, or such other successor legislation as may be enacted, from time to time.
BCML	Has the meaning given in Section 2.2.
Board	The board of Directors.
Brazilian Legal Adviser	William Freire Advogados Associados.
Brazilian Solicitor's Report	The report contained in Annexure E.
Broker	Any ASX participating organisation selected by the Lead Manager and the Company to act as broker to the Offer.
Broker Offer	means the offer to clients of Brokers.
C\$ or CAD	Canadian dollars.
Canada-Australia Tax Treaty	Has the meaning given in Section 5.17(b).
Canadian Reporting Requirements	Has the meaning given in Section 6.20(c)(iv).
CDI	CHESS Depository Interests issued by CDN, where each CDI represents the beneficial interest in one Share, as detailed in Section 5.14(c) and Annexure A.
CE Deed	Has the meaning given in Section 3.3(b)(i).
CDI Holder	A holder of CDIs.
CDN	CHESS Depository Nominees Pty Limited (ABN 75 071 346 506) (AFSL 254514), in its capacity as depository of the CDIs under the ASX Settlement Rules.
CGT	Capital gains tax.
Chairman	The Chairman of the Company.
CHESS	Clearing House Electronic Subregister System.
Class Order	ASIC Class Order CO 14/827 (or any amendment to or replacement of that Class Order).
Closing Date	The date the Offer closes.
Company	Resouro Strategic Metals Inc. (ARBN 671 716 457) a company registered in British Columbia, Canada under corporation number BC0430203 and registered as a foreign company with ASIC under the Corporations Act.
Competent Person	Has the meaning given in the JORC Code.

Completion	The date on which Shares are issued to successful Applicants in accordance with the terms of the Offer.
Control Person	Has the meaning given in Section 6.3(f).
Coogavepe Agreement	Has the meaning given in Section 6.7(b).
Corporate Secretary	The Company's corporate secretary(s).
Corporations Act	<i>Corporations Act 2001</i> (Cth).
CSA	Canadian Securities Administrators.
DC&P	Has the meaning given in Annexure B.
Directors	The directors of the Company.
Electronic Prospectus	The electronic copy of this Prospectus located at the Company's website at https://www.resouro.com/ .
ESG	Environmental, social and governance.
Exercise Price	The exercise price of the Options or Warrants (as applicable).
Expiry Date	The expiry date of the Options or Warrants (as applicable).
Exploration Target	Has the meaning given in the JORC Code.
Exploration Result	Has the meaning given in the JORC Code.
Exposure Period	In accordance with section 727(3) of the Corporations Act, the period of seven days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
FMC Act	Financial Markets Conduct Act 2013.
First Addendum	Has the meaning given in Section 6.7(a).
FITO	Has the meaning given in Section 5.17(a).
FPO	Financial Services and Markets Act 2000 (Financial Promotions) Order 2005.
FSE	Frankfurt Stock Exchange.
FSMA	Financial Services and Markets Act 2000, as amended.
GST	Goods and Services Tax.
Group	The Company and its subsidiaries.
ha	Hectares.
HIN	Holder Identification Number.
Historical Financial Information	Comprises: (a) statutory Consolidated Statement of Profit or Loss and Other Comprehensive Income for the years ended 31 March 2022 (audited) and 31 March 2023 (audited) and half year ended 30 September 2023 (reviewed);

- (b) statutory Consolidated Statement of Financial Position for the years ended 31 March 2022 (audited) and 31 March 2023 (audited) and half year ended 30 September 2023 (reviewed);
- (c) statutory Consolidated Statement of Cash Flows for the years ended 31 March 2022 (audited) and 31 March 2023 (audited) and half year ended 30 September 2023 (reviewed); and
- (d) statutory Consolidated Statement of Changes in equity for the years ended 31 March 2022 (audited) and 31 March 2023 (audited) and half year ended 30 September 2023 (reviewed).

Holder	The holder of an Option or a Warrant (as applicable).
ICFR	Has the meaning given in Annexure B.
IFRS	International Financial Reporting Standards.
Independent Geologist	GE21 Consultoria Mineral Ltda.
Independent Geologist's Report (Novo Mundo Project)	The report contained in Part 2 of Annexure D.
Independent Geologist's Report (Tiros Project)	The report contained in Part 1 of Annexure D.
Independent Geologist's Reports	The reports contained in Annexure D.
Independent Limited Assurance Report	The report contained in Annexure C.
Indicative Timetable	The indicative timetable for the Offer on page 9 of this Prospectus.
Investigating Accountant	BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).
Investor Relations Activities	Has the meaning given in the TSX-V Policies.
ISON	Has the meaning given in Section 2.2.
JORC or JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012.
July 2023 Placement	Has the meaning given Section 2.3.
km	Kilometre(s).
km²	Square kilometre(s).
kV	Kilovolt.
Lead Manager	Taylor Collison Limited (ACN 008 172 450).
Lead Manager Option	The Options with the terms and conditions detailed in Section 6.11.
Listing Rules	The listing rules of ASX.
m	Metre(s).
Management Fee	Has the meaning given in Section 6.7(a).

Management Options	The Options on the terms and conditions in Section 6.9(b).
Mandate	Has the meaning given in Section 6.7(a).
March 2024 Placement	Has the meaning given Section 2.3.
MD&A	Management Discussion and Analysis.
Mineral Resource	Has the meaning given in the JORC Code.
Minimum Subscription	Has the meaning given in Section 5.2.
MLI	Has the meaning given in Section 5.175.17(b).
NdPr	The light rare earth elements Neodymium-Praseodymium.
Nexa	Has the meaning given in Section 6.7(b).
Nexa Sub	Has the meaning given in Section 6.7(b).
NI 54-101	National Instrument 54-101 <i>Communications with Beneficial Owners of Securities of a Reporting Issuer</i> .
Non-Canadian Shareholder	Has the meaning given in Section 5.175.17(b).
Notice of Exercise	Has the meaning given in Sections 6.9 and 6.11 (as applicable).
Novo Mundo Agreement	Has the meaning given in Section 6.7(b).
Novo Mundo Project	Has the meaning given in Section 2.1.
Offer	Has the meaning given in Section 5.1.
Offer Information Line	Australia: 1300 288 664 International: +61 2 9698 5414
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Offer Price	Has the meaning given in Section 5.1.
Official List	The official list of entities that ASX has admitted to and not removed from listing.
Official Quotation or Quotation	Official quotation by ASX in accordance with the Listing Rules.
Opening Date	The date the Offer opens.
Option	An option to subscribe for a Share.
Optioned Shares	Shares that may be issued in the future to a Holder upon the exercise of an Option.
Ore Reserve	Has the meaning given in the JORC Code.
Performance Right	A right to, subject to satisfaction of vesting conditions, subscribe for a Share.

PM Agreement	Has the meaning given in Section 3.3(b)(ii).
ppm	Parts per million.
Projects	The Tiros Project, the Novo Mundo Project and the Santa Angela Project.
Proposal	Has the meaning given in Section 6.3(c).
Proposed Amendments	Has the meaning given in Section 5.175.17(b).
Prospectus	This prospectus dated on the Prospectus Date.
Prospectus Date	1 May 2024.
Prospectus Expiry Date	Has the meaning given in the Important Notice section.
Public Offer	means an offer of CDIs to members of the general public with registered addresses in Australia.
RBM	Has the meaning given in Section 6.7(a).
RBM BCML Interest	Has the meaning given in Section 6.7(a).
Related Party	Any one or more or all, as the context requires, of: <ul style="list-style-type: none"> (a) a trustee of a trust, in respect of which the person is the trustee or the person controls a body corporate which is the trustee; (b) a body corporate controlled by such person; and (c) any other person deemed a related party by the Board.
REE	Rare Earth Elements.
Resmin	Resmin Pte Ltd, a company incorporated in Singapore.
Resmin Options	The Options on the terms and conditions in Section 6.9(c).
Santa Angela Project	Has the meaning given in Section 2.1.
Second Addendum	Has the meaning given in Section 6.7(a).
Section	A section of this Prospectus.
Security	A security in the Company.
Security Interest	A mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.
SFA	Securities and Futures Act 2001 of Singapore.
Share	A fully paid common share in the capital of the Company (or a CDI in respect of a share, as the context requires).
Share Option Plan	The Company's Share Option Plan, the key terms of which are summarised in Section 6.10.
Share Registry	Australia – Automic Pty Ltd (ACN 152 260 814). Canada – Computershare Trust Company.

Shareholder	Any person holding Shares or CDIs (as the context requires).
Shareholder Proposal	Has the meaning given in Annexure B.
SRN	Securityholder Reference Number.
Tax Act	Has the meaning given in Section 5.17(b).
Tiros Project	Has the meaning given in Section 2.1.
Tiros Project Agreements	Has the meaning given in Section 6.7(a).
TMEL	Has the meaning given in Section 2.2.
TREO	Total rare earth element oxides.
TSPS	Has the meaning given in Section 2.2.
TSX-V	TSX Venture Exchange Inc.
TSX-V Policies	The policies included in the TSX-V's Corporate Finance Manual and TSX-V Policy means any one of them.
USGS	United States Geological Survey.
US Securities Act	United States Securities Act of 1933.
US\$ or USD	United States dollars.
VWAP	The volume weighted average price.
Warrant	A warrant to subscribe for a Share.

Annexure A – Summary of CDIs

1.1 Definitions

Capitalised terms used in this Annexure and not otherwise defined have the same meanings as set out in the Glossary of this Prospectus.

1.2 Introduction

In order for the beneficial ownership in the Shares to trade electronically on the ASX, the Company intends to participate in the electronic transfer system known as CHESS operated by ASX Settlement.

CHESS cannot be used directly for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as Canada. Accordingly, to enable beneficial ownership in the Shares to be cleared and settled electronically through CHESS, depositary interests called CHESS Depositary Interests, or CDIs, are issued.

CDIs confer the beneficial ownership in Shares on the CDI Holder, with the legal title to such Shares being held by an Australian depositary entity. The Company will appoint CDN to act as its Australian depositary.

A summary of the rights and entitlements of CDI Holders in the Company and CDI Holders generally is set out below.

Further information about CDIs is available from ASX, in *ASX Guidance Note 5 – CHESS Depositary Interests (CDIs)* or the Share Registry.

1.3 Overview of CDIs generally

A CDI is the beneficial ownership of a Share quoted on ASX as a financial product. CDI Holders consequently have the beneficial interest in the underlying security of a foreign company whilst the legal title is held by the depositary. The use of CDIs facilitates investors to hold and trade in foreign securities by trading the relevant CDIs on ASX.

1.4 CDI: Share ratio

Each CDI will represent the beneficial interest in one Share.

1.5 CHESS Depositary Nominees Pty Limited

The Company will appoint CDN, a subsidiary of ASX and an approved general participant of ASX Settlement, to act as its Australian depositary.

CDN will hold legal title to the Shares, in book entry form, on the Canadian share register on behalf of CDI Holders and will be the directly registered Shareholder on the share registry of the Company. CDN will receive no fees for acting as the depositary for the CDIs. By completing an Application Form, an Applicant will apply for Shares to be issued to CDN and for CDIs to be issued to the Applicant.

1.6 Shareholder entitlements

The ASX Settlement Rules have the force of law by virtue of the Corporations Act. These rules grant CDI Holders the right to receive any dividends and other entitlements which attach to Shares.

With the exception of voting rights and certain other rights of Shareholders under Canadian law (as detailed in Section 6.3), the CDI Holders are generally entitled to equivalent rights and entitlements as if they were the legal owners of Shares.

This means that all economic benefits such as dividends, bonus issues, rights issues, interest payments and maturity payments or similar corporate actions flow through to you as if you were the legal owner of the corresponding financial product.

1.7 Evidence of ownership

Successful Applicants will receive a holding statement or allotment confirmation notice which details the number of CDIs held by the CDI Holder and the holder reference number of the holding. Holding statements will be provided to a CDI Holder when a holding is first established and where there is a change in the balance of CDIs held.

The Company will operate book entry and certificated registers of Shares in Canada and uncertificated issuer sponsored and CHESS sub-registers of CDIs in Australia.

The Company's uncertificated issuer sponsored sub-register of CDIs will be maintained by the Share Registry in Australia and the CHESSE sub-register will be maintained by ASX Settlement. The Canadian book entry and certificated registers of Shares will be maintained in Canada.

The Canadian share register is the register of legal title (and will reflect directly registered legal ownership by CDN of the Shares underlying the CDIs) and the two uncertificated sub-registers in Australia combined will make up the register of beneficial title to the Shares underlying the CDIs.

1.8 Voting

Under the Listing Rules, the Company, as an issuer of CDIs, must allow CDI Holders to attend any meeting of the holders of the underlying Shares, unless the relevant Canadian laws at the time of the meeting prevents CDI Holders from attending those meetings. At the Prospectus Date, those laws do not prevent such attendance by CDI Holders. Consequently, as beneficial owners of Shares, CDI Holders are entitled to attend any meeting of Shareholders.

In order to vote at such meetings, CDI Holders have the following options:

- (a) instructing CDN, as the legal owner, to vote Shares underlying their CDIs in a particular manner. A CDI voting instruction form will be sent to CDI Holders together with each notice of meeting and the instruction form must be completed and returned to the Share Registry prior to the meeting;
- (b) informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy for the purposes of attending and voting the shares underlying their CDIs at the general meeting; or
- (c) converting their CDIs into a directly registered holding of Shares and voting these at the meeting (however, if thereafter the former CDI Holder wishes to sell their investment on the ASX it would be necessary to convert Shares back to CDIs). The conversion must be done prior to the record date for the meeting. Refer to paragraph 1.10 of this Annexure for further information regarding the conversion process.

Due to CDI Holders not appearing on the Company's share register as the legal holders of Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.

In addition, there are certain mandatory voting exclusions pursuant to the Listing Rules which, commencing from Admission, will apply pursuant to the Articles in certain circumstances such that the votes of certain Shareholders (and CDI Holders) may not be counted towards the approval of certain resolutions for the purposes of the Listing Rules.

CDI voting instruction forms, and details of these alternatives, will be included in each notice of meeting sent to CDI Holders by the Company.

These voting rights exist only under the ASX Settlement Rules rather than under Canadian law. As CDN is the legal holder of the applicable Shares and not CDI Holders, CDI Holders do not have any direct enforceable rights as Shareholders under the Articles.

1.9 Trading in CDIs on the ASX

CDI Holders who wish to trade their CDIs will be transferring the beneficial interest in the relevant underlying Shares, rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESSE. In other respects, trading in CDIs is essentially the same as trading in other CHESSE approved securities, such as shares in an Australian company.

1.10 Converting from a CDI holding to a direct holding of Shares

CDI Holders may at any time convert their holding of CDIs (tradeable on ASX) to Shares by:

- (a) in the case of CDIs held through the issuer sponsored sub-register, contacting the Share Registry in Australia directly to obtain the applicable request form; or
- (b) in the case of CDIs which are sponsored on the CHESSE sub-register, contacting their controlling participant (usually a broker). In this case, their controlling participant will arrange for completion of the relevant form and its return to the Share Registry in Australia.

The Canadian Share Registry will then arrange for the transfer of Shares from CDN to the former CDI Holder and issue to the former CDI Holder a corresponding share certificate or a holding statement. This will cause Shares to be directly registered in the name of the holder on the Company's Share register and trading and settling on the ASX will no longer be possible. It is expected that this process will be completed by the next business day, provided that the Share Registry is in receipt of a duly

completed and valid CDI cancellation request form. However, no guarantee can be given about the time for this conversion to take place.

A holder of Shares, including those held through a physical share certificate, will not be able to trade and settle those Shares on the ASX.

1.11 Converting from a direct holding of Shares to a CDI holding

If holders of Shares wish to convert their holdings to CDIs, they can do so by contacting the Share Registry in Canada. The Share Registry will not charge a fee to a Shareholder seeking to convert Shares to CDIs.

In this instance, underlying Shares will be transferred to CDN and a holding statement for the CDIs will be issued to the relevant security holder. No trading in CDIs on the ASX can take place until this conversion process is complete.

1.12 Communication with CDI Holders

CDI Holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from the Company. These rights exist only under the ASX Settlement Rules rather than under Canadian law.

1.13 Takeovers

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder then, under the ASX Settlement Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. CDN must ensure that the offeror processes the takeover acceptance of a CDI Holder if such CDI Holder instructs CDN to do so. These rights exist only under the ASX Settlement Rules rather than under Canadian law.

1.14 Rights on liquidation or winding up

In the event of the Company's liquidation, dissolution or winding up, a CDI Holder will be entitled to the same economic benefit on their CDIs as Shareholders. These rights exist only under the ASX Settlement Rules rather than under Canadian law.

1.15 Fees

A CDI Holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.

1.16 Further information

For further information in relation to CDIs and the matters referred to above, please refer to the ASX website <https://www.asx.com.au/> or contact your stockbroker or the Share Registry.

Annexure B – Comparison of Laws

As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the BCBCA and other applicable Canadian laws.

The following is a general description of the principal differences between the laws and regulations concerning shares in a company incorporated in Canada as opposed to Australia. It is provided a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding, or disposing of such shares or interests in such shares. The laws, regulations, policies and procedures described are subject to change from time to time. The outline is not legal advice, and may not be used or relied on for that purpose. If you are in any doubt as to your own legal position, you should seek independent professional advice.

Topic	Canadian Law	Australian Law
Transactions requiring Shareholder approval	<p>Under the BCBCA and the Articles, in general, ordinary resolutions or directors' resolutions are required for matters that do not significantly affect a company or its value. Special resolutions are required to approve matters with significant consequences to a company or its primary stakeholders, primarily the shareholders. Such resolutions require the approval of no less than two thirds of the votes cast by shareholders.</p> <p>Unless the BCBCA and the Articles require a special resolution, ordinary resolutions are passed by a simple majority of votes cast on the resolution. Certain matters required by the BCBCA to be approved by special resolution include, among others:</p> <ul style="list-style-type: none"> • an amendment to the company's Articles, unless otherwise specified in the Articles or BCBCA, • an amalgamation with an unaffiliated company; • a continuance under the laws of another jurisdiction; and • the sale, lease or other disposition of all or substantially all of the property of the company other than in the ordinary course of business. 	<p>Under the Corporations Act, the matters requiring shareholder approval, include (among other matters):</p> <ul style="list-style-type: none"> • removal of directors; • appointment and removal of an auditor; • certain transactions with a related party e.g. directors; • amending or changing the constitution of a company; • adopting a new company name; • putting the company into liquidation; • changes to the rights attached to shares; and • shareholder approval is also required for certain transactions affecting share capital (e.g. certain share buybacks and share capital reductions). <p>The above shareholder approval matters are in addition to the matters requiring shareholder approval under the Listing Rules which apply to all entities listed on the Official List of ASX.</p>
Shareholders' right to request or requisition a general meeting (and whether CDI Holders have similar rights)	<p>Under the BCBCA, the holders of 5% or more of the issued shares carrying the right to vote at a meeting may, at any time, requisition the directors to call a meeting of shareholders for the purposes stated in the requisition.</p> <p>If the directors do not call a meeting within 21 days after receiving the requisition, any one or more shareholders holding more than 2.5% of the issued shares in the aggregate</p>	<p>The Corporations Act requires the directors to call a general meeting on the request of shareholders with at least 5% of the vote that may be cast at the general meeting.</p> <p>Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.</p>

Topic	Canadian Law	Australian Law
	<p>who signed the requisition may call the meeting.</p> <p>The BCBCA does not contemplate holders of CHESSE Depository Interests.</p>	
<p>Shareholders' right to attend and vote at meetings (and whether CDI Holders have similar rights)</p>	<p>The Articles provide that each share of a company entitles the holder to one vote at a meeting of shareholders.</p> <p>Every shareholder entitled to vote at a meeting may also appoint a proxyholder (along with one or more alternate proxyholders) who need not be a shareholder, to attend and act at the meeting in the manner conferred by the proxy.</p>	<p>Under Australian laws, subject to the rights and entitlements of the particular class of shares in question, shareholders are generally entitled to attend and vote at general meetings of the company which issued those shares.</p>
<p>Shareholders' right to propose resolutions for consideration at meetings (and whether CDI Holders have similar rights)</p>	<p>The BCBCA entitles a registered shareholder or beneficial holder of shares eligible to be voted at a shareholder meeting to submit, to a company, notice of any matter that the person proposes to raise at the meeting (a Shareholder Proposal) and also to present the Shareholder Proposal at the meeting.</p> <p>If the company receives notice of a Shareholder Proposal and is soliciting proxies, it is required to set out the Shareholder Proposal in its management proxy circular (and at the request of the person submitting the Shareholder Proposal, must include in the circular, the person's statement in support of the Shareholder Proposal and the person's name and address). A Shareholder Proposal is required to be signed by holder(s) of at least 1% of the outstanding shares entitled to vote at the meeting or shares that have a fair market value of at least C\$2,000, and that has been a shareholder for a period of at least two years.</p> <p>The BCBCA provides certain exemptions from the requirements to include a Shareholder Proposal in the company's proxy circular, including where the Shareholder Proposal is not submitted to the company in accordance with the applicable timelines.</p>	<p>Under the Corporations Act, the following members may give a company notice of a resolution that they propose to move at a general meeting:</p> <ul style="list-style-type: none"> • members with at least 5% of the votes that may be cast on the resolution; or • at least 100 members who are entitled to vote at a general meeting. <p>If a company has been given notice of such a resolution, the resolution is to be considered at the next general meeting that occurs more than two months after the notice is given.</p> <p>The company must give all its members notice of the resolution at the same time, or as soon as practicable afterwards, and in the same way, as it gives notice of a meeting.</p>
<p>Shareholders' right to appoint proxies and vote at meetings on their behalf (and whether CDI Holders have similar rights)</p>	<p>Under the Articles, every shareholder entitled to vote at a meeting may also appoint a proxyholder who need not be shareholders, to attend and act at the meeting in the manner conferred by the proxy.</p> <p>A proxyholder or an alternate proxyholder has the same rights as</p>	<p>Under the Corporations Act, a shareholder of a public company who is entitled to attend and cast a vote at a general meeting of the company may appoint a person as the shareholder's proxy to attend and vote for the shareholder at the meeting.</p>

Topic	Canadian Law	Australian Law
	<p>the shareholder who appointed him or her to speak at a meeting of shareholders in respect of any matter and to vote at such meeting.</p> <p>Under the Articles, on a show of hands each holder of a share present in person or by proxy and entitled to vote has one vote. If a poll is called, each holder of a share present in person or by proxy will have one vote for each share held.</p>	<p>If the shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies.</p>
<p>Change in rights attaching to shares and CHES Depository Interests, and how such changes are regulated</p>	<p>In accordance with the BCBCA and the Articles, amendments to the special rights and restrictions attached to any issued shares require the approval by special resolution of the holders of the class or series of shares affected.</p>	<p>The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares. If a company does not have a constitution, or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by:</p> <ul style="list-style-type: none"> • a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or • a written consent of members with at least 75% of the votes in the class. <p>The terms and conditions of CHES Depository Interests are governed by ASX's rules.</p>
<p>Shareholder protections against oppressive conduct (and whether CDI Holders have similar rights)</p>	<p>Under the BCBCA, on the application of a "complainant" (as that term is defined in section 232 of the BCBCA), the court may grant leave to bring an action in the name and on behalf of a corporation for the purpose of enforcing, or obtaining damages for breach of, a right, duty or obligation of the company or defending a legal proceeding brought against the company.</p> <p>The BCBCA and other provincial corporate law statutes have supplemented the Canadian common law on the availability of actions. Certain substantive and procedural requirements must be met, including the court being satisfied that: the complainant made reasonable efforts to cause the directors of the company to prosecute or defend the legal proceeding, notice of the application for leave has been given to the company, the complainant is acting in good faith, and it appears to be in the best interests of the company for the</p>	<p>Under the Corporations Act, any shareholder can bring an action before the courts in cases of conduct which is either contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any one or more shareholders in their capacity as a shareholder, or themselves in a capacity other than as a shareholder. Former shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.</p>

Topic	Canadian Law	Australian Law
	<p>legal proceeding to be prosecuted or defended.</p> <p>To bring a derivative action, it is first necessary to obtain the leave of the court. The granting of leave is not automatic, and entails judicial discretion. Where a complainant can establish to the court's satisfaction that an interim order for relief should be made, the court may make such order as it thinks fit.</p> <p>In addition, a shareholder may apply to the Court for an "oppression" remedy. Where the court is satisfied that in respect of a company:</p> <ul style="list-style-type: none"> • the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, or • that some act of the company has been done or is threatened, or that some resolution of the shareholders has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, <p>the court may make an order to rectify the matter complained of. The court has the power to make any interim or final order it thinks fit to remedy the oppressive behaviour, including prohibiting or directing any act, appointing or removing directors or directing that the company be liquidated and dissolved.</p>	
<p>Shareholders' rights to bring or intervene in legal proceedings on behalf of the Company (and whether CDI Holders have similar rights)</p>	<p>See above.</p>	<p>Under the Corporations Act, (among other parties) a shareholder, former shareholder or person entitled to be registered as a shareholder may apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.</p> <p>Such leave will be granted if the court is satisfied that:</p> <ul style="list-style-type: none"> • it is probable that the company will not itself bring the proceedings or properly take responsibility for them, or for the steps in them; • the applicant is acting in good faith; • it is in the best interests of the company that the applicant be granted leave;

Topic	Canadian Law	Australian Law
		<ul style="list-style-type: none"> • if the applicant is applying for leave to bring proceedings – there is a serious question to be tried; and • either: <ul style="list-style-type: none"> ○ at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying; or ○ it is otherwise appropriate for the court to grant leave.
Shareholders' rights to dissent (and whether CDI Holders have similar rights)	The BCBCA provides shareholders with dissent rights in connection with certain corporate matters, generally including those matters which have a significant material impact on the business. Such matters include amalgamations, the sale, lease or other disposition of all or substantially all of the property of the company, and the continuance into another jurisdiction. Dissent rights entitle dissenting shareholders to receive payment of fair value for their shares from the company, provided they comply with the procedural requirements set out under the BCBCA.	No such rule exists under Australian law.
"Two Strikes" rule in relation to remuneration reports	There is no "Two Strikes" rule or anything equivalent under the BCBCA. Under the BCBCA, the Board determines the remuneration of the directors (in addition to the officers and employees of the company). Additional remuneration may be paid above that amount to directors providing professional or other services to the Company outside of the ordinary duties of directors. Under applicable Canadian securities law, a report on executive compensation must be filed annually within six months of the company's year-end, and is typically included in the Management Information Circular for the annual meeting of Shareholders.	Under the Corporations Act, a non-binding, advisory resolution must be put to shareholders at each annual general meeting (AGM) of a listed company incorporated in Australia (which does not include the Company), seeking shareholder approval for the remuneration report including in the company's annual report. If more than 25% of votes on that resolution are cast against the remuneration report at two consecutive AGMs (i.e. two strikes), an ordinary (simply majority) resolution must be put to shareholders at the second AGM proposing that a further meeting be held within 90 days at which all of the directors who were directors when the board resolved to approve the second remuneration report must (except for the managing director) resign and stand for re-election.
Disclosure of material information	Under Canadian securities laws, listed companies are required to disclose all "material information" which encompasses both material facts and material changes. Material information is any information relating to the business and affairs of a company that results in or would reasonably be	Australian law imposes obligations on certain "disclosing entities" to continuously announce certain material information. Following Admission, the Company will be required to continuously disclose to the ASX market any information it has

Topic	Canadian Law	Australian Law
	<p>expected to result in a significant change in the market price or value of any of the company's listed securities. If a material change occurs, a company must immediately issue and file a news release authorised by an executive officer disclosing the nature and substance of the change, and must within 10 days of the change, file a material change report with respect to the material change.</p>	<p>which a reasonable person would expect to have a material effect on the price or the value of the CDIs (unless a relevant exception to disclosure applies).</p> <p>Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders, CDI Holders and market participants.</p>
<p>Disclosure of substantial holdings of securities</p>	<p>Under Canadian securities laws, companies are required to disclose in their management information circulars any person or company that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the company.</p> <p>The company must name each 10% holder (whether a natural person or company) and state the approximate number of securities beneficially owned, or controlled or directed, directly or indirectly, and the percentage of the class of outstanding voting securities such amount makes up.</p>	<p>Under Part 6C.1 of the Corporations Act, a shareholder who:</p> <ul style="list-style-type: none"> • begins or ceases to have a substantial holding in a company listed on ASX; • has a substantial holding in a company listed on ASX and there is a movement by at least 1% in that substantial holding; or • makes a takeover bid for a company listed on ASX, <p>must give a notice to the company and ASX.</p> <p>A person has a substantial holding if the total votes attached to voting shares in the company in which they or their associates have relevant interests is 5% or more of the total number of votes attached to voting shares in the company, or the person has made a takeover bid for voting shares in the company and the bid period has started and not yet ended.</p> <p>The Company is not subject to Part 6C.1 of the Corporations Act. The ASX usually requires a foreign entity admitted to the Official List of the ASX to undertake to give information to the ASX (for release to the market) about the ownership of its securities. The usual undertakings are for the foreign entity (such as the Company) to tell the ASX market:</p> <ul style="list-style-type: none"> • immediately when the foreign entity becomes aware of any person becoming a substantial holder within the meaning of section 671B of the Corporations Act, and to disclose any details of the substantial holding of which the foreign entity is aware; and • of subsequent changes in the substantial holdings of which the foreign entity becomes aware. <p>Under Part 6C.2 of the Corporations Act, there are certain powers to demand that shareholders of a company listed on</p>

Topic	Canadian Law	Australian Law
		<p>ASX provide certain information in relation to relevant interests in securities of that company and third parties who exercise powers over those securities. Among other parties, the company itself (through its board) can issue such a demand (known as a beneficial interest tracing notice). In the case of the Company, it is only the Board which would be empowered to exercise the power to issue such beneficial interest tracing notices.</p>
<p>Requirements for information to be sent to security holders</p>	<p>Under the BCBCA, for the purpose of determining shareholders:</p> <ul style="list-style-type: none"> • entitled to receive a payment of a dividend; • entitled to participate in a liquidation distribution; or • entitled to receive notice of or to vote at a meeting, <p>the directors may fix a date as a record date for determination of such shareholders as long as the record date does not precede the action to be taken by more than two months or four months in the case of a record date for notice of or to vote at a general meeting.</p> <p>The Company must provide at least 21 days' notice of the date, time and location of all shareholder meetings to registered shareholders of the Company entitled to vote at the meeting, to each director and to the auditors. As a "reporting issuer" under Canadian securities law, the Company must also give notice to beneficial shareholders who elect to receive such shareholder material. Management proxy circulars, in a required form must be provided in connection with any solicitation of proxies by management.</p> <p>The notice of a general meeting at which special business is to be transacted must state the general nature of that business and if the special business includes considering or approving any document then the notice of meeting must include a copy of the document or the document must otherwise be made available for inspection by shareholders. Any business other than matters relating to:</p> <ul style="list-style-type: none"> • the election of Directors; • the appointment of the auditor; and 	<p>Various information is required to be sent to shareholders pursuant to the Corporations Act (predominantly in relation to companies incorporated in Australia), such as (generally) financial reports and notices of general meeting.</p>

Topic	Canadian Law	Australian Law
	<ul style="list-style-type: none"> consideration of the financial statements and the auditor's report, <p>is deemed to be special business.</p> <p>National Instrument 54-101 of the Canadian Securities Administrators (CSA) Communication with Beneficial Owners of Securities of a Reporting Issuer, requires a reporting issuer that is required to give notice of a meeting to fix a date for the meeting and a record date for notice of the meeting which shall be no fewer than 30 days and no more than 60 days before the meeting date and, if required or permitted by corporate law, fix a record date for voting at the meeting. The reporting issuer is required, subject to certain exemptions, to notify certain intermediaries at least 25 days prior to the record date.</p> <p>The Articles provide that a quorum for a meeting of shareholders is present if one shareholder is present in person or proxy holding or representing not less than one Share.</p>	
Related Party Transactions	<p>The BCBCA obligates directors and senior officers to disclose to the Company any time they have a conflict of interest, which includes, subject to certain exceptions, all times:</p> <ul style="list-style-type: none"> the director or senior officer has a material interest in a contract or transaction that is material to the company; or the director or senior officer is a director or senior officer of, or has a material interest in, a person who has a material interest in a contract or transaction that is material to the company. <p>Under the BCBCA, a director who discloses a conflict of interest must refrain from voting on any resolution to approve the contract or transaction giving rise to such conflict of interest.</p> <p>In addition, conflict of interest transactions involving the Company are subject to the regulatory regime imposed by Multilateral Instrument 61-101 - <i>Protection of Minority Security Holders in Special Transactions (MI 61-101)</i>. MI 61-101 applies to a broad range of transactions between the issuer and a related party of the issuer, which includes directors, officers, significant shareholders and other related parties. Subject to</p>	<p>The Corporations Act and the common law in Australia impose various obligations on public companies, and the directors of those public companies, in relation to transactions in which directors or other related parties of such companies have a personal interest. Certain transactions also require approval of the shareholders of such companies. These provisions of the Australian law do not apply to the Company.</p> <p>However, the Company will, whilst an ASX-listed company, need to comply with the Listing Rules (except to the extent waived by the ASX), which includes requiring shareholder approval for certain transactions such as issues of the Company's securities to directors (subject to exceptions set out in the Listing Rules).</p>

Topic	Canadian Law	Australian Law
	<p>various exceptions (including where the value of the transaction does not exceed 25% of the issuer's market capitalisation), in the case of a related party transaction subject to MI 61-101, the issuer is required to obtain:</p> <ul style="list-style-type: none"> • a formal valuation by an independent valuator of the non-cash transaction consideration; and • approval of the transaction by a simple majority of minority shareholders. <p>Related party transactions also are subject to enhanced disclosure requirements, including a description of the valuator and the relationship with the Company, a detailed summary of the background to the transaction as well as prior valuations and offers within the previous two years. Oversight of a related party transaction by a special committee of independent directors, while not strictly required, is recommended.</p>	
<p>Takeovers bids under securities laws</p>	<p>Under the BCBCA, an "acquisition offer" occurs when there is an offer made by an acquiring person to acquire shares, or any class of shares, of a company. If the offer is accepted by shareholders who, in the aggregate, hold at least 90% of the shares subject to the offer, other than shares already held at the date of the offer by the acquiring person, then the acquiring person is entitled, upon compliance with the procedural requirements under the BCBCA, to acquire the securities held by dissenting offerees.</p> <p>Under other applicable Canadian securities laws (National Instrument 62-104), a take-over bid occurs when there is an offer to acquire voting or equity securities made to any person in any province or territory where the securities subject to the offer, together with the securities owned or controlled by the offeror, constitute 20% or more of the outstanding securities of that class at the date of the offer to acquire. However, it does not include an offer to acquire if the offer to acquire is a step in an amalgamation, merger, reorganisation or arrangement that requires approval in a vote of security holders.</p> <p>Unless an exemption is available, a takeover bid must be made to all</p>	<p>Under the Corporations Act (in addition to certain other restrictions), any acquisition by a person of a "relevant interest" in a "voting share" of certain types of company such as Australian-incorporated ASX-listed companies (but excluding the Company) is restricted where, because of a transaction, that person or someone else's percentage "voting power" in the company increases above 20% (or, where the person's voting power was already above 20% and below 90%, increases in any way at all).</p> <p>There is an exception from these restrictions where the shares are acquired under takeover offers made under the Corporations Act to all shareholders (which must be on the same terms for all the company shareholders (subject to minor exceptions) and which must comply with the timetable, disclosure and other requirements of the Corporations Act).</p> <p>There are also other exceptions from the 20% limit for acquisitions made through permitted gateways such as a scheme of arrangement approved by shareholders and the court pursuant to Part 5.1 of the Corporations Act, acquisitions with shareholder approval or "creeping" by acquiring up to 3% every six months (if throughout the six months before the acquisition the</p>

Topic	Canadian Law	Australian Law
	<p>holders of each class of voting or equity securities being purchased who are in the local jurisdiction (all provinces and territories of Canada), at the same price per security. This means that all holders of the same class of securities must be offered identical consideration. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company.</p> <p>Takeover bids must treat all security holders alike and must not involve any collateral agreements, with certain exceptions available for employment compensation arrangements. An offeror must allow securities to be deposited under a take-over bid for an initial deposit period of at least 105 days from the date of the bid, unless the target company elects for a shorter period and, among other things, issues a news release providing for a shorter period at the time or after the bid is made. Such a shorter period must be no less than 35 days.</p> <p>For the protection of target security holders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and with withdrawal, amendments or suspension of offers. Securities regulators also retain a general "public interest jurisdiction" to regulate takeovers and may intervene to halt or prevent activity that is abusive.</p> <p>Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the BCBCA per the provisions summarised above; as indicated, no shareholder approval of the acquisition would be required if the acquirer obtains 90% of the outstanding securities owned by minority security holders during the bid. Otherwise, a second step transaction would need to be structured in another manner, such as an amalgamation, that would require shareholder approval. Dissent rights are available for objecting shareholders who fulfil certain statutorily prescribed procedural requirements.</p> <p>Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions.</p>	<p>person has had voting power in the company of at least 19%).</p> <p>The main purpose of these provisions is to attempt to ensure that the shareholders in the target company have a reasonable and equal opportunity to share in any premium for control and that they are given reasonable time and enough information to assess the merits of the proposal.</p> <p>These Australian takeover laws do not apply to acquisitions of securities in the Company. Consequently, the Canadian takeover laws summarised to the left are the relevant laws which apply to takeovers of the Company.</p> <p>Separately, Division 5A of Part 7.9 of the Corporations Act regulates the making of unsolicited offers to purchase financial products (such as, in the case of the Company, Shares or CDIs). The provision requires that unsolicited offers set out certain prescribed information. The purpose of Division 5A Part 7.9 is to provide a disclosure regime to ensure adequate investor protections in situations where an investor may not know the value of their financial products. That Division is primarily (but not solely) aimed at stopping 'low ball offers' being made to unsophisticated investors.</p> <p>However, in the case of the Company, a person does not have to comply with Division 5A of Part 7.9 of the Act to make an unsolicited offer to acquire securities in the Company (such as Shares or CDIs), where the unsolicited offer is made under a Canadian takeover bid or Canadian plan of arrangement which the person reasonably believes is made in accordance with the relevant regulatory requirements in Canada (as summarised to the left).</p>

Topic	Canadian Law	Australian Law
	<p>For example, private agreements to purchase securities from not more than five persons are permitted if the purchase price does not exceed 115% of the market price, and the bid is not made generally to security holders of the class that is the subject of the bid. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class, the consideration paid does not exceed the market price at the date of acquisition and no acquisitions are made outside of the exemption over the 12-month period. A de minimis exemption also exists in circumstances where the number of beneficial owners of securities of the class subject to the bid in the local jurisdiction is fewer than 50, those shareholders collectively represent less than 2% of a class of securities, the security holders in the local jurisdiction are entitled to participate in the bid on terms at least as favourable as the terms that apply to the general body of security holders of the same class, and additional procedural steps are taken with respect to the distribution of the material relating to the bid.</p> <p>The Canadian securities regulatory authorities, being the CSA, have recognised that takeover bids play an important role in the economy by acting as a discipline on corporate management and as a means of reallocating economic resources to their best uses. In considering the merits of a takeover bid, there is a possibility that the interest of management of the target company will differ from those of its shareholders. According to the CSA, the primary objective of takeover bid legislation is the protection of the bona fide interest of the shareholders of the target company.</p> <p>Therefore, the CSA will examine target company defensive tactics (which could including attempting to persuade shareholders to reject the offer, taking action to maximise the return to shareholders including soliciting a higher offer, or taking other defensive measures) in specific cases to determine whether they are abusive of shareholder rights or</p>	

Topic	Canadian Law	Australian Law
	<p>frustrate an open take-over bid process.</p> <p>The CSA has set out certain defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent), which include:</p> <ul style="list-style-type: none"> • the issuance of or granting of an option on or the purchase of securities representing a significant percentage of the outstanding securities of the target company; • the sale or acquisition or granting of an option, on or agreeing to sell or acquire assets of a material amount; and • the entering into of a contract or taking corporate action other than in the normal course of business. <p>Given the foregoing, tactics that are likely to deny or limit the ability of the shareholders to respond to a takeover bid or a competing bid may result in action by the CSA.</p>	
<p>Plans of Arrangement and Schemes of Arrangement</p>	<p>The BCBCA permits a company to propose an arrangement with shareholders, creditors or other persons that may include various transactions such as an alteration of the articles of the company or the rights or restrictions attached to shares of the company, an amalgamation of the company with one or more corporations, a division of the business of the company or a transfer of the assets or liabilities of the company, an exchange of securities of the company, a dissolution or liquidation of the company or a compromise with the company's creditors. A corporation proposing an arrangement is generally required to obtain approval of shareholders by way of special resolution and to including with any notice of meeting to approve the arrangement a statement explaining the effect of the arrangement in sufficient detail to permit shareholders to form a reasoned judgment concerning the matter and stating any material interest of each director and officer in the arrangement. The corporation may then apply to the court for an order approving the arrangement. The court may make</p>	<p>The Corporations Act permits certain entities such as ASX-listed public companies (but not the Company) to carry out certain compromises or schemes of arrangements with the creditors or members of that entity (or a particular class of creditors or members).</p> <p>Broadly, schemes of arrangement are regulated under Pt 5.1 of the Corporations Act and are binding, court-approved agreements that allow the reorganisation of the rights and liabilities of members or creditors of a company.</p> <p>A scheme of arrangement can be used to effect a wide range of corporate restructures.</p> <p>For example, it can be used to achieve a takeover of all shares on issue in a company, conditional on shareholders' approval and court orders. Once the relevant approvals are obtained (and provided any further conditions of the scheme have been fulfilled or waived), the scheme of arrangement will bind the relevant shareholders of the company, whether or not they approved or voted in favour of the arrangement.</p>

Topic	Canadian Law	Australian Law
	such order as it considers appropriate with respect to the arrangement.	
Financial statements and other accounting requirements	<p>Under applicable Canadian securities laws (National Instrument 51-102), companies are required to file audited annual financial statements within 90 days of each financial year end, and quarterly financial statements within 45 days of the end of each quarter. Companies are also required to file MD&A's accompanying each annual and interim financial statement required to be filed.</p> <p>The annual financial statements and the report of the auditor thereon must be put to the shareholders for their review at each annual meeting of the shareholders.</p> <p>Disclosure Controls & Procedures (DC&P) and Internal Controls over Financial Reporting (ICFR) must also be established by the company and evaluated on an annual basis. The Company's Chief Executive Officer and Chief Financial Officer are required to individually certify annual and interim filings and their responsibility for the design and evaluation of DC&P and ICFR.</p>	<p>The Corporations Act requires the preparation of annual and half-year financial statements and related reports by certain types of companies (including ASX-listed companies incorporated in Australia).</p> <p>In addition, the Corporations Act requires written financial records to be kept which correctly record and explain a company's transactions and financial position and performance and would enable true and fair financial statements to be prepared and audited.</p> <p>Following Admission, notwithstanding it is incorporated outside of Australia, the Company will be subject to regular periodic financial reporting obligations pursuant to the Listing Rules. Specifically, the Company will be required to announce to the ASX annual and half-yearly financial reports and also announce quarterly activities and cash flow reports (subject to ASX's discretion to vary the application of its rules).</p>
Auditor requirements	The BCBCA requires the shareholders of a corporation, by ordinary resolution, to appoint auditors of the company on an annual basis. If an auditor is not appointed when required, the auditor in office continues as auditor until a successor is appointed.	The Corporations Act requires an auditor to be appointed for public companies (and certain other entities).

Annexure C – Independent Limited Assurance Report

The BDO logo is positioned on a red triangular graphic that points towards the bottom-left corner of the page. The logo itself consists of the letters 'BDO' in a white, bold, sans-serif font, with a thin white horizontal line underneath the letters.

BDO

IDEAS | PEOPLE | TRUST

RESOURO STRATEGIC METALS INC.

Independent Limited Assurance Report

29 April 2024



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29 April 2024

The Directors
Resouro Strategic Metals Inc.
9th Floor, 1021 West Hastings Street
Vancouver, British Columbia
Canada, V6E 2E9

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Resouro Strategic Metals Inc. ('Resouro' or 'the Company') to prepare this Independent Limited Assurance Report ('Report') in relation to certain financial information of Resouro, for the Initial Public Offering ('IPO') of CHESD Depository Interests ('CDIs') over fully paid ordinary shares ('Shares') in Resouro, for inclusion in the Prospectus. Each CDI represents one underlying Share in the Company and the term "Shares" and "CDIs" may be used interchangeably in our Report. Resouro is listed on the TSX-V and the Frankfurt Stock Exchange and is intending to undertake a listing of the Company's CDIs on the Australian Securities Exchange ('ASX').

Broadly, the Prospectus will offer up to 16,000,000 CDIs at an issue price of A\$0.50 each to raise A\$8,000,000 before costs ('the Offer').

Resouro is incorporated under the laws of British Columbia, Canada. The Company changed its financial year from 31 December to 31 March effective from 15 May 2022 upon the completion of a reverse takeover ('RTO'). The RTO involved the Company, which was then called, e-Shippers Management Ltd, acquiring all of the issued capital in ISON Mining Pte Ltd ('ISON') a company incorporated in Singapore. The nature of the RTO was such that ISON is treated as the acquirer for accounting purposes. Consequently, the transaction is accounted for as a continuation of the financial statements of ISON, which as outlined in the Prospectus is a wholly-owned subsidiary of Resouro Strategic Metals Inc.

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 316158), and our Financial Services Guide ('FSG') has been included in this report in the event you are a retail investor. Our FSG

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

In presenting the financial and non-financial information, unless specified otherwise, amounts are expressed in Canadian Dollars ('C\$' or 'CAD') in line with the presentation currency of the Company.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by International Financial Reporting Standards ('IFRS') and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

You have requested BDO to review the following historical financial information (together, the '**Historical Financial Information**') of Resouro included in the Prospectus:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the year ended 31 March 2023 and the 15 months ended 31 March 2022;
- the reviewed historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the half years ended 30 September 2023 and 30 September 2022; and
- the reviewed historical Statement of Financial Position as at 30 September 2023.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in IFRS and the Company's adopted accounting policies.

The Historical Financial Information has been extracted from the:

- financial report of Resouro for the year ended 31 March 2023 which was audited by MNP LLP in accordance with the Canadian Generally Accepted Auditing Standards;
- financial reports of Resouro for the half years ended 30 September 2023 and 30 September 2022, which were reviewed by MNP LLP in accordance with the Canadian Generally Accepted Standards for Review Engagements; and
- financial report of ISON for the 15 months ended 31 March 2022, which was audited by Davidson and Company LLP in accordance with Canadian Generally Accepted Auditing Standards.

MNP LLP issued an unmodified audit opinion on the 31 March 2023 financial report, which included an emphasis of matter in relation to the change of the Company's presentation currency from US Dollars to Canadian Dollars effective 15 May 2022 and this change was retrospectively applied to the comparative financial information in the financial report. Without modifying their opinion, MNP

LLP also noted that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

MNP LLP issued an unmodified review opinion on the financial report for the half year ended 30 September 2023 which included an unmodified review opinion on the Company's financial performance and cash flows for the six months ended 30 September 2022.

In the audit opinion on the financial report for the 15 months ended 31 March 2022, Davidson and Company LLP noted that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, however, the audit opinion in the financial report was not modified for this matter.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the '**Pro Forma Historical Financial Information**') of Resouro included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 September 2023.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Resouro, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report.

The stated basis of preparation is the recognition and measurement principles contained in IFRS applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Resouro to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on Resouro's financial position as at 30 September 2023. As part of this process, information about Resouro's financial position has been extracted by Resouro from Resouro's financial statements for the half year ended 30 September 2023.

3. Directors' responsibility

The directors of Resouro are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with IFRS and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the year ended 31 March 2023 and the 15 months ended 31 March 2022;
- the reviewed historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the half years ended 30 September 2023 and 30 September 2022; and
- the reviewed historical Statement of Financial Position as at 30 September 2023,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Resouro as at 30 September 2023,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 30 September 2023:

- On 11 October 2023, the Company issued 2,250,000 common share purchase options to directors, officers, employees and consultants of the Company (**'Management Options'**). The Management Options are exercisable at an exercise price of C\$0.50 with an expiry date of 11 October 2028.
- In or about August 2023, the Company entered into agreements to acquire a 33.3% interest in the Tiros Project and the right to earn the remaining interest upon achieving certain milestones (**'Tiros Project Agreements'**). Pursuant to the terms of the Tiros Project

Agreements, the Company intended to issue 4,000,000 share options ('**Consideration Options**') to acquire 33.3% of the outstanding shares of Tiros Stratemet Pte Ltd ('**TSPS**').

In October 2023, the Company and all parties agreed to amend the Tiros Project Agreements and accelerate the earn-in conditions ('**First Addendum**'). Under the terms of the First Addendum, Resouro proposed to acquire the remaining shares of TSPS to hold 100% of the issued shares for additional consideration of 1,642,000 Shares in the Company ('**Consideration Shares**') and 750,000 performance rights ('**Consideration Rights**').

Completion of the transaction was subject to TSX-V approval, therefore, in accordance with IFRS, the Tiros transaction is determined to have a completion date of 11 March 2024 and, as such, is recognised as a subsequent event within the Pro Forma Historical Financial Information. The acquisition of 100% of the issued shares in TSPS has been accounted for as an asset acquisition.

The Consideration Options and Consideration Rights have the following terms:

- Consideration Options: 4,000,000 options, exercisable at C\$0.20 and expiring on 11 March 2029; and
- Consideration Rights: 750,000 performance rights, with nil exercise price that vest subject to the Company announcing the completion and release of JORC 2012 compliant definitive feasibility study for the Company's Tiros Project. The Consideration Rights have a performance period of five years from the date of issuance and an expiry date of 15 October 2028.

After the effects of the amendments under the First Addendum (and noting that a second addendum was entered into in January 2024 for other matters), Resouro would hold 100% of the issued shares of TSPS, which in turn holds 90% of the issued shares in its subsidiary which holds the Tiros Project, Tiros Minerais Estratagicos Ltda ('**TMEL**'). The remaining 10% interest in TMEL represents free carried interest held by the vendor, RBM Consultoria Mineral Eireli ('**RBM**').

- In December 2023, the Company repaid the balance of a related party loan from the Company's CEO, Mr Christopher Eager, totaling C\$259,420.
- On 26 March 2024, the Company issued 3,571,428 shares at an issue price of C\$0.42 per share by way of a partially brokered private placement ('**Private Placement**'), to raise gross proceeds of C\$1,500,000 ('**Financing Shares**'). Costs of the Private Placement amounted to C\$63,000.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Resouro not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions adopted in compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 30 September 2023, the subsequent events set out

in Section 6, and the following transactions and events relating to the issue of CDIs under this Prospectus (Australian Dollar amounts have been translated to Canadian Dollars based on the rate of 0.8863 as at 23 April 2024):

- The issue of 16,000,000 CDIs at an offer price of A\$0.50 (C\$0.44) each to raise A\$8,000,000 (C\$7,090,400) before costs pursuant to the Prospectus;
- Costs of the Offer are estimated to be A\$938,600 (C\$831,870), with the costs of the Offer not directly attributable to the capital raising expensed through accumulated losses, while the remainder is offset against contributed equity. The portion of costs expensed and capitalised is A\$779,038 (C\$690,452) and A\$159,562 (C\$141,418) respectively; and
- The issue of 1,843,643 options to the lead managers ('Lead Manager Options') with an exercise price of A\$0.75 (C\$0.66), expiring three years from the issue date, being the date of issue of CDIs under this Prospectus.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Sherif Andrawes
Director

APPENDIX 1
RESOURO STRATEGIC METALS INC.

PRO FORMA HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Notes	Reviewed as at 30-Sep-23 C\$	Subsequent events C\$	Pro-forma adjustments C\$	Pro-forma after Offer C\$
CURRENT ASSETS					
Cash and cash equivalents	4	3,107,133	1,177,580	6,258,530	10,543,243
Prepaid expenses		12,660	-	-	12,660
Accounts receivable		19,285	-	-	19,285
Due from related party	5	642,859	(642,859)	-	-
TOTAL CURRENT ASSETS		3,781,937	534,721	6,258,530	10,575,188
NON CURRENT ASSETS					
Property and equipment	6	15,571	103,023	-	118,594
Exploration and evaluation assets	7	1,102,387	3,830,929	-	4,933,316
TOTAL NON CURRENT ASSETS		1,117,958	3,933,952	-	5,051,910
TOTAL ASSETS		4,899,895	4,468,673	6,258,530	15,627,098
CURRENT LIABILITIES					
Accounts payable and accrued liabilities		380,695	-	-	380,695
Due to related party	8	259,420	(259,420)	-	-
TOTAL CURRENT LIABILITIES		640,115	(259,420)	-	380,695
TOTAL LIABILITIES		640,115	(259,420)	-	380,695
NET ASSETS		4,259,780	4,728,093	6,258,530	15,246,403
EQUITY					
Share capital	9	10,705,620	2,258,000	6,497,290	19,460,910
Warrants	10	464,274	-	-	464,274
Contributed surplus	11	384,029	2,845,250	451,693	3,680,972
Foreign currency translation reserve		32,087	-	-	32,087
Non controlling interest	12	-	383,093	-	383,093
Accumulated losses	13	(7,326,230)	(758,250)	(690,452)	(8,774,932)
TOTAL EQUITY		4,259,780	4,728,093	6,258,530	15,246,403

The cash and cash equivalents balance above does not account for working capital movements over the period from 30 September 2023 until completion, other than the subsequent events and pro forma adjustments detailed in Section 6 and Section 7 of our report.

The pro forma historical statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of CDIs pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Cash raised under the Offer of A\$8.0 million has been translated to Canadian Dollars at a rate of \$0.8863 as at 23 April 2024.

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APPENDIX 2
RESOURO STRATEGIC METALS INC.

HISTORICAL CONSOLIDATED STATEMENT OF LOSS AND OTHER COMPREHENSIVE LOSS

Statement of loss and other comprehensive loss	Reviewed for the half-year ended 30-Sep-23 C\$	Reviewed for the half-year ended 30-Sep-22 C\$	Audited for the year ended 31-Mar-23 C\$	Audited for the 15 months ended 31-Mar-22 C\$
General and Administrative Expenses				
Management fees	183,506	130,474	164,923	195,738
Foreign exchange loss	60,533	98,021	55,508	7,712
Office and administrative expenses	40,294	13,161	141,597	4,231
Professional fees	515,482	140,186	403,822	144,436
Travel and related expenses	46,909	90,787	183,052	8,183
Depreciation	821	291	1,294	91
Share based compensation	384,029	-	-	-
Exploration and evaluation expenditures	8,388	454,981	1,684,872	385,414
	1,239,962	927,901	2,635,068	745,805
Other Items				
Interest income	(1,939)	-	(7,405)	-
Interest on loan payable	-	-	341	3,123
Listing expense	-	1,837,480	1,837,480	-
Penalty relief	(21,576)	-	-	-
Loss before income tax expense	1,216,447	2,765,381	4,465,484	748,928
Exchange difference on translating foreign operations	-	(32,087)	(32,656)	90,725
Net loss and other comprehensive loss	1,216,447	2,733,294	4,432,828	839,653

This consolidated statement of loss and other comprehensive loss shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 3
RESOURO STRATEGIC METALS INC.

CONSOLIDATED HISTORICAL STATEMENT OF CASH FLOWS

Statement of Cash Flows	Reviewed for the half-year ended 30-Sep-23 C\$	Reviewed for the half-year ended 30-Sep-22 C\$	Audited for the year ended 31-Mar-23 C\$	Audited for the 15 months ended 31-Mar-22 C\$
Cash flows from operating activities				
Loss for the period	(1,216,447)	(2,765,380)	(4,465,484)	(748,928)
Items not affecting cash:				
Listing expense	-	1,837,480	1,837,480	-
Impairment of exploration and evaluation assets	-		1,062,833	-
Depreciation	821	291	1,206	91
Foreign exchange	60,533	98,021	55,508	7,712
Accrued interest		-	-	3,123
Share based compensation	384,029	-	-	-
Net change in non-cash working capital balances:				
Accounts receivable	26,432	(11,974)	(14,621)	(26,707)
Prepaid expenses	(8,761)	(11,698)	(3,899)	-
Due from related party	(642,859)	-	-	-
Accounts payable and accrued liabilities	(537,233)	(483,268)	(268,989)	448,444
Net cash flows from operating activities	(1,933,485)	(1,336,528)	(1,795,966)	(316,265)
Cash flows from financing activities				
Related party financing	(1,679)	(69,149)	(46,315)	126,443
Loan payable	-	-	-	187,547
Private placement, net of share issue costs	5,037,696	2,368,277	2,368,277	951,972
Net cash flows (used in) financing activities	5,036,017	2,299,128	2,321,962	1,265,962
Cash flows used in investing activities				
Cash acquired from reverse takeover	-	106,780	106,780	-
Property and equipment	(2,158)	(13,720)	(14,257)	(1,274)
Exploration and evaluation costs	-	(599,164)	(621,230)	(952,011)
Net cash flows (used in)/from financing activities	(2,158)	(506,104)	(528,707)	(953,285)
Net increase/(decrease) in cash and cash equivalents	3,100,374	456,496	(2,711)	(3,588)
Cash and cash equivalents at the beginning of the period	6,759	9,466	9,470	13,058
Cash and cash equivalents at the end of the period	3,107,133	465,962	6,759	9,470

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The historical statement of cash flows shows the historical cash flows of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 4
RESOURO STRATEGIC METALS INC.
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and Interpretations of the International Financial Reporting Interpretations Committee ('IFRIC') effective for the reporting period.

The historical financial information has been prepared on a historical cost basis. In addition, the historical financial information has prepared using the accrual basis of accounting except for cash flow information. The accounting policies set out below have been applied consistently to all periods presented in historical financial information.

b) Functional Currency

The Company's functional and presentational currency is Canadian Dollars.

c) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

d) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

e) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Resouro at the end of the reporting period. A controlled entity is any entity over which Resouro has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly

through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of financial performance. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of financial performance. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured

and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of financial performance unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of financial performance.

f) Income Tax

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

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

g) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

h) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of VAT.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

i) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore the area are recognised in the statement of financial performance.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- I. The expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- II. Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, and accumulated costs in respect of that area are written off in the financial period the decision is made.

j) Property, plant and equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The carrying amount of property plant and equipment (including initial and subsequent capital expenditure) are amortised to their estimated residual value over the estimated useful lives of the specific assets concerned. Amortisation is provided using the straight-line basis evenly over the estimated useful lives of the proper, plant and equipment. Property and equipment is comprised of office and computer equipment. Initial recognition of property, plant and equipment consists of the purchase price including costs directly attributable to acquiring the asset and estimated costs of dismantling and removing the item and restoring the site on which it is located.

k) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

l) Share Capital

Common shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

m) Financial Instruments

Financial Assets

The Company recognises financial assets when it becomes party to the contractual provisions of an instrument. On initial recognition, financial assets are recognised at fair value and are subsequently classified and measured at: amortised cost; fair value through other comprehensive income ('FVTOCI'); or fair value through profit or loss ('FVTPL'). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortised cost or FVTOCI are measured at FVTPL.

On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date. The Company's financial assets consist of cash, accounts receivable and related party loans classified at amortised cost.

Derecognition of financial assets

The Company derecognises 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 amortised cost, contract assets and debt investments at FVTOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognised based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognised 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 recognised in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortised cost decreases, the previously recognised 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 amortised cost would have been had the impairment not been recognised. The Company's financial assets measured at amortised cost are subject to the ECL model.

Financial liabilities

The Company recognises 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 amortised cost using the effective interest rate. All financial liabilities are classified and subsequently measured at amortised cost except for financial liabilities at VTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. The Company's financial liabilities consist of accounts payable and accrued liabilities, loan payable and due to related party classified at amortised cost. Where an instrument contains both a liability and equity component, these components are recognised 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 derecognises a financial liability only when its contractual obligations are discharged, cancelled or expire.

n) Provisions

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

o) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

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.

Determination of fair values on exploration and evaluation assets acquired in business combinations

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

Recoverability of capitalised exploration and evaluation expenditure

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.

Taxation

The Company is subject to income taxes in Canada. Significant judgement is required when determining the Company's provision for income taxes.

NOTE 2: RELATED PARTY DISCLOSURES

As at 30 September 2023, the related party receivable of C\$642,859 is an amount owing by TSPS. We note that the balance of the loan was acquired as part of the Tiros acquisition and is eliminated upon consolidation as reflected in the Pro Forma Statement of Financial Position. See Note 5 and Note 7.

As at 30 September 2023, the related party liability of C\$259,420 is a loan due to the CEO of the Company, Christopher Eager. The loan amount is unsecured, non-interest bearing and repayable on demand and convertible into common shares after one year. In December 2023, the loan was repaid in full and the remaining balance is nil.

All other Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 3: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

NOTE 4. CASH AND CASH EQUIVALENTS	Reviewed as at 30-Sep-23 C\$	Pro-forma after Offer C\$
Cash and cash equivalents	3,107,133	10,543,243
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Resouro as at 30-Sep-23		3,107,133
<i>Subsequent events:</i>		
Proceeds from Private Placement		1,500,000
Costs of the Private Placement		(63,000)
Repayment of related party loan		(259,420)
		1,177,580
<i>Pro-forma adjustments:</i>		
Proceeds from CDI's issued under this Prospectus		7,090,400
Capital raising costs		(831,870)
		6,258,530
Pro-forma Balance		10,543,243

NOTE 5. DUE FROM RELATED PARTY	Reviewed as at 30-Sep-23 C\$	Pro-forma after Offer C\$
Due from related party	642,859	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Resouro as at 30-Sep-23		642,859
<i>Subsequent events:</i>		
Elimination of intercompany loan upon acquisition of TSPS		(642,859)
		(642,859)
Pro-forma Balance		-

NOTE 6. PROPERTY AND EQUIPMENT	Reviewed as at 30-Sep-23 C\$	Pro-forma after Offer C\$
Property and equipment	15,571	118,594
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Resouro as at 30-Sep-23		15,571
<i>Subsequent events:</i>		
Property and equipment acquired from TSPS		103,023
		103,023
Pro-forma Balance		118,594

NOTE 7. EXPLORATION AND EVALUATION ASSETS	Reviewed as at 30-Sep-23 C\$	Pro-forma after Offer C\$
Exploration and evaluation assets	1,102,387	4,933,316
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Resouro as at 30-Sep-23		1,102,387
<i>Subsequent events:</i>		
Exploration and evaluation assets acquired from TSPS		3,830,929
		3,830,929
Pro-forma Balance		4,933,316

The acquisition of mineral rights under the Tiros Project Agreements was deemed to be an asset acquisition under *IFRS 6: Exploration for and Evaluation of Mineral Resources*, on the basis that there was a lack of operations within TSPS to be classified as a business. Under the asset acquisition, the value of the assets acquired is allocated on a relative fair value approach. As the consideration for the assets was primarily made through the issue of Consideration Shares, Consideration Options and Consideration Rights, this required the provisions of *IFRS 2: Share-Based Payments* to be applied.

After applying the provisions set out in IFRS 2, the total fair value of the consideration was determined to be C\$2,908,000 (outlined further below). We note the consideration paid was primarily for the 90% interest in the Tiros Project, however, also includes the value of property and equipment acquired of C\$103,023 and a related party loan due to Resouro of C\$642,859. Therefore, the value of the exploration and evaluation asset acquired has been derived by deducting the net fair value of property and equipment and related party loans acquired (based on book value) from the value of the consideration. As the consideration paid is for a 90% interest, the value of the exploration and evaluation asset has been grossed-up to reflect a 100% interest, with the remaining 10% non-controlling interest held by RBM recognised in the Company's equity.

See the below table for a reconciliation of the value of exploration and evaluation assets acquired:

Asset Acquisition	Fair value \$
Acquisition consideration comprises:	
Consideration Shares	821,000
Consideration Options	1,712,000
Consideration Rights	375,000
	<u>2,908,000</u>
Net liabilities acquired	
Property and equipment	103,023
Related party loan	(642,859)
	<u>(539,836)</u>
Fair value attributable to 90% interest in exploration assets of acquired entity	3,447,836
Gross up to present 100% interest in exploration assets	3,830,929
Pro-forma adjustment to exploration assets	<u><u>3,830,929</u></u>

NOTE 8. DUE TO RELATED PARTY	Reviewed as at 30-Sep-23 C\$	Pro-forma after Offer C\$
Due to related party	259,420	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Resouro as at 30-Sep-23		259,420
<i>Subsequent events:</i>		
Related party loan acquired from TSPS payable to Resouro		642,859
Elimination of intercompany loan upon acquisition of TSPS		(642,859)
Repayment of related party loan		(259,420)
		<u>(259,420)</u>
Pro-forma Balance		<u><u>-</u></u>

NOTE 9. SHARE CAPITAL	Reviewed as at 30-Sep-23 C\$	Pro-forma after Offer C\$
Share capital	10,705,620	19,460,910
	Number of shares	\$
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Resouro as at 30-Sep-23	70,968,764	10,705,620
<i>Subsequent events:</i>		
Consideration Shares issued for the acquisition of TSPS	1,642,000	821,000
Shares issued under the Private Placement	3,571,428	1,500,000
Capital raising costs	-	(63,000)
	5,213,428	2,258,000
<i>Pro-forma adjustments:</i>		
Proceeds from CDIs issued under this Prospectus	16,000,000	7,090,400
Lead Manager Options expense	-	(451,693)
Capital raising costs	-	(141,418)
	16,000,000	6,497,290
Pro-forma Balance	92,182,192	19,460,910

Under the First Addendum for the acquisition of 100% of the issued capital of TSPS, Resouro agreed to issue 1,642,000 Shares in the Company to RBM. The shares issued to RBM hold a nil issue price, therefore, their value is determined based on the last trading price of the Company's shares as at the date of completion of the acquisition, being 11 March 2024. Therefore, the Consideration Shares have been valued at C\$0.50 per share based on the last trading price of Resouro Shares as at 11 March 2024.

On 25 March 2024 the Company closed and issued 3,571,428 Shares under a Private Placement in order to raise C\$1,500,000 gross proceeds, with costs of the placement being C\$63,000. Costs of the Private Placement have been capitalised in accordance with the applicable accounting standards.

Under the Public Offer in the Prospectus, the Company will issue 16,000,000 CDIs at an issue price of C\$0.44 (A\$0.50) to raise C\$7,090,400 (A\$8,000,000) before costs of the Offer. Capital raising costs that are directly attributable to the IPO have been capitalised in accordance with the applicable accounting standards.

NOTE 10: WARRANTS

As of the date of this Prospectus, the Company has the following Warrants in the reserve:

- 3,644,062 Class A Warrants ('Class A Warrants') issued on 15 May 2022 alongside a non-brokered private placement for 1 Share per Warrant exercisable at C\$0.50 for 24 months from the issue date, expiring on 10 May 2024. The Class A Warrants are subject to an acceleration clause, such that if at any time after the grant date of the Class A Warrant, the volume weighted average price ('VWAP') of the Shares on the TSX-V is equal to or greater than C\$0.70 for any 10 consecutive trading day period, the Company may elect to accelerate the expiry date of the Class A Warrants and, in such case, the Class A Warrants

will expire on the date that is 30 days following the date upon which the Company provides notice, via press release or written notice, that the expiry date has been accelerated.

- 600,616 Class B Warrants issued on 11 July 2023 to a broker as a finders' fee, for 1 Share per Warrant exercisable at C\$0.20 for 36 months from the issue date, expiring on 11 July 2026.

NOTE 11. CONTRIBUTED SURPLUS	Reviewed as at 30-Sep-23 C\$	Pro-forma after Offer C\$
Contributed surplus	384,029	3,680,972
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Resouro as at 30-Sep-23		384,029
<i>Subsequent events:</i>		
Issuance of Management Options		758,250
Consideration Rights issued for the acquisition of TSPS		375,000
Consideration Options issued for the acquisition of TSPS		1,712,000
		<u>2,845,250</u>
<i>Pro-forma adjustments:</i>		
Lead Manager Options issued under this Prospectus		451,693
		<u>451,693</u>
Pro-forma Balance		<u>3,680,972</u>

As outlined in Section 6 of our Report, the Company issued 2,250,000 Management Options on 11 October 2023. The Management Options are exercisable at a price of C\$0.50 per share, expiring on 11 October 2028. The valuation of the Management Options debited to Contributed Surplus is outlined in the table below.

Under the Tiros Project Agreements, the Company agreed to issue 4,000,000 Consideration Options exercisable at C\$0.20 per share, expiring on 11 March 2029 and 750,000 Consideration Rights which have nil exercise price, expiring on 15 October 2028, vesting upon the completion and release of a JORC compliant Definitive Feasibility Study ('DFS') for the Tiros Project. The valuation of the Consideration Options and Rights debited to Contributed Surplus is outlined in the table below.

Under the Prospectus, the Company will issue 1,843,643 Lead Manager Options exercisable at A\$0.75 per share (C\$0.66), expiring three years from the issue date. The value of the Lead Manager Options is debited to Share Capital in connection with the Offer.

The Management Options, Consideration Options, Consideration Rights and Lead Manager Options have non-market vesting conditions attached, therefore their fair value has been calculated using the Black Scholes options pricing model as at a current valuation date with the key inputs and fair value detailed below:

	Management Options	Consideration Options	Consideration Rights	Lead Manager Options
Number of Options/Rights	2,250,000	4,000,000	750,000	1,843,643
Underlying share price	\$0.45	\$0.50	\$0.50	\$0.44
Exercise price	\$0.50	\$0.20	Nil	\$0.66

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	Management Options	Consideration Options	Consideration Rights	Lead Manager Options
Expected volatility	100%	100%	100%	100%
Life of the Options/Rights (years)	5.01	5.00	5.01	3.00
Expected dividends	Nil	Nil	Nil	Nil
Risk free rate	4.15%	3.43%	4.20%	4.02%
Value per Options/Rights	\$0.337	\$0.428	\$0.500	\$0.245
Total Fair Value	\$758,250	\$1,712,000	\$375,000	\$451,693

NOTE 12. NON CONTROLLING INTEREST	Reviewed as at 30-Sep-23 C\$	Pro-forma after Offer C\$
Non controlling interest	-	383,093
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Resouro as at 30-Sep-23		-
<i>Subsequent events:</i>		
Non controlling interest arising from consolidation of TSPS		383,093
		383,093
Pro-forma Balance		383,093

As part of the provisional accounting for the asset acquisition entries relating to the Tiros Project Agreements, a non-controlling interest is recognised to reflect RBM's 10% free carried interest in TMEL, which in turn holds the Tiros Project.

