



The ASX's newest rare earths developer

Resouro Strategic Metals (ASX:RAU) is a rare earths and titanium explorer that has dual-listed on the ASX and TSX in June 2024. Its flagship Tiros project lies in the Brazilian state of Minas Gerais. Tiros is a long-life, high-grade project that has substantial infrastructure primed for an eventual mining operation. And the company is headed by an experienced management team with significant skin in the game, headlined by President and CEO Chris Eager, who has a proven track record in taking resources companies from exploration to late-stage feasibility studies and creating shareholder value in doing so.

The largest known JORC rare earth and titanium resource in Brazil

Resouro has just unveiled its maiden-JORC compliant Mineral Resource Estimate at Tiros (Figure 1 on page 2). It has 1.7 billion tonnes at 3,900 ppm Total Rare Earth Oxide (TREO), 1,100 ppm Magnet Rare Earth Oxides (MREO) and 12% titanium dioxide in all three resource categories. Just over 1bn of this is in the higher confidence Measured and Indicated categories and covers only 7% of the total project area. Tiros therefore stands as the largest undeveloped titanium and rare earth resources in Brazil and one of the largest in the world.

Resouro is in the right place at the right time

Rare Earths and Titanium are already used in an extensive range of industries, particularly defence and renewable energy. Both have substantial upside over the next decade as the energy transition eventuates. There is a substantial need for new projects to enter production (particularly rare earths projects outside China) to satisfy the forthcoming demand, and Tiros can fulfil this.

Significant upside potential for shareholders

In our opinion, Resouro is well positioned to continue the development of Tiros. There is substantial upside left as the company continues exploration work, metallurgical testing and grows its JORC Resource further. We expect the company's listing on the ASX to aid its creation of shareholder value, with greater awareness and trading liquidity compared to being listed on the TSX alone. We will address the company's potential valuation in future reports.

Share Price: A\$0.51

ASX: RAU

Sector: Resources

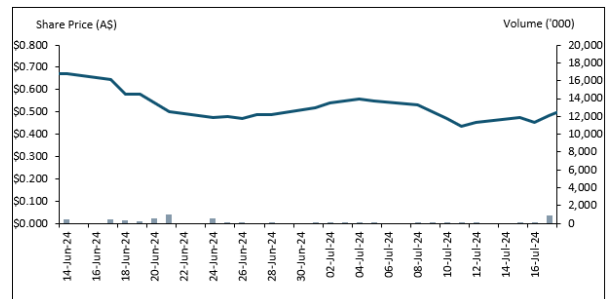
18 July 2024

Market cap. (A\$ m) ¹	47.0
# shares outstanding (m)	92.2
# shares fully diluted (m)	109.8
Market cap ful. dil. (A\$ m)	56.01
Free float	98%
52-week high/low (A\$)	0.69 / 0.43
Avg. ASX volume ('1000)	405.7
Website	https://www.resouro.com

Source: Company, Pitt Street Research

¹ Includes both ASX CDIs & TSX shares. Each ASX CDI represents 1 ordinary share

Share price (A\$) and avg. daily volume (k, r.h.s.)



Source: Refinitiv Eikon, Pitt Street Research

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Figure 1: Tiros' JORC-compliant MRE (1,000ppm TREO cut-off)

Domain	Category	Tonnes	TiO2 (%)	TREO (ppm)	MREO (ppm)
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
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
	Total	1,700,000,000	12	3,900	1,100

Source: Company

Figure 2: Peer group comparison

Company	ASX Code	Project Name	Million tonnes (Mt)	TREO Grade (ppm)	MREO Grade (ppm)	Last Update
Meteoric Resources	MEI	Caldeira	619	2,538	600	July 2024
Brazilian Rare Earths	BRE	Rocha Da Rocha	510	1,513	425	May 2023
Viridis Mining & Minerals	VMM	Colossus	201	2,590	668	June 2024
Resouro Strategic Metals	RAU	Tiros	1,700	3,900	1,100	July 2024

Source: Company

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