



Condensed Interim Consolidated Financial Statements of
Resouro Strategic Metals Inc.

For the three months ended June 30, 2026 and June 30, 2025
(Expressed in Canadian Dollars)

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

As at,	Notes	June 30, 2026	March 31, 2026
ASSETS			
Current assets			
Cash		\$ 348,728	\$ 1,091,663
Prepaid expenses		36,568	70,866
Accounts receivable		41,705	32,690
		427,001	1,195,219
Non-current assets			
Property and equipment	4	162,773	174,188
Exploration and evaluation assets	5	5,730,340	5,730,340
		5,893,113	5,904,528
TOTAL ASSETS		6,320,114	7,099,747
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	359,744	380,583
Due to related party	9	260,013	78,948
TOTAL LIABILITIES		619,757	459,531
SHAREHOLDERS' EQUITY			
Share capital	7	22,579,414	22,461,852
Warrants	7	464,274	464,274
Contributed surplus		3,510,705	3,557,679
Foreign currency translation reserve		32,087	32,087
Non-controlling interest		(181,392)	(148,382)
Deficit attributable to shareholders		(20,704,731)	(19,727,294)
Total shareholders' equity		5,700,357	6,640,216
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 6,320,114	\$ 7,099,747
Going Concern	1		
Subsequent events	12		

Approved by the Board of Directors on August 20, 2026

"Simon Stilwell"
Board of Directors Chair

"Christopher Eager"
CEO and Director

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

RESOURO STRATEGIC METALS INC.

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

For the period ended,	Notes	2026	June 30, 2025
General and administrative			
Management fees		\$ 215,526	\$ 313,884
Professional fees		107,025	167,222
Investor relations and travel		114,131	89,729
Office and administrative		24,407	14,132
Share-based compensation	7	14,588	25,480
Depreciation	4	11,415	18,916
Accretion of right-of-use obligation		-	182
Depreciation of right-of-use asset		-	7,247
Foreign exchange loss (gain)		14,728	19,040
Exploration and evaluation expenditures	5	512,624	370,876
		1,014,444	1,026,708
Other items			
Interest income		(3,997)	(24,350)
Total comprehensive loss		1,010,447	1,002,358
Total comprehensive loss attributable to			
Common shareholders		977,437	961,376
Non-controlling interest	8	33,010	40,982
Total comprehensive loss		\$ 1,010,447	\$ 1,002,358
Net loss per share - basic and diluted		\$ (0.01)	\$ (0.01)
Weighted average shares outstanding basic and diluted	7	107,805,434	92,590,049

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

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

For the period ended,	Note	2026	June 30, 2025
Cash flow used in operating activities			
Total comprehensive loss for the period		\$ (1,010,447)	\$ (1,002,358)
Items not affecting cash:			
Share-based compensation	7	14,588	25,480
Depreciation	4	11,415	18,916
Foreign exchange		14,728	213
Accretion of right-of-use obligation		-	182
Depreciation of right-of-use asset		-	7,247
Net change in non-cash working capital balances:			
Accounts receivable		(9,015)	955
Prepaid expenses		(34,298)	(11,054)
Due to (from) related parties		181,065	(48,852)
Accounts payable and accrued liabilities		(23,971)	16,840
Cash flow used in operating activities		(855,935)	(992,431)
Cash flow provided by financing activities			
Related party financing	9	57,000	-
Repayment of office lease		-	(5,145)
Exercise of stock options	7	56,000	-
Cash flow provided by financing activities		113,000	(5,145)
Net change in cash		(742,935)	(997,576)
Cash at beginning of the period		1,091,663	1,843,664
Cash at the end of the period		\$ 348,728	\$ 846,088

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

RESOURO STRATEGIC METALS INC.

Condensed Interim Consolidated Statements of Shareholders' Equity (Expressed in Canadian dollars)

	Share Capital							
	Number of shares	Amount	Warrants	Contributed surplus	Non- controlling interest	Other comprehensive income	Accumulated deficit	Total equity
Balance at March 31, 2024	76,182,192	\$ 12,985,642	\$ 464,274	\$ 2,842,375	\$ 253,839	\$ 32,087	\$ (9,805,476)	\$ 6,772,741
Shares issued in private placements (Note 7)	16,000,000	7,300,420	-	-	-	-	-	7,300,420
Shares issuance costs (Note 7)	-	(933,772)	-	-	-	-	-	(933,772)
Shares issued - property acquisition (Note 5)	142,857	40,000	-	-	-	-	-	40,000
Agent options (Note 7)	-	-	-	428,094	-	-	-	428,094
Stock options exercised (Note 7)	265,000	88,632	-	(42,257)	-	-	-	46,375
Share based compensation (Note 7)	-	-	-	243,390	-	-	-	243,390
Total comprehensive loss for the year	-	-	-	-	(236,759)	-	(6,051,637)	(6,288,396)
Balance at March 31, 2025	92,590,049	19,480,922	464,274	3,471,602	17,080	32,087	(15,857,113)	7,608,852
Share based compensation (Note 7)	-	-	-	25,480	-	-	-	25,480
Total comprehensive loss for the period	-	-	-	-	(40,982)	-	(961,376)	(1,002,358)
Balance at June 30, 2025	92,590,049	19,480,922	464,274	3,497,082	(23,902)	32,087	(16,818,489)	6,631,974
Shares issued in private placements (Note 7)	15,000,000	2,999,999	-	-	-	-	-	2,999,999
Share issue costs (Note 7)	-	(19,069)	-	-	-	-	-	(19,069)
Share based compensation (Note 7)	-	-	-	60,597	-	-	-	60,597
Total comprehensive loss for the period	-	-	-	-	(124,480)	-	(2,908,805)	(3,033,285)
Balance at March 31, 2026	107,590,049	22,461,852	464,274	3,557,679	(148,382)	32,087	(19,727,294)	6,640,216
Share based compensation (Note 7)	-	-	-	14,588	-	-	-	14,588
Stock options exercised (Note 7)	320,000	117,562	-	(61,562)	-	-	-	56,000
Total comprehensive loss for the period	-	-	-	-	(33,010)	-	(977,437)	(1,010,447)
Balance at June 30, 2026	107,910,049	\$ 22,579,414	\$ 464,274	\$ 3,510,705	\$(181,392)	\$ 32,087	\$ (20,704,731)	\$ 5,700,357

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

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2026 and June 30, 2025

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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

The Company has four subsidiaries. Ison Mining Pte Ltd. (“**ISON**”) is 100% owned by Resouro. ISON was incorporated under the laws of Singapore. ISON owns 100% of the outstanding shares of ISON do Brasil Mineração Ltda (“**ISON do Brasil**”), a company incorporated under the laws of Brazil. Tiros Stratmet Pte Ltd (“**TSPS**”) is 100% owned by Resouro. TSPS was incorporated under the laws of Singapore. TSPS owns 90% of the outstanding shares of Tiros Minerais Estrategicos Mineração Ltda (“**TMEL**”), a company incorporated under the laws of Brazil. A third party holds a 10% non-controlling interest (“**NCI**”) over the Tiros project assets through its 10% ownership of TMEL.

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

These condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from the carrying values shown and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company’s continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. At the date of these condensed interim consolidated financial statements, the Company has not achieved profitable operations and has accumulated losses since inception. The Company had a working capital deficit of \$192,756 and an accumulated deficit attributable to shareholders of \$20,704,731 for the three months ended June 30, 2026. The Company has incurred a comprehensive loss from operations of \$1,010,447 for the three months ended June 30, 2026.

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

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS®**”) as issued by the International Accounting Standards Board (“**IASB**”) and Interpretations of the IFRS Interpretations Committee.

These condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the application of the policies and

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION *(Continued)*

reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

Basis of consolidation

These condensed interim consolidated financial statements comprise the accounts of the parent company, and its wholly-owned subsidiaries, after the elimination of all material intercompany balances and transactions.

Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. The Company has four subsidiaries. ISON is 100% owned by Resouro. ISON was incorporated under the laws of Singapore. ISON owns 100% of the outstanding shares of ISON do Brasil, a company incorporated under the laws of Brazil. TSPS is 100% owned by Resouro. TSPS was incorporated under the laws of Singapore. TSPS owns 90% of the outstanding shares of TMEL, a company incorporated under the laws of Brazil. A third party owns a 10% NCI of the Tiros project assets through its 10% ownership of TMEL.

Subsidiaries are deconsolidated from the date control ceases. The interest of non-controlling shareholders in the acquiree are initially measured at the non-controlling shareholders' proportionate share of the acquiree's identifiable net assets (after any relevant fair value adjustments to the assets, liabilities and contingent liabilities recognised as part of the business combination). Changes in the Company's ownership interests that do not result in a loss of control are accounted for as equity transactions with the existing shareholder.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The non-controlling interests' share of losses, where applicable, is attributed to the non-controlling interests irrespective of whether the non-controlling shareholders have a binding obligation and are able to make an additional investment to cover the losses.

Functional and Presentation Currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional and reporting currency of Resouro and its subsidiaries. Below is a list of ownership percentages and functional currencies of Resouro's subsidiaries:

Entity Name	Functional Currency	Ownership Percentage
Ison Mining Pte Ltd. ("ISON")	Canadian Dollar	100%
Ison Do Brasil Mineração ("ISON do Brasil")	Canadian Dollar	100%
Tiros Stratmet Pte Ltd ("TSPS")	Canadian Dollar	100%
Tiros Minerais Estrategicos Mineração Ltda ("TMEL")	Canadian Dollar	90% (10% NCI)

Financial instruments*Financial assets*

The Company recognizes financial assets when it becomes party to the contractual provisions of an instrument. On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: amortized cost; fair value through other comprehensive income ("FVTOCI"); or fair value through profit or loss ("FVTPL"). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not

RESOURO STRATEGIC METALS INC.

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2. BASIS OF PRESENTATION (*Continued*)

classified and measured at amortized cost or FVTOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date. The Company's financial assets consist of cash and accounts receivable classified at amortized cost.

The Company's financial assets consist of cash and accounts receivable classified at amortized cost.

Derecognition of financial assets

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

Impairment of financial assets

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

Financial liabilities

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss. Financial liabilities are designated as either: fair value through profit or loss; or amortized cost using the effective interest rate. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. The Company's financial liabilities consist of accounts payable and accrued liabilities, loan payable and due to related party classified at amortized cost. Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Critical accounting judgments and estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period.

RESOURO STRATEGIC METALS INC.