NOTE 13. ACCUMULATED LOSSES	Reviewed as at 30-Sep-23 C\$	Pro-forma after Offer C\$
Accumulated losses	(7,326,230)	(8,774,932)
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of Resouro as at 30-Sep-23		(7,326,230)
<i>Subsequent events:</i>		
Management Options share based payment expense		(758,250)
		(758,250)
<i>Pro-forma adjustments:</i>		
Capital raising costs expensed		(690,452)
		(690,452)
Pro-forma Balance		(8,774,932)

APPENDIX 5
FINANCIAL SERVICES GUIDE

29 April 2024

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Resouro Strategic Metals Inc. ('the Company') to provide an Independent Limited Assurance Report ('ILAR' and 'our Report') for inclusion in this Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount

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depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$31,000 (exclusive of GST).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from the Company for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within one business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail: GPO Box 3, Melbourne, VIC 3001

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Annexure D – Independent Geologist's Reports

1 Tiros Project



Independent Technical Report for the Tiros Ti+REE Project, Minas Gerais, Brazil

Developed by GE21 Consultoria Mineral Ltda. on behalf of:

Resouro Strategic Metals Inc.

Effective Date: February 5th, 2024

Release Date: April 29th, 2024

Competent Person: Ednie Rafael Fernandes, BSc Geology, MAIG

Authors:

Competent Person: Ednie Rafael Fernandes Geologist BSc (Geology), MAIG

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LIST OF UNITS, SYMBOLS, AND ABBREVIATIONS

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Main Abbreviations

AIG	Australian Institute of Geoscientists
ANM	Agência Nacional de Mineração (National Mining Agency)
BSA	Bis trimethylsilyl acetamide
AUD\$	Australian dollars
DNPM	Departamento Nacional de Produção Mineral (National Mining Agency)
km	Kilometre
m	Metre
MAIG	Member of the Australian Institute of Geoscientists
JORC	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientist and Minerals Council of Australia.
ppm	Parts Per Million
QA/QC	Quality Assurance and Quality Control
QEMSCAN	Quantitative Evaluation of Minerals by Scanning Electron Microscopy
CP	Competent Person
REE	Rare Earth Elements
SEM	Scanning Electron Microscopy
t	Tonnes
Ti	Titanium
XRD	X-ray Powder Diffraction

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1 SUMMARY

GE21 Consultoria Mineral Ltda. trading as GE21 was engaged by Resouro Strategic Metals Inc (RSM or Resouro) to prepare an Independent Technical Assessment Report (ITAR) collating the works completed to date to support the future works program. Resouro is a publicly listed company on the TSXV. The Company is 90% owner of the subsidiary Brazil Copper Mineração Ltda. who is 100% owner of the Tiros Project (Tiros Project) with the remaining 10% interest in Brazil Copper Mineração Ltda. owned by RBM Consultoria Mineral (RBM).

This ITAR describes the Tiros Project, the regional and local geology, the historical exploration of the asset, present exploration and the use of funds raised that will be used for the purpose of exploration and evaluation of the Tiros Project and recommendations associated with the Tiros Project.

The Tiros Project is located approximately 350 km West-North-West of Belo Horizonte, the sixth (6) largest city in Brazil and the capital of Minas Gerais. The target commodities of interest at the Tiros Project are titanium and Rare Earth Elements (REEs). The Tiros Project comprises 25 granted exploration permits which have a total area of approximately 45,048 hectares.

The closest town to the Tiros Project area is Tiros with a population of approximately 8,000, established infrastructure and amenities to support mineral exploration. The Tiros town is within close proximity of major federal highways and major rail infrastructure. The Tiros Project is accessible from sealed roads except for landholder entry ways that are used by those persons to access their agricultural lands and the exploration sites.

The Tiros Project sites are predominately cattle grazing lands with typical sub-tropical bushland along roads where not cleared from grazing. The region that covers the Tiros Project area is in the geomorphological domain known as the São Francisco Plateau, which is characterized by a set of tabular surfaces, configured as plateaus supported by sedimentary covers, delimited by well marked erosional edges, distinguishing land with a preserved surface those with recessed surfaces.

Mineralization at the Tiros Project is due to a lateritic process enriching epiclastic rocks and the erosion products of volcanic rocks enriched in titanium and rare earth elements. REE and titanium mineralization are hosted in sandstones and conglomerates of the Capacete Formation, belonging to the Mata da Corda Group. Titanium is mainly associated with the mineral anatase, originated from the alteration of perovskite. REEs are suspected to be also associated with the perovskite. This mineral with formula CaTiO_3 , was affected by weathering close to surface. The calcium ion was put into solution by meteoric waters, leaving the anatase crystals with many voids. This allowed the migration of the REEs to nearby clays where they were captured through weak bonds.

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The Tiros Project areas have, until 2023, had reasonable regional exploration activities and only minor physical exploration on ground. In 2023, Resouro and RBM came to a commercial agreement regarding the Tiros Project and exploration work began which included chemical reanalysis of samples from historic drilling and a new auger, air core and diamond drilling campaign. Results showed high grades of REE and Titanium although the Tiros Project area does not have a mineral resource estimate that conforms to a JORC standard.

Based on the evaluation of the Tiros Project as outlined in this ITAR, the Author is of the opinion the Tiros Project has potential for success and recommends additional work to (a) define a mineral resource estimate in accordance with JORC standard, and (b) assess the metallurgical characteristics of the mineralization.

Table 18-1 (in Section 18 of this ITAR) provides a summary of the proposed exploration and associated expenditure having regard to the proposed capital raising under the prospectus to be issued by Resouro. The Author and GE21 consider the proposed budget is consistent with the exploration potential of the Tiros Project and is adequate to cover the costs of the proposed program. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the claims. The Author and GE21 consider the type of exploration and weighting towards the Tiros Project as appropriate.

2 INTRODUCTION

GE21 has been commissioned by Resouro to prepare an Independent Technical Assessment Report for use in a prospectus to support an initial public offering to enable a listing on the official list of the Australian Securities Exchange (**IPO**). The funds raised under the IPO will be used for continued drilling and development of the Tiros Project.

This ITAR is to be included in its entirety or in summary form within a prospectus to be prepared by Resouro, which is to be provided to ASX and Australian Securities and Investments Commission (**ASIC**), to support the IPO. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The Tiros Project is an initial stage exploration project focused on Titanium and Rare Earth Elements with 25 active exploration permits.

2.1 Sources of Information and Data

The Author, Mr. Ednie Rafael Fernandes, is the Competent Person (CP) with respect to the objectives of this ITAR. Mr. Fernandes visited the property on the 5th and 6th of October 2023. On the site visit, some auger drill collar was located, its recorded coordinates validated with a handheld GPS, and the core was inspected in the onsite core storage facility. The Author relied on exploration and technological data supplied by Resouro to produce this ITAR.

The Author has reviewed and evaluated the exploration data pertaining to the Tiros Project areas provided by Resouro and their consultants and have drawn his own conclusions.

The geological, mineralization and exploration techniques (Sections 5 to 12) used in this ITAR are taken from reports and internal memorandums prepared or obtained by Resouro from public sources or previous operators reports. A reasonable amount of confirmatory testing and verification has been accomplished. Although GE21 believes that all the information provided in this ITAR is accurate, it is possible that some problems were not detected, and may have been used in this evaluation. GE21 does, however, represent that the information was evaluated and put together in good faith. The authors of the public sources have not consented to their statements being used in this ITAR and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

The status of the exploration permits under which Resouro holds title to the mineral rights for these properties has been investigated by GE21 only by consulting the systems of ANM (the federal agency of mineral control), which reports that the 18 of the exploration permits

are held by Brazil Copper Mineração Ltda. and the remaining 7 exploration permits have been validly assigned to Brazil Copper Mineração Ltda. and are awaiting approval from the ANM. Full details of the exploration permits are provided in the Brazilian Solicitor's Report included in the prospectus to be issued by Resouro.

2.2 Qualifications, Experience, and Independence

GE21 is a specialized, independent mineral consulting company. The geological evaluation has been conducted by Ednie Rafael Fernandes, who is a member of the Australian Institute of Geoscientists (AIG) is a CP as defined by JORC standards.

2.3 Competent Persons

The CP responsible for this independent Technical Report is Mr. Ednie Rafael Fernandes.

The information in this ITAR that relates to the exploration results is based on and fairly represents information and supporting documentation compiled and conclusions derived by Mr. Fernandes. Mr. Fernandes is a geologist and member of the Australian Institute of Geoscientists (MAIG) and has sufficient experience that is relevant to the styles of mineralization and types of deposit under consideration to be considered as a CP, as defined by JORC. Mr. Fernandes has over 12 years' experience working with exploration and mining projects. Mr. Fernandes consents to the inclusion in this ITAR of the matters based on his information and supporting documentation in the form and context in which it appears.

Neither GE21, nor the Author of this ITAR, have, or have had, any material interest invested in Resouro or any of its related entities. GE21's and the Author's relationship with Resouro is strictly professional, consistent with that held between a client and an independent consultant. This ITAR was prepared in exchange for payment based on fees that were stipulated in a commercial agreement. Payment of these fees is not dependent on the results of this ITAR. The Effective Date of this ITAR is February 05th, 2024. The Author has relied on information provided by Resouro which was provided in a database with full access given to the Author.

3 RELIANCE ON OTHER EXPERTS

This ITAR does not contain reliance on other experts relating to disclosure of legal, political, environmental or tax matters.

4 PROPERTY DESCRIPTION AND LOCATION

4.1 Project Description & Ownership

The Tiros Project is an initial-staged exploration project located in Minas Gerais State, Brazil, which contains a REE plus Ti mineral deposit (Figure 4-1).

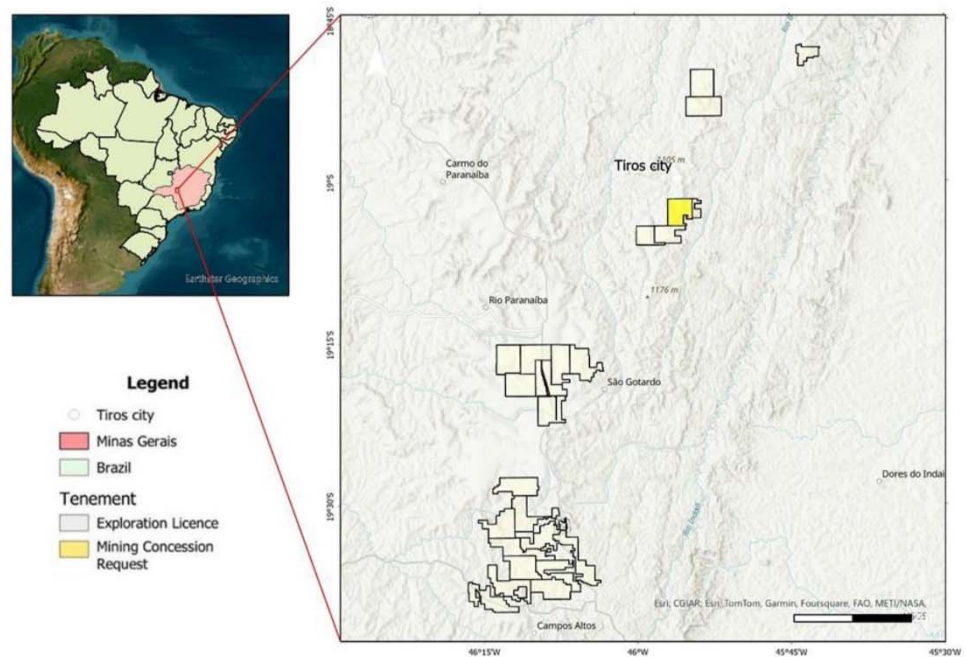


Figure 4-1 –Tiros Project Location Map

4.2 Mineral Tenure

The Tiros Project comprises 25 granted exploration permits which have a total area of approximately 45,048 hectares. As at the date of this ITAR, 18 of the exploration permits are held by Brazil Copper Mineração Ltda. and the remaining 7 exploration permits have been validly assigned to Brazil Copper Mineração Ltda. and are awaiting approval from the ANM (Table 4-1). Refer to the Brazilian Solicitor's Report included in the prospectus to be issued by Resouro for further details.

Table 4-1 – Mining Rights Overview for Tiros Project

Exploration Permit	Area (ha)	Status	Municipalities	Holder	Assignee	Grant Date	PER Due*	Renewal Date*	FER Due*
831.045/2010	1999.78	Exploration Permit	Tiros	BRAZIL COPPER MINERAÇÃO LTDA	N/A	31/08/2010	08/02/2015	09/04/2014	09/04/2015
833.082/2014	1,998.62	Exploration Permit	Tiros	BRAZIL COPPER MINERAÇÃO LTDA	N/A	21/06/2016	22/04/2019	N/A	21/06/2019
833.083/2014	1,984.17	Exploration Permit	Tiros	BRAZIL COPPER MINERAÇÃO LTDA	N/A	21/06/2016	22/04/2019	N/A	21/06/2019
830.450/2017	1,999.96	Exploration Permit	Tiros	BRAZIL COPPER MINERAÇÃO LTDA	N/A	26/07/2018	09/09/2026	08/11/2023	08/11/2026
830.915/2018	1,978.98	Exploration Permit	Tiros	BRAZIL COPPER MINERAÇÃO LTDA	N/A	04/05/2021	02/08/2024	N/A	01/10/2024
831.390/2020	1,988.15	Exploration Permit Application	São Gotardo	BRAZIL COPPER MINERAÇÃO LTDA	N/A	11/03/2021	02/08/2024	N/A	01/10/2024
831.720/2020	1,999.3	Exploration Permit	Campos Altos	BRAZIL COPPER MINERAÇÃO LTDA	N/A	24/03/2021	02/08/2024	N/A	01/10/2024
830.026/2021	1,735.69	Exploration Permit	Campos Altos, Santa Rosa da Serra, São Gotardo	RODRIGO DE BRITO MELLO	BRAZIL COPPER MINERAÇÃO LTDA	29/12/2021	30/10/2024	N/A	29/12/2024
830.027/2021	1,280.47	Exploration Permit	Campos Altos, Santa Rosa da Serra	RBM CONSULTORIA MINERAL EIRELI	BRAZIL COPPER MINERAÇÃO LTDA	12/01/2024	13/11/2026	N/A	12/01/2027

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Exploration Permit	Area (ha)	Status	Municipalities	Holder	Assignee	Grant Date	PER Due*	Renewal Date*	FER Due*
831.237/2021	365.86	Exploration Permit	Tiros	CANOPUS GEOLOGIA E PROJETOS LTDA	BRAZIL COPPER MINERAÇÃO LTDA	27/01/2022	28/11/2024	N/A	27/01/2025
831.314/2021	871.55	Exploration Permit	Tiros	CANOPUS GEOLOGIA E PROJETOS LTDA	BRAZIL COPPER MINERAÇÃO LTDA	29/11/2021	30/09/2024	N/A	29/11/2024
832.023/2023	1,055.16	Exploration Permit	Rio Paranaíba	RODRIGO DE BRITO MELLO	BRAZIL COPPER MINERAÇÃO LTDA	28/09/2023	30/07/2026	N/A	28/09/2026
832.025/2023	1,995.44	Exploration Permit	Rio Paranaíba, São Gotardo	RBM CONSULTORIA MINERAL EIRELI	BRAZIL COPPER MINERAÇÃO LTDA	28/09/2023	30/07/2026	N/A	28/09/2026
832.026/2023	1,981.41	Exploration Permit	Rio Paranaíba, São Gotardo	BRAZIL COPPER MINERAÇÃO LTDA	N/A	28/09/2023	30/07/2026	N/A	28/09/2026
832.027/2023	1,998.88	Exploration Permit	Rio Paranaíba	BRAZIL COPPER MINERAÇÃO LTDA	N/A	26/09/2023	28/07/2026	N/A	26/09/2026
832.029/2023	1,986.59	Exploration Permit	Rio Paranaíba, São Gotardo	BRAZIL COPPER MINERAÇÃO LTDA	N/A	28/09/2023	30/07/2026	N/A	28/09/2026
832.223/2023	1,855.16	Exploration Permit	Rio Paranaíba	BRAZIL COPPER MINERAÇÃO LTDA	N/A	22/11/2023	23/09/2026	N/A	22/11/2026
832.226/2023	1,972.27	Exploration Permit	Campos Altos, São Gotardo	BRAZIL COPPER MINERAÇÃO LTDA	N/A	22/11/2023	23/09/2026	N/A	22/11/2026

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Exploration Permit	Area (ha)	Status	Municipalities	Holder	Assignee	Grant Date	PER Due*	Renewal Date*	FER Due*
832.601/2023	1,999.78	Exploration Permit	Campos Altos	RODRIGO DE BRITO MELLO	BRAZIL COPPER MINERAÇÃO LTDA	29/12/2023	N/A	N/A	29/12/2026
832.604/2023	1,998.62	Exploration Permit	Campos Altos	BRAZIL COPPER MINERAÇÃO LTDA	N/A	29/12/2023	30/10/2023	N/A	29/12/2023
832.620/2023	1984.17	Exploration Permit	Campos Altos	BRAZIL COPPER MINERAÇÃO LTDA	N/A	12/01/2024	13/11/2026	N/A	12/01/2027
832.621/2023	1,999.96	Exploration Permit	Campos Altos, Santa Rosa da Serra, São Gotardo	BRAZIL COPPER MINERAÇÃO LTDA	N/A	12/01/2024	13/11/2026	N/A	12/01/2027
832.624/2023	1,978.98	Exploration Permit	Campos Altos	BRAZIL COPPER MINERAÇÃO LTDA	N/A	12/01/2024	13/11/2026	N/A	12/01/2027
832.625/2023	1988.15	Exploration Permit	Campos Altos, Ibiá	BRAZIL COPPER MINERAÇÃO LTDA	N/A	12/01/2024	13/11/2026	N/A	12/01/2027
832.627/2023	1999.33	Exploration Permit	Campos Altos	BRAZIL COPPER MINERAÇÃO LTDA	N/A	12/01/2024	13/11/2026	N/A	12/01/2027

Notes:

1. *PER Due:* Deadline for a company to submit a Partial Exploration Report to the ANM and request extension of the exploration period.
2. *Renewal Date:* Date in which the ANM granted the extension of the exploration period.
3. *FER Due:* Deadline for a company to submit a Final Exploration Report to the ANM. After approval of the FER the company moves to the Mining Concession request phase.

4.3 Royalties

All mining permits in Brazil are subject to state and landowner royalties, pursuant to article 20, § 1, of the Constitution and article 11, "b", of the Mining Code. In Brazil, the Financial Compensation for the Exploration of Mineral Resources (Compensação Financeira por Exploração Mineral – CFEM) is a royalty to be paid to the Federal Government at rates that can vary from 1% up to 3.5%, depending on the substance. It is worth noting that CFEM rates for mining rare earth elements are 2%. CFEM shall be paid (i) on the first sale of the mineral product; or (ii) when there is mineralogical mischaracterization or in the industrialization of the substance, which is considered a "consumption" of the product by the holder of the mining tenement; or (iii) when the products are exported, whichever occurs first. The basis for calculating the CFEM will vary depending on the event that causes the payment of the royalty. The landowners' royalties could be subject of a transaction, however, if there's no agreement to access the land or the contract does not specify the royalties, article 11, §1, of the Mining Code sets forth that the royalties will correspond to half of the amounts paid as CFEM.

Except for the royalties to be paid to the government (specifically, CFEM) or to the landowner in case the company does not decide to purchase the land where mining is set to occur, no other royalty is due to any previous owner.

The Author is not aware of any other royalties, back-in rights or other agreements and encumbrances to which the Tiros Project may be subject. The Author is also not aware of any environmental liabilities or other risks that may prevent Resouro from carrying out future work, nor any other significant factors and risks that may affect access, title, or the right or ability to perform work on the Tiros Project.

4.4 Ownership

A definitive agreement was signed between Resouro and RBM on July 31st, 2023. The summary of the terms of this agreement is given below.

- The Tiros Agreement detailed a three-stage earn-in for the acquisition of 100% of the issued and existing shares of Tiros Stratmet Pte Ltd (TSPS), in exchange for a total of 1,642,000 shares of Resouro. TSPS is the sole owner of 100% equity in Brazil Copper Mineração, to be renamed Tiros Minerais Estratégicos Ltda. (TMEL). All of RBM's Mineral Rights related with the Tiros Project were transferred to TMEL. The stages for the earn-in are as follows (i) the conclusion of the scoping study will result in the issuance of 315,000 (three hundred and fifteen thousand) Resouro Shares, (ii) completion of a Pre-Feasibility Study will result in the issuance 550,000 (five hundred and fifty thousand) Resouro Shares, and (iii) completion of a Definitive Feasibility Study will result in the

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issuance 777,000 (seven hundred and seventy-seven thousand) Resouro Shares to RBM.

- Upon completion of the earn-in, 10% equity in TMEL will be transferred to RBM with a Free Carried Interest until decision to mine at Resouro's sole discretion.

An Addendum to the definitive agreement was signed on October 9th, 2023, whereby RBM waived the earn-in requirements for the transfer of 90% of the title holder equity (Brazil Copper Mineração Ltda., to be renamed Tiros Minerais Estratégicos Ltda.) to Resouro, in exchange for the issue of 1,642,000 Resouro Shares, subject to the escrow periods in accordance with the ASX listing rules.

Additionally, RBM was issued 750,000 performance rights in Resouro, which will be converted in Shares upon the satisfaction of a milestone.

4.5 Environmental Studies, Permitting and Social or Community Impact

RSM is committed to taking a zero harm, practical and consultative approach to Environmental, Social and Governance (ESG). The RSM leadership team have a long credible history of delivering successful mutually beneficial mining projects and recognise the importance of sustainable, ethical, and safe practices in the communities it works within and to its employees and stakeholders.

RSM is committed to the development of modern ESG practices and respect the link between leading ESG practices and project acceptance. RSM is authorised to conduct mineral exploration in the areas it operates and adherence to legislation, governmental and corporate standards.

RSM is committed to achieving its part in the United Nations sustainable development goals (SDG) and will undertake an assessment of the Tiros Project to achieve its part in the goals of the communities where RSM operates. This will include:

- Establishment of environmental monitoring programs.
- Detailed environmental and community studies through the various project lifecycle.
- Frequent and transparent community, landholder, and stakeholder engagement.
- Development program to achieving the relevant goals of the SDG.
- Training of team members in sustainability in operations and zero harm practices to safety and health.
- Promote a company culture that promotes diversity and inclusion for successful outcomes.

- Respect and acknowledge the cultures, customs and values of people in communities where RSM operates.
- Promote mutually beneficial relationship of sustainable and symbiotic relationships between agriculture, mining and communities.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The Tiros Project is accessible from sealed roads with the exception of landholder entry ways that are used by those persons to access their agricultural lands and the exploration sites.

5.2 Climate

The climatic conditions of Tiros are characterized by a tropical climate. During the winter season, there is a significant decrease in precipitation levels as compared to the summer months. Köppen and Geiger classify this climate as Aw. The average annual temperature in Tiros is 23 °C. Precipitation here is about 1,681 mm per year.

The region of Tiros is characterized by a temperate climate, and the summer season presents some challenges in terms of precise categorization. In terms of precipitation, the month with the lowest amount of rainfall is July, recording a mere 12 mm in its entirety. This denotes an exceptionally dry period within that particular time frame. The month of December experiences the highest amount of precipitation, with an average value of 299 mm.

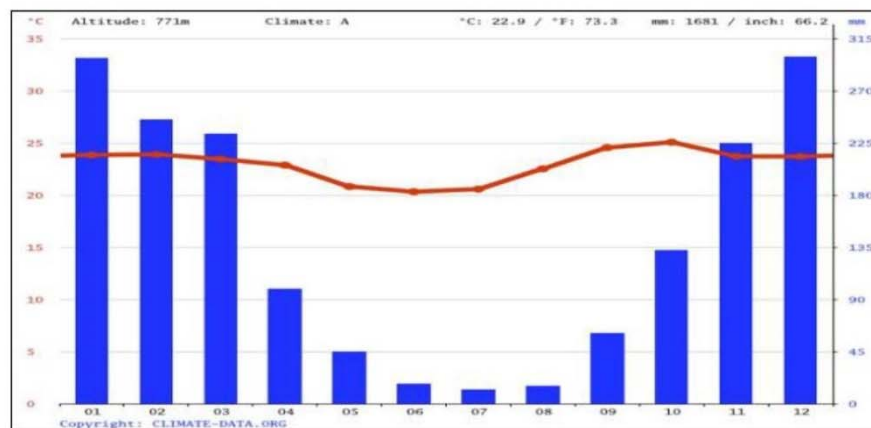


Figure 5-1 –Typical climate data of the project area

5.3 Local Resources

The Tiros Project is located approximately 350km West-North-West of Belo Horizonte, the sixth (6) largest city in Brazil and the capital of Minas Gerais. The target commodities of interest at the

Tiros Project are titanium and REEs. The closest town to the Tiros Project area is Tiros, with a population of approximately 8,000.

5.4 Infrastructure

The Tiros Project is located within the Tiros region which has established infrastructure and amenities to support mineral exploration. The town is within close proximity of major federal highways, high voltage power and major rail infrastructure.

5.5 Physiography

The region that covers the Tiros Project area is in the geomorphological domain known as the São Francisco Plateau, which is characterized by a set of tabular surfaces, configured as plateaus supported by sedimentary covers, delimited by well-marked erosional edges, distinguishing land with a preserved surface those with recessed surfaces. The Tiros Project's typical height above sea level is between ~1200m in higher plateaus areas and ~900m in lower eroded valleys.

The Tiros Project exploration permits in general can be described as a plateau which are typically cleared and used as cropping farmlands. The plateaus are generally surrounded by eroded valleys that are semi-uncleared containing moderately dense native and non-native flora. The plateau preserves the Capacete formation which contains the mineralised target materials whereas the eroded valleys separate the remaining plateau and only contain minor proportion of the mineralized material.

6 HISTORY

6.1 Vicenza

The exploration history of the areas that make up the Tiros Project began in 2010, with Águia Metais Ltda., focusing on phosphate. In 2011, Águia Metais Ltda. established a partnership with Vicenza Mineração e Participações S.A. (Vicenza), a Brazilian mineral explorer who held several exploration assets across the globe, composing an exploration project called Projeto Mata da Corda, totalling 142 mineral rights, of which some of the areas listed in this ITAR form part of. From 2013 onwards, the exploration turned to titanium.

From 2010 to 2017 there was extensive geological mapping covering the Capacete Formation. This mapping was based on the geophysical interpretation and field work. The main source of geophysical data used was the aeromagnetic and radiometric survey conducted by the state government agency "Codemig", using an aircraft flying at 100 m altitude, with flight lines NS, separated by 400 m each. Interval between readings was 0.1 second for mag and 1 second, spectrometer.

Vicenza and RBM used mainly the Analytical Signal technique, to show the zones of maximum magnetic intensity, and the thorium image, to define the limits of the Capacete Formation. The geophysical signature of this formation is usually of high magnetics and high presence of thorium radiation, but at the southern tip of the Tiros Project are these pattern changes, with presence of thorium but without high magnetism. This region has not been mapped previously as Capacete formation and still needs to be confirmed, using field work, as being potential for titanium and REE.

Figure 6-1 shows the overall Tiros Project, using both geophysical images. The first map, at left, comprises the Tiros Project exploration permits over the Thorium radiometric image and with the present mapping of the Capacete Formation. The Analytical Signal image, at the right, is very similar, except for the southern zone of the Tiros Project.

Noteworthy is that the Patos formation has the same geophysical signature as the Capacete Formation. Field criteria is used to differentiate both units.

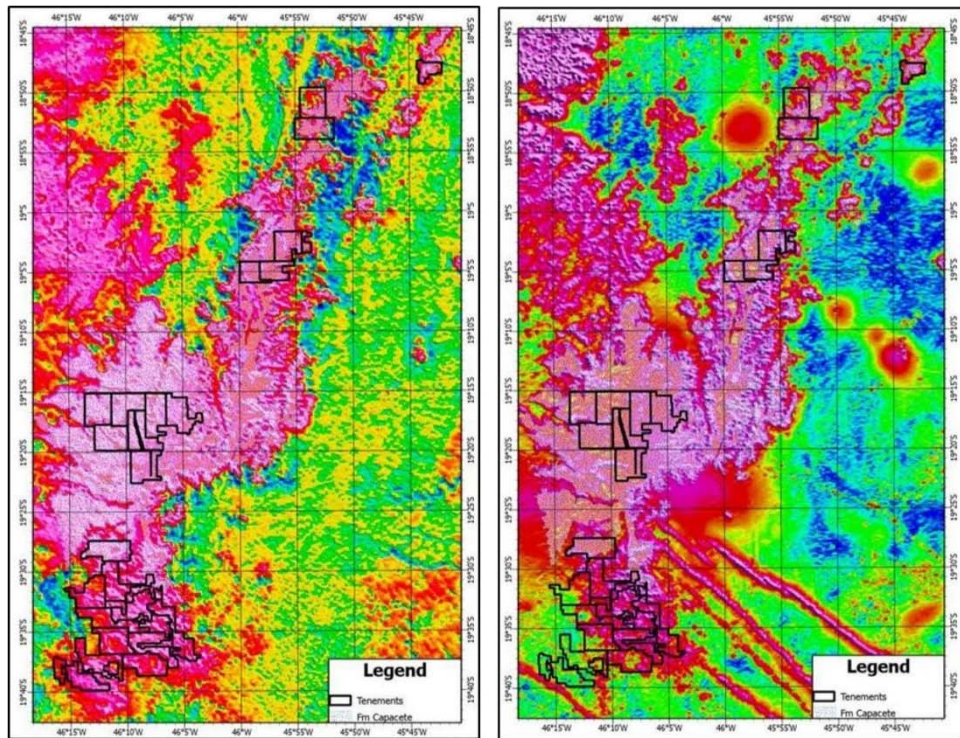


Figure 6-1 – Aeromagnetic images – Thorium and Mag (analytical signal)

Besides the aeromagnetic data, other surveys were conducted by different operators over the Tiros Project region. Ground penetration radar (GPR) was used with success to define the stratigraphic continuity of the Capacete formation, under the overburden. The data allows interpreting the thickness of the overburden quite clearly, with best results shown at the edges of plateaus. One of the lines had a large portion of the survey totally blind. This is believed to be a result of higher moisture in clays due to an irrigated coffee plantation. As a result, GPR was considered to be an effective auxiliary tool to be used during the dry season and avoided irrigated areas. Figure 6-2 shows the results of one of these lines with its correspondent interpretation. During this period, Vicenza carried out 1 diamond drill hole (PMC-FD-0074) in the Tiros Project area (Figure 6-3: Diamond drilling location map) on permit 831.045/2010 in HQ (6.3 cm) diameter, vertically and reaching 82.45m. All drilled materials were sampled and placed in the core box; nothing being discarded. No trajectory deviation measures were taken and drillhole collars were topographically surveyed by handheld GPS.

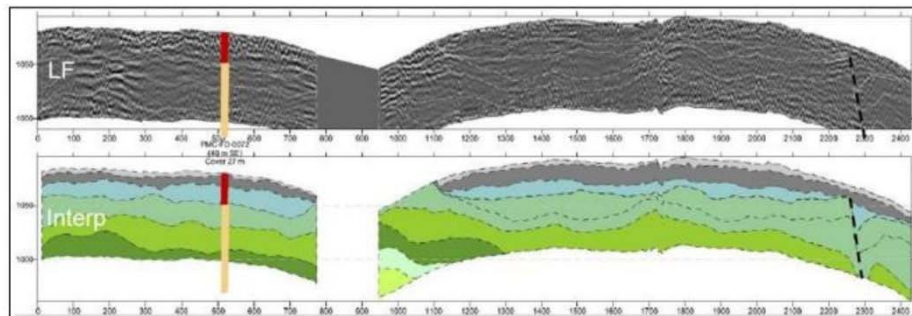


Figure 6-2 – GPR profile with the interpretation

The diamond drilling recovery conference consisted of verifying advance and recoveries recorded in the core boxes and drilling bulletins. This verification was undertaken by measuring with tapeline the core present in the boxes. Vicenza applied adequate recovery control procedure and the recovery values were inside acceptable limits.

After the conference, the cores were marked for longitudinal cutting using a spatula to split into halves. Before the cores were halved, the boxes were placed side by side, two by two, so that the core could be photographed for later storage in digital media.

Then, the halved cores were placed back in their respective boxes, always in the same way, that is, with the left side placed below the right side, both with the split sides facing upwards. With this, the part sampled will always be the right side (top) of the core, which avoids bias (trend) in the sampling (and in the results).

The geological parameters of the cores were described and noted in appropriate logs, by the Tiros Project geologist, who simultaneously marked and identified the intervals to be sampled on the edge of the box channels. The intervals and numbering of samples were also noted in the drilling logs, along with the geological parameters. The length of the samples varies from 1.1 to 1.2 meters, with an average of 1.16m. Thus, 64 samples were generated in total, which were then sent in batches for chemical analysis by the SGS Geosol laboratory, located in Vespasiano-MG, using the ICP-MS, ICP-OES and X-ray Fluorescence methods. Notably standard and blank (thin and thick) control samples were inserted every 40 samples analysed.

The results of this drill hole produced an average of 12.4% TiO₂, 0.33% REE and 0.68% P₂O₅ as summarised in Table 6-1.

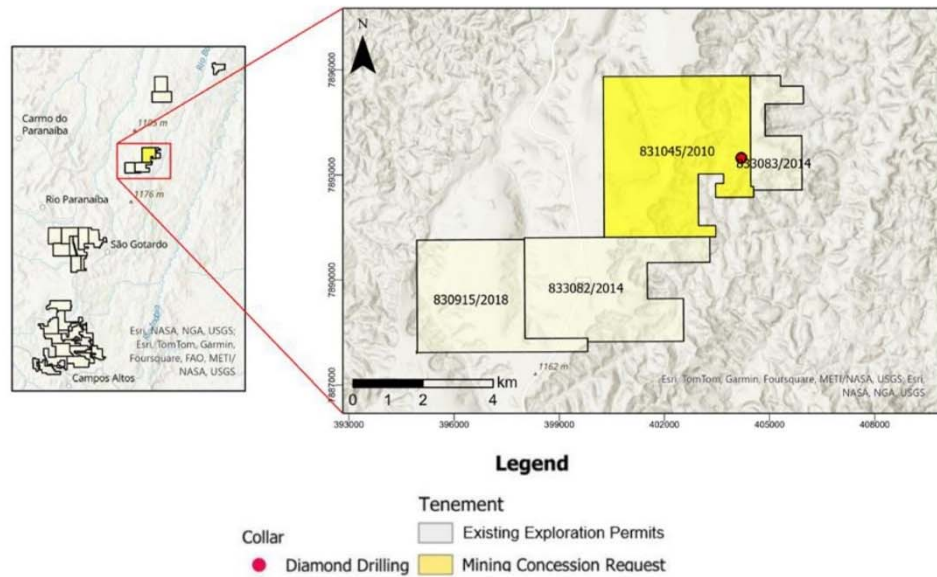


Figure 6-3 –Diamond drilling location map

Following the diamond drill hole campaign, Vicenza conducted various metallurgical test work using samples from the Capacete target, including the hole FD-072. The aim of this test work was to obtain an anatase concentrate. A 29.6 kg sample of conglomerate, at 24.9% TiO₂ was used for a process route including: desliming, magnetic concentration of the coarser fractions (>325 mesh) at low and high intensities, gravimetric concentration using a heavy media method. Leaching with HCl was performed on the physical concentrate reducing impurities. The resulting concentrate assayed at the SGS Laboratories, showed 86% TiO₂ with uranium at 63 ppm and thorium at 145 ppm (see Figure 6-4: Increase in the TiO₂ grade according to the different beneficiation steps). Following these encouraging results Vicenza entered into a partnership with Iluka Resources Limited (Iluka), one of the world's largest mineral sand product miners, founded in 1998 and having exploration assets across the globe with operating mines predominately in Australia.

Table 6-1 – Chemical Analysis Results for Historical Drill Hole PMC-FD-0074

Drillhole	From (m)	To (m)	Thickness (m)	TiO ₂ (%)	HREE (%)	LREE (%)	REE Total (%)	P2O ₅ (%)
PMC-FD-0074	22.60	71.00	48.40	12.40	0.02	0.31	0.33	0.68
including	24.90	32.10	7.20	23.30	0.03	0.69	0.71	0.88

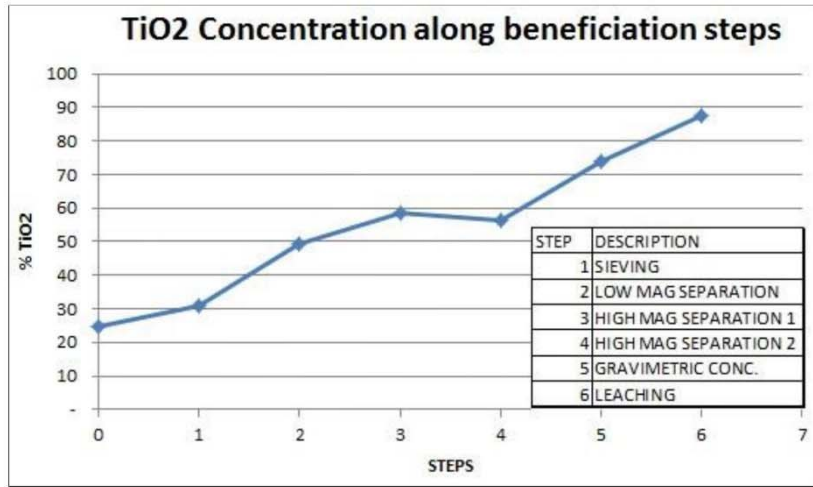


Figure 6-4 – Increase in the TiO₂ grade according to the different beneficiation steps



Figure 6-5 – Drilling equipment in operation in borehole PMC-FD-0074



Figure 6-6 – Drilling core from borehole PMC-FD-0074 showing magnetic conglomerate from the Capacete Formation

6.2 Vincenzo and Iluka Joint Venture

Following the positive news from Vincenzo's metallurgical test work and the joint venture with Iluka, the new enterprise drilled, between 2016 and 2017, 20 Aircore holes in the Tiros Project area at exploration permits 833.082/2014 and 833.083/2014 (shown in Figure 6-7) totalling 1,225m with depth of the holes varied from 35 to 60m. All aircore holes were vertical and undertaken in 75mm diameter and the collars were topographically surveyed by handheld GPS.

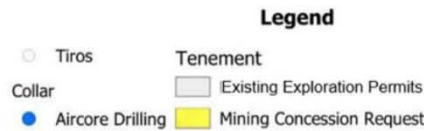
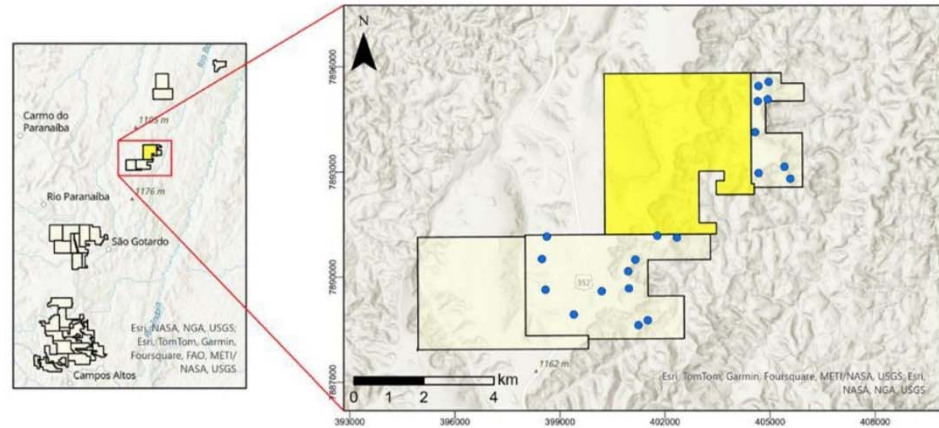


Figure 6-7 – Aircore drilling location map

Geological parameters, such as lithology, oxidation, colour and presence of fragments, were described every 1 m in the geological database, however, information about recovery checking procedures and packaging of samples are not available.

All drilled materials were sampled, with no material discarded. The sample size was 1m and they were initially analysed by Iluka-Vicenza joint venture only with a portable XRF model Niton Gold Xlt3. The database contains 443 samples with grades of oxides TiO₂, Al₂O₃, Cr₂O₃, Fe₂O₃, MnO and P₂O₅ obtained using the XRF. This was the database used for the final exploration reports presented to ANM.

Results of these samples are summarised below (Table 6-2) and indicates that high grades of titanium and rare earth are present and consistent with the single Vicenza diamond drill hole completed. Notably hole AC-TIR-001 was a failed hole and AC-TIR-006, AC-TIR-007, AC-TIR-015, AC-TIR-017 and ACTIR-019 did not contain any minerals or were at very low levels.

Table 6-2 – Vicenza and Iluka drilling detail

HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TREO ppm	Average TiO ₂ %
AC-TIR-002	400968.7	7889678	1071.211	0	90	36	42	1986	10.23
AC-TIR-003	399395.8	7888934	1096.954	0	90	44	48	3082	13.01

HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TREO ppm	Average TiO ₂ %
AC-TIR-004	398587.7	7889640	1076.711	0	90	37	51	4125	11.83
AC-TIR-005	398485.3	7890519	1070.696	0	90	36	47	2530	11.71
AC-TIR-008	401777.8	7891183	1079.7	0	90	44	55	3382	15.77
AC-TIR-009	402337.5	7891131	1048.104	0	90	13	28	4873	17.00
AC-TIR-010	400946.7	7890168	1066.318	0	90	26	39	4599	16.73
AC-TIR-011	401150.6	7890502	1048.662	0	90	11	53	4116	16.47
AC-TIR-012	404669.6	7892974	1074.331	0	90	51	60	5521	17.12
AC-TIR-013	405408.4	7893153	1033.307	0	90	29	36	2865	8.78
AC-TIR-014	404568.9	7894139	1049.344	0	90	31	35	2629	10.06
AC-TIR-016	404644.8	7895023	1052.623	0	90	30	51	3334	11.23
AC-TIR-018	404954.4	7895577	1047.773	0	90	22	33	4933	14.25
AC-TIR-020	401239.3	7888629	1044.091	0	90	13	27	5495	15.19

Metallurgical studies from these drill holes assay were undertaken and focussed on anatase concentrate production. The joint venture performed many characterization studies such as QEMSCAN, MLA, SEM, BSE and XRD. Metallurgical work comprised assay by size fraction and MLA and XRD analysis. The material was run through a mechanical (wet tables) concentration process, and the tailings and product streams analysed separately using QEMSCAN.

In summary, the test work conducted using a traditional mineral sands recovery method on the +53 µm material produced better recoveries in the upper mineralised levels, known as the Strongly Oxidised Material (SOX), producing a 45-47% TiO₂ & 28-53% anatase with the Moderately Oxidised Material (MOX) producing a 23-41% TiO₂ & 22-35% anatase. Based on this type of test work the metallurgical recoveries were calculated as 19% of the TiO₂ content and 41% of the anatase content. Iluka estimated with these results if a pure anatase concentrate was obtained through reduction in gangue material, the grade of the product would be 90.5% TiO₂ for the WOX and 89.6% TiO₂ for the MOX material. In 2017 the joint venture between Iluka and Vincenzo ended.

6.3 RBM Exploration

Following the completion of the joint venture between Iluka and Vincenzo, Vincenzo underwent financial difficulties which prevented it from continuing with the exploration activities. The areas were later transferred to RBM in exchange for services of their technical director, Rodrigo Mello. RBM kept the areas in good order, expanded the property and acquired new exploration permits

based on the available data. RBM also undertook various desktop studies and a major chemical re-analysis of samples program was developed using the Iluka drill samples.

In 2021, a chemical reanalysis of samples from historic drilling was conducted. From the original 443 samples, 224 samples plus 30 control samples (blanks, standards and duplicates) were analysed using the ICP method (determination of 48 elements by fusion with lithium metaborate, including REE) were selected for re-assaying. Intervals defined as mineralized by the portable XRF were selected. A sub-sample with about 1 kg from each sample in the interval was obtained through a Jones quarter and sent to the laboratory SGS-Geosol in Belo Horizonte, together with 30 QAQC samples. The method chosen was the ICP OES/MS which, besides the oxides tested by Iluka, included 34 more elements, including Rare Earths elements.

The results showed in relation to TiO₂ (Figure 6-8, Figure 6-9, Figure 6-10, Figure 6-11), that a clear bias was detected between XRF and ICP. ICP is known to be more accurate than portable XRF for assays on these types of samples due to a more efficient opening with lithium metaborate fusion used in the ICP process. The ICP TiO₂ results were 16% higher than the original ones with the mean for the XRF results in the mineralized areas producing 11.6 TiO₂% with the results from the ICP being 15.8%. The outliers presented in Figure 6-8 are believed to be associated to misplaced sample results or poorly executed XRF assays. The results also indicate, the underestimation of TiO₂ levels is less pronounced at lower levels.

Following the completion of this work RBM entered into an agreement with Resouro in July 2023 and Resouro started a drilling and metallurgical testing program immediately.

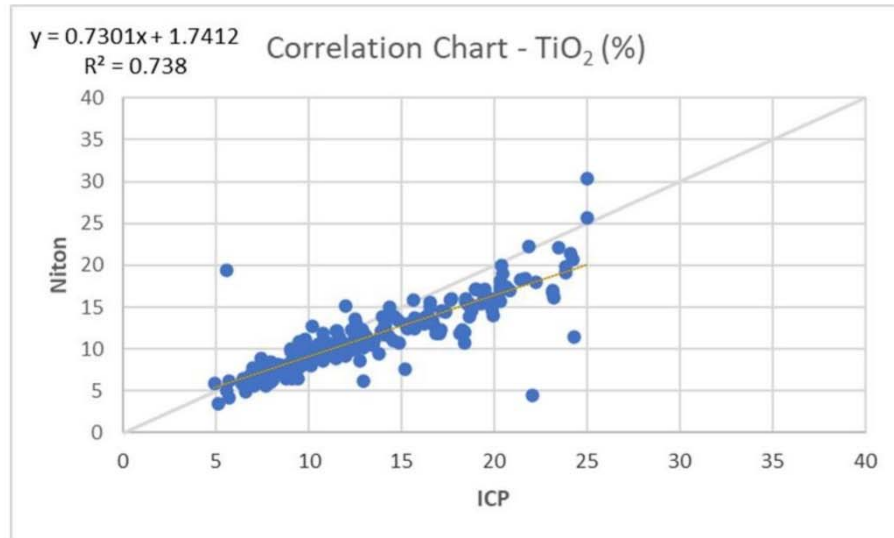


Figure 6-8 – Resampling program comparative analysis plots for TiO_2 – Portable XRF Versus ICP: Correlation Chart

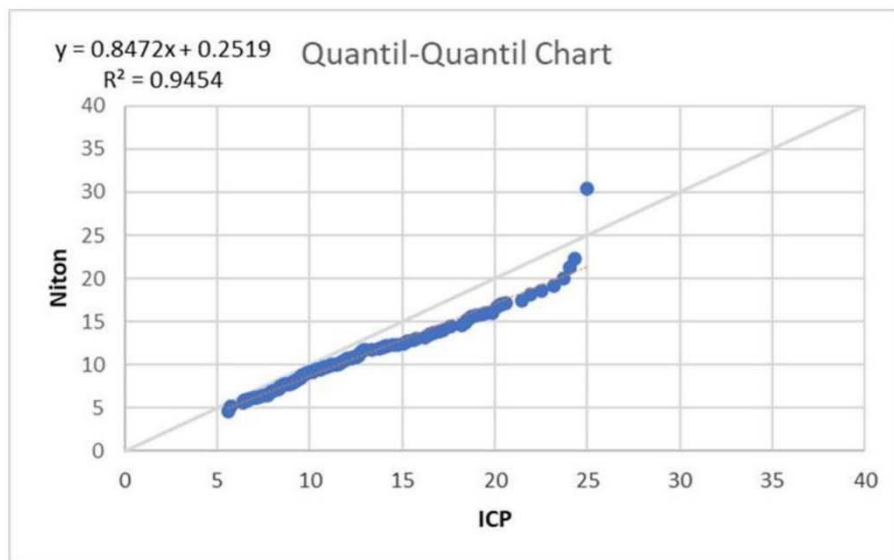


Figure 6-9 – Resampling program comparative analysis plots for TiO_2 – Portable XRF Versus ICP: Quantil-Quantil

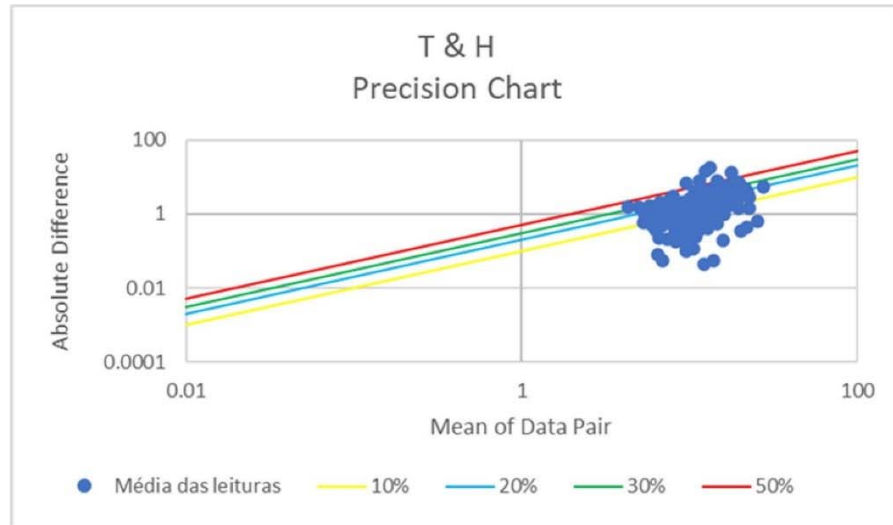


Figure 6-10 – Resampling program comparative analysis Precision Chart plots for TiO2 – Portable XRF Versus ICP

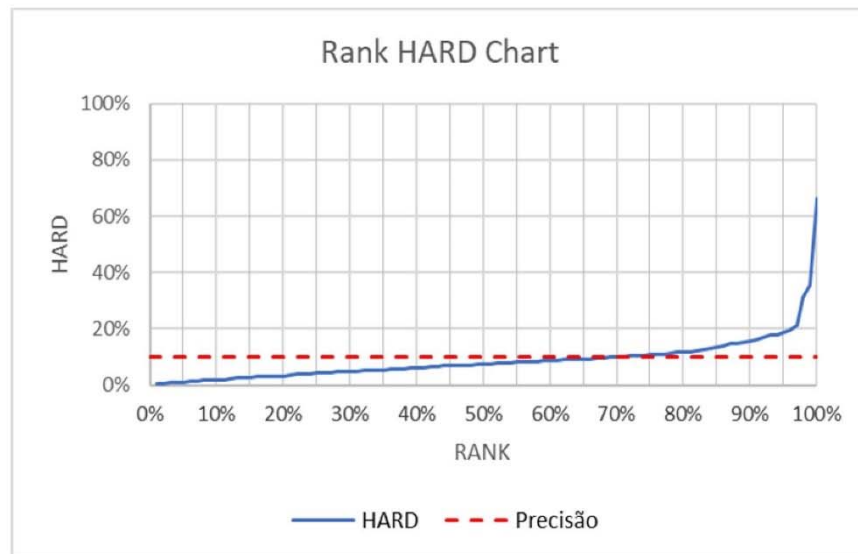


Figure 6-11 –Resampling program comparative analysis Rock HARD plots for TiO2 – Portable XRF Versus ICP

7 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The São Francisco Craton is made up of a complex arrangement of high-grade metamorphic terrains (gneisses, granitoids and granulites) of Archean age, granite-greenstone type associations and belts of Paleoproterozoic supracrustal rocks, as well as plutonic rocks with great compositional variety, exposed in the extreme south of the Cráton (Cinturão Mineiro) and in the northeast portion, in the state of Bahia. The Craton is largely covered by Proterozoic and Phanerozoic sedimentary rocks attributed to the São Francisco Basin. In its surroundings, two mobile folded belts were developed that exerted compression on its eastern (Araçuaí Fold Belt) and western (Brasília Fold Belt) edges, causing ductile-brittle deformations, which affected it, as well as its coverings, represented in the domain of the São Francisco Basin (Figure 7-1).

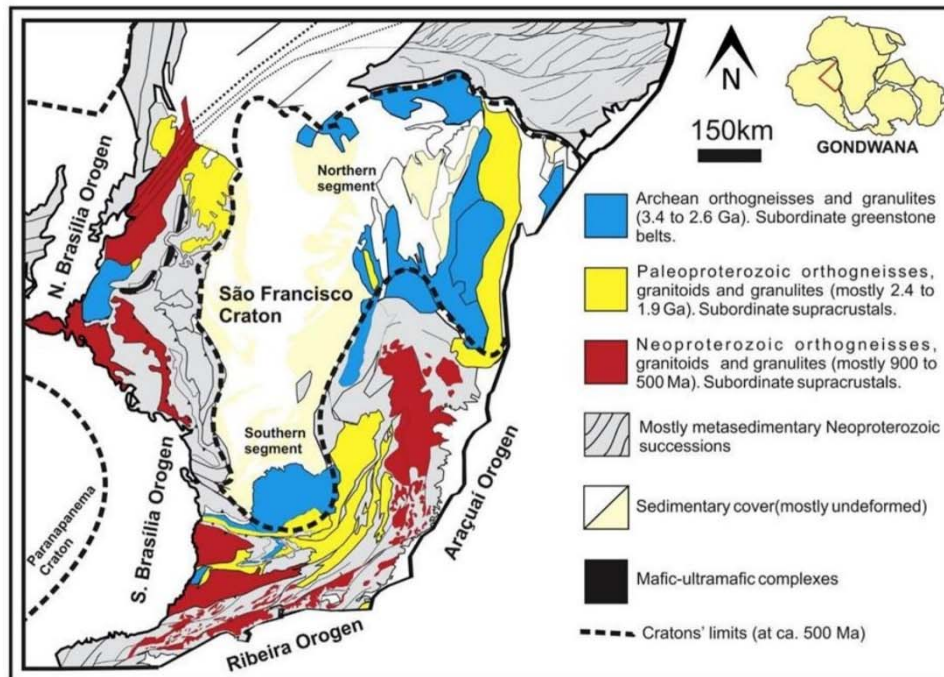


Figure 7-1 – Regional geological context

The São Francisco Basin has an area of 350,000 km² and covers a large part of Minas Gerais. It is of the polycyclic intracratonic type, little deformed in its central portion and deformed at its edges. The filling of the basin, from the base to the top, occurred through successive sequences, namely: Rift Supersequence (Paleoproterozoic to Mesoproterozoic) constituted by the Espinhaço Supergroup and the Arai Group; Intracratonic Supersequence (neoproterozoic), represented by

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the Paranoá Macaúbas groups and Intracratonic/Antepaís Supersequence (neoproterozoic), constituted by the Bambuí Group. The Permocarboniferous (Santa Fé Group) and Cretaceous (Areado, Mata da Corda and Urucuia) units are grouped by the Sanfranciscana Supersequence in accordance with Zalán & Romeiro Silva (2007).

The Brasília Fold Belt of Neoproterozoic age is more than 1,100 km long. Developed during the Brasiliano Cycle (Almeida et al., 1977) on the southern edge of the São Francisco Craton, this belt represents a complex belt of folds and thrust faults with tectonic and metamorphic vergences towards the Craton (Fuck et al., 1994). Structurally, it presents two distinct trends: a northern one, with a NE orientation and a southern one with a NW orientation, with the same geotectonic evolution, although with different characteristics. The meeting of the two branches marks a large regional structure defined as the Syntax of the Pyrenees (Araújo Filho, 1999) which consists of WNW-SSE lineaments, located at the same latitude as the Federal District.

During the Late Cretaceous, they were housed in the Brasília Belt SW of the São Francisco Craton, a set of ultrapotassic alkaline rocks. Among these groups, the Alto Paranaíba Alkaline-Carbonatitic Province, which is made up of numerous sub-volcanic bodies of kamafugites and kimberlites, with rare lamproites; large alkaline-carbonatite-phoscoritic plutonic complexes such as those of Catalão, Serra Negra, Salitre, Araxá and Tapira; and a voluminous set of spills and kamafugite pyroclastic deposits from the Mata da Corda Group.

Subsequently, the Capacete Formation represents the sedimentation of the erosion product of these rocks, therefore, it also has great prospective potential. In petrographic sheets of sandstones and lithic, epiclastic conglomerates, detrital apatite cemented grains have often been found, in addition to fragments of phosphorites.

7.2 Local Project Geology

In the Tiros Project area, as shown in Figure 7-2, the following lithostratigraphic units were differentiated and mapped, from base to top: Bambuí Group, Areado Group, Mata da Corda Group, Laterite Cover and Alluvial Deposit. There is a NNE-directed band that encompasses the rocks of the Mata da Corda Group, represented by the Capacete formation, which generally have a lateritic cover and are exposed only on the slopes of the plateaus.

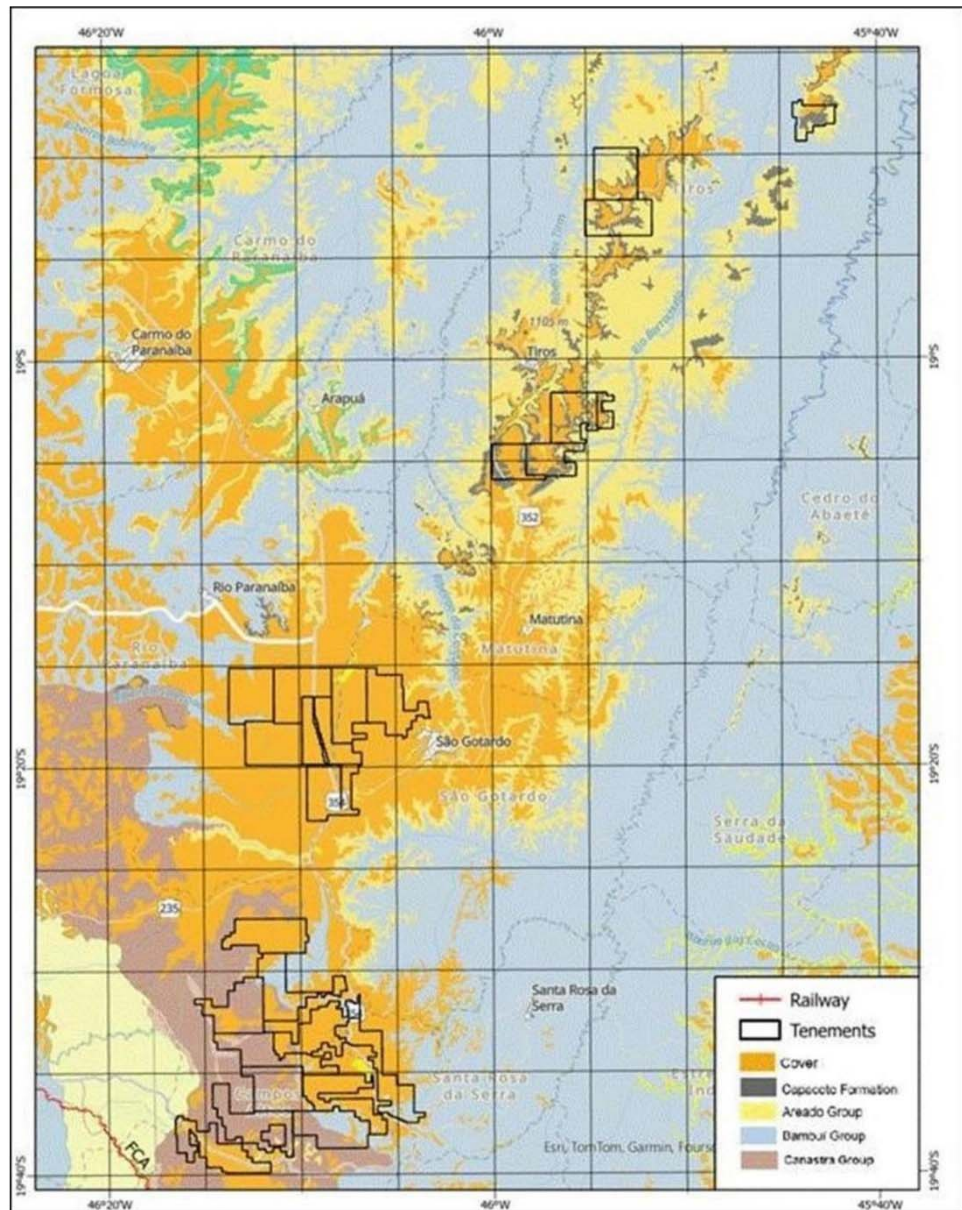


Figure 7-2 – Local geological map

The undivided Bambuí Group (Paraopebas Subgroup) is represented by a pink claystone siltstone, with disseminated white mica, of detrital origin, and plane-parallel lamination marked by the variation from clay and silty to silty-sandy planes.

The Areado Group is characterized by sandstones from the Três Barras Formation, essentially

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composed of quartz with fine to medium sand grain size. There is stratification marked by particle size variation, both for levels of coarse sand with rare granules, and for levels of fine sand grain size. In some outcrops, cross-stratifications up to 3 m thick were observed, characterizing them as an aeolian environment.

The Mata da Corda Group is represented in the area by epiclastic rocks (sandstone and conglomerate) of the Capacete Formation (Figure 7-3). The sandstone is friable, magnetic, composed of quartz, fragments of volcanic rocks and heavy minerals, such as magnetite and ilmenite, with medium to coarse sand grain size, with flat-parallel stratification marked by granulometric and compositional variation, presenting strata richer in quartz and others richer in fragments of volcanic rock and heavy minerals.



Figure 7-3 – Outcrop of epiclastic rocks in roadside ravine

The conglomerate (Figure 7-4) is friable, magnetic, composed of a quartz matrix, fragments of volcanic rock and heavy minerals, such as magnetite and ilmenite, in medium to coarse sand grain size, and with clasts predominantly of volcanic rock of grain size up to boulders, with plane-parallel stratification marked by granulometric and compositional variation, presenting strata richer in quartz and others richer in fragments of volcanic rock and heavy minerals.



Figure 7-4 – Conglomerate hand sample from the Capacete Formation

The changes in the epiclastic formations of the Capacete Formation result in a saprolite (Figure 7-5) with a reddish to purplish colour, magnetic, clayey, with a mottled appearance, with disseminated kaolinite, possibly from the alteration of the volcanic fragments. Saprolite samples show low levels of P₂O₅, but high concentrations of TiO₂ and REE.

The laterite cover occurs at the top of the plateaus and develops through the evolution of weathering over the rocks of the Mata da Corda Group. Outcrops are observed on the edges of the plateaus, with a break in relief. The laterite is reddish, weakly magnetic, beige, non-magnetic, with a clayey matrix, with quartz fragments and goethite nodules.

Alluvial deposits are composed of ancient and recent alluvium, with fine to coarse sand, clays mainly varied colluvium.



Figure 7-5 –Sapolite outcrop from the epiclastic rocks of the Capacete Formation

7.3 Regolith

Understanding the variability of weathered profile across the area and in different lithologies, proved to be key for guiding the metallurgical test work. A comprehensive study on the geochemical results of the AC and core drilling combined with the results of the mineralogical study, led to the separation of the weathered profile into 4 distinct zones based on visual and geochemical characteristics. The main oxide used for the definition is CaO. Other oxides as K₂O, SiO₂, Al₂O₃, MgO, Fe₂O₃ and LOI are also used to assist defining the boundaries. Along all the weathering profile, Ti shows positive correlation with Fe₂O₃, BaO, V, MnO, Nb, La, Nd, Hf, Nb, Ta, Th and U, and an inverse correlation with SiO₂.

The following layers are relevant:

- SOX (Strongly Oxidized Sapolite) – It is the topmost layer of Capacete in any complete profile. Thickness varies from a few meters up to almost 40m. Typically weathering has completely removed CaO and K₂O, resulting in high kaolinite, very low mica content and anatase enrichment. Later this layer was also named Red for sampling purposes. It is red and displays no structures.

- **MOX (Moderately Oxidized Saprolite)** - The MOX zone is characterized by a slight increase in CaO, K₂O, SiO₂ and slight decreases in Al₂O₃ levels. Kaolinite is almost absent, and micas account to up to 45% in mineral abundance. CaO is still the best indicator of the weathering stage, but the other oxides are increasingly more important for identifying transition zones. It displays a range of green tones with reddish mottling, and relatively well-preserved rock structures.
- **WOX (Weakly Oxidised Saprolite – or Sap Rock)** - The WOX zone is a transition between fresh and weathered sediment, and its definition is imprecise. The mineralogical study showed samples with approximately 50% micas, small amounts of K-feldspar and no kaolinite. Grey is the dominant colour and structures are well preserved.
- **FRS – (Fresh Rock)** - Fresh “rock” was arbitrarily defined as having CaO > 8%, which is when calcite is present and reacts with weak HCl. The average TiO₂ is 6%, Fe₂O₃ is 14%, CaO is 12% (ranging from 7 to 22%) and P₂O₅ is 1%.

The following definitions are an attempt to define the layers based solely on geochemistry. This is intended to assist in differentiating samples collected during drilling.

SOX: CaO < 0.15% and K₂O < 2%

MOX: 0.15 < CaO < 0.5% and 2% < K₂O < 5%

WOX: 0.5% < CaO < 8%

FRS: CaO > 8% and LOI >10%

7.4 Mineralization

Mineralization at the Tiros Project is due to a lateritic process enriching epiclastic rocks and the erosion products of volcanic rocks enriched in titanium and rare earth elements. REE and titanium mineralization are hosted in sandstones and conglomerates of the Capacete Formation, belonging to the Mata da Corda Group. Titanium is mainly associated with the mineral anatase, originated from the alteration of perovskite. REE are suspected to be also associated with the perovskite. This mineral with formula CaTiO₃, was affected by weathering close to surface. The calcium ion was put into solution by meteoric waters, leaving the anatase crystals with many voids. This allowed the migration of the REE to nearby clays where they were captured through weak bonds. The upper part of the mineralized zone is known as being of higher grade for both titanium and REE which should be the effect of the leaching of gangue elements due to weathering.

Importantly, the Tiros Project area does not have a JORC compliant resource to provide information relating to the length, width, or depth of the mineralised zone, however generally of the areas drilled within the total 45,048 hectares of the Tiros Project, the mineralised zone has been found to contain similarly consistent titanium and rare earth grades which is consistent with

the geological knowledge of the Capacete Formation.

8 DEPOSIT TYPES

The Tiros Project can be defined as a lateritic type of deposit, in which a rock enriched of certain elements is subject to leaching by meteoric waters and have some elements of interest concentrated close to the surface.

In relation to the anatase, the main paradigm is the Tapira deposit, situated 127 km to the SW of Tiros. The geology there is made of plutonic rocks (whereas the Tiros Project is made of epiclastic rocks of volcanic origin) but the magma source is similar. The geochemical signature is also similar, with TiO₂ grades in the order of 12 -14% and REE anomalous.

Lateritic deposits with REE enriched close to surface are more common. In Brazil, there is the Serra Verde deposit and the recently discovered deposits on the dome of Poços de Caldas. The former is a product of enrichment of granite and the latter, of carbonatite.

9 DRILLING

An exploration program was planned and commenced in September 2023. This included work program in chemical reanalysis of the remaining samples from historic drilling and a new auger, Aircore and diamond drilling campaign (Figure 9-1).

At the time of writing this ITAR, Resouro had completed 257m over 25 auger holes, 1,562m over 31 Aircore holes and, 1,634m over 26 Diamond holes.

Assays from the recent Resouro drilling campaign had returned the first batches of 1620 samples with many of the hole assays still pending laboratory results. The first samples received are shown in the sections below.

To date no topographic survey was carried out in the Tiros Project with SRTM data used for exploration with the drill hole collars being topographically surveyed by handheld GPS and later updated with high precision GPS.

9.1 Auger Drilling

The auger drilling campaign totalled 257m in 25 auger drill holes of 10cm diameter, with the depth of the holes varying from 2 to 15m in tenement 831.045/2010. Drilling has been undertaken following a standard operating procedure of the auger equipment and drilled to maximum physical depth of the machinery.

Geological parameters, such as lithology, oxidation, colour and presence of fragments, recorded in every 1m, with all drilled material being captured, bagged and labelled for sample preparation in the Resouro workshop. Samples in the Resouro workshop were weighed, dried, manually crushed, reweighed and sent for sampling to the SGS Geosol laboratory in Belo Horizonte, Brazil being the closest accredited laboratory. Samples in the laboratory followed a standard procedure for sampling which included, weighting, drying, screening, sorted, split, attritioned and analysed.

Results from the 1620 assays received at the time of writing this ITAR included 255 auger related results. The auger results received are summarised in (Table 9-1) showing the deposit contains high levels of titanium consistent with historical drilling and high levels of rare earth consistent with the work undertaken by RBM. Results also indicated the material zone is consistent with that known in historical exploration although the results did indicate the lower-level thickness of the zone of this deposit was not reached in the auger drilling program. Holes FT06, FT08, FT12 and FT13 are excluded from these results as no mineralisation was detected.

The results of the auger program indicated the geological interpretation and method of exploration is appropriate highlighting the interface between the physical dimensions and geological profiles

is consistent with the geological understanding of the Capacete Formation.

