TSXV/OTCQB Release
16 February 2025

ASX Release
17 February 2025

Resouro Partners with MagBras Initiative to Establish Complete Rare Earth Permanent Magnet Production Supply Chain in Brazil

Resouro Strategic Metals Inc. (ASX: RAU; TSX-V: RSM; FSE: 8TX; OTC: RSGOF) ("**Resouro**" or the "**Company**") is pleased to announce its collaboration with the MagBras Initiative, the Industrial Demonstrator of the Complete Production Cycle for Rare Earth Permanent Magnets ("**Magbras Initiative"** or "**Magbras Project"**).

About MagBras

The MagBras Initiative is a pioneering project dedicated to producing rare earth permanent magnets entirely within Brazil. Led by SENAI MG, SENAI SC, and the Rede de Institutos SENAI de Inovação, a Brazilian network of industrial training and innovation institutions, the initiative aims to reduce reliance on imports, promote local innovation, and serve as a scalable model for domestic and international production. This could position Brazil as a fully integrated and sustainable rare earth products supply chain and global force in critical minerals production.

The MagBras Initiative, supported by the '**Call for Structural Project Actions'** between Fundep and SENAI, is a competitive program designed to finance transformational projects in Brazil. The MagBras Project has been successfully accepted for comprehensive funding from Minas Gerais State Agencies, enabling the full realization of the initiative's objectives.

The MagBras Group is a strong collaboration between companies such as Stellantis, Iveco, Schulz, Vale, Mosaic and Weg amongst others.

Importantly, Stellantis leads one of the groups as the main anchor directly connected with Resouro's producer slot. Stellantis are an American-French-Italian automotive conglomerate who manufactures global car brands such as Abarth, Alfa Romeo, Chrysler, Citroen, Dodge, DS Automobiles, Fiat, Jeep, Lancia, Maserati, Opel, Peugeot, RAM and Vauxhall.

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Project Selection

The project selection process assessed each submission based on technical and financial merits, as well as its qualification as a structuring project for the Rare Earth Elements ("**REE**") value chain, amongst other innovative projects related with sustainability and new technologies.

The MagBras Initiative proposal was submitted in late 2024 and has now been successfully accepted for funding. With this approval, the cooperation agreement (a long form contract), is expected to be signed by all parties in early 2025. This selection process ensures that only high-impact and high-value projects are selected for funding, reinforcing the importance of such initiatives in advancing the REE supply chain.

Resouro's Commitment

As one of the key producing collaborators, Resouro will contribute to the MagBras Initiative its expertise, cash consideration and "in-kind" support, including REE product samples and strategic insights. Resouro has pledged to contribute a total of US$35,000 (BRL 200,000) in four (4) tranches in May, July, September and November 2025. By working closely with the MagBras technical team, Resouro will play a relevant role in advancing the Magbras Project's vision of a vibrant, competitive and domestic end-to-end production cycle.

Addressing Strategic Challenges

The MagBras Project addresses Brazil's over-reliance on imported rare earth magnets, predominantly sourced from China, which controls over 95% of the global market. Recent geopolitical changes underscore the urgency of developing localized, diversified supply chains. The MagBras Project underpins the need to develop a diverse, independent and sustainable supply chain.

Brazil has 17% of the world's REE reserves and ranks third globally trailing only China (40%) and Vietnam (18%). Despite this natural wealth, the country lacks domestic production and manufacturing. The MagBras Initiative, in collaboration with Resouro and other market peers, aims to close this gap by creating an expanding industrial sector that spans the entire value chain, with transparency of governance from mining to manufacturing end products, such as permanent magnets.

Key Highlights of the MagBras Project

Brazil's current demand for permanent magnets is estimated at 6,000 to 10,000 tonnes annually, driven by industries such as automotive manufacturing, wind energy, and home appliances. Demand is projected to increase substantially over the next decade, driven by the adoption of

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wind turbines, expansion in the automotive manufacturing sector, and strong domestic market growth.

- ✓ Integrated Supply Chain: The Magbras Project will develop a demonstrator facility capable of producing 100 tonnes of permanent magnets annually, serving as a scalable model for industrial production.

- ✓ Collaborative Network: MagBras brings together SENAI MG, SENAI SC, the Rede de Institutos SENAI de Inovação, and a consortium of 20 companies, including Resouro, alongside startups and automotive manufacturers.