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2. BASIS OF PRESENTATION *(Continued)*

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Information about significant areas of estimation uncertainty and judgments made by management in preparing the financial statements are described below. The preparation of financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

Critical accounting judgments require management to make assumptions that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Functional currency

The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment. The Canadian dollar was determined to be the functional currency for all entities within the corporate group on a prospective basis. All entities continue to measure the items in their financial statements using their functional currencies.

Mineral properties under exploration

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management has applied judgment in the assessment of the Company's ability to continue as a going concern, considering all available information, and concluded that the going concern assumption is appropriate for a period of at least twelve months following the end of the reporting period. Given the judgment involved, actual results may lead to a materially different outcome.

Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2026 and June 30, 2025

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION *(Continued)**Share-based payments and warrant valuations*

The determination of the fair value of stock options or warrants using the Black-Scholes option pricing model, requires the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

3. NEW AND FUTURE ACCOUNTING STANDARDS**Accounting pronouncements not yet effective****IFRS 9 - Classification and Measurement of Financial Instruments**

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the condensed interim consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18, Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 becomes effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The new standard introduces defined categories—operating, investing, and financing—in the statement of profit or loss, mandates standardized subtotals such as operating profit, and requires enhanced disclosures for management performance measures (MPMs). It also introduces more detailed requirements for the disaggregation of material items. The Company is currently assessing the potential impact of IFRS 18 on its financial statement presentation and disclosures and has not undertaken early adoption.

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Asset	Depreciation	Net Book Value
Computer & software			
Opening balance at March 31, 2024	\$ 50,555	\$ (1,497)	\$ 49,058
Disposals	(2,485)	262	(2,223)
Additions	51,109	(23,411)	27,698
Balance at March 31, 2025	99,179	(24,646)	74,533
Disposals	(5,902)	5,902	-
Additions	15,055	(36,933)	(21,878)
Balance at March 31, 2026	108,332	(55,677)	52,655
Additions	-	(7,496)	(7,496)
Balance at June 30, 2026	108,332	(63,173)	45,159
Office furniture & renovations			
Opening balance at March 31, 2024	12,560	(1,322)	11,238
Disposals	(219)	111	(108)
Additions	11,677	(7,054)	4,623
Balance at March 31, 2025	24,018	(8,265)	15,753
Disposals	(10,778)	6,304	(4,474)
Additions	218	(988)	(770)
Balance at March 31, 2026	13,458	(2,949)	10,509
Additions	-	(812)	(812)
Balance at June 30, 2026	13,458	(3,761)	9,697
Machinery & equipment			
Opening balance at March 31, 2024	136,261	(1,770)	134,491
Additions	4,972	(14,434)	(9,462)
Balance at March 31, 2025	141,233	(16,204)	125,029
Disposals	(2,816)	1,877	(939)
Additions	952	(14,018)	(13,066)
Balance at March 31, 2026	139,369	(28,345)	111,024
Additions	-	(3,107)	(3,107)
Balance at June 30, 2026	139,369	(31,452)	107,917
Total property and equipment at March 31, 2025	268,683	(50,292)	218,391
Total property and equipment at March 31, 2026	261,159	(86,971)	174,188
Total property and equipment at June 30, 2026	\$ 261,159	\$ (98,386)	\$ 162,773

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

	March 31, 2026	Additions	June 30, 2026
<u>Brazil</u>			
Novo Mundo	\$1,636,607	\$ -	\$1,636,607
Tiros project	3,953,203	-	3,953,203
Santa Angela	140,530	-	140,530
Total	\$5,730,340	\$ -	\$5,730,340

	March 31, 2025	Additions	March 31, 2026
<u>Brazil</u>			
Novo Mundo	\$1,636,607	\$ -	\$1,636,607
Tiros project	3,953,203	-	3,953,203
Santa Angela	140,530	-	140,530
Total	\$5,730,340	\$ -	\$5,730,340

The Tiros Rare Earth Elements and Titanium Oxide Project

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

Consideration paid includes the following staged transactions:

- a. Initial cash payment of \$50,000 and the issuance of 142,857 common shares were completed on October 24, 2024. The shares are valued at a price of \$0.28, which was the closing common share price on October 24, 2024, for a total value of \$40,000.
- b. Milestone 1: Resouro is required to complete six drill holes on the tenements, with at least three holes intersecting a minimum of 20 continuous metres grading not less than 2,000 ppm TREO, within two years of the purchase date. If the drilling requirement is not satisfied within this period, the Company must make a cash payment of \$50,000 and issue 142,857 common shares, valued at \$50,000 to the vendor by September 9, 2026. As at the date of this report, no liability has been recognized in respect to this milestone.
- c. Milestone 2: Resouro completes sufficient work to issue a JORC compliant report with an inferred resource of 100 million tonnes of at least 2,000 ppm TREO within 3 years of the purchase date.
Payment: \$50,000 and common shares based on the 20-day Volume-Weighted Average Price ("VWAP") of Resouro shares which occur immediately prior to the date the milestone is completed, with a minimum VWAP floor price of \$0.24.
- d. Milestone 3: Up to one year after the milestone 2 payment is made the final payment is due.
Payment: \$100,000 and common shares based on the 20-day VWAP of Resouro shares which occur immediately prior to the date the milestone is completed, with a minimum VWAP floor price of \$0.24.

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5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (Continued)**Novo Mundo project**

On May 11, 2021, the Company entered into an agreement with Nexa Recursos Minerais S.A. (“**Nexa**”) for the rights to conduct exploration work for up to three years (the “**Exploration Period**”) on the Novo Mundo project located in the State of Mato Grosso, Brazil. The Company is now the rightful owner and titleholder of the Novo Mundo Project subject to the terms of the purchase agreement.

The Company has the rights to conduct exploration work at its sole discretion. If within the remaining exploration period for each Mineral Right, an identified resource target which is predominately precious metals, the Company shall have the first right to develop and solely fund the project and Nexa will retain a 1.5% Net Smelter Return (“**NSR**”).

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

- Nexa shall have the first right to develop and solely fund a base metals project and the Company will retain a 1.5% NSR; and
- If Nexa does not wish to proceed, the Company may elect to develop a base metals project and Nexa will retain a 1.5% NSR.
- If it is determined that the Project is predominantly a precious metals Project, any base metals should be considered as byproducts of gold, silver and/or indium deposits in the Mineral Rights shall not be considered as base metals and shall be part of the precious metals project.

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

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

On January 19, 2023, the Company submitted two partial exploration reports (“**PER**”) to the Brazilian National Mining Agency (“**ANM**”). Following the approval of the first PER, the Company negotiated the timing of a payment of BRL 2,500,000 to Coogavepe, the original project owner, previous to Nexa, during October 2023, in order to proceed with the next phase of the exploration program. The final payment of BRL 1,500,000 (CAD \$405,000) was paid on June 19, 2024.

Santa Angela project

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

Exploration and evaluation expenditures

For the three months ended,	June 30, 2026	June 30, 2025
Laboratory and studies	\$ 119,258	\$ 133,590
Professional consultants	169,176	2,453
Government fees	10,319	14,804
Equipment and supplies	38,028	53,306
Total exploration and evaluation expenditures	\$ 512,624	\$ 370,876

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2026 and June 30, 2025

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (Continued)

Management assesses exploration and evaluation assets for impairment in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources. Exploration and evaluation assets are tested for impairment when facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

In performing this assessment, management considers indicators of impairment including but not limited to: the expiry or expected expiry of exploration rights, a lack of substantive expenditure on further exploration activities, the absence of commercially viable quantities of mineral resources, or plans to discontinue exploration activities.

For the three months ended June 30, 2026, management has determined that there are no indicators of impairment for any of the Company's exploration and evaluation properties. Accordingly, no impairment testing has been performed.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2026	March 31, 2026
Trade and other payables	\$ 273,686	\$ 105,342
Accrued liabilities	86,058	70,796
	\$ 359,744	\$ 380,583

7. SHARE CAPITAL**Authorized**

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

	Ref	Number ⁽¹⁾	Value
Balance at March 31, 2024		76,182,192	\$ 12,985,642
Shares issued, June 14, 2024	(i)	16,000,000	7,300,420
Shares issue costs, June 14, 2024	(i)	-	(933,772)
Stock options exercised, April 26, 2024	(ii)	150,000	50,915
Stock options exercised, October 22, 2024	(iii)	115,000	37,717
Shares issued, October 24, 2024	(iv)	142,857	40,000
Balance at March 31, 2025		92,590,049	19,480,922
Shares issued, October 21, 2025	(v)	15,000,000	2,999,999
Share issue costs, October 21, 2025	(v)		(19,069)
Balance at March 31, 2026		107,590,049	22,461,852
Stock options exercised	(vi)	320,000	117,562
Balance at June 30, 2026		107,910,049	\$ 22,579,414

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

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2026 and June 30, 2025

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)**Issued**

- (i) On June 14, 2024, the Company successfully completed a dual listing on the Australian Securities Exchange (“**ASX**”). Concurrent to the ASX listing the Company closed a private placement in Australia, which was considered an Initial Public Offering (“**IPO**”) on the ASX (“**ASX offer**”).

The Company successfully closed the ASX offer on June 12, 2024, in which 16,000,000 CHESS Depository Interests (“**CDI**”) over common shares were issued at a price of AUD\$0.50 (CAD\$0.46). Cash consideration of AUD\$8,000,000 (CAD \$7,300,420) was received and \$933,772 of share issue costs were recognized. The CDIs are subject to a 4 month plus 1 day hold period.

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

Under ASX listing regulations, the following equity was subject to a 24-month escrow period. These equity instruments have been released from escrow as of June 30, 2026.

Holder	Equity	Number	Expiry date	Escrow release
Resmin	Options	4,000,000	March 11, 2029	June 14, 2026
Resmin	Options	750,000	October 11, 2028	June 14, 2026
Directors	Options	750,000	October 11, 2028	June 14, 2026
RBM	Shares	1,642,000	March 11, 2027	June 14, 2026
RBM	Performance rights	750,000	October 15, 2028	June 14, 2026
Taylor Collison	Options	1,843,643	June 4, 2027	June 14, 2026

- (ii) On April 26, 2024, 150,000 stock options were exercised. The options were valued at \$50,915 which is comprised of \$26,250 cash and \$24,665 of the Black-Scholes value re-classified from contributed surplus to share capital.
- (iii) On October 22, 2024, 115,000 stock options were exercised. The options were valued at \$37,717 which is comprised of \$20,125 cash and \$17,592 of the Black-Scholes value re-classified from contributed surplus to share capital.
- (iv) On October 24, 2024, 142,857 common shares were issued to acquire 3 additional tenements in the Tiros project area. The shares were issued at \$0.28 for a value of \$40,000.
- (v) On October 21, 2025, the Company closed a private placement in which 15,000,000 units were issued at a price of \$0.20 per unit for cash consideration of \$3,000,000. Each unit was comprised of one common share of the capital in the Company and one-half of one common share purchase warrant, with each whole warrant being exercisable to acquire one common share at an exercise price of \$0.30 per share for a three-year period, expiring on October 21, 2028. The Company paid \$19,069 in share issue costs.
- (vi) On April 21, April 28 and May 12, 2026, a total of 320,000 stock options were exercised. The options were valued at \$117,562 which is comprised of \$56,000 cash and \$61,562 of the Black-Scholes value re-classified from contributed surplus to share capital.