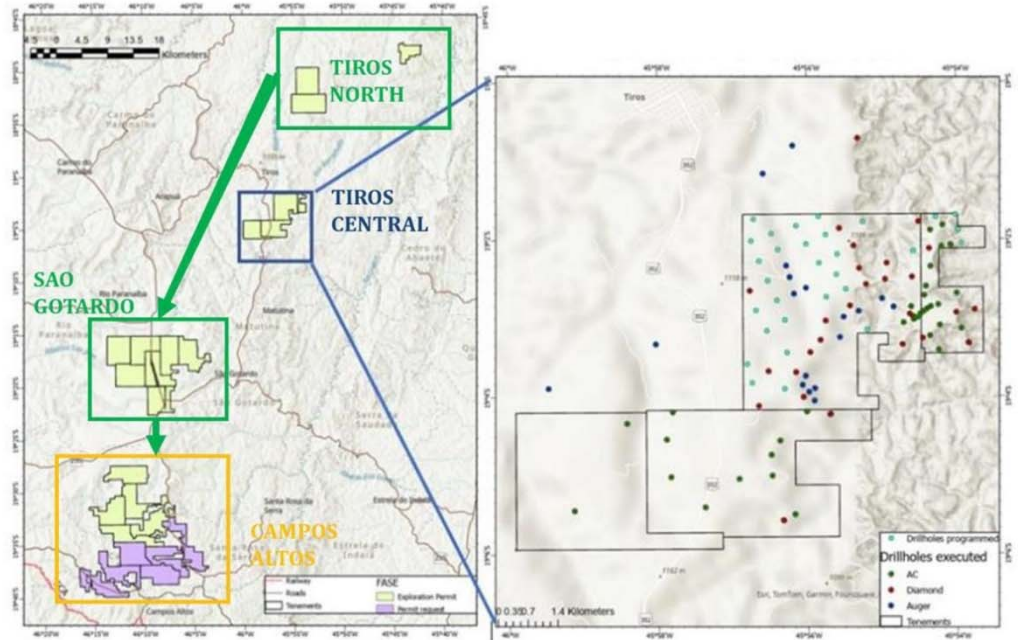


Figure 9-1 – Resouro 2023 Auger, Diamond and Aircore drilling location

Table 9-1 – Results of the Resouro auger drilling campaign

HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TREO ppm	Average TiO ₂ %
FT-01	401470.1	7893949	1002.723	0	90	0	6	4,189	20.56
FT-02	401368.3	7894337	997.0978	0	90	0	11	5,253	15.26
FT-03	401286	7894607	997.0582	0	90	0	6	4,058	15.03
FT-04	402991	7893548	1027.228	0	90	3	15	6,699	19.41
FT-05	402639.2	7893409	1018.939	0	90	2	9	3,455	10.92
FT-07	403540.6	7893845	944.0546	0	90	0	2	3,610	10.82
FT-09	401958.9	7891441	1039.084	0	90	3	11	5,768	16.03
FT-10	401827.6	7891643	1001.096	0	90	7	10	3,143	8.76
FT-11	401967.7	7891730	1033.299	0	90	0	10.5	7,181	10.47
FT-14	404435.9	7911032	1040.91	0	90	12	15	662	9.37
FT-15	404013.3	7911081	1034.5	0	90	3	16	1,846	9.92
FT-16	403803.7	7911334	988.3385	0	90	0	13	1,546	7.2
FT-18	405538.3	7910684	1022.839	0	90	2	9	2,508	7.66
FT-19	405670.3	7910407	1021.412	0	90	0	11	4,131	8.78
FT-20	405796.2	7910196	1037.287	0	90	6	7	223	6.14
FT-21	404814.6	7914113	892.66	0	90	0	2	1,882	4.65
FT-23	404683.3	7915151	912.154	0	90	0	11	5,155	14.03
FT-24	404434.8	7915040	916.733	0	90	0	15	3,885	13.01
FT-25	406423.4	7915087	1012.846	0	90	0	12	8,150	20.1

9.2 Aircore Drilling

The Aircore drilling campaign at the time of writing this ITAR totalling to date 1,562 m over 31 Aircore drill holes of ~100mm diameter, with the depth of the holes varying from ~2m to ~85m. Drilling was undertaken following a standard operating procedure of the Aircore drilling equipment and undertaken by an Drillbell Sondagens LTDA. Drilling depth was chosen to reach the hard conglomerate materials which was identified by the driller and the field geologist.

All drilled material is captured, bagged and labelled in 1m intervals for sample preparation in the

Resouro workshop. Samples in the Resouro workshop were weighed, dried, manually crushed, reweighed with geological parameters, such as lithology, oxidation, colour and presence of fragments, recorded. Samples were then sent for sampling to the SGS Geosol laboratory in Belo Horizonte, Brazil being the closest accredited laboratory. Samples in the laboratory followed a standard procedure for sampling which included, weighting, drying, screening, sorting, splitting, attritioned and analysed.

Results from the 779 aircore assays received at the time of this ITAR included are summarised in Table 9-2 showing the deposit contains high levels of titanium consistent with historical drilling and high levels of Rare earth consistent with the work undertaken by RBM. Results also indicated the material zone is consistent with that known in historical exploration. It should be noted in the Table 9-2 below that some assay results within the hole horizon are pending and the final averages may vary once received.

The results of the Aircore program indicated the geological interpretation and method of exploration is appropriate although bands of higher-grade materials within the 1m assay results is not yet known to be consistent or otherwise.

Table 9-2 – Results of the Resouro Aircore drilling campaign

HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TREO ppm	Average TiO ₂ %
ACTIR-21	404224	7893656	1050	90	0	0	43	1,979.80	6.31
ACTIR-22	404273	7893424	1053	90	0	0	58	2,704.42	7.60
ACTIR-23	404863	7893710	1051	90	0	2	57	2,704.18	8.24
ACTIR-24	404686	7893661	1064	90	0	0	80	3,624.82	11.36
ACTIR-25	404596	7893609	1054	90	0	0	59	3,027.54	9.05
ACTIR-26	404440	7893490	1054	90	0	0	83	3,210.73	9.96
ACTIR-27	404280	7893363	1057	90	0	29	46	4,214.78	15.06
ACTIR-28	404372	7893400	1035	90	0	32	80	3,712.54	12.31
ACTIR-29	404527	7893553	1055	90	0	45	74	3,942.54	12.11
ACTIR-30	404534	7893922	1047	90	0	18	48	4,480.77	10.93
ACTIR-31	404050	7893281	1057	90	0	33	59	6,410.20	15.13
ACTIR-32	404899	7893225	1038	90	0	51	63	5,305.54	13.80
ACTIR-33	404876	7892647	1058	90	0	10	51	4,342.98	11.46
ACTIR-34	404677	7894603	1072	90	0	53	67	5,165.90	14.00
ACTIR-36	405143	7895114	1019	90	0	6	46	4,575.54	15.15
ACTIR-37	396320	7888840	1024	90	0	22	49	3,198.24	10.47

ACTIR-38	397552	7890890	1022	90	0	20	57	3,277.94	11.89
ACTIR-39	405672	7910407	992	90	0	6	16	4,867.20	9.34
ACTIR-40	406571	7914075	1039	90	0	47	51	6,611.91	14.94
ACTIR-41	422780	7919369	910	90	0	6	12	7,564.85	18.02
ACTIR-42	423471	7921116	959	90	0	17	35	6,417.17	18.45
ACTIR-43	407349	7914551	1054	90	0	47	53	9,713.40	21.63
ACTIR-46	386029	7868243	1109	90	0	41	53	4,331.61	14.42
ACTIR-48	380630	7860388	1125	90	0	24	41	4,746.34	11.60
ACTIR-50	381569	7862210	1122	90	0	13	32	3,442.69	11.55

9.3 Diamond Drilling

The diamond drilling campaign totalling to date comprises 1,634 m in 26 diamond drill holes of 63.5mm diameter, with the depth of the holes varied up to ~93m. Drilling was undertaken following a standard operating procedure of the diamond drilling equipment and undertaken by an experienced drilling contractor. Drilling depth was chosen to reach the hard conglomerate materials which was identified by the driller and the field geologist.

All drilled material was captured, bagged, and labelled in 1m intervals for sample preparation in the Resouro workshop. Samples in the Resouro workshop were weighed, dried, manually crushed, reweighed with geological parameters, such as lithology, oxidation, colour, and presence of fragments, recorded. Samples were then sent for sampling to the SGS Geosol laboratory in Belo Horizonte, Brazil being the closest accredited laboratory. Samples in the laboratory followed a standard procedure for sampling which included, weighting, drying, screening, sorted, split, attritioned and analysed.

Results from the 586 assays received at the time of this ITAR are summarised in Table 9-3 showing the deposit contains high levels of titanium consistent with historical drilling and high levels of Rare earth consistent with the work undertaken by RBM. Results also indicated the material zone is consistent with that known in historical exploration. It should be noted in the Table 9-3 below that some assay results are pending within the hole and the final averages may vary once received.

Table 9-3 – Results of the Resouro Diamond drilling campaign

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

9.4 Density

Since overburden is a friable material, density estimates were obtained from outcrops of both lithologic types in road cuts near the city of Tiros. A hole of approximately 30 x 30 x 30 cm is dug, and the material excavated was weighted at a precision scale. The volume of the material is taken from filling the hole with water, after covering it with canvas. The division of the weight by the volume produced an estimate of 1.43 g/cm³ for overburden and 1.73 g/cm³ for the SOX mineralized zone. This process is shown in Figure 9-2.



Figure 9-2 – Pictures of the methodology for density estimation used for weathered rock

9.5 Recovery

Sample recovery in the Resouro Aircore and diamond drilling program were negatively affected by clay and wet materials. The wet materials required additional recovery time to collect the full samples to ensure sampling accuracy. This process did impact drilling productivity with recovery calculated on each 1m interval. Recovery control of the perforated material was carried out by comparing the weight of the sample with the theoretical weight calculated from bibliographic density values. Notably the database received by GE21 for historic drilling does not contain borehole recovery data.

10 SAMPLE PREPARATION, ANALYSIS AND SECURITY

All drilled materials were captured, bagged, and labelled in 1m intervals for sample preparation in the Resouro workshop. Samples in the Resouro workshop were weighed, dried, manually crushed, split into 2kg samples, re-weighed with geological parameters, such as lithology, oxidation, colour, and presence of fragments, recorded. Samples were then sent for sampling to the SGS Geosol laboratory in Vespasiano, Brazil. SGS Geosol are ISO9001, 14001, 17025 accredited laboratories.

Upon receipt, SGS undertook sample preparation for laboratory analysis, including weighing on receipt, drying, two crushing stages, splitting and pulverization to reach a final aliquot of 250g at 150# granulometry. Chemical analysis was then undertaken using the ICP OES/MS analytical method, which consists of the determination of 48 elements by fusion with lithium metaborate.

Based on information from Resouro, the batch of samples from the historical Aircore survey campaign was sent to the laboratory with blank, standard, and duplicate control samples, totalling 15% of the samples analysed.

The chemical analyses of the control samples were not included in the database received by GE21 and, therefore, were not evaluated. The QAQC program was implemented from the second batch (57% of the samples analysed) and consists of 2 blanks, 2 field duplicates and 3 standards every 50 samples, totalling 14% of the samples. The standards used were low and high grade and were manufactured by Intertek from kamafugites from the Patos Formation, with a matrix very similar to the conglomerate from the Capacete Formation. RSM also planned to carry out coarse and pulp duplicates, in addition to secondary analytical laboratory check assay, with the aim to reach a total of 20% control samples.

It is the Author's opinion that the sample preparation, security, and analytical procedures are adequate for the purpose being served.

11 DATA VERIFICATION

Data verification activities carried out by GE21 included a site visit by Geologist Ednie Fernandes on the 5th and 6th of October 2023, accompanied by the Resouro team. This site visit included a discussion of previous reports that described historical work and Resouro exploration on the property. Some information obtained from the various technical reports were verified and confirmed on the site visit, except for historical collar locations.

During the field visit it was possible to see the cores from diamond drillhole PMC-FD-0074 and samples from the auger drilling in the core shed located in the city of Tiros (Figure 11-3).

Four auger collar locations were checked in the field (Figure 11-4). The landmarks are visible but do not contain identification plates with hole information (Figure 11-5 to Figure 11-9). It is typical that landmarks associated with drilling identification methods are fragile and can be damaged and lost over time due to the passage of vehicles, animals, or agricultural machinery. The location of holes in pastures and roads makes it difficult to place more permanent landmarks, however GPS was used to verify these markings with records. The original historical diamond and Aircore drill collars were not observed in the field.

It was possible to observe the operation of an Aircore drilling in the new campaign. This campaign had not yet been inserted into the received database at the time of writing this ITAR due to pending laboratory samples.

It is the Author's opinion the process observed was adequate and typical for the purposes of this technical report.



Figure 11-1 – Drill core storage shed



Figure 11-2 – Diamond drill hole PMC-FD-0074

Legend: a) and b) Diamond drill hole PMC-FD-0074 core boxes; c) SOX zone on the left and MOX zone on the right; d) SOX zone detail; e) MOX zone detail.



Figure 11-3 – Auger drill holes

Legend: a) arrangement of samples in the drilling shed separated by hole; b) sample ID on the outside of the plastic bag; c) sample ID on the inside of the plastic bag.

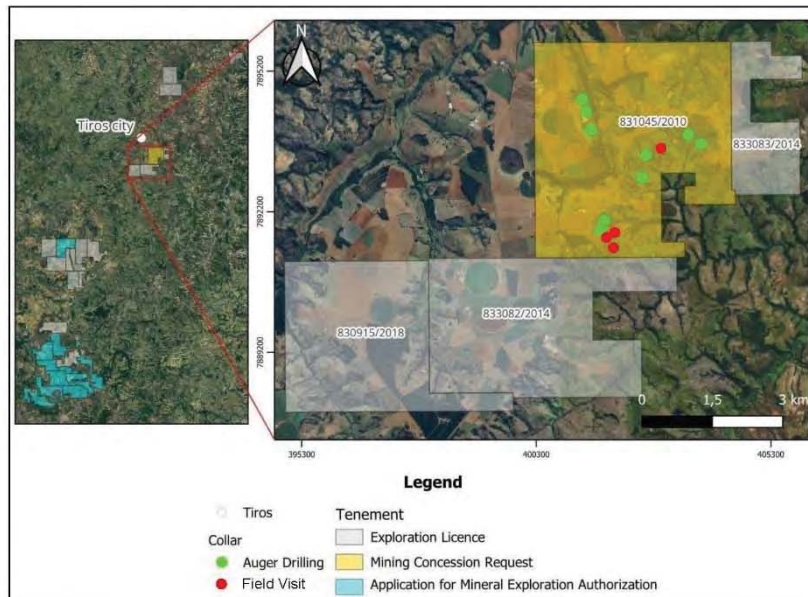


Figure 11-4 – Field visit points



Figure 11-5 – Capacete Formation

Legend: a) outcrop next to the Tiros city; b) and c) MOX zone; d) and e) SOX Zone.



Figure 11-6 – Auger drill hole FT-04



Figure 11-7 – Auger drill hole FT-09



Figure 11-8 – Auger drill hole FT-10



Figure 11-9 – Auger drill hole FT-11

12 MINERAL PROCESSING AND METALLURGICAL TESTING

In late September 2023, RSM submitted to Prosper (previously Nomos laboratory), a metallurgical test-work laboratory based in the state of Rio de Janeiro, Brazil, a 207kg composite sample made up from 242 samples from 19 historic drill holes including multiple samples from a variety of different zones across the Tiros Project. The scope of work related to the determination of preliminary recovery results and the production of an anatase concentrate and a REE concentrate.

The samples were screened from material passing 600 mesh, leached at 80 degrees Celsius using a 40ml of 0.5 mole Ammonium Sulphate (NH₄)₂SO₄ with pH starting at 3.5 and finishing at 4.5, with an average pH of 4.

Results of the work are summarised in below in Figure 12-1:

(NH ₄) ₂ SO ₄ 0.5M 40ml	Ce	DY	Er	Eu	Gd	Ho	La	Lu	Nd	Pr	Sm	Tb	Tm	Y	Yb
Head Grade ppm	1685.5	22.8	7.6	19.3	48.0	3.3	703.2	0.5	548.1	164.9	80.0	5.3	0.9	73.5	4.7
Leached Grade ppm	289.3	13.8	5.3	9.0	23.8	2.1	156.2	0.3	226.7	53.0	32.2	3.3	0.4	51.3	2.9
Leached Recovery	17%	60%	69%	46%	50%	62%	22%	63%	41%	32%	40%	62%	43%	70%	61%

Figure 12-1 – Preliminary REE and TiO₂ Concentrate Metallurgy Work

Following this successful work samples, additional samples were sent to the laboratories ANSTO, in Australia, and Anzaplan in Germany with the scope of work focused on the REE concentrate production. No material results of this work have been received at the time of writing this ITAR.

It is not yet known if the results are representative of the Tiros Project which will be determined following further exploration.

13 MINERAL RESOURCE ESTIMATES

There are no known resource estimates on the Tiros Project area that a compliant with JORC.

14 ADJACENT PROPERTIES

No known historical estimates of mineral resources on adjacent property are known to RSM at present.

15 OTHER RELEVANT DATA AND INFORMATION

There is no further known relevant data and information.

16 INTERPRETATION AND CONCLUSIONS

The Tiros Project is an early-stage mineral exploration project with historical drilling and preliminary metallurgy work. Since its first discovery in 2013, geological knowledge of the area has progressed significantly with the present drilling program indicating a substantial REE and Titanium project of large-scale potential with latest results reporting a number of key intersections including:

- ACTIR-27 Aircore from 39m to 43m 22.84% Tio2 and 8,676ppm TREO containing 1,984ppm NdPr.
- ACTIR-28 Aircore from 32m to 36m 24.60% Tio2 and 7,958ppm TREO containing 1,829ppm NdPr.
- ACTIR-31 Aircore from 35m to 45m 21.76% Tio2 and 7,980ppm TREO containing 1,595ppm NdPr.
- ACTIR-32 Aircore from 51 to 54m 23.33% Tio2 and 10,456ppm TREO containing 2,316ppm NdPr.
- FDTIR-01 Diamond from 15.4m to 21.4m 23.03% Tio2 and 10,028ppm TREO containing 2,413ppm NdPr.
- FDTIR-02 diamond from 35m to 45m 17.09% Tio2 and 7,012ppm TREO containing 1,763ppm NdPr.
- FDTIR-03 diamond from 3m to 10m 22.86% Tio2 and 9,310ppm TREO containing 2,083ppm NdPr.

The Tiros Project areas have completed a reasonable level of drill hole data density and reliability. The model indicates a reasonable level of geological understanding is known of the local and regional geology satisfying the Author that the deposit should achieve a JORC compliant report with increased drilling density.

The Author was satisfied that the drilling and assay process meets international practices although notes that the QA/QC procedures were not presented.

The preliminary metallurgical test work at Prosper laboratories indicate when compared to industry peers that the asset recoverability is possible and there is a path to possible reasonable economic extraction. It is noted no preliminary market suitability of the products has been assessed and will be required to achieve a reasonable economic extraction. It should be noted that the preliminary metallurgy work is based on early drilling and a more representative sample of the areas should be assessed if the Tiros Project was advanced by the owners.

The Author considers that RSM is developing a strong understanding of the Tiros Project, the region and its community and are building a robust and experienced team to assess the optimal exploration strategy to achieve successful outcomes. The Author considers that the Tiros Project is believed to have strong potential for a successful outcome due to:

- High-grade titanium and REE in comparison to other known assets.
- Positive recovery preliminary work.
- Strong rare earth and titanium forecast markets.

The Author is of the opinion that mineral exploration program and planned works in development follows, in part, the mineral industry best practices and the work undertaken to date is appropriate for the early stages of exploration. Notably the drilling follows appropriate procedures, but GE21 did not have access to these procedures and was unable to monitor the work being carried out in the field. There is a conventional QA/QC program in place, and this was not evaluated by GE21.

17 RECOMMENDATIONS AND USE OF FUNDS

Based on the evaluation of the Tiros Project as outlined in this ITAR, the Author recommends additional work to (a) define a mineral resource estimate in accordance with JORC standard, and (b) assess the metallurgical characteristics of the mineralization.

It is recommended that Resouro undertake the following:

Exploration:

- a. Post receipt of pending drill hole assays undertake an assessment of the data collected and confirm boundaries, average grades and thicknesses of mineralization.
- b. Conduct further exploration "scout holes" and infill drilling to define a mineral resource estimate for the Tiros Project in accordance with JORC Code, including demonstrating preliminary and reasonable prospects for economic extraction, with sufficient flexibility to support the evaluation of both bulk-tonnage and mining methods.
- c. Perform further density tests on the lithologies of interest.

Metallurgical and Processing:

- a. Undertake mineralogical and preliminary metallurgical studies to demonstrate the potential recoveries and subsequent economic extraction of payable metals, such as in support of the production of concentrates for export or in support of secondary processing. Also carry out the characterization of the presence of uranium and thorium in REE concentrates.

Other Project Related Studies:

- a. Carry out a topographic survey of the Tiros Project area.
- b. Determine if the asset meets investment hurdles to undertake further studies.

Table 17-1 provides a basic breakdown of the proposed exploration and associated expenditure having regard to the recommendations which are forecast to require approximately 12 months to complete following the proposed capital raising under the prospectus issued by Resouro. The works program in Table 17-1 is associated with expenditure at the Tiros Project to be undertaken by Resouro on the area of exploration permits 831.045/2010, 830.450/2017 and 830.915/2018, with a focus predominantly on exploration permit 831.045/2010. Additional work on the other exploration permits will be considered in the future.

Table 17-1 – A breakdown of the forecast Works Program expenditure forecast to occur over approximately 12 months

Tiros Activity	A\$
Exploration and Development Activities	
-Exploration	2,546,994
-Metallurgy	937,058
-Community	193,911
-Environmental	186,156
-Mining Technical Studies	276,511
-Logistics and Infrastructure	67,800
-Salaries, Wages and Oncosts	749,202
-Overheads	14,773
Total Indicative Allocation of Funds	4,972,405

The Author and GE21 consider the proposed budget is consistent with the exploration potential of the Tiros Project and is adequate to cover the costs of the proposed program. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the exploration permits. The Author and GE21 consider the type of exploration and weighting towards the Tiros Project as appropriate.

At least half of the liquid assets held, or funds proposed to be raised by Resouro, are understood to be committed to the exploration, development and administration of its mineral properties, satisfying the requirements of ASX Listing Rule 1.3.2(b). The Author and GE21 understand that Resouro has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(b).

Resouro has prepared stated exploration and evaluation programs, specific to the potential of its mineral projects, which are consistent with the budget allocations, and warranted by the exploration potential of the Tiros Project. The Author and GE21 consider the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).

18 SIGN OFF

The "Effective Date" for the current Technical Report of February 05th, 2024.

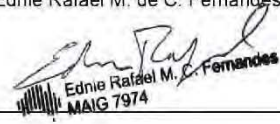
The Author and Competent Person for this ITAR is Ednie Rafael Fernandes. Mr. Fernandes visited the Tiros Project on October 5th to 6th, 2023, and was responsible for developing this ITAR. Mr. Fernandes is a geologist, member of the Australian Institute of Geoscientists and has over 12 years of experience in working with mining projects.

GE21 was commissioned by Resouro to prepare this ITAR for the Tiros Project in Minas Gerais, Brazil, in accordance with the directives of JORC and GE21 is satisfied it has met the needs of this scope.

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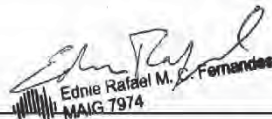
Report Prepared for	Resouro Strategic Metals Inc.
Report issued by	Ednie Rafael M. de C. Fernandes
Report Information	<p>This ITAR, titled "Independent Technical Report for the Tiros Ti+REE Project, Minas Gerais, Brazil" ("Technical Report"), having an effective date of February 05th, 2024, was prepared on behalf of Resouro Strategic Metals Inc. by Ednie Rafael Fernandes, and signed by him,</p> <p>Dated at Belo Horizonte, Brazil, this 29th April 2024</p>
Author and Reviewer Signatures	<p>Ednie Rafael M. de C. Fernandes, MAIG</p>  <p>Ednie Rafael M. de C. Fernandes MAIG 7974</p> <hr/>

APPENDIX A – CERTIFICATE OF COMPETENT PERSON

I, Ednie Rafael, MAIG, (#7974), as an author of the technical report titled "Independent Technical Report for the Tiros Ti+REE Project, Minas Gerais, Brazil", dated April 29th, 2024, with an effective date of February 5th, 2024, prepared for Resouro Strategic Metals Inc, do hereby certify that:

1. I am a Geologist and Associate Consultant for GE21 Consultoria Mineral Ltda., which is located on Avenida Afonso Pena, 3130, 12th floor, Savassi, Belo Horizonte, MG, Brazil - CEP 30130-910.
2. I am a graduate of the Federal University of Bahia, located in Salvador, Brazil, and hold a Bachelor of Science Degree in Geology.
3. I am a Professional enrolled with the Australasian Institute of Geoscientists ("AIG") - ("MAIG").
- 4) I am a professional geologist, with more than 12 years' relevant experience in exploration geology and have sufficient experience that is relevant to the styles of mineralization and types of deposit under consideration to be considered as a CP.
5. I am a "Competent person" as that term is defined in JORC (the "Instrument").
6. I am independent of Resouro Strategic Metals Inc (issuer) and Vendor (RBM (RBM Consultoria Mineral Ltda.) and there is no circumstance that could in the opinion of a reasonable person aware of all relevant facts, interfere with the Competent person's judgment.
7. I have no prior involvement with the property that is the subject of this ITAR. The relationship with the Issuer was solely for professional works in exchange for fees based on rates set by commercial agreement. Payment of these fees is in no way dependent on the results of the Technical Report.
8. I am responsible for all sections of this Technical Report.
9. I did personally inspect the properties between October 5th and 6th, 2023.
10. As of the effective date of the Technical Report, to the best of my knowledge, information, and belief, the sections of the Technical Report that I have authored and am responsible for contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
11. I have no personal knowledge, as of the date of this certificate, of any material fact or material change which is not reflected in this Technical Report.
12. I have read JORC, and this technical report has been prepared in compliance with this Instrument.

Belo Horizonte, Brazil, April 29th, 2024.



Ednie Rafael M. Fernandes
MAIG 7974

Ednie Rafael Moreira de Carvalho Fernandes, MAIG

JORC Code, 2012 Edition – Table 1 Report

TIROS REE+Ti PROJECT – EXPLORATION UPDATE

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Samples were taken from diamond drillhole, aircore drillhole and auger drill holes, all drilled material was sampled, nothing being discarded. The sampling intervals were chosen based on geological description during drill core logging. The samples were produced according to industry standard procedures. Measures to ensure sample representivity include setting up of a specific sampling procedure and having a dedicated on site full time survey team. A QAQC program was implemented in the auger drilling campaign and in the resampling of aircore holes. Best practices as drillcore recovery and depth marks audits were performed during drilling campaigns and sampling. The diamond drilling recovery conference consisted of verifying advance and recoveries recorded in the core boxes and drilling bulletins. For auger and aircore drilling verification was undertaken by weighing of chip bags. GE21 did not receive QAQC and recovery data from auger campaign. Industry standard work has been done. Core samples with an average length of 1.16m were split in half for the diamond drill hole before being collected to allow half of the material to be sent for chemical analysis and the remaining half were stored in the core shed. The historic aircore samples are 1m long, all material is collected and were initially analyzed only with portable XRF by Iuka-Vicenza Joint Venture; Resouro sent 1kg average weight samples to the laboratory after quartering with a Jones-type quarterer. Auger samples are 1m long and all material is collected; the samples from the first batch were sent with 1kg and those from the second batch onwards with 2kg, always after quartering with a Jones-type quarterer. The sampling was planned by the geologists and care was taken to avoid any contamination between neighbouring samples.

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Criteria	JORC Code explanation	Commentary
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> 3 types of drilling were carried out on the project: diamond drilling, aircore drilling and auger drilling. Vincenza completed a single diamond drill hole in HQ size, vertical and reached 82.45m. Aircore drill holes were undertaken by Iuka-Vicenza JV in 75mm diameter, totalling 1,225m drilling in 20 holes with depth of the holes up to 60m. Auger drillholes were undertaken by Resouro in 100mm diameter, totalling 257m in 25 auger holes with depth of the holes up to ~15m. Aircore drilling undertaken by Resouro at the time of writing the report was 1,562 m over 31 Aircore drill holes of ~100mm diameter, with the depth of the holes up to ~85m. Diamond drilling undertaken by Resouro at the time of writing the report was 1,634 m over 26 diamond drill holes of ~100mm diameter, with the depth of the holes up to ~93m. All holes were vertical and with depths below 100m, therefore no trajectory measures were taken in the holes.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximize sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> The diamond drilling recovery conference consisted of verifying runs and recoveries recorded in the core boxes and drilling bulletins with verification undertaken by measuring with tape measure the core present in the boxes. The recovery control of the drilled material is carried out for auger and aircore holes by comparing its weight with the theoretical weight calculated from bibliographic density values. The database received by GE21 does not contain borehole recovery data. Not applied because the core recovery data is not registered in the drillhole database.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Geotechnical descriptions were not carried out. The author considers that the level of detail of geological description for the diamond drillhole and aircore drillhole is sufficient for the reporting of Exploration Results. The geological description of the auger and Aircore holes is still pending. Lithological logging is qualitative in nature. Geological description consisted of defining weathering levels, mineralogical, lithological, in all holes with detail of one meter. GE21 did not have access to photographs of the holes. It is only known that systematic photographs of the auger samples are being taken. All diamond and Aircore drillholes were fully logged. Auger holes were not logged.

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Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field, duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Vicenza conducted the diamond drilling and collected core samples which were split in half before being collected to allow half of the material to be sent for chemical analysis and the remaining half were filed in the core shed. The sampling was planned by the geologists and care was taken to avoid any contamination between neighbouring samples. Auger and Aircore samples were also collected by following sampling plans specified by the geologists. The samples were prepared by splitting using a Jones splitter. Auger samples are 1m long and all material is collected; The samples from the first batch were sent with 1kg and those from the second batch onwards with 2kg, always after quartering with a Jones-type quarterer. The physical preparation of the drilling samples was performed at the SGS Laboratory of Vespasiano – MG. For Aircore, diamond and auger samples, physical preparation involves crushing ~75% of the material to 3mm followed by pulverizing 95% of the material to <150µm, generating a pulp weighing 250g. The first batch with auger samples was shipped without control samples. In the second batch, 2 field duplicates and 2 blanks were inserted for every 50 samples to control the quality of the physical preparation. In the aircore hole resampling and Resouro exploration program, 10 field duplicates and 10 blanks were inserted into a batch with 224 original samples to control the quality of the physical preparation. Sample sizes are considered appropriate for the mineralization type.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and 	<ul style="list-style-type: none"> The applied assay method is considered to be the standard for the determination of TiO₂ and REE. Chemical analyses were conducted in the laboratory of SGS Geosol, Vespasiano-MG. Sample pulps were assayed by ICP-MS, ICP-OES and X-ray Fluorescence methods, the latter being used only in diamond drilling samples. The assay technique is considered to be a total rock geochemical analysis method and a standard technique within the industry. Handheld XRF instrument model Niton Goldd Xlt3 were used in the aircore samples by Iluka-Vicenza JV. Quality control tools (standard samples, blanks and duplicates) were applied in the second batch auger sample and in the aircore programs in chemical analysis performed on SGS Geosol. The monitoring of control samples, as well as their results, was not presented to GE21.

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Criteria	JORC Code explanation	Commentary
	precision have been established.	
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> GE21 does not judge the values presented in the report for not having access to QAQC data sheet. A time of writing this report a single twin hole was being drilled by RSM however results of the twin hole had not yet been received and analysed. Data collection and verification and storage protocols are not fully documented. There are no adjustments on assays
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control 	<ul style="list-style-type: none"> All drillhole collars were topographically surveyed by handheld GPS and the auger hole landmarks are visible in the field, but the hole is not identified. The diamond hole and aircore hole landmarks are not visible in the field. WGS 84 Datum for coordinate system. In the field it was observed that the auger hole landmarks are fragile and can be destroyed and lost due to the vehicles, animals, and agricultural machinery. There's a risk of loss of information related to the e topographic survey of the hole collars not being accurate.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been 	<ul style="list-style-type: none"> The auger drilling grid is not regular and prioritizes locations without the presence of cover, where the Capacete Formation outcrops. Diamond drillhole samples were produced at average length of 1.16 m, and 1,0m for auger and aircore drillholes. The drilling is in the exploratory phase and the grid is irregular in general terms. Not Applied

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Criteria	JORC Code explanation	Commentary
	applied.	
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The geological layers are approximately horizontal and the holes are vertical. Sampling was performed almost perpendicular to the layers, which is the best condition. No bias was introduced when using vertical drillholes.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples from the auger and Aircore campaign receive in the field an identification on the sample bag containing the hole number and depth. Later in the core storage facility, each sample receives a sample number identification, both on the outside of the bag and internally with a label. The aliquots sent to the laboratory are also properly identified, internally and externally, with the sample number. The sample bags were transported by the Resouro's personnel from the drill site to the core storage facility in Tiros.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> There has been no specific audit or reviews on sampling techniques, however Resouro did appoint a number senior consulting geologists to review the sampling and drilling techniques, however no record of this was presented to GE21.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary					
		Exploration Permit	Area (ha)	Status	Municipalities	Holder	Assignee
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	831.045/2010	1999.78	Exploration Permit	Tiros	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		833.082/2014	1,998.62	Exploration Permit	Tiros	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		833.083/2014	1,964.17	Exploration Permit	Tiros	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		830.450/2017	1,999.96	Exploration Permit	Tiros	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		830.915/2018	1,978.98	Exploration Permit	Tiros	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		831.330/2020	1,988.15	Exploration Permit Application	São Gotardo	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		831.720/2020	1,999.3	Exploration Permit	Campos Altos	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		830.026/2021	1,735.69	Exploration Permit	Campos Altos, Santa Rosa da Serra, São Gotardo	RODRIGO DE BRITO MELLO	BRAZIL COPPER MINERAÇÃO LTDA
		830.027/2021	1,280.47	Exploration Permit	Campos Altos, Santa Rosa da Serra	RBM CONSULTORIA MINERAL EIRELI	BRAZIL COPPER MINERAÇÃO LTDA
		831.237/2021	365.86	Exploration Permit	Tiros	CANOPUS GEOLOGIA E PROJETOS LTDA	BRAZIL COPPER MINERAÇÃO LTDA
		831.314/2021	871.55	Exploration Permit	Tiros	CANOPUS GEOLOGIA E PROJETOS LTDA	BRAZIL COPPER MINERAÇÃO LTDA

Criteria	JORC Code explanation	Commentary					
		832.023/2023	1,055.16	Exploration Permit	Rio Paranaíba	RODRIGO DE BRITO MELLO	BRAZIL COPPER MINERAÇÃO LTDA
		832.025/2023	1,995.44	Exploration Permit	Rio Paranaíba, São Gotardo	RBM CONSULTORIA MINERAL EIRELI	BRAZIL COPPER MINERAÇÃO LTDA
		832.026/2023	1,981.41	Exploration Permit	Rio Paranaíba, São Gotardo	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		832.027/2023	1,998.88	Exploration Permit	Rio Paranaíba	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		832.029/2023	1,996.59	Exploration Permit	Rio Paranaíba, São Gotardo	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		832.223/2023	1,855.16	Exploration Permit	Rio Paranaíba	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		832.226/2023	1,972.27	Exploration Permit	Campos Altos, São Gotardo	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		832.601/2023	1,999.78	Exploration Permit	Campos Altos	RODRIGO DE BRITO MELLO	BRAZIL COPPER MINERAÇÃO LTDA
		832.604/2023	1,998.62	Exploration Permit	Campos Altos	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		832.620/2023	1984.17	Exploration Permit	Campos Altos	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		832.621/2023	1,999.96	Exploration Permit	Campos Altos, Santa Rosa da Serra, São Gotardo	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		832.624/2023	1,978.98	Exploration Permit	Campos Altos	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		832.625/2023	1988.15	Exploration Permit	Campos Altos, Ibiá	BRAZIL COPPER MINERAÇÃO LTDA	N/A
		832.627/2023	1599.33	Exploration Permit	Campos Altos	BRAZIL COPPER MINERAÇÃO LTDA	N/A

Criteria	JORC Code explanation	Commentary				
		<p style="text-align: center;">Concession Area Map</p>				
		<ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. ANM' GIS system (SIGMINE (anm.gov.br)) was checked to verify the status of tenement areas at the time of report and the information shows the areas as regular for exploration works by Resouro. No issue related to tenements rights in this check was detected. 				

Criteria	JORC Code explanation	Commentary																																																																																																																														
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Main exploration works was carried on by Vicenza and Iluka-Vicenza JV. Principal source of information was the Final Exploration Report (FER) to DNPM/ANM (Brazilian National Department of Mineral Production/ Mining National Agency) with description and evaluation of results obtained in the exploration work carried out by Vicenza, and internal report titled '6 Monthly Report activities in Capacete Project, MG – Brazil' carried out by Iluka-Vicenza JV. 																																																																																																																														
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralization. 	<ul style="list-style-type: none"> Rare earth and titanium mineralization are hosted in sandstones and conglomerates of the Capacete Formation, belonging to the Mata da Corda Group. Titanium is associated with the mineral anatase, originating from the alteration of perovskite. As for rare earths, they are suspected to be associated with ionic clays. The Capacete Formation is the result of the sedimentation of the erosion product of the rocks of the Patos Formation, also belonging to the Mata da Corda Group. The Patos Formation represents a voluminous set of Upper Cretaceous kamafugite pyroclastic flows and deposits, hosted in the Brasília Belt, southwest of the São Francisco Craton. 																																																																																																																														
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth. hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<table border="1"> <thead> <tr> <th>HoleID</th> <th>X</th> <th>Y</th> <th>Z</th> <th>AZIMUTH</th> <th>DIP</th> <th>Interval FROM</th> <th>Interval TO</th> <th>Company</th> </tr> </thead> <tbody> <tr><td>AC-TIR-002</td><td>400369</td><td>7889678</td><td>1071</td><td>0</td><td>90</td><td>36</td><td>42</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-003</td><td>399396</td><td>7888934</td><td>1097</td><td>0</td><td>90</td><td>44</td><td>48</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-004</td><td>398588</td><td>7889640</td><td>1077</td><td>0</td><td>90</td><td>37</td><td>51</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-005</td><td>398485</td><td>7890519</td><td>1071</td><td>0</td><td>90</td><td>36</td><td>47</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-008</td><td>401778</td><td>7891183</td><td>1080</td><td>0</td><td>90</td><td>44</td><td>55</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-009</td><td>402338</td><td>7891131</td><td>1048</td><td>0</td><td>90</td><td>13</td><td>28</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-010</td><td>400947</td><td>7890168</td><td>1066</td><td>0</td><td>90</td><td>26</td><td>39</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-011</td><td>401151</td><td>7890502</td><td>1049</td><td>0</td><td>90</td><td>11</td><td>53</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-012</td><td>404670</td><td>7892974</td><td>1074</td><td>0</td><td>90</td><td>51</td><td>80</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-013</td><td>405408</td><td>7893153</td><td>1033</td><td>0</td><td>90</td><td>29</td><td>36</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-014</td><td>404569</td><td>7894139</td><td>1049</td><td>0</td><td>90</td><td>31</td><td>35</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-016</td><td>404645</td><td>7895023</td><td>1053</td><td>0</td><td>90</td><td>30</td><td>51</td><td>Iluka/Vicenza</td></tr> <tr><td>AC-TIR-018</td><td>404954</td><td>7895577</td><td>1048</td><td>0</td><td>90</td><td>22</td><td>33</td><td>Iluka/Vicenza</td></tr> </tbody> </table>	HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Company	AC-TIR-002	400369	7889678	1071	0	90	36	42	Iluka/Vicenza	AC-TIR-003	399396	7888934	1097	0	90	44	48	Iluka/Vicenza	AC-TIR-004	398588	7889640	1077	0	90	37	51	Iluka/Vicenza	AC-TIR-005	398485	7890519	1071	0	90	36	47	Iluka/Vicenza	AC-TIR-008	401778	7891183	1080	0	90	44	55	Iluka/Vicenza	AC-TIR-009	402338	7891131	1048	0	90	13	28	Iluka/Vicenza	AC-TIR-010	400947	7890168	1066	0	90	26	39	Iluka/Vicenza	AC-TIR-011	401151	7890502	1049	0	90	11	53	Iluka/Vicenza	AC-TIR-012	404670	7892974	1074	0	90	51	80	Iluka/Vicenza	AC-TIR-013	405408	7893153	1033	0	90	29	36	Iluka/Vicenza	AC-TIR-014	404569	7894139	1049	0	90	31	35	Iluka/Vicenza	AC-TIR-016	404645	7895023	1053	0	90	30	51	Iluka/Vicenza	AC-TIR-018	404954	7895577	1048	0	90	22	33	Iluka/Vicenza
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AC-TIR-012	404670	7892974	1074	0	90	51	80	Iluka/Vicenza																																																																																																																								
AC-TIR-013	405408	7893153	1033	0	90	29	36	Iluka/Vicenza																																																																																																																								
AC-TIR-014	404569	7894139	1049	0	90	31	35	Iluka/Vicenza																																																																																																																								
AC-TIR-016	404645	7895023	1053	0	90	30	51	Iluka/Vicenza																																																																																																																								
AC-TIR-018	404954	7895577	1048	0	90	22	33	Iluka/Vicenza																																																																																																																								

Criteria	JORC Code explanation	Commentary
		AC-TIR-020 401239 7888629 1044 0 90 13 27 Iluka/Vicenza
		FT-01 401470 7893949 1003 0 90 0 6 Resouro
		FT-02 401368 7894337 997 0 90 0 11 Resouro
		FT-03 401286 7894607 997 0 90 0 6 Resouro
		FT-04 402991 7893548 1027 0 90 3 15 Resouro
		FT-05 402639 7893409 1019 0 90 2 9 Resouro
		FT-07 403541 7893845 944 0 90 0 2 Resouro
		FT-09 401959 7891441 1039 0 90 3 11 Resouro
		FT-10 401828 7891643 1001 0 90 7 10 Resouro
		FT-11 401968 7891730 1033 0 90 0 10.5 Resouro
		FT-14 404436 7911032 1040 0 90 12 15 Resouro
		FT-15 404013 7911081 1035 0 90 3 16 Resouro
		FT-16 403804 7911334 988 0 90 0 13 Resouro
		FT-18 405538 7910684 1023 0 90 2 9 Resouro
		FT-19 405670 7910407 1021 0 90 0 11 Resouro
		FT-20 405796 7910196 1037 0 90 6 7 Resouro
		FT-21 404815 7914113 893 0 90 0 2 Resouro
		FT-23 404683 7915151 912 0 90 0 11 Resouro
		FT-24 404435 7915040 917 0 90 0 15 Resouro
		FT-25 406423 7915097 1013 0 90 0 12 Resouro
		ACTIR-21 404224 7893656 1050 0 90 0 43 Resouro
		ACTIR-22 404273 7893424 1053 0 90 0 58 Resouro
		ACTIR-23 404863 7893710 1051 0 90 2 57 Resouro
		ACTIR-24 404686 7893661 1064 0 90 0 80 Resouro

Criteria	JORC Code explanation	Commentary								
		ACTIR-25	404596	7893609	1054	0	90	0	59	Resouro
		ACTIR-26	404440	7893490	1054	0	90	0	83	Resouro
		ACTIR-27	404260	7893363	1057	0	90	29	46	Resouro
		ACTIR-28	404372	7893400	1035	0	90	32	80	Resouro
		ACTIR-29	404527	7893553	1055	0	90	45	74	Resouro
		ACTIR-30	404534	7893922	1047	0	90	18	48	Resouro
		ACTIR-31	404050	7893281	1057	0	90	33	59	Resouro
		ACTIR-32	404899	7893225	1038	0	90	51	63	Resouro
		ACTIR-33	404676	7892647	1058	0	90	10	51	Resouro
		ACTIR-34	404677	7894603	1072	0	90	53	67	Resouro
		ACTIR-35	405143	7895114	1019	0	90	6	46	Resouro
		ACTIR-37	396320	7898840	1024	0	90	22	49	Resouro
		ACTIR-38	397552	7890890	1022	0	90	20	57	Resouro
		ACTIR-39	405672	7910407	992	0	90	6	16	Resouro
		ACTIR-40	405571	7914075	1039	0	90	47	51	Resouro
		ACTIR-41	422780	7919369	910	0	90	6	12	Resouro
		ACTIR-42	423471	7921116	959	0	90	17	35	Resouro
		ACTIR-43	407349	7914551	1054	0	90	47	53	Resouro
		ACTIR-46	389029	7898243	1109	0	90	41	53	Resouro
		ACTIR-48	380630	7860388	1125	0	90	24	41	Resouro
		ACTIR-50	381569	7862210	1122	0	90	13	32	Resouro
		FDTIR-01	402326	7891121	1032	0	90	12.4	21.4	Resouro
		FDTIR-02	404643	7895024	1033	0	90	34	58	Resouro
		FDTIR-03	405585	7892798	1019	0	90	3	26	Resouro

Independent Technical Report on Exploration and Mineral Resources Estimation – Tiros Resources Update
JORC (2012) Compliant Report – GE21 Project Number: 200313

Criteria	JORC Code explanation	Commentary								
		FDTIR-04	401235	7888631	1052	0	90	16	26	Resouro
		FDTIR-05	404499	7892925	1051	0	90	19	31.9	Resouro
		FDTIR-06	405266	7893524	1067	0	90	35	49	Resouro
		FDTIR-07	404023	7892769	1032	0	90	12	18.45	Resouro
		FDTIR-08	404389	7896655	1013	0	90	13	79	Resouro
		FDTIR-09	404241	7894354	1055	0	90	37	92.85	Resouro
		FDTIR-10	405722	7893594	1004	0	90	0	6	Resouro
		FDTIR-11	403611	7894297	1016	0	90	35	54.4	Resouro
		FDTIR-12	403171	7894171	1075	0	90	41	63.8	Resouro
		FDTIR-13	402835	7893707	1083	0	90	17	81.15	Resouro
		FDTIR-14	402214	7893320	1011	0	90	20	50.15	Resouro
		FDTIR-15	401701	7891530	1084	0	90	39	101.3	Resouro
		FDTIR-16	400647	7891313	1083	0	90	36	93	Resouro
		FDTIR-17	403000	7894552	1016	0	90	36	91.75	Resouro
		FDTIR-18	402097	7892865	995	0	90	0	66	Resouro
		FDTIR-19	403645	7894678	1019	0	90	9	79	Resouro
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be 	<ul style="list-style-type: none"> The project is in the exploration phase and no exploration results are yet to be published. No Aggregation methods applied. 								

Independent Technical Report on Exploration and Mineral Resources Estimation – Tiros Resources Update
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Criteria	JORC Code explanation	Commentary																														
	<p>stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No metal equivalent was reported. 																														
Relationship between mineralization widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Auger holes reach only the most oxidized part of the Capacete Formation (SOX) or, at most, the top of the moderately oxidized part of this formation (MOX). Information from the aircore survey indicates that the thickness of the Capacete Formation may exceed 60m, with 50m being SOX and 10m being MOX. In the drilling cores from the diamond hole, a SOX layer of 13m and a MOX layer of approximately 40m were observed. All holes were vertical and mineralization zone are horizontal. 																														
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Further diagrams necessary to describe the Project are included in "Independent Technical Report for the Tiros REE+Ti Project, Minas Gerais, Brazil"- Prepared by GE21. 																														
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration 	<table border="1"> <thead> <tr> <th>HoleID</th> <th>X</th> <th>Y</th> <th>Z</th> <th>AZIMUTH</th> <th>DIP</th> <th>Interval FROM</th> <th>Interval TO</th> <th>Average TReO ppm</th> <th>Average TIO2%</th> </tr> </thead> <tbody> <tr> <td>AC-TIR-002</td> <td>400968.7</td> <td>7889678</td> <td>1071.211</td> <td>0</td> <td>90</td> <td>36</td> <td>42</td> <td>1986</td> <td>10.23</td> </tr> <tr> <td>AC-TIR-003</td> <td>399395.8</td> <td>7886834</td> <td>1096.954</td> <td>0</td> <td>90</td> <td>44</td> <td>48</td> <td>3082</td> <td>13.01</td> </tr> </tbody> </table>	HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TReO ppm	Average TIO2%	AC-TIR-002	400968.7	7889678	1071.211	0	90	36	42	1986	10.23	AC-TIR-003	399395.8	7886834	1096.954	0	90	44	48	3082	13.01
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<tr><td>AC-TIR-011</td><td>401150.6</td><td>7890502</td><td>1048.662</td><td>0</td><td>90</td><td>11</td><td>53</td><td>4116</td><td>16.47</td></tr> <tr><td>AC-TIR-012</td><td>404669.6</td><td>7892974</td><td>1074.331</td><td>0</td><td>90</td><td>51</td><td>60</td><td>5621</td><td>17.12</td></tr> <tr><td>AC-TIR-013</td><td>405408.4</td><td>7893153</td><td>1033.307</td><td>0</td><td>90</td><td>29</td><td>36</td><td>2865</td><td>8.78</td></tr> <tr><td>AC-TIR-014</td><td>404568.9</td><td>7894139</td><td>1049.344</td><td>0</td><td>90</td><td>31</td><td>35</td><td>2629</td><td>10.06</td></tr> <tr><td>AC-TIR-016</td><td>404644.8</td><td>7895023</td><td>1052.623</td><td>0</td><td>90</td><td>30</td><td>51</td><td>3334</td><td>11.23</td></tr> <tr><td>AC-TIR-018</td><td>404954.4</td><td>7895577</td><td>1047.773</td><td>0</td><td>90</td><td>22</td><td>38</td><td>4933</td><td>14.25</td></tr> <tr><td>AC-TIR-020</td><td>401239.3</td><td>7888629</td><td>1044.091</td><td>0</td><td>90</td><td>13</td><td>27</td><td>5495</td><td>15.19</td></tr> <tr><td>FT-01</td><td>401470.1</td><td>7893949</td><td>1002.723</td><td>0</td><td>90</td><td>0</td><td>6</td><td>4189</td><td>20.56</td></tr> <tr><td>FT-02</td><td>401368.3</td><td>7894337</td><td>997.0978</td><td>0</td><td>90</td><td>0</td><td>11</td><td>5263</td><td>15.26</td></tr> <tr><td>FT-03</td><td>401286</td><td>7894607</td><td>997.0582</td><td>0</td><td>90</td><td>0</td><td>6</td><td>4058</td><td>15.03</td></tr> <tr><td>FT-04</td><td>402991</td><td>7893548</td><td>1027.228</td><td>0</td><td>90</td><td>3</td><td>15</td><td>6699</td><td>19.41</td></tr> <tr><td>FT-05</td><td>402639.2</td><td>7893409</td><td>1018.939</td><td>0</td><td>90</td><td>2</td><td>9</td><td>3455</td><td>10.92</td></tr> <tr><td>FT-07</td><td>403540.6</td><td>7893845</td><td>944.0546</td><td>0</td><td>90</td><td>0</td><td>2</td><td>3610</td><td>10.82</td></tr> <tr><td>FT-09</td><td>401958.9</td><td>7891441</td><td>1039.084</td><td>0</td><td>90</td><td>3</td><td>11</td><td>5768</td><td>16.03</td></tr> <tr><td>FT-10</td><td>401827.6</td><td>7891643</td><td>1001.096</td><td>0</td><td>90</td><td>7</td><td>10</td><td>3143</td><td>8.75</td></tr> <tr><td>FT-11</td><td>401967.7</td><td>7891730</td><td>1033.299</td><td>0</td><td>90</td><td>0</td><td>10.5</td><td>7181</td><td>10.47</td></tr> <tr><td>FT-14</td><td>404435.9</td><td>7911032</td><td>1040.91</td><td>0</td><td>90</td><td>12</td><td>15</td><td>662</td><td>9.37</td></tr> <tr><td>FT-15</td><td>404013.3</td><td>7911081</td><td>1034.5</td><td>0</td><td>90</td><td>3</td><td>16</td><td>1846</td><td>9.92</td></tr> <tr><td>FT-16</td><td>403603.7</td><td>7911334</td><td>988.3385</td><td>0</td><td>90</td><td>0</td><td>13</td><td>1546</td><td>7.2</td></tr> <tr><td>FT-18</td><td>405538.3</td><td>7910684</td><td>1022.839</td><td>0</td><td>90</td><td>2</td><td>9</td><td>2608</td><td>7.66</td></tr> <tr><td>FT-19</td><td>405670.3</td><td>7910407</td><td>1021.412</td><td>0</td><td>90</td><td>0</td><td>11</td><td>4131</td><td>8.78</td></tr> </tbody> </table>	HoleID	X	Y	Z	AZIMUTH	DIP	Interval FROM	Interval TO	Average TReO ppm	Average TIO2%	AC-TIR-004	398587.7	7889640	1076.711	0	90	37	51	4125	11.83	AC-TIR-005	399485.3	7890519	1070.696	0	90	36	47	2530	11.71	AC-TIR-008	401777.8	7891183	1079.7	0	90	44	55	3382	15.77	AC-TIR-009	402337.5	7891131	1048.104	0	90	13	28	4873	17	AC-TIR-010	400946.7	7890168	1066.318	0	90	26	39	4599	16.73	AC-TIR-011	401150.6	7890502	1048.662	0	90	11	53	4116	16.47	AC-TIR-012	404669.6	7892974	1074.331	0	90	51	60	5621	17.12	AC-TIR-013	405408.4	7893153	1033.307	0	90	29	36	2865	8.78	AC-TIR-014	404568.9	7894139	1049.344	0	90	31	35	2629	10.06	AC-TIR-016	404644.8	7895023	1052.623	0	90	30	51	3334	11.23	AC-TIR-018	404954.4	7895577	1047.773	0	90	22	38	4933	14.25	AC-TIR-020	401239.3	7888629	1044.091	0	90	13	27	5495	15.19	FT-01	401470.1	7893949	1002.723	0	90	0	6	4189	20.56	FT-02	401368.3	7894337	997.0978	0	90	0	11	5263	15.26	FT-03	401286	7894607	997.0582	0	90	0	6	4058	15.03	FT-04	402991	7893548	1027.228	0	90	3	15	6699	19.41	FT-05	402639.2	7893409	1018.939	0	90	2	9	3455	10.92	FT-07	403540.6	7893845	944.0546	0	90	0	2	3610	10.82	FT-09	401958.9	7891441	1039.084	0	90	3	11	5768	16.03	FT-10	401827.6	7891643	1001.096	0	90	7	10	3143	8.75	FT-11	401967.7	7891730	1033.299	0	90	0	10.5	7181	10.47	FT-14	404435.9	7911032	1040.91	0	90	12	15	662	9.37	FT-15	404013.3	7911081	1034.5	0	90	3	16	1846	9.92	FT-16	403603.7	7911334	988.3385	0	90	0	13	1546	7.2	FT-18	405538.3	7910684	1022.839	0	90	2	9	2608	7.66	FT-19	405670.3	7910407	1021.412	0	90	0	11	4131	8.78
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AC-TIR-008	401777.8	7891183	1079.7	0	90	44	55	3382	15.77																																																																																																																																																																																																																																																																							
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AC-TIR-018	404954.4	7895577	1047.773	0	90	22	38	4933	14.25																																																																																																																																																																																																																																																																							
AC-TIR-020	401239.3	7888629	1044.091	0	90	13	27	5495	15.19																																																																																																																																																																																																																																																																							
FT-01	401470.1	7893949	1002.723	0	90	0	6	4189	20.56																																																																																																																																																																																																																																																																							
FT-02	401368.3	7894337	997.0978	0	90	0	11	5263	15.26																																																																																																																																																																																																																																																																							
FT-03	401286	7894607	997.0582	0	90	0	6	4058	15.03																																																																																																																																																																																																																																																																							
FT-04	402991	7893548	1027.228	0	90	3	15	6699	19.41																																																																																																																																																																																																																																																																							
FT-05	402639.2	7893409	1018.939	0	90	2	9	3455	10.92																																																																																																																																																																																																																																																																							
FT-07	403540.6	7893845	944.0546	0	90	0	2	3610	10.82																																																																																																																																																																																																																																																																							
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FT-10	401827.6	7891643	1001.096	0	90	7	10	3143	8.75																																																																																																																																																																																																																																																																							
FT-11	401967.7	7891730	1033.299	0	90	0	10.5	7181	10.47																																																																																																																																																																																																																																																																							
FT-14	404435.9	7911032	1040.91	0	90	12	15	662	9.37																																																																																																																																																																																																																																																																							
FT-15	404013.3	7911081	1034.5	0	90	3	16	1846	9.92																																																																																																																																																																																																																																																																							
FT-16	403603.7	7911334	988.3385	0	90	0	13	1546	7.2																																																																																																																																																																																																																																																																							
FT-18	405538.3	7910684	1022.839	0	90	2	9	2608	7.66																																																																																																																																																																																																																																																																							
FT-19	405670.3	7910407	1021.412	0	90	0	11	4131	8.78																																																																																																																																																																																																																																																																							

Criteria	JORC Code explanation	Commentary									
	FT-20	405796.2	7910196	1037.287	0	90	6	7	223	6.14	
	FT-21	404814.6	7914113	892.66	0	90	0	2	1882	4.65	
	FT-23	404683.3	7915151	912.154	0	90	0	11	5155	14.03	
	FT-24	404434.8	7915040	916.733	0	90	0	15	3885	13.01	
	FT-25	406423.4	7915097	1012.846	0	90	0	12	8150	20.1	
	ACTIR-21	404223.1	7893656	1035.208	0	90	29	43	4340	12.13	
	ACTIR-22	404275.9	7893424	1017.652	0	90	23	58	4120	10.35	
	ACTIR-23	404861.8	7893705	1058.431	0	90	29	57	4585	12.74	
	ACTIR-24	404686.3	7893661	1054.445	0	90	34	78	5739	15.44	
	ACTIR-25	404596	7893609	1054	90	0	0	58	3027.54	9.05	
	ACTIR-26	404440	7893490	1054	90	0	0	83	3210.73	9.96	
	ACTIR-27	404280	7893363	1057	90	0	29	46	4214.78	15.06	
	ACTIR-28	404372	7893400	1035	90	0	32	80	3712.54	12.31	
	ACTIR-29	404527	7893563	1055	90	0	45	74	3942.54	12.11	
	ACTIR-30	404534	7893922	1047	90	0	18	48	4480.77	10.93	
	ACTIR-31	404050	7893281	1057	90	0	33	59	6410.20	15.13	
	ACTIR-32	404899	7893225	1038	90	0	51	63	5305.54	13.80	
	ACTIR-33	404876	7892647	1058	90	0	10	51	4342.98	11.46	
	ACTIR-34	404677	7894603	1072	90	0	53	67	5165.90	14.00	
	ACTIR-36	405143	7895114	1019	90	0	6	46	4575.54	15.15	
	ACTIR-37	396320	7898840	1024	90	0	22	49	3198.24	10.47	
	ACTIR-38	397552	7890680	1022	90	0	20	57	3277.94	11.89	
	ACTIR-39	405672	7910407	992	90	0	6	16	4867.20	9.34	
	ACTIR-40	406571	7914075	1039	90	0	47	51	6611.91	14.94	
	ACTIR-41	422780	7919369	910	90	0	6	12	7564.85	18.02	
	ACTIR-42	423471	7921116	959	90	0	17	35	6417.17	18.45	

Criteria	JORC Code explanation	Commentary									
	ACTIR-43	407349	7914551	1064	90	0	47	53	9713.40	21.63	
	ACTIR-46	396029	7868243	1109	90	0	41	53	4331.61	14.42	
	ACTIR-48	380630	7860388	1125	90	0	24	41	4746.34	11.60	
	ACTIR-50	381569	7862210	1122	90	0	13	32	3442.69	11.55	
	FDTIR-01	402326	7891121	1032	90	0	12.4	21.4	7930.30	20.15	
	FDTIR-02	404643	7895024	1033	90	0	34	58	5226.21	12.47	
	FDTIR-03	405685	7892798	1019	90	0	3	26	6972.28	14.58	
	FDTIR-04	401235	7888631	1052	90	0	16	26	6835.08	17.97	
	FDTIR-05	404499	7892925	1051	90	0	19	31.9	5535.54	16.72	
	FDTIR-06	405286	7893524	1067	90	0	35	49	4926.38	13.55	
	FDTIR-07	404023	7892769	1032	90	0	12	18.45	5453.72	10.60	
	FDTIR-08	404389	7895665	1013	90	0	13	79	3787.55	10.06	
	FDTIR-09	404241	7894354	1055	90	0	37	92.85	4494.95	12.90	
	FDTIR-10	405722	7893594	1004	90	0	0	6	1709.93	5.76	
	FDTIR-11	403611	7894297	1016	90	0	35	54.4	4787.55	12.37	
	FDTIR-12	403171	7894171	1075	90	0	41	63.6	5958.69	13.86	
	FDTIR-13	402835	7893707	1083	90	0	17	81.15	3838.22	11.46	
	FDTIR-14	402214	7893320	1011	90	0	20	50.15	5169.93	14.78	
	FDTIR-15	401701	7891530	1084	90	0	39	101.3	2019.68	9.55	
	FDTIR-16	400647	7891313	1083	90	0	36	93	4281.26	10.42	
	FDTIR-17	403000	7894562	1016	90	0	36	91.75	4327.63	11.69	
	FDTIR-18	402097	7892865	995	90	0	0	86	4027.60	12.44	
	FDTIR-19	403646	7894678	1019	90	0	9	79	4099.00	10.79	
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical 	<ul style="list-style-type: none"> 2 samples were generated for metallurgical tests. A first sample was generated from a composite of aircore drilling samples and sent to the Prosper laboratory in Brazil. A second sample was generated from the composition of auger drilling samples and divided into 3 equal parts, being sent to 3 different laboratories, namely Prosper in Brazil, Ansto In Australia and Anzplan in Germany. The test results 									

Criteria	JORC Code explanation	Commentary
	survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	are inconclusive and have not yet been released.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Resouro started the 12,000m aircore and diamond drilling survey campaign in September 2023 with earlier results received and reported in this report. Following the completion of this program Resouro plans to carry out a detailed topographic survey of the entire research area, in addition to a completion of the topographic survey of the collar of the auger holes and the new aircore and diamond holes using precision equipment. A detailed drilling campaign of the most prospective areas is presently being scheduled along with preliminary metallurgical testwork.



**Independent Technical Report on the
Novo Mundo Project, Mato Grosso,
Brazil**

Developed by GE21 Consultoria Mineral Ltda. on behalf of

Resouro Strategic Metals Inc.

Author and Competent Person:

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1. SUMMARY

Mr Mario Conrado Reinhardt of GE21 Consultoria Mineral Ltda. (**GE21**) was contracted by Resouro Strategic Metals Inc. (**RSM, the Company or Resouro**) to review the exploration results of a drilling and trenching program executed at the Novo Mundo Project (**Novo Mundo Project**). GE21 was subsequently retained to prepare an Independent Technical Assessment Report (**ITAR or Report**) for use in a prospectus to support an initial public offering to enable a listing on the Australian Securities Exchange (**ASX**). The funds raised will be used for continued exploration of the Novo Mundo Project areas held by Resouro.

The Novo Mundo Project is located in the Alta Floresta Gold Province (**AFGP**) close to the northern border of the state of Mato Grosso in central Brazil. Located within the Novo Mundo Project licence area is the small town of Novo Mundo that developed as a result of historical gold rushes and the growth of the agricultural sector in the region.

There is a large collection of historical information relating to the Novo Mundo Project available in the form of technical reports and various databases with drilling data, geochemical, geophysical, and geological work completed by past exploration companies which include several reputable mining companies such as RJK, Rio Tinto, Graben and NEXA. The programme completed by GSM between 2011 and 2013 led to a "Final Exploration Report" being filed with the ANM-Brazilian Mining Agency in May 2015.

The characteristics of the main detected Au (Cu, Pb, Zn, Mo) mineralization of the Novo Mundo Project fall into two main types. Firstly, gold more disseminated hosted in muscovite/sericite quartz (chlorite) sulphide alteration zones of the host syeno-granites with rare quartz veining associated and enveloped by potassic and propylitic hydrothermal alteration. Secondly, gold mineralization in vein structures like epithermal gold narrow quartz vein deposits. Based on the evidence of a close spatial relation of the gold deposits with granitic intrusions and the presence of hydrothermal alteration halos, a porphyry-epithermal magmatic-hydrothermal system is interpreted to be responsible for the gold deposits of the Novo Mundo Project.

Despite only partial success of historical exploration campaigns, several geological, geochemical and geophysical anomalies observed in the historic data are, in the Author's opinion, favourable targets that could lead to a potential expansion of mineralised zones in the Novo Mundo Project area. Based on data integration of the available exploration data, GE21 recommends as a priority that RSM undertake IP/Resistivity survey over the most potential mineralized structures and targets, perform an exploratory 2500m RC drilling campaign along the new south parallel trend indicated by rock geochemistry and perform a second diamond drilling campaign of around 3500m including an infill drilling program based on IP /resistivity surveys with the aim to produce a JORC compliant resource estimation.

The Author and GE21 consider the proposed budgets are consistent with the exploration potential of the Novo Mundo Project and are adequate to cover the costs of the proposed programs. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the claims. The Author and GE21 consider the type of exploration and weighting towards the Novo Mundo Project as appropriate.

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UNITS, SYMBOLS AND ABBREVIATIONS

Unless otherwise stated, the units of measurement in this Report are all metric in the International System of Units (SI). All monetary units are expressed in Australian Dollars (AUD), unless otherwise indicated.

The historical data is mostly recorded in the UTM projection SA690 Zone 21 South, however some maps use the projection SIRGAS 2000 Zone 21S.

Main Abbreviations	
Short Form	Long Form
AIG	Australian Institute Of Geoscientists
ANM	Agência Nacional De Mineração (National Mining Agency)
Au	Gold
AuEq.	Gold Equivalent
AUD\$	Australian Dollars
AusIMM	Ausimm Australasian Institute Of Mining And Metallurgy
CP	Competent Person
DD	Diamond Drilling
DMS	Dense Media Separation
DNPM	Departamento Nacional De Produção Mineral (National Mining Agency)
EL	Exploration License
EIS	Environmental And Social Impact Studies
GPR	Ground Penetration Radar
g	Gram
g/t	Grams Per Tonne
ha	Hectare
JORC	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientist and Minerals Council of Australia.
kg	Kilogram
kL	Kilolitre
km	Kilometre
Km2	Square Kilometre
L	Litre
L/s	Litres Per Second
m	Metre
MAIG	Member Of The Australian Institute Of Geoscientists
mg/L	Milligram Per Litre
mamsl	Metres Above Mean Sea Level
mm millimetre	Millimetre
ML	Mining License
MRE	Mineral Resource Estimate
m2	Square Metre
m3	Cubic Metre
Mm3 million	Million Cubic Metres

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Mt	Million Tonne
oz.	Troy Ounces
PEA	Preliminary Economic Assessment
QA/QC	Quality Assurance And Quality Control
Resouro	Resouro Strategic Minerals Inc
t	Tonnes
t/h	Tph Tonnes Per Hour
t/m	Tpm Tonnes Per Month
t/m ³	Tonnes Per Cubic Metre
t/y	Tpa Tonnes Per Year
y	Year
µm	Micrometre
°C	Degrees Celsius
%	Per Cent
% w/w	Weight To Weight Ratio, Percentage By Weight

2. INTRODUCTION

Mr Mario Conrado Reinhardt of GE21 was contracted by Resouro to review the exploration results of a drilling and trenching program executed at the Novo Mundo Project. GE21 was subsequently retained to prepare this ITAR for use in a prospectus to support an initial public offering to enable a listing on the ASX. The funds raised will be used for continued exploration of the Novo Mundo Project areas held by Resouro.

This ITAR is to be included in its entirety or in summary form within a prospectus to be prepared by Resouro, which is to be provided to ASX and Australian Securities and Investments Commission (ASIC), to support an initial public offering and admission of the Company to the Official List of ASX. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

2.1. Sources Of Information and Data

GE21 Consultoria Mineral Ltda. and the Author has relied on Resouro for information on mineral claims location and status, surface rights, ownership, agreements, historic data and royalties explained in the Section 3 of this Report. GE21 Consultoria Mineral Ltda. and the Author have not independently verified ownership or mineral title beyond information that was provided by Resouro. The Novo Mundo Project property description presented in this Report is not intended to represent a legal or any other opinion as to the title. Refer to the Brazilian Solicitor's Report included in the prospectus issued by Resouro for details regarding title.

2.2. Qualifications, Experience, and Independence

GE21 is a specialized, independent mineral consulting company. The GE21 staff members are accredited by the Australian Institute of Geoscientists (AIG) as "Competent Persons" for the declaration of Exploration Results and Mineral Resources and Ore Reserves. The Author of this Report has the required qualifications, experience, competence, and independence to be considered a "Competent Person", as defined by JORC.

Neither GE21, nor the Author of this Report, have, or have had, any material interest invested in Resouro nor the property or any of their related entities. GE21's relationship with Resouro is strictly professional, consistent with that held between a client and an independent consultant. This Report was prepared in exchange for payment based on fees that were stipulated in a commercial agreement. Payment of these fees is not dependent on the results of this Report.

2.3. Competent Persons

The Competent Person responsible for this ITAR for public purposes is Mr Mario Conrado Reinhardt, who is responsible for all sections of this Report.

The information in this ITAR that relates to the exploration targets is based on and fairly represents information and supporting documentation compiled and conclusions derived by Mr Reinhardt.

Mr Reinhardt is a trained geologist, a Member of the Australian Institute of Geoscientists (MAIG) and has sufficient experience that is relevant to the styles of mineralization and types of deposit under consideration to be considered as a Competent Person (CP). Mr Reinhardt has more than 35 years' experience working with and reviewing exploration and mining projects worldwide

including in the Novo Mundo region and visited the Novo Mundo Project as the Competent Person on the 10th and 12th of September 2023.

Mr Reinhardt consents to the inclusion in this ITAR of the matters based on his information and supporting documentation in the form and context in which it appears.

2.4. Reliance on other experts

In preparing this Report, the Competent Person has relied on technical input and the provision of data from experts others than those working for RSM. Other experts who have contributed to the provision of relevant data for the compilation of this Report are listed in Section 17 and although numerous reports were observed to have been undertaken by previous owners of Resouro's tenements these reports, except those noted in this Report were not material in the development of this ITAR's conclusions and recommendations. The authors of the public sources have not consented to their statements use in this ITAR, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

3. PROPERTY DESCRIPTION AND LOCATION

3.1. Project Description & Ownership

The Novo Mundo Project is located in the AFGP close to the northern border of the state of Mato Grosso in central Brazil (Figure 3-1). Located within the Novo Mundo Project licence area is the small town of Novo Mundo that developed as a result of historical gold rushes and the growth of the agricultural sector in the region. The towns coordinates are 9° 58' 32" South, 55° 10' 40" West and is part of the municipality of the same name. Novo Mundo is 30 km west from larger town of Guarantã do Norte. Guarantã do Norte is a Brazilian municipality in the State of Mato Grosso and has an estimated population in 2020 of 36,130 inhabitants (per IBGE 2020).