- ✓ Funding and Timeline: With a proposed budget of €10 million (BRL60 million) and a three-year timeline, MagBras is poised to revolutionize Brazil's rare earth industry.

Resouro's Strategic Role and Benefits

Resouro's contributions to MagBras will be anchored by the Company's flagship Tiros Project, located in Minas Gerais. The Tiros Project resource contains 198 million tonnes of titanium dioxide (TiO_2) and 6.6 million tonnes of total rare earths oxide (**TREO**) in 1.7 Billion tonnes of Mineral Resources (M+I+I). As Resouro strives to become a major supplier of rare earth materials, the MagBras Initiative will position Resouro as a key supplier for permanent magnet production while leveraging its expertise to enhance the Magbras Project's success.

The potential benefits for Resouro are substantial. By engaging in this project, Resouro will position itself as a key player in the REE value chain in Brazil. The project allows Resouro to showcase its potential to supply the REE supply chain while integrating into a collaborative network of 26 relevant organizations, including mining companies, off-takers and magnet and electric motor end-users. This engagement strategically positions Resouro to establish a strong presence in the REE market, leverage partnerships for future opportunities, and contribute to the vertical integration of this critical supply chain.

Commenting on Resouro's partnership with the MagBras Initiative, Philippe Martins, Resouro's Brazilian Executive Director, said:

"We are honored to play a key role in the MagBras Project, a transformative initiative spearheaded by SENAI MG, SENAI SC, and the Rede de Institutos SENAI de Inovação. This paves the way for Resouro to participate in a sustainable and fully integrated rare earth supply chain that will solidify Brazil's position as a global leader in critical minerals. Moreover, it lays the foundation for Resouro to emerge as a prominent supplier in Brazil and a global force in the rare earths supply chain."

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This announcement has been authorized for release by the Board of Directors.

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About the Company

Resouro is a Canadian incorporated mineral exploration and development company, listed on the ASX, TSXV, OTC and FSE, focused on the discovery and advancement of economic mineral projects in Brazil, including the Tiros Titanium-Rare Earths Project in Minas Gerais and the Novo Mundo Gold Project in Mato Grosso. The Tiros Project has 28 mineral concessions totalling 497 km^2 located in the state of Minas Gerais, one of the best infrastructurally developed states of Brazil, 350 km from the state capital of Belo Horizonte. Resouro's Mineral Resource Estimate for the Tiros Project is 1.7 billion tonnes of Inferred, Indicated and Measured Resources (*reference: ASX release ASX:RAU dated 18th July 2024, TSXV 17th July 2024*).

Domain	Category	TONNES (t)	TiO2 (%)	TREO (ppm)	MREO (ppm)
HG High Grade	Inferred	42,000,000	23	8,700	2,200
	Indicated	55,700,000	23	9,030	2,380
	Measured	20,800,000	24	9,320	2,530
	Sum	120,000,000	23	9,000	2,400
MG Medium Grade	Inferred	620,000,000	11	3,500	950
	Indicated	704,000,000	11	3,650	1,020
	Measured	224,000,000	11	3,570	997
	Sum	1,500,000,000	11	3,500	930
Totals		1,700,000,000	12	3,900	1,100

Note: Further details of the Company's Maiden JORC MRE are contained within the Company's announcement of 18 July, 2024. Resouro is not aware of any new information or data that materially affects the information included in the Company's announcement of 18 July 2024 and that all material assumptions and technical parameters underpinning the estimates referred to therein continue to apply and have not materially changed.

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Resouro Strategic Metals Inc., capital structure:

TSXV Chess Depositary Interests	43,313,635
ASX Common Stock	49,276,414
Total on Issue	**92,590,049**
Shares in Escrow, included in Total on Issue	10,979,257
Options issued under the Company's Plan	12,495,000
Options issued to Brokers	1,843,643
Warrants issued to Brokers	600,616
Performance Rights	750,000
Fully Diluted Securities	108,279,308

Forward-Looking Information

This news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada and globally; industry conditions, including governmental regulation and environmental regulation; failure to obtain industry partner and other third party consents and approvals, if and when required; the need to obtain required approvals from regulatory authorities; stock market volatility; liabilities inherent in the mining industry; competition for, among other things, skilled personnel and supplies; incorrect assessments of the value of acquisitions; geological, technical, processing and transportation problems; changes in tax laws and incentive programs; failure to realize the anticipated benefits of acquisitions and dispositions; and the other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Neither the ASX, OTC, TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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