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2026 and June 30, 2025

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)**Reserve for warrants**

On July 11, 2023, the Company issued 600,616 common share purchase warrants to a broker as a finders' fee. A fair value of \$104,567 was assigned to the warrants, using the Black-Scholes option pricing model and the following assumptions: expected dividend yield of 0%; risk-free interest rate of 4.13%; volatility of 105% and an expected life of 36 months. The warrants expire on July 11, 2026.

In consideration of RBM accelerating the earn-in provision of the Tiros Agreement RBM will receive 750,000 performance rights of Resouro that will be convertible into common shares upon completion of the Definitive Feasibility Study by Resouro. The performance rights are considered to have no value at this time because management is not expecting the performance condition associated with those rights to be met prior to the 5-year expiry date. The performance rights will be subject to the applicable hold periods under TSXV policies and Canadian securities laws.

On October 21, 2025, the Company closed a private placement in which 15,000,000 units were issued at a price of \$0.20 per unit for cash consideration of \$3,000,000. Each unit was comprised of one common share of the capital in the Company and one-half of one common share purchase warrant, with each whole warrant being exercisable to acquire one common share at an exercise price of \$0.30 per share for a three-year period, expiring on October 21, 2028. In total, 7,500,000 of common share purchase warrants were issued. The entire \$3,000,000 value for the units were recognized in share capital with a nil value recognized for the warrants.

Stock options

On January 18, 2024, the Company announced the results of the Annual General Meeting ("AGM") which included the approval of an amended stock option plan. The amended stock option plan allows the Company to issue up to 14,193,752 stock options which represents 20% of the issued and outstanding common shares as of December 15, 2023.

Date	Note	Number of Options	Number Vested	Remaining life
Issued: June 13, 2023	i	4,560,000	4,560,000	1.9
Issued: October 11, 2023	ii	2,250,000	2,250,000	2.3
Issued: March 11, 2024	iii	4,000,000	4,000,000	2.6
Exercised: April 26, 2024	iv	(150,000)	(150,000)	-
Expired: April 30, 2024	v	(50,000)	(50,000)	-
Exercised: October 22, 2024	vi	(115,000)	(115,000)	-
Issued: November 1, 2024	vii	2,000,000	-	-
Total as of March 31, 2025		12,495,000	12,495,000	
Expired: August 14, 2025	vii	(2,000,000)	-	-
Issued: March 18, 2026	viii	1,000,000	500,000	4.7
Total as of March 31, 2026		11,495,000	10,995,000	
Exercised: April 21, April 28 and May 12 2026	ix	(320,000)	-	-
Total as of June 30, 2026		11,075,000	10,995,000	2.5

- i) On June 13, 2023, the company issued 4,560,000 common share purchase options to directors and officers of the Company. The options were exercisable at a price of \$0.175 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was \$789,732, which will be expensed over

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2026 and June 30, 2025

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

- the next 24 months. The fair value was determined using the Black-Scholes option-pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 3.18%; volatility of 112%, and an expected life of 5 years. The options vest over a 24-month period following issuance with the exception of the options issued to a consulting firm, which vest over a 12-month period.
- ii) On October 11, 2023, the Company issued 2,250,000 common share purchase options to directors and officers of the Company. The options were exercisable at a price of \$0.50 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was \$800,040 and were expensed upon issuance. The fair value was determined using the Black-Scholes option-pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 4.33%; volatility of 112%, and an expected life of 5 years. The options vested immediately following issuance and expire on October 11, 2028.
 - iii) On March 11, 2024, 4,000,000 stock options were issued to Resmin as compensation for its 33.3% ownership of TSPS. Upon TSXV approval the compensation was issued to close the acquisition. The options are exercisable at a price of \$0.20 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was \$1,456,400 and was expensed upon issuance. The fair value was determined using the Black-Scholes option-pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 3.87%; volatility of 75%, and an expected life of 3 years. The options vested immediately following issuance. The value of the options form part of the value of the Tiros exploration assets recognized on the balance sheet. The options expire on March 11, 2029.
 - iv) On April 26, 2024, 150,000 stock options were exercised. The options were valued at \$50,915 which is comprised of \$26,250 cash and \$24,665 of the Black-Scholes value re-classified from contributed surplus to share capital.
 - v) On April 30, 2024, 50,000 stock options expired.
 - vi) On October 22, 2024, 115,000 stock options were exercised. The options were valued at \$37,717 which is comprised of \$20,125 cash and \$17,592 of the Black-Scholes value re-classified from contributed surplus to share capital.
 - vii) On November 1, 2024, the company issued 2,000,000 common share purchase options to the former CEO of the Company. The options lapsed on August 14, 2025, when the CEO resigned and the conditions of the options were no longer met.
 - viii) On March 18, 2026, the Company issued 1,000,000 common share purchase options to a director of the Company. The options are exercisable at a price of \$0.50 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was \$117,026 and will be expensed over the vesting period, 12 months. The fair value was determined using the Black-Scholes option-pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 2.81%; volatility of 101%, and an expected life of 5 years. 500,000 options vested immediately upon issuance with the remaining options vesting in 12 months on March 18, 2027. The options expire on March 18, 2031. On April 21, April 28 and May 12, 2026, a total of 320,000 stock options were exercised. The options were valued at \$117,562 which is comprised of \$56,000 cash and \$61,562 of the Black-Scholes value re-classified from contributed surplus to share capital.
 - ix) On April 21, April 28 and May 12, 2026, a total of 320,000 stock options were exercised. The options were valued at \$117,562 which is comprised of \$56,000 cash and \$61,562 of the Black-Scholes value re-classified from contributed surplus to share capital.

For the three months ended June 30, 2026, a total share-based compensation expense of \$14,588 (June 30, 2025 - \$25,480) has been recognized in the condensed interim consolidated statement of loss and other comprehensive loss.

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2026 and June 30, 2025

(Expressed in Canadian Dollars)

8. NON-CONTROLLING INTEREST

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

RBM Non-Controlling Interest Ownership	
Tiros Estratégicos Mineração Ltda (“TMEL”)	10%
TMEL Financials as of June 30, 2026	
Net loss	\$ (330,101)
Net loss attributable to non-controlling interest	(33,010)
Current assets	162,732
Non-current assets	152,577
Current liabilities	(98,572)
Net assets	\$ 216,737

RBM Non-Controlling Interest Ownership	
Tiros Estratégicos Mineração Ltda (“TMEL”)	10%
TMEL Financials as of June 30, 2025	
Net loss	\$ (409,818)
Net loss attributable to non-controlling interest	(40,982)
Current assets	532,994
Non-current assets	187,392
Current liabilities	(146,021)
Net assets	\$ 574,365

9. RELATED PARTY TRANSACTIONS AND BALANCES

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

Period ended,	June 30, 2026	June 30, 2025
Officers	\$ 130,109	\$ 118,550
Directors	85,417	195,334
Total compensation	\$ 215,526	\$ 313,884

As of June 30, 2026, \$203,013 was due to Officers and Directors for consulting fees and reimbursable expenses (June 30, 2025 - \$27,584). As of June 30, 2026, a loan valued at \$57,000 was due to an Officer and Director of the Company. The loan amount is unsecured, non-interest bearing and repayable on demand.

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2026 and June 30, 2025

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10. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Company classified its financial instruments as follows:

	June 30, 2026	March 31, 2026
Financial assets - amortized cost:		
Cash	\$ 348,728	\$ 1,091,663
Accounts receivable	41,705	32,690
Financial liabilities - amortized cost:		
Accounts payable and accruals	359,744	380,583
Due to related party	260,013	78,948

Fair value

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

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

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

Capital risk management

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

Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is subject to capital issuance restrictions under the ASX Listing Rules. In particular, ASX Listing Rule 7.1 generally limits the number of equity securities that the Company may issue or agree to issue without shareholder approval to 15% of its issued ordinary securities over a rolling 12-month period, subject to specified exceptions. In addition, the Company is eligible to utilise the additional 10% placement capacity available under ASX Listing Rule 7.1A, subject to the requirements of that rule. These restrictions may limit the Company's ability to raise additional equity capital without shareholder approval. The Company's approach to capital management remained unchanged during the period.

Credit risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash, and accounts receivable. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

RESOURO STRATEGIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2026 and June 30, 2025

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(Continued)***Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company relies on the issuance of shares and warrants and loans from an officer of the Company in order to fund exploration programs.

Currency risk

The Company and its subsidiaries have identified its functional currency as the Canadian dollar. Certain administrative and exploration expenditures have been paid in the EURO, the United States dollar, the Australian dollar and the Brazilian Real. The Company's exposure to foreign currency risk arises primarily on fluctuations in value between the Canadian dollar and those currencies. The Company does not have any derivative instruments in place to manage fluctuations in foreign exchange values. Management believes the foreign exchange risk related to currency conversion is minimal.

Interest rate risk

As the Company's interest-bearing assets and liabilities are not subject to significant interest rates, the Company's income and operating cash flows are not significantly affected by changes in the market interest rates.

11. SEGMENTED INFORMATION

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

12. SUBSEQUENT EVENTS

- a. On August 11, 2026, the Company closed a non-brokered private placement for the sale of 10,000,000 common shares at a price of \$0.25 for total proceeds of \$2,500,000. The Company paid a cash finders' fee of \$4,500.
- b. On July 9, 2026, the Company received an additional \$103,000 loan from the CEO and Director, Chris Eager. The total outstanding loan is \$160,000. The loan amount is unsecured, non-interest bearing and repayable on demand. The loan was repaid on August 10, 2026.



Resouro Strategic Metals Inc.