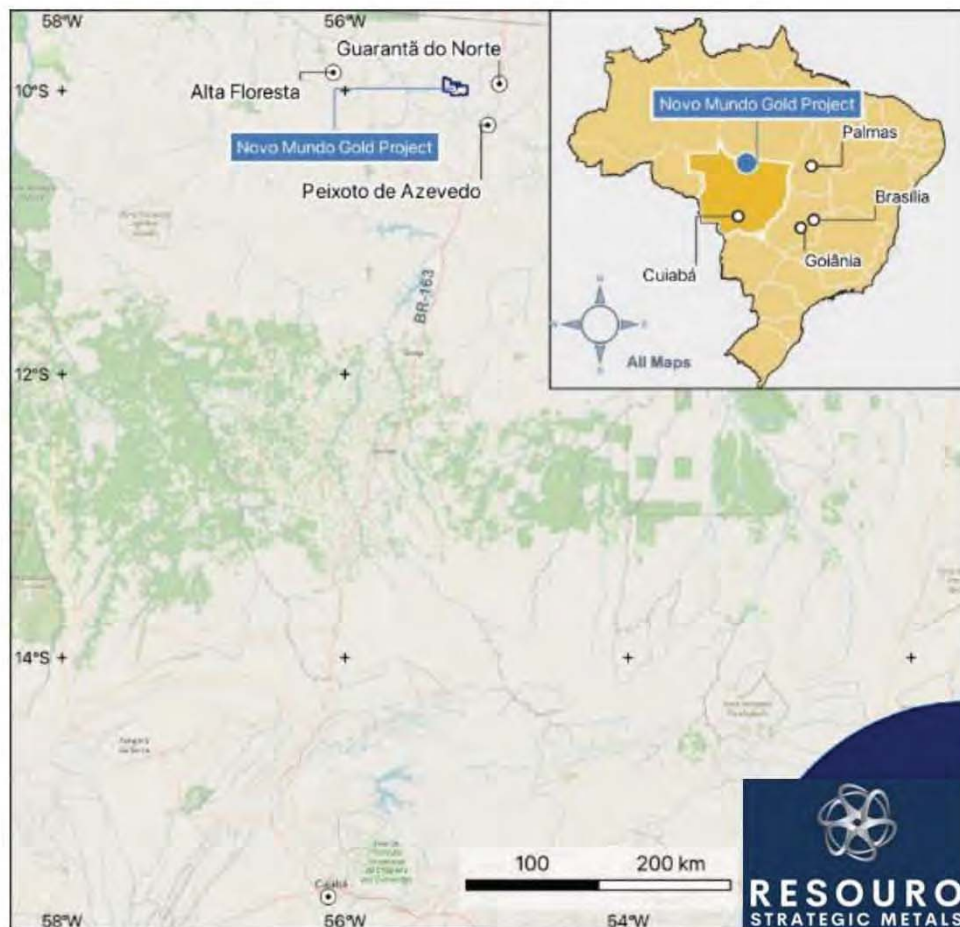


Figure 3-1: Location of the Novo Mundo Gold Project

3.2. Mineral Tenure

The Novo Mundo Project involves 3 contiguous ANM mineral processes numbered 866.035/2009, 866.320/2018 and 866.171/2018 with a total area amounting to 16,734.94ha. Resouro do Brasil

Mineração Ltda (**Recurso do Brasil**), Resouro's wholly owned Brazilian subsidiary, was assigned the three licenses, summarised and explained in table 3-2 below.

The processes numbered 866.320/2018 and 866.171/2018 are classed as exploration licences in the second phase of exploration and share an expiration date of 2025/08/07 and 2026/07/28 respectively. As per the Brazilian mining code, a Final Research Report (RFP - Relatório Final de Pesquisa) is to be submitted at ANM. The process numbered 866.035/2009 received on the date of 25 August 2022 an authorization for execution of a Pilot Mining Operation (called Guia) limited to 50,000 tons per year and for 3 years, finishing at 25 August 2025, when it can be extended for additional periods or substituted by a PAE (also named Plan for Economic Exploitation), which is a mining plan. Refer to the Brazilian Solicitor's Report included in the prospectus issued by Resouro for further details regarding tenure.

Tenement	Area (Ha)	Status	Municipalities	Holder	Assignee	Grant date	PER Due	Renewal Date	FER Due
866.320/2018	7645,58	Exploration Permit	Novo Mundo/MT	Ison do Brasil Mineração Ltda	N/A	September 6, 2018	June 08, 2026	August 07, 2023	August 07, 2026
866.171/2018	8159	Exploration Permit	Novo Mundo/MT	Nexa Recursos Minerais S.A.	Brazil Copper Mineração LTDA	September 6, 2018	May 28, 2026	July 27, 2023	July 27, 2026
866.035/2009	930,35	Right to Apply for Mining Concession	Novo Mundo/MT	Ison do Brasil Mineração Ltda	N/A	April 4, 2009	March 24, 2015	May 23, 2012	May 23, 2015

Table 3- 2 Tenement status list

Exploration licenses are granted for up to three-year periods. Licenses require an interim report two-months prior to license expiration (if an extension is to be applied for), describing exploration results, interpretation, and expenditures. The renewal of a license may be granted at the discretion of the ANM by considering the exploration works undertaken by the holder. A final report is due at the end the term or on relinquishment of the license. The size of an individual license area ranges from 50ha to 10,000ha depending on the state and the commodity.

During the period of exploration licenses, it is also possible to license a Pilot Mining Operation (known as Guia de Utilização) for small scale mining and testing, up to 50,000 tonnes per year, renewable, until all the exploration work is completed. After concluding and filling a final exploration report the licenses can be changed to a definitive mining concession.

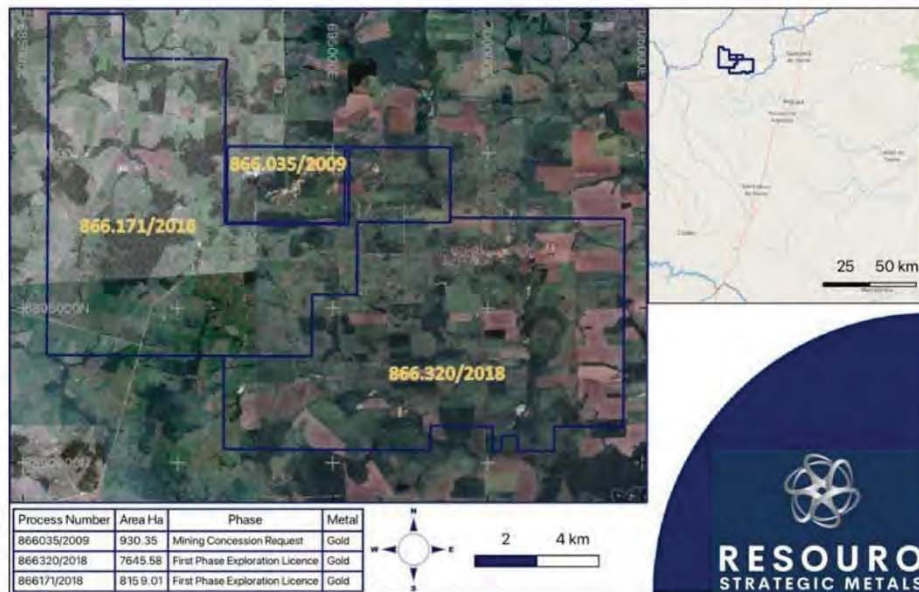


Figure 3-2: The location of mineral rights

3.3. Royalties

Landowners and governments (municipal, state, and federal) are entitled to Gross Overriding Royalty ("GOR") which range from 1 to 3.5% depending on the mineral being extracted. Operations for gold are subject to a 1% royalty on gross metal sales net of taxes levied on sales. Mining activities are subject to both federal and state level environmental licensing.

3.4. Ownership

On the 11th of May 2021, Resouro do Brasil Mineração Ltda, a wholly own subsidiary of Resouro Mining Pte Ltd, signed a definitive agreement with Nexa Recursos Minerais S.A (formally Votorantim Metais Zinco S.A). Nexa was at that time, directly or indirectly, the sole and rightful holder of the mineral right with the process numbers 866.035/2009, 866.320/2018 and 866.171/2018. As part of this agreement, these mineral rights were formally assigned to Resouro at the ANM. This definitive agreement provided Resouro do Brasil the exclusive rights to conduct exploration and eventually, subject to feasibility and permitting, develop a commercial precious metal mining operation. The acquisition consisted of a payment of USD350,000 for the purchase of 100% of the mineral rights with Nexa being granted a net smelter royalty of 1.5%.

As part of the definitive agreement, Nexa has the right to, at their own cost and expense, explore for base metals, provided that the works do not interfere with nor delay Resouro's exploration programmes. If Nexa discovers a commercially viable base metals project, Nexa will grant Resouro a 1.5% net smelter royalty.

On the 18th of November 2018, Nexa signed an agreement with the Coogavepe – Cooperative de Garimpeiros do Vale do Rio Peixoto (the **Coogavepe Agreement**). The Coogavepe Agreement involved the transfer of mineral rights to Nexa in return for exploration and

development expenditure. As part of the definitive agreement, Resouro has agreed to assume responsibility for the Coogavepe Agreement, as such, Resouro is liable to Coogavepe for certain obligations thereunder, including an additional royalty of 1.5% and assigning some areas of the Novo Mundo Project licences to Coogavepe giving them the right to apply for a Permissão de Lavra Garimpeira (PLG). The assigned areas are approximately 1.3% of the Novo Mundo Project licence area and is restricted to secondary gold only (alluvial). The PLG translates to an Artisanal Mining Permit which allows the local miners to extract secondary gold from alluvial (river) sources or weathered soil down to a maximum depth of 30m. Nexa had a good relationship with Coogavepe and Resouro engaged the directors of Coogavepe to ensure that strong relationship was maintained. The terms of the Coogavepe Agreement provide that if the Company determines to continue with the work moving on to the 3rd phase of exploration, it must pay Coogavepe the amount of BRL 2,500,000 (approximately A\$782,245) within 30 days of the approval of the first positive partial exploration report delivered to ANM. The approval of the first Partial Exploration Report occurred in January 2023, and the Parties agreed on parcelling the mentioned amount, being BRL 750,000 due and paid 20 December 2023, BRL 250,000 due and paid 20 February 2024, and BRL 1,500,000 due 31 May 2024. Upon granting the mineral processes and rights to the Company in any exploration area, the Company shall pay to Coogavepe, from the effective sale of the ore extracted from the exploration areas, a 1.5% net smelter royalty.

Surface Rights: The surface rights in Brazil belong to the landowner and not the mineral rights holder. As such, the surface rights within the Novo Mundo Project licence area are held by several farmers. As standard in Brazil, Resouro has started to engage with the landowners to form the relevant agreements and to continue the agreements previous licence holders had in place. Exploration License holders are entitled to access their license area and work on it whether it is public or privately held, but such holders must compensate the owner or occupier of the surface rights for losses caused by the work (indemnification) and for the occupation of the land (rent). Compensation may be negotiated on a case-by-case basis, but the Brazilian mining code provides that, should a court of law be required to set the amounts, the rent for occupation of the land cannot exceed the maximum net income that the owner or occupier would earn from its agricultural-pasture activity, and the indemnification cannot exceed the assessed value of the area of the property being used for exploration.

Annual License Fees: Annual license fees for Exploration Licenses are based on the area size and are calculated at R\$3.29/ha for the first license term and R\$5.00/ha in subsequent terms. The minerals rights Resouro holds have an annual fee of approximately US\$12,000. Each license holder must submit an exploration plan, budget, and timeline, although there is no work or expenditure requirement.

3.5. Environmental Permits, Studies and Considerations in Brazil

The permitting process applicable for exploration properties has been described above but the following summarizes the permitting process required for the mining phase.

The Brazilian mining licensing process can involve two levels: federal or state. Whenever a mining concession is entirely located within a state of Brazil, the State Environmental Protection Agency (EPA) is responsible for issuing the licenses. When the mining concession covers more than one state, or if the mining projects has a major national or regional environmental impact, the Federal Environmental Agency (IBAMA) is responsible for the issuing the licenses. Novo Mundo is located

within Mato Grosso and has no national or regional impact and so will be subject to the State EPA level.

3.6. Preliminary license

A presentation of the Environmental Impact Study to the EPA, along with other documents such as the Declaration of Land Use of Municipal Authorities, proposal for exploration in ANM process, general form regarding company and project, copies of public notifications in daily and government newspapers, and proof of EPA fees payment is required to obtain the license. In this phase, a public meeting may be required before issuance of the Preliminary License by the EPA. The meeting may be requested either by the EPA or a non-governmental organization (NGO) at least 45 days prior to the EIS presentation to EPA. The granting of a Preliminary License indicates that the regulatory agency and community both have approved the Environmental Impact Study.

3.7. Implementation license

The granting of this license depends on the presentation of Environmental Control Plans to the State EPA. The application comprises of plans for environmental control and reclamation. Documents showing the approval of additional permits such as Deforestation Permit and Water Use Permit were also submitted.

3.8. Operation license

This license is granted after the terms of the construction for the Novo Mundo Project have been completed. This includes the implementation of the environmental control plans and the presentation of the Mining Rights issued by the ANM. This phase corresponds to the final construction stage of the mine. Later other laws are applicable to regulate the continuation of environmental impact studies and reports for the ongoing mining activities.

3.9. Other permits

Other permits generally required by mining companies may include: water use right/permit, army and Federal Police permits, deforestation permit, discharge permit, hazardous transportation/disposal permit, archaeological recovery permit. None of these requirements will be necessary in the case of exploration work of the Novo Mundo Project. Most land is eligible for licensing in Brazil, except when the Novo Mundo Project is located in protected areas, and it does involve vegetation suppression. Novo Mundo Project is not located in environmentally protected areas.

3.10. Environmental Liabilities of Novo Mundo Project

Part of the primary vegetation was already removed by farmers and now the landscape is utilized primarily as agricultural pasture and as such this land use does not present any environmental liabilities.

There has been small-scale exploitation of gold for several decades at the Novo Mundo Project by informal miners. The methods employed by these artisanal miners generally involve processing material from old river channels or the part of the gold bearing veins that have been weathered by climate actions. These mining activities have resulted in several pits, land excavations and waste dumps. These have left a visible legacy but Resouro or GE21 are not

aware of any environmental breaches registered with the state environmental agency on any of the licenses. Resouro will communicate any environmental liabilities they identify to the ANM immediately after the mineral rights assignments have been published in the federal gazette.

Based on the information provided by Resouro and GE21's site visit, no other known environmental liabilities have been identified. This includes no forbidden factors that could invalidate future applications for environmental permits required to facilitate the proposed exploration programme or the eventual mining activity. For the full assessment of environmental liabilities, the Author recommends the appraisal of the current situation of the new acquired tenements evidenced by a map and the preparation of a specific study to formally document any Garimpeiro activity, past or expected.

4. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

4.1. Accessibility

The Novo Mundo Project area can be accessed from the state capital Cuiabá in approximately 10 hours by car along 740km of paved highway BR-163. Two regional airports are located within a 4 hour drive of the Novo Mundo Project: Sinop, 265 km to the south and Alta Floresta to the west. Regular flights from Brasilia, Cuiabá and Sao Paulo service these airports. The Novo Mundo Project licences are serviced by various farm tracks that propagate off from the gravel/asphalt road MT-419. The general location of the Novo Mundo Project is shown in Figure 4-1. The inset shows the relatively flat topography of the property where elevation ranges from 248m to 392m. The closest town to the Novo Mundo Project is Novo Mundo, located on the MT-419 road that connects the property to the bigger population centre, Guarantã do Norte.

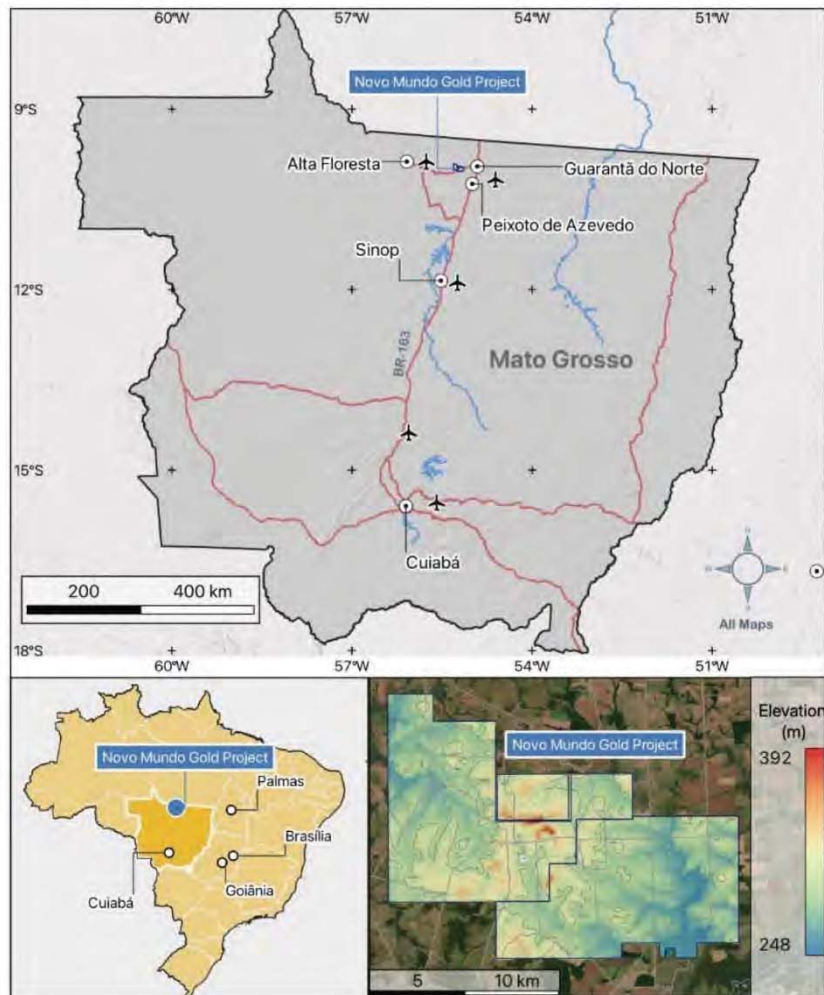


Figure 4-1: Localization, elevation, and principal access roads

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4.2. Climate

The climate is seasonal tropical and characterised by high humidity with temperatures ranging from 20°- 36°C. Average annual rainfall is 2,000mm, mostly between November and April (Figure 4-2). Exploration at the Novo Mundo Project can be completed year-round with some additional challenges during the rainy season.

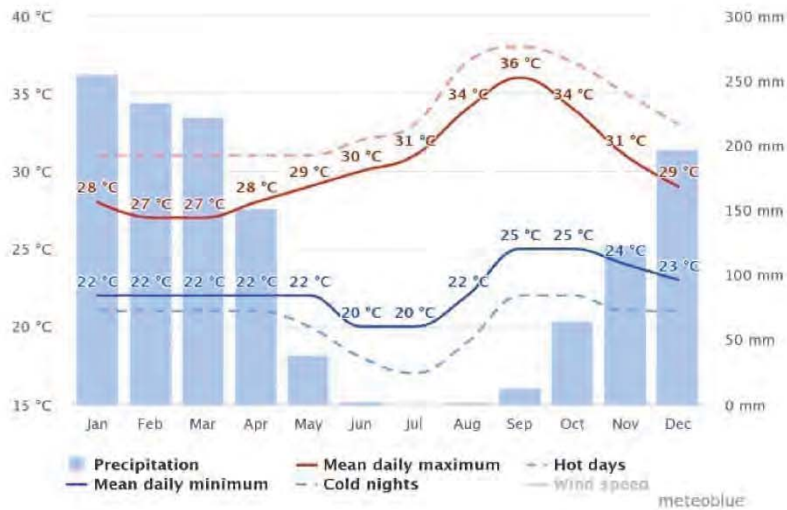


Figure 4-2: Climate graph. Source: Meteoblue.com, 2021

4.3. Local Resources and Infrastructure

The town of Novo Mundo is the closest population centre to the Novo Mundo Project and is equipped with all basic local amenities. However, Guarantã do Norte, Matupa and Peixoto de Azevedo are larger and better equipped. These three cities make up the regional agricultural hub and as such, there is an abundance of un-skilled and semi-skilled labour, hotels, banks and various small and large equipment suppliers. Within a radius of 40km there are approximately 70,000 people.

There exists no on-site field camp, and core is currently being stored within Nexa's facilities in Guarantã do Norte. Resouro will seek to establish a field camp within the Novo Mundo Project licence area and arrange a core and equipment storage facility in Guarantã do Norte.

Surface water is plentiful in the area with portable pumps capable of providing sufficient water for exploration activities such as drilling. Farm tracks service the majority of property. No power exists on site however two 138 kV powerlines pass by the property and the town of Novo Mundo has a residential power supply.

4.4. Physiography and Vegetation

The region of the Novo Mundo Project is located slightly south of the edge of the Graben do Cachimbo and is mainly flat with medium-sized hills. The altitude of the greater region ranges from 300 to 800m above sea level. The main geomorphological feature is the Serra do Cachimbo located north of the Mining Processes. The Novo Mundo Project is in the Teles Pires River Basin, between the valleys of the Teles Pires rivers to the west and the Rio Braço Norte to the east. The Braço Norte River is a tributary of the Peixoto de Azevedo River, which in turn is an important tributary of the Teles Pires River Basin. The native vegetation of the region of the Novo Mundo Project is forest with medium-sized trees corresponding to the Amazon Forest, however, almost all the vegetation present on the surface of the concession package has been replaced by pastures for livestock, and land for the agriculture sector. Part of the vegetation that remains, referred to as secondary forest characterised by medium-sized trees.

5. HISTORY

Table 5 below summaries the historical exploration work that has been undertaken at the property over the last several decades. Most of this work has been concentrated on the exploration license 866.035/2009 (930.35 ha) and carried out by RJK Resources (**RJK**), Rio Tinto Zinco (**RTZ**), Graben Mineração SA (**GMS**) and Nexa Resources (**Nexa**). This area of focus is situated within a farm belonging to Mr Dionísio and most of the historical maps refer to the region as Dionísio.

The works consisted of terrestrial geophysics, airborne geophysics, geochemistry and exploratory drilling. The geophysical data are only available on scanned maps. Some data from the historical exploration has been recovered and preserved by Nexa and are available to Resouro however, validation of much of this data has not been possible and this is noted by the Author in the text where relevant. The following sub-sections detail this work in more detail including the Author's own review.

Year	Exploration Summary
1980 - 1997	Beginning in 1980, the Novo Mundo region was intensively worked by informal miners (garimpeiros) whose activities were focused on the alluvium and later some primary gold ore occurrences. The sites known as Luisão/Cláudio, Edmar, Raimunda, Júlio and Valdeci were superficially developed.
1997	The company RJK carried out IP geophysical surveys on a 200m grid, covering an area of 4.0 x 2.5 km, showing several resistivity alignments with varying intensity from weak to high. These correlated with surface sulphide zones, generating several targets for exploratory drilling. RJK partially tested these with diamond drilling for a total of 717.86 m with 7 holes. The best intersections were hole RJK-01 with 26.24 m at 2.94 g Au/t at the Luisão target and hole RJK-05 with 4.89 m at 6.18 g Au/t at Raimunda target.
2000 - 2001	Rio Tinto's Brazilian subsidiary, RTZ, performed: geological mapping, soil geochemistry, ground geophysics of magnetometry and radiometry, rock sampling and diamond drilling focusing on the Luisão target. This drilling totalled 1,086.35 m with 10 holes. The best intersections were in hole FNV-004 at 10.48m at 1.47 g Au/t, hole FNV-005 at 1.55m at 5.71 g Au/t and hole FNV-009 at 5.26 m at 6.82 g Au/t.
2009	In 2009, the license area in focus was requested by COOPEGAVE - Cooperative of Garimpeiros in Vale do Rio Peixoto, which started some reconnaissance exploration activities immediately after the publication of the title in the DOU in April 2009.
2012 - 2015	In 2012, COOPEGAVE entered into a partnership with GMS to continue exploration and the assessment of the gold potential of the area. GMS developed geological mapping, rock and channel/chipping sampling, airborne geophysics interpretation, soil geochemistry. They completed a diamond drilling campaign between 2011 and 2013, with 3698.35 m in 26 holes. Based on the exploration results GMS filed a Final Exploration Report with the ANM- Brazilian Mining Agency in May 2015.
2018- 2020	In 2018, Nexa (formerly Votorantim Metais) acquired the Novo Mundo Project from GMS and COOGAVEPE. Until 2021 they developed exploration work on the 3 tenements consisting of geological mapping, a wide coverage of soil and rock geochemistry, a survey of magnetometry, petrographic studies of drill cores, 3D

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Year	Exploration Summary
	<p>integration of previous data and some deep IP and 3 AMT (Audio-frequency Magnetotellurics) profiles.</p> <p>On 11 May 2021, Nexa signed a "Definitive Agreement for Mineral Rights Acquisition and Other Covenants" transferring all the information and mineral rights to Resouro with the written consent of COOGAVEPE.</p>

Table 5: Table summarising the history of the Novo Mundo Project

5.1. Geological Mapping

5.1.1. RTZ

In 2000, RTZ completed 1:5000 scale geological mapping and systematic rock sampling along the main trend of the garimpo gold workings, informally named Luisão, Cláudio and Modesto (Figure 5-1). The top aspect of the scanned geologic map shows a WNW-ESE contact between a mafic granodiorite (green) and a partially hydrothermally altered syeno-granite (pale). The main target zone of the hydrothermally altered syeno-granite shows several subparallel lenticular tectonic zones of silicified breccias (blue).

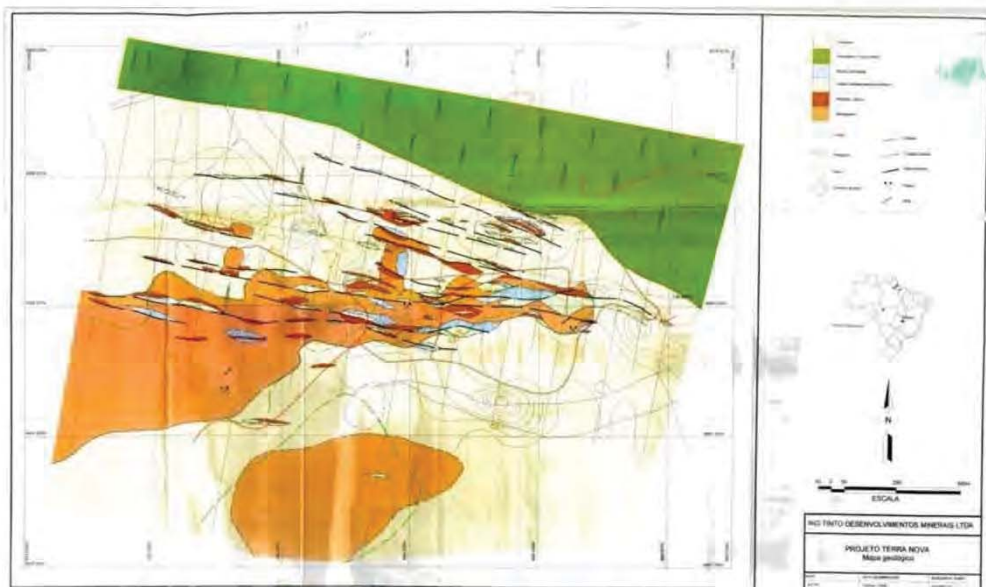


Figure 5-1: Detailed geological map of the Luisão/ Claudio and Modesto targets by RTZ

5.1.2. GMS and Academic Works

Later GMS developed a more regional geological mapping programme with a focus on all the Novo Mundo granite because of its geologic association with several known gold occurrences. Additionally, several published academic studies have focused on the region such as those by Paes de Barros (2007), Miguel Jr (2011) and Xavier (2018). These works added to the geological evolution of this pluton and the map in Figure 5-2 shows the culmination of the regional geological mapping completed to date.

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The interpretations from the various phases of regional geological works are described here: the Novo Mundo granite presents itself as an intrusive body in rocks of the Xingu Complex with dimensions of approximately 12x5 km, elongated according to W-NW, coinciding with the direction of the main ductile shear zones and regional lineaments that affect the basement rocks in the region.

The incipient, but conspicuous orientation of the matrix, denoted by the recrystallization and orientation of quartz crystals, preferably aligning to the NW, suggests that its accommodation must have occurred with structural control. This structural control developed under a stress regime, probably associated with the late stages of the formation of shear zones, which are observed to delimit the NE and SW edges of this body.

In general, the pluton that characterizes the Granite Novo Mundo presents a homogeneous deformation of a ductile-brittle character, with zones of local mylonitization. In mineralized zones, families of sub-horizontal fractures are usually identified, with intersecting systems giving rise to anastomosed patterns. Furthermore, other fracture systems with preferred directions N40E/35NW, N20E/80NW, N20W/SV, N70W/40SW and N80W/65NE overlap with the sub-horizontal systems.

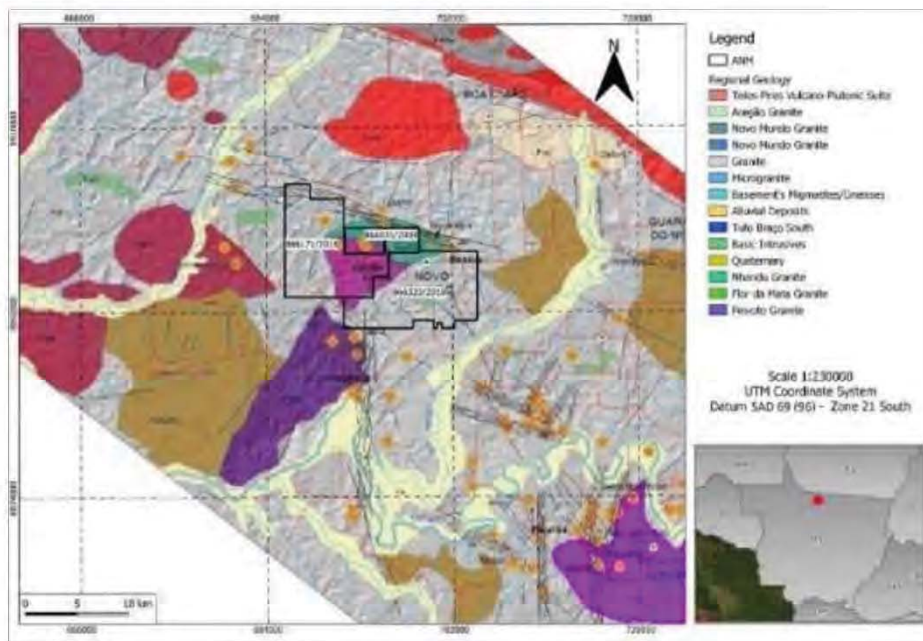


Figure 5-2: The geologic and structural context of the Novo Mundo granite modified after Miguel Jr. (2011).

In its surroundings, granodioritic to tonalitic gneisses predominate, thought to be part of the Xingu Complex. The mapping made it possible to individualize two portions in the Granite Novo Mundo:

- in the northern portion, monzogranite predominates, with subordinated granodiorite and syenogranite, where there is an association with thick dykes of basic rocks, represented by gabbros and diorites. The gold occurrences found in this association are represented

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by structurally controlled subvertical narrow quartz veins with varying concentrations of sulphides of Epithermal type; and

- in the southern portion, the main facies of the Granite Novo Mundo consist of an equigranular, leucocratic, non-magnetic syenogranite with an oriented structure evidenced by the stretching of bluish quartz crystals, particularly in the condition of more proximal host of the auriferous disseminated mineralization.

Swarms of dykes of basaltic and andesitic composition were recognized in the bodies known as Luizão/Cláudio. Gold mineralization of the vein type is also found associated with this portion of the Granite Novo Mundo.

The disseminated gold mineralization is associated with a strong phyllic alteration, and the pyrite dissemination does not present major deformation features, which indicate that the mineralization is late stage or after the intrusion of the Novo Mundo granitic pluton, with the hydrothermal fluid percolating through brittle structures and discontinuities. Based on drill core descriptions, mafic rocks in the form of multiple thick gabbro and diorite dykes can be noted in the northern portion of the Novo Mundo granite. Also in this context, rocks with compositional banding are observed, but without metamorphic recrystallization or even crystal orientation, characterized by the alternation of leucocratic bands of syenogranitic composition, with mesocratic granodioritic bands (GMS, 2015).

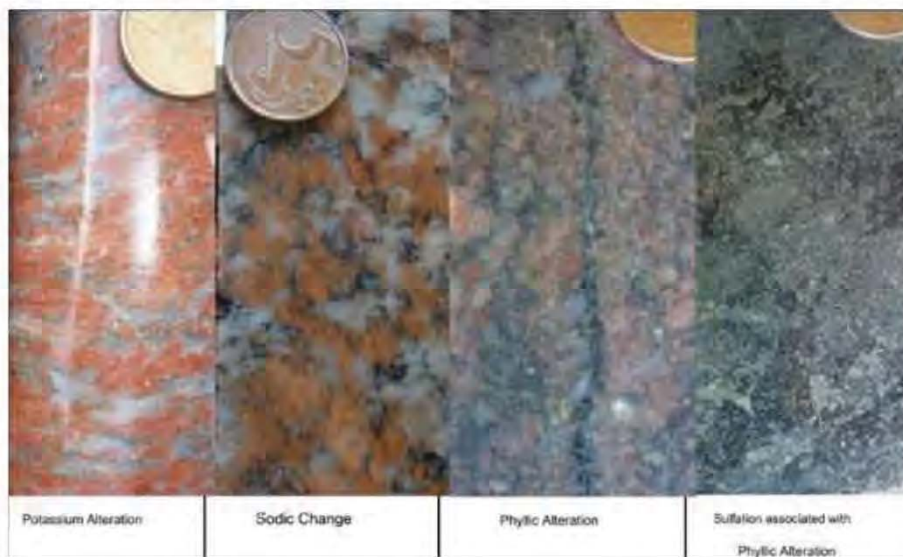


Figure 5-3: Variation of hydrothermal alteration from the host rocks to the main disseminated gold mineralization (example from drill core samples)

It is important to highlight the fact that there are no deformational features, or even orientations, in the core that show cataclastic flow. This finding corroborates the hypothesis that mineralizing fluids percolated along pre-existing discontinuities and that mineralization is at least late with respect to the emplacement of the granite.

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5.1.3. Nexa

Nexa integrated historical mapping with geochemical and geophysical data developed to date to produce a detailed geological map covering all the 3 tenements (Figure 5-4).

The map indicates the predominance of the syenogranite delimited in the north by a major tectonic lineament and also shows a trend NW-SE of major basic rocks like with Gabbro/Diorites and diabase crosscutting the main WNW-ESE gold mineralized trend.

Nexa also developed a more detailed alteration map, Figure 5-5, around the main gold anomalies showing a more central zone of where Illite/sericite phyllic alteration predominates. Several major silicification zones controlled by tectonic lineaments are also noted.

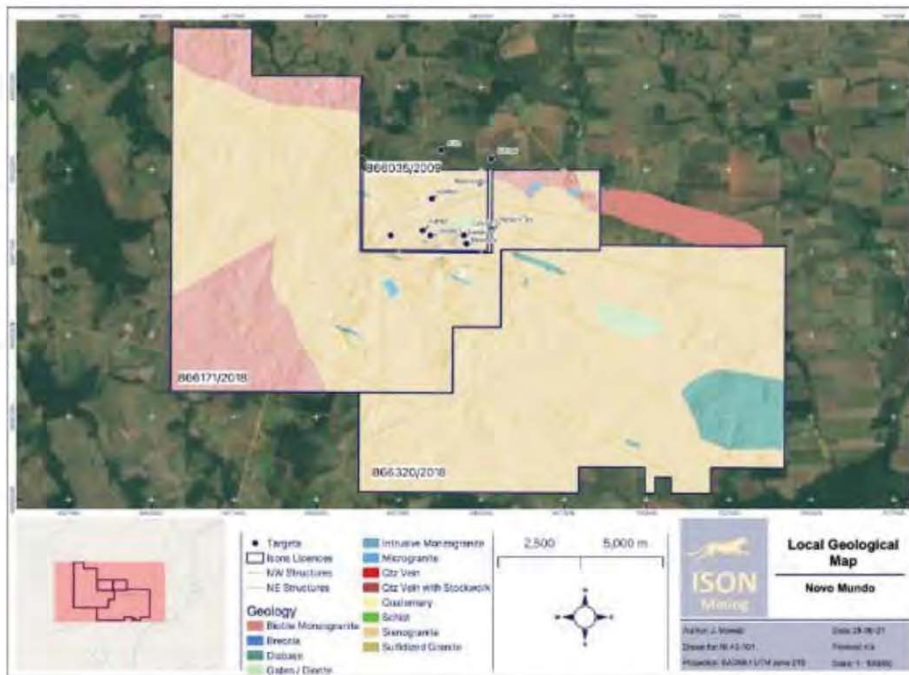


Figure 5-4: Geologic map covering the whole tenements with location of the main known targets in the central part (compiled from Nexa's data base)

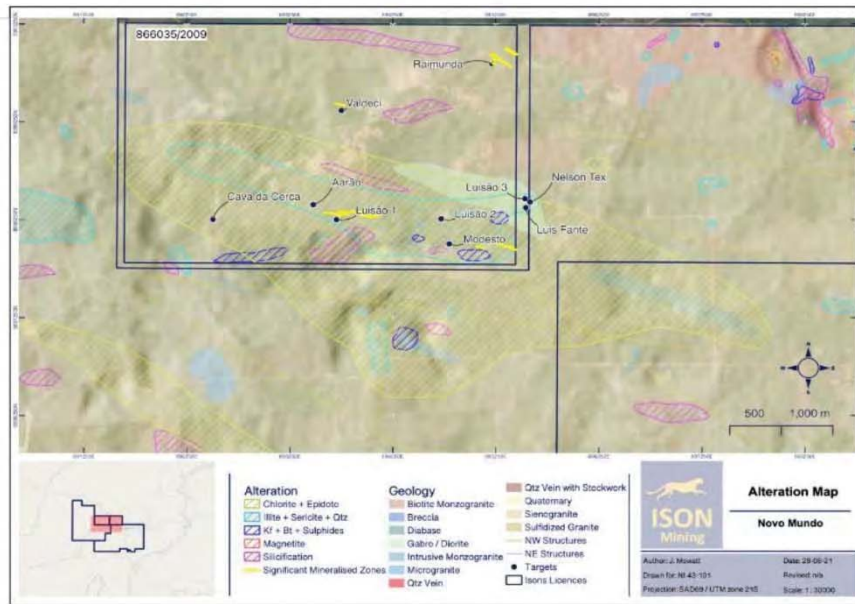


Figure 5-5: Hydrothermal alteration map and main Targets

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5.2. Geophysics

5.2.1. RJK Geophysics

The company RJK carried out IP geophysical surveys on a 200m grid covering an area of 10km². The data returned with several weak to high resistivity and chargeability zones correlated with high sulphide zones on a WNW-ESE trend (Figure 5-6). It was possible to identify 2 strong WNW-ESE anomalies with one located at the south and another subparallel 1200m north, positioned around a resistivity low.

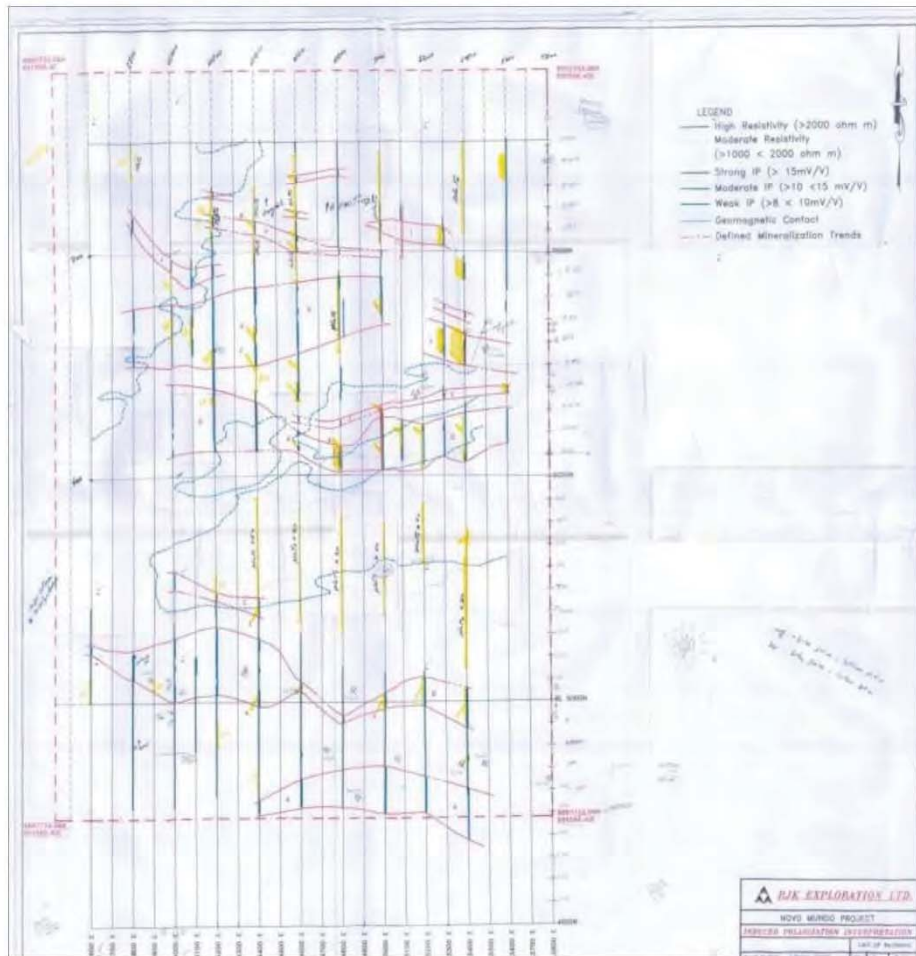


Figure 5-6: Interpretation map of the ground Geophysics – IP from RJK

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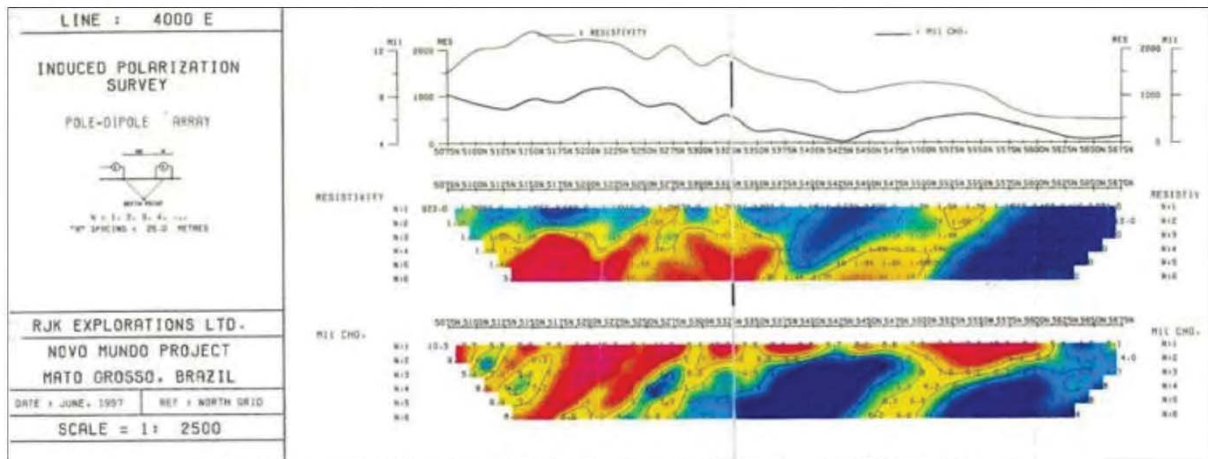


Figure 5-7: IP cross section with interpretation line 4,000 at target Luisão/Claudio showing a significant anomaly- (RJK – 1997)

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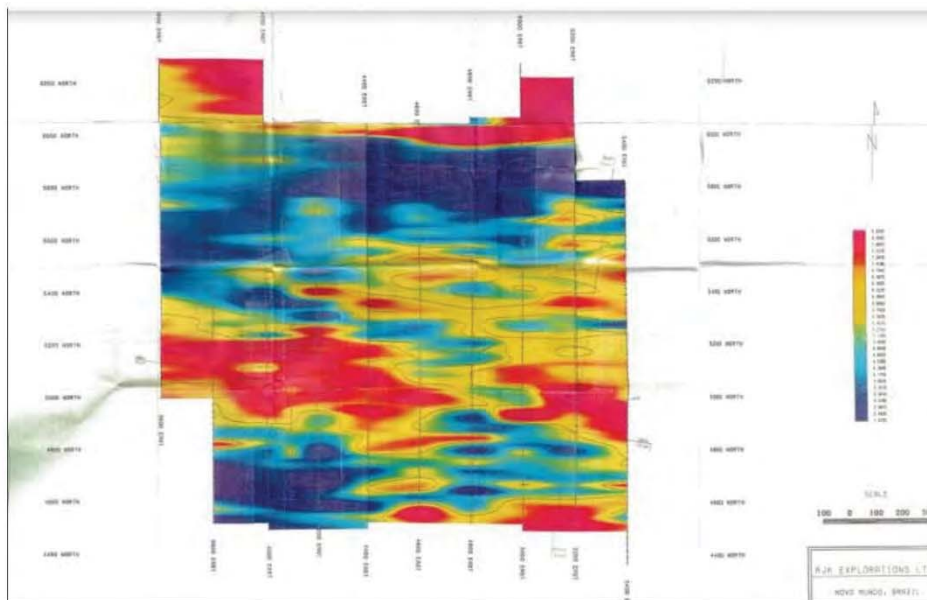


Figure 5-8: Chargeability Map level N-4 showing a strong anomaly of chargeability related to sulphide (RJK- 1997)

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5.2.2. RTZ Geophysics

In 2000, RTZ performed a gridded mag-gamma survey with 200m line spacing and magnetometry readings every 10m and gamma-spectrometry readings every 20m. According to the information contained in the recovered documents, the geophysical surveys showed only the contrasts between granites and rocks of basic composition, without any relation to the mineralization of the area: Figure 5-9 and Figure 5-10.

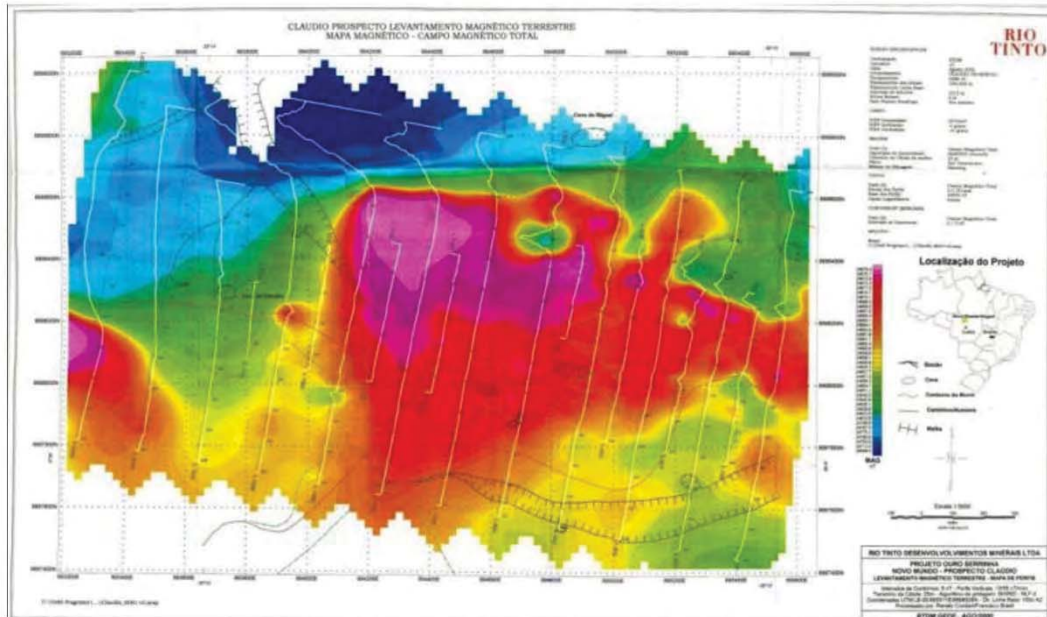


Figure 5-9: Ground Geophysics – MAG Target Luisão/Claudio indicating a Magnetic anomaly

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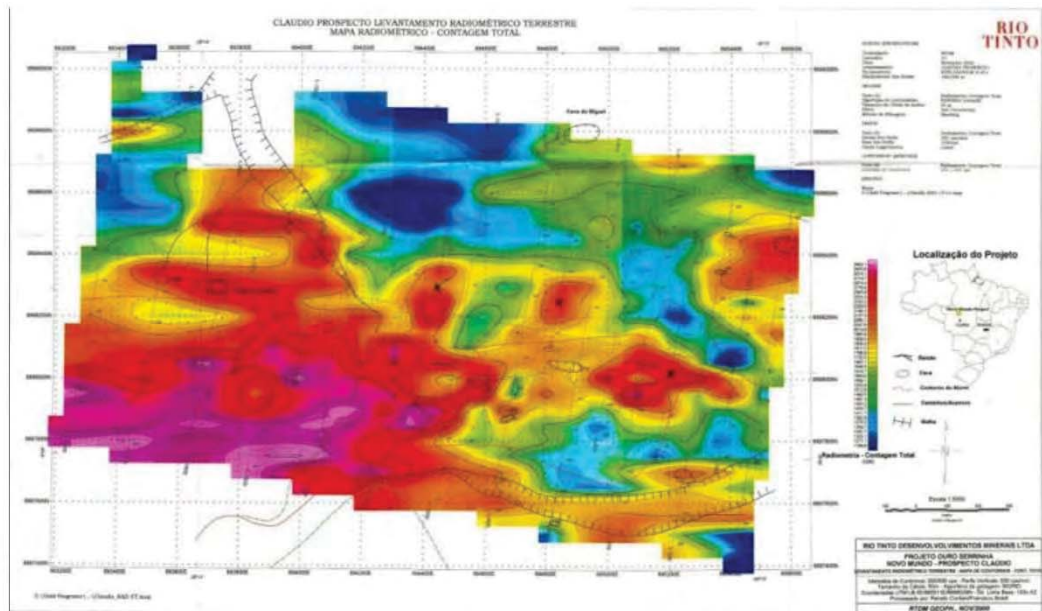


Figure 5-10: Ground geophysics of Total Count Radiometric Map (RTZ)- Target Luisão/Claudio indicating a K anomaly

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5.2.3. GMS Geophysics

In 1991, CPRM developed the Teles Pires Phase 1 Project, consisting of a regional aerogeophysical survey that fully covered 36,300 km² of the AFGP, with lines every 2 km. GMS acquired the raw data and hired a specialized company for reinterpretation.

In 2012, GMS hired companies Lasa Prospecções SA and the Fugro Airborne Surveys, for conducting airborne geophysical surveys and data interpretation respectively. This work consisted of a gradiometric-magnetometry survey and high-resolution gamma-spectrometry.

The potassium variation indicates a strong K anomaly in the region of the altered Novo Mundo granite (Figure 5-11).

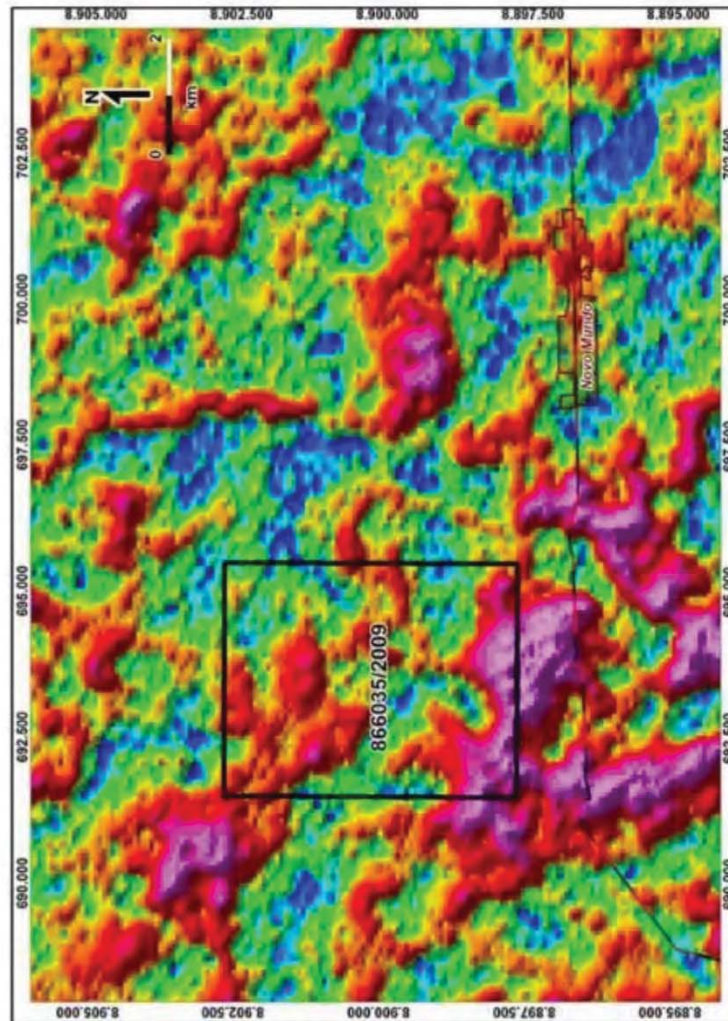


Figure 5-11: Potassium concentration indicating a strong K anomaly in the southern part of the 866.305/2009 tenement

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5.2.4. Nexa Geophysics

Nexa developed a ground magnetic survey of around 2,500 hectares involving the main potential area and 3 sections of 8.6-line km of deep IP and Audiomagnetotellurics (Figure 5-14).

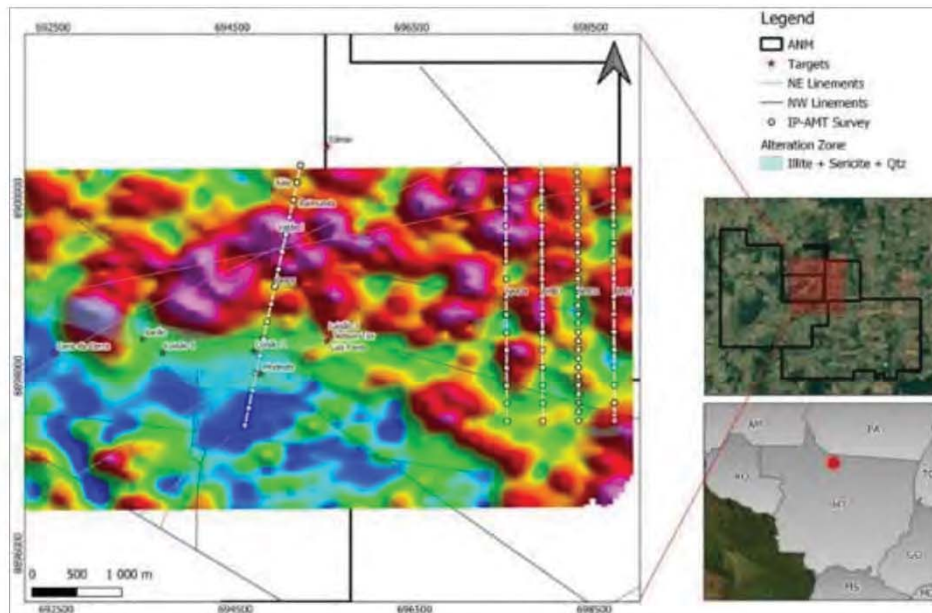


Figure 5-14: Central area with Analytical Signal Mag data from Nexa ground services and showing the main deep IP-AMT (Audiomagnetotellurics) planned lines

The interpretation of the ground magnetic data shows a strong NW-SE contact zone between the northern units of strong magnetism and less magnetic part of the Novo Mundo pluton in the south. In addition, it was noted that these strong EW structures intersect more subtle NE structures. Mapping shows the more phyllic alteration zone, potentially a vector for gold mineralisation, is positioned mostly at the southern border of the magnetic high.

It is observed that the high potassic anomaly (Figure 5-11) coincides with the southern part of the main target area, as such this area appears to be a geophysical expression of a strongly altered granite stock.

Nexa performed a 3km long deep IP and AMT line NM5, NM3 and NM2, with the support of the Wellfield – Geomag. The lines had an NNE-SSW direction designed to cut the known WNW-ESE mineralized structures from south to north: Modesto, Luisão, Valdeci and Raimunda (Figure 5-14).



Figure 5-15: location of the executed IP- AMT profiles NM5, NM3 and NM2

The interpretation of the NM5 line indicates a major deep SSW dipping low resistivity structure mainly between stations 1000 and 1500 m NE (Figure 5-16 and Figure 5-17).

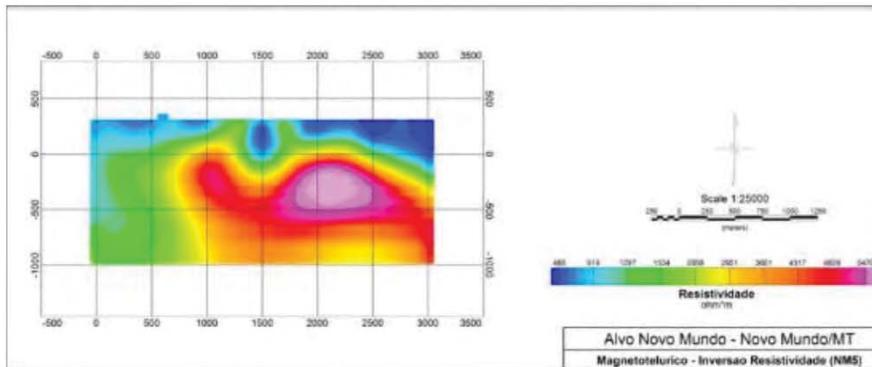


Figure 5-16: Inversion of resistivity - IP Pseudo section line NM5

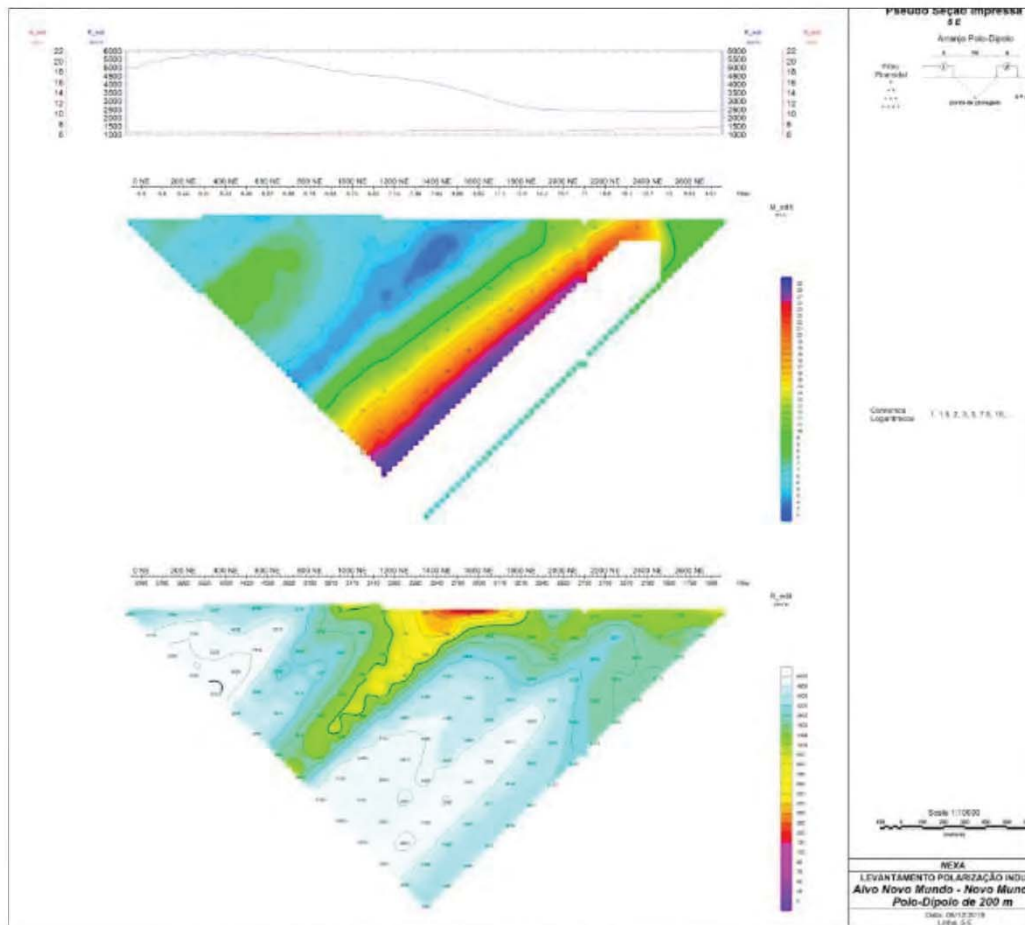


Figure 5-17: IP Pseudo section resistivity line NM5

5.3. Geochemistry

5.3.1. RTZ Geochemistry

RTZ performed a rock sampling survey with around 100 samples collected that were analysed for Au, As, Cu, Pb, Zn and Mo. The results can be seen in Figure 5-18 with some high gold grades related to the strongly hydrothermally altered granite. This granite had abundant greenish sericite and high content of disseminated pyrite. A geochemical correlation between Au-Cu-Mo was observed in the data with.

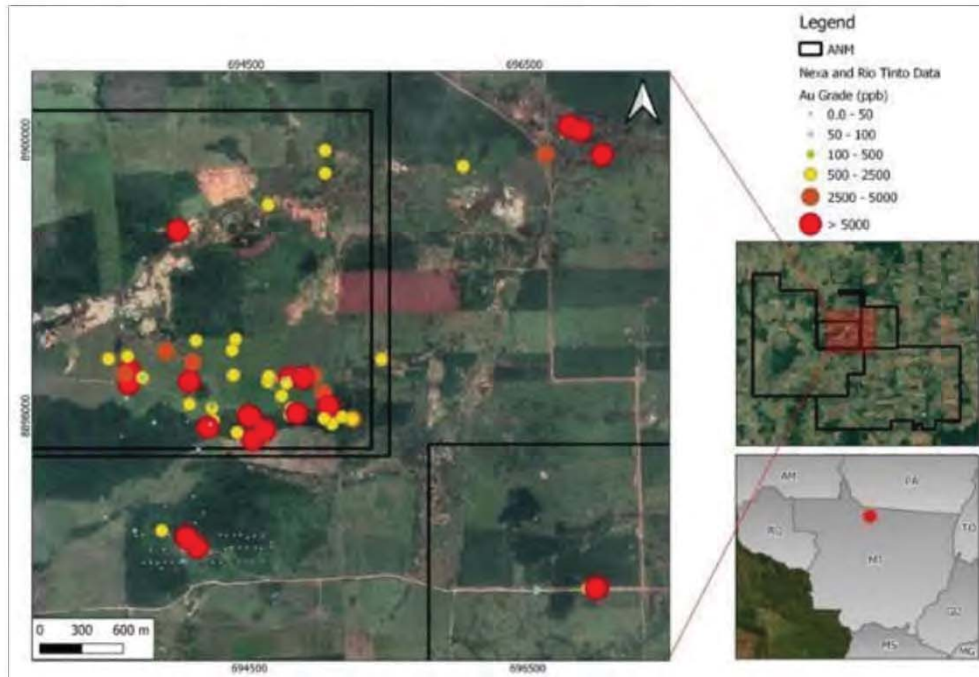


Figure 5-18: Rock sampling programme from RTZ and Nexa

RTZ also carried out a soil geochemistry grid over the southern portion of the permit area with a sample spacing of 200x50m. The widely spaced sampling identified several anomalous zones and. More detailed follow up survey was completed. This survey reduced the spacing between lines to 100m. In total 404 samples were collected and analysed for gold by fire assay, plus As, Cu, Pb, Zn and Mo by ICP. These analyses were performed by the Laboratory Bondar Clegg, in Luziânia, Goiás State.

The anomalous zones indicated a more EW trend for the Luisão/Claudio target and a more NW-SE trend for the Modesto target.

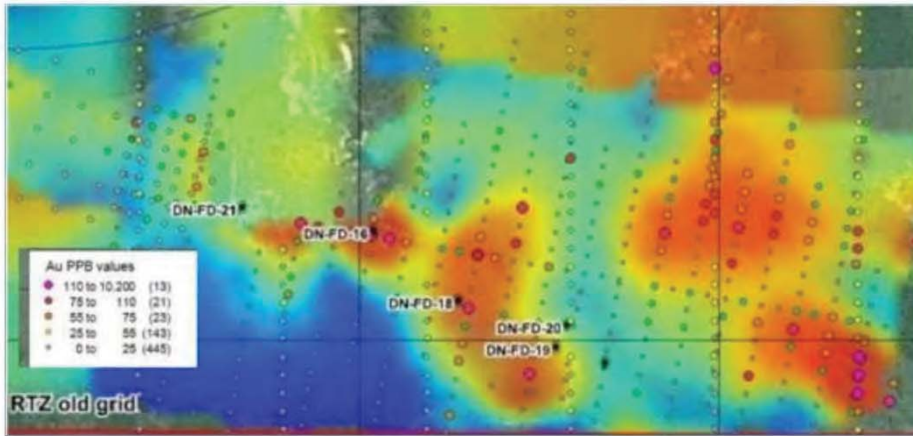


Figure 5-19: Soil geochemistry and anomalous zone of RTZ grid

5.3.2. GMS Geochemistry

During field reconnaissance carried out by GMS, 35 chip rock samples were collected along with 65 channel samples on outcrops, boulders and on the walls of mining pits. These were analysed for gold by Acme.



Figure 5-20: Location of the rock chip and channel samples

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GMS recovered the raw data from RTZ's soil survey and after georeferencing, reinterpreted it. The soil grid carried out by GMS covered approximately 1,600 ha, about 80% of the exploration right number 866.035/2009. Two chemical analysis methodologies were adopted, one for gold and 52 elements by aqua regia digest and ICP analysis and the other, only for Au by fire assay atomic absorption.



Figure 5-21: - GMS geochemistry soil grid

The integration and interpretation of the analytical results of the samples collected by RTZ and GMS allowed the identification of several gold anomalies within the area, which can be viewed in Figure 5-22.

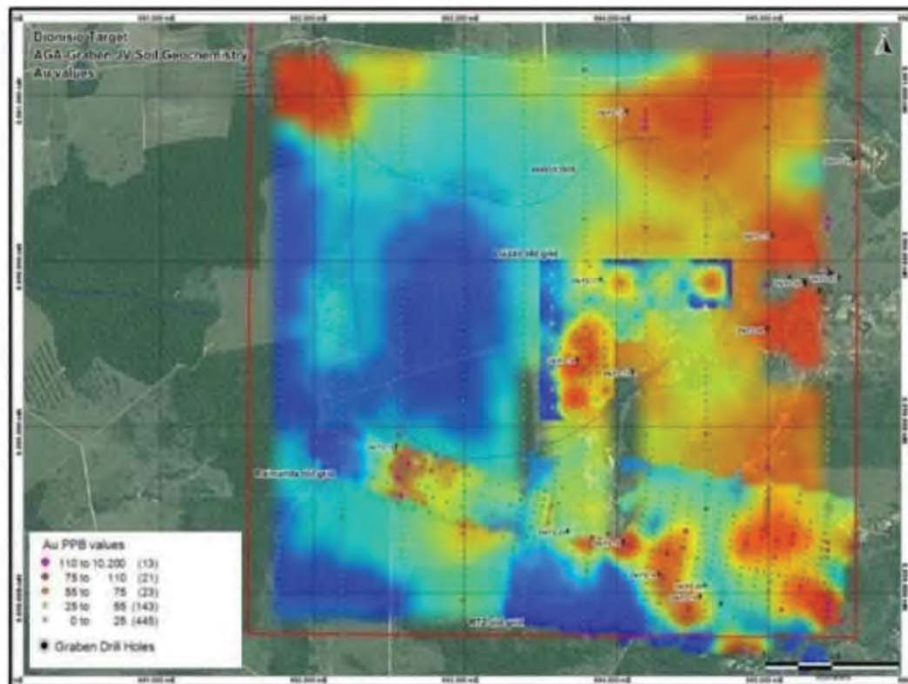


Figure 5-22: Map of soil anomalies from GMS survey / RTZ survey

The results for gold returned a combination of oriented anomalies coinciding with the hydrothermal zones. Anomalies were generated from by gridding the geochemical values. In the southern portion of the area, several anomalies for Au aligned to the Luisão trend, where the main mapped historical workings are concentrated. Throughout this structure, which has more than 3.5km of strike, several samples had Au contents greater than 100 ppb and with a maximum of 959 ppb were obtained.

Another four very promising anomalous were found in the northern part of the grid, related probably to the vein zones. Due the larger grid of the survey it is not possible to define a consistent trend, although the veins here have the same N70-W direction.

Locally Au levels higher than 100 ppb were obtained, with two exceptionally high values greater than 2 g/t. One in the Raimunda/Valdeci region and the other in an area without informal workings, called Anomalia da Cerca. Virtually all the defined anomalies are open to the East and West.

5.3.3. Nexa Geochemistry

Nexa developed a regional soil geochemistry campaign with N-S lines of around each 500m with samples collected at intervals of 50. The survey showed some significant anomalies (Figure 5-23). The interpretation of the geochemical data, with anomalies around the main central area indicates a possible major structure as the source of the gold mineralization, probably associated with the main tectonic lineaments observed in the geophysical data.

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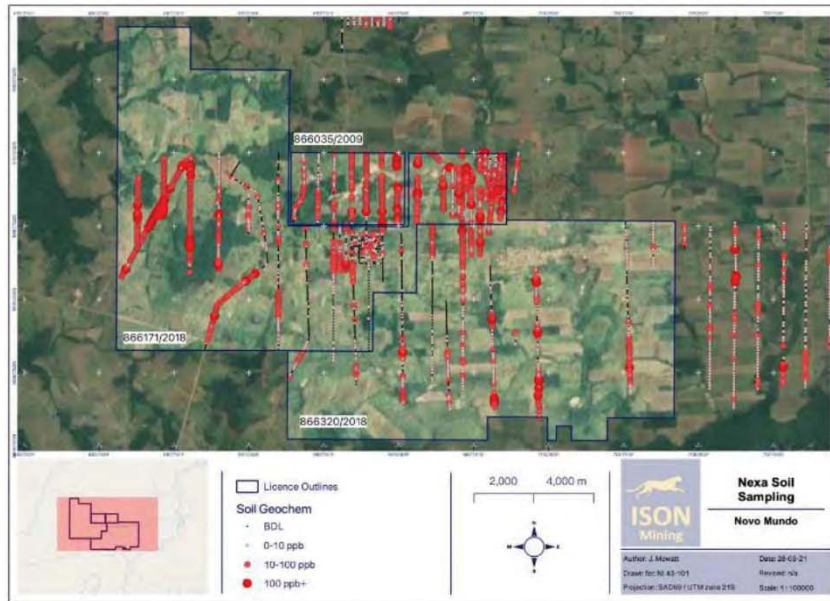


Figure 5-23: Regional soil geochemistry executed by Nexa

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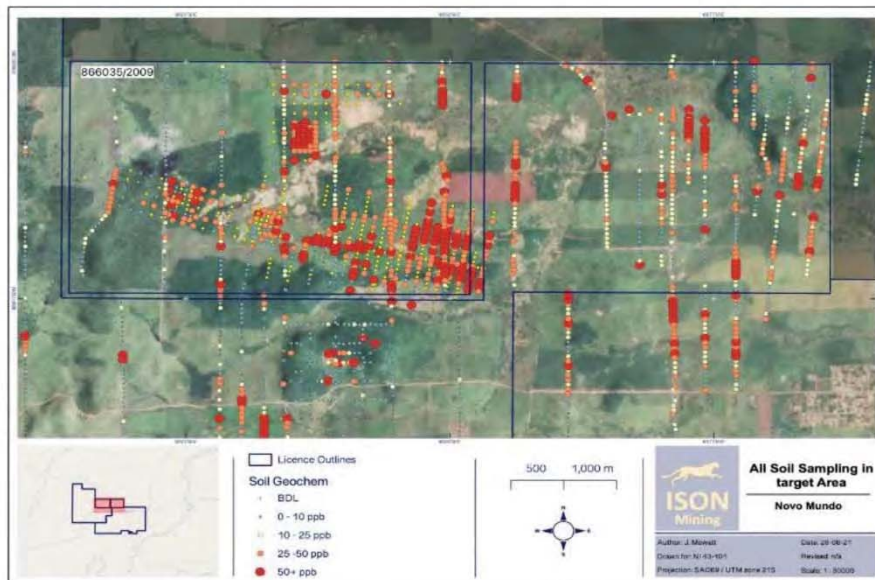


Figure 5-24: Detail of the central part of the Novo Mundo Project with soil geochemistry (RTZ-GMS-NEXA) showing the strong NW – SE trends as well as some NE-SW and EW trends.