MANAGEMENT'S DISCUSSION & ANALYSIS For the three months ended June 30, 2026 (Reported in Canadian Dollars)

General

This Management's Discussion and Analysis ("**MD&A**") provides a review of the operational performance of Resouro Strategic Metals Inc. ("**Resouro**", or the "**Company**"). The report was prepared in accordance with the requirements of National Instrument 51-102, Continuous Disclosure Obligations, and it should be read in conjunction with the condensed interim consolidated financial statements for the three months ended June 30, 2026 (the "**Financial Statements**"). The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). All dollar amounts are reported in Canadian dollars ("**CAD**") unless otherwise stated. This document is dated August 20, 2026.

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

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

Additional information relating to the Company can be found on the Canadian System for Electronic Document Analysis and Retrieval ("**SedarPlus**") at www.sedarplus.ca. The Company is listed on the Canadian TSX Venture Exchange ("**TSX-V**") under the symbol "RSM", on the Australian Securities Exchange ("**ASX**") under the symbol "RAU" and the United States Over the Counter Venture Market Exchange ("**OTCQB**") under the symbol "RSGOF".

Additional information relevant to the Company's activities can be found on the Company's website at www.resouro.com.

Corporate Mandate

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

Forward Looking Statements

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

Going Concern

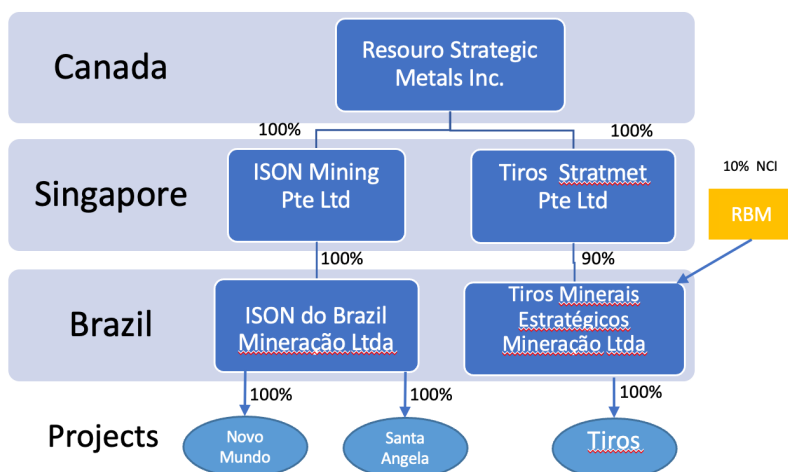
These condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from the carrying values shown and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. At the date of these condensed interim consolidated financial statements, the Company has not achieved profitable operations and has accumulated losses since inception. The Company had a working capital deficit of \$192,756 and an accumulated deficit attributable to shareholders of \$20,704,731 for the three months ended June 30, 2026. The Company has incurred a comprehensive loss from operations of \$1,010,447 for the three months ended June 30, 2026.

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

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

Corporate Structure

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



Corporate Highlights

Non-brokered Private Placement Closed August 11, 2026

On August 11, 2026, the Company closed a non-brokered private placement for the sale of 10,000,000 common shares at a price of \$0.25 for total proceeds of \$2,500,000. The Company paid a cash finders' fee of \$4,500.

All securities issued under the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable Canadian securities laws and TSX Venture Exchange policies. In accordance with the ASX Listing Rules, the shares were issued pursuant to the Company's available placement capacity under Listing Rule 7.1. No Related Parties or their Associates are participating in the Offering.

The Offering remains subject to final approval by the TSX Venture Exchange. The Private Placement is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals including the approval of the TSX Venture Exchange.

The Company intends to use the net proceeds of the Private Placement for general working capital purposes and to advance the environmental program, an essential step toward the Preliminary Feasibility Study for the Tiros project.

Tiros Project – Preliminary Economic Assessment

On July 29, 2026 Canada (July 30, 2026 Australia), the Company filed the NI 43-101 Technical Report (“**NI 43-101**”) supporting the Preliminary Economic Assessment (“**PEA**”) results for its Tiros Rare Earths and Titanium Project in Minas Gerais, Brazil, which was announced on June 14, 2026, Canada (June 15, 2026, Australia). The PEA indicates that the Project has the potential to generate a post-tax net present value (“**NPV**”) of US\$715 million, discounted at 8%, over an initial 20 year mine life, with a post-tax internal rate of return (“**IRR**”) of 44.2%.

The Technical Report evaluated the development of a staged, high-grade starter operation based on a 500,000 tonne per annum (“**tpa**”) processing facility operating over a 20-year mine life. The study targets approximately 9.5 million tonnes (“**Mt**”) of high-grade run-of-mine (“**ROM**”) material that represents less than one percent of the Company's 1.4 billion tonne (“**Bt**”) Measured and Indicated Mineral Resource grading 12% titanium dioxide (“**TiO₂**”), 4,000 ppm total rare earth oxides (“**TREO**”) and 1,100 ppm magnetic rare earth oxides (“**MREO**”).

Highlights:

- Strong Project Economics: The PEA indicates positive project economics.
- Capital-efficient Development Strategy: The PEA supports a capital-efficient, staged development strategy centered on a 500,000 tpa high-grade starter operation that targets less than 1% of the current Measured and Indicated Mineral Resource, reducing initial capital requirements while providing a pathway to production and preserving significant long-term expansion potential.
- Favorable Project Fundamentals: The Project combines conventional free-digging open-pit mining with a low strip ratio, the production of three potential product streams assumed in the PEA including a coarse titanium dioxide concentrate, a fine titanium dioxide concentrate and a Mixed Rare Earth Carbonate, and a location in the established mining jurisdiction of Minas Gerais, Brazil, with access to existing infrastructure and a skilled workforce.

Novo Mundo – Mining and Processing Agreements

On June 1, 2026 Canada (June 2, 2026 Australia), Resouro through its Brazilian subsidiary, ISON do Brasil, announced that it had signed a mining, transport and processing agreement with Future Mining Ltda. (“**Future Mining**”) and Buriti Gold Mineração Ltda. (“**BGM**”) for a proposed mining and processing program at its 100%-owned Novo Mundo Gold project in Mato Grosso, Brazil. The Agreement establishes a structure for the proposed mining, transport and processing of gold-bearing material from Guia de Utilização No. 20/2022 under Brazilian Department of Mines (“**ANM**”) Title No. 866.035/2009 (the “**Novo Mundo GU**”), subject to the satisfaction of conditions precedent, including verification of applicable ANM and environmental authorizations, operating plans, budget, accounting protocols, safety controls and regulatory requirements.

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

On June 9, 2026 Canada (June 10, 206 Australia), Resouro announced that it had signed a binding Memorandum of Understanding (the “**MOU**”) with Future Mining and BGM for the two remaining Titles in the Novo Mundo Gold Project in Mato Grosso, Brazil. The MOU provides for the completion of work required to support the preparation and submission of the

Final Exploration reports due to the ANM, for Titles 866.320/2018 and 866.171/2018. The Final Exploration Reports were filed on July 28, 2026.

On July 23, 2026, Canada (July 24, 2026, Australia), the Company announced that it had successfully filed the Mining Concession Application for the Novo Mundo GU. The area covered by the Novo Mundo GU is comprised of approximately 930 hectares and is the subject of a trial mining operation being conducted under a Guia de Utilização, pursuant to the previously announced Binding Mining and Processing Agreement for Novo Mundo. The submission of the Mining Concession Application represents the next stage in the ANM licensing process for Novo Mundo, and once granted, will authorize long-term commercial mining of the area.

Approval for DTC Eligibility

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

Tiros Acquisition

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

1. Resouro acquired 100% of the outstanding shares of TSPS whose 90% owned subsidiary, TMEL, holds the titles that comprise the Tiros Project assets.
2. Resouro paid the following consideration for the acquisition:
 - a. 1,642,000 common shares of Resouro were issued to RBM for the acquisition of RBM’s control over TSPS.
 - b. 750,000 performance rights were issued to RBM for the acquisition of RBM’s control over TSPS. The rights give RBM the right to convert to common shares if the Definitive Feasibility Study (“DFS”) is completed within 5 years from the date of issue.
 - c. 4,000,000 stock options were issued to Resmin for the acquisition of Resmin’s 33.3% ownership in TSPS. The stock options may be exercised at a price of \$0.20 and will expire on March 11, 2029. Resmin is a corporation, incorporated in Singapore and owned by Resouro’s Chairman of the Board, Christopher Eager.

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

Listing on Australian Securities Exchange and Concurrent Private Placement

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

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

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

Issuance of Shares

	Ref	Number ⁽¹⁾	Value
Balance at March 31, 2024		76,182,192	\$ 12,985,642
Shares issued, June 14, 2024	(i)	16,000,000	7,300,420
Shares issue costs, June 14, 2024	(i)	-	(933,772)
Stock options exercised, April 26, 2024	(ii)	150,000	50,915
Stock options exercised, October 22, 2024	(iii)	115,000	37,717
Shares issued, October 24, 2024	(iv)	142,857	40,000
Balance at March 31, 2025		92,590,049	19,480,922
Shares issued, October 21, 2025	(v)	15,000,000	2,999,999
Share issue costs, October 21, 2025	(v)		(19,069)
Balance at March 31, 2026		107,590,049	22,461,852
Stock options exercised	(vi)	320,000	117,562
Balance at June 30, 2026		107,910,049	\$ 22,579,414

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

- (i) On June 14, 2024, the Company successfully completed a dual listing on the ASX. Concurrent to the ASX listing the Company closed a private placement in Australia, which was considered an IPO on the ASX.

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

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

- (ii) On April 26, 2024, 150,000 stock options were exercised. The options were valued at \$50,915 which is comprised of \$26,250 cash and \$24,665 of the Black-Scholes value re-classified from contributed surplus to share capital.
- (iii) On October 22, 2024, 115,000 stock options were exercised. The options were valued at \$37,717 which is comprised of \$20,125 cash and \$17,592 of the Black-Scholes value re-classified from contributed surplus to share capital.
- (iv) On October 24, 2024, 142,857 common shares were issued to acquire 3 additional tenements in the Tiroso Project area. The shares were issued at a deemed consideration of \$0.28 for a value of \$40,000.
- (v) On October 21, 2025, the Company closed a private placement in which 15,000,000 units were issued at a price of \$0.20 per unit for cash consideration of \$3,000,000. Each unit was comprised of one common share of the capital in the Company and one-half of one common share purchase warrant, with each whole warrant being exercisable to acquire one common share at an exercise price of \$0.30 per share for a three-year period, expiring on October 21, 2028. The Company paid \$19,068 in share issue costs.
- (vi) On April 21, April 28 and May 12, 2026, a total of 320,000 stock options were exercised. The options were valued at \$117,562 which is comprised of \$56,000 cash and \$61,562 of the Black-Scholes value re-classified from contributed surplus to share capital.