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5.4. Historical Drilling

The following section details the historic drilling RJK, RTZ and GMS executed over the past two decades. According to the data room provided to Resouro by Nexa, a total of 43 diamond drill holes for 5501.56m have been completed on the property. A shallow air core campaign of 100 holes totalling 2349.6m were also completed. The following two tables include a summary of the drilling completed on the property and the respective collar information for the all the drilling done.

Company	Diamond Drilling (metres)	Number of Holes
RJK	717.86 m	7 holes
RTZ	1086.35 m	10 holes
GMS	3698.35 m	26 holes
Total	5501.56	43 holes
Company	Air Core Drilling (metres)	Number of Holes
GSM	2349.60 m	100

Table 5.4 Summary of the drilling by company

Company	Hole ID	Target	Hole Type	x	y	z	depth	azimuth	dip
RJK	RJK-01	Luisão	DD	693740	8898244	322	90.39	0	-45
RJK	RJK-02	Luisao	DD	693740	8898194	325	162	0	-45
RJK	RJK-03	Luisao	DD	693705	8898216	324	90	0	-45
RJK	RJK-05	Valdeci	DD	695240	8899952	305	130.62	180	-60
RJK	RJK-09	Luisao	DD	693770	8898319	320	91	160	-60
RJK	RJK-10	Luisao	DD	693710	8898344	318	67	180	-60
RJK	RJK-11	Edmar	DD	695540	8900694	304	86.85	180	-50
RTZ	FNVO01	Luisao	DD	695110	8898059	314.83	139.65	190	-55
RTZ	FNVO02	Luisao	DD	695094	8897966	315.63	90.1	10	-45
RTZ	FNVO03	Luisao	DD	695157	8898008	315.49	88.5	10	-60
RTZ	FNVO04	Luisao	DD	695404	8897997	301	130.5	190	-60
RTZ	FNVO05	Luisao	DD	695307	8898026	302.41	115.5	190	-60
RTZ	FNVO06	Luisao	DD	695162	8898055	309.2	56.55	190	-60
RTZ	FNVO07	Luisao	DD	695209	8898047	305.01	76.6	190	-55
RTZ	FNVO08	Luisao	DD	694839	8898249	318.81	150	10	-60
RTZ	FNVO09	Luisao	DD	694028	8898255	319.07	123.2	10	-60
RTZ	FNVO10	Luisao	DD	694321	8898188	317.9	115.75	10	-50
GMS	DN-FD-01	Edmar	DD	695558	8900607	310	178.6	40	-60
GMS	DN-FD-02	Raimunda	DD	695231	8899872	295	139.15	40	-60
GMS	DN-FD-03	Raimunda	DD	695238	8899861	300	109.75	220	-60
GMS	DN-FD-04	Raimunda	DD	695138	8899899	299	152.25	35	-60
GMS	DN-FD-05	Raimunda	DD	695334	8899821	294	160.6	40	-60
GMS	DN-FD-06	Raimunda	DD	695406	8899925	293	154.3	15	-60
GMS	DN-FD-07	Raimunda	DD	695462	8899898	292	156.65	35	-60
GMS	DN-FD-08	Edmar	DD	695451	8900606	310	157.95	15	-60
GMS	DN-FD-13	Edmar	DD	694984	8899588	316	116.15	10	-60
GMS	DN-FD-09	Valdeci	DD	694869	8899590	295	151.4	350	-60
GMS	DN-FD-10	Valdeci	DD	695025	8900155	311	128.6	360	-60
GMS	DN-FD-11	Júlio	DD	694102	8899326	304	149.3	205	-60
GMS	DN-FD-12	Valdeci	DD	694064	8900903	302	186.7	10	-50
GMS	DN-FD-14	Valdeci	DD	693738	8899403	321	147.3	15	-52
GMS	DN-FD-15	Luisao	DD	692549	8898881	313	96.8	185	-59
GMS	DN-FD-16	Luisao	DD	694042	8898299	320	103.5	180	-60
GMS	DN-FD-17	Júlio	DD	693894	8899886	325	128.85	180	-60
GMS	DN-FD-18	Luisao	DD	694277	8898107	326	137.1	170	-60
GMS	DN-FD-19	Luisao	DD	694547	8897978	349	115.35	150	-60
GMS	DN-FD-20	Luisao	DD	694577	8898038	340	151.1	190	-60
GMS	DN-FD-21	Luisao	DD	693675	8898366	322	168.95	190	-60
GMS	DN-FD-22	Luisao	DD	694685	8897934	323	139.35	190	-62
GMS	DN-DD-001	Luisao	DD	694038	8898336	322	154.04	180	-60
GMS	DN-DD-002	Luisao	DD	693752	8898364	315	113.15	180	-60
GMS	DN-DD-003	Luisao	DD	693894	8898336	318	140.82	180	-60
GMS	DN-DD-004	Luisao	DD	693752	8898241	315	160.64	0	-60
GMS	DN-AC-001		AC	695078	8900704	310	35	0	-90
GMS	DN-AC-002		AC	695080	8900604	316	34	0	-90
GMS	DN-AC-003		AC	695089	8900508	318	30	0	-90

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Company	Hole ID	Target	Hole Type	x	y	z	depth	azimuth	dip
GMS	DN-AC-004		AC	695094	8900404	311	19	0	-90
GMS	DN-AC-005		AC	695100	8900307	306	19	0	-90
GMS	DN-AC-006		AC	695103	8900221	307	16	0	-90
GMS	DN-AC-007		AC	695107	8900114	303	22	0	-90
GMS	DN-AC-008		AC	695103	8900009	297	19	0	-90
GMS	DN-AC-009		AC	695109	8899914	297	23	0	-90
GMS	DN-AC-010		AC	694602	8901068	314	19	0	-90
GMS	DN-AC-011		AC	694592	8900962	320	23	0	-90
GMS	DN-AC-012		AC	694602	8900862	322	21	0	-90
GMS	DN-AC-013		AC	694597	8900781	321	27	0	-90
GMS	DN-AC-014		AC	694599	8900659	320	26	0	-90
GMS	DN-AC-015		AC	694605	8900560	317	30	0	-90
GMS	DN-AC-016		AC	694099	8901100	331	14	0	-90
GMS	DN-AC-017		AC	694097	8901007	321	18	0	-90
GMS	DN-AC-018		AC	694097	8900928	313	16	0	-90
GMS	DN-AC-019		AC	694150	8900755	308	20	0	-90
GMS	DN-AC-020		AC	694095	8900684	310	35	0	-90
GMS	DN-AC-021		AC	694098	8900607	324	34	0	-90
GMS	DN-AC-022		AC	694099	8900506	324	19	0	-90
GMS	DN-AC-023		AC	694099	8900410	338	34	0	-90
GMS	DN-AC-024		AC	694911	8898829	311	35	0	-90
GMS	DN-AC-025		AC	694913	8898911	316	39	0	-90
GMS	DN-AC-026		AC	694914	8898712	325	24	0	-90
GMS	DN-AC-027		AC	692545	8898979	247	26	0	-90
GMS	DN-AC-028		AC	692555	8898891	332	25	0	-90
GMS	DN-AC-029		AC	692547	8898795	335	7	0	-90
GMS	DN-AC-030		AC	692547	8898695	322	4	0	-90
GMS	DN-AC-031		AC	692546	8898597	314	5	0	-90
GMS	DN-AC-032		AC	692542	8898496	314	17	0	-90
GMS	DN-AC-033		AC	693501	8898290	320	14	0	-90
GMS	DN-AC-034		AC	693608	8898277	330	23	0	-90
GMS	DN-AC-035		AC	693703	8898254	332	21	0	-90
GMS	DN-AC-036		AC	693793	8898237	326	24	0	-90
GMS	DN-AC-037		AC	695027	8901085	314	56	0	-90
GMS	DN-AC-038		AC	695036	8900989	325	57	0	-90
GMS	DN-AC-039		AC	695059	8900883	330	35	0	-90
GMS	DN-AC-040		AC	695039	8900791	323	49	0	-90
GMS	DN-AC-041		AC	694832	8900797	324	44	0	-90
GMS	DN-AC-042		AC	694831	8900885	318	25	0	-90
GMS	DN-AC-043		AC	694862	8900702	317	59	0	-90
GMS	DN-AC-044		AC	694870	8900603	313	41	0	-90
GMS	DN-AC-045		AC	694857	8900513	312	41	0	-90
GMS	DN-AC-046		AC	695098	8901204	318	61	0	-90
GMS	DN-AC-047		AC	695099	8901300	317	35	0	-90
GMS	DN-AC-048		AC	693318	8898665	308	20	0	-90
GMS	DN-AC-049		AC	693417	8898659	308	22	0	-90

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Company	Hole ID	Target	Hole Type	x	y	z	depth	azimuth	dip
GMS	DN-AC-050		AC	693574	8898827	303	21	0	-90
GMS	DN-AC-051		AC	693644	8898839	300	18.6	0	-90
GMS	DN-AC-052		AC	693645	8898737	302	25	0	-90
GMS	DN-AC-053		AC	693626	8898641	307	20	0	-90
GMS	DN-AC-054		AC	693581	8898598	311	26	0	-90
GMS	DN-AC-055		AC	693797	8898105	323	13	0	-90
GMS	DN-AC-056		AC	693771	8898496	309	28	0	-90
GMS	DN-AC-057		AC	693780	8898409	313	21	0	-90
GMS	DN-AC-058		AC	693831	8898352	316	20	0	-90
GMS	DN-AC-059		AC	693846	8898282	320	7	0	-90
GMS	DN-AC-060		AC	693886	8898250	323	28	0	-90
GMS	DN-AC-061		AC	693986	8898193	323	4	0	-90
GMS	DN-AC-062		AC	694031	8898255	329	26	0	-90
GMS	DN-AC-063		AC	693988	8898440	322	12	0	-90
GMS	DN-AC-064		AC	693507	8898604	311	29	0	-90
GMS	DN-AC-065		AC	693467	8898491	313	20	0	-90
GMS	DN-AC-066		AC	693471	8898465	316	26	0	-90
GMS	DN-AC-067		AC	693469	8898523	316	20	0	-90
GMS	DN-AC-068		AC	694692	8898361	339	27	0	-90
GMS	DN-AC-069		AC	694688	8898288	342	27	0	-90
GMS	DN-AC-070		AC	694730	8898315	312	5	0	-90
GMS	DN-AC-071		AC	694805	8898126	328	20	0	-90
GMS	DN-AC-072		AC	694921	8898112	328	15	0	-90
GMS	DN-AC-073		AC	694998	8898113	328	15	0	-90
GMS	DN-AC-074		AC	694920	8898208	331	19	0	-90
GMS	DN-AC-075		AC	695144	8898114	328	15	0	-90
GMS	DN-AC-076		AC	695144	8898175	328	19	0	-90
GMS	DN-AC-077		AC	695128	8898240	331	19	0	-90
GMS	DN-AC-078		AC	695140	8898290	327	19	0	-90
GMS	DN-AC-079		AC	695140	8898337	325	23	0	-90
GMS	DN-AC-080		AC	694926	8898597	323	29	0	-90
GMS	DN-AC-081		AC	694916	8898511	316	24	0	-90
GMS	DN-AC-082		AC	694915	8898420	320	34	0	-90
GMS	DN-AC-083		AC	694272	8898584	314	20	0	-90
GMS	DN-AC-084		AC	694175	8898587	309	18	0	-90
GMS	DN-AC-085		AC	694095	8898587	312	23	0	-90
GMS	DN-AC-086		AC	693900	8898470	321	35	0	-90
GMS	DN-AC-087		AC	694395	8897796	318	23	0	-90
GMS	DN-AC-088		AC	694395	8898237	329	12	0	-90
GMS	DN-AC-089		AC	694400	8898109	335	4	0	-90
GMS	DN-AC-090		AC	694398	8898422	328	4	0	-90
GMS	DN-AC-091		AC	694249	8898352	310	17	0	-90
GMS	DN-AC-092		AC	694169	8898370	305	11	0	-90
GMS	DN-AC-093		AC	694158	8898477	308	10	0	-90
GMS	DN-AC-094		AC	694702	8898452	326	9	0	-90
GMS	DN-AC-095		AC	695146	8898590	323	25	0	-90

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Company	Hole ID	Target	Hole Type	x	y	z	depth	azimuth	dip
GMS	DN-AC-096		AC	695116	8898460	322	24	0	-90
GMS	DN-AC-097		AC	693989	8898742	311	33	0	-90
GMS	DN-AC-098		AC	693910	8898774	306	13	0	-90
GMS	DN-AC-099		AC	694404	8898323	329	11	0	-90
GMS	DN-AC-100		AC	694639	8898086	343	21	0	-90

Table 5.4.1: Collar information for all drilling completed to date at the Novo Mundo Project

5.4.1. Historical Diamond Drilling

The first company to develop a diamond drilling campaign was RJK, aiming to test the results of the IP geophysical surveys completed pre-2000. The drilling was designed to investigate several weak to high resistivity and chargeability zones that correlated with outcropping sulphides. The campaign totalled 717.86m from 7 holes, however, no drill core of the RJK campaign was available for the Author to review.

The second campaign led by RTZ had the objective to investigate the potential down dip continuity of the disseminated gold sulphide zone of Luisão/Claudio areas (including Modesto) that had been previously worked by the informal miners. This campaign consisted of 1,086.35m across 10 holes. Six drill holes (FNV-01 to FNV-06) focused on the Modesto part of the trend whilst the remaining four holes aimed to extend the strike of the system delineated by RJK at the Luisão area (FNV-07 to FNV-10). The drill core of RTZ campaign is available in the core shed.

Between 2011 and 2013, GSM undertook the most recent diamond drilling campaign for a total of 3,698.35 m from 26 holes.

All holes were started in HQ diameter and reduced to NQ after entering the fresh rock. Sampling was carried out using ½ of the core and a total of 2,010 samples were collected. All samples were all analysed for Au by fire assay.

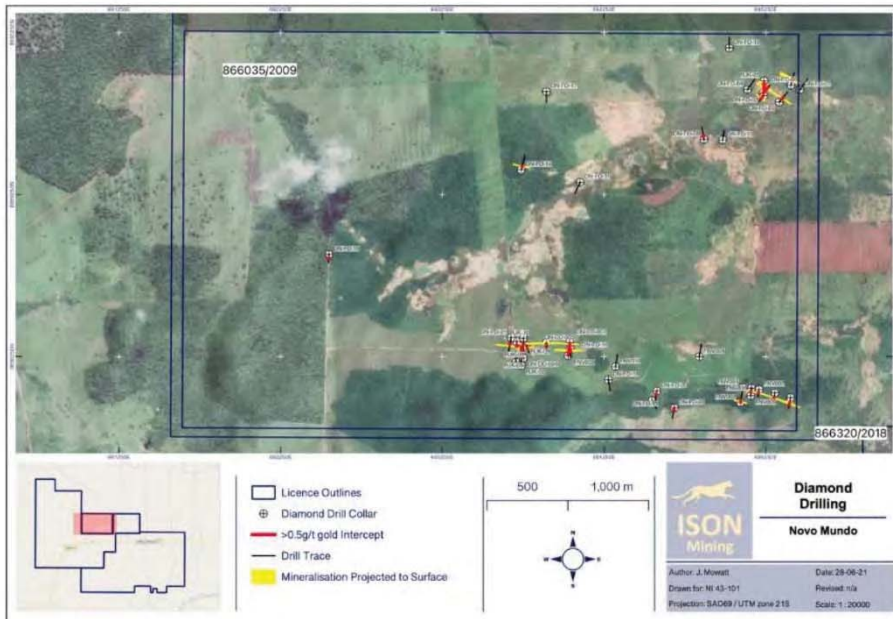


Figure 5-25: Map showing the diamond drilling done to date.

The photo in Figure 5-26 is from the drilling operation of hole FD-DN 06 and an example of how the holes were identified in the field after completion (Hole FD-DN 02).



Figure 5-26: Diamond drilling operation by GMS – hole FD-DN 06 – area Raimunda

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Figure 5-27: Example of a preserved drill collar from the GMS campaign

Most of the drill collars from the previous drill campaigns have been destroyed, however the Author was able to locate a preserved example on the site visit and confirm the recorded collar location was correct. Figure 5-27 shows a preserved drill collar.



Figure 5-28: Core shed from NEXA with Novo Mundo core boxes at Guaranta do Norte office

The procedures performed by GMS following the receipt of the core boxes from the drill rig were as follows:

- A) the boxes were placed on a core bench and information provided on the identification plates were checked;
- B) the drill core was orientated, and a longitudinal marking was made with coloured pens or white chalk;
- C) drill core description: consisted of the description of each lithological interval, including the depth, colour, degree of weathering, texture, hydrothermal alteration, sulphide and fracture

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degree of the rock (**RQD**). This information was transferred to a digital log. In this step, samples were also marked and identified for intervals of interest;

- D) core was digitally photographed with a consistent orientation; and
- E) sampling: the boxes containing demarcated samples were cut longitudinally with a diamond core cutting saw to obtain two equal parts. Then, the box returns to the bench where the left side of the core was removed to compose the sample. This portion is packed in a plastic bag with the identification and sent to the laboratory. The other half of the testimony is filed in the box in its original position.

In the Author's opinion, GMS's sampling method and approach were consistent with current industry best practices. There is a low risk factor associated with GMS's sampling.

5.4.2. Raimunda Trend Vein Structures

North of the Luisão trend, there are several discovered mineralised structures that were intersected in the drilling. These are named Valdecy, Julio, Raimunda and Edmar and are narrow epithermal veins ranging from 1 to 5m in width striking NW-SE and dipping sub-vertically. The known extents of these veins are between 100 and 200m and in some cases the oxidised upper most surface has been partially exploited by informal miners.



Figure 5-29: The known veins structures of Raimundo, Edmar, Valdecy and Julio

Campaign	Hole ID	Mineralized Interval				including			
		From (m)	To (m)	Grade (g/t)	Extension (m)	Grade (g/t)	Extension (m)	From (m)	To (m)
RJK	RJK-05	33.04	34.57	2.56	1.53	5.08	2.29	58.89	61.18
		58.89	63.78	6.18	4.89	40.01	0.46	63.32	63.78
		82.44	85.5	1.4	3.06				
	RJK-11	58.51	58.93	4.68	0.42				
		67.77	68.75	2.98	0.98				
GMS	DN-FD-001	71.92	74	2.07	2.08				
	DN-FD-002	18	20.68	3.68	2.68	6.42	1.46	19.22	20.68
		33	34	2.56	1				
		77.4	80	2.69	2.6				
		90	92	0.81	2				
		98	99	1.4	1				
	DN-FD-003	28	34	0.34	6				
		45	46	7.18	1				
	DN-FD-005	59.8	61.85	10.48	2.05	23.9	0.85	61	61.85
	DN-FD-006	60	72	1.03	12	4.46	1	64	65
		84	90.9	5.88	6.9	42.6	0.9	90	90.9
	DN-FD-009	43	44	1.29	1				
	DN-FD-013	23.55	28	1.28	4.45				
DN-FD-014	34.62	35.58	6.65	0.96					

Table 5.4.2: Positive drill holes intersections at the several vein structures along the Raimunda trend

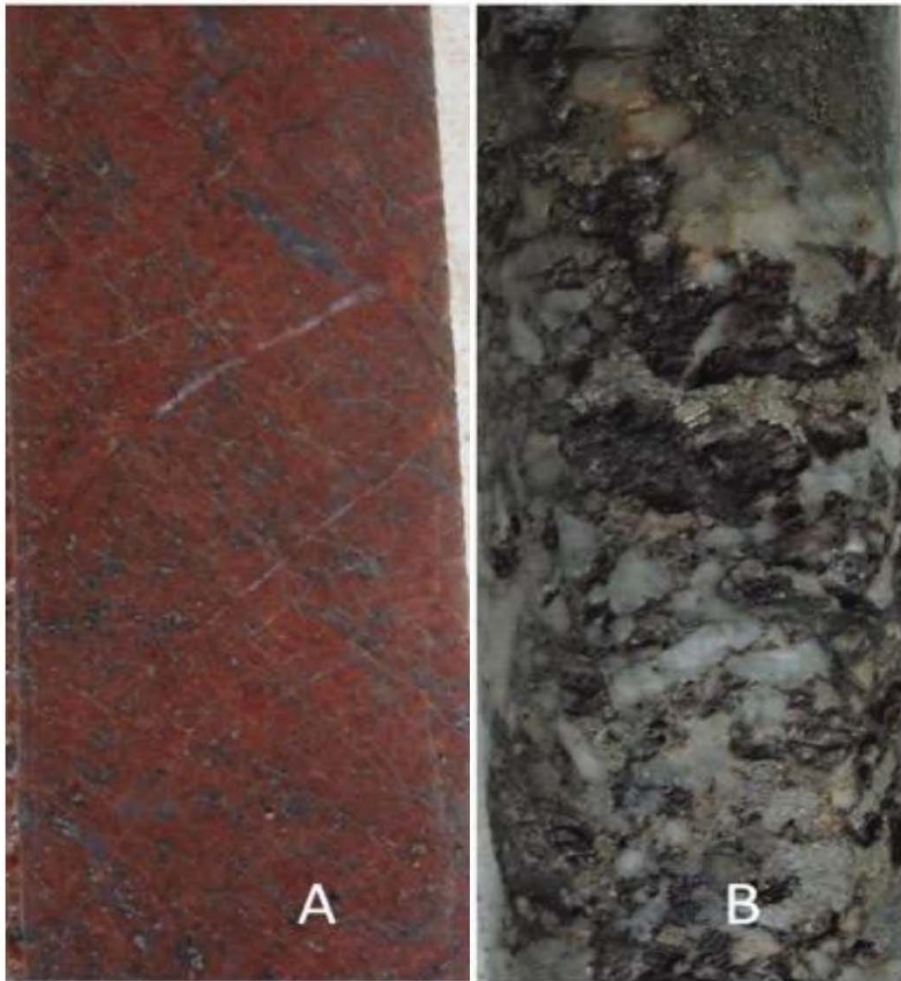


Figure 5-30: Photography of the ore zone at Raimunda vein structure from hole DN-FD-02 with (A) the typical reddish syeno-granite with some orientation and a late-stage fine sericite veining and (B) a vein with a primary comb structure (sub-euhedral crystals)

The typical vein morphology of the Raimunda trend is shown in the cross sections in Figure 5-31. The grade intersections and geological observations indicate the veins are part of a typical epithermal vein array. A strong phyllic alteration overprint is also observed, and a possible interpretation is that these veins are associated with a larger hydrothermal system that also has a structural control. Also, in the Raimunda region is the Valdeci vein set. Here some of the informal open pits show a very significant size, however of the 4 drill holes executed to test this part of the trend, only hole FD-DN-14, confirmed economic mineralization. All the detected mineralized structures remain open both laterally and at depth however in the Author's opinion, more understanding and complementary work is necessary to explore the real potential of the area.

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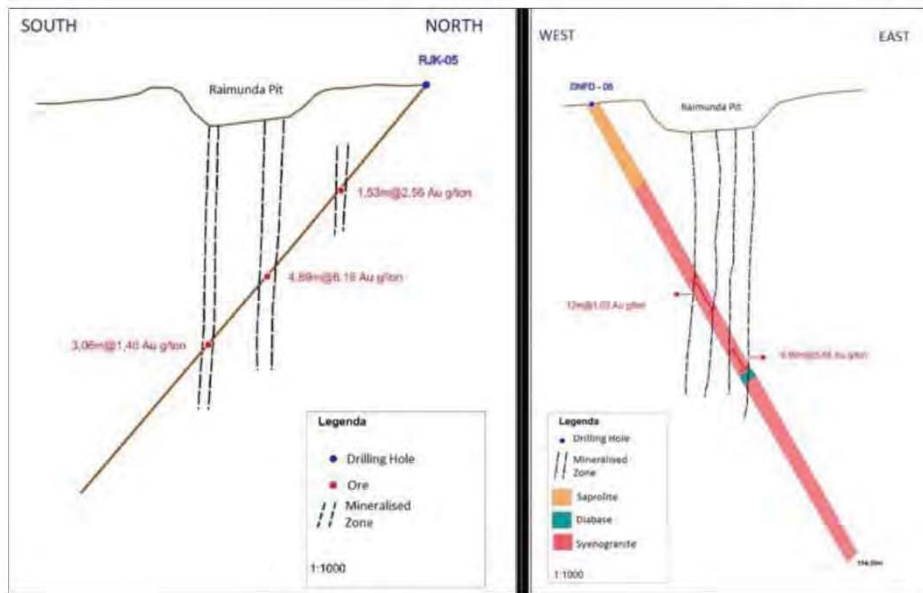


Figure 5-31: Typical section of Raimundo vein target

5.5. Historical Air Core Drilling

In 2015, a 100-hole air core programme was initiated by GMS as part of a more regional exploration effort within the license area. The programme used a Sandvik KL150 (2004) truck mounted RAB rig capable of drilling RC holes to 100m and AC holes to 150m. Powered by a cummings LTA10C325 – 325HP engine using 3m rod lengths. A support truck hosted the air compressor capable of 600CFM at 250PSI. The torque of the KL150 is 2000Nm at 170rpm and 4660Nm at 85rpm.

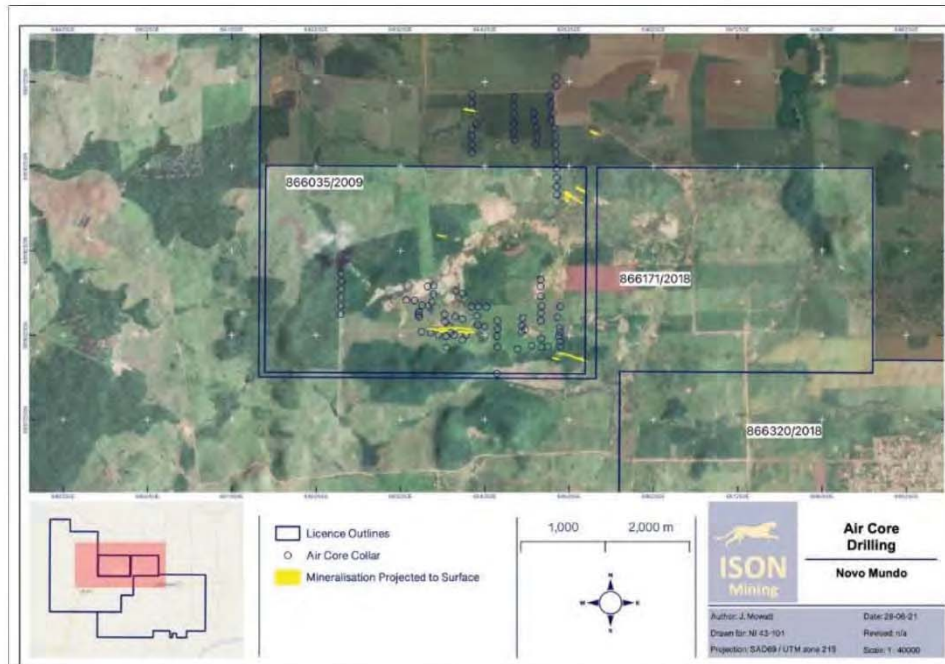


Figure 5-32: Map showing the air-core drilling locations

The holes were drilled until fresh rock was intersected with holes varying from 4m to 61m at an average of 23.50m. Issues were encountered such as a high-water table and difficulties in mobilising the rigs. Despite the issues, a total of 2349.6m were achieved. Sampling consisted of drill cuttings from each 3m rod length being directed into a cyclone and approximately 20kg of sample was collected in plastic bags. A sub-sample was passed through a riffle splitter and two 1.5kg samples were taken. One was sent for analysis whilst the other was archived. In addition to the 3m composites, a 1m sample was collected, washed, and then stored in a chip tray.



Figure 5-33: Left – the Sanvik KL150 AC drilling rock, Right – Cyclone used to collect the sample

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Figure 5-34: Left – the riffle splitter used to collect sub sample, Right – the 1m chip trays used for archiving

The results of the air core drilling campaign are presented in the table below. Out of the 100 holes drilled, only 10 returned positive results. The drilling appears to have been poorly executed because the holes were oriented vertically and had a drill spacing of 50 – 100m, more than an order of magnitude greater than the typical width of the known veins.

Hole ID	Intervals			
	From (m)	To (m)	Grade (g/t)	Length (m)
DN_AC_012	0	3	0.46	3
DN_AC_013	0	3	0.65	3
DN_AC_027	3	6	0.2	3
DN_AC_034	6	9	0.35	3
DN_AC_043	18	21	0.14	3
DN_AC_065	0	6	0.11	6
DN_AC_070	3	6	0.36	3
DN_AC_077	6	9	0.23	3
DN_AC_081	12	18	0.71	6
DN_AC_085	21	24	0.29	3

Table 5.5: Positive drill holes intersections along the Raimunda trend

5.5.1. Historical Drilling results targeting the Luisão/Claudio Trend

The Luisão/Claudio target is related to a 2-3 km long E-W trend that appears open to the west based on the Author's interpretation of soil geochemistry and IP anomalies. The trend is coincident with two small open pits developed by informal miners during recent years, where the disseminated gold mineralization is associated with strong sericite-muscovite and pyrite dissemination with rare quartz veining.

Along the Luisão -Modesto trend the exploratory drilling intercepted mineralization in 17 diamond drill holes (Figure 5-35 and Figure 5-36). The positive intersections range from 1m to 26 m wide mineralized zones and an average grade of 2.5 g Au/t.

The diamond drilling completed has been exploratory in nature with wide drill spacings of approximately 250m. Only the subarea called Modesto in the SE end of this target, were the drill spacings closer. In this area, RTZ had a grid 50x50m of diamond drilling with six holes - the veins in this area appear subvertical with a more NW strike (Figure 5-36).

The mineralization in general indicates a subvertical dip, but the Author notes that available data is sparse and a better and more detailed understanding will be necessary.

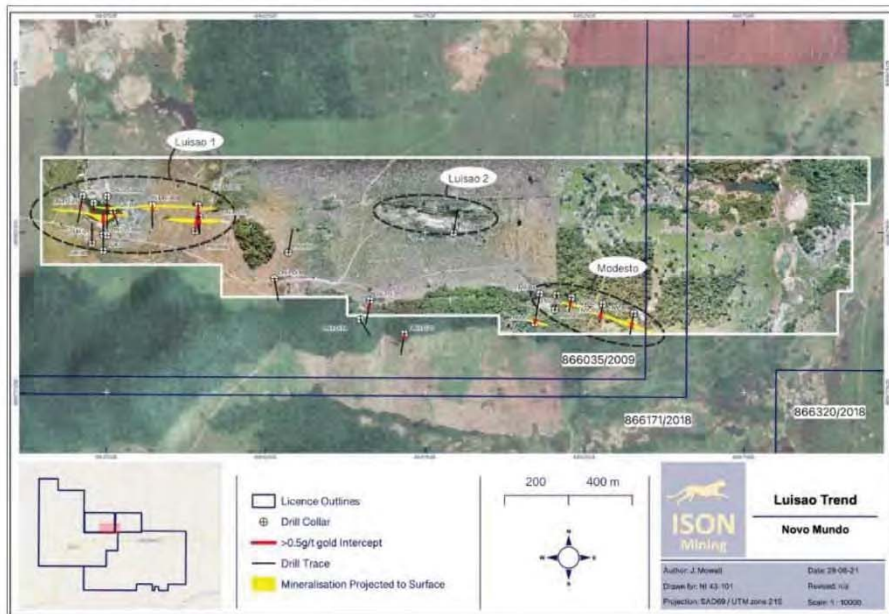


Figure 5-35: Luisão/Modesto target with main detected mineralization (in red)

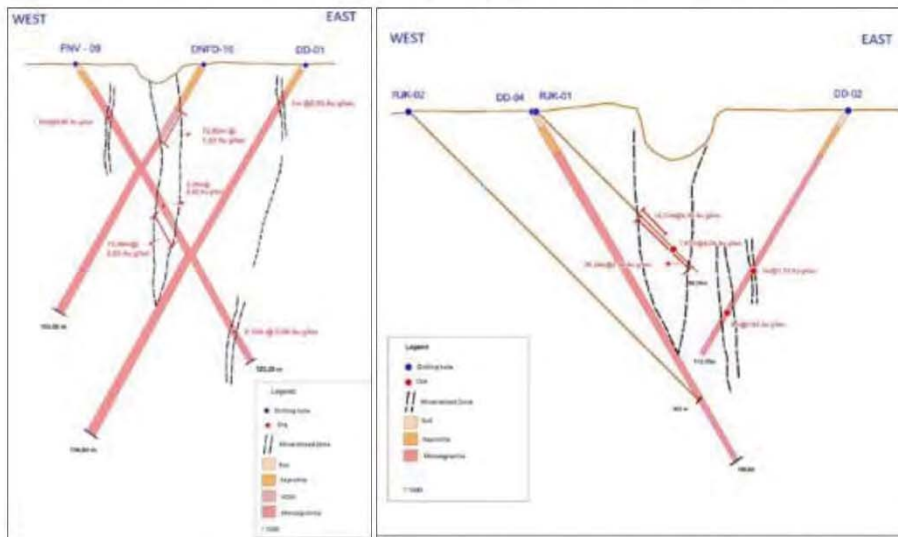


Figure 5-36: Geological sections of drill holes at the Luisão disseminated mineralization

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Campaign	Hole ID	Mineralized Interval				including			
		From	To	Grade	Extension	Grade	Extension	From	To
		(m)	(m)	(g/t)	(m)	(g/t)	(m)	(m)	(m)
RJK	RJK-01	57.21	83.45	2.94	26.24	4.39	14.23	57.21	71.44
						4.02	1.82	76.49	78.32
	RJK-09	30.77	31.55	2.07	0.78				
	RJK-10	59.43	60.55	4.62	1.12				
RTZ	FNV-002	6.9	10.32	0.51	3.42				
	FNV-004	44.45	52.57	0.48	8.12				
		66.85	77.33	1.47	10.48	3.07	3.31	69.95	73.26
	FNV-005	65.45	67	5.71	1.55	10.41	0.8	65.45	66.25
	FNV-006	43.2	44.7	0.58	1.5				
	FNV-007	36.2	38.8	1.77	2.6				
	FNV-009	21.9	23.25	0.86	1.35				
		55.88	57.36	1.21	1.48				
		64.08	69.34	6.82	5.26				
		111.35	113.45	0.66	2.1				
	19.05	31.65	1.53	12.6	2.16	5.65	26	31.65	
GMS	DN-FD-016	42.65	44.5	0.65	1.85				
	DN-FD-020	76.5	77.5	2.14	1				
	DN-FD-021	24	31	3.15	7				
	DN-FD-022	17	18	0.93	1				
	FD-DD-001	74	75	1.1	1				
	FD-DD-002	90	98	0.62	8	2.05	1	90	91
	FD-DD-003	22	24	3.67	2				

Table 5-5-1 Positive drill holes intersections at the Luisão target

6. GEOLOGICAL SETTING AND MINERALIZATION

6.1. Regional Geology

The Novo Mundo Project exists within the established gold mining district of the AFGP, Mato Grosso, also referred to as the Juruena Teles-Pires Gold Province. This province has a SE-NW elongate extent of over 500 km. It is situated in southernmost portion of the Amazonian Craton at the boundary between the geochronological domains of the Rio Negro-Juruena (1.8-1.55Ga) and the Tapajós-Parima (2.03-1.88 Ga) as described by Macambira et al (1999), Santos et al (2004) and Vasquez et al. (2008).

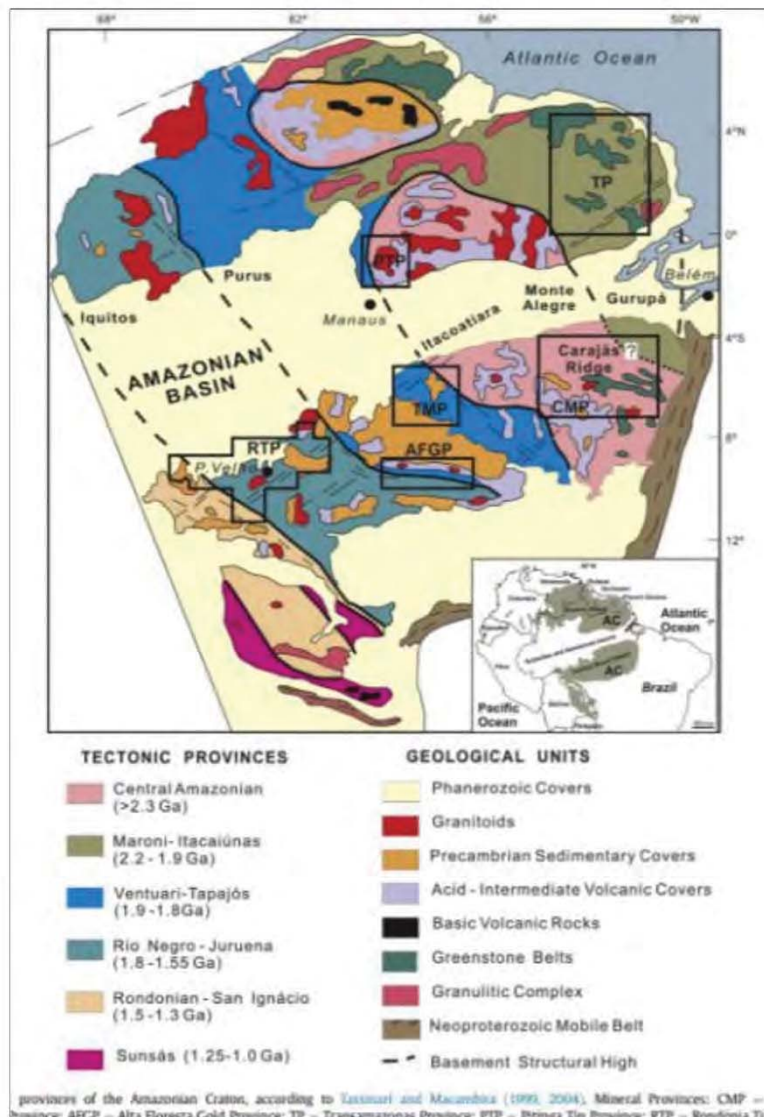


Figure 6-1: Location of the tectonic provinces of the Amazon craton according to the models of (A) Santos et al. (2006) and (B) Tassinari and Macambira (1999)

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These provinces are interpreted as the products of successive ocean-ocean accretion of juvenile crust that evolved by magmatic differentiation generating intermediate to felsic magmas. The AFGP is composed mainly of plutono-volcanic sequences generated in Paleo – to Mesoproterozoic volcanic arcs and basement units restricted to its central and northwest segments.

The basement is represented by two metamorphic complexes:

- Bacareí-Mogno: 2.24 Ga; (Pimentel, 2001), composed of pyroxene-rich orthoamphibolite, ortho- and paragneiss, banded iron formations, quartzite, metagabro, and metanorites; and
- Cuiú: 1992 ± 7 Ma; (Santos *et al.*, 2000), represented by tonalitic to granitic gneisses, migmatites, schists, banded iron formations, metaultramafic and metamafic rocks (Dardenne and Schobbenhaus, 2001); (Paes de Barros, 2007).

In the eastern sector of the province, the basement is crosscut by several oxidized, calc-alkaline, medium to high-K, meta- to peraluminous granites, such as Pe Quente, Novo Mundo, and Aragao granites, and the Flor da Mata suite, as well as volcanic sequences (Assis *et al.*, 2014).

The plutonic-volcanic units have U-Pb crystallization ages varying from 1.97 Ga to 1.93 Ga. These suites are also cut by the 1.90-1.87 Ga Guaranta, Nhandu, and Matupa I-type granites, and by ca. 1.78-1.75 Ga post-collisional and A-type granites (e.g. Paranaíta and Peixoto granites, Colider and Teles Pires suites). Except for the Flor da Mata suite, all other granites host vein-type to disseminated gold mineralization. All these units are overlain by ca. 1.37 Ga (Assis *et al.*, 2014) clastic sedimentary rocks attributed to the Dardanelos Formation (Beneficente Group).

Crystallization ages (1.97 Ga to 1.75 Ga), Sm-Nd TDM ages (2.76 Ga to 2.15 Ga), and $\epsilon\text{Nd}(t)$ values from 7.62 to 3.09 for the plutono-volcanic units, suggest Archean to Paleoproterozoic magma sources within a juvenile arc with a small contribution of continental crust (Santos *et al.*, 1997, 2000; Pimentel, 2001; J.P. Souza *et al.*, 2005; Paes de Barros, 2007; Silva and Abram, (2008)).

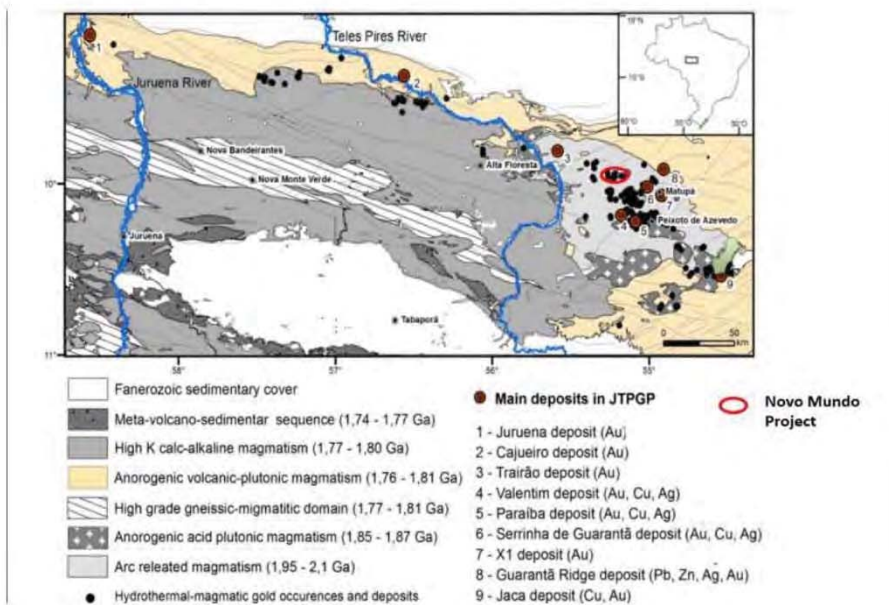


Figure 6-2: Geological map of the Juruena – Teles Pires Gold District - AFGP with the gold occurrences and main known deposits (FRANCISCO RIOS-28-05-2020)

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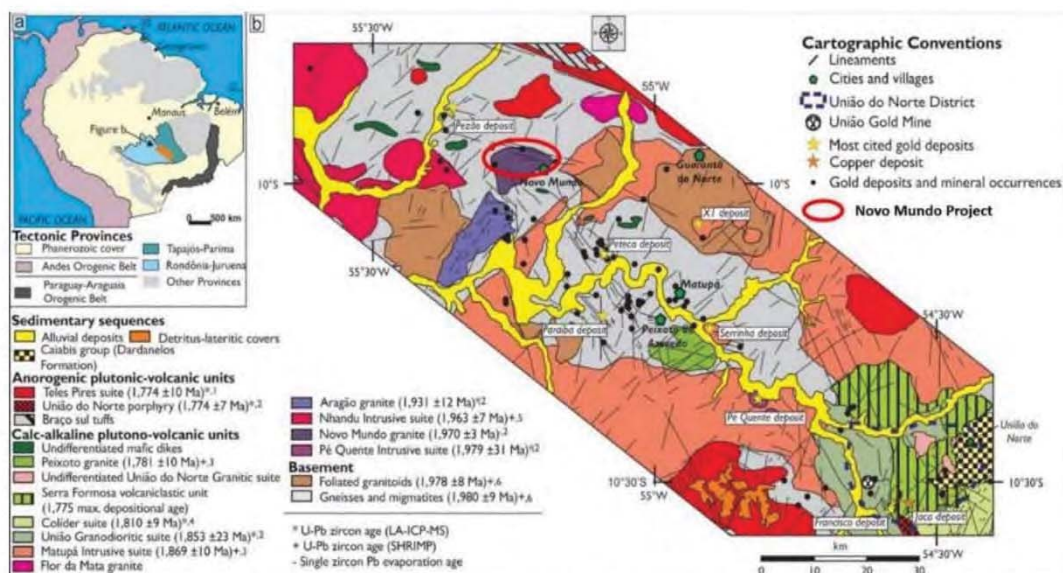


Figure 6-3: Geological map of AFGP eastern sector (Miguel Jr., 2011; Assis et al. 2017); 1- Pinho et al. (2003); 2- Miguel Jr. (2011); 3- Silva et al. (2014); 4- Santos et al. (2019); 5 – Barros et al. (2015); 6 – Assis (2015). Modified from J. Mattos, 2018

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6.1.1. Gold-Copper Mineralization Of The Alta Floresta Gold Province

Most of the gold deposits and occurrences recognized in the AFGP are concentrated along a NW-SE-striking belt that extends over 150 km. Many of these gold occurrences and mineralised zones are in eastern portion of the belt, including the Novo Mundo occurrences. The style of mineralisation in the belt can be assigned to one or more of the following categories:

- Disseminated Gold (and copper):

These deposits normally occur within muscovite/sericite quartz (chlorite) sulphide alteration zones that are enveloped by potassic and later regional propylitic alteration. The ore zones of these disseminated gold deposits contain abundant pyrite with variable concentrations of chalcopyrite and hematite. Gold usually occurs as small inclusions within pyrite, at its edges or as fracture infills.

- Structurally controlled Vein-type Au deposits (some similarity to orogenic veins):

The Paraíba, Porteira and Peteca deposits are some known vein-type Au deposits where the gold mineralization is generally associated with banded quartz veins emplaced in sericite-quartz -biotite-carbonate mylonitic zones within NS-, NE- and EW-striking shear zones of subvertical dip. These mylonitic zones are in general enveloped by early potassic (with K-feldspar) alteration, and by later, and more distal propylitic alteration. The ore association in the veins consists predominantly of pyrite with significant amounts of chalcopyrite.

- Epithermal Vein Au/base metal:

The Francisco, Bigode, Luiz and Ana gold narrow vein deposits (Assis, 2008, 2011) in the far east part of the AFGP are good examples. These Epithermal vein-type Au and base metal deposits are of intermediate to high sulfidation type, controlled regionally by a major NW- SE fault zones. The mineralization consists of sulphide-quartz veins, silicified zone and magnetite-quartz veins controlled by a system of NW/SE, EW and NE structures. The União do Norte, Luiz and Ana deposit are intruded in the União do Norte Granodiorite. The Francisco deposit is Pb rich and hosted by a volcanoclastic unit of uncertain age and shows a close spatial relationship with the União do Norte porphyry, dated at 1774 ± 7.5 Ma (LA-ICP-MS UePb zircon) and the fertile Jaca porphyry Cu- Mo deposit (Assis, et al 2014).

- Porphyry Stockwork of Cu-Au-Mo Mineralization:

The known Cu-Mo porphyry deposits form a stockwork systems hosted in a volcanoclastic sequence and in porphyritic granodiorites.

- Alluvial and colluvial paleo-placer:

Much of the garimpeiro workings targeted this style.

The 2017 discovery of a typical copper-gold mineralised porphyry at the Jaca prospect located approximately 70km to the SW of the Novo Mundo Project caused a new stage of intense mineral exploration in the region. 3.5 million hectares of mineral rights were applied for, with international mining companies such as Codelco, Anglo American and Nexa Resources all acquiring large land holdings. Table 6-1-1 below summarize some information about major gold deposits known and in development in the region of the Novo Mundo Project:

Project	Owner	Estimated Resources	Situation	Source
Paraíba Mine	PAA Gold	1,374,000 ounces	Underground mine in operation	Simpósio Peixoto CPRM 19/07/2018 Vial Paraíba
Juruena	Meteoric Resource	387,000 ounces	In development; high grade	Meteoric ASX Release
União do Norte	Fides Mining	690,000 ounces	Open pit; in production	International Goldfields
X1 – Matupa Gold Project	Aura Gold	332,400 ounces	In development, open pit	Aura Minerals
Other known gold deposits are Peteca; Serrinha de Guarantã; Serrinha de Matupá; Porteira; Jaca (Cu, Mo); Luísão; Raimunda				

Table 6-1-1 Floresta – Juruena Gold Province (AFGP)

Locally, it is noted that the pluton protolith is affected by a sub-horizontal fracturing system. The fracture zones intersect in an anastomosed pattern, denoted by the development of micaceous minerals (sericite and chlorite). Superimposed on this system is, a second fracture network with the persistent and preferential directions: N40E / 35NW, N20E / 80NW, N70E / 80SE, N20W / SV, N70W / 40SW and N80W / 65NE.

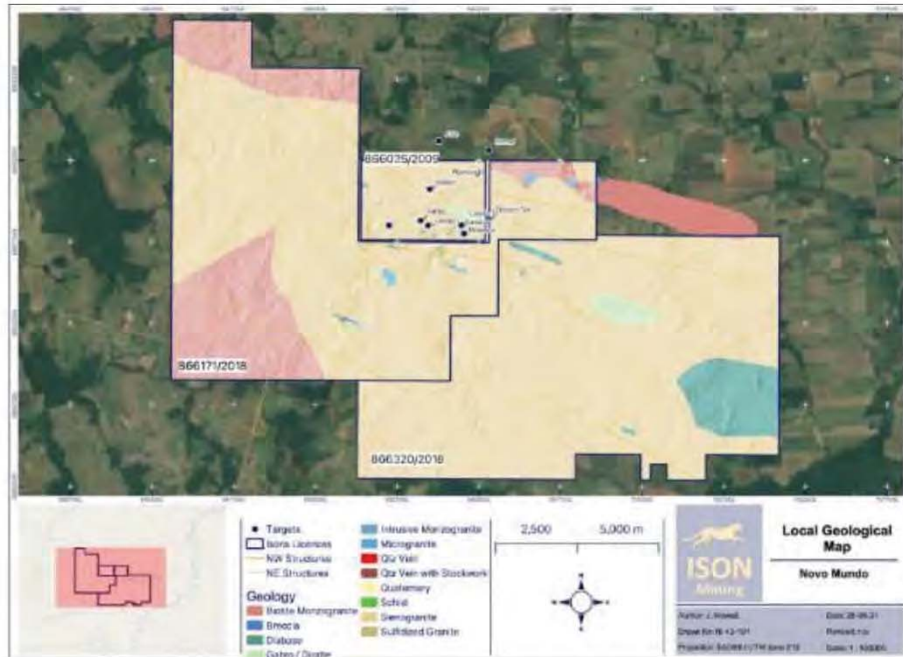


Figure 6-5: Geologic map covering the whole tenements with location of the main known targets in the central part (compiled from Nexa Resources mapping data)

Based on drill core descriptions, mafic rocks in the form of multiple thick gabbro and diorite dykes can be noted in the northern portion of the Novo Mundo granite. Also in this context, rocks with compositional banding are observed, but without metamorphic recrystallization or even crystal orientation. This banding can be characterized by the alternation of syenogranitic-composition leucocratic bands with mesocratic granodioritic bands (GMS, 2015).

The hydrothermal alteration zoning shows a central illite/sericite/quartz zone within in a larger one more propylitic alteration. The propylitic zone shows some major silicifications and K-feldspar-biotite-sulphide occurrences. In the central part there is a pervasive process of brittle deformation of the syenogranite with strong hydrothermal alteration by chloritization, sericitization, silicification, sulfidation and carbonation (NEXA data base and GMS, 2015).

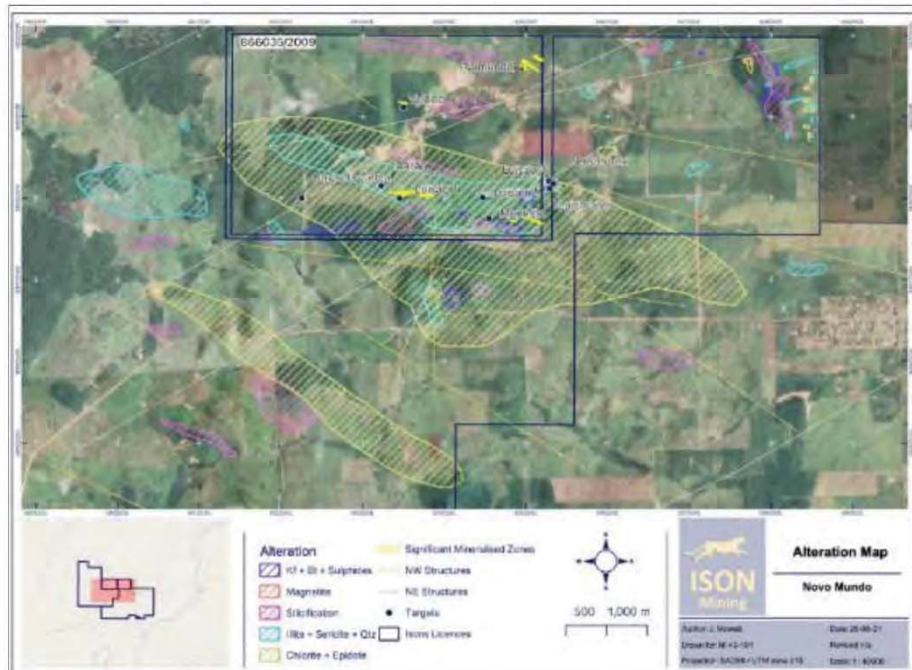


Figure 6-6: Hydrothermal alteration map and main targets

6.3. Mineralization Type

Two distinctly different styles of mineralization have been encountered in the area: a disseminated style and a vein style with examples shown in Figure 6-7. There are about a dozen primary occurrences that have been targeted by informal miners since 1990. These surface workings are distributed along the E-W Luisão trend for approximately 3 km and the 2km NW-SE Raimunda Trend. The main mining activities and exploration works were concentrated at the targets known as Luisão/Cláudio, Raimunda, Modesto, Edmar, Valdeci, Júlio, Luís Fante and Nelson Tex as shown in the map in Figure 6-8.



Figure 6-7: Pictures from the drill holes at Luisão and Raimunda areas showing the different types of mineralization

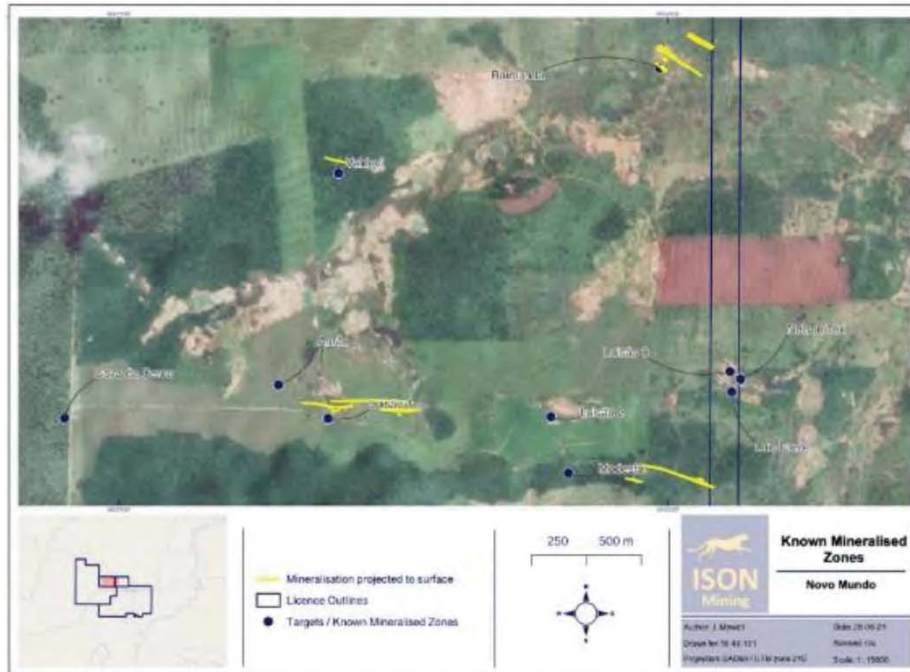


Figure 6-8: Location of the main primary gold occurrences



Figure 6-9: Photographs of Garimpeiros (informal miners) excavations in the ANM 866.035/2009 process

Observations based on field mapping and the drilling shows that the primary gold mineralization can be characterized by two main typologies:

- as disseminated in intensely hydrothermalized granitic rocks with strong phyllic alteration and pyrite enriched, with restricted or totally absent quartz; or

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Figure 6-10: Photographs of a typical granite hydrothermalized and mineralized with disseminated pyrite (Luisão 01 pit)

- in structurally controlled NW-SE trending narrow quartz veins with abundant associated sulphide, composed of pyrite associated with chalcopyrite and some galena, pyrrhotite and sphalerite showing an epithermal context.

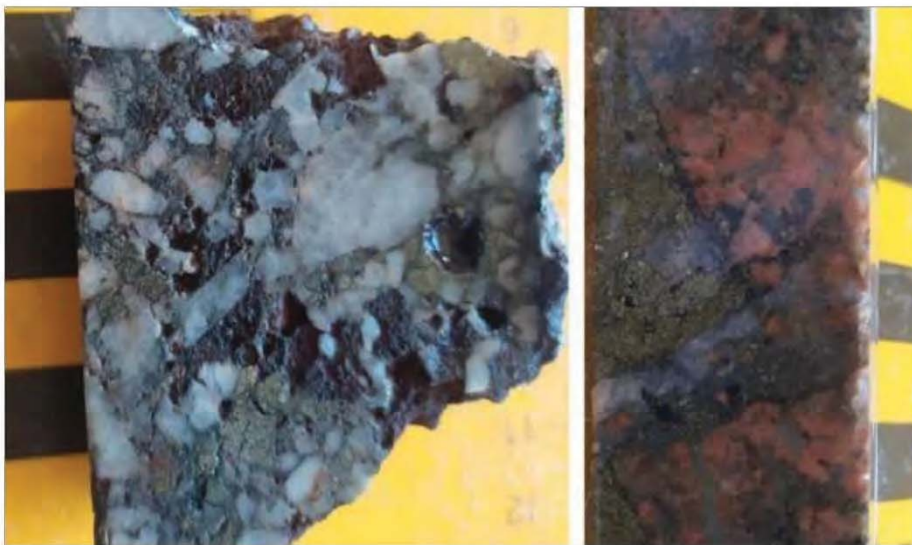


Figure 6-11: Photograph from (left) a mineralized high grade quartz vein (drill hole DN-FD-02 19,50 m) with well crystallized quartz and oxidized sulphides, and (right) DN-FD_02 77,40m) sulphide quartz vein associated to a stockwork

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7. DEPOSIT TYPES

A porphyry-epithermal magmatic-hydrothermal system is interpreted to be responsible for the gold deposits of Novo Mundo from field observations and the work by Moura et al. (2006), Paes de Barros (2007); Assis (2017), Trevisan (2015) based on the following evidence:

- a close spatial relation of the gold deposits with granitic intrusions;
- presence of hydrothermal alteration halos (mainly phyllic, potassic and propylitic);
- the dual mineralization styles of narrow veins and disseminated gold in a sericite (chlorite)-quartz -pyrite alteration zone); and
- the nature of fluid inclusions (magmatic and meteoric sources).

Additionally, the recent discoveries of disseminated Cu Au (Mo) porphyry deposits close to structurally controlled epithermal gold deposits (União Mine, Juruena), reinforce the magmatic-hydrothermal origin and suggest a porphyry-epithermal type association as the main geological-metallogenetic processes in the AFGP.

Fluid inclusion assemblages reveal the common presence of: (1) two-phase aqueous inclusions with variable salinity (2.1 to 26.1 wt.% eq. NaCl) and homogenization temperatures (126.5°C to 268.4°C); (2) H₂O to CO₂ inclusions of low salinity (6.1 to 8.9 wt.% eq. NaCl) and higher temperatures (251.6°C to 334.6°C); and more subordinately (3) high salinity (33.6 to 37 wt% NaCl eq.) aqueous fluids represented by halite-bearing fluid inclusions. This data suggests a combination of heterogeneous entrapment by immiscibility and fluid mixing during the evolution of the hydrothermal systems. Additionally, these results indicate P-T conditions of 0.9 to 3.4 kbar (3.3 to 12.6 km) and 110°C to 365°C (Janasi *et al.*, 2007).

Like the X1 deposit, data from Novo Mundo where the mode of occurrence of the types of fluid inclusions in individual assemblages, and the correlations between total homogenization temperature (Th VL) and salinity suggest interaction between a magmatic fluid of high salinity and temperature with an external fluid of low salinity. However, there is evidence for a cooler, possibly meteoric, component in the Novo Mundo's Luisão deposit, suggests a higher crustal level of formation. However, in both cases, the mixture of magmatic fluids with external fluids caused the progressive dilution and lowering of the system temperature, as well as an increase in oxygen fugacity (fO₂), which may have caused the gold precipitation (Galé *et al.*, 2018).

8. EXPLORATION

In 2021, Resouro planned first a pre-working plan for the Novo Mundo Project with the aim to advance with the understanding of geology of the major mineralized zones, trying to re-define the alteration related to the zone, and generate surface samples within the zone to support a first preliminary shallow drilling program.

Works included:

- historical data integration for new target definition;
- regional geological reconnaissance over the Novo Mundo Project's tenements and known mineralized trends;
- lito-estrutural geological mapping of the major mineralized trend Dionísio-Luisão;
- a total of 3,320m of re-logging of the historical drill core with the aim to redefine the rock codes and to describe the hydrothermal alteration related to the zones; and
- a rock (grab) chip sampling over the main Dionísio-Luisão and surroundings with the aim to identify other parallel trends and check main trend continuity, where 309 samples were collected.

The Dionísio-Luisão mineralized zone comprises three major historical open pits aligned E-W along 2.2 km:

- the Modesto pit is about 300 m long and lies at the east portion of the area;
- the Luisão pit is the central pit and is also about 300 m long; and
- the Dionísio pit is about 200 m long and is located at the west portion of the trend.

All three pits were the focus of artisanal mining of high-grade oxide. The grab-chip sampling could indicate a more possible continuous mineralized trend and also showing a potential second EW parallel trend more to south (Figure 9-1) with several high-grade results.

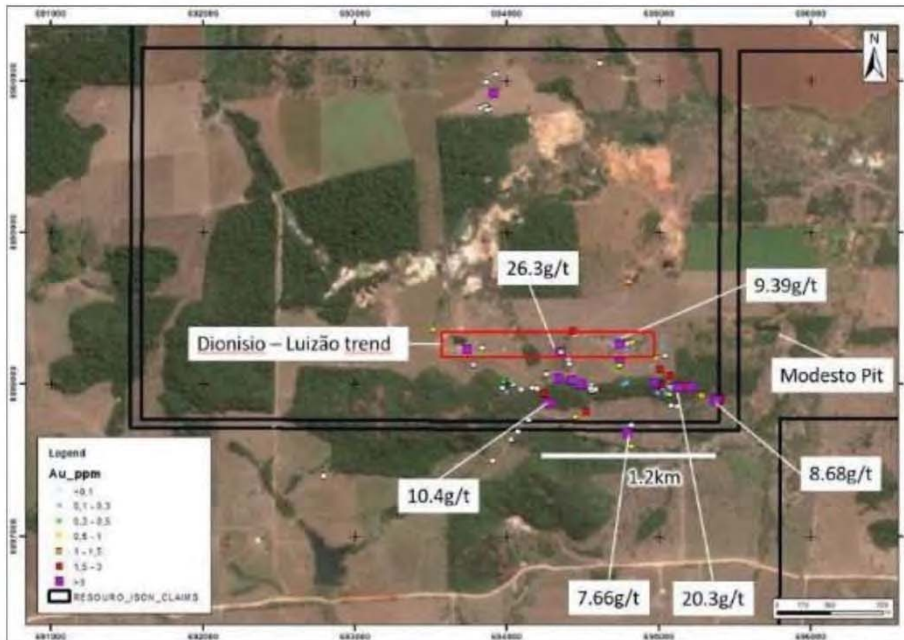


Figure 9-1: Map showing the new (grab) chip rock sampling results for the Dionisio – Luisão trend.

- Three trenches with a total of 150m along the main Dionisio-Luisão trend were open, mapped and collected a total of 183 channel samples.
- First Diamond Drilling campaign.
- Bulk sampling of stockpiled material and a metallurgical study.

8.1. Resouro Drilling

In 2022, Resouro executed its drilling campaign with the main objectives to confirm historical drilling, test extensions along the strike and understand better the structural control defined by the detailed mapping, and to generate exploration vectors for the next exploration program, all along the Dionizio – Luisão trend.

The preliminary drilling program was concluded by 10 drill holes and a total of 1262.8m (Table 8-1). All the drill core was logged and sampled with appropriate QAQC control.

TARGET	HOLE_ID	X	Y	Z	TRUE AZIMUTH (°)	DIP	FINAL DEPTH (m)
Luizão	NMDD001	693983.860	8898214.930	308.390	10	-60.1	129.82
Dionizio	NMDD002	693693.599	8898230.885	310.117	5	-60.8	117.56
Dionizio	NMDD003	693834.086	8898225.072	311.398	5	-61.6	115.02
Aluízio	NMDD004	693956.767	8898201.008	309.152	5	-65.2	149.03
Dionizio	NMDD005	693762.404	8898235.859	311.034	5	-60.4	98.20
Aluízio	NMDD006	694773.710	8898324.516	316.981	185	-59	105.58
Luizão	NMDD007	694710.491	8898324.041	318.183	185	-49.2	125.69
Dionizio	NMDD008	693728.262	8898180.026	313.641	0	-54.6	189.64
Dionizio	NMDD009	693560.665	8898326.617	305.785	185	-50	95.49
Dionizio	NMDD010	693884.812	8898225.427	310.196	5	-50	142.69

Table 8.1: Diamond Drilling Campaign of 2022



Figure 10-2: Map of main mineralized trend showing trenching and drill hole location of exploration work.

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The best results of the drill campaign were the interception of a high grade shoot at Dionisio pit by the drillhole NMDD002 with 11.65 m @ 5.11 g/t from 65.89m, confirming down-dip extension and the confirmation of a continuity of the mineralized zone with high grade zones by drill hole NMDD010 located between Dionisio and Luisão pits, with 16,21m @ 2.97m g/t from 55.9m, including 2.29 m grading 11.4 g/t gold and 1.08 m grading 19.93 g/t gold (Figure 10-2).

Additionally, the drill hole NMDD_001 located east of Dionisio pit intercepted a significant width of alteration and silver mineralization with low sulphide content (> 5%) that assayed 6 m @ 74.9 g/t Ag from 15m, including 2 m @ 215.4 g/t Ag from 17m. This silver-rich alteration represents some possible metal zonation along the main trend.

The drilling results of the Resouro campaign together with the grab chip sampling were effective to define at least three high-grade shoots with more subvertical dip along the strike of the major E-W parallel structures at the Dionisio-Luisão target.

The mineralization also confirmed association with strong sericite (chlorite) - pyrite - quartz alteration overprinting the monzogranite.



Figure 10-3: Hole NMDD-002 (left) host rock of monzogranite with some potassification and fine veinlets of chlorite and quartz; (right) main zone with strong sericite (chlorite) and intense sulphide dissemination.

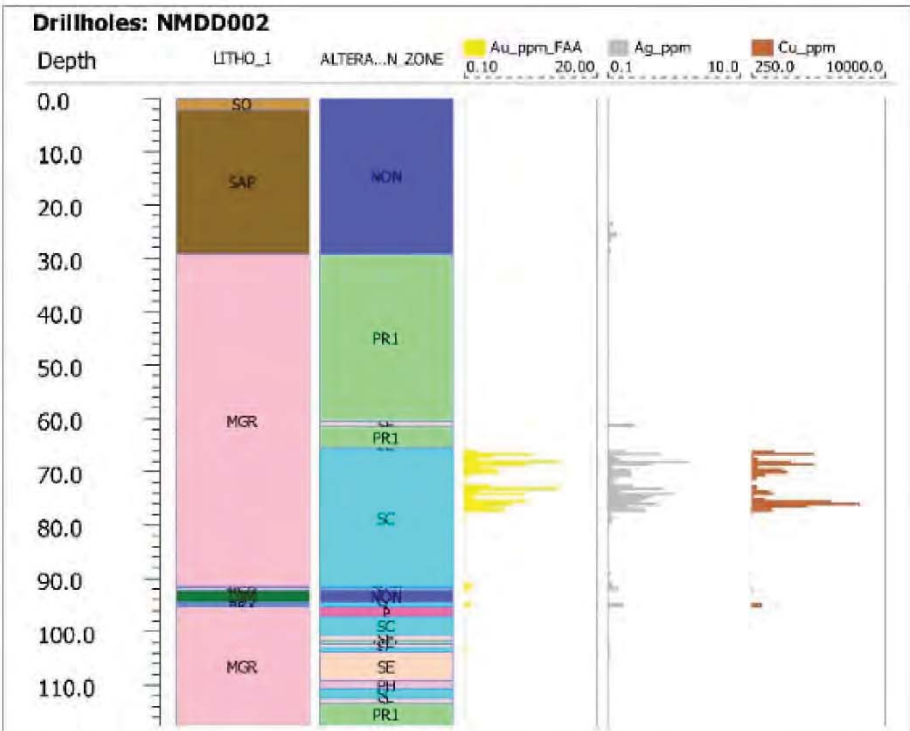


Figure 10-4 The main zone show strong correlation with low grade Cu anomaly between 0.1% to 0.5%

9. SAMPLE COLLECTION

After the drilling was completed, the core boxes from Resouro campaign were stored at the Resouro office in Guaranta do Norte, MT. The Author was able to visit and review the core on the site visit (Figure 10-5 below). Resouro is providing a definitive core shed for all the core boxes, the historic and new ones.

The Author confirms an industry-standard for the quality control and procedures applicated for logging, sampling, QaQc control, sample and core handling by Resouro for the 2022 drilling campaign.

The historical data available indicate the sample preparation, analysis and security were done to industry standards best practices, however the Author has not been able to validate this.



Figure 10-5 Temporary storing of the core boxes at the field office of Resouro near Guarantã, Mt.