Issuance of Stock Options

On January 18, 2024, the Company announced the results of the Annual General Meeting (“AGM”) which included the approval of an amended stock option plan. The amended stock option plan allows the Company to issue up to a fixed number of stock options, 14,193,752, which represented 20% of the issued and outstanding common shares as of December 15, 2023.

Date	Note	Number of Options	Number Vested	Remaining life
Issued: June 13, 2023	1	4,560,000	4,560,000	1.9
Issued: October 11, 2023	2	2,250,000	2,250,000	2.3
Issued: March 11, 2024	3	4,000,000	4,000,000	2.6
Exercised: April 26, 2024	5	(150,000)	(150,000)	-
Expired: April 30, 2024	6	(50,000)	(50,000)	-
Exercised: October 22, 2024	7	(115,000)	(115,000)	-
Issued: November 1, 2024	4	2,000,000	-	-
Total as of March 31, 2025		12,495,000	12,495,000	
Expired: August 14, 2025	4	(2,000,000)	-	-
Issued: March 18, 2026	8	1,000,000	500,000	4.7
Total as of March 31, 2026		11,495,000	10,995,000	
Exercised: April 21, April 28 and May 12 2026	9	(320,000)	-	-
Total as of June 30, 2026		11,075,000	10,995,000	2.5

1. On June 13, 2023, the Company issued 4,560,000 stock options to directors, officers and a consulting firm with an exercise price of \$0.175 and a 5-year expiry period, pursuant to the Company’s stock option plan. The options vested over a 24-month period.
2. On October 11, 2023, the Company issued 2,250,000 stock options to directors, officers and a consulting firm with an exercise price of \$0.50 with a 5-year expiry period, pursuant to the Company’s stock option plan. The options vested immediately. Further to the June 14, 2024 listing on the ASX, the 1,500,000 options issued to Directors are subject to a 24-month escrow, ending June 14, 2026.
3. On March 11, 2024, 4,000,000 stock options were issued to Resmin as compensation for its 33.3% ownership of TSPS. The options are exercisable at a price of \$0.20 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was \$1,456,400 and was expensed upon issuance. The fair value was determined using the Black-Scholes option-pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 3.87%; volatility of 75%, and an expected life of 3 years. The options vested immediately following issuance. The value of the options form part of the value of the Tiros exploration assets recognized on the balance sheet. The options are subject to a 24-month escrow, ending June 14, 2026. The options expire on March 11, 2029.
4. On November 1, 2024, the Company issued 2,000,000 common share purchase options to the former CEO of the Company. The options lapsed on August 14, 2025, when the CEO resigned and the conditions of the options were no longer met.
5. On April 26, 2024, 150,000 stock options were exercised. The options were valued at \$50,915 which is comprised of \$26,250 cash and \$24,665 of the Black-Scholes value re-classified from contributed surplus to share capital.
6. On April 30, 2024, 50,000 stock options expired.
7. On October 22, 2024, 115,000 stock options were exercised. The options were valued at \$37,717 which is comprised of \$20,125 cash and \$17,592 of the Black-Scholes value re-classified from contributed surplus to share capital.

8. On March 18, 2026, the Company issued 1,000,000 common share purchase options to a director of the Company. The options are exercisable at a price of \$0.50 per share, for a period of five years from the date of grant. The fair value assigned for the stock options was \$117,026 and will be expensed over the vesting period, 12 months. The fair value was determined using the Black-Scholes option-pricing model, with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 2.81%; volatility of 101%, and an expected life of 5 years. 500,000 options vested immediately upon issuance with the remaining options vesting in 12 months on March 18, 2027. The options expire on March 18, 2031.
9. On April 21, April 28 and May 12, 2026, a total of 320,000 stock options were exercised. The options were valued at \$117,562 which is comprised of \$56,000 cash and \$61,562 of the Black-Scholes value re-classified from contributed surplus to share capital.

Sustainability Report

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

To assist us with the creation of the Company’s Sustainability program and policies for the year ended March 31, 2025, Resouro engaged an external advisor prior to the ISSB publication of the IFRS standards. Digbee provided us with an independent assessment of Resouro’s Environmental, Social, and Governance (“ESG”) policies and management practices at both the corporate and project level. Digbee hosts a specialized data and research platform focused on providing ESG solutions tailored to the mining sector. It offered Resouro insights into sustainability performance and assisted in addressing our ESG related risks and opportunities.

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

Resouro published its second Sustainability report concurrently with the year end, March 31, 2026 Financial Statements and MD&A. The report can be found on the Company’s website: <https://resouro.com/about-us/#corporate-responsibility>.

Exploration Projects

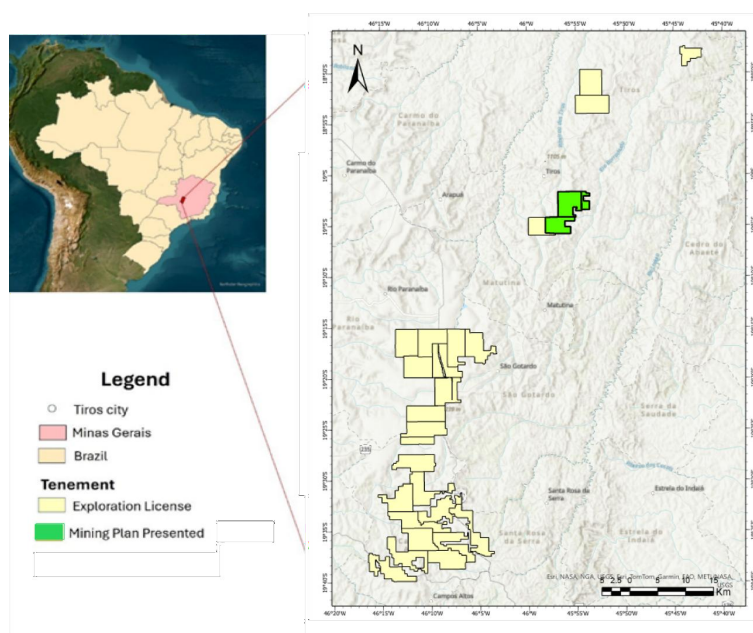
PROPERTY I - Tiros Titanium (“TiO₂”) and Rare Earth Elements (“REE”) Project

The Tiros Project is located in the Alto Paranaíba region, Minas Gerais, Brazil. Tiros is comprised of 28 mineral licenses totaling approximately 497 square kilometers (“km²”) located 350 kilometres (“km”) from Belo Horizonte, the state capital which is in one of the most infrastructurally developed states of Brazil. The Tiros licenses (“titles”) cover the most prospective portions of the Capacete formation with the greatest exploration potential.

The Tiros Project hosts a sedimentary-type mineral deposit formed through the reworking and deposition of weathered volcanic material of alkaline affinity, predominantly kamaflagites. The deposit is made by epiclastic rocks, including conglomerates and sandstones, representing a flat-lying, laterally continuous stratigraphic package deposited in a stable, low-energy environment. These epiclastic sediments originated from the intense chemical weathering of the volcanic source rocks, resulting in the transport and accumulation of resistant mineral phases such as anatase (TiO₂) and rare earth element (“REE”) bearing phases within the sedimentary basin. Over time, the upper portions of this bed were subjected to lateritic weathering, leading to supergene enrichment of titanium and rare earth elements near the top of the profile.

The resulting deposit is characterized by a horizontal geometry, shallow depth, and significant areal continuity. Mineralization is typically hosted within the finer-grained matrix of the conglomerates and sandstones and is concentrated in the lateritic cap developed during prolonged subaerial exposure.

The geological evolution of the Tiros Project area has produced a laterally continuous, shallow mineralized horizon with characteristics conducive to large-scale resource development. This distinctive hybrid deposit model provides the foundation for the project's potential to support the potential for long-term extraction of both titanium and rare earth elements.



On July 31, 2023, a definitive agreement was signed between Resouro Inc. and RBM Consultoria Mineral Ltd. (“RBM”) to acquire a 90% interest in the Tiros Project. Resouro acquired 100% of the outstanding shares of TSPS, a company incorporated in Singapore owns the subsidiary TMEL, a company incorporated in Brazil, which holds the titles that comprise the Tiros Project. The earn-in terms would require three stages of payments for the acquisition of 90% of the property in exchange for a total of 1,642,000 shares of Resouro. The stages are related to the conclusion of the scoping study, pre-feasibility studies and definitive feasibility studies (“DFS”) The remaining 10% is a free carried Interest in the name of the original owner, RBM.

An addendum to this agreement was signed on October 9, 2023, whereby RBM waived the requirements for the transfer of 90% of the title holder equity to Tiros. As compensation for the acceleration, RBM received 750,000 performance rights, which will be converted into shares of the company upon completion of the DFS.

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

Consideration paid includes the following staged transactions:

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

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

NI 43-101 Technical Report Supporting the Preliminary Economic Assessment (“PEA”) Results

On July 29, 2026, Canada (July 30, 2026, Australia), the Company filed the NI 43-101 Technical Report (“**NI 43-101**”) supporting the Preliminary Economic Assessment (“**PEA**”) results for its Tiros Rare Earths and Titanium Project in Minas Gerais, Brazil, which was announced on June 14, 2026, Canada (June 15, 2026, Australia). The PEA indicates that the Project has the potential to generate a post-tax net present value (“**NPV**”) of US\$715 million, discounted at 8%, over an initial 20 year mine life, with a post-tax internal rate of return (“**IRR**”) of 44.2%.

The Technical Report evaluated the potential of developing a staged, high-grade starter operation based on a 500,000 tonne per annum (“**tpa**”) processing facility operating over a 20-year mine life. The study targets approximately 9.5 million tonnes (“**Mt**”) of high-grade run-of-mine (“**ROM**”) material that represents less than one percent of the Company's 1.4 billion tonne (“**Bt**”) Measured and Indicated Mineral Resource grading 12% titanium dioxide (“**TiO₂**”), 4,000 ppm total rare earth oxides (“**TREO**”) and 1,100 ppm magnetic rare earth oxides (“**MREO**”).

Highlights

1. The PEA indicated an after-tax net present value of US\$714.9 million using an 8% nominal discount rate and an after-tax IRR of 44.2%;
2. The proposed operation contemplates annual processing throughput of 500,000 tpa over an initial mine life of 20 years for a total ROM feed of 9.5 Mt of high grade at 26.3% TiO₂, 10,832 ppm total REE oxides and a 2.7 strip ratio;
3. Operational targets of a high-grade area of mineralization makes up less than 1% of the Company's previously announced 1.4 Bt Measured and Indicated Resource;
4. Significant expansion potential supported by a large TiO₂ and REE mineral resource;
5. Simple open-pit mining with free digging near-surface mineralization;
6. Proposed processing flowsheet incorporates grinding and sizing beneficiation, calcination, magnetic separation/electrostatic separation and gravity separation, acid leach, sulphation/water leach, hydrolyzation, precipitation, and solid liquid separation;

7. The overall recovery of TiO₂ is estimated to be 68.7% which will be recovered as two products: coarse TiO₂ and fine TiO₂. The recovery of the REEs to a mixed REE carbonate product is estimated to be 67%;
8. Dual-revenue model based on TiO₂ and REE product streams;
9. Environmentally conscious design, assuming dry-stack tailings; and,
10. Favourable jurisdiction: Minas Gerais, Brazil with established infrastructure.

The proposed operation incorporates conventional open-pit mining, and a processing metallurgical flowsheet designed to produce both TiO₂ concentrates and REE products, creating a diversified dual-revenue stream.

PEA Economics

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

Financial Analysis Summary

Financial Analysis	Pre-Tax	Post-Tax
Net present value (US\$ M)	1,138.8	714.9
Internal rate of return (%)	62.7	44.2
Annual average EBITDA (US\$ M)	144.6	144.6
Payback period (years)	1.3	1.9
Total Cash Flow (US\$ M)	2,535.8	1,673.9

Summary of Tiros Project Key Metrics and PEA Results (Life-of-Mine)

Indicators		Life-of-Mine Total / Average
General		
Mine Life	Years	20
Exchange rate	BRL/USD	5.00
Production (Life-Of-Mine)		
MREC	dmt	118,474
TREO Content in MREC	dmt	83,275
TiO ₂ Coarse	dmt	808,326
TiO ₂ Fine	dmt	912,727
Product Pricing		
Basket price for MREC	US\$/kg	57.4
MREC Payability	%	70.0
Payable Basket USD/kg (MREC)	US\$/kg	40.2
TiO ₂ Coarse	US\$/t	900.0
TiO ₂ Fine	US\$/t	650.0
Capital Expenditure		
Initial Capex	US\$ M	191.2
Sustaining Capital	US\$ M	59.6
Operating Costs		

Mining	US\$ M	109.5
Processing	US\$/t ROM	219.0
G&A	US\$ M	92.6
Total Site Costs	US\$/t ROM	186.3
Product Logistics	US\$/t Prod	53.00
Financials		
Total EBITDA	US\$ M	2,746.7
Average EBITDA (*)	US\$ M	144.4
Pre-Tax Net Present Value	US\$ M	1,138.8
Pre-Tax Internal Rate of Return	%	62.7
Post-Tax Net Present Value	US\$ M	714.9
Post-Tax Internal Rate of Return	%	44.2
Post-Tax Payback Period	Years	1.9

(*) Years 2-19 (full run rate production)

The PEA estimates initial capital of approximately US\$191.2 million, sustaining capital of approximately US\$59.6 million, and average annual operating costs of approximately US\$109.5 million, equivalent to approximately US\$219 per tonne of ROM material processed. Estimates are based on an assumed exchange rate of USD 1.00 = BRL 5.00. These estimates are preliminary and will be refined through future engineering, metallurgical test work, permitting work, and PFS level studies.

The sensitivity analysis indicates that the Project's economics are most sensitive to variations in sale prices and overall recovery, with comparatively lower sensitivity to changes in OPEX and CAPEX:

- On a post-tax basis, the base case NPV of US\$714.9 million decreases to approximately US\$390.6 million under a reduction of 30% in TREO basket prices. Inversely, the post-tax NPV8% increases to approximately US\$1,039.2 as a result of an increase of 30% in the TREO price. Similarly, reductions and increases of +/-30% in TiO₂ prices result in NPVs approximately of US\$ 587.0 million and US\$842.8 million.
- Variations of -30% and +30% in REE weight recoveries result in NPVs (8%) of approximately US\$391.8 million and US\$1,038.1 million.
- Variations of -30% and +30% in TiO₂ weight recoveries result in NPVs (8%) of approximately US\$596.8 million and US\$833.0 million.
- Variations of -30% and +30% in OPEX result in NPVs (8%) of approximately US\$897.6 million and US\$532.1 million.
- Variations of -30% and +30% in CAPEX result in NPVs (8%) of approximately US\$772.2 million and US\$657.5 million.

Mineral Resource Estimate

Resouro engaged Atticus Geoscience Consulting Ltd. to prepare a mineral resource estimate for the Tiros Deposit ("2026 MRE"). The work completed for the 2026 MRE included geological interpretation; construction of the lithology, oxidation and weathering, lithology facies, and mineralized domain models; statistical and geostatistical analysis; grade interpolation, and density modelling.

The estimation of the mineral resource was established by undertaking the following steps:

- Validation of the information utilized in the resource and database compilation.
- Interpretation and 3D modeling of the lithology and mineralization.
- Development of the estimation domains.
- Compositing of grade within the domains.

- Exploratory data analysis.
- Block model definition.
- Interpolation of grade within the defined domains.
- Review and model the variability in the rock density.
- Evaluation of confidence in the estimation.
- Model validation.
- Definition of reasonable prospects of eventual economic extraction.

Data and database compilation were validated using Geobank™ data management software. The interpretation and 3D geological modeling were completed using Leapfrog Geo™ software. Statistical studies were performed using Micromine™ tools. The block model, subsequent estimation and validation were carried out using the Micromine™ 2020 software. The reasonable prospects of eventual economic extraction were defined using Datamine NPV Scheduler.

Table - Mineral Resource Estimate

Domain	Category	Tonnage (Mt)	TiO ₂ (%)	TREO (ppm)	MREO (ppm)	MREO/TREO
High-grade domain						
High-grade	Measured	30	24	9,300	2,500	27%
High-grade	Indicated	74	23	8,900	2,300	26%
High-grade	Measured + Indicated	103	23	9,100	2,400	26%
High-grade	Inferred	33	22	8,300	2,200	27%
Low-to-medium-grade domain						
Low-to-medium	Measured	340	11	3,700	1,000	27%
Low-to-medium	Indicated	930	11	3,600	1,000	27%
Low-to-medium	Measured + Indicated	1,300	11	3,600	1,000	28%
Low-to-medium	Inferred	470	11	3,400	920	27%
Total Mineral Resource						
Total	Measured	367	12	4,100	1,100	27%
Total	Indicated	1,000	12	4,000	1,100	28%
Total	Measured + Indicated	1,400	12	4,000	1,100	28%
Total	Inferred	500	12	3,700	1,000	27%

Notes to accompany the Mineral Resource Estimate:

1. The independent and qualified person for the MRE, as defined by NI 43-101, is Simon Mortimer, FAIG. (Atticus). The effective date of the MRE is March 15, 2026.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The MRE follows current CIM Definitions (2014) and CIM MRMR Best Practice Guidelines (2019).
3. The results are presented undiluted and are considered to have Reasonable Prospects for Eventual Economic Extraction.
4. The estimate was completed using a sub-block model in Micromine™ version 2020 with a user block size of 100 m x 100 m x 10 m and a minimum block size of 50 m x 50 m x 1 m. Grades interpolation was obtained by Ordinary Kriging (OK).
5. Bulk density values were estimated using IDW based on 5267 samples using domains based on a combination of the lithology and weathering models
6. The mineral resource estimate is classified as measured, indicated and inferred where reasonable geological and grade continuity have been demonstrated. The Measured mineral resource category is defined with a minimum of three (3) drill holes in areas where the drill spacing is less than 150 m. The Indicated mineral resource category is defined with a minimum of three (3) drill holes in areas where the drill spacing is less than 250 m. The Inferred category is defined with a minimum of two (2) drill holes in areas where the drill spacing is less than 400 m.
7. The number of tonnes was rounded to 3 significant figures for Measured and Indicated resources and to 2 significant figures for Inferred resources, following the recommendations in NI 43-101, and any discrepancies in the totals are due to rounding effects.
8. The QP is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues or any other relevant issue not reported in the Technical Report that could materially affect the MRE.

Conceptual Mining Operation

This disclosure summarizes the conceptual mining operation for the Tiros Project. The assessment remains at Preliminary Economic Assessment level and is based on Mineral Resources only. No Mineral Reserves have been estimated. All quantities discussed should be read as the subset of the Mineral Resource, not as a Mineral Reserve estimate.

The PEA considers an open-pit mining operation exploiting near-surface mineralization and assumes dry-stack tailings in the project design. The PEA mine plan schedules 9.53 Mt of high-grade (“**HG**”) material for processing over an approximately 20-year operating period at a nominal processing rate of 500,000 tpa, with an average plant-feed grade of approximately 26.3% TiO₂ and 10,852 ppm TREO. The plant feed HG material contains Measured and Indicated (“**M+I**”), with no Inferred category material. The plant feed (“**ROM**”) contains less than 1% of the total M+I Mineral Resources.

The 10,852 ppm TREO plant-feed grade at approximately 26.3% TiO₂ is the average grade carried through the mine schedule for the 9.53 Mt of HG material.

The conceptual pit designs also contain 25.98 Mt of waste and 12.78 Mt of MG mineralized material. The MG material is mined and stockpiled for potential future evaluation, is classified as mineralized material rather than waste, and is excluded from the PEA plant feed. Accordingly, the reported strip ratio is approximately 2.7:1 on a plant-feed basis, calculated as 25.98 Mt of waste divided by the 9.53 Mt of HG material scheduled for processing. The HG plant feed represents less than 1% of the Project’s 1.4 Bt Measured and Indicated Mineral Resource. The PEA mine plan is conceptual and based on a simplified schedule; detailed mine sequencing should be refined in subsequent studies.