10. DATA VERIFICATION

The Author obtained data from the site visit of 3 days between 10th to 12th September 2023 with inspection of some drill hole sites in the field and by reconnaissance of the drillholes MNDD-002 and MNDD010.

The Author obtained data also from free access to all the Data of the Novo Mundo Project (Figure 12-1) provided by Resouro.

Tabelas	
AMCHP SAMPLES	Resultados de amostras de rocha (histórico e 2022)
AMSLR SAMPLES	Resultados de amostras de solo (histórico e 2022)
AMSS SAMPLES	Resultados de amostras de sedimento e concentrado de bateia (histórico e 2022)
CHANNEL ALTERATION	Descrição das alterações hidrotermais dos canais executados em 2022 pela TLA
CHANNEL ASSAY	Resultados das amostragem dos canais executados em 2022 pela TLA (pendentes ainda)
CHANNEL COLLAR	Collar dos canais executados em 2022 pela TLA (coordenadas coletadas por GPS de mão)
CHANNEL GEOLOGY	Descrição da geologia dos canais executados em 2022 pela TLA
CHANNEL MINERALIZATION	Descrição dos minerais que podem indicar mineralização dos canais executados em 2022 pela TLA
CHANNEL_WHITE	Amostras brancas retiradas nos canais executados em 2022 pela TLA
CHANNEL_DUPLICATE	Amostras Duplicatas realizadas nos canais executados em 2022 pela TLA
CHANNEL_STANDARD	Amostras de Padrão realizadas nos canais executados em 2022 pela TLA
CHANNEL_SAMPLE	Plano de amostragem realizadas nos canais executados em 2022 pela TLA
CHANNEL_SURVEY	Survey dos canais executados em 2022 pela TLA (feitos por bússola e trena)
CHANNEL_VEIN	Descrição dos veios dos canais executados em 2022 pela TLA
CHN STRUCTURE DATA	Descrição das estruturas orientadas dos furos executados em 2022
CH ALTERATION	Descrição das alterações hidrotermais dos furos executados em 2022 e dos históricos descritos pela equipe TLA
CH ALTERATION OLD	Dados históricos de descrição das alterações hidrotermais dos furos históricos
CH ASSAY	Dados geoquímicos de todos os furos, históricos e executados em 2022
CH COLLAR	Collar dos furos históricos e executados em 2022, sendo os executados em 2022 foram levantados por GPS de precisão
CH DENSITY	Dados de densidade dos furos históricos e atuais 2022
CH GEOLOGY	Descrição da geologia dos furos executados em 2022 e dos históricos descritos pela equipe TLA
CH GEOLOGY OLD	Dados históricos de descrição da geologia dos furos históricos
CH INTERLAB	Dados de amostras de checagem geoquímica entre laboratórios
CH MAGNETIC	Dados de Susceptibilidade Magnética
CH MINERALIZATION	Descrição de minerais que podem indicar mineralização dos furos executados em 2022 e dos históricos descritos pela equipe TLA
CH MINERALIZATION OLD	Descrição histórica de minerais que podem indicar mineralização dos furos históricos
CH ORIENTATION LINE	Descrição das linhas de orientação dos furos orientados que possibilitam colher dados estruturais
CH QA QC RLP	Dados de Amostras Brancas dos furos
CH QA QC DUP	Dados de Duplicatas dos furos
CH QA QC STD	Dados de Padrões dos furos
CH SAMPLE	Plano de amostragem dos furos
CH SURVEY	Survey dos furos
CH VEIN	Descrição dos veios dos furos

Figure 12-1 Database structure layout of the Novo Mundo Project

The historic drilling, geochemical, geophysical, and geological work done has been completed by reputable mining and exploration companies, however, the sparse nature or non-preservation of some of this work has made a thorough data verification challenging.

The Author visited the Dionisio – Luizão trend and pits and drilling site. At that time the trenches have already been closed.



Figure 10-2: Example of a preserved drill collar MNDD_002 from the Resouro campaign

11. MINERAL RESOURCE ESTIMATES

There are no mineral resources on the Novo Mundo Project that comply with JORC on Mineral Resources and Ore Reserves definitions and guidelines

12. MINERAL PROCESSING AND METALLURGICAL TESTING

To give support for the application of the Trial Mining License receipt, Resouro submitted a 96.58 kg composite sample of the stockpiled materials from the Luisão pit. The Metallurgical Test Work was completed by the company Test Works NL, a Brazilian metallurgical engineering group.

Summary of the main results of the test are:

- sulfide zone test work head grade of 16.45 g/t gold;
- 27 to 30 % gold recoveries from gravimetric concentration;
- >90% overall gold recovery from gravimetric concentration followed by rougher flotation of the 106 µm size fraction;
- > 90% overall gold recovery from gravimetric concentration followed by CIL leaching with 5.7 kg/t of cyanide consumption; and
- comparatively soft rock with a Bond Work Index of 14.3 kWh/t.

No further metallurgical or processing testwork has been completed to date.

13. MARKET STUDIES AND CONTRACTS

There have been no significant studies into the products associated with the Novo Mundo Project at the time of writing this Report due to the infancy of the Novo Mundo Project.

14. ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

RSM is committed to taking a zero harm, practical and consultative approach to Environmental, Social and Governance (**ESG**). The RSM leadership team have a long credible history of delivering successful mutually beneficial mining projects and recognise the importance of sustainable, ethical and safe practices in the communities it works within and to its employees and stakeholders.

RSM are committed to development of modern ESG practices and respect the link between leading ESG practices and project acceptance. RSM is authorised to conduct mineral exploration in the areas it operates and adherence to legislation, governmental and corporate standards

RSM is committed to achieving its part in the united nations sustainable development goals (**SDG**) and will undertake assessment of the Novo Mundo Project in compliance to practically achieving its part in these goals in the communities we work. This will include:

- the establishment of environmental monitoring programs;
- detailed environmental and community studies through the various project lifecycle;
- frequent and transparent community, landholder and stakeholder engagement;
- development program to achieving the relevant goals of the SDG;
- training of team members in sustainability in operations and zero harm practices to safety and health;
- promoting a company culture that promotes diversity and inclusion for successful outcomes;
- respecting and acknowledging the cultures, customs and values of people in communities where RSM operates; and
- promoting mutually beneficial relationship of sustainable and symbiotic relationships between agriculture, mining and communities.

15. INTERPRETATION AND CONCLUSION

The Novo Mundo Project is located within the gold mining province of the AFGP, with most of the gold deposits and known gold occurrences are concentrated along a NW-SE-striking belt that extends for over 150 km in the eastern extreme portion of the belt, where the Novo Mundo Project is located.

There is a large collection of historical information available in the form of technical reports and various databases with drilling data, geochemical, geophysical, and geological work completed by past exploration companies what include several reputable mining companies such as RJK, Rio Tinto, Graben and NEXA. The programme completed by GSM between 2011 and 2013 led to a “Final Exploration Report” being filed with the ANM-Brazilian Mining Agency in May 2015. This report presented a total geological resource in the area ANM 866.035/2009 of 1,691,179 tonnes with an average Au content of 2.99 g/t, amounting to around 160 thousand ounces.

The characteristics of the main detected Au (Cu, Pb, Zn, Mo) mineralization of the Novo Mundo Project fall into two main types: Firstly, gold more disseminated hosted in muscovite/sericite quartz (chlorite) sulphide alteration zones of the host syeno-granites with rare quartz veining associated and enveloped by potassic and propylitic hydrothermal alteration. Secondly, gold mineralization in vein structures like epithermal gold narrow quartz vein deposits, controlled mainly by NW-SE fault zones.

Based on the evidence of a close spatial relation of the gold deposits with granitic intrusions and the presence of hydrothermal alteration halos, a porphyry-epithermal magmatic-hydrothermal system is interpreted to be responsible for the gold deposits of Novo Mundo.

Despite the only partial success of historical exploration campaigns, several geological, geochemical and geophysical anomalies observed in the historic data, are, in the Author's opinion, favourable targets that could lead to a potential expansion of mineralised zones in the area.

After acquisition of the property, Resouro since 2021 started several explorations works including (1) historical data integration, (2) a regional geological reconnaissance over the Novo Mundo Project's tenements and known mineralized trends,(3) structural - geological mapping of the major mineralized trend Dionísio-Luisão and (4) a total of 3,320m of re-logging of the historical drill core with the aim to redefine the rock codes and to describe the hydrothermal alteration related to the zones.

Two main programs are a rock (grab) chip sampling survey over the main Dionísio-Luisão trend and surroundings with the aim to identify other parallel trends and check main trend continuity and a first phase diamond drilling program with 10 drill holes and a total of 1262.8m:

15.1. Rock (grab) chip Sampling

The Dionísio-Luisão mineralized zone comprises three major historical open pits aligned E-W along 2.2 km (1) the Modesto pit with about 300 m long and lies at the east portion of the area; (2) the Luisão pit is the central pit and is also about 300 m long; and (3) the Dionísio pit is about 200 m long and is located at the west portion of the trend). All three pits were the focus of artisanal mining of high-grade oxide.

The grab-chip sampling could indicate a possible continuous main mineralized trend and a potential second EW parallel trend more to south (Figure 14-1) with several high-grade results.

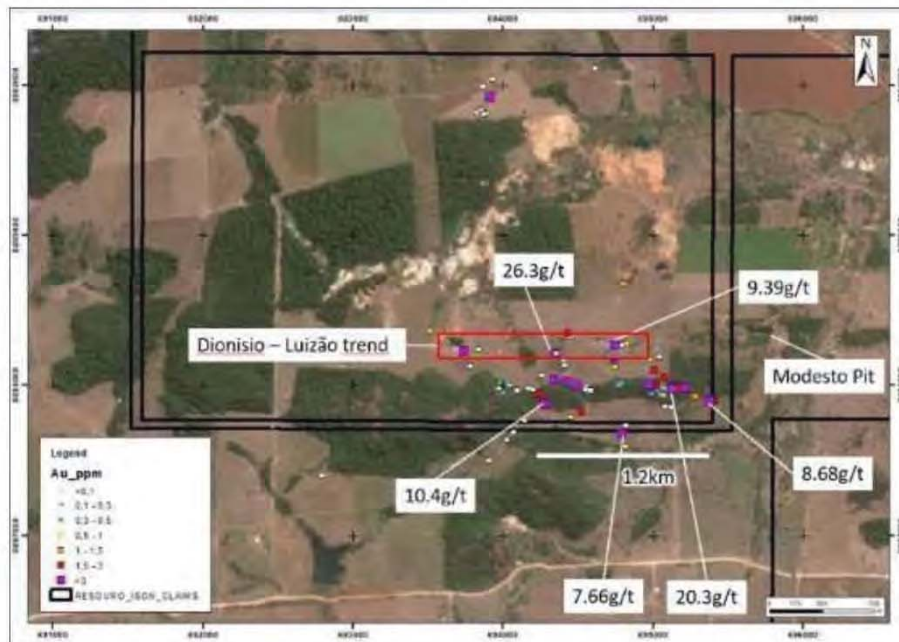


Figure 14-1: Map showing the new (grab) chip rock sampling results for the Dionisio – Luisão trend.

15.2. Phase 1 Diamond Drilling at Dionisio Luisão Trend

The main objective of the drilling campaign was to confirm historical drilling, test extensions along the strike and understand better the structural control defined by the detailed mapping.

The best results of the drill campaign were the interception of a high grade shoot at Dionisio pit by the drillhole NMDD002 with 11.65 m @ 5.11 g/t from 65.89m, confirming down-dip extension, and the confirmation of a continuity of the mineralized zone with high grade zones by drill hole NMDD010 located between Dionisio and Luisão pits, with 16.21m @ 2.97m g/t from 55.9m, including 2.29 m grading 11.4 g/t gold and 1.08 m grading 19.93 g/t gold (Figure 14-2).

Additionally, the drill hole NMDD_001 located east of Dionisio pit intercepted a significant width of alteration and silver mineralization with low sulphide content (> 5%) that assayed 6 m @ 74.9 g/t Ag from 15m, including 2 m @ 215.4 g/t Ag from 17m. This silver-rich alteration represents some possible metal zonation along the main trend.

The drilling results of the Resouro campaign together with the grab chip sampling were effective to define at least three high-grade shoots with more subvertical dip along the strike of the major E-W parallel structures at the Dionisio-Luisão target.

The mineralization also confirmed association with strong sericite (chlorite) - pyrite - quartz alteration overprinting the monzogranite.

Despite the only partial success of historical exploration campaigns and of the first Diamond Drilling campaign of Resouro, several geological, geochemical, and geophysical anomalies observed in the

historic data, are in the Author's opinion still favourable targets that could lead to a potential expansion of mineralised zones.

We consider that the drilling grid in most of the mineralized trends is still sparse and shallow and the importance of a more detailed IP survey for optimize location of the drill holes. The Figure 14-2 below presents the major structures, geochemical anomalies and alteration zones following the main EW to NM -SE trends.

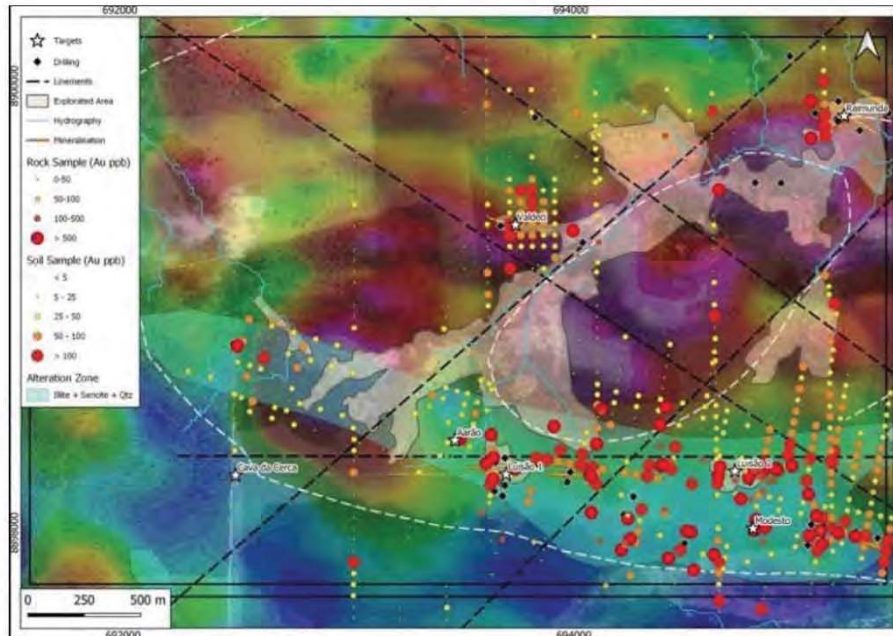


Figure 14-2: Map of integration of the main zone of interest based on historical data with minor and possibly major targets given by magnetic high circular structures (white lines), the main NW-SE mapped strong alteration zone (blue polygon) and several soil anomalies (red spots) around the major structure.

GE21 had been commissioned by Resouro to prepare this Report in accordance with the directives of JORC.

The "Effective Date" for the current Technical Report of September 12th, 2023, is based on the date of receipt of the Novo Mundo Project database from Resouro.

The Competent Person for this Report is Mario Conrado Reinhardt. Mr Reinhardt visited the Novo Mundo Project on September 10th to 12th 2023, and was responsible for developing this Report. Mr Reinhardt is a geologist, member of the Australian Institute of Geoscientists and has over 43 years of experience in working with mining projects.

Novo Mundo is an initial stage mineral exploration project, with some previous exploration including drilling.

The Author is of the opinion that mineral exploration program in development follows, in part, the mineral industry best practices., exploration undertaken follows appropriate industry standards but GE21 did not have access to the various procedures for these standards and was unable to monitor the work being carried out in the field due to the historical nature of the work undertaken. There is a conventional QA/QC program in course and this was not evaluated by GE21.

GE21 is of the opinion that the exploration potential for the Novo Mundo Project is high due to the presence of historical exploration and analysis that includes favourable non JORC compliant reported resource and relatively well known geology.

16. RECOMMENDATIONS AND USE OF FUNDS

Resouro are undertaking a detailed review of the Novo Mundo Project to determine if the asset meets the internal investment hurdles and strategy for the business.

Table 16-1 provides a basic breakdown of the proposed basic exploration and associated expenditure whilst the business in undertaking the detailed review of the asset over the next 12 months following the proposed capital raising under the prospectus issued by Resouro.

Proposed Works Program	Allocation of Funds (\$)
Exploration Related Activities	13,119
Overheads	11,679
TOTAL	24,798

Table 16-1 A breakdown of the forecast Works Program expenditure forecast to occur over approximately 12 months from internal approval. All costs included are in Australian dollars (AUD\$).

The Competent Person and GE21 consider the proposed budget is consistent with the exploration and other works Resouro is planning to undertake over the next 12 months. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the claims.

The Competent Person and GE21 consider the type of exploration and weighting towards the Novo Mundo Project as appropriate given the business's decision to review the assets suitability, although further exploration and evaluation programs, specific to advance the potential of the Novo Mundo project are required.

The budget is consistent with the budget allocations, and warranted by the exploration potential of the Novo Mundo Project considering the business is reviewing the assets suitability for Resouro. The Competent Person and GE21 consider the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).

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APPENDIX A - CERTIFICATE OF COMPETENT PERSON

I, Mario Conrado Reinhardt, MAIG, (#3707), as an author of the technical report titled "Independent Technical Report on the Novo Mundo Project, Mato Grosso, Brazil", dated October 13th, 2023, with an effective date of October 08th 2023 prepared for Resouro Strategic Metals Inc, do hereby certify that:

- 1) I am a Geologist and Associate Consultant for GE21 Consultoria Mineral Ltda., which is located on Avenida Afonso Pena, 3130, 12th floor, Savassi, Belo Horizonte, MG, Brazil - CEP 30130-910.
- 2) I am a graduate of the Federal University of Minas Gerais, located in Salvador, Brazil, and hold a Bachelor of Science Degree in Geology (1979 and a Master Degree in 1988). I have practised my profession continuously since 1979.
- 3) I am a Professional enrolled with the Australasian Institute of Geoscientists ("AIG") - ("MAIG") #3707.
- 4) I am a professional geologist, with more than 43 years' relevant experience in exploration geology, which includes numerous gold ore properties in Brazil.
- 5) I am a "competent person" as that term is defined in JORC Code (the "Instrument").
- 6) I am independent of Resouro Strategic Metals Inc (issuer) and there is no circumstance that could in the opinion of a reasonable person aware of all relevant facts, interfere with the Competent person's judgment.
- 7) I have no prior involvement with the property that is the subject of this Report. The relationship with the Issuer was solely for professional works in exchange for fees based on rates set by commercial agreement. Payment of these fees is in no way dependent on the results of the Technical Report.
- 8) I am responsible for all sections of this Technical Report.
- 9) I did personally inspect the properties between September 10th and 12th, 2023.
- 10) As of the effective date of the Technical Report, to the best of my knowledge, information, and belief, the sections of the Technical Report that I have authored and am responsible for contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
- 11) I have no personal knowledge, as of the date of this certificate, of any material fact or material change which is not reflected in this Technical Report.
- 12) I have read JORC and this technical report has been prepared in compliance with this Instrument.

Belo Horizonte, Brazil, 29/04/2024



Mario Conrado Reinhardt, MAIG

JORC Code, 2012 Edition – Table 1 Report

NOVO MUNDO GOLD PROJECT – EXPLORATION UPDATE

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<p>Diamond Core:</p> <ul style="list-style-type: none"> Samples were taken from diamond drillholes with all drilled material being sampled and nothing being discarded. Drill core boxes were placed on a core bench and information provided on the identification plates were checked. The drill core was orientated, and a longitudinal marking was made with coloured pens or white chalk. The core consisted of the description of each lithological interval, including the depth, colour, degree of weathering, texture, hydrothermal alteration, sulphide and fracture degree of the rock (RQD) with this information transferred to a digital log. In this step, samples were also marked and identified for intervals of interest. Core was digitally photographed with a consistent orientation The boxes containing demarcated samples were cut longitudinally with a diamond core cutting saw to obtain two equal parts. Then, the box returns to the bench where the left side of the core was removed to compose the sample. This portion is packed in a plastic bag with the identification and sent to the laboratory. The other half of the testimony is filed in the box in its original position. All samples were placed in core boxes and stored appropriately. The samples were produced according to industry standard procedures. The historical data available indicates the sample preparation, analysis and security was completed to industry standards best practice, however the Author has not been able to validate this. However, the Author's opinion is that this is a low risk factor.

Independent Technical Report on Exploration and Mineral Resources Estimation – Novo Mundo Project
JORC (2012) Compliant Report – GE21 Project Number: 200313

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Criteria	JORC Code explanation	Commentary																		
	<ul style="list-style-type: none"> Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<p>Aircore:</p> <ul style="list-style-type: none"> Sampling consisted of drill cuttings from each 3m rod length being directed into a cyclone and approximately 20kg of sample was collected into labelled plastic bags. A sub-sample of the material was passed through a riffle splitter and two 1.5kg samples were taken. One was sent for analysis whilst the other was archived. In addition to the 3m composites, a 1m sample was collected, washed, and then stored in a chip tray The samples were produced according to industry standard procedures. <p>No notable aspects of mineralisation are noted with the exception that the material is consistent with competent and typically standard epithermal deposits.</p>																		
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc.). 	<p>2 types of drilling were carried out on the Novo Mundo Project: diamond and aircore drilling. All coordinates were captured including Azimuth and Dip.</p> <ul style="list-style-type: none"> Diamond drilling holes were HQ size, reduced to NQ after entering fresh rock at varying dip between -45 and -90. Drilling programs by company, total metres and hole numbers per the following: <table border="1"> <thead> <tr> <th>Company</th> <th>Diamond Drilling (metres)</th> <th>Number of Holes</th> </tr> </thead> <tbody> <tr> <td>RJK</td> <td>717.86 m</td> <td>7 holes</td> </tr> <tr> <td>RTZ</td> <td>1086.35 m</td> <td>10 holes</td> </tr> <tr> <td>GSM</td> <td>3698.35 m</td> <td>26 holes</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Aircore drill holes were undertaken by GSM totalling 2349.6m drilling in 100 holes, drilled -90 dip, with depth of the holes varied from 4 to 61m. <table border="1"> <thead> <tr> <th>Company</th> <th>Air Core Drilling (metres)</th> <th>Number of Holes</th> </tr> </thead> <tbody> <tr> <td>GSM</td> <td>2349.6 m</td> <td>100 holes</td> </tr> </tbody> </table>	Company	Diamond Drilling (metres)	Number of Holes	RJK	717.86 m	7 holes	RTZ	1086.35 m	10 holes	GSM	3698.35 m	26 holes	Company	Air Core Drilling (metres)	Number of Holes	GSM	2349.6 m	100 holes
Company	Diamond Drilling (metres)	Number of Holes																		
RJK	717.86 m	7 holes																		
RTZ	1086.35 m	10 holes																		
GSM	3698.35 m	26 holes																		
Company	Air Core Drilling (metres)	Number of Holes																		
GSM	2349.6 m	100 holes																		

Independent Technical Report on Exploration and Mineral Resources Estimation – Novo Mundo Project
JORC (2012) Compliant Report – GE21 Project Number: 200313

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Criteria	JORC Code explanation	Commentary		
		GSM	2349.60 m	100
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> The diamond drilling recovery conference consisted of verifying runs and recoveries recorded in the core boxes and drilling bulletins with verification undertaken by measuring with a tape measure the core present in the boxes. The Aircore drilling recovery of the drilled material is carried out by comparing its weight with the theoretical weight calculated from bibliographic density values. Given the materials competency as observed in pictures of the diamond core, the recovery rates were very high and industry practices were used to ensure material recovery security was maintained. Given the high material competency and recovery no analysis on recovery was reported to the Author to have been undertaken. 		
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Diamond drilling descriptions consisted of a description of each lithological interval, including the depth, colour, degree of weathering, texture, hydrothermal alteration, sulphide and fracture degree of the rock (RQD). This information was transferred to a digital log. In this step, samples were also marked and identified for intervals of interest. Aircore drilling descriptions consisted of recording of depth, colour, degree of weathering, texture and any other anomalies. The Author considers that the level of detail of geological description for the diamond drillhole and aircore drillhole is sufficient for the reporting of Exploration Results defined in the technical report. Lithological logging is qualitative in nature. Geological description consisted of defining weathering levels, mineralogical, lithological, in all diamond holes with Aircore detail of 3 metres. Photographs of all drill holes were noted. All drillholes were fully logged. 		
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or 	<p>Diamond Core Sampling:</p> <ul style="list-style-type: none"> The diamond core samples containing demarcated samples were cut longitudinally with a diamond core cutting saw to obtain two equal parts. Then, the box returns to the bench 		

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Criteria	JORC Code explanation	Commentary		
	<ul style="list-style-type: none"> dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field. duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>where the left side of the core was removed to compose the sample. This portion is packed in a plastic bag with the identification and sent to the laboratory. The other half of the testimony is filed in the box in its original position.</p> <p>Aircore:</p> <ul style="list-style-type: none"> Aircore sampling consisted of drill cuttings from each 3m rod length being directed into a cyclone and approximately 20kg of sample was collected in plastic bags. A sub-sample was passed through a riffle splitter and two 1.5kg samples were taken. One was sent for analysis whilst the other was archived. In addition to the 3m composites, a 1m sample was collected, washed, and then stored in a chip tray. <p>Sample types, the nature, quality and sizes are considered appropriate for the mineralization type.</p>		
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	<p>Various laboratories have been used over the Novo Mundo Project's historical exploration programs including:</p> <ul style="list-style-type: none"> Bondar Clegg (ALS) in Luziânia, Goiás State on behalf of RTZ who analysed for gold by fire assay, plus As, Cu, Pb, Zn and Mo by ICP; and Acme (Bureau Veritas) on behalf of GMS who used two chemical analysis methodologies, one for gold and 52 elements by aqua regia digest and ICP analysis and the other only for Au by fire assay atomic absorption. <p>The laboratories utilised are international well regarded and accredited laboratories in the industry and utilise standard procedures and techniques for the material types. GE21 consider the nature, quality and completeness of the assaying and laboratory process was adequate for the deposit type.</p> <p>In 2000, RTZ performed a gridded mag-gamma survey with 200m line spacing and magnetometry readings every 10m and gamma-spectrometry readings every 20m. According to the information contained in the recovered documents, the geophysical surveys showed only the contrasts between granites and rocks of basic composition, without any relation to the mineralization of the area.</p> <p>In 2012 GMS hired companies Lasa Prospecções SA and the Fugro Airborne Surveys, for conducting airborne geophysical surveys and data interpretation respectively. This work consisted of a gradiometric-magnetometry survey and high-resolution gamma-spectrometry. The</p>		

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	<ul style="list-style-type: none"> Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established 	<p>work noted the potassium variation which indicated a strong K anomaly in the region of the altered Novo Mundo granite.</p> <p>No information was provided on the instrument make and model, reading times, calibrations factors applied and their derivation.</p> <p>The Author confirms an industry-standard was used for the quality control and procedures applicable for logging, sampling, QaQc control including standards, blanks and duplicates, sample and core handling by Resouro for the 2022 drilling campaign.</p> <p>The historical data available indicates the sample preparation, analysis and security were done to industry standards best practices, however the Author has not been able to validate this.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>The Author obtained data from the site visit of 3 days between 10th to 12th September 2023 with inspection of some drill hole sites in the field and by reconnaissance of the drillholes MNDD-002 and MNDD010 and the Dionisio – Luizão trend trench pits and drilling sites. Notably the trenches had already been closed and a number of the drill holes inspected had been damaged or destroyed. The Author was able to visit and review the core on the site visit where Resouro is providing a definitive and industry best practice core shed for all the core boxes including the historic core. However, no verification of significant intersections was undertaken.</p> <p>No twin holes were used on the Novo Mundo Project.</p> <p>The Author obtained data files available freely from Resouro on the Novo Mundo Project. This data contained record of all data available on the Novo Mundo Project including the historic drilling, geochemical, geophysical, and geological work done. Notably the work undertaken to develop the data was completed by reputable mining and exploration companies however, the sparse nature or non-preservation of some of this work did make thorough data verification challenging.</p> <p>There are no adjustments on assays.</p>
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. 	<p>All drillhole collars were topographically surveyed by handheld GPS with verification of some holes and the trenching area completed by the site visit. Downhole survey was not reportedly undertaken given the shallow depth of the holes.</p> <p>WGS 84 Datum for coordinate system.</p>

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	<p>In the field it was observed that of the holes collars that were preserved, the holes were identifiable, adequate and of industry standard.</p>
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<p>The data spacing is typical and appropriate for the style of the deposit and the stage of the Novo Mundo Project development.</p> <p>The drilling is in the preliminary exploratory phase and no reporting of mineral resource or ore reserves are applicable in this report.</p> <p>Not applied.</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>The geological layers are consistent with drill holes used to intersect and identify the epithermal ore zones typical of these deposit types. The sampling method used is not considered to cause orientation bias based information available at the time of reporting.</p> <p>Not applicable.</p>
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>After the drilling was completed, the core boxes from the Resouro campaign were stored at the Resouro office in Guaranta do Norte, MT. The Author was able to visit and review the core on the site visit and confirms Resouro is providing a definitive core shed for all the core boxes including the historic core.</p> <p>GE21 consider the measures taken to ensure sample security is appropriate.</p>

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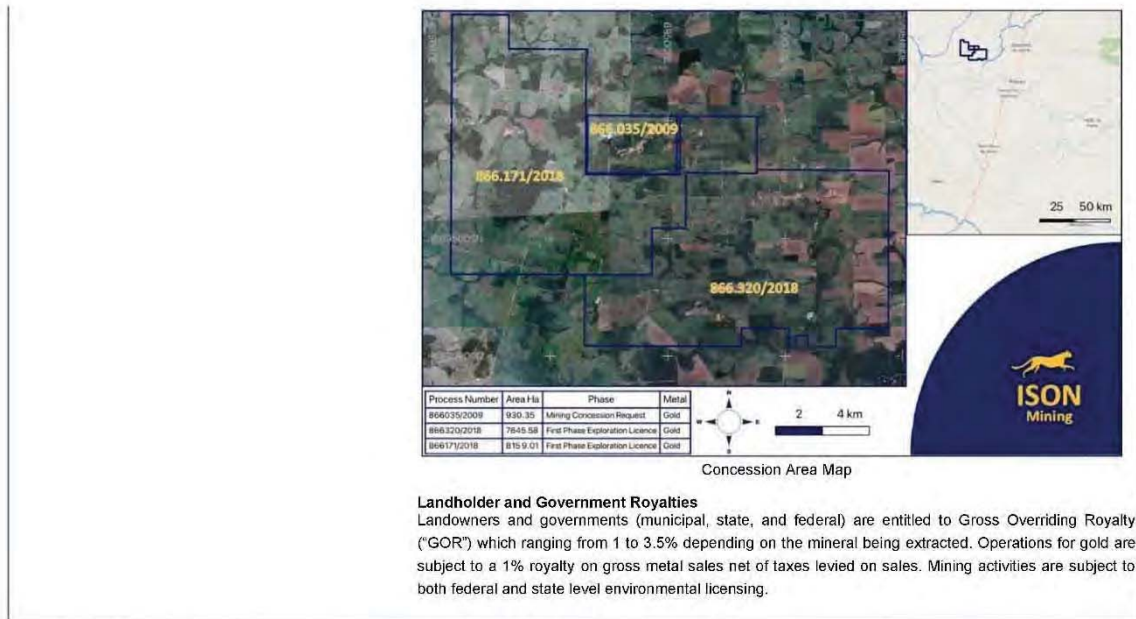
Legal/85931510_2

Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	There has been no specific audit or reviews on sampling techniques.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary																												
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	<table border="1"> <thead> <tr> <th>Tenement Number</th> <th>Holder</th> <th>Transferring to:</th> <th>Area (ha)</th> <th>Type</th> <th>Mineral Substance</th> <th>Expiration Date</th> </tr> </thead> <tbody> <tr> <td>866.035/2009</td> <td>Ison do Brasil Mineração Ltda</td> <td>Completed</td> <td>930</td> <td>Mining Concession by Guia n° 20/2022</td> <td>Gold</td> <td>25/08/2025</td> </tr> <tr> <td>866.320/2018</td> <td>Ison do Brasil Mineração Ltda</td> <td>Completed</td> <td>7645</td> <td>Second Phase Exploration Licence</td> <td>Gold</td> <td>07.08.2026 ***</td> </tr> <tr> <td>866.171/2018</td> <td>Nexa Recursos Minerais S.A</td> <td>Ison do Brasil Mineração Ltda</td> <td>8159</td> <td>Second Phase Exploration Licence</td> <td>Gold</td> <td>28/07/2026 ***</td> </tr> </tbody> </table>	Tenement Number	Holder	Transferring to:	Area (ha)	Type	Mineral Substance	Expiration Date	866.035/2009	Ison do Brasil Mineração Ltda	Completed	930	Mining Concession by Guia n° 20/2022	Gold	25/08/2025	866.320/2018	Ison do Brasil Mineração Ltda	Completed	7645	Second Phase Exploration Licence	Gold	07.08.2026 ***	866.171/2018	Nexa Recursos Minerais S.A	Ison do Brasil Mineração Ltda	8159	Second Phase Exploration Licence	Gold	28/07/2026 ***
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ISON Mining Pte Ltd has signed a definitive agreement and made the necessary payments to Nexa per agreement. The Mineral Rights are being assigned to Resouro do Brazil, Resouro Mining's Brazilian subsidiary. *** Up to a final Exploration Report has to be submitted to ANM.																														



Criteria	JORC Code explanation	Commentary
		<p>The surface rights in Brazil belong to the landowner and not the mineral rights holder. As such, the surface rights within the Novo Mundo licence area are held by several farmers. As standard in Brazil, Resouro has started to engage with the landowners to form the relevant agreements and to continue the agreements previous licence holders had in place. Exploration License holders are entitled to access their license area and work on it whether it is public or privately held, but such holders must compensate the owner or occupier of the surface rights for losses caused by the work (indemnification) and for the occupation of the land (rent). Compensation may be negotiated on a case-by-case basis, but the Mining Code provides that, should a court of law be required to set the amounts, the rent for occupation of the land cannot exceed the maximum net income that the owner or occupier would earn from its agricultural-pasture activity, and the indemnification cannot exceed the assessed value of the area of the property being used for exploration.</p> <p>Annual license fees for Exploration Licenses are based on the area size and are calculated at R\$3.29/ha for the first license term and R\$5.00/ha in subsequent terms. The minerals rights Resouro holds have an annual fee of approximately USD 12,000. Each license holder must submit an exploration plan, budget, and timeline, although there is no work or expenditure requirement.</p> <p>NEXA Royalties</p> <p>On the 11th of May 2021, Resouro do Brasil, a wholly owned subsidiary of Resouro, signed a definitive agreement with Nexa Recursos Minerais S.A (formally Votorantim Metais Zinco S.A) Nexa was at that time, directly or indirectly, the sole and rightful holder of the mineral right with the process numbers 866.035/2009, 866.320/2018 and 866.171/2018. As part of this agreement, these mineral rights were formally assigned to Resouro at the ANM. This definitive agreement provided Resouro do Brasil the exclusive rights to conduct exploration and eventually, subject to feasibility and permitting, develop a commercial precious metal mining operation. The acquisition consisted of a payment of USD350,000 for the purchase of 100% of the mineral rights with Nexa being granted a net smelter royalty of 1.5%. As part of the definitive agreement, Nexa has the right to, at their own cost and expense, explore for base metals, provided that the works do not interfere</p>

Criteria	JORC Code explanation	Commentary
		<p>with nor delay Resouro's exploration programmes. If Nexa discovers a commercially viable base metals project, Nexa will grant Resouro a 1.5% net smelter royalty.</p> <p>On the 18th of November 2018, Nexa signed an agreement with the Coogavepe – Cooperative de Garimpeiros do Vale do Rio Peixoto (the Coogavepe Agreement). The Coogavepe Agreement involved the transfer of mineral rights to Nexa in return for exploration and development expenditure. As part of the definitive agreement, Resouro has agreed to assume responsibility for the Coogavepe Agreement, as such, Resouro is liable to Coogavepe for certain obligations thereunder, including an additional royalty of 1.5% and assigning some areas of the Novo Mundo Project licences to Coogavepe giving them the right to apply for a Permissão de Lavra Garimpeira (PLG). The assigned areas are approximately 1.3% of the Novo Mundo Project licence area and is restricted to secondary gold only (alluvial). The PLG translates to an Artisanal Mining Permit which allows the local miners to extract secondary gold from alluvial (river) sources or weathered soil down to a maximum depth of 30m. Nexa had a good relationship with Coogavepe and Resouro engaged the directors of Coogavepe to ensure that strong relationship was maintained.</p> <p>The terms of the Coogavepe Agreement provide that if the Company determines to continue with the work moving on to the 3rd phase of exploration, it must pay Coogavepe the amount of BRL 2,500,000 (approximately A\$782,245) within 30 days of the approval of the first positive partial exploration report delivered to ANM. The approval of the first Partial Exploration Report occurred in January 2023, and the Parties agreed on parcelling the mentioned amount, being BRL 750,000 due and paid 20 December 2023, BRL 250,000 due and paid 20 February 2024, and BRL 1,500,000 due 31 May 2024. Upon granting the mineral processes and rights to the Company in any exploration area, the Company shall pay to Coogavepe, from the effective sale of the ore extracted from the exploration areas, a 1.5% net smelter royalty.</p>
	<ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<p>ANM' GIS system (SIGMINE (anm.gov.br)) was checked to verify the status of tenement areas at the time of report and the information shows the areas as regular for exploration works by Resouro. No issue related to tenements rights in this check was detected.</p>

Criteria	JORC Code explanation	Commentary	
		Year	Exploration Summary
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	1980 - 1997	Beginning in 1980, the Novo Mundo region was intensively worked by informal miners (garimpeiros) whose activities were focused on the alluvium and later some primary gold ore occurrences. The sites known as Luisão/Cláudio, Edmar, Raimunda, Júlio and Valdeci were superficially developed.
		1997	The company RJK Exploration Ltd (RJK) carried out IP geophysical surveys on a 200m grid, covering an area of 4.0 x 2.5 km, showing several resistivity alignments with varying intensity from weak to high. These correlated with surface sulphide zones, generating several targets for exploratory drilling. RJK partially tested these with diamond drilling for a total of 717.86 m with 7 holes. The best intersections were hole RJK-01 with 26.24 m at 2.94 g Au/t at the Luisão target and hole RJK-05 with 4.89 m at 6.18 g Au/t at Raimunda target.
		2000 - 2001	Rio Tinto Zinco's Brazilian subsidiary, Desenvolvimento Minerais Ltda (RTZ), performed: geological mapping, soil geochemistry, ground geophysics of magnetometry and radiometry, rock sampling and diamond drilling focusing on the Luisão target. This drilling totalled 1,086.35 m with 10 holes. The best intersections were in hole FNV-004 at 10.48m at 1.47 g Au/t, hole FNV-005 at 1.55m at 5.71 g Au/t and hole FNV-009 at 5.26 m at 6.82 g Au/t.
		2009	In 2009, the license area in focus was requested by COOPEGAVE - Cooperative of Garimpeiros in Vale do Rio Peixoto, which started some reconnaissance exploration activities immediately after the publication of the title in the DOU in April 2009.

Criteria	JORC Code explanation	Commentary
		<p>In 2012 the COOPEGAVE entered into a partnership with Graben Mineração SA – GMS to continue exploration and the assessment of the gold potential of the area. GMS developed geological mapping, rock and channel/chipping sampling, airborne geophysics interpretation, soil geochemistry. They completed a diamond drilling campaign between 2011 and 2013, with 3698.35 m in 26 holes. Based on the exploration results GMS filed a Final Exploration Report with the ANM- Brazilian Mining Agency in May, 2015, presenting an total geological resource in the area ANM 866 035 / 2009 of 1,691,179 tonnes with an average Au content of 2.99 g/t, amounting to around 160 thousand ounces.</p> <p><i>This resource was not completed to international reporting standards (for example, JORC or NI43-101) and is entirely historic in nature but mentioned here for reference.</i></p>
		<p>In 2018, Nexa Resources (formerly Votorantim Metais) acquired the Novo Mundo project from GMS and COOGAVEPE. Until 2021 they developed exploration work on the 3 tenements consisting of geological mapping, a wide coverage of soil and rock geochemistry, a survey of magnetometry, petrographic studies of drill cores, 3D integration of previous data and some deep IP and 3 AMT (Audio-frequency Magnetotellurics) profiles.</p> <p>On May 11th 2021, NEXA signed a "Definitive Agreement for Mineral Rights Acquisition and Other Covenants" transferring all the information and mineral rights to Resouro with written consent of COOGAVEPE.</p>
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralization. 	A porphyry-epithermal magmatic-hydrothermal system is interpreted to be responsible for the gold deposits of Novo Mundo based from field observations and the work by Moura et al. (2006), Paes de

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		<p>Barros (2007); Assis (2017), Trevisan (2015), and recent discoveries of disseminated Cu-Au-(Mo) porphyry deposits close to structurally controlled epithermal gold deposits (União Mine, Juruena).</p> <p>The Novo Mundo project exists within the established gold mining district of the Alta Floresta Gold Belt, Mato Grosso, also referred to as the Juruena Teles-Pires Gold Province (AFGP). This province has a SE-NW elongate extent of over 500 km. It is situated in southernmost portion of the Amazonian Craton at the boundary between the geochronological domains of the Rio Negro-Juruena (1.8-1.55Ga) and the Tapajós-Parima (2.03-1.88 Ga) as described by Macambira et al (1999), Santos et al (2004) and Vasquez et al. (2008).</p> <p>Two distinctly different styles of mineralization have been encountered in the area: a disseminated style and a vein style. There are about a dozen primary occurrences that have been targeted by informal miners since 1990. These surface workings are distributed along the E-W Luisão trend for approximately 3 km and the 2km NW-SE Raimunda Trend. The main mining activities and exploration works were concentrated at the targets known as Luisão/Claudio, Raimunda, Modesto, Edmar, Valdeci, Júlio, Luís Fante and Nelson Tex.</p>																																																																																																														
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth. hole length. If the exclusion of this information is justified on the basis that the information is not Material and this 	<table border="1"> <thead> <tr> <th>Company</th> <th>Hole ID</th> <th>Target</th> <th>Hole Type</th> <th>x</th> <th>y</th> <th>z</th> <th>depth</th> <th>azimuth</th> <th>dip</th> </tr> </thead> <tbody> <tr> <td>RJK</td> <td>RJK-01</td> <td>Luisão</td> <td>DD</td> <td>693740</td> <td>8886244</td> <td>322</td> <td>90.39</td> <td>0</td> <td>-45</td> </tr> <tr> <td>RJK</td> <td>RJK-02</td> <td>Luisão</td> <td>DD</td> <td>693740</td> <td>8898194</td> <td>325</td> <td>162</td> <td>0</td> <td>-45</td> </tr> <tr> <td>RJK</td> <td>RJK-03</td> <td>Luisão</td> <td>DD</td> <td>693705</td> <td>8888216</td> <td>324</td> <td>90</td> <td>0</td> <td>-45</td> </tr> <tr> <td>RJK</td> <td>RJK-05</td> <td>Valdeci</td> <td>DD</td> <td>695240</td> <td>8869652</td> <td>305</td> <td>130.62</td> <td>180</td> <td>-60</td> </tr> <tr> <td>RJK</td> <td>RJK-09</td> <td>Luisão</td> <td>DD</td> <td>693770</td> <td>8898319</td> <td>320</td> <td>91</td> <td>160</td> <td>-60</td> </tr> <tr> <td>RJK</td> <td>RJK-10</td> <td>Luisão</td> <td>DD</td> <td>693710</td> <td>8898344</td> <td>318</td> <td>67</td> <td>180</td> <td>-60</td> </tr> <tr> <td>RJK</td> <td>RJK-11</td> <td>Edmar</td> <td>DD</td> <td>695540</td> <td>8900694</td> <td>304</td> <td>86.85</td> <td>180</td> <td>-50</td> </tr> <tr> <td>RTZ</td> <td>FNV001</td> <td>Luisão</td> <td>DD</td> <td>695110</td> <td>8898059</td> <td>314.63</td> <td>139.65</td> <td>180</td> <td>-55</td> </tr> <tr> <td>RTZ</td> <td>FNV002</td> <td>Luisão</td> <td>DD</td> <td>695094</td> <td>8897966</td> <td>315.63</td> <td>90.1</td> <td>10</td> <td>-45</td> </tr> <tr> <td>RTZ</td> <td>FNV003</td> <td>Luisão</td> <td>DD</td> <td>695157</td> <td>8898008</td> <td>315.49</td> <td>88.5</td> <td>10</td> <td>-60</td> </tr> </tbody> </table>	Company	Hole ID	Target	Hole Type	x	y	z	depth	azimuth	dip	RJK	RJK-01	Luisão	DD	693740	8886244	322	90.39	0	-45	RJK	RJK-02	Luisão	DD	693740	8898194	325	162	0	-45	RJK	RJK-03	Luisão	DD	693705	8888216	324	90	0	-45	RJK	RJK-05	Valdeci	DD	695240	8869652	305	130.62	180	-60	RJK	RJK-09	Luisão	DD	693770	8898319	320	91	160	-60	RJK	RJK-10	Luisão	DD	693710	8898344	318	67	180	-60	RJK	RJK-11	Edmar	DD	695540	8900694	304	86.85	180	-50	RTZ	FNV001	Luisão	DD	695110	8898059	314.63	139.65	180	-55	RTZ	FNV002	Luisão	DD	695094	8897966	315.63	90.1	10	-45	RTZ	FNV003	Luisão	DD	695157	8898008	315.49	88.5	10	-60
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RTZ	FNV003	Luisão	DD	695157	8898008	315.49	88.5	10	-60																																																																																																							

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exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	RTZ	FNV004	Luisao	DD	696404	8897997	301	130.5	190	-60
	RTZ	FNV005	Luisao	DD	696307	8888026	302.41	115.5	190	-60
	RTZ	FNV006	Luisao	DD	696162	8898055	309.2	56.55	190	-60
	RTZ	FNV007	Luisao	DD	696209	8898047	305.01	76.6	190	-55
	RTZ	FNV008	Luisao	DD	694839	8898249	318.81	150	10	-60
	RTZ	FNV009	Luisao	DD	694028	8898255	319.07	123.2	10	-60
	RTZ	FNV010	Luisao	DD	694321	8898188	317.9	115.75	10	-50
	GMS	DN-FD-01	Edmar	DD	696658	8900607	310	178.6	40	-60
	GMS	DN-FD-02	Raimunda	DD	696231	8898772	295	139.15	40	-60
	GMS	DN-FD-03	Raimunda	DD	696238	8898661	300	109.75	220	-60
	GMS	DN-FD-04	Raimunda	DD	696138	8898859	299	152.25	35	-60
	GMS	DN-FD-05	Raimunda	DD	696334	8898621	294	160.6	40	-60
	GMS	DN-FD-06	Raimunda	DD	696406	8898925	293	154.3	15	-60
	GMS	DN-FD-07	Raimunda	DD	696462	8898898	292	156.65	35	-60
	GMS	DN-FD-08	Edmar	DD	696451	8900606	310	157.95	15	-60
	GMS	DN-FD-13	Edmar	DD	694884	8898588	316	116.15	10	-60
	GMS	DN-FD-09	Valdeci	DD	694866	8898980	295	151.4	350	-60
	GMS	DN-FD-10	Valdeci	DD	696025	8900155	311	126.6	360	-60
	GMS	DN-FD-11	Julio	DD	694102	8899326	304	149.3	205	-60
	GMS	DN-FD-12	Valdeci	DD	694084	8900903	302	186.7	10	-50
GMS	DN-FD-14	Valdeci	DD	693736	8898403	321	147.3	15	-52	
GMS	DN-FD-15	Luisao	DD	692549	8898881	313	96.6	185	-59	
GMS	DN-FD-16	Luisao	DD	694042	8898289	320	103.5	180	-60	
GMS	DN-FD-17	Julio	DD	693894	8898888	325	128.85	180	-60	
GMS	DN-FD-18	Luisao	DD	694277	8898107	326	137.1	170	-60	
GMS	DN-FD-19	Luisao	DD	694547	8897978	349	115.35	150	-60	

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Criteria	JORC Code explanation	Commentary								
	GMS	DN-FD-20	Luisao	DD	694577	8898038	340	151.1	190	-60
	GMS	DN-FD-21	Luisao	DD	693675	8898366	322	168.85	190	-60
	GMS	DN-FD-22	Luisao	DD	694685	8897934	323	139.35	190	-62
	GMS	DN-DD-001	Luisao	DD	694038	8898336	322	154.04	180	-60
	GMS	DN-DD-002	Luisao	DD	693752	8898364	315	113.15	180	-60
	GMS	DN-DD-003	Luisao	DD	693894	8898336	318	140.82	180	-60
	GMS	DN-DD-004	Luisao	DD	693752	8898241	315	160.64	0	-60
	GMS	DN-AC-001		AC	695078	8900704	310	35	0	-60
	GMS	DN-AC-002		AC	695080	8900604	316	34	0	-90
	GMS	DN-AC-003		AC	695089	8900508	318	30	0	-60
	GMS	DN-AC-004		AC	695094	8900404	311	19	0	-60
	GMS	DN-AC-005		AC	695100	8900307	306	19	0	-60
	GMS	DN-AC-006		AC	695103	8900221	307	16	0	-60
	GMS	DN-AC-007		AC	695107	8900114	303	22	0	-60
	GMS	DN-AC-008		AC	695103	8900009	297	19	0	-60
	GMS	DN-AC-009		AC	695109	8899914	297	23	0	-60
	GMS	DN-AC-010		AC	694602	8901068	314	19	0	-60
	GMS	DN-AC-011		AC	694592	8900962	320	23	0	-60
	GMS	DN-AC-012		AC	694602	8900862	322	21	0	-60
	GMS	DN-AC-013		AC	694597	8900761	321	27	0	-60
	GMS	DN-AC-014		AC	694589	8900659	320	26	0	-60
	GMS	DN-AC-015		AC	694605	8900560	317	30	0	-60
	GMS	DN-AC-016		AC	694089	8901100	331	14	0	-60
	GMS	DN-AC-017		AC	694097	8901007	321	16	0	-60
	GMS	DN-AC-018		AC	694097	8900928	313	16	0	-60
	GMS	DN-AC-019		AC	694150	8900755	308	20	0	-60

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Criteria	JORC Code explanation	Commentary								
	GMS	DN-AC-020		AC	694095	8900684	310	35	0	-90
	GMS	DN-AC-021		AC	694098	8900607	324	34	0	-90
	GMS	DN-AC-022		AC	694099	8900506	324	19	0	-90
	GMS	DN-AC-023		AC	694099	8900410	338	34	0	-90
	GMS	DN-AC-024		AC	694911	8898829	311	35	0	-90
	GMS	DN-AC-025		AC	694913	8898911	316	39	0	-90
	GMS	DN-AC-026		AC	694914	8898712	325	24	0	-90
	GMS	DN-AC-027		AC	692545	8898679	247	26	0	-90
	GMS	DN-AC-028		AC	692585	8898891	332	25	0	-90
	GMS	DN-AC-029		AC	692547	8898795	335	7	0	-90
	GMS	DN-AC-030		AC	692547	8898695	322	4	0	-90
	GMS	DN-AC-031		AC	692546	8898597	314	5	0	-90
	GMS	DN-AC-032		AC	692542	8898495	314	17	0	-90
	GMS	DN-AC-033		AC	693501	8898290	320	14	0	-90
	GMS	DN-AC-034		AC	693606	8898277	330	23	0	-90
	GMS	DN-AC-035		AC	693703	8898254	332	21	0	-90
	GMS	DN-AC-036		AC	693793	8898237	326	24	0	-90
	GMS	DN-AC-037		AC	695027	8901065	314	56	0	-90
	GMS	DN-AC-038		AC	695036	8900989	325	57	0	-90
	GMS	DN-AC-039		AC	695059	8900883	330	36	0	-90
	GMS	DN-AC-040		AC	695039	8900791	323	49	0	-90
	GMS	DN-AC-041		AC	694832	8900797	324	44	0	-90
	GMS	DN-AC-042		AC	694831	8900865	318	25	0	-90
	GMS	DN-AC-043		AC	694852	8900702	317	59	0	-90
	GMS	DN-AC-044		AC	694870	8900603	313	41	0	-90
	GMS	DN-AC-045		AC	694857	8900513	312	41	0	-90

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Criteria	JORC Code explanation	Commentary								
	GMS	DN-AC-046		AC	695098	8901204	318	61	0	-90
	GMS	DN-AC-047		AC	695099	8901300	317	35	0	-90
	GMS	DN-AC-048		AC	693318	8898665	308	20	0	-90
	GMS	DN-AC-049		AC	693417	8898659	308	22	0	-90
	GMS	DN-AC-050		AC	693574	8898827	303	21	0	-90
	GMS	DN-AC-051		AC	693644	8898839	300	18.6	0	-90
	GMS	DN-AC-052		AC	693645	8898737	302	25	0	-90
	GMS	DN-AC-053		AC	693626	8898641	307	20	0	-90
	GMS	DN-AC-054		AC	693581	8898598	311	26	0	-90
	GMS	DN-AC-055		AC	693797	8898105	323	13	0	-90
	GMS	DN-AC-056		AC	693771	8898496	309	28	0	-90
	GMS	DN-AC-057		AC	693780	8898409	313	21	0	-90
	GMS	DN-AC-058		AC	693831	8898352	316	20	0	-90
	GMS	DN-AC-059		AC	693846	8898282	320	7	0	-90
	GMS	DN-AC-060		AC	693886	8898250	323	26	0	-90
	GMS	DN-AC-061		AC	693986	8898193	323	4	0	-90
	GMS	DN-AC-062		AC	694031	8898255	329	26	0	-90
	GMS	DN-AC-063		AC	693988	8898440	322	12	0	-90
	GMS	DN-AC-064		AC	693507	8898604	311	29	0	-90
	GMS	DN-AC-065		AC	693467	8898491	313	20	0	-90
	GMS	DN-AC-066		AC	693471	8898465	316	26	0	-90
	GMS	DN-AC-067		AC	693489	8898523	316	20	0	-90
	GMS	DN-AC-068		AC	694692	8898361	339	27	0	-90
	GMS	DN-AC-069		AC	694688	8898288	342	27	0	-90
	GMS	DN-AC-070		AC	694730	8898315	312	5	0	-90
	GMS	DN-AC-071		AC	694805	8898126	328	20	0	-90

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Criteria	JORC Code explanation	Commentary									
		GMS	DN-AC-072		AC	694921	8898112	328	15	0	-90
		GMS	DN-AC-073		AC	694998	8898113	328	15	0	-90
		GMS	DN-AC-074		AC	694920	8898208	331	19	0	-90
		GMS	DN-AC-075		AC	695144	8898114	328	15	0	-90
		GMS	DN-AC-076		AC	695144	8898175	328	19	0	-90
		GMS	DN-AC-077		AC	695128	8898240	331	19	0	-90
		GMS	DN-AC-078		AC	695140	8898290	327	19	0	-90
		GMS	DN-AC-079		AC	695140	8898337	325	23	0	-90
		GMS	DN-AC-080		AC	694926	8898597	323	28	0	-90
		GMS	DN-AC-081		AC	694916	8898511	316	24	0	-90
		GMS	DN-AC-082		AC	694915	8898420	320	34	0	-90
		GMS	DN-AC-083		AC	694272	8898584	314	20	0	-90
		GMS	DN-AC-084		AC	694175	8898587	309	18	0	-90
		GMS	DN-AC-085		AC	694095	8898587	312	23	0	-90
		GMS	DN-AC-086		AC	693800	8898470	321	35	0	-90
		GMS	DN-AC-087		AC	694395	8897795	318	23	0	-90
		GMS	DN-AC-088		AC	694385	8898237	329	12	0	-90
		GMS	DN-AC-089		AC	694400	8898109	335	4	0	-90
		GMS	DN-AC-090		AC	694398	8898422	328	4	0	-90
		GMS	DN-AC-091		AC	694249	8898352	310	17	0	-90
		GMS	DN-AC-092		AC	694169	8898370	305	11	0	-90
		GMS	DN-AC-093		AC	694158	8898477	308	10	0	-90
		GMS	DN-AC-094		AC	694702	8898452	326	9	0	-90
		GMS	DN-AC-095		AC	695146	8898590	323	25	0	-90
		GMS	DN-AC-096		AC	695116	8898460	322	24	0	-90
		GMS	DN-AC-097		AC	693889	8898742	311	33	0	-90

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Criteria	JORC Code explanation	Commentary									
		GMS	DN-AC-098		AC	693910	8898774	308	13	0	-90
		GMS	DN-AC-099		AC	694404	8898323	329	11	0	-90
		GMS	DN-AC-100		AC	694639	8898098	343	21	0	-90
		Resouro	NMDD001	Luizão	DD	693983	8898214	308.39	129.82	10	-60.1
		Resouro	NMDD002	Dionizio	DD	693693	8898230	310.117	117.56	5	-60.8
		Resouro	NMDD003	Dionizio	DD	693834	8898225	311.398	115.02	5	-61.6
		Resouro	NMDD004	Altuzio	DD	693956	8898201	309.152	149.03	5	-65.2
		Resouro	NMDD005	Dionizio	DD	69376	8898235	311.034	98.2	5	-60.4
		Resouro	NMDD006	Altuzio	DD	694773	8898324	316.981	105.58	185	-59
		Resouro	NMDD007	Luizão	DD	694710	8898324	318.183	125.69	185	-49.2
		Resouro	NMDD008	Dionizio	DD	693726	8898180	313.641	189.64	0	-54.6
		Resouro	NMDD009	Dionizio	DD	693560	8898326	305.785	95.49	185	-50
		Resouro	NMDD010	Dionizio	DD	693884	8898225	310.196	142.69	5	-50
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. 	<p>The Novo Mundo Project is in the exploration phase and in the publication of results it assumes all mineralization levels above 0 grams per tonne of Au.</p> <p>No Aggregation methods applied.</p>									

Independent Technical Report on Exploration and Mineral Resources Estimation –Novo Mundo Project
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Criteria	JORC Code explanation	Commentary																													
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	No metal equivalent was reported.																													
Relationship between mineralization widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<p>The drilling and exploration completed has been exploratory in nature with wide drill spacings of approximately 250m with the exception of the sub-area called Modesto in the SE end of this target where the drill spacings are at a 50m x 50m grid. Drilling data available is sparse and a better and more detailed understanding will be necessary to determine if a relationship between mineralization widths and intercept lengths is present.</p> <p>Drilling indicates the mineralization is a subvertical dip, but the complete geometry (width, length and depth) of the mineralization is not yet known.</p>																													
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	Detailed diagrams including sections, maps, intercepts necessary to describe the Novo Mundo Project are included in "Independent Technical Report on the Novo Mundo Project, Mato Grosso, Brazil" - Prepared by GE21.																													
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration 	<p>The Novo Mundo Project is of preliminary exploration in nature with main intersections of the drill programs summarised below</p> <table border="1"> <thead> <tr> <th rowspan="2">Campaign</th> <th rowspan="2">Hole ID</th> <th colspan="4">Mineralized Interval</th> <th colspan="4">including</th> </tr> <tr> <th>From</th> <th>To</th> <th>Grade</th> <th>Extension</th> <th>Grade</th> <th>Extension</th> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Campaign	Hole ID	Mineralized Interval				including				From	To	Grade	Extension	Grade	Extension	From	To											
Campaign	Hole ID	Mineralized Interval				including																									
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Criteria	JORC Code explanation	Commentary									
	Results										
			(m)	(m)	(g/t)	(m)	(g/t)	(m)	(m)	(m)	
		RJK	RJK-01	57.21	83.45	2.94	26.24	4.39	14.23	57.21	71.44
								4.02	1.82	76.49	78.32
			RJK-09	30.77	31.55	2.07	0.78				
			RJK-10	59.43	80.55	4.62	1.12				
			FNV-002	6.9	10.32	0.51	3.42				
			FNV-004	44.45	52.57	0.48	8.12				
				66.85	77.33	1.47	10.48	3.07	3.31	69.95	73.26
			FNV-005	65.45	67	5.71	1.55	10.41	0.8	65.45	66.25
			FNV-006	43.2	44.7	0.58	1.5				
		RTZ	FNV-007	36.2	38.8	1.77	2.6				
				21.9	23.25	0.86	1.35				
			FNV-009	55.88	57.36	1.21	1.48				
				84.08	89.34	6.82	5.26				
				111.35	113.45	0.66	2.1				
				19.05	31.65	1.53	12.6	2.18	5.65	26	31.65
		GMS	DN-FD-018	42.65	44.5	0.65	1.85				
			DN-FD-020	76.5	77.5	2.14	1				
			DN-FD-021	24	31	3.15	7				

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Criteria	JORC Code explanation	Commentary																																																											
		<table border="1"> <thead> <tr> <th></th> <th>17</th> <th>18</th> <th>0.93</th> <th>1</th> <th></th> <th></th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>DN-FD-022</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>FD-DD-001</td> <td>74</td> <td>75</td> <td>1.1</td> <td>1</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>FD-DD-002</td> <td>90</td> <td>98</td> <td>0.62</td> <td>8</td> <td>2.05</td> <td>1</td> <td>90</td> <td>91</td> <td></td> </tr> <tr> <td>FD-DD-003</td> <td>22</td> <td>24</td> <td>3.67</td> <td>2</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Positive drill holes intersections at the Luisão target</p>		17	18	0.93	1						DN-FD-022										FD-DD-001	74	75	1.1	1						FD-DD-002	90	98	0.62	8	2.05	1	90	91		FD-DD-003	22	24	3.67	2														
	17	18	0.93	1																																																									
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FD-DD-002	90	98	0.62	8	2.05	1	90	91																																																					
FD-DD-003	22	24	3.67	2																																																									
		<table border="1"> <thead> <tr> <th rowspan="2">Hole ID</th> <th colspan="4">Intervals</th> </tr> <tr> <th>From (m)</th> <th>To (m)</th> <th>Grade (g/t)</th> <th>Length (m)</th> </tr> </thead> <tbody> <tr> <td>DN_AC_012</td> <td>0</td> <td>3</td> <td>0.46</td> <td>3</td> </tr> <tr> <td>DN_AC_013</td> <td>0</td> <td>3</td> <td>0.65</td> <td>3</td> </tr> <tr> <td>DN_AC_027</td> <td>3</td> <td>6</td> <td>0.2</td> <td>3</td> </tr> <tr> <td>DN_AC_034</td> <td>6</td> <td>9</td> <td>0.35</td> <td>3</td> </tr> <tr> <td>DN_AC_043</td> <td>18</td> <td>21</td> <td>0.14</td> <td>3</td> </tr> <tr> <td>DN_AC_065</td> <td>0</td> <td>6</td> <td>0.11</td> <td>6</td> </tr> <tr> <td>DN_AC_070</td> <td>3</td> <td>6</td> <td>0.36</td> <td>3</td> </tr> <tr> <td>DN_AC_077</td> <td>6</td> <td>9</td> <td>0.23</td> <td>3</td> </tr> <tr> <td>DN_AC_081</td> <td>12</td> <td>18</td> <td>0.71</td> <td>6</td> </tr> <tr> <td>DN_AC_085</td> <td>21</td> <td>24</td> <td>0.29</td> <td>3</td> </tr> </tbody> </table> <p>Positive drill holes intersections along the Raimunda trend</p>	Hole ID	Intervals				From (m)	To (m)	Grade (g/t)	Length (m)	DN_AC_012	0	3	0.46	3	DN_AC_013	0	3	0.65	3	DN_AC_027	3	6	0.2	3	DN_AC_034	6	9	0.35	3	DN_AC_043	18	21	0.14	3	DN_AC_065	0	6	0.11	6	DN_AC_070	3	6	0.36	3	DN_AC_077	6	9	0.23	3	DN_AC_081	12	18	0.71	6	DN_AC_085	21	24	0.29	3
Hole ID	Intervals																																																												
	From (m)	To (m)	Grade (g/t)	Length (m)																																																									
DN_AC_012	0	3	0.46	3																																																									
DN_AC_013	0	3	0.65	3																																																									
DN_AC_027	3	6	0.2	3																																																									
DN_AC_034	6	9	0.35	3																																																									
DN_AC_043	18	21	0.14	3																																																									
DN_AC_065	0	6	0.11	6																																																									
DN_AC_070	3	6	0.36	3																																																									
DN_AC_077	6	9	0.23	3																																																									
DN_AC_081	12	18	0.71	6																																																									
DN_AC_085	21	24	0.29	3																																																									

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	Given the Novo Mundo Project's extensive history detailed geological observations, geophysical survey results, geochemical survey results, preliminary metallurgical test results are to described in the Novo Mundo Project technical report titled "Independent Technical Report on the Novo Mundo Project, Mato Grosso, Brazil" - Prepared by GE21.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<p>Based on data integration of the available exploration data including drilling, geochemistry, geology, and geophysics GE21 recommends as priority:</p> <ul style="list-style-type: none"> Undertake IP/ Resistivity survey over the most potential mineralized structures and targets. Perform an exploratory 2.500m RC drilling campaign along the new south parallel trend indicated by rock geochemistry. Perform a second diamond drilling campaign of around 3500m including an infill drilling program based on IP /resistivity surveys. Execute a JORC compliant resource estimation and Scoping Study.

Annexure E – Brazilian Solicitor's Report



WILLIAM FREIRE
ADVOGADOS ASSOCIADOS

SÃO PAULO

BELO HORIZONTE

BRASÍLIA

Belo Horizonte, April 24, 2024.

To
Resouro Strategic Metals Inc.
Suite 520 – 999 West Hasting Street,
Vancouver, British Columbia, Canada
Att. to: Mr. Christopher Eager – CEO
Emails: chris.eager@resouro.com

Solicitor's Tenement Report, Resouro Strategic Metals Inc.

Dear Sirs/Mesdames,

This solicitor's report on tenements (hereinafter the "Report") has been prepared for inclusion in the prospectus to be prepared and issued by the Canadian company named Resouro Strategic Metals Inc. (hereinafter the "Company" or "Resouro") for an initial public offering, which is expected to issue circa 16,000,000 shares at \$0,50 per share, to raise around AUD \$8,000,000 (the "Prospectus").

I. Introduction.

1. We have been asked to provide a Report on the legal standing of 29 (twenty-nine) mineral tenements in the states of Minas Gerais and Mato Grosso in Brazil. Our analysis was divided by mining project, and it unfolded as follows:

- 1.1 25 tenements that comprise the Tiros Project ("Tiros Tenements")
- 1.2 3 tenements that comprise de Novo Mundo Project ("Novo Mundo Tenements")
- 1.3 1 tenement that comprises the Santa Ângela Project ("Santa Ângela Tenement").

2. **Scope.** The scope of this Report covers the following issues: (i) basic information on (i.1) Ison do Brasil Mineração Ltda. ("Ison do Brasil"), Resouro's Brazilian subsidiary, and on (i.2) Brazil Copper Mineração Ltda ("BCML"), Brazilian subsidiary of Brazil Copper PTE Ltd (Singapore)

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("BCS")¹; (ii) basic information regarding the agreements that we had access to related to the Tiros Tenements, Novo Mundo Tenements and Santa Ângela Tenement; (iii) summary of Brazilian legal system for obtaining mineral rights; (iv) analysis on the good standing and status of the Tiros Tenements, Novo Mundo Tenements and Santa Ângela Tenement; (v) basic information on the Brazilian legal system for obtaining environmental authorizations in order to allow mining activities to be carried out; and (vi) a summary of the Brazilian tax system.

3. **Limitation of scope.** Our analysis has been undertaken on the following basis:

i. we have reviewed, and accordingly this Report is based on, only the public information of the Tiros Tenements, Novo Mundo Tenements and Santa Ângela Tenement registers available on the Brazilian Mining Agency ("ANM", in the Brazilian acronym) website, and we have not reviewed, and this Report does not cover, any matters in relation to financial, commercial, taxation, accounting, actuarial, insurance or information technology issues.

ii. we have assumed that the information and copies of documents provided to us are true, validly issued by the competent authorities, updated (unless otherwise expressed on the document), complete, authentic, accurate and valid, and that there are no other documents or facts that amend or otherwise change in any way the content of such documents.

iii. we have assumed that each of the agreements provided to us has been duly and validly executed and is in full force and effect and, unless where expressly brought to our attention, has not been terminated or amended.

iv. we have assumed that each party to an agreement has the right, power and authority and has taken all necessary steps to execute, deliver, exercise its rights and fulfill its obligations under the relevant agreement.

v. we have assumed that the documents we reviewed were duly authorized and signed and that the information they contained was true and correct in all aspects. We have assumed the genuineness of all signatures, the legal capacity of all individuals, the authenticity and completeness of all documents we reviewed.

vi. we have made no examination on the ground or maps or technical data to determine if any mineral resources or reserves correlate to or are encompassed by Tiros Tenements, Novo Mundo Tenements and Santa Ângela Tenement.

¹ As will be further detailed in Section III.3, Resouro entered into an agreement that allows the acquisition of up to 100% of BCS.

vii. we have not conducted any searches or other investigations with respect to taxes assessed by or paid to applicable government authorities.

viii. the database used to prepare all sections covered by this Report, except for Section III, is March 27, 2023.

ix. the database used to prepare Section III of this Report is May 05, 2024.

4. **Jurisdiction.** We are solicitors qualified to practice law in Brazil and express no opinion as to any regulations or laws other than the regulations and laws of Brazil applicable therein. This Report and the opinions herein are limited to the current Brazilian laws applicable as at the date hereof.

5. **Sections.** In order to facilitate the understanding of the results of our analysis and the content of the Report, in Section II below we will provide basic information and contingencies related to Ison do Brasil e BCML. In Section III, we will provide basic information regarding the agreements that we had access to related to the Tiros Tenements, Novo Mundo Tenements and Santa Ângela Tenement. In Section IV, we will provide a summary of the Brazilian legal system for obtaining mineral rights. Section V will describe the legal and current status of the Tiros Tenements. Section VI will describe the legal and current status of the Novo Mundo Tenements. Section VII will describe the legal and current status of the Santa Angela Tenement and Section VIII will describe the Brazilian legal system regarding environmental permits in order to allow exploration and mining activities to take place. Section IX will provide a summary of the Brazilian tax system.

6. This Report has only been prepared in relation to the specific matter set out herein. We are not reporting or opining on any matters not set out in this Report. Specifically, we have not reviewed the Prospectus prepared by Resouro and we do not accept any liability for any other part of the Prospectus.

7. William Freire Advogados Associados has given its written consent to be named as Brazilian legal adviser and tenement solicitor to the Company in the Prospectus in the form and context in which it is named and to the inclusion of this Report (and each reference to it) in the Prospectus in the form and context in which it is included and to all references in the Prospectus to this Report and William Freire Advogados Associados in the form and context in which they appear. William Freire Advogados Associados has not withdrawn its consent prior to the lodgement of the Prospectus with the Australian Securities and Investments Commission.

8. The information contained in this Report and the opinions expressed herein are intended for the use and benefit of the addressee and (other than as a result of its inclusion in the

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Prospectus) may not be relied on by, or distributed to, any other person or entity for any purpose without our prior written consent, provided that this report may be included in the Prospectus.

9. This Report is given as the date hereof, and the opinions expressed herein are given as the specific earlier data set out, and we disclaim any obligation or undertaking to update searches or investigations in respect of the Report or its subject matter after the data of this Report. References to “R\$” in this Report are to Brazilian real.

II. Information on Ison do Brasil and BCML

II.1 – Ison do Brasil

10. Ison do Brasil is a Brazilian limited liability company, duly incorporated in compliance with the laws of Brazil, enrolled with the Corporate Taxpayer Register (the “CNPJ”, in the Brazilian acronym) under the No. 37.828.305/0001-04, headquartered in the City of Belo Horizonte, State of Minas Gerais, with its main place of business being in the Central-West Region of Brazil. Ison do Brasil is validly existing under the Brazilian laws, as its corporate documents are duly registered by the Brazilian Government Business Registration Service of Minas Gerais (in Portuguese, Junta Comercial do Estado de Minas Gerais).

11. Ison do Brasil's current share capital² is BRL 4,990,000.00, which, until the date of registration of the last amendment to the articles of association with the Brazilian Government Business Registration Service of Minas Gerais, had not been fully paid in. In Brazilian law, there is no time period or deadline to fully pay-in the share capital, however until Ison do Brasil's share capital is fully paid-in, the shareholders are jointly and severally liable to having to pay with their own share capital and assets, in the event that the share capital is not enough to fully pay any actual compensation awarded by a Court. It is worth noting that Ison do Brasil may reduce its share capital at any time, provided that unsecured creditors have the right to oppose to such reduction within 90 days from the date of the approval of the amendment of Ison do Brasil's articles of association regarding share capital.

12. Ison do Brasil is currently managed solely by Christopher John Eager, who is appointed as “Non-partner Administrator” and has the powers to represent the company. Due to its nature of a limited liability company, Ison do Brasil does not have a Board of Directors or an Audit Committee.

13. It should be also mentioned that, as per the certificates that have been provided by Resouro for our analysis, there are no current, pending, or threatened actions, lawsuits,

² There are only ordinary shares in the structure.

administrative proceedings, arbitrations, claims or litigation of any kind involving Ison do Brasil or its assets, as well as it is not an insolvent entity or bankrupt.

II.2 – BCML

14. BCML is a Brazilian limited liability company, duly incorporated in compliance with the laws of Brazil, enrolled with the CNPJ under the No. 37.918.742/0001-00, headquartered in the City of Belo Horizonte, State of Minas Gerais. BCML is validly existing under the Brazilian laws, as its corporate documents are duly registered by the Brazilian Government Business Registration Service of Minas Gerais (in Portuguese, Junta Comercial do Estado de Minas Gerais).

15. BCML's current share capital is BRL 100,000.00³, which, according to BCML's articles of association, should have been fully paid-in within three years from the registration of the document with the Brazilian Government Business Registration Service of Minas Gerais. In other words, the share capital should have been fully paid-in by 17/07/2020. This capital is represented by the issuance of 100,000 shares, each with par value of BRL 1.00. As of now, we have not obtained information on whether the share capital has been fully paid in. In Brazilian law, there is no time period or deadline to fully pay-in the share capital, however until BCML's share capital is fully paid-in, the shareholders are jointly and severally liable to having to pay with their own share capital and assets, in the event that the share capital is not enough to fully pay any actual compensation awarded by a Court. It is worth noting that BCML may reduce its share capital at any time, provided that unsecured creditors have the right to oppose to such reduction within 90 days from the date of the approval of the amendment of BCML's articles of association regarding share capital.

16. BCML is currently managed solely by Christopher John Eager, who is appointed as "Non-partner Administrator" and has the powers to represent the company. Due to its nature of a limited liability company, BCML does not have a Board of Directors or an Audit Committee.

17. It should be also mentioned that, as per the certificates that have been provided by Resouro for our analysis, there are no current, pending, or threatened actions, lawsuits, administrative proceedings, arbitrations, claims or litigation of any kind involving BCML or its assets, as well as it is not an insolvent entity or bankrupt.

III. Agreements

III.1 – Acquisition of the Novo Mundo Tenements by Nexa

³ There are only ordinary shares in the structure.

18. On March 29, 2018, the Cooperativa dos Garimpeiros do Vale do Rio Peixoto (“COOGAVEPE”) and Nexa Recursos Minerais (“Nexa”) entered into an agreement for the sale and purchase of the mineral rights related to administrative proceedings No. 866.035/2009, 866.086/2015 and 866.256/2016. The last two tenements would later be, respectively, renumbered to No. 866.320/2018 and 866.171/2018 by the ANM.

19. In consideration for the Novo Mundo Tenements, Nexa agreed to comply with the following obligations:

19.1 Nexa is to pay BRL 400,000.00 (four hundred thousand Brazilian Reals) to COOGAVEPE, divided in two tranches. The first tranche,, amounting to BRL 150,000.00 (one hundred fifty thousand Brazilian Reals), is payable within 30 days of the execution of the contract, and the second one, amounting BRL 250,000.00 (two hundred and fifty thousand Brazilian Reals), is payable within 30 days after lodgement of assignment applications for all Novo Mundo Tenements.

19.2 Nexa is obligated to invest BRL 1,000,000.00 (one million Brazilian Reals) in mineral exploration within the areas of the Novo Mundo Tenements, within a period up to 24 (twenty-four) months, counted from the date when the three following conditions are met:

19.2.1 The Novo Mundo Tenements are held by Nexa.

19.2.2 Nexa holds all permits necessary to allow exploration within the Novo Mundo Tenements.

19.2.3 Nexa has obtained an authorization from a surface rights holder who has propieties within the Novo Mundo Tenements to enter into their property.

19.3 Nexa is to pay BRL 2,000,000.00 (two million Brazilian Reals) to COOGAVEPE, if it decides to further explore the property after the twenty-four-month period mentioned above (the “Deferred Consideration”).

19.4 Nexa to prepare and lodge before the ANM at least one Final Exploration Report stating that viable mineral resources have been found in a Novo Mundo Tenement, within 12 (twelve) months from the end of the twenty-four-month period mentioned above.

19.5 Nexa is to pay BRL 2,500,000.00 (two million and five hundred thousand Brazilian Reals) to COOGAVEPE after the first approval of the lodged Final Exploration Reports relating to the Novo Mundo Tenements, provided that Nexa decided to file at least one Final Exploration Report stating that viable mineral resources have been found in a Novo Mundo Tenement (the “Milestone Consideration”).

19.6 If a Novo Mundo Tenement reaches the phase of mining, i. e., a mining permit is granted related to the Novo Mundo Tenements, Nexa is required to pay 1.5% (one and a half percent) Net Smelter Return royalties, within 45 days after the end of a quarter. This

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payment must be accompanied by documents detailing how the royalties were calculated. Pursuant to the agreement, Net Smelter Return means all revenue received by sales of products extracted from the Novo Mundo Tenements, with deductions for any costs associated with processing the minerals in a smelter or refinery and selling them, such as freight, marketing, taxes and insurances.

20 Nexa committed to maintaining the Novo Mundo Tenements in good standing during the period in which it remains the holder of the Novo Mundo Tenements, and the company agreed to be solely responsible for funding the necessary mineral exploration. During the time in which Nexa is the holder of the Novo Mundo Tenements, COOGAVEPE may request an allowance to develop an artisanal mining project (*garimpo*) within the areas, provided that such activities do not adversely impact Nexa's operations.

21 The agreement will remain valid and in effect until the potential mines are fully developed and their resources are exhausted, or one of the following termination events takes place:

21.1 Nexa may, at any time, at its discretion, send a termination notice to COOGAVEPE, with a minimum three-months period in advance, to communicate that the termination of the agreement, relating to all Novo Mundo Tenements or some of them. In such event, Nexa does not have to pay any further amounts to COOGAVEPE and shall not be liable to receive any penalties.

21.2 Any party may terminate the agreement due to breaches or violation of representations and warranties or non-compliance with obligations. In the latter case, if the default is not cured within 30 days after receipt of a notice, the agreement may be terminated. If the agreement is terminated due to COOPEGAVE's fault, it shall reimburse Nexa of all expenses of the company related to the contract.

21.3 If the Novo Mundo Tenements are forfeited, declared nullified or by any means lost because of COOPEGAVE's activities.

22 If a termination event occurs:

22.1 Nexa will no longer be liable for paying any further amounts.

22.2 Nexa shall assign the Novo Mundo Tenements back to COOGAVEPE.

22.3 Nexa shall vacate the Novo Mundo Tenements areas within 30 days.

22.4 Nexa shall abstain from seeking indemnification for exploration expenses, except if the termination was caused by COOGAVEPE.

22.5 Nexa shall settle any outstanding fees relating to the Novo Mundo Tenements.

22.6 Nexa shall deliver to COOGAVEPE all information and data produced relating to the Novo Mundo Tenements.

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23 Under the agreement, COOGAVEPE agreed to indemnify Nexa for any losses resulting from breach or violation of representations and warranties, non-compliance with obligations, liabilities existing in the areas of relating to the Novo Mundo Tenements, which were present at the time in which COOGAVEPE was the holder of the tenements, and sanctions applied to the assets, such as forfeiture, cancellation or annulment resulting from its activities. In turn, Nexa agreed to indemnify COOGAVEPE for any losses resulting from breach or violation of representations and warranties, non-compliance with obligations and sanctions applied to the assets, such as forfeiture, cancellation or annulment resulting from its activities.

24 Finally, the agreement establishes that any assets that are part of it may only be assigned to third parties, such as Ison do Brasil, if the other party agrees, which must be demonstrated by a written letter.

25 This agreement was amended seven times.

26 In the first addendum, no material changes were made. In the second addendum, Nexa committed to paying for the costs of maintaining the Novo Mundo Tenements as of January 2019, even if it was not the holder of these assets by that date. In the third addendum, the parties agreed that Nexa could commence exploration works before the registration of the assignment of the Novo Mundo Tenements to it.

27 Between the execution of the third and fourth addenda, Ison do Brasil acquired Nexa's interest and title in the agreement entered with COOGAVEPE, assuming Nexa's contractual position, which was approved by COOGAVEPE. Therefore, Ison do Brasil is bound to the same obligations and acquired the same rights once held owned by Nexa.

28 The fourth and fifth addenda to the agreement were executed by Ison do Brasil. They amended the Deferred Consideration tranche, establishing that only BRL 840,000.00 (eight hundred and forty thousand Brazilians Reals) were payable at the end of the twenty-four months period, which was already paid and COOGAVEPE gave acquittance, and the remaining would be in four tranches, by the following:

28.1 First tranche: BRL 193,333.33 (one hundred ninety-three thousand, three hundred thirty-three Brazilian Reals and thirty-three cents), which was already paid and for which COOGAVEPE gave acquittance.

28.2 Second tranche: BRL 579.999,99 (Five hundred seventy-nine thousand, nine hundred ninety-nine Brazilian Reals and ninety-nine cents), by February 18, 2022.

28.3 Third tranche: BRL 193,333.33 (one hundred ninety-three thousand, three hundred thirty-three Brazilian Reals and thirty-three cents), by March 18, 2022.

28.4 Fourth tranche: BRL 193,333.35 (one hundred ninety-three thousand, three hundred thirty-three Brazilian Reals and thirty-five cents), by April 18, 2022.

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29 In the sixth addendum, the parties set forth that Ison do Brasil should resume exploration works within 90 days from February 20, 2024. Furthermore, they amended the Milestone Consideration tranche, payable after the first approval of the lodged Final Exploration Reports relating to the Novo Mundo Tenements, which was then further modified in the seventh addendum. In summary, the parties established that the Milestone Consideration shall be paid in three tranches, as follows:

29.1 First tranche: BRL 750,000.00 (seven hundred fifty thousand Brazilian Reals), by December 20, 2023, which has already paid.

29.2 Second tranche: BRL 250,000.00 (two hundred fifty thousand Brazilian Reals), by February 20, 2024, which has been already paid

29.3 Third tranche: BRL 1,500,000.00 (one million five hundred thousand Brazilian Reals), by May 31, 2024.

III.2 – Acquisition of the Novo Mundo Tenements by Ison do Brasil from Nexa

30 On, May 6th, 2021, Nexa, Ison do Brasil and Ison Mining Pte. Ltd. entered into an agreement for the sale and purchase of the Novo Mundo Tenements. Considering that Nexa's interest and title in the Novo Mundo Tenements are subject to compliance with the agreement entered into with COOGAVEPE described in Section IX.2 above, the subject of the transaction was Nexa's contractual position (with all rights and obligations emerging therefrom) in the agreement entered with COOGAVEPE. Ison Mining Pte. Ltd. executed the contract with Nexa as a guarantor for all obligations applicable to Ison do Brasil.

31 Ison do Brasil agreed to maintain the Novo Mundo Tenements in good standing during the period in which it remains as the holder of the Novo Mundo Tenements, at its own costs, and the company agreed to be solely responsible for funding the mineral exploration, which shall be conducted at its sole discretion, subject to compliance with the contract with COOGAVEPE. Ison do Brasil committed to providing quarterly reports, as well as a copy of any Final Exploration Reports related to the Novo Mundo Tenements lodged in the mining administrative proceedings. Nexa is entitled to, at its own expense, explore base metals on the areas, provided that it notifies Ison do Brasil at least 45 days prior to the commencement of the exploration, and Nexa's activities do not harm, delay or interfere with Ison's enterprise.

32 Ison do Brasil may relinquish any Novo Mundo Tenements, provided that it has given Nexa 60 days prior notice of its intent and Nexa has not decided to acquire back the assets for USD 1.00 (one American dollar). If Nexa decides to purchase the Novo Mundo Tenements back, Ison do Brasil shall assign the assets back to Nexa free of all encumbrances and at no additional costs to Nexa. If the relinquishment notice is delivered under 90 days before a Novo Mundo Tenement expiry date, Ison do Brasil will be responsible for presenting a Partial Exploration Report or a Final Exploration Report stating that economically viable resources have been identified. Considering

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the agreement with COOGAVEPE, Ison do Brasil shall assign back the Novo Mundo Tenements to COOGAVEPE if Nexa does not decide to acquire back the assets.

33 The parties acknowledged that, when the agreement was executed, there was not enough time for Ison do Brasil to prepare a Pre-Economic Assessment Plan related to the administrative proceeding 866.035/2009 to present to the ANM within the required timeframe by the law. Therefore, it would need to request an extension to comply with this obligation and there is no guarantee that ANM would grant it, which would lead to forfeiture of the mineral right. If the asset is lost due to this reason, Ison do Brasil shall not be liable or suffer any adverse consequences.

34 In consideration for acquiring Nexa's contractual position in the agreement entered with COOGAVEPE, Ison do Brasil agreed to pay the equivalent amount in Brazilian Reals of USD 350,000.00 (three hundred and fifty thousand American dollars) within 30 days of the execution of the agreement and concurrently with lodgement, by Nexa, of an application to assign the Novo Mundo Tenements to Ison do Brasil. Additionally, Ison do Brasil committed to perform all obligations under Nexa's agreement with COOGAVEPE that were of Nexa's responsibility, as its contractual substitute.

35 Within 36 (thirty-six) months from the execution of the agreement or within the remaining period of validity of the Exploration Licences granted to each Novo Mundo Tenements, Ison do Brasil and Nexa shall determine whether the project has predominance of precious metals or base metals (copper, zinc, lead and its by-products). The factors that will be considered to determine the "predominance" are not specified in the agreement. The following consequences may happen, depending on the exploration results:

35.1 If the project is considered to be predominantly related to base metals, Nexa will be entitled to become the owner of the Novo Mundo Tenements and develop them, at its own expense. In this case, Ison do Brasil would be granted a 1,5% Net Smelter Return royalty and it could commence a precious metals project, provided that its activities do not adversely affect the development of the base metals enterprise. If Nexa does not exercise this right within 60 days from the date when the "predominance" of the project was defined, Ison do Brasil may develop the mines as a base metals or precious metals focused enterprise, at its own discretion and Nexa will be entitled to 1,5% Net Smelter Returns royalty. Net Smelter Royalty is defined in the agreement as all revenue received by sales of products extracted from the Novo Mundo Tenements, with the deduction of any costs associated with processing the minerals in a smelter or refinery and selling them, such as freight, marketing, taxes and insurances. If the refinery or smelter is owned by Ison do Brasil, the deducted costs related to processing the minerals shall be equivalent to the prices charged by similar smelters or refineries in their normal activities. The royalties shall be paid by the 45th day after the end of a calendar quarter. Ison do Brasil shall present to Nexa by the 15th day after the end of a calendar quarter a statement of the NSR base value.

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35.2 If the project is considered to be predominantly related to precious metals, Ison shall develop it at its own costs and Nexa will be entitled to 1,5% Net Smelter Return royalty from Ison do Brasil under the same terms and conditions described above.

36 The Net Smelter Return royalties may be purchased by the holder of the Novo Mundo Tenements, which will depend on the situations mentioned above, based on the following conditions:

36.1 Within 24 months of the execution of the agreement, the NSR royalties may be purchased for USD 2,000,000.00 (two million American dollars). A party may acquire fractions of the NSR royalty proportionally to the price paid compared to the purchase price. For example, a party may acquire 50% of the NSR by paying USD 1,000,000.00 (one million American dollars).

36.2 After the 24th month and up to the 60th month of the execution of the agreement, the NSR royalties may be purchased for USD 5,000,000.00 (five million American dollars). A party may acquire fractions of the NSR royalty proportionally to the price paid compared to the purchase price.

36.3 As of the 60th month after the execution of the agreement, the parties shall have the right of first refusal to acquire the NSR royalties.

37 The agreement will remain valid and in effect until the potential mines are fully developed and their resources are exhausted or one of the following termination events takes place:

37.1 Ison do Brasil may, at any time, at its discretion, send a 60-day prior written notice informing Nexa that it wants to terminate the agreement. In this case, Ison do Brasil does not have to pay any further amounts to Nexa, and is not liable to receive any penalties. Ison do Brasil agreed to offer the Novo Mundo Tenements back to Nexa for USD 1.00 (one American dollar). If Nexa decides to purchase the Novo Mundo Tenements back, Ison do Brasil shall assign the assets to Nexa free of all encumbrances and at no additional costs to Nexa. Considering the agreement with COOGAVEPE, Ison do Brasil shall assign back the Novo Mundo Tenements to COOGAVEPE if Nexa does not decide to acquire back the assets.

37.2 Nexa breaches any of its representations, warranties, covenants and obligations contained therein, provided that Ison do Brasil notified Nexa about the default and the event has not been cured within 60 days. In this case, Ison do Brasil will acquire all Nexa's rights under the agreement with Coogavepe and Nexa will not have any rights related to the Novo Mundo Tenements or Ison do Brasil's ownership of it.

37.3 Ison do Brasil breaches any of its representations, warranties, covenants and obligations contained therein, provided that Nexa notified Ison do Brasil about the default and the event has not been cured within 60 days. In this case, the Novo Mundo Tenements

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shall be assigned back to Nexa, without any encumbrances or outstanding costs to be paid. Additionally, Ison do Brasil shall deliver to Nexa all information relating to the Novo Mundo Tenements that it has produced, remove all its equipment from the area and be liable and responsible for any operation conducted in the areas.

38 The parties agreed that no party shall be liable for any loss of profits, consequential or indirect losses or damages. Furthermore, Ison do Brasil agreed to indemnify Nexa for any losses, which shall be interpreted broadly, resulting from material breaches of the contract incurred by Ison do Brasil.

39 Finally, the agreement establishes that any assets that are part of it may only be assigned to third parties if the other party agrees, which must be demonstrated by a written letter, except for Ison do Brasil assigning or pledging them for funding its operations.

III.3 – Acquisition of the Tiros Tenements by Resouro

40 The acquisition of the Tiros Tenements by Resouro was executed through an agreement governed by Singaporean law. As we are only qualified to express opinions on matters related to Brazilian jurisdiction and law, our reporting will solely consist of a summary of the agreement's terms and conditions, without incorporating any analytical insights.

41 On July 31, 2023, RBM Consultoria Mineral Eireli (“RBM”), Rodrigo Brito de Mello (“Rodrigo”), BCML, BCS and Resouro entered into an equity and mineral rights earn-in agreement for the purchase and sale of the mineral rights related to the administrative proceedings No. 831.045/2010, 833.082/2014, 833.083/2014, 830.450/2017, 830.915/2018, 831.390/2020, 831.720/2020, 830.026/2021, 830.027/2021, 831.237/2021 and 831.314/2021, through equity in the holder of the tenements and its parent company. Moreover, they created an area of interest around the project in which new mineral rights applied for RBM or TMEM will be subject to the agreement, without any costs.

42 RBM and Rodrigo agreed to apply for the assignment of the 11 mineral rights mentioned above to BCML, which will change its corporate name to Tiros Minerais Estratégicos Mineração Ltda. (“TMEM”) within 15 days from the execution of the agreement. At the time of the execution of the agreement, Resouro was entitled to be the owner of 33.3% issued share capital of TMEM's major holder parent company⁴, BCS, which will alter its corporate name to Tiros Stratmet Pte Singapore (“TSPS”), and RBM was entitled to hold the remaining 66.7% issued share capital of TSPS.

43 RBM consented that, in spite of holding a majority interest in TSPS, the composition of the company's board and TMEM's board will consist solely of directors nominated by Resouro. The

⁴ It was agreed that RBM would hold 10% of TMEM's shares and TSPS would own the remaining shares. RBM's interest would be free-carried and could not be diluted. The parties set forth that Resouro would have the right of first refusal to purchase RBM's shares in TMEM.

parties set forth that all matters presented to be approved by the board and all resolutions at a shareholder meeting will be decided by simple majority.

44 It was established that Resouro could acquire up to 100% of TSPS' issued share capital, by the following, without any time limits, except for when it was specified:

44.1 Upon completion of an initial report containing the inferred mineral resource within the tenements, prepared in accordance with JORC, RBM agreed to transfer 42,500 (forty-two thousand and five hundred) of its shares in TSPS to Resouro. Therefore, Resouro would hold 51% of TSPS's issued share capital and RBM would be the owner of the remaining shares. Within 30 days of the transfer of TSPS' shares to Resouro and subject to TSX-V's approval, Resouro shall issue to RBM 315,000 (three hundred fifteen thousand) shares in Resouro, under TSX-V.

44.2 If the obligations above are complied with and Resouro prepares a Preliminary Feasibility Study, RBM shall transfer additional 46,500 (forty-six thousand and five hundred) of its shares in TSPS to Resouro. Therefore, Resouro would hold 70% of TSPS's issued share capital and RBM would be owner of the remaining shares. Within 30 days of the transfer of TSPS' shares to Resouro and subject to TSX-V's approval, Resouro shall issue to RBM 550,000 (five hundred fifty thousand) shares in Resouro, under TSX-V. Moreover, Resouro agreed to fund additional sampling and metallurgical test work, focusing on TiO₂, rare earth elements, and phosphates, as well as to commence preparing a Preliminary Economic Study, if all the results support this decision.

44.3 If the obligations above are complied with and Resouro prepares a Definitive Feasibility Study, RBM shall transfer 71,000 (seventy-one thousand), *i. e.*, all of its remaining shares in TSPS to Resouro. Therefore, Resouro would hold 100% of TSPS' issued share capital. Within 30 days of TSPS' shares to Resouro and subject to TSX-V's approval, Resouro shall issue to RBM 770,000 (seven hundred seventy thousand) shares in Resouro, under TSX-V.

45 The parties agreed that RBM shall not encumber or sell its shares in TSPS while the agreement is valid and RBM will not be subject to change in its control or ownership structure.

46 Pursuant to the agreement, Rodrigo was to be appointed as the project manager and to enter into a service agreement with TMEM for providing 12-month period services (these terms were eventually by subsequent amendment). The technical lead by Rodrigo was to manage technical work under Resouro's board directives, which was to have veto powers in matter relating to methodology, scope of exploration works and/or direction of the investments, if they are in accordance with the market's best practices. The technical team was to follow work programs and budgets set forth by Resouro.

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47 If no economically viable resources are found, Resouro may relinquish the Tiros Project, provided that it previously offers the assets to be purchased back by RBM for USD 1.00 (one American dollar).

48 If a decision to mine is made by TSPS, it shall pay for all costs incurred by TMEM, in spite of holding only 90% of the issued share capital. The portion of the costs that was to be paid by RBM as holder of 10% of the shares in TMEM shall be paid by TSPS as a loan to RBM. TMEM's gross proceeds shall be allocated in the following order of priority:

48.1 Paying of all operational expenses incurred by TMEM.

48.2 Paying any debt financing arrangement incurred to fund operations, including the loans provided by TSPS in favour of RBM.

48.3 Keeping as working capital, as deemed appropriate by TSPS.

48.4 Distributing of dividends, proportionally to their respective shareholding.

49 Additionally, TSPS may require that RBM grants a security interest over its shareholding to third parties to obtain investments. Furthermore, the parties shall enter into a joint venture agreement to regulate how the operations will be conducted.

50 The agreement will remain valid and in effect until the potential mines are fully developed and their resources are exhausted or there are any breaches that are not cured within 60 days.

51 The parties agreed that no party shall be liable for any loss of profits, consequential or indirect losses or damages. Finally, the agreement establishes that any assets that are part of it may only be assigned to third parties if the other party agrees.

52 On October 09, 2023, the parties executed an addendum to accelerate the earn-in conditions. RBM agreed to waive all conditions applicable to the earn-in obligations, and set forth that it would transfer, concomitantly with the addendum, 100% of its shares in TSPS to Resouro. In consideration, Resouro agreed to:

52.1 Issue 1,642,000 (one million, six hundred forty-two thousand) shares in Resouro, under TSX-V.

52.2 Grant RBM performance rights to receive 750,000 shares in Resouro, under TSX-V, upon completion of a definitive feasibility study.

52.3 Grant Rodrigo the same share option plans as other management members of Resouro.

53 Moreover, 13 additional mineral rights were added to the agreement without any costs, as they were within the area of interest set forth by the parties, which, jointly with the ones referred to in paragraph 41, comprise the Tiros Tenements.

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54 On January 13, 2024, the parties executed a second addendum. Pursuant to this variation, Resouro has no obligation to appoint Rodrigo as project manager, through a service agreement.

III.4 – Acquisition of the Santa Ângela Tenement by Resouro

55 According to the information provided to us by Resouro, the Santa Ângela Project comprises only the tenement registered under the ANM administrative proceeding 867.624/2021, currently owned by Canopus Geologia e Projetos Ltda. According to this same information, Canopus applied for and obtained the mentioned tenement on behalf of Ison do Brasil and will soon formalize an assignment agreement with the ANM, requesting the assignment of the mentioned mineral right's ownership to Ison do Brasil. The firm had access to the assignment agreement entered into between the parties which, relevant to this Report, brought the following:

55.1 Canopus assigns the entirety on the mineral right to Ison do Brasil, without any reservations and in an irrevocable and irreversible manner.

55.2 Ison do Brasil does not assume any liabilities, including environmental ones, related to the Santa Ângela Tenement, that were caused prior to execution of the agreement.

IV. Summary of Brazilian legal system for obtaining mineral rights

56 The Brazilian legal system for obtaining and maintaining mineral rights and access to mineralized real estate properties is regulated by the Federal Constitution (article 176), by the Mining Code (Decree-Law no. 227/1967), by the regulation of the Mining Code (Decree No. 9.406/2018) and by ANM legislation.

57 The legislation indicated above contains the main rules that regulate mining activity in Brazil, from the filing of exploration applications to obtaining mining permits. For the purposes of this Report, the terms mineral rights, exploration permits and mining permits have the following meanings:

57.1 mineral rights: means the existence of a right granted by the competent authority to authorize the carrying out the exploration activities and/or exploitation and which, for the purposes of this report, are divided into exploration permits and mining permits;

57.2 exploration permits: a type of mineral right that authorizes, for a previously established period, the carrying out of mineral exploration activities aimed at identifying and quantifying a mineral resource; and

57.3 mining permits: a type of mineral right that authorizes the exploitation (i.e. mining) of a mineral substance until the reserves are depleted.

58 Briefly, Brazilian laws establish that:

58.1 Only companies organized under Brazilian laws, which have their main place of business and management located in Brazil, may conduct mining activities in Brazil.

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58.2 The mineral resources, regardless of whether they are located underground or have emerged therefrom, are a property of the Union (Federal Government) and are different from that of the surface which can be owned by anyone. Mineral rights are assigned to interested individuals or entities if requested following specific regulation.

58.3 Exploration and mining depend on the Federal Government's consent.

58.4 The Federal Government has exclusive jurisdiction to legislate on deposits, mines, other mineral resources, and metallurgy.

58.5 Article 176 of the Brazilian Federal Constitution states that the products generated from mining activities belong to the holder of the mining permit.

58.6 Exploration applications, when filed in compliance with all document requirements stipulated by the applicable legislation, are subject to review and potential approval by ANM. Once the exploration permits are granted, the holding companies have a timeframe of 60 (sixty) days to formally communicate the commencement of their exploratory activities. Concurrently, these companies will become liable for the payment of the Annual Hectare Fee (TAH).

58.7 The exploration permit will always be valid for a determined period, which may be extended as long as the requirements established in the applicable legislation are met⁵. If the extension request is granted, the renewal will take place according to the term requested by the holder of the mineral right.

58.8 In general, the legislation allows for a single extension of the exploration permit. An extension beyond this initial period will only be considered if access to the real estate within the mineral right's boundaries has not been obtained. To qualify for such extensions, the permit holder must demonstrate three cumulative factors: (i) they have initiated legal actions to secure possession of the necessary areas for exploration, as outlined in paragraph 58.20; (ii) they have complied with all legal requirements related to the ongoing lawsuit; and (iii) their actions or omissions have not contributed to the inability to complete the exploration within the extended permit period.

58.9 The exploration permit holder may explore any mineral substance that may be within the area of their exploration permit. If a different mineral substance from that originally included in the exploration permit is found, the legislation only establishes the necessity to immediately inform the ANM of such a discovery.

58.10 During the exploration phase, the following obligations have been established as a condition for maintaining the good standing of the exploration permit: (i) to communicate the start of the exploration within the legal term – failure to comply with

⁵ The requirements for applying for a renewal are: (i) submit the application within 60 days of the expiry of the exploration permit; (ii) submit a report describing the exploration activities that have been carried out; (iii) submit a technical justification for continuing the exploration activities; (iv) pay the fee required by the ANM to analyse the renewal application, currently set at R\$1,358.58 per tenement.

what the legislation determines will lead to the imposition of a fine; (ii) to pay the Annual Fee per hectare (“TAH”)⁶ until the submission of the final exploration report is submitted and within the period established in the applicable legislation – failure to comply with what the legislation determines will culminate in the imposition of a fine and, if the default continues, on the exploration permit being forfeited; (iii) to submit to the ANM a Final Exploration Report within the validity period of the exploration permit or, alternatively, file a Partial Exploration Report and request an extension of the period of the exploration permit as legally required – failure to comply with what the legislation determines will culminate on the exploration permit being lost.

58.11 The ANM will be able to stipulate requirements for clarification of the technical documents submitted to its analysis, and, among them, the Final Exploration Report and the Economic Development Plan. Compliance with those requirements must take place within the deadline set by the Agency. The legislation allows such period to be extended, provided that (i) the request for extension is submitted within the originally indicated period; (ii) the request for extension has been duly justified, at the discretion of the ANM.

58.12 The final exploration report must contain geological and technological studies quantifying the deposit and demonstrating the technical and economic feasibility of mining.

58.13 Once the final exploration report has been submitted, the ANM can take one of the following decisions: (i) approve the report, when it is proven that the deposit is technically and economically feasible; (ii) not approve the report, when it is found that the exploration work is insufficient or that there are technical deficiencies in its preparation, which make it impossible to assess the deposit.

58.14 The applicable legislation allows (i) mineral exploration to continue after the final exploration report has been submitted, which is why the term of each exploration permit should not be considered as a limitation to exploratory activities and (ii) new mineral substances to be identified and quantified before the mining permit is granted. According to a recent decision by the ANM’s Board of Directors, the procedure for including new substances would depend on the presentation of a reserves re-evaluation report and an update of the Economic Development Plan.

58.15 Once the final exploration report is approved by the ANM, the mineral right owner will have up to 1 year to apply for the mining permit and submit the Economic Development Plan for analysis by the agency. The Economic Development Plan must be lodged with the documents and studies indicated in article 39 of the Mining Code and, among them, with projects referring to (i) the mining method to be adopted, referring to

⁶ Currently, the value of the TAH is regulated by ANM Resolution nº 132/2023, which establishes the following values: (i) R\$ 4,33 per hectare for exploration permits that have not yet been renewed; (ii) R\$ 6,48 for exploration permits which terms have already been extended.

the initially planned production scale and its projection; (ii) surface transportation and ore processing and agglomeration; (iii) the construction of a tailings dam with the use of the upstream raising technique being forbidden.

58.16 The ANM may exceptionally grant a mineral right that allows mining activities to be carried out before granting the Mining Permit. This mineral right, which is known as *Guia de Utilização*, allows experimental mining to be carried out for a specified period and for previously established quantities.

58.17 The mining permit is valid until the exhaustion of the mine, meaning that there is no fixed term of a mining permit and, therefore, extensions of that term are not required.

58.18 The applicable legislation allows new substances to be added to previously granted mining permits. In this case, the holder of the mining permit must submit a reserves reassessment report and an update of the Economic Developments Plan for ANM approval. The mining of this new substance will depend on the approval of these documents by the ANM.

58.19 The assignment, lease or encumbrance of mineral rights depend on prior consent from the ANM. The requirements established by the applicable legislation to allow the transfer of mineral rights will vary depending on the stage the tenements are (there are specific requirements for the transfer of exploration permits, mining concessions and for proceedings in which the ANM is still analyzing the mining application).

58.20 Mining and exploration activities are allowed on public or private lands.

58.21 The applicable legislation does not require the mineral right holder also be the owner of the real estate properties interfering with the mining project. On the contrary, it establishes instruments such as Mineral Easement and the Judicial Appraisal of Income and Damage in order to ensure the possession of such areas for the mining or exploration activity, which is considered of public interest (article 5, f, of Decree-Law No. 3.365/1941) and exercised in the national interest (article 176, Federal Constitution).

58.22 The landowner is entitled to receive a percentage in the mining results, as per the rule established by article 11, b, of the Mining Code. This percentage must be at least 50% of the amount that the mining permit holder must pay the Federal Government as CFEM⁷.

58.23 Mining and or exploration activity on indigenous lands must still be regulated.

58.24 Mining and or exploration activity cannot be conducted in Full Protection Conservation Units or in other areas of additional sensitivity, as defined by law.

⁷ CFEM is a Financial Compensation for the Exploration of Mineral Resources, paid to the Federal Government for the economic use of these mineral resources and currently regulated by Federal Laws No 7.990/1990 and 8.001/1990. CFEM is levied on net revenue, in the case of the sale of raw and processed ore, or on the intermediate production cost, when the mineral product is consumed or transformed in an industrial process.

58.25 According to the ANM, there is no impediment to the granting of mining tenements in areas that were the object of ownership by quilombola communities, since they, according to the ANM, are not included in the concept of tribal people set forth in article 1 of OIT Convention No. 169. Though the ANM's current understanding is along these lines, there is a movement within the ANM to regulate this issue in the future, with the possible application of the rules of Convention 169 as a condition for the granting of mining tenements that may interfere with such communities.

58.26 In accordance with the ANM's current understanding, there is no automatic incompatibility between mining activities and the rural settlements created by the INCRA⁸. The coexistence of the activities must be made compatible, to the extent possible, as both are considered of public interest. Recently, INCRA published Normative Instruction No. 112 to regulate the use of areas in settlement projects by mining, energy, and infrastructure projects.

58.27 Non-compliance with the obligations set forth in the Mining Code or in its regulations subjects the miner to the following sanctions: warning, fines, and forfeiture of the mining tenement.

58.28 Article 42 of the Mining Code establishes that "the authorization will be refused if the mining is considered harmful to the public good or if it compromises interests that overcome the public interest of the industrial exploitation, at the discretion of the Government". Although the legal provision is not clear and does not use the best legislative technique, we understand that the term "authorization" must be understood as a mineral right. This provision was regulated by PROGE Opinion No. 500/2008, which was drafted to solve the conflict that usually exists between mining undertakings and energy generators and established that article 42 may only be applied if: (i) the activities are actually incompatible; (ii) it is demonstrated that the public interest will be better served from the prevalence of the energy undertaking to the detriment of the mining undertaking.

58.29 If the mineral right is extinguished, the ANM will take steps to ensure that the area previously encumbered by it is returned to the market through a bidding procedure commonly known as "disponibilidade". The dynamics of the procedure is basically divided into two stages: (i) Public Offering, in which those interested in the areas present a statement; (ii) Electronic Auction, which occurs for areas that had more than one expression of interest. In the case of the Auction, the company that submits the highest bid for each area or block of areas will be considered the winner. If, on the other hand,

⁸ Basically, a rural settlement is a set of agricultural units independent among themselves, established by the National Institute for Rural Settlement and Land Reform - INCRA, where there was originally a rural property that belonged to a single owner. Each unit is delivered by the INCRA to a family lacking the economic resources to acquire and maintain a rural property through other means.

there is only one person interested in a certain area, he will be called to request the granting of the mineral right within the period established in the public notice.

59 The analysis conducted by the firm sought, based on the public information available in the Brazilian Mining Agency (“ANM”, in the Brazilian acronym) website, to verify the adherence of the Tiros Tenements, Novo Mundo Tenements and Santa Ângela Tenement to the rules listed above.

V. Tiros Tenements

V.1 Summary of findings

60 Tiros Tenements are valid, as indicated in Exhibit I, and BCML is the assignee of all of them⁹.

61 Tiros Tenements comprises the exploration permits granted in ANM administrative proceedings Nos. 832.627/2023, 832.625/2023, 832.624/2023, 832.621/2023, 832.620/2023, 832.604/2023, 832.601/2023, 832.226/2023, 832.223/2023, 832.029/2023, 832.027/2023, 832.026/2023, 832.025/2023, 832.023/2023, 831.314/2021, 831.237/2021, 830.027/2021, 830.026/2021, 831.720/2020, 831.390/2020, 830.915/2018, 830.450/2017, 833.083/2014, 833.082/2014, 831.045/2010.

62 All the exploration permits are still in force and some of them¹⁰ have been the subject of a renewal requests as per paragraph 58.7. Therefore, their maintenance, in addition to paying the TAH within the legal period, will depend on the presentation of a final exploration report by the dates indicated in Exhibit I. Alternatively, the company may apply for an extension of its exploration permits terms, which must be submitted in the manner explained in paragraph 58.7.

63 It should also be mentioned that: the final exploration report for tenements 833.083/2014 and 833.082/2014 has already been submitted for ANM analysis; (ii) the final exploration report submitted for tenements 831.045/2010 has already been approved by ANM, which is why, as per

⁹ We have reviewed the assignment agreements, and all of them comply with the requirements set forth by the National Mining Agency (ANM) for approval. In the context of an assignment request, there is no subjective analysis by the ANM to transfer the mining process; therefore, we can affirm that all mineral rights not yet owned by [BCML / BCS], and which have been subject to a transfer request, must be approved for assignment without any hindrance. It is worth noting that, as per exhibit I, some of the mineral rights involved have already had their assignment approved and published. The only exception is mining right 867,624/2021, also known as the “Santa Ângela Tenement.” Despite having a fully prepared and signed assignment contract relating to the Santa Ângela Tenement between the parties, it has not yet been filed with the ANM. This step is necessary for the transfer to be finalized.

¹⁰ Tenements 830.450/2017 and 831.045/2010.

paragraph 58.14, the filing of the mining application protocol must be completed by October 24, 2024.

64 The applicable legislation allows (i) mineral exploration to continue after the final exploration report has been submitted, which is why the term of each exploration permit should not be considered as a limitation to exploratory activities. This applies to tenements 833.082/2014, 833.082/2014, 831.045/2010 and 866.035/2009.

65 In addition, the following conclusions apply to the Tiros Tenements:

65.1 They are in good standing from a mining regulatory point of view, as the legal obligations required by the applicable legislation have been fulfilled in time and manner.

65.2 Upon analysis of the information referred to in paragraph 3, (i) no administrative proceeding has been identified with a claim for cancelation, nullification, or forfeiture and (ii) no encumbrances have been identified.

65.3 According to the information made available by ANM on the closing date of this Opinion, no interferences by the tenement's polygonal with gas pipelines, oil pipelines, wind farms, petrochemical complexes, military areas, quilombola lands or indigenous lands were identified. Therefore, it can be concluded that the activities authorized by the exploration permits will not suffer restrictions resulting from the interference of its polygon with such areas.

66 However, we have identified some points of attention that should be considered, and which will be better explained below.

V.1.1 – The polygonal of some Tiros Tenements overlaps the area covered by INCRA rural settlements

67 The polygonal of some¹¹ Tiros Tenements overlaps the area covered by the INCRA rural settlement PA Santa Cecília and PA Gleba 119, as per Exhibit I and figures 1, 2, 3, 4 and 5 of Exhibit II.

68 As per item 61.25, there is no automatic incompatibility between exploration and mining activities and the rural settlements created by the INCRA. The coexistence of the activities must be made compatible, to the extent possible, as both are considered of public interest. Recently, INCRA published Normative Instruction No. 112 to regulate the use of areas in settlement projects by mining, energy, and infrastructure projects.

¹¹ Tenements 832.627/2023, 832.624/2023, 832.620/2023, 832.223/2023 and 830.027/2021.

69 It is our opinion that the continuity of the exploration/exploitation activities in the part of the tenement polygonal that overlaps with the rural settlement area must be preceded by express authorization from INCRA.

70 In the review of the request for consent, INCRA shall consider, among other aspects, the possibility of coexistence of the mineral activities and the land settlement program, (article 12, §2, of INCRA Normative Instruction 112). We are of the opinion that, once coexistence has been demonstrated, the request to use the area cannot be denied by INCRA.

71 The Normative Instruction also establishes the following obligations as conditions to allow the use of the area affected by the settlement project: (i) pay INCRA for the use of the land; (ii) pay damages to the land occupiers; (iii) assumption of other obligations that may prove necessary to make the mineral activity compatible with the settlement project. These latter obligations will be defined on a case-by-case basis, but the Normative Instruction has already presented the following examples: (a) resettlement or relocation of affected families; (b) implementation, improvement, or maintenance of infrastructure in favor of the settlement project; (c) support in the environmental regularization of the settlement project area and its surroundings.

V.1.2 – The polygonal of some Tiros Tenements overlaps the area covered by Transmission Lines

72 By consulting the public information systems provided by the ANM, it was possible to identify the existence of active transmission lines that overlaps part of some¹² Tiros Tenements polygonals, **as per Exhibit I** and figures 9, 10, 11 and 12 of Exhibit II.

73 We understand that this situation is not sufficient to remove the validity of the Tiros Tenements. In any case, it is important to note that some field exploration and/or exploitation activities may be restricted to avoid any kind of damage to the transmission line.

74 It is also important to remember that the ANM may reduce the polygonal of the tenement in order to remove its interference with the transmission line. The reduction will only take place if it is demonstrated that (i) there is no compatibility between the exploration/mining activities and those necessary to allow the operation and maintenance of the transmission line and (ii) the public interest will be better served by the prevalence of the transmission line. The analysis of compliance with these requirements must be done in a specific administrative procedure, initiated by the concessionaire responsible for the transmission line at the ANM, with adequate grounds and evidence. Only if, in the proper administrative procedure, after several technical

¹²Tenements 832.029/2023, 832.027/2023, 833.082/2014 and 831.045/2010

analyses, the incompatibility between the undertakings is verified, would the Collegiate Board of ANM have conditions to (i) decide on the preponderance of one over the other and, understanding that the mining activity should be preferred in the specific case, (ii) order the other administrative bodies of the agency to reduce the tenements polygonal.

V.1.3 – Infraction Notices for Untimely Reporting of the Discovery of a New Substance

75 During our analysis, it was identified that two tenements (833.083/2014 and 833/082/2014) were the subject of infraction notices issued by the ANM (National Mining Agency) due to an alleged failure to report the discovery of a new mineral substance.

76 The tenement holder defended against both Infraction Notices, asserting that it had timely communicated the discovery, followed by the submission of a positive final exploration report. It also argued that the principle of reasonableness was overlooked by the ANM, considering that the notification regarding the substance's utility was made after the necessary studies were concluded, ultimately requesting the cancellation of the notices and the closure of the cases.

77 Upon reviewing the publicly available data and copies of both cases, a decision on whether to maintain the Infraction Notices or accept the defenses remains pending. Should they be upheld, two pecuniary penalties amounting to a fine of R\$ 1,821.87 (one thousand, eight hundred twenty-one reais and eighty-seven cents) each, with the amounts duly adjusted, will be applied.

78 We suggest monitoring the sanctioning process with the ANM for the possible submission of an appeal or payment of the fines, should a decision be made.

VI. Novo Mundo Tenements

79 Novo Mundo Tenements are valid, as indicated in Exhibit I, and Ison do Brasil is their owner, except for tenement 866.171/2018, which remains under the ownership of Nexa¹³.

80 Novo Mundo tenements comprises the exploration permits granted in ANM administrative proceedings Nos. 866.320/2018 and 866.171/2018. All the exploration permits are still in force and both have been the subject of a renewal requests as per paragraph 58.7. Therefore, their

¹³ According to the information we have accessed, the decision transferring the ownership of the tenement to Ison do Brasil took place on October 25, 2021. Its publication in the Official Gazette is waited for it to take legal effect.

maintenance, in addition to paying the TAH within the legal period, will depend on the presentation of a final exploration report by the dates indicated in Exhibit I.

81 It should also be mentioned that the final exploration report submitted for 866.035/2009 – which also comprises the Novo Mundo Tenements – has already been approved by ANM. In this latter case, Ison do Brasil obtained an extension of the deadline to apply for mining on two occasions and applied for a third, still under analysis by the ANM.

82 In addition, the following conclusions apply to the Novo Mundo Tenements:

82.1 They are in good standing from a mining regulatory point of view, as the legal obligations required by the applicable legislation have been fulfilled in time and manner.

82.2 Upon analysis of the information referred to in paragraph 3, (i) no administrative proceeding has been identified with a claim for cancelation, nullification, or forfeiture and (ii) no encumbrances have been identified.

82.3 According to the information made available by ANM on the closing date of this Opinion, no interferences by the tenement's polygonal with, gas pipelines, oil pipelines, wind farms, transmission lines, petrochemical complexes, military areas, quilombola lands or indigenous lands were identified. Therefore, it can be concluded that the activities authorized by the exploration permits will not suffer restrictions resulting from the interference of its polygon with such areas.

83 However, we have identified some points of attention that should be considered, and which will be better explained below.

VI.1.1 – The polygonal of the Novo Mundo Tenements overlaps the area covered by INCRA rural settlements.

84 The polygonal of all three Novo Mundo Tenements overlaps the area covered by the INCRA rural settlement PAC Peixoto de Azevedo, as per Exhibit I and figures 6, 7 and 8 of Exhibit II. Therefore, the conclusions we pointed out in paragraphs 67 to 71 also apply here.

VI.1.2 – Illegal Mining Activities by wildcat miners

85 On February 24, 2021, a denunciation was filed to address the issue of illegal artisanal mining within the area covered by tenement 866.035/2009. It is important to clarify that illegal mining carried out by third parties does not pose any risk of losing the tenement owned by Ison do Brasil or authorize the ANM to impose any sanctions against the company. On the other hand, there is a possibility that the mineral resources indicated in the final exploration report may have decreased, a situation that may require adjustments to the Economic Development Plan to be submitted.

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VI.1.3 – Artisanal Mining Permits Within the Boundaries of Mining Rights

86 We have identified the interference of artisanal mining permits¹⁴ in the three processes involved in the Novo Mundo project as per Exhibit I and figures 13, 14 and 15 of Exhibit II.

87 It is important to note that the granted PLGs (Artisanal Mining Permits), according to article 209 of Ordinance No. 155/2016, are valid for a term of up to 5 (five) years from the publication of the said title in the Official Gazette. Upon reviewing the publicly available data, we verified that all are valid, as those that would have exceeded the expiry date have been duly renewed.

88 Therefore, we suggest (i) verifying if the areas of interest for the Project are located within the boundaries of the artisanal mining claims and permits mentioned in the previous paragraph and, if so, (ii) seeking to establish as clearly as possible the rules that will guide the occupation of space by mining rights and the division of responsibility between the enterprises.

VII. Santa Ângela Tenement

89 The Santa Ângela Tenement is valid, as indicated in Exhibit I, and is currently owned by Canopus Geologia e Projetos Ltda. Santa Angela tenement comprises the exploration permit granted in claim No. 867.624/2021.

90 The exploration permit is still in force and have not yet been the subject of a renewal request as per paragraph 58.7. Therefore, its maintenance, in addition to paying the TAH within the legal period, will depend on the presentation of a final exploration report by the date indicated in Exhibit I. Alternatively, an extension of its term must be submitted in the manner explained in paragraph 58.7.

91 In addition, the following conclusions apply to the Santa Ângela Tenement:

91.1 It is in good standing from a mining regulatory point of view, as the legal obligations required by the applicable legislation have been fulfilled in time and manner.

91.2 Upon analysis of the information referred to in paragraph 3, (i) no administrative proceeding has been identified with a claim for cancelation, nullification, or forfeiture and (ii) no encumbrances have been identified.

91.3 According to the information made available by ANM on the closing date of this Opinion, no interferences by the tenement's polygonal with easements, gas pipelines, oil pipelines, wind farms, transmission lines, petrochemical complexes, military areas,

¹⁴ Permits 866.509/2019, 867.372/2021, 866.278/2021, 866.608/2016, 866.732/2015, 866.593/2015, 866.371/2020, 866.253/2021, 867.409/2021 and 866.279/2021.

quilombola lands or indigenous lands were identified. Therefore, it can be concluded that the activities authorized by the exploration permits will not suffer restrictions resulting from the interference of its polygon with such areas.

VIII. Environmental affairs

92 In the complex landscape of mineral exploration and environmental law, it is crucial to differentiate between the exploratory phases of mineral exploration and the full-scale mining operations. This distinction carries significant implications for the legal requirements concerning environmental licensing. Understanding this difference is essential for the analysis of legislation across various states, namely Minas Gerais and Mato Grosso.

93 Mineral exploration, viewed environmentally, should not be conflated with mining operations. As it usually involves superficial fieldwork that does not necessitate environmental interventions, like vegetation suppression or create environmental impacts, the activity is often exempt from the environmental licensing process.

94 Nonetheless, it's important to note that mineral exploration activities covered by a *guia de utilização* might entail experimental mining. Such activities may necessitate specific environmental authorization or licensing.

95 Regulatory agencies commonly distinguish between mineral exploration activities conducted with and without a *guia de utilização* in their environmental licensing guidelines. This distinction serves to determine whether the activity requires environmental licensing or another form of environmental authorization. Consequently, a thorough evaluation of the legislation in the states of Minas Gerais and Mato Grosso is imperative for this analysis.

96 In the state of Minas Gerais, Normative Deliberation COPAM No. 217/2017 delineates the activities requiring environmental licensing. It specifies that mineral exploration is subject to such licensing only if it involves the use of a *guia de utilização*, or if the title holder lacks a *guia de utilização*¹⁵ and fieldwork necessitates the suppression of vegetation in the Atlantic Forest biome at medium and advanced stages of regeneration.

¹⁵ In a first interpretation of the legislation, one might think that upon obtaining the *guia de utilização*, the enterprise would be obliged to obtain an environmental license. However, environmental licensing in these scenarios only becomes mandatory if the mineral exploration includes mining activity. If the holder of the mining right has the *guia de utilização* but chooses not to mine the mineral, the licensing remains dispensable.

Art. 21 – Mineral exploration involving the use of a Guia de Utilização must be licensed according to the size and pollutant/degrading potential characteristics of mining activities and location criteria outlined in Table 3 in this Normative Deliberation. §1 – Mineral research is not subject to environmental licensing procedures when it does not involve the use of a Guia de Utilização issued by the entity responsible for its concession or does not involve the suppression of vegetation in the Atlantic Forest biome at medium and advanced stages of regeneration.

§2 – The mineral research referred to in the previous paragraph does not exempt the entrepreneur from regularizing any environmental interventions and the use of water resources or implementing a Plan for the Recovery of Degraded Areas (PRAD), as applicable.

97 In the state of Mato Grosso, Complementary Law No. 592/2017 mandates that mineral exploration, whether or not it involves a *guia de utilização*, is an activity requiring environmental licensing. The law establishes a specific license for this type of activity.

Art. 31 SEMA, in the exercise of its competence, shall issue the following mandatory licenses and authorizations:

[...]

VIII - Operation License for Mineral Research ("LOPM")¹⁶: authorizes mineral research activities with or without Guia de Utilização.

98 To obtain the "LOPM," the entrepreneur must submit to the environmental agency all documents and studies indicated in the Standard Reference Term No. 26/SUMIS/SEMA/MT. This documentation will be reviewed by the environmental agency, and if it is complying, the license is issued, with a determined validity period according to the validity of the *guia de utilização* or the exploration permit.

99 Regular updates and renewals of the license are required, especially in case of project or ownership changes, with renewal applications due at least 120 days before the license expires.

100 After overcoming the exploration phase and obtaining positive results, environmental licensing for mining activities must be arranged as a standard procedure, both for the state of Minas Gerais and for the state of Mato Grosso.

¹⁶ Acronym in Portuguese for the type of environmental license.

101 Mineral exploration in the development concession, as introduced, is subject to licensing in the states of Minas Gerais and Mato Grosso, as provided for, respectively, in Normative Deliberation COPAM No. 217/2017 (MG) and State Decree No. 1,268/2022 (MT).

102 In the state of Mato Grosso, mineral extraction activities will be licensed, as a rule, in the three-phase modality, that is, the prior, installation, and operation licenses will be obtained individually and sequentially, as established in Annex II of State Decree No. 1,268/2022.

103 In Minas Gerais, the size of the mineral extraction activity (defined by the gross production in cubic meters per year or tons per year) and the overall pollutant potential, as established by legislation, will determine the class of the enterprise.

104 In turn, the combination of the enterprise class with the locational criteria for classification will determine the licensing modality of the enterprise and the environmental study that must be submitted.

105 These considerations present general aspects of environmental licensing for mining rights in the mining concession phase, which may be further developed and/or altered based on the specific case, as the Resouro projects progress.

106 The present analysis covers the Tiros Tenements, Novo Mundo Tenements and Santa Ângela Tenement. Based on the documentation we had access to, we conclude that only tenement 866.035/2009 has a *guia de utilização*.

107 In summary, considering the information provided, particularly that the intended mineral exploration is not covered by any *guia de utilização* and won't require vegetation suppression, prior environmental licensing is only necessary in Mato Grosso. After conducting mineral exploration and achieving satisfactory results, Resouro should assess the environmental licensing rules for mining activities in each of the states evaluated here.

VIII.1 – Tiros Tenements

108 Considering the information provided, particularly that the intended exploration is not covered by any *guia de utilização* and won't require vegetation suppression of the Atlantic Forest biome in the medium and advanced successional stages of regeneration, no environmental licensing is required, according to Normative Resolution COPAM No. 217/2017, articles 1017 and 21.

¹⁷ Article 10 - Activities or enterprises not classified in any of the classes or not listed in the Activity List of the Sole Annex of this Normative Resolution are exempt from state environmental licensing.

109 Activities exempted from obtaining an environmental license do not depend on any administrative act to attest to this condition.

110 Nevertheless, certificates of Environmental Permitting Waiver were issued for the exploration activities in tenements 830.026/2021, 830.450/2017, 830.915/2018, 831.045/2010, 831.083/2014, 831.237/2021, 831.314/2021, 831.390/2020, and 831.720/2020.

111 For this purpose, the applicants RBM Consultoria Mineral, Leonardo Lopes Souza, and Rodrigo de Brito Mello, conducted the characterization of the activities and filed a field report on mineral exploration activities with the "SLA"¹⁸ for each of the mining rights.

112 The certificate of Environmental Permitting Waiver is a purely declaratory act, issued based on information provided by the entrepreneur, which simply reinforces that such activity is not subject to environmental licensing.

113 The issuance of the certificate is not a requirement for the regular exercise of mineral exploration activities without *guia de utilização* and without vegetation suppression.

114 In addition, the information mentioned in paragraph 5 indicates that the tenements areas do not interfere with indigenous land, quilombola territory and are not located in an Environmental Conservation Unit.

115 If the project progresses to the environmental licensing phase, the interferences of the polygons of these mining rights with, for example, cultural heritage, existence of cavities, typology of the vegetation to be intervened, priority areas for conservation, and areas of influence of conservation units should be evaluated.

VIII.2 – Novo Mundo Tenements and Santa Ângela Tenement

116 As stated, environmental licensing is required for mineral exploration in the Novo Mundo Tenements and Santa Ângela Tenement, each located in Mato Grosso.

117 Tenement 866.035/2009, related to the Novo Mundo Project, includes a copy of the Mineral Exploration Operation License No. 208/2022, authorizing the extraction of gold through mineral exploration with a *guia de utilização*, issued on July 06th, 2021, valid until July 06th, 2025.

118 In relation to mining tenements 866.171/2018 and 866.320/2018 of the Novo Mundo Project, and 867.624/2021 of the Santa Ângela Project, no environmental licenses were provided, and in the public consultation on the website of the Mato Grosso State Environmental Secretariat

¹⁸ "SLA" is the electronic system used by Minas Gerais's environmental agency.

- "SEMA/MT," no environmental licenses were found for these polygons. For this reason, it was not possible to assess the environmental compliance of the mineral exploration activities carried out in these mining processes.

119 Analyzing the copy of mining process 867.624/2021, the holder Leonardo Lopes de Souza ME informed, on June 29th, 2022, that the mineral exploration activities had begun, which obliges the entrepreneur to obtain the "LOPM".

120 The same information was observed in mining process 866.171/2018, with Nexa Recursos Minerais informing ANM, on September 26th, 2023, that Ison do Brasil resumed mineral exploration work.

121 In mining process 866.320/2018, Ison do Brasil informed, on October 05th, 2023, the resumption of mineral exploration work within the polygon of this process.

122 Operating without an environmental license is considered irregular and constitutes an administrative infraction¹⁹. The penalties for this infraction are a simple fine²⁰ and suspension of activities²¹.

123 If the mineral exploration in the polygons of mining rights 866.171/2018, 866.320/2018 and 867.624/2021 was irregularly conducted, the entrepreneur may voluntarily request regularization of their activity by submitting a corrective licensing project. In this case, if the irregular operation has not caused environmental damage, the enterprise will not be held liable for the administrative infraction. That is provided for in Article 35 of Complementary Law No. 592/2017:

Article 35. When an entrepreneur carrying out an activity without a license requests the spontaneous regularization of their activity, by submitting a licensing project, no fine will be imposed, provided that no environmental

¹⁹ Complementary law n. 38/1995, article 95: For the purposes of this Code, any action or omission that violates the legal rules of use, enjoyment, promotion, protection, and recovery of the environment, or that results in non-compliance with the rules provided for in this complementary law and other normative acts, including relevant federal legislation, is considered an administrative infraction.

²⁰ Complementary law n. 38/1995, article 109: Simple fine will be applied whenever the agent, through negligence or intent, violates the legal rules regarding the use, enjoyment, promotion, protection, and recovery of the environment, obstructs inspection, or fails to remedy irregularities for which they have been warned.

²¹ Complementary law n. 38/1995, article 102: Administrative infractions are punished with the following sanctions (...) IX - partial or total suspension of activities.

damage resulting from the activity is found, and that they comply with all notifications issued by SEMA during the environmental licensing process.

124 Based on the above, if the mineral exploration activities in these polygons are irregular, it is recommended that the entrepreneur voluntarily report the irregularity and make the necessary corrections.

125 In addition, the information consulted on SigMine indicates that the polygonal areas of mining rights 866.035/2009, 866.171/2018, 866.320/2018 and 867.624/2021 do not interfere with indigenous land, quilombola territory and are not located in an Environmental Conservation Unit or its buffer zone.

IX – Summary on Brazilian Tax System

126 Regarding the attribution of competence to demand taxes, the Brazilian tax system can be divided into federal, state and municipal taxes. As for the object of taxation, taxes can be divided into taxes on income and/or capital, on consumption and on property.

127 In addition to these, Brazil imposes specific tax requirements for mining activities. These obligations will be analysed separately, outside the context of taxes on income, consumption or property.

128 The table below summarizes the main aspects of the taxes that will be analysed in further section of this Report:

Executive Summary			
Obligation	Calculation basis	Rate	Calculation period
IRPJ <i>Income Tax</i>	Actual profit (adjusted net profit) or presumed profit.	45% plus an additional 10% on the calculation base that exceeds BRL 240 thousand per year, or monthly proportional (BRL 20 thousand per month).	Annual or quarterly, at the option of the taxpayer.
CSLL <i>Income Tax</i>		9%.	
PIS <i>Gross Revenues Taxes</i>	Gross income or total income earned. Exemption for exports.	3% in the cumulative system, 7.6% in the non-cumulative system.	Monthly.
Cofins <i>Gross Revenues Taxes</i>		0.65% cumulative, 1.65% non-cumulative.	
IOF <i>Tax on Financial Operations</i>	Financial transaction value.	It may vary according to the nature of the transaction.	Per operation or monthly, in the case of loans.
ICMS <i>State Value Added Tax</i>	Value of the sale operation. Immunity for exports.	It may vary according to the product, nature of the operation (internal or interstate) and from State to State.	Monthly.
IPI <i>Federal Value Added Tax</i>	Value of the sale of the imported good. Immunity for exports.	May vary by product. As a rule, mineral goods are not subject to IPI.	Monthly.
ITR <i>Rural Land Tax</i>	Property value, reduced from its usable area.	It may vary from 0.03% to 20% depending on the size of the property and its degree of use.	Annual.
CFEM <i>Mining Royalties</i>	Value of the economic use of the mineral good.	2% for noble metals.	Monthly.
Taxa de controle <i>Inspection Tax</i>	Fixed value per amount of ore.	Fixed value per amount of ore.	Monthly.
TAH <i>Mining fee per property</i>	Fixed amount per hectare.	R\$4.33/hectare for the first term of the research authorization. If the permit is renewed, the amount of R\$6.48/hectare will be due.	Annual.

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129 To better guide this Section, we will segregate our comment according to the object of taxation.

IX.1 - Tax on income and/or capital

130 In Brazil, income taxation is predominantly levied by five different taxes: Income Tax ("IRPJ"), Social Contribution on Net Profits ("CSLL"), Contribution to PIS, Cofins and Financial transaction tax (IOF), the latter with a greater extra-taxation objective.

IX.1.1 - Income Tax (IRPJ), Social Contribution on Net Profits (CSLL)

131 IRPJ and CSLL are very similar from the perspective of measuring the calculation base, therefore the comments made in this section are equally applicable to these both taxes. These are federal taxes and, as a rule, the calculation base is calculated annually. At the option of the taxpayer, the calculation may be made on a quarterly basis.

132 The IRPJ rate is 15%, with an additional 10% on the portion of the calculation base that exceeds BRL 240 thousand reais for the annual basis, or, proportionally, BRL 20 thousand monthly.

133 Despite being due annually or quarterly, each month the taxpayer must calculate the tax and collect the amount due if a positive base is determined.

134 At the closure of the calculation period (annual or quarterly), advance payments can be offset against the amount calculated on an annual or quarterly basis. If prepayments exceed the amount due, the taxpayer will be entitled to a refund, if prepayments are less than the amount due, the taxpayer will need to supplement the tax amount.

135 The measurement of the calculation base for IRPJ and CSLL can be done by adopting the actual profit or presumed profit. In summary, these regimes can be described as follows.

IX.1.1.1 - Actual profit

136 The adoption of actual profit is mandatory for taxpayers whose total revenue, in the previous calendar year (to the calculation year), has exceeded the limit of BRL 78,000,000.00 (seventy-eight million reais) or BRL 6,500,000.00 (six million, five hundred thousand reais) multiplied by the number of months in the period, when less than 12 (twelve) months.

137 In addition to these criteria, taxpayers who carry out certain activities, described in the governing legislation, must adopt the actual profit as a systematic calculation of IRPJ and CSLL. Among those activities for which the adoption of real profit is mandatory, mining is not included.

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138 Pursuant to art. 258 of the Income Tax Regulation - RIR (Decree No. 9,580/2018), taxable income corresponds to net income (as accounting) for the calculation period, adjusted by the additions, exclusions or offsets prescribed or authorized by law.

139 Compared to the presumed profit system, the actual profit proves to be more complex, as it requires the taxpayer to carry out separate controls and keep certain documents to prove the adjustments made. From another perspective, it may be more beneficial for start-up or ramp-up taxpayers, as they tend to experience reduced profit margins or even losses.

140 Of the aforementioned adjustments, we highlight the following, commonly performed by Brazilian mining companies with foreign control.

IX.1.1.1.1 - Transfer pricing.

141 Law No. 14,596 of June 14, 2023, amended the IRPJ and CSLL legislation, aligning Brazilian rules for transfer pricing with international standards, based on OECD guidelines. The law enters into force on January 1, 2024. Considering that the law was enacted in 2023, there was an authoritative provision that taxpayers could choose for it to take effect that same year. This aspect loses relevance in 2024, when its effectiveness is mandatory for everyone. The publication of the Law is the result of work that formally began in 2017, when a technical group was created by the Federal Revenue, dedicated to the study and modernization of transfer pricing rules. In 2018, with the support of the OECD, studies were started to analyse the efficiency of the Brazilian standard.

142 The result, published in 2019, pointed out the inefficiency of the Brazilian model which, according to the report, allowed for numerous situations of double taxation and double non-taxation of international operations, being ineffective as an anti-avoidance rule, also indicating that it is an outdated norm and detrimental to attracting new investments to the country.

143 The main change arising from the alignment with the OECD guidelines is the insertion in the legal text of the Arm's Length principle, present in article 2 of Law No 14.596/2023. Widespread principle among countries that adopt the OECD model for transfer pricing.

144 As an immediate result of the adoption of this principle, it is noted that Brazilian legislation has significantly privileged the economic essence of the transaction to the detriment of the legal form that has been attributed to it.

145 Both, in the text of Law No 14,596/2023, and in the draft of the Normative Instruction that will regulate the matter (placed in Public Consultation between 07.03.2023 and 07.25.2023), there are rules that determine the requalification of the transaction whenever the "analysis of the facts and circumstances and evidence of the effective conduct of the parties" points to the

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execution of a materiality different from that formally established in a contract or other legal forms.

146 Even though it is an anti-avoidance rule, the preponderance of the economic essence under the legal form is a practice that must be used exceptionally. The requalification of legal acts only takes place when proven defect in the legal transaction, such as fraud, simulation or dissimulation, which does not seem to us to be the hypotheses disciplined by the rule in question.

147 The new transfer pricing rules go in the opposite direction, allowing the tax authority to reclassify the operation, even if the defect in the legal transaction is not found, on the grounds that the economic objective to be achieved is not compatible with the legal form. Naturally, any excess from tax authority can only be verified on a case-by-case basis, however, it is possible that the application of the concept of supremacy of essence over form is the subject of great controversy between the tax authorities and taxpayers.

148 In addition to making the Arm's Length positive and adopting the principle of the primacy of essence over form, a relevant innovation is the fact that the choice of method is no longer an option for the taxpayer, and the option for the most appropriate method becomes mandatory, among the following, brought by Law No. 14,596/2023, replacing the previous methods in force:

- 148.1 **Comparable Independent Price ("PIC")**: which consists of comparing the price or value of the controlled transaction with the prices or values of comparable transactions carried out between unrelated parties;
- 148.2 **Resale Price minus Profit ("PRL")**: which consists of comparing the gross margin that an acquirer of a controlled transaction earns on subsequent resale to unrelated parties with the gross margins earned in comparable transactions between unrelated parties;
- 148.3 **Cost plus Profit ("MCL")**: which consists of comparing the gross profit margin obtained on the supplier's costs in a controlled transaction with the gross profit margins obtained on costs in comparable transactions carried out between unrelated parties;
- 148.4 **Net Transaction Margin ("MLT")**: which consists of comparing the net margin of the controlled transaction with the net margins of comparable transactions carried out between unrelated parties, both calculated based on an appropriate profitability indicator;
- 148.5 **Profit Division ("MDL")**: which consists of the division of profits or losses, or part thereof, in a controlled transaction in accordance with what would be established between unrelated parties in a comparable transaction, considering the relevant

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contributions provided in the form of functions performed, assets used and of risks assumed by the parties involved in the transaction;

149 Also, Article 11 of Law No. 14,596/2023 provides for the adoption of “other methods, provided that the alternative methodology adopted produces a result consistent with that which would be achieved in comparable transactions carried out between unrelated parties”.

150 The criterion for delimiting controlled transactions has also changed. According to the replaced rule, transactions with tangible assets, rights and services, in addition to the payment and receipt of interest, involving related parties abroad or with third parties domiciled in a tax haven were subject to the transfer pricing test.

151 The new rule imposes the application of the transfer pricing test to any financial and commercial transaction, including intangibles, between related parties, carried out directly or indirectly.

152 The concept of related party, previously defined in a restrictive role, has been expanded. Pursuant to Law 14,596/2023, the relationship between the parties must be recognized whenever influence of one party over the other is verified, a situation “that may lead to the establishment of terms and conditions in their transactions that differ from those that would be established between unrelated parties in comparable transactions”. The new legislation adopts an exemplary role by discriminating conditions in which the influence of one party over the other is verified.

153 Another innovation is the "Tested Part" concept. Unlike the provisions then in effect in Law No. 9,430/1996, which determines that the transfer pricing test is carried out by the Brazilian company. Law No. 14,596/2023 brings the possibility that the tested party is the entity abroad, if the performance of the test by the foreign party brings greater reliability to the comparison, especially in view of the eventual greater availability of more reliable data on comparable transactions performed between unrelated parties.

154 The functions performed, the assets involved and the risks assumed by the parties to the controlled transaction may influence the definition of the tested party. That is, the adequacy test should prevail for the party that substantially assumes the business and economic risks of the transaction.

155 The draft "Normative Instruction" excludes the need to select the tested part of the PIC, a method that should preferably be adopted in transactions with commodities. That is, in operations whose PIC is adopted, the selection of the tested part does not apply, being mandatory the demonstration of adequacy of the operation by the Brazilian company.

156 In addition to the changes in the general aspects of incidence, mentioned so far, criteria for applying the transfer pricing in (i) operations with commodities were changed; (ii) financial operations; and (iii) payment of royalties. These changes must be observed by taxpayers as of 2024, or already for 2023, if the taxpayer chooses to anticipate the effects of the rule.