Proposed Titanium and REE Recovery Methods (Metallurgical Process Flowsheet)

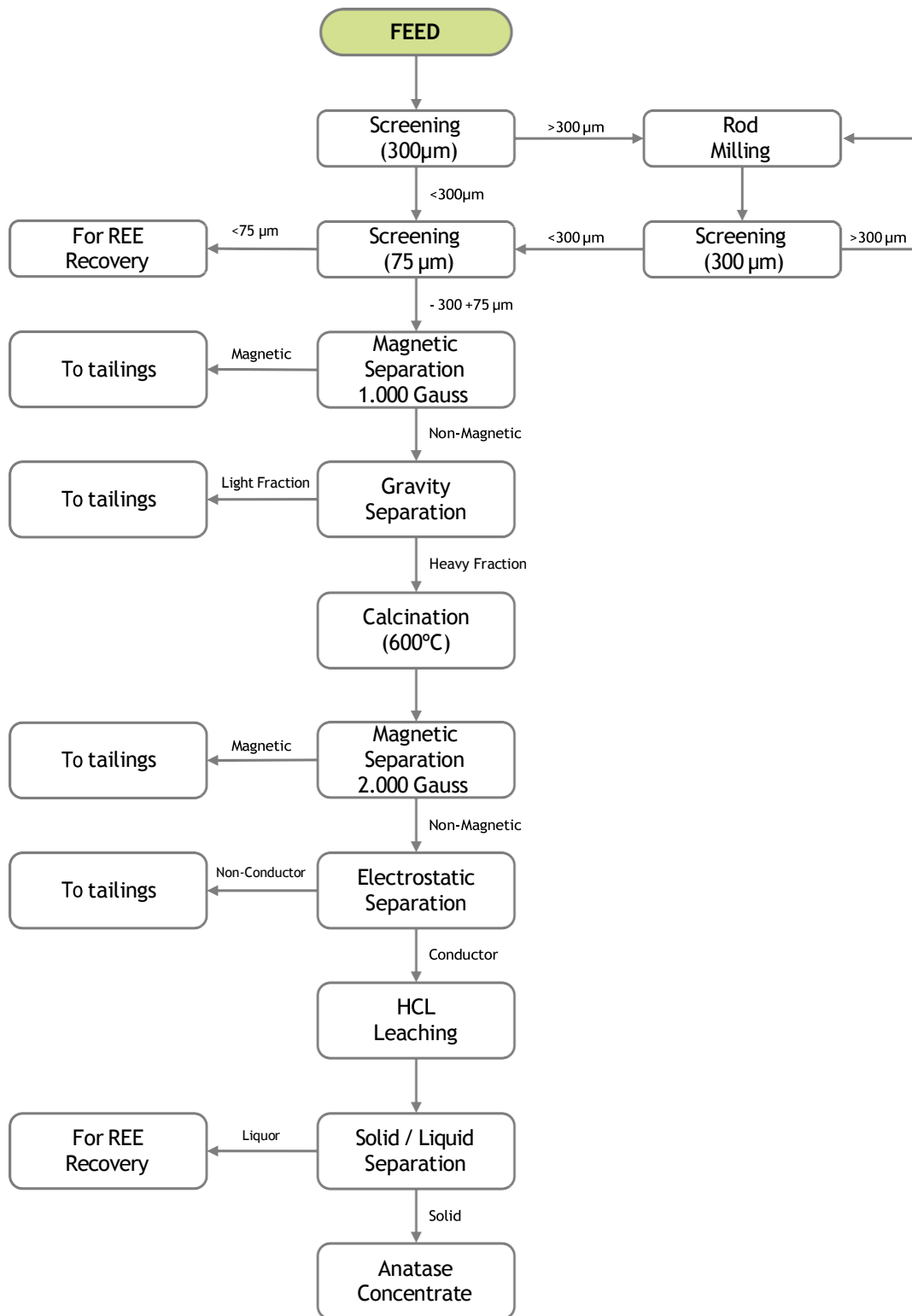
The proposed metallurgical process flowsheet integrates beneficiation, calcination and hydrometallurgical recovery of both titanium dioxide and rare earth products. The flowsheet comprises:

- Beneficiation, including crushing, grinding, screening/size classification, magnetic separation and gravity density separation;
- Calcination at approximately 600°C to enhance magnetic removal of iron minerals;
- Magnetic/electrostatic separation, acid leaching and solid/liquid separation for recovery of the coarse TiO₂ concentrate;
- Magnetic separation, acid sulphation / water leach, filtration and hydrolyzation for recovery of the fine TiO₂ product; and
- Acid sulphation, water leach, precipitation and filtration for recovery of rare earths as a mixed rare earth carbonate (MREC) product.

The metallurgical process flowsheet development was designed around a two-stage processing strategy. The first stage focuses on the recovery of coarse titanium-bearing minerals to produce a marketable concentrate for the conventional titanium minerals market. The second stage targets the recovery of rare earth elements and fine titanium-bearing minerals through the leaching of the fine particle fraction, thereby maximizing the overall recovery of valuable minerals not captured in the coarse particle circuit.

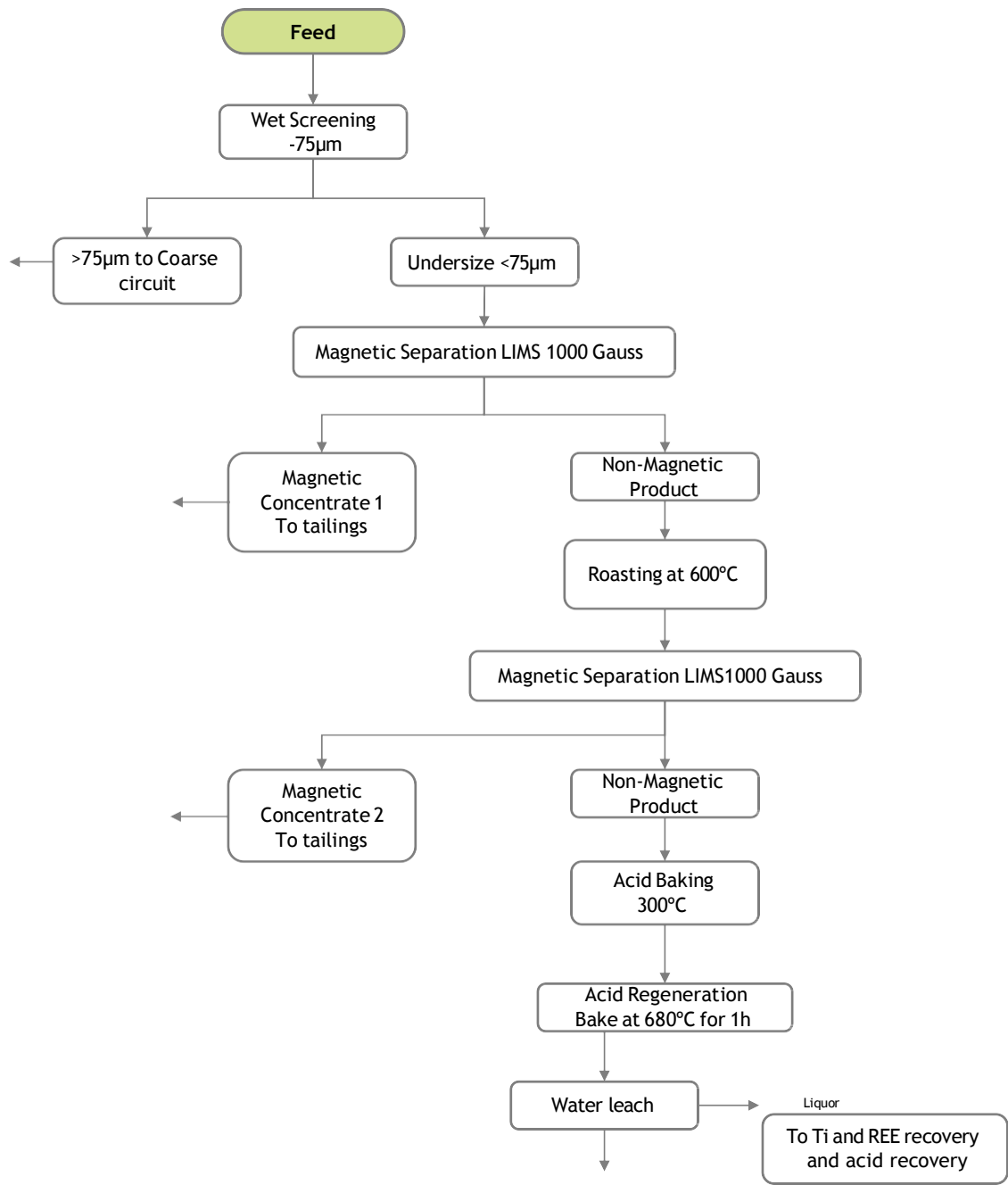
To facilitate this processing approach, the feed material is screened at 75 microns. The +75 micron fraction is directed to the coarse particle processing circuit, while the -75 micron fraction is routed to the fines leach circuit for recovery of rare earth elements and fine titanium-bearing minerals.

Proposed Metallurgical Process Flowsheet – Coarse Material (+75 micron fraction)



Source: Page 221 of NI43-101 Technical Report (<https://resouro.com/tiros-project>)

Proposed Metallurgical Process Flowsheet – Fine Material (-75 micron fraction)



Source: Page 222 of NI43-101 Technical Report (<https://resouro.com/tiros-project>)

Environmental Studies, Permitting and Social Impact

Environmental studies required for Project development are being undertaken as part of preparation of the Environmental Impact Assessment (“EIA”). The company Sete Soluções e Tecnologia Ambiental Ltda (“Sete”) has been engaged to support the project development in relation to permitting matters. For this purpose, Sete is currently developing field reconnaissance, physical-environment studies and qualitative flora surveys have begun, together with planning for environmental-quality, fauna, socioeconomic, speleological, cultural-heritage and other campaigns required for permitting. Results available to date are preliminary and do not constitute a consolidated environmental baseline.

Based on preliminary inspections and information, no environmental conditions have been identified at this stage as definitive impediments to development. However, factors requiring further investigation may influence Project design, the mine plan, capital and operating costs, and the development schedule. These include watercourses near proposed facilities, potential effects on legally protected riparian and preservation areas, rural properties with irrigated agriculture, potentially competing water demands, and the need for suitable drainage and sediment-control systems.

Essential studies remain outstanding regarding water availability, the Project water balance, hydrogeology, potential groundwater drawdown, the inventory of springs, and possible effects on water intakes, watercourses and existing users. Further assessment will also be required for pit and stockpile stability, acid rock drainage and metal leaching, waste rock and tailings management, reclamation of disturbed areas and mine closure.

Initial flora surveys identified remnants of native vegetation. These records should be considered in the consolidated environmental baseline, the assessment of siting alternatives, the definition of intervention areas, and the design of mitigation, compensation and reclamation measures.

Final definition of project facilities and completion of environmental studies will be required to confirm the extent of environmental interactions and assess their materiality to the MRE, mine plan and economic analysis. Until these studies are completed, such matters represent uncertainties typical of an early-stage project and should be monitored and progressively incorporated into subsequent engineering, permitting and economic-evaluation stages.