157 Until the end of 2023, the transfer pricing rules set forth in Law No. 9,430/96, amended by Law No. 12,715/12, and regulated by Normative Instruction No. 1,312/2013, which, among other provisions, provide for the methods applicable to the parameter price setting.

158 In export operations, the methods defined by the governing legislation are:

158.1 **Export Quoted Price Method ("Pecex")**: the use of this method is mandatory for the sale of commodities quoted on an internationally recognized commodity and futures exchange. The verification of the adequacy of the price practiced is carried out by comparing the value of the transaction with the daily average values of the price of the traded good. The stock exchanges capable of providing the daily quotation of imported goods are listed in the list attached to IN SRF No. 1.312/12, as well as the goods considered as commodities.

158.2 **Export Selling Price Method ("PVEx")**: the sales revenue from exports will be determined by the weighted arithmetic average of the sales prices from exports made by the company itself, to other customers, or by another national exporter of goods, services or rights, identical or similar, during the same period of calculation of the income tax calculation basis and under similar payment conditions.

158.3 **Wholesale Price Method in the Country of Destination, Less Profit ("PVA")**: the sales revenue from exports defined as the weighted arithmetic average of the sales prices of goods, identical or similar, practiced in the wholesale market of the country of destination, under similar payment conditions, minus the taxes included in the price, charged in that country, and a profit margin of fifteen percent on the wholesale price.

158.4 **Retail Sales Price Method in the Country of Destination, less Profit ("PVV")**: Revenue from sales in exports may be determined as the weighted arithmetic average of the sales prices of goods, identical or similar, practiced in the retail market of the country of destination, under similar payment conditions, minus the taxes included in the price, charged in said country, and a profit margin of thirty percent on the retail price.

158.5 **Acquisition or Production Cost Method plus Taxes and Profit ("CAP")**: Sales revenue from exports may be defined as the weighted arithmetic average of the acquisition or production costs of exported goods or services, plus taxes charged in Brazil and a profit margin of fifteen percent on the sum of costs plus taxes and contributions.

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159 For import, the methods currently in force are:

159.1 **Price under Import Quotation ("PCI"):** Similar to the PECEX method, the use of PCI is mandatory for the sale of commodities that are quoted on an internationally recognized commodity and futures exchange. Verification of the adequacy of the price practiced is carried out by comparing the value of the transaction with the daily average values of the price of the traded good. The stock exchanges capable of providing the daily quotation of imported goods are listed in the list attached to IN SRF No. 1.312/12, as well as the goods considered as commodities.

159.2 **Compared Independent Prices ("PIC"):** Refers to the weighted arithmetic average of the prices of goods, identical or similar, determined in the Brazilian market or in other countries, in purchase and sale operations carried out between unrelated persons, under similar payment conditions. For comparison purposes, the following goods are considered identical or similar:

- sold by the same exporting company to unrelated legal entities, resident or not in Brazil;
- acquired, by the same importer, from unrelated legal entities, resident or not in Brazil;
- acquired or sold by other unrelated legal entities, resident or not.

159.3 **Resale Price less Profit ("PRL"):** The method is defined as the arithmetic mean of the resale prices of goods, services and rights, less unconditional discounts granted, taxes and contributions levied on sales, commissions and brokerage fees paid and a profit margin of 40% (forty percent), 30% (thirty percent) or 20% (twenty percent) depending on the economic sector in which the taxpayer who carried out the import operates. Applicable also in cases where the imported good is resold, without being subjected to an industrial process that adds value.

159.4 **Cost of Production plus Profit ("CPL"):** Defined as the average cost of production of goods, identical or similar, in the country where they were originally produced, plus taxes and fees charged by that country on export and a profit margin of 20% (twenty percent), calculated on the calculated cost.

160 For operations with commodities, the use of the PECEX (export) and PCI (import) methods is mandatory, and the taxpayer is not allowed to adopt different methods.

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161 Apart from the special rule dealing with operations with commodities, the taxpayer is allowed to choose the method that is most beneficial, in other words: the one that entails the smallest adjustment.

162 Interest paid or received from related persons is also subject to transfer pricing rules. However, unlike operations involving services, goods or rights, the criterion for verifying the adequacy of interest paid or received is dealt with in detail by art. 38-A of Normative Instruction No. 1.312/2012. The amount of interest recognized by Brazilian companies (in transactions with related persons abroad) cannot exceed²²:

- the market rate of Brazilian sovereign bonds issued in the foreign market in US dollars, in the event of operations in dollars with a fixed rate;
- the market rate of Brazilian sovereign bonds issued in the foreign market in reais, in the case of transactions in reais abroad with a fixed rate; and
- the Libor rate for a period of 6 (six) months, in other cases.

163 In conclusion, whether for commercial operations (with goods, services or rights) or financial ones, the adequacy to the transfer pricing rules must be verified by comparing the price effectively practiced in operations with related parties with a parameter price defined from the adoption of one of the methods described above. In cases where the price charged exceeds the parameter price, the difference must be offered for taxation, through adjustments in the calculation of taxable income.

IX.1.1.1.2 - Thin capitalization

164 In line with international practices, the thin capitalization rules aim to establish the maximum deductibility limit for interest paid to related persons abroad, adopting as a criterion the proportion between the liabilities arising from the indebtedness (thus conceived the principal indebtedness plus interest) and the shareholders' equity of the Brazilian investee.

165 In addition to mitigating the chances of implementing abusive tax planning, thin capitalization aims to limit the chances of financing the activities of Brazilian investees through debt, to the detriment of their capitalization through the acquisition of equity interest.

²² In any case, the rate will be increased by a percentage margin as a spread. As determined by the Ministry of Finance, for imports the spread to be considered will be 3.5% and, for exports, 2.5% (Ordinance MF No. 427/2013).

166 The application of thin capitalization rules does not exclude the need to calculate the transfer price, and vice versa.

167 Thin capitalization rules can be summarized as follows:

167.1 in the case of indebtedness with a related legal entity abroad that has a shareholding in the Brazilian company, the amount of the debt with the related entity abroad cannot exceed 2 (two) times the value of the related entity's share in the shareholders' equity of the legal entity resident in Brazil;

167.2 in the case of indebtedness with a related legal entity abroad that does not have a corporate interest in the legal entity residing in Brazil, the amount of the debt with the related person abroad, verified at the time of appropriation of interest, does not exceed 2 (two) times the value of the net worth of the legal entity resident in Brazil; and

167.3 in any of the above hypotheses, the sum value of debts with related persons abroad, verified at the time of the appropriation of interest, does not exceed 2 (two) times the sum value of the interests of all related persons in the shareholders' equity of the legal entity resident in Brazil.

168 If the limits determined by the application of the standard are exceeded, the surplus, calculated in accordance with the governing legislation must be added to the actual profit calculation. Therefore, this portion cannot be deducted from IRPJ and CSLL.

169 If the application of the transfer price and thin capitalization results in the need to adjust the IRPJ and CSLL calculation basis, the taxpayer must make the highest adjustment, and it is not necessary for the adjustment values to be added together.

IX.1.1.1.3 Exchange variation - (cash basis vs. accrual basis)

170 Provisional Measure No. 2,158-35/01 determines that monetary variations of credit rights and obligations of the taxpayer, depending on the exchange rate, must be recognized, for purposes of calculating IRPJ and CSLL, upon settlement of the corresponding operation (cash basis); optionally, the taxpayer is allowed to recognize the fluctuation of its assets or liabilities (originally measured in foreign currency) based on the accrual basis (considering the exchange rates fixed at the end of each period, regardless of the settlement - performance - of the contract).

171 Thus, under the accrual basis of taxation, the gains and losses recorded in the accounts would be taxed/deducted monthly depending on the exchange rate variation in the period. In taxation on the cash basis, gains and losses would only be considered at the time of settling the amounts due.

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IX.1.1.1.4 Capitalization of expenses

172 Companies in the pre-operational phase are authorized to capitalize their expenses so that they can amortize them after the start of operations.

173 This possibility avoids the formation of relevant tax losses in pre-operational periods, in addition to allowing expenses incurred in the pre-operational phase to be deducted from the IRPJ and CSLL calculation basis measured after the start of activities, through the amortization of the deferred tax asset constituted.

IX.1.1.1.5 Partner remuneration

a) Dividends

174 Once the criteria established by corporate law (Law No. 6,404/1976) are met, the distribution of dividends by a legal entity taxed based on actual or presumed profit, is not subject to WHT, as provided for in article 10 of Law no. 9,249/1995.

175 From an accounting perspective, dividends are recognized as a debit to the Profit Reserves account, therefore not being reflected in income. For this reason, and also due to the absence of an express legal provision, the amount of dividends paid cannot be deducted when calculating IRPJ and CSLL from the paying source.

176 As pointed out in a separate topic below, the proposal to reformulate income taxation in Brazil has, as one of its pillars, the end of the exemption of dividends.

b) Interest on shareholders' equity

177 The payment of interest on equity (JCP), similar to dividends, is a mechanism for remunerating invested capital.

178 Pursuant to Article 9 of Law No. 9,249/1995, the JCP paid will be deductible, provided it does not exceed (i) the amount corresponding to the application of the Long-Term Interest Rate - TJLP, pro rata dia, on the accounts of the net worth; and, cumulatively, (ii) do not exceed the amount corresponding to half of the net income for the year (before the provision for IRPJ and the deduction of JCP) or the amount corresponding to half of the sum of retained earnings and profit reserves.

179 It appears from the wording of paragraph 2 of article 9 that the payment of interest on equity is subject to the incidence of WHT, at the rate of 15% (fifteen percent).

180 In this regard, it should be clarified that there is no distinction in the legislation regarding the payment of interest on equity paid to individuals or legal entities domiciled in Brazil or abroad (even in privileged tax regimes).

181 This understanding is recommended in the response to Consultation Solution No. 52/2010:

“SUMMARY: Amounts paid, credited, delivered, used or remitted to a beneficiary residing or domiciled abroad, under a privileged tax regime, as interest on equity, are subject to the incidence of Income Tax at source at the rate of 15 % (fifteen percent). In kind, it is a legal entity incorporated under the form of a “Limited Liability Company”, located in Delaware, United States of America, whose participation is composed of non-residents, not subject to Federal Income Tax, with regard to the North legislation -American.”

182 Also, regarding the receipt of interest on equity, it is recommended that the double taxation treaties between Brazil (paying source) and the place of receipt of these amounts be evaluated, with the effect of evaluating the existence of clauses that exempt payment at destination or, at least, allow the deduction of tax withheld in Brazil.

183 The income tax reform provides for the extinction of JCP.

IX.1.1.2 Presumed profit

184 In the form of art. 13 of Law No 9.718/98, the presumed profit regime consists of a systematic calculation of IRPJ and optional CSLL for legal entities not obliged to make actual profit, whose annual gross revenue is equal to or less than BRL 78,000,000, 00 (seventy-eight million reais).

185 The calculation system is defined in Articles 25 and 29 of Law No. 9,430/1996, and basically consists of attributing presumed profit margins, which, applied to gross operating revenue, inform the calculation base for IRPJ and CSLL. These calculation bases are subject to rates of 15%, referring to IRPJ (plus an additional 10% rate on the portion of profit that exceeds BRL 20,000.00 per month), and 9% of CSLL.

186 The presumed margins set by Articles 15 (IRPJ) and 20 (CSLL) of Law No. 9,249/1995 vary according to the economic activity that originates the revenue. In the event of diversified activities, the legislation determines that the percentage corresponding to each activity that has generated operating income be applied (§4 of article 15 of Law No. 9,249/1995).

187 The margins currently in force, as well as the effective rates supported by taxpayers are summarized in the table below:

Item	Presumed basis		Rate			Effective rates		
	IRPJ	CSLL	IRPJ	Additional IRPJ	CSLL	IRPJ	Additional IRPJ	CSLL
1. RETAIL OF FUEL (derived from petroleum (gasoline, diesel oil))								
2. RETAIL OF ETHYL ALCOHOL Fuel.	1,00%	1,00%				0,24%	0,40%	0,14%
3. RETAIL OF NATURAL GAS.								
4. COMMERCE AND INDUSTRY.								
5. CARGO TRANSPORTATION SERVICES.								
6. HOSPITAL SERVICES and diagnostic and therapeutic assistance, clinical pathology, imaging, pathological anatomy and cytopathology, nuclear medicine and analysis and clinical pathologies.								
7. CIVIL CONSTRUCTION (contracts with use of material)	8%	12%				3,20%	2,00%	1,08%
8. RURAL ACTIVITY (agribusiness).								
9. INDUSTRIALIZATION (including with material provided by the customer).								
10. TRANSPORT SERVICES (except cargo)	10%	12%	15,00%	10,00%	0,00%	7,40%	4,00%	1,08%
11. SERVICES IN GENERAL (including those listed in items 11 to 17 of this table). The percentage of 10% can only be used when the annual gross revenue from services in general is not exceed R\$ 120,000.00. It is exclusive to services. From the month in which the annual exceeds R\$ 120,000.00, the IRPJ difference will be paid until the following month without penalty of interest (in SR 442/97, art. 3).	15%	12%				7,40%	4,00%	2,88%
12. SERVICES PROVIDED BY PROFESSIONAL COMPANIES LEGALLY REGULATED.								
13. ADMINISTRATION, LEASE OR ASSIGNMENT OF MOVABLE OR REAL ASSETS AND RIGHTS OF ANY NATURE.								
14. INSURANCE BROKER, REAL ESTATE BROKER, COMMERCIAL REPRESENTATIVE [1].								
15. SERVICES IN GENERAL (Not previously specified)	12%	12%				4,80%	8,00%	2,88%
16. [1] be the difference between the disposal value and the vehicle acquisition cost. (Law No. 9.715/98, Article 5)								
17. CIVIL CONSTRUCTION – exclusively labor								

188 As a rule, the sale of ore, raw or processed, is subject to a presumption margin of 8% for IRPJ and 12% for CSLL.

189 The presumed profit rules do not authorize the application of a presumed profit margin on non-operating revenues. In these cases, IRPJ (25%) and CSLL (9%) are levied directly on earned income. In other words, for revenue arising from outside activities determined in the corporate purpose, the margin of presumption will not be applied, incurring the rate of 25% for IRPJ and 9% for CSLL on the total revenue earned.

190 An exception to this rule is the taxation of capital gains on the disposal of assets, which even in the case of atypical activity, the IRPJ and CSLL rates do not affect directly on the revenue, but on the difference between the historical cost and the value of sale of good.

191 The definition of gross revenue is found in art. 12 of Decree-Law No. 1,598/1977, which after being amended by Law No. 12,973/2014, includes four types of operating revenue:

“Art. 12. Gross revenue comprises:

I - proceeds from the sale of goods in own account operations;

II - the price of providing services in general;

III - the result obtained in the operations of third-party accounts; and

IV - revenues from the main activity or object of the legal entity not included in items I to III.”

192 In addition to the proceeds from the sale of goods in own account operations, the price of providing services and the result earned in third-party account operations, gross revenue also includes other revenues arising from the main activity of the legal entity. That is, the revenues

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from the main activity or object must compose the operating result of the entity's activities, since they constitute income arising from the activities ordinarily carried out.

193 Article 12 of Decree-Law No 1.598/1977 transcribed above had its wording revised after the Supreme Court judged RE 585.235/MG (Topic 110) and recognized the unconstitutionality of the expansion of the PIS and Cofins calculation base in the cumulative regime.

194 The adjustment made in art. 12 implied the acknowledgment that billing and gross revenue are different concepts: operating revenues, or those related to the main object of the legal entity, make up billing, while non-operating revenues, or atypical for the main object, do not make up billing. The latter make up gross revenue, which includes both operating and non-operating revenue.

IX. 1.1.2.1 Partner remuneration

a) Dividends

195 As with actual profit, the payment of dividends is exempt from IRPJ and CSLL also for taxpayers opting for presumed profit.

IX.1.2 Contributions to PIS and Cofins

196 Just as for IRPJ and CSLL, PIS and Cofins Contributions are federal responsibility and have identical calculation bases, with distinction only in the applicable rates.

197 PIS and Cofins must be calculated monthly and centrally, that is, considering all operations carried out by the taxpayer's establishments.

198 Pursuant to art. 5 of Law No. 10.637/2002 and art. 6 of Law No. 10.833/2003, revenues arising from exports are not covered by the levy of PIS and Cofins, and are, therefore, exempt from this tax.

199 Determining the basis for calculating PIS and Cofins can be done using two different systematics, cumulative and non-cumulative.

a. Cumulative:

200 This system is mandatory for certain economic segments (not applicable to mining) and for legal entities taxed by income tax based on presumed profit (article 8, II of Law No 10.637/2002 and article 10 of Law No 10.833/ 2003).

201 For this calculation system, a rate of 0.65% is applied for PIS and 3% for Cofins on gross revenue, with no possibility of appropriating and deducting credits.

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b. Non-cumulative:

202 Companies that do not operate in economic segments for which the use of the cumulative regime is mandatory or that are taxed by IRPJ and CSLL on actual income, must calculate PIS and Cofins using the non-cumulative system.

203 For these hypotheses, the determination of these Contributions must be carried out by matching the accounts between the credits appropriated in the inputs (of goods and services used in the production process) and the debits calculated on the gross revenue earned.

204 The rate, for credit and debit, is 1.65% for PIS and 7.6% for Cofins.

205 As a rule, the appropriation of credits on the acquisition of inputs (products and services), amounts spent on electricity, rents and leasing of assets used in the production process and depreciation charges of fixed assets used in activities operational.

206 The input criterion for appropriating PIS/Cofins credits is the subject of relevant disputes between taxpayers and the Federal Revenue Service. In 2018, the Superior Court of Justice issued an important decision, in the sense of establishing that all goods and services acquired and that are essential or relevant for the Taxpayer's activity will be considered input for PIS/Cofins.

207 Although there is still a certain degree of subjectivity, the decision is an important paradigm for the purposes of applying the PIS/Cofins rule.

IX.1.3 IOF - Financial Transaction Tax

208 The IOF is a tax of an extra fiscal nature, of federal competence, and is levied on: (i) credit operations (e.g. loans, mutuels); (ii) exchange operations; (iii) insurance operations; (iv) operations with bonds and real estate securities.

209 In the case of foreign loans, the rules inherent to the IOF Exchange prevail over the rules that regulate the incidence of the IOF Financial Operations.

210 The basis for calculating the tax, as a rule, corresponds to the value of the transaction. The rates vary according to the nature of the operation performed, the most common being:

- Loan operations with legal entities in reais: rate of 0.0041% per day (applicable on the amount due, with an additional 0.38% applicable on the calculation basis. Depending on the terms of the loan contract, the sum of the rates cannot exceed the corresponding to the daily incidence of the rate of 0.0041%, limited to 365 days, plus the additional rate of 0.38%.

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- Loan operations with individuals in reais: rate of 0.0082% per day (applicable on the amount due, with an additional 0.38% applicable on the calculation basis. Depending on the terms of the loan contract, the sum of the rates cannot exceed the corresponding to the daily incidence of the rate of 0.0082%, limited to 365 days, plus the additional rate of 0.38%.
- Operations involving inflows and outflows of funds, whether for capital payment, payment of dividends, interest on own capital, return of capital to shareholders, among other operations, are subject to the IOF Exchange. The rate can vary between 0 and 0.38%.
 - *On export revenues a zero rate is applied.*

211 The temporal aspect of incidence may vary according to the taxable transaction. In the case of the IOF Exchange, as a rule, the taxable event occurs at the time of closing the exchange contract for the purpose of remittances or inflows of funds into the country. In the case of loans, the IOF is levied on the debt balance calculated monthly.

212 Therefore, the verification of the incidence criteria must be done on a case-by-case basis, observing the particularities of the operation.

IX.2. Consumption taxes

IX.2.1 ICMS - State Value-Added Tax

213 ICMS is a non-cumulative tax, of state competence, whose incidence falls on the circulation of goods, commercialization of electric energy and on transport services (interstate and intercity).²³

214 For ICMS, the autonomy of the establishment prevails, therefore, the calculation must be made individually by establishment. The calculation must be done monthly.

215 Similar to what happens to PIS/CoFins, the Constitution, in its art. 155, § 2, X, "a" establishes ICMS immunity on export operations.

216 In order to calculate the ICMS due, the appropriation of credits on raw material, packaging material and intermediate products is allowed (one that, used directly in the industrialization process, is part of the new product, or that, although not being part of the new product, is consumed, immediately and fully, in the course of industrialization as long as it is not classified

²³ This tax also applies to telecommunication services.

in property, plant and equipment). Appropriation of credits on goods acquired to fixed assets is also allowed, provided they are used in the production process.

217 The ICMS rule determines the reversal of credits whenever the subsequent departure is exempt or not taxed. The reversal must take place in proportion to the exempt or non-taxed outflows over the total outflows of taxpayers. Exports, although not covered by ICMS, do not require the proportional reversal of credits.

218 The ICMS debit is calculated on the value of the sale of merchandise, in a mercantile transaction. In the event of importation of goods for use and consumption, including fixed assets, the importer is responsible for paying ICMS upon nationalization of the goods.

219 As it is a state tax, states are authorized to establish specific rules for the incidence of ICMS. Thus, the rates in internal operations may vary from State to State, for interstate operations, the rates are regulated by the Federal Senate.

220 In addition, some practical aspects of calculating and fulfilling an accessory obligation may also vary according to the policy established by the State.

IX.2.2 IPI - Federal Value-Added Tax

221 The IPI is a non-cumulative tax, of federal jurisdiction and calculated monthly, which falls on the industrialization of goods. As with ICMS, the IPI calculation is individualized by establishment.

222 For the purpose of applying the standard, the following processes are characterized as industrialization:

- a. **Transformation:** exercised on raw materials or intermediate products and results in obtaining a new species;
- b. **Processing:** act that involves modifying, improving or, in any way, altering the operation, use, finish or appearance of the product;
- c. **Assembly:** act consisting of the assembly of products, parts or parts and which results in a new product or autonomous unit, even if under the same tax classification;
- d. **Packing or Repackaging:** act that involves changing the presentation of the product, by placing the packaging, even if replacing the original, except when the packaging placed is intended only for the transport of the goods; or

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- e. **Renovation or Reconditioning:** exercised on a used product or remaining part of a deteriorated or unusable product, renew or restore the product for use.

223 In addition to industrialization, the IPI is also levied on the import and sale of industrialized products.

224 In internal operations, the IPI debit base will correspond to the value of the exit operation, in the case of sales. If no value is attributed to the operation, the current price of the merchandise or similar in the wholesale market of the sending place.

225 In the case of imports, the calculation basis will be the value of the imported goods, plus Import Tax and other taxes levied due to the entry of the foreign good into the Country.

226 Credits must be calculated on the acquisition value of inputs (raw material, intermediate product and packaging materials), here understood restrictively to goods intrinsically linked to production.

227 The IPI rates may vary according to the product that is industrialized. As a rule, operations with ore are not taxed by the IPI. This is what happens with rare earth minerals and metals and with aluminium ores and concentrates. However, if the processing of the ore results in a new substance, the good produced may be subject to taxation.

228 In a ruling published in 2022, the First Section of the STJ – responsible for settling tax disputes in the Court – ruled on an important issue related to the possibility of using IPI credits on the entry of encumbered inputs, even when the output of a product with an “NT” notation in the TIPI (not taxed) occurs. This is the judgment of the Embargoes of Divergence in REsp n. 1,213,143.

229 The STJ understood that the Federal Revenue Service, through infralegal acts, promoted the restricted restriction of the scope of the tax benefit to the departure of “NT” products. First, with the advent of IN RFB No 33/1999 and RIPI (Decree No 4.544/2002), which granted the use of credits only when the inputs are applied in the industrialization of immune products. Later, when editing ADI No 05/2006, the Tax Authorities further restricted its understanding, to allow the credit only for the shipment of products supported by the immunity resulting from exportation, which was replicated by the 2010 RIPI.

230 In view of this context, the STJ understood that art. 11, of Law No. 9,779/1999, directly confers the IPI credit when “the taxpayer cannot offset” the IPI credit balance on the output of other products. And the term “other products” should be understood as those exempt, subject to zero rate or not taxed (“NT”). Therefore, in the impracticability of using the credits resulting from the encumbered entry, the law establishing the tax benefit provides the opportunity of arts.

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73 and 74, of Law No. 9,430/1996, which allow the use of balances for reimbursement, refund or compensation.

231 In continuity, the STJ understood that the expression “not taxed”, in this context, refers to the products designated as such in the TIPI. From the markings in that table, it appears that immune products and those subject to pure non-incidence are included. This is the case, for example, of mineral commodities (subject to the immunity of article 155, paragraph 3, of the Constitution, even industrialized by processing) sold in raw form.

232 This comparison is essential, to the extent that, both in products not taxed due to non-incidence and in those that are immune, the taxpayer is unable to offset the credit arising from the encumbered entry, attracting the possibility of autonomous credit provided for in the law establishing the tax benefit.

233 It was stated in the judgment that it is unacceptable to restrict, by an infralegal act, the tax benefit granted, especially when the three situations (exemption, zero rate and non-taxation) are equivalent in terms of the practical result provided for by law.

234 124. Although it pacifies the jurisprudence, the performance of the Federal Revenue and its Official Lawyer is not linked to the terms of the decision, insofar as the judgment did not occur under the rite of repetitive appeal. In practical terms, this means that the Federal Revenue will be able to maintain its historical understanding, in the sense of glossing over the maintenance of credits linked to NT outputs, as expressed in the Interpretive Declaratory Act (ADI).

235 It is worth mentioning that the Precedent no. 20, contrary to the guidance now pacified by the First Section of the STJ, still in force at the Administrative Court (CARF): “There is no right to IPI credits in relation to the acquisition of inputs applied in the manufacture of products classified in the TIPI as NT.”. While such procedure is in force, the decisions of the CARF are bound by the understanding expressed therein.

236 In any case, it would be possible to discuss the topic in case of disallowance of the credits by the RFB, demonstrating a jurisprudential novelty, which may culminate in an administrative victory, for example, if the STJ consolidates this understanding in a decision under the rite of repetitive appeals. Otherwise, the taxpayer will take the discussion to the Judiciary, with remote risk of loss.

IX.3. Property taxes

IX.3.1 ITR - Rural Land Tax

237 The National Tax Code (“CTN”) provides that the taxable event of the ITR is ownership, useful domain or possession of immovable property by nature, as defined in civil law, located outside the urban area of the municipality.

238 The provisions of Law No 9.393/1996 and Decree No 4.382/2002 are of identical content when establishing the hypothesis of incidence of this tax.

239 Normative Instruction No. 1,467/2014, issued by the Federal Revenue Service of Brazil with the aim of regulating the collection of the tax, is very clear when it says in its art. 5, § 3, that the tax can only be collected from those possessors who do not have their possession subordinated, thus understood as those who have *animus domini*.

240 Thus, the taxpayer of the ITR must be the one who effectively holds the economic availability of the property, with total abstraction of the legal title to the property, which may even suffer from incurable vices, or even not exist. And being the owner in the legal sense is not enough to fulfill the material aspect of the ITR taxable event. It is necessary for the owner to gather the three attributes of property: the right to use, enjoy and dispose of the thing, in the exact terms of art. 1.228 of the Civil Code of 2002.

241 Under the terms of Normative Instruction RFB No 256/2002, the ITR, due annually, is calculated on the Value of Bare Land (VTN) which, according to art. 32 of the same diploma, refers to the market value of the land with its surface. In other words, the VTN will reflect the market price of the land, calculated on January 1st of the year in which the triggering event for the ITR occurs.

242 In the absence of a document justifying the value of the property, the VTN can be arbitrated by the supervisory authority, considering the price obtained from the Land Price System (SIPT), through which the RFB centralizes the VTN values informed by the municipalities.

243 Recognizing that in certain circumstances properties located in rural areas do not lend themselves properly to rural activities, the governing legislation, for the purpose of measuring the ITR calculation base, allows the segregation of the rural property area between usable area (for rural activity) and unusable area.

244 In short, the portion of land classified as: (i) flooded areas; (ii) permanent preservation areas; (iii) legal reserve area; (iv) private natural heritage reserve area (“RPPN”); (v) area of ecological interest; (vi) environmental easement area; (vii) area covered by native forest.

245 Therefore, the tax calculation base will correspond to the value of the property, reduced by its unused portion.

246 The rate can vary from 0.03% to 20% according to the size of the property and its degree of use.

IX.4. Typical mining obligations

IX.4.1 CFEM - Mining Royalties

247 Article 20, § 1, of the Constitution guarantees to the States, Federal District and Municipalities, as well as to bodies of the direct administration of the Union, the participation in the result of the mineral exploration or respective financial compensation.

248 From the constitutional authorization, Law No 7.990/1989 created the exaction and established that the obligation to collect the CFEM arises, for the holder of the Mining Right, when the economic use of the mineral resources is verified, configuring its incidence hypothesis until the last stage of the beneficiation process and before its industrial transformation.

249 The temporal criterion of the incidence hypothesis, in turn, was elected as the output by sale of the mineral product. Despite considering that the triggering event of the CFEM (temporal criterion) occurred with the sale, art. 15, of Decree No 01/1991, equated it with the consumption or use of the mineral substance, in any establishment of the miner.

250 In order to regulate art. 6, of Law No 7.990/1989 (which provided that the triggering event of CFEM occurs after the last stage of the adopted beneficiation process and before its industrial transformation) item III, of art. 14 of Decree No. 01/1991 discriminates what can be considered processing of the mineral substance (for example, fragmentation, pulverizing, classification, concentration, etc.), but adds the following: “provided that it does not result in the mineralogical mischaracterization of the processed mineral substances or that do not imply its inclusion in the scope of the Tax on Industrialized Products (IPI)”.

251 The aforementioned norm lists two criteria that anticipate the CFEM triggering event at the time of the mineral product's output, configuring the consumption of the substance in the production process: the mineralogical mischaracterization or its inclusion in the field of incidence of the IPI.

252 Given this normative context, it can be said that the generating fact of CFEM occurs when the economic use of the mineral substance is verified (material criterion of the incidence hypothesis), practiced by the holder of the Mining Right authorizing that use (personal criterion).

253 And this will occur (i) on the first sale of the mineral product, carried out by the holder of the Mining Right; or, if the holder consumes the substance, in (ii) mineralogical mischaracterization; (iii) or in the industrialization of the substance, subjecting it to the scope of the IPI, even at a 0% rate.

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254 Law No. 13,540/2017 defines the basis for calculating consumption as the calculated gross revenue, considering the current price of the mineral good, or its similar, in the local, regional, national or international market, as the case may be, or the value of reference, defined from the value of the final product obtained after the completion of the respective improvement process. The paragraph 10 of the new art. 2, of Law No 8.001/1990, provides that the ANM will decide, for each mineral good, whether the criterion will be the current price or the reference value.

255 On March 26, 2018, Ordinance No. 239 of the Director General of the DNPM was published, which defined: (a) that the CFEM rate will be levied on the reference value for the mineral substances listed in its Appendix, according to the methodology of Decree No. 9,252/2017; (b) the adjustment factors mentioned in Decree No. 9,252/2017, with their respective enrichment ranges, for each mineral asset listed in the Appendix; (c) the adjustment factor selected affects the production cost, being able to reduce it by 10%, keep it as a calculation basis or increase it by 10%; (d) for other mineral substances not listed in the Appendix, the CFEM will apply to “the current price of the mineral good, or its similar, in the local, regional, national or international market, as the case may be”; (e) in the event that there is no current market price, the interested party may request the regulatory authority of the sector, duly justified, to include a mineral substance in the Appendix to the Ordinance; i.e. the application of the base “reference value”.

256 As stated, as a rule, CFEM is levied on the sale of mineral goods or their consumption. In the first hypothesis, the tax calculation basis corresponds to the sales value, and only the taxes levied on the sale can be deducted, since Law No. 13,540/2017 prohibits the deduction of freight and insurance²⁴.

257 In the case of exports, Brazilian standards for transfer pricing can be applied to measure the minimum CFEM calculation base. Considering that there have been recent changes to transfer pricing rules and the CFEM governing standard has not been modified, there is a regulatory gap that prevents the application of transfer pricing rules to CFEM, in which case the sales price must be used.

258 In short, Law No. 13,540/2017 defined that the consumption and use of the mineral are events that generate CFEM.

²⁴ There is litigation regarding the deduction of freight and insurance on the CFEM basis, with favorable and unfavorable decisions, awaiting an outcome in the Superior Courts. There is also discussion about the concept of “incidental taxes”, pending regulation by the ANM. We understand that any tax levied on the operation must be deductible, including mining taxes (TFRMs) and contributions allocated to state funds.

259 In consumption, the standard establishes as a calculation basis:

a) the current price of the mineral good, or its similar, in the local, regional, national or international market, as the case may be; or

b) the reference value, regulated by presidential decree and by the National Mining Agency – ANM.

According to legislation, it will be up to ANM to establish, for each mineral substance, whether the criterion will be the current price or the reference value.

260 The regulation of the reference value (criteria for calculation) and the fixation of mineral assets that would be subject to the aforementioned calculation basis, instead of the current price, were implemented through Decree No. 9,252, of 12/28/2017 and by DNPM Ordinance No. 239, of 03/23/2018, diplomas that will be discussed below.

261 Initially, Decree No. 9,252, published on December 29, 2017, established the calculation methodology for the reference value (calculation basis), which is obtained by the following formula:

262 $\text{Reference value} = \text{Production value} \times \text{Adjustment factor}$

263 The production value represents the “sum of direct and indirect operational and administrative expenses incurred up to the last stage of processing the mineral asset”. In other words, it is the production cost incurred until the moment the ore is transformed into another type of product.

264 The adjustment factor, in turn, consists of an “index established by means of an act of the regulatory entity of the mining sector, through a table, for each mineral substance”.

265 Subsequently, on 03/26/2018, DNPM General Director's Ordinance No. 239 was published, which defined:

a) that the CFEM rate will apply to the reference value for the mineral substances listed in its Annex, which expressly includes the substances Vanadium, Niobium, Nickel sulfide, Zinc sulfide, Zinc silicate, Phosphate, Magnesite (sinter), Cobalt, Limestone, Salt and Clay, but does not include Bauxite and Rare Earths;

b) the adjustment factors mentioned in Decree No. 9,252/2017, with their respective enrichment ranges, for each mineral asset listed in the Annex.

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The selected adjustment factor affects the production cost and can (i) reduce it by 10%; (ii) keep it as a calculation basis; or (iii) increase it by 10%.

c) that for other mineral substances not listed in the Annex, CFEM will apply to the current price of the mineral good, or its similar, in the local, regional, national or international market, as the case may be;

d) that in the event that there is no current price on the market, the interested party may request the sector's regulatory entity, in a duly justified manner, for the inclusion of a mineral substance in the Annex to the Ordinance; that is, the application of the "reference value" basis.

266 This is the current regulatory scenario in force in relation to the royalty levied on the consumption of mineral substances.

267 CFEM is a Financial Compensation for the Exploration of Mineral Resources, paid to the Federal Government of Brazil for the economic use of these mineral resources. CFEM is levied on net revenue, in the case of the sale of raw and processed ore, or on the intermediate production cost, when the mineral product is consumed or transformed in an industrial process. The rates will vary according to the mineral substance. As mentioned in paragraphs 310 et seq. the hypothesis of incidence of CFEM is the sale and/or consumption of the mineral. The CFEM calculation basis corresponds to the sale value of the ore, and taxes on sales (ICMS and PIS/Cofins, as a rule) can be deducted. If the sale is export (to a related party or not), the calculation basis is also the sales revenue, and transfer pricing rules must be applied to verify the adequacy of the transaction value. If the ore is consumed in the industrial transformation process, the calculation basis will be the production cost up to the stage prior to transformation into a new product.

268 On these bases, the following rates are applied for calculating the amount of the CFEM (i.e. government royalty) payable to the Federal Government by the tenement holder, i.e, RSM's subsidiaries:

- Iron ore: fixed rate of 3.5%.
 - *o Exceptionally, upon individual application made to the ANM based on criteria to be set in a Presidential Decree, the rate may be reduced to up to 2%, with the objective of guaranteeing the economic use of deposits with low performance and profitability due to the content, scale of production, payment of taxes and number of employees.*
- Niobium and bauxite: 3% rate.

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- Diamond, precious stones, cuttable colored stones, carbonaceous, rare-earth elements and noble metals: at the rate of 2%.
- Gold, including when mined under Mining Mining Permission, rate of 1.5%.
- Rocks, sand, gravel, gravel and other mineral substances when intended for immediate use in civil construction; ornamental rocks; mineral and thermal waters, 1% rate.

IX.4.2 Mining inspection and control fee

269 Since 2011, several Brazilian states have started to create a new tax on mining, with features of a mineral royalty of the unit-based royalty type. This is the case of Minas Gerais, Pará, Amapá, Mato Grosso do Sul, Mato Grosso and Tocantins. This tax has been formally called TFRM, an acronym that stands for “Mineral Resources Inspection Fee”, supposedly created with the purpose of paying for the inspection carried out by states environmental agencies on mining activities.

270 The Brazilian Supreme Court recently stated that States have the power to create this tax. However, it declared the unconstitutionality of the TFRM created by the State of Mato Grosso because the amounts charged to mining companies were much higher than the cost of monitoring taxpayers. This means that each TFRM must be analyzed individually from this perspective.

271 Likewise, it is possible that municipalities will begin to institute fees like this. For this reason, for investment analysis purposes, it is advisable to pay special attention to this type of exaction. Based on the successful experience of States that charge the TFRM, dozens of mining municipalities in Brazil also began to charge this tax. Initially, this occurred in the State of Pará, but the tax is already being introduced in municipalities in the Northeast and Southeast.

272 There is a risk, therefore, that the Municipalities where mineral exploration takes place will create the TFRM, which could be charged cumulatively with the state tax of the same name.

273 It should be noted that the Brazilian Supreme Court, when judging Direct Unconstitutionality Action No. 4,786, regarding the TFRM created by the State of Pará, observed the phenomenon of a proliferation of municipal taxes equivalent to the state tax that was under trial. Justice Nunes Marques, in his vote, stated that the Supreme Court has a meeting scheduled in the future to decide on the constitutionality of cumulating TFRMs at all federative levels, as this charge may prove to be excessively burdensome for miners.

IX.4.3 TAH – Mining fee per property

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274 The TAH – Annual Fee per Hectare was instituted in DL No 227/1967 (Mine Code) by Law No 7.886/1989. This is an annual fee payable by the exploration permit holder, which must be paid until the final exploration report is delivered (ie, it is not due before the start of the extraction phase).

275 The current values are BRL 4.33/hectare for the first term of the exploration permit. If the permit is renewed, the amount of BRL 6.48/hectare will be due.

276 The fee is due annually.

IX.5 Tax reform

IX.5.1 Amendment to the Constitution No. 132/2023– Reform of taxation on consumption

277 Corporate taxation in Brazil was substantially changed by Amendment to the Constitution No. 132/2023, resulting in the need for new tax planning for those who operate or intend to operate activities in the country. The last major regulatory change at this level occurred in the 1960s, with the creation of the current National Tax Code.

278 Regarding taxation on consumption, Amendment to the Constitution No. 132/2023 was approved, with the aim of bringing the Brazilian tax system closer to what is observed in most developed and developing countries. Its new features are:

- The creation of a dual VAT – the Tax on Goods and Services (IBS), which will be shared between States and Municipalities, and the Contribution on Goods and Services (CBS), of the Federal Union.
- The creation of a Selective Tax, levied on activities harmful to health or the environment, with a primarily extra-fiscal purpose.
- Authorization for some Brazilian States to create an unprecedented tax on primary and semi-finished products, mainly affecting mining, agribusiness and the oil and gas sector, which could also be charged on exports.
- On the other hand, the gradual extinction, by 2033, of the current taxes levied on consumption was foreseen, at all federal levels: Tax on Services (ISS, the municipal VAT), Tax on Goods and Transport and Telecommunications Services (ICMS, the State VAT), Contributions on Gross Revenue and Tax on Industrialized Products (PIS/Cofins and IPI, the Federal VAT).

279 Next, these changes will be detailed.

280 A VAT is a non-cumulative tax charged at all stages of the production and marketing process, guaranteeing, at each stage, the credit corresponding to the tax paid in the previous stage. This characteristic of VAT makes it a neutral tax.

281 Because of this, the following characteristics are part of the nature of a VAT: (1) broad base of incidence; (2) full appropriation of credits from previous stages, leading to tax neutrality throughout a production chain; (3) little or no exceptions to the general taxation rule (no tax incentives or beneficial sectoral treatments).

282 The Brazilian tax regime on consumption, structured in the 1960s, lacked all these characteristics. It was decided to grant each federative entity (Union, States and Municipalities) its own VAT. But this specific VAT, granted to each political person, did not capture the same tax bases.

283 The Union was given a VAT on all revenues of the legal entity, called Contributions to PIS and Cofins, as well as a VAT levied only on industrialized products (IPI). Its incidence and crediting rules are different, having jointly generated the biggest dispute in the history of the Brazilian tax system.

284 States were granted a VAT, charged at origin – and not at destination –, levied on transactions involving goods, as well as two types of services: telecommunications and intercity and interstate transport (ICMS).

285 This tax, therefore, has incidence and crediting rules that are completely different from the VAT charged by the Union, which has always generated great complexity for taxpayers. Furthermore, with there being 27 States in the Brazilian Federation, each State created different rules for this VAT, making it the most tormenting tax in national history.

286 The Municipalities, in turn, received VAT levied only on services (ISS), except telecommunications and intermunicipal and interstate transport, which belong to the state VAT incidence hypothesis.

287 As each VAT has a distinct materiality (revenue, industrialized products, goods and services), the Supreme Court was called upon to decide dozens of cases on the meaning of these terms. There have been many conflicts of competence between federal entities in recent years, mainly due to the digitalization of the economy and the granting of tax incentives to attract investments.

288 This complex scenario of consumption taxation in Brazil was the main reason that led to the approval of Amendment to the Constitution nº 132/2023, which aims to abolish all mentioned VAT, so that only two are created: the Brazilian dual VAT.

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289 The idea of creating a single VAT was debated in the National Congress. But this was not possible, due to the distrust that Brazilian States and Municipalities have in relation to the Union. Hence the alternative was the creation of two VAT, one shared between States and Municipalities (the IBS) and another for the Union (the CBS).

290 To prevent these two VAT from being different, Amendment to the Constitution nº 132/2023 determined that both taxes have the same characteristics. In other words, IBS and CBS will, by law, have the same incidence hypotheses, calculation basis, taxable persons, exemptions, special regimes, and crediting system.

291 However, as these taxes will be managed by different tax administrations, it is expected that there will be interpretative divergences regarding the legislation establishing each VAT. The IBS will be managed by a Management Committee, made up of representatives from the 27 States and 27 Municipalities chosen from the 5,570 existing in the country. The CBS will be managed by the Union, through the Federal Revenue Service. There is no guarantee that the IBS Management Committee and the Federal Revenue Service will adopt the same interpretations of the IBS and CBS rules, even though these rules are theoretically identical, which can lead to complexity for taxpayers.

292 See the main normative characteristics of the Brazilian dual VAT:

- It will be levied on operations with material or immaterial goods, including rights, or services.
- It will be levied on the import of material or immaterial goods, including rights, or services carried out by an individual or legal entity, even if they are not habitual taxpayers.
- It will levy on the transaction's destination, and no longer on its origin, as was the Brazilian paradigm in taxation on consumption.
- It will not be levied on exports, guaranteeing the exporter the maintenance and use of credits from previous operations.
- It will not be levied on itself (avoiding the inclusion of VAT in its own calculation basis) and on other contributions and taxes charged in the country, except for the Selective Tax.
- The general immunities provided for in the Constitution will apply to IBS and CBS.
- Non-cumulative nature, based on the principle of neutrality, with the exception of the right to receive credit only for goods and services considered to be for personal use or consumption.
- The right to credit, as a rule, is not conditional on payment of VAT in the previous stage. However, there are two exceptions: (1) when the purchaser must collect the VAT, denoting, in addition to imports, the possibility of tax substitution or deferral rules; or (2) when VAT is collected through financial settlement (split payment);

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- There will be, according to the law, the right to presumed tax credit in the acquisition of goods and services from (1) a rural producer, an individual or legal entity that obtains annual revenue of less than R\$ 3,600,000.00, as well as from an integrated producer, who are not opting by IBS/CBS; (2) self-employed individual cargo transporter who is not a tax payer; (3) waste and other materials intended for recycling, reuse or reverse logistics, from individuals, cooperatives or other forms of popular organizations; and (4) movable property used by a non-taxpaying individual, for resale.
- The rates will be set by each federative entity by specific law, and the total dual VAT rate will correspond to the sum of each of these rates, considered in the destination of the operation.
- The rates will be uniform for all goods and services, except in cases reserved by the Constitution.
- The Senate will set IBS reference rates, with three objectives: (1) maintaining the current tax burden, when compared to GDP; (2) compensate for the absence of tax rates in any federal entity, notably municipal; (3) define the IBS rates during the transition period, from 2026 to 2033.
- Dual VAT does not allow for tax benefits or special regimes, except in cases reserved by the Constitution (in addition to rate reductions, there are provision for differentiated regimes for a series of situations).

293 The hypotheses for reducing the dual VAT rate by 60% are as follows:

- Education services.
- Health services.
- Medical devices.
- Accessibility devices for people with disabilities.
- Medicines.
- Basic menstrual health care products.
- Collective public transport services for road and metro passengers of an urban, semi-urban and metropolitan nature, which may also be exempt, in accordance with the law.
- Food intended for human consumption.
- Personal hygiene and cleaning products mostly consumed by low-income families.
- Agricultural, aquacultural, fishing, forestry and plant extractive products in natura.
- Agricultural and aquaculture inputs.
- National artistic, cultural, event, journalistic and audiovisual productions, sporting activities and institutional communication.
- Goods and services related to sovereignty and national security, information security and cybersecurity.

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294 A 30% reduction in dual VAT rates may be granted, relating to the provision of services of an intellectual profession, of a scientific, literary, or artistic nature. This is the case of lawyers, doctors, engineers, accountants, and other independent professionals.

295 The reduction in rates can reach 100%, according to the law, in the cases of (1) vegetables, fruits and eggs; (2) medical and accessibility devices for people with disabilities; (3) medicines and basic menstrual health care products; (4) services provided by a non-profit Scientific, Technological and Innovation Institution (ICT); (5) passenger cars, when purchased by people with disabilities or professional taxi drivers; (6) higher education education services under the terms of the University for All Program (Prouni); (7) urban rehabilitation activities in historic areas and critical areas for urban recovery and conversion.

296 Among the sectors and operations that will have different tax regimes, the following stand out: (1) the maintenance of the Manaus Free Trade Zone and Free Trade Areas; (2) special customs regimes; (3) fuels, with a uniform rate throughout the country, single-phase regime, ad valorem or ad rem rates; (4) favored tax regime for biofuels and low-carbon hydrogen; (5) goods and services that promote the circular economy aiming at sustainability in the use of natural resources; (6) financial services, transactions with real estate and health care plans, which may be subject to cumulative VAT, with uniform rates throughout the national territory; (7) acquisition of capital assets may be exempted; (8) cooperatives and (9) hospitality industry, amusement parks and theme parks, restaurants and regional aviation.

297 Conceptually, these are very important changes to simplify consumption taxation in Brazil. In order for them to be well implemented, it will be up to the National Congress to enact laws establishing these taxes in a reasonable and rational manner.

298 Alongside the dual VAT, Amendment to the Constitution nº 132/2023 authorized the Union to institute a tax with a markedly extra-fiscal aspect, to discourage certain acts of consumption that would be, theoretically, “harmful to health and the environment”: the Selective Tax. This is an unprecedented tax in the national experience – which cannot be confused with the Tax on Industrialized Products (IPI).

299 Taxes such as the Selective Tax are verified in foreign experience and doctrine and have objectives (1) to collect, focusing on highly consumed goods, such as tobacco, alcoholic beverages, oil and motor vehicles; (2) internalizing negative externalities (the “Pigouvian tax”, based on Pigou Theory, in The Economics of Welfare); and (3) to discourage certain acts of consumption, considered harmful to human health or state interests.

300 The Selective Tax will have the following characteristics:

- Its institution must occur by complementary law, and its rates can be established by ordinary law.
- Extraction was included among the temporal criteria, alongside the production, commercialization and import of goods and services.
- Operations with electricity and telecommunications were immunized.
- When charged at the time of extraction, the tax will have a maximum rate of 1% on the market value of the extracted product and will apply regardless of its destination.
- It will be single-phase.
- Its rates can be specific, per unit of measurement adopted, or ad valorem.

301 In his report, Senator Eduardo Braga highlighted that the Selective Tax “will be a very useful instrument for the relevant climate change mitigation policy”; “it will not be used for its primary collection function”; and that “there is no need for multiphase incidence, which is why we included the monophase restriction”.

302 The wording of Amendment to the Constitution nº 132/2023 suggests caution regarding the statement made by the rapporteur in the Senate, that this tax would not have a primarily revenue-raising purpose. Any human activity is potentially harmful to the environment, whether legal or illegal. It must be made clear that one thing is environmental impacts – legal and foreseen in environmental licensing, with its mitigating measures –, another thing is environmental damage, illegal, which gives rise to the obligation to compensate.

303 For environmental impacts, in addition to the mitigating measures provided for in the environmental licensing of the economic enterprise, there is a provision for financial imposition that implements the user-pays and polluter-pays principles. This is SNUC compensation, provided for in Law No. 9,985/2000, which created the National System of Nature Conservation Units. The idea of this compensation is that not every mitigating measure will completely avoid the impact on the environment, resulting in the duty to compensate – which cannot be confused with the duty to compensate, because the latter is always linked to environmental damage, illicit, and not to the impact, lawful.

304 The wording given to Amendment to the Constitution nº 132/2023 does not distinguish between the two situations and, potentially, authorizes the collection of the Selective Tax even on licensed economic activities and subject to SNUC compensation. This implies that any human activity could, from this perspective, be subject to this tax, which clearly does not seem to be the purpose of its creation, which is not primarily collection.

305 Therefore, depending on how the Selective Tax is implemented, given its broad scope in the constitutional text – since any human activity causes legal impacts on the environment –, the new tax may lose its supposed extra-fiscal nature and become a collection instrument.

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306 With regard to its impact on acts of extraction, it should be noted that the intention expressed by the rapporteur in the Senate would be (1) to restrict mining activity in Brazil and (2) to have the Selective Tax applied even to mineral exports.

307 Once the constitutional amendment is promulgated, the possible intention of the legislator becomes just one, among many others, interpretative criteria of the promulgated text, which becomes the property of the legal system, and not of the individuals or bodies that participated in its drafting.

308 Therefore, it is necessary to check what the text of the amendment says, to know if the declared intention of the rapporteur in the Senate corresponds to what was promulgated. The answer is negative, both for the possibility of mining activity being restricted in Brazil, and for the tax to be charged on mineral exports.

309 The Brazilian Constitution determines that exploration and exploitation of mineral resources must be carried out in the national interest. This is not the interest of any federative entity specifically, but rather of the Brazilian people. The Attorney General's Office of the Union has a relevant statement in this regard: "Mineral resources, which, ultimately, belong to the people, must be explored with a view to the national interest (§1 of article 176 of the Constitution), to satisfy collective needs".

310 This is the basis for which, since Decree-Law No. 3,365/1941, the economic use of mines and mineral deposits has been included as cases of public utility (art. 5, f).

311 This implies that mining must be encouraged, through the granting of exploration authorizations and mining concessions, and not discouraged. That is the meaning of art. 176 of the Constitution, which does not authorize the use of the Selective Tax as an instrument to discourage mining.

312 As for the possible charge on exports, which is the intention expressed by the rapporteur in the Senate, this cannot be done without violating the Constitution, which enshrines, in several provisions, the principle of the country of destination. All taxes on consumption on exports were immunized, including to comply with international free trade agreements signed by Brazil, such as the General Agreement on Tariffs and Trade – GATT.

313 The Brazilian Constitution establishes the impossibility of regression in matters of fundamental rights and individual guarantees. Immunities, in general, are individual guarantees for taxpayers, which cannot be suppressed even by constitutional amendment. This is what the Supreme Court decided, when judging Direct Unconstitutionality Action No. 939.

314 Hence, tax immunity on exports is an individual guarantee for taxpayers, which cannot be suppressed under penalty of violating the principle of progressive rights and prohibition of retrogression.

315 On the other hand, the collection of the Selective Tax on extraction must consider the market value of the extracted product, in its raw state, as the calculation basis. Tax cannot be charged on the sales value or market value of the final product without violating the constitutional text.

316 There is also the unprecedented constitutional authorization for the creation of a State Contribution levied on primary and semi-finished products, destined for infrastructure and housing funds, including exports.

317 Amendment to the Constitution nº 132/2023 establishes the requirements for the creation of the new contribution by the States:

318 On 04/30/2023, have a Fund intended for investments in infrastructure works and housing. These are cumulative and not alternative destinations; in which case the word either would have been used: infrastructure or housing.

319 Still cumulatively, this Fund is financed by contributions on primary and semi-finished products established as a condition for the application of state VAT benefits, on 04/30/2023.

320 The new contribution will be valid until 12/31/2043 and may affect the export of primary and semi-finished products. This will return, unconstitutionally as seen with the Selective Tax, to the scenario that existed in Brazil before 1996, when state VAT was charged on exports of non-industrialized products.

321 The concept of primary and semi-finished products is given by Complementary Law No. 65/1991: (1) resulting from raw material of animal, vegetable or mineral origin subject to tax when exported in natura; (2) whose raw material of animal, vegetable or mineral origin has not undergone any process that involves modification of the original chemical nature; (3) whose cost of raw material of animal, vegetable or mineral origin represents more than 60% of the cost of the product.

322 In addition to the possible discussion regarding the levy of this State Contribution on exports, it is a measure that violates federal equality, because not all States will be able to create it. It is unacceptable, in a Federation, for some entities to have certain tax powers and others not.

323 Considering that the changes described in this text are very significant, the intention was to implement them gradually, from 2026 to 2033:

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- In 2026: IBS will be charged at 0.1% and CBS at 0.9%. This 1% dual-VAT can be deducted from the Federal Cofins Contribution, without increasing the burden, and, until 2028, from the CBS itself.
- If the taxpayer does not have sufficient debts to deduct Cofins, the amount collected may be offset against any other federal tax or be reimbursed within 60 days.
- In 2027: CBS will be charged in full and Contributions to PIS and Cofins (federal VAT) will be eliminated.
- The IPI will have a 0% rate, except for industrialized products in the Manaus Free Zone.
- Selective Tax may be charged.
- From 2029 to 2032:
- Previous state and municipal VAT (ICMS and ISS) are reduced 10% per year, until they reach 60% in 2032.
- State VAT tax benefits will be maintained until 2032.
- The reference rates for IBS and CBS (dual VAT) in this period will be fixed by Senate resolution, in the year prior to their implementation.
- The reference rates will be revised annually aiming to maintain the tax burden.
- In 2033, all taxes on consumption prior to Amendment to Constitution No. 132/2023 will be extinguished, with dual VAT being charged in full. Studies by the Ministry of Finance and the Federal Court of Auditors estimate that the total dual VAT rate will be approximately 27%.

324 The new consumption taxation rules in Brazil require study and planning on the part of taxpayers and their investors. It is especially important to pay attention to the transition period, between 2026 and 2033, when the old and new tax systems will coexist. Great complexity and challenges are expected at this stage.

IX.5.2 Bill No. 2.337/2021 – Income Taxation

325 Bill No. 2,337/2021 was presented by the Executive Branch on 06/25/2021 and proposes relevant changes to the Income Tax and CSLL legislation.

326 Among the main points, the reduction of the Income Tax rate, from 15% to 8%, maintaining the additional 10%; and CSLL, from 9% to 8%.

327 In addition, the taxation of dividends, currently exempt, is foreseen. Dividends paid must be withheld at source at the rate of 15%, if the Bill is approved. In addition, with regard to the remuneration of shareholders, the text under vote extinguishes the deductibility of Interest on Own Capital, an important instrument for remuneration of shareholders.

X - Closure

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328 This Opinion is issued only in accordance with the laws of Brazil in force on the date hereof and does not express any opinion in accordance with the laws of any other jurisdiction.

329 We also emphasize that this Opinion is restricted to what was provided in paragraph 2, and does not cover any technical, operational, commercial, or financial aspects of the Tiros Tenements, Novo Mundo Tenements and Santa Ângela Tenement.

Yours truly,


Tiago de Mattos


Bruno Costa


Caio Gomes


Bruno Malta


Bruno Feitosa

William Freire Advogados



WILLIAM FREIRE
ADVOGADOS ASSOCIADOS

Exhibit I

Overview of mining
tenements

SÃO PAULO

BELO HORIZONTE

BRASÍLIA



Guide for interpreting the summaries of tenements

➤ Disclaimers

- a) We have not identified, and we do not have any reason to think that there are encumbrances on the tenements.
- b) We have reviewed the assignment contracts regarding the tenements pending the complete transfer process, and all of them comply with the requirements set forth by the National Mining Agency (ANM) for approval. In the context of an assignment request, there is no subjective analysis by the Agency to transfer the mining process; therefore, we can affirm that all mining processes not yet owned by Brazil Copper, and which have been subject to a transfer request, will shortly be approved for assignment without any hindrance.
- c) The applicable legislation allows (i) mineral exploration to continue after the final exploration report has been submitted, which is why the term of each exploration permit should not be considered as a limitation to exploratory activities. This applies to tenements 833.082/2014, 833.083/2014, 831.045/2010 and 866.035/2009.
- d) There are (i) no minimum spending commitments to maintain the tenements (ii) no regime whereby part of the tenements must be relinquished over time.
- e) The tenements are situated in the State of Minas Gerais (Southeast Region), and Mato Grosso (Central-West Region).
- f) There are no natives claims.
- g) Beneficial interests do not apply to Brazilian law.

➤ List of repeating points of attention

- a) Overlapping Inbra Rural Settlements: Tenements overlap with the areas of PA Santa Cecília, PA Gleba 19 and PAC Peixoto de Azevedo. There is no automatic incompatibility between mining activities and the rural settlements created by the INCRA. The coexistence of the activities must be made compatible, to the extent possible, as both are considered of public interest. Recently, INCRA published Normative Instruction No. 112 to regulate the use of areas in settlement projects by mining, energy, and infrastructure projects.
- b) Active Transmission Line Overlaps: ANM's public systems indicate that some Tenements overlap with active transmission lines. This overlap does not invalidate the tenements, but it could restrict certain exploration or exploitation activities. In specific cases, ANM may reduce the tenement's area to prevent interference with the transmission line. Such reductions are subject to a detailed administrative procedure initiated by the transmission line's concessionaire and will only occur if public interest and incompatibility between activities are proven.



- c) **Infraction Notices for New Substance Reporting Failures:** The ANM has issued infraction notices to tenements 833.083/2014 and 833/082/2014 for the alleged untimely reporting of new mineral substance discoveries. While the tenement holder contends that the discoveries were reported promptly and followed by comprehensive research reports, the ANM has yet to conclude on the matter. If the infraction notices are maintained, the tenement holder may face fines totaling R\$ 1,821.87 for each notice, subject to adjustments.
- d) **Interference with Artisanal Mining Permits:** There is notable interference between Novo Mundo Tenement and existing artisanal mining permits (PLGs). All currently active PLGs have been verified as valid, including those renewed upon reaching their expiration. To mitigate potential conflicts and ensure compliance with regulatory requirements, it is essential to (i) ascertain the overlap of project areas with these artisanal mining zones and (ii) clearly define operational boundaries and responsibilities between the artisanal and commercial mining activities.

Summary of Tenements – Part I – Tiros Tenements										
Tenement	Area (Ha)	Status	Municipalities	Holder	Assignee	Grant date	PER Due	Renewal Date	FER Due	Comments
832.627/2023	1999,33	Exploration Permit	Campos Altos/MG	Brazil Copper Mineração LTDA	N/A	January 12, 2024	November 13, 2026	N/A	January 12, 2027	The mining right polygon partially overlaps with the area of the Inkra rural settlement PA Santa Cecília as per figure 1 of Exhibit II.
832.625/2023	1988,15	Exploration Permit	Campos Altos/MG; and Ibiá/MG	Brazil Copper Mineração LTDA	N/A	January 12, 2024	November 13, 2026	N/A	January 12, 2027	N/A
832.624/2023	1978,98	Exploration Permit	Campos Altos/MG	Brazil Copper Mineração LTDA	N/A	January 12, 2024	November 13, 2026	N/A	January 12, 2027	The mining right polygon partially overlaps with the area of the Inkra rural settlement PA Santa Cecília as per figure 2 of Exhibit II.
832.621/2023	1999,96	Exploration Permit	Campos Altos/MG; Santa Rosa da Serra/MG; and São Gotardo/MG	Brazil Copper Mineração LTDA	N/A	January 12, 2024	November 13, 2026	N/A	January 12, 2027	N/A

832.620/2023	1984,17	Exploration Permit	Campos Altos/MG	Brazil Copper Mineração LTDA	N/A	January 12, 2024	November 13, 2026	N/A	January 12, 2027	The mining right polygon partially overlaps with the area of the Inkra rural settlement PA Santa Cecília as per figure 3 of Exhibit II.
832.604/2023	1998,62	Exploration Permit	Campos Altos/MG	Brazil Copper Mineração LTDA	N/A	December 29, 2023	October 30, 2026	N/A	December 29, 2026	N/A
832.601/2023	1999,78	Exploration Permit	Campos Altos/MG	Rodrigo de Brito Mello	Brazil Copper Mineração LTDA	December 29, 2023	October 30, 2026	N/A	December 29, 2026	N/A
832.226/2023	1972,27	Exploration Permit	Campos Altos/MG; and São Gotardo/MG	Brazil Copper Mineração LTDA	N/A	November 22, 2023	September 23, 2026	N/A	November 22, 2026	N/A
832.223/2023	1855,16	Exploration Permit	Rio Paranaíba/MG	Brazil Copper Mineração LTDA	N/A	November 22, 2023	September 23, 2026	N/A	November 22, 2026	The mining right polygon partially overlaps with the area of the Inkra rural settlement PA Gleba 19 as per figure 5 of Exhibit II.

832.029/2023	1986,59	Exploration Permit	Rio Paranaíba/MG; and São Gotardo/MG	Brazil Copper Mineração LTDA	N/A	September 28, 2023	July 30, 2026	N/A	September 28, 2026	The mining right polygon partially intersects with the 500 kV power transmission line LT Emborcação - São Gotardo 2 C1 as per figure 9 of Exhibit II.
832.027/2023	1998,88	Exploration Permit	Rio Paranaíba/MG	Brazil Copper Mineração LTDA	N/A	September 26, 2023	July 28, 2026	N/A	September 26, 2026	The mining right polygon partially intersects with the 500 kV power transmission line LT Emborcação - São Gotardo 2 C1 as per figure 10 of Exhibit II.
832.026/2023	1981,41	Exploration Permit	Rio Paranaíba/MG; and São Gotardo/MG	Brazil Copper Mineração LTDA	N/A	September 28, 2023	July 30, 2026	N/A	September 28, 2026	N/A
832.025/2023	1995,44	Exploration Permit	Rio Paranaíba/MG; and São Gotardo/MG	Rbm Consultoria Mineral Eireli	Brazil Copper Mineração LTDA	September 28, 2023	July 30, 2026	N/A	September 28, 2026	N/A
832.023/2023	1055,16	Exploration Permit	Rio Paranaíba/MG	Rodrigo de Brito Mello	Brazil Copper	September 28, 2023	July 30, 2026	N/A	September 28, 2026	N/A

					Mineração LTDA					
831.314/2021	871,55	Exploration Permit	Tiros/MG	Canopus Geologia e Projetos Ltda	Brazil Copper Mineração LTDA	November 29, 2021	September 30, 2024	N/A	November 29, 2024	N/A
831.237/2021	365,86	Exploration Permit	Tiros/MG	Canopus Geologia e Projetos Ltda	Brazil Copper Mineração LTDA	January 27, 2022	November 28, 2024	N/A	January 27, 2025	N/A
830.027/2021	1280,47	Exploration Permit Application	Campos Altos/MG; and Santa Rosa da Serra/MG	Rbm Consultoria Mineral Eireli	Brazil Copper Mineração LTDA	January 12, 2024	November 13, 2026	N/A	January 12, 2027	The the mining right polygon partially overlaps with the area of the Inera rural settlement PA Santa Cecília as per figure 4 of Exhibit II.
830.026/2021	1735,69	Exploration Permit	Campos Altos/MG; Santa Rosa da Serra/MG; and São Gotardo/MG	Rodrigo de Brito Mello	Brazil Copper Mineração LTDA	December 29, 2021	October 30, 2024	N/A	December 29, 2024	N/A

831.720/2020	1999,33	Exploration Permit	Campos Altos/MG	Brazil Copper Mineração LTDA	N/A	March 24, 2021	August 02, 2024	N/A	October 01, 2024	N/A
831.390/2020	1986,15	Exploration Permit Application	São Gotardo/MG	Brazil Copper Mineração LTDA	N/A	March 11, 2021	August 02, 2024	N/A	October 01, 2024	N/A
830.915/2018	1978,98	Exploration Permit	Tiros/MG	Brazil Copper Mineração LTDA	N/A	May 04, 2021	August 02, 2024	N/A	October 01, 2024	N/A
830.450/2017	1999,96	Exploration Permit	Tiros/MG	Brazil Copper Mineração LTDA	N/A	July 26, 2018	September 09, 2026	November 08, 2023	November 08, 2026	N/A

833.083/2014	1984,17	Exploration Permit	Tiros/MG	Brazil Copper Mineração LTDA	N/A	June 21, 2016	April 22, 2019	N/A	June 21, 2019	The process was subject to an infraction notice due to the failure to timely communicate the occurrence of a new substance. The Final Exploration Report is under analysis.
833.082/2014	1998.62	Exploration Permit	Tiros/MG	Brazil Copper Mineração LTDA	N/A	June 21, 2016	April 22, 2019	N/A	June 21, 2019	The mining right polygon partially intersects with the 345 kV power transmission line LT São Gotardo 2 - Três Marias C1 as per figure 11 of Exhibit II. The process was also subject to an infraction notice due to the failure to timely communicate the occurrence of a new substance. The Final Exploration Report is under analysis.
831.045/2010	1999,78	Exploration Permit	Tiros/MG	Brazil Copper Mineração LTDA	N/A	August 31, 2010	February 08, 2015	April 09, 2014	April 09, 2015	The mining right polygon partially intersects with the 345 kV power transmission line LT São Gotardo 2 - Três Marias C1 as per figure 12 of

										Exhibit II. The Final Exploration Report is under analysis.
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Summary of Tenements – Part II – Novo Mundo Tenements										
Tenement	Area (Ha)	Status	Municipalities	Holder	Assignee	Grant date	PER Due	Renewal Date	FER Due	Comments
866.320/2018	7645,58	Exploration Permit	Novo Mundo/MT	Ison do Brasil Mineração Ltda	N/A	September 6, 2018	June 08, 2026	August 07, 2023	August 07, 2026	The mining right polygon partially overlaps with the area of the Incra rural settlement PAC Peixoto de Azevedo as per figure 8 of Exhibit II. It also partially interferes with artisanal mining permits (866.509/2019, 867.372/2021 and 866.978/2021), demonstrated on figure 13 of Exhibit II.
866.171/2018	8159	Exploration Permit	Novo Mundo/MT	Nexa Recursos Minerai S.A.	Brazil Copper Mineração LTDA	September 6, 2018	May 28, 2026	July 27, 2023	July 27, 2026	The mining right polygon partially overlaps with the area of the Incra rural settlement PAC Peixoto de Azevedo as per figure 7 of Exhibit II. It also interferes with artisanal mining permits (866.371/2020, 866.253/2021, 867.409/2021, 866.279/2021,

										866.256/2016, 300.586/2023, 300.588/2023 and 300.436/2016), demonstrated on figure 14 of Exhibit II.
866.035/2009	930,35	Right to Apply for Mining Concession	Novo Mundo/MT	Ison do Brasil Mineração Ltda	N/A	April 4, 2009	March 24, 2015	May 23, 2012	May 23, 2015	The mining right polygon partially overlaps with the area of the Incra rural settlement PAC Peixoto de Azevedo as per figure 6 of Exhibit II. It also interferes with artisanal mining permits (866.256/2016, 866.608/2016, 866.732/2015 and 866.593/2015) demonstrated on figure 15 of Exhibit II.

Summary of Tenements – Part III – Santa Ângela Tenement										
Tenement	Area (Ha)	Status	Municipalities	Holder	Assignee	Grant date	PER Due	Renewal Date	FER Due	Comments
867.624/2021	8700,69	Exploration Permit	Colíder/MT; and Nova Santa Helena/MT	Canopus Geologia e Projetos Ltda	N/A	June 6, 2022	August 05, 2025	N/A	June 6, 2025	The mining right polygon partially overlaps with the area of the Incra rural settlement PAC Peixoto de Azevedo as per figure 8 of Exhibit II. It also partially interferes with artisanal mining permits (866.509/2019, 867.372/2021 and 866.978/2021), demonstrated on figure 13 of Exhibit II.

EXHIBIT II

Compilation of figures
demonstrating overlaps



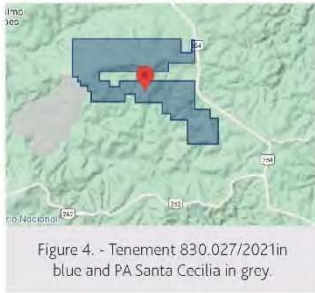
WILLIAM FREIRE
ADVOGADOS ASSOCIADOS

SÃO PAULO

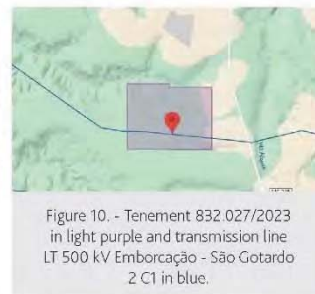
BELO HORIZONTE

BRASÍLIA

**Overlapping
Incra Rural
Settlements:**



**Overlapping
Transmission
Lines:**



Overlapping
Artisanal
Mining Permits:



Figure 13. - Tenement 866.320 in blue and artisanal mining permits 866.509/2019, 867.372/2021 and 866.278/2021 in red.

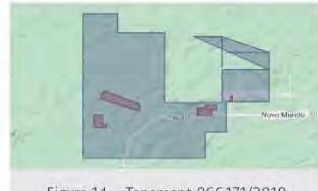


Figure 14. - Tenement 866.171/2018 in blue and artisanal mining permits 866.371/2020, 866.253/2021, 867.409/2021 and 866.279/2021 in red.



Figure 15. - Tenement 866.035/2009 in blue and artisanal mining permits 866.608/2016 and 866.732/2015, 866.593/2015 in red.

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