Next Steps

Prefeasibility Study and the Preliminary Environment Impact Assessment

The Company plans to advance the Tiros project to completion of a Prefeasibility Study (“PFS”) using the following work programs:

- File the preliminary Environmental Impact Assessment with the ANM;
- Infill drilling within the defined starter-pit areas to upgrade resource confidence and support potential conversion of Inferred material;
- Additional sample generation and metallurgical testwork to confirm recoveries, variability and product specifications;
- Flowsheet optimization, including improvements to beneficiation, evaluation of acid recycling opportunities and evaluation of alternative process routes to reduce operating costs;
- Product specification and marketing work, including offtake and customer test work to confirm payable product forms, impurity penalties and commercial terms;
- Continued environmental baseline studies, permitting activities and stakeholder engagement and regulatory consultation; and,
- Assessment of staged expansion scenarios beyond the initial 500,000 tpa operation, including future production in the range of 5 to 10 Mtpa, subject to technical, economic, permitting, financing and market outcomes.

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

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

PROPERTY II - Novo Mundo Gold Project

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

Resouro Drill Hole 010 16.21 m @ 2.97 g/t gold ("Au") from 55.9 m <i>Including</i> 2.29 m @ 11.4 g/t Au at 55.9 m and 1.08 m @ 19.93 g/t Au at 71.03 m
Resouro Drill Hole 002 Located 200 m to the west of Drill Hole 10 11.65 m @ 5.11 g/t Au from 65.89 m <i>Including</i> 2.5 m @ 8.09 g/t Au from 66.39 m and 4.6 m @ 6.30 g/t Au from 72.94 m
Historic Drill Hole FNV 009 Located to the East of Drill Hole 10 6.61 m @ 5.47 g/t Au from 62.73 m <i>Including</i> 5.26 m @ 6.82 g/t Au from 64.08 m

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

Resouro has the right to explore the Novo Mundo project area for precious metals and if a commercially viable project is discovered, Resouro will grant a 1.5% net smelter royalty ("NSR") to Nexa. The Company has a right of first refusal to buy back the NSR if any third party wants to purchase it.

On January 19, 2023, the Company submitted two partial exploration reports ("PER") to the ANM for Titles, 866.320/2018 and 866.171/2018. On July 28, 2026, the Final Exploration Reports were filed with the ANM for these two Titles.

During 2023, ANM granted the mining concession Guia de Utilização No. 20/2022 under ANM Title No. 866.035/2009 (the "Novo Mundo GU") to the Company. The Company will pay a 1.5% net service revenue ("NSR") to Cooperativa dos Garimpeiros do Vale do Rio Peixoto ("Coogavepe"), if any effective commercialization is undertaken on the Novo Mundo GU. Coogavepe may also be assigned some of the exploration areas which will provide them with the right to apply for a Permissão de Lavra Garimpeira ("PLG") which is effectively an Artisanal Mining Permit. On July 16, 2026, the Company successfully filed the Mining Concession Application ("Application"). The Application represents the next stage in the ANM licensing process. Once granted, will authorize long-term commercial mining for the title.

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

- (i) Novo Mundo GU - ANM Title 866.035/2009, Exploration License No. 5004/2009, which is active and existing under the Brazilian Mining Code ("BMC") for gold ore, covering 930.35 ha;

- (ii) ANM Title 866.320/2018, Exploration License No. 6787/2018, which is active and existing under the BMC for gold ore, covering 7,645.58 ha; and
- (iii) ANM Title 866.171/2018, Exploration License No. 6784/2018, which is active and existing under the BMC for gold ore, covering 8,159.00 ha.

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

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

Novo Mundo – Mining and Processing Agreement

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

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

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

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

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

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

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

PROPERTY III - Santa Angela Project

The Santa Angela project is an early-stage exploration property. It is situated within the same Alta Floresta Gold Belt as the Novo Mundo project and is located approximately 150 km from the Novo Mundo project. In December 2021,

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

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

Results of Operations

Three months ended June 30, 2026

The Company recorded a total comprehensive loss of \$1,010,447 of which \$30,010 was attributable to a non-controlling interest ("NCI"), for the three months ended June 30, 2026, compared to a total comprehensive loss of \$1,002,049 of which \$40,982 was attributable to an NCI, for the three months ended June 30, 2025.

Quarterly Financial Information

The following table provides selected financial information for the eight quarters up to June 30, 2026, and should be read in conjunction with the Company's financial statements.

Quarter ended	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Total comprehensive loss	\$(1,010,447)	\$(1,202,052)	\$(1,108,051)	\$(722,300)
Net loss, non-controlling interest	33,010	51,282	43,831	29,367
Earnings (loss) per share ⁽¹⁾	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average shares outstanding ⁽¹⁾	107,805,434	107,590,049	104,003,092	92,590,049

Quarter ended	June 30, 2025	March 31, 2025	March 31, 2025	December 31, 2024
Total comprehensive loss	\$(1,002,358)	\$(1,008,867)	\$(1,008,867)	\$(1,423,516)
Net loss, non-controlling interest	40,982	31,958	31,958	50,094
Earnings (loss) per share ⁽¹⁾	(0.01)	(0.00)	(0.00)	(0.02)
Weighted average shares outstanding ⁽¹⁾	92,590,049	92,590,049	92,590,049	92,526,532

⁽¹⁾ Basic and diluted

Discussion of quarterly results

Three months ended June 30, 2026 compared to June 30, 2025

Total comprehensive loss of \$1,010,447 and \$1,002,358 were recognized for the three months ended June 30, 2026, and June 30, 2025, respectively of which \$33,010 was attributable to the NCI, for the three months ended June 30, 2026 (June 30, 2025 - \$40,982).

Significant variances between expenditures incurred during the three months ended June 30, 2026, and during the three months ended June 30, 2025:

	Three months ended, June 30, 2026 June 30, 2025		Variance
Management fees	\$ 215,526	\$ 313,884	\$ (98,358)
Professional fees	107,025	167,222	(60,197)
Investor relations and travel	114,131	89,729	24,402
Exploration and evaluation expenditures	512,624	370,876	141,748

Management fees were \$98,358 lower during the three months ended June 30, 2026, compared with the three months ended June 30, 2025, because the Company had two fewer Directors and Officers engaged during the 2026 period.

Professional fees were \$60,197 lower during the three months ended June 30, 2026, compared with the three months ended June 30, 2025, primarily because the Company engaged in fewer marketing events during the 2026 period.

Investor relations expenses were \$24,402 higher during the three months ended June 30, 2026, compared with the three months ended June 30, 2025, primarily due to increased investor outreach and promotional activities undertaken to support awareness of the Company's Preliminary Economic Assessment.

Exploration expenditures were \$141,748 higher during the three months ended June 30, 2026, as the Company engaged consultants to complete the PEA report for the Tiros Project. In comparison, the Company undertook a metallurgical studies program during the three months ended June 30, 2025.

Financial Condition, Liquidity and Capital Resources

As at June 30, 2026, the Company had a deficit attributable to shareholders of \$20,704,731 (March 31, 2026 - \$19,727,294). The Company reported a cash position of \$348,728 (March 31, 2026 - \$1,091,663), accounts receivable of \$41,705 (March 31, 2026 - \$32,690) and a prepaid balance of \$36,568 (March 31, 2026 - \$70,866). Current liabilities are comprised of accounts payable and accruals of \$359,744 (March 31, 2026 - \$380,583) and an amount due to a related parties of \$260,013 (March 31, 2026 - \$78,948).

During the three months ended June 30, 2026, cash decreased by \$742,935. Funds were provided from the gross proceeds of \$2,999,999 received through a private placement that closed on October 21/22, 2025. The funding, together with any future capital raising initiatives, will finance the Company's exploration programs and administrative costs for the next 12 months. The Company has demonstrated its ability to raise new capital during the past 12 months and the Board is confident that it can continue to raise new capital as needed to fund its operations.

Operating activities

During the three months ended June 30, 2026, net cash used in operating activities amounted to \$855,935 (June 30, 2025 - \$992,431).

Financing activities

During the three months ended June 30, 2026, the Company received \$57,000 as an unsecured loan from a Director and \$56,000 through the exercise of stock options. There were no cash receipts during the three months ended June 30, 2025.

Financial Instruments, Risks and Capital Management

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

Related Party Transactions

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

Period ended,	June 30, 2026	June 30, 2025
Officers	\$ 135,081	\$ 118,550
Directors	80,445	195,334
Total compensation	\$ 215,526	\$ 313,884

As of June 30, 2026, \$203,013 was due to Officers and Directors for consulting fees and reimbursable expenses (June 30, 2025 - \$27,584). As of June 30, 2026, a loan valued at \$57,000 was due to an Officer and Director of the Company. The loan amount is unsecured, non-interest bearing and repayable on demand.

Internal Controls and Disclosure Controls Over Financial Reporting

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

Off-Balance Sheet Arrangements

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

Accounting Policies and Recent Accounting Pronouncements

The Company's material accounting policies are presented in the annual audited financial statements for the year ended March 31, 2026.

Risks and Uncertainties

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

No assurance of titles or borders

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

Competition

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

Financing risks

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

Mineral property exploration and mining risks

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

In addition, there can be no assurance that the Company will successfully develop a technically feasible and economically viable process to recover rare earth elements and titanium from its mineral deposits. The Company's projects remain subject to ongoing metallurgical testing and process development, and there is a risk that recoveries, concentrate quality, processing costs or other technical parameters may not support commercial extraction. It is possible that a commercially viable extraction process may not be identified or may only be achievable through methods that are uneconomic or impractical. If the Company is unable to establish an effective and economically viable extraction process, the affected mineral properties may never be developed into producing mines, which could result in the impairment or write-off of some or all of the carrying value of those assets.

The market price for the Company's target metals can be volatile and there is no assurance that a profitable market will exist to support a production decision or the ultimate sale of the metals, even if commercially recoverable mineral resources are identified and an economically viable extraction process is developed.

Insured and uninsured risks

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

Environmental risks and hazards

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

Conflicts of interest

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

Political and currency risks

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

Key personnel risk

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

Outstanding Share Data

As of the date of this MD&A, the Company has issued 118,010,049 common shares, 11,075,000 common share purchase options, 1,843,643 broker compensation options, 750,000 performance rights and 7,500,000 common share purchase warrants.

DIRECTORS AND OFFICERS

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

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

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

Sandra Evans, Chief Financial Officer and Corporate Secretary