# El Zorro Gold Project Maiden Resource Estimate - Webinar

**Tesoro Resources Limited (Tesoro** or **the Company**) advises that Managing Director, Mr Zeff Reeves, will deliver a Mineral Resource Estimate (**MRE**) briefing presentation and update via a webinar at 1:30pm AEDT Thursday, 29 July 2021.

Mr Reeves will discuss the MRE, its implications for the growing El Zorro Gold Project, the ongoing drill program and outlook for the project.

The Company invites shareholders to attend via the login link below:

https://us02web.zoom.us/webinar/register/WN_DmdEN3JuRhyaUhI5tAKEMQ

Authorised by the Board of Tesoro Resources Limited.

## For more information:

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## About Tesoro

Tesoro Resources Limited was established with a strategy of acquiring, exploring, and developing mining projects in the Coastal Cordillera region of Chile. The Coastal Cordillera region is host to multiple world class copper and gold mines, has well established infrastructure, service providers and an experienced mining workforce. Large areas of the Coastal Cordillera remain unexplored due to the unconsolidated nature of mining concession ownership, but Tesoro, via its in-country network and experience has been able secure rights to a district scale gold project in-line with the Company's strategy. Tesoro's 95% owned Chilean Subsidiary owns 85% of the El Zorro Gold Project.

Aerial View of the Ternera Prospect Looking North

# El Zorro Gold Project Presentation, July 2021

## ASX:TSO

Tesoro Resources Limited ACN 106 854 175

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**Competent Person's Statements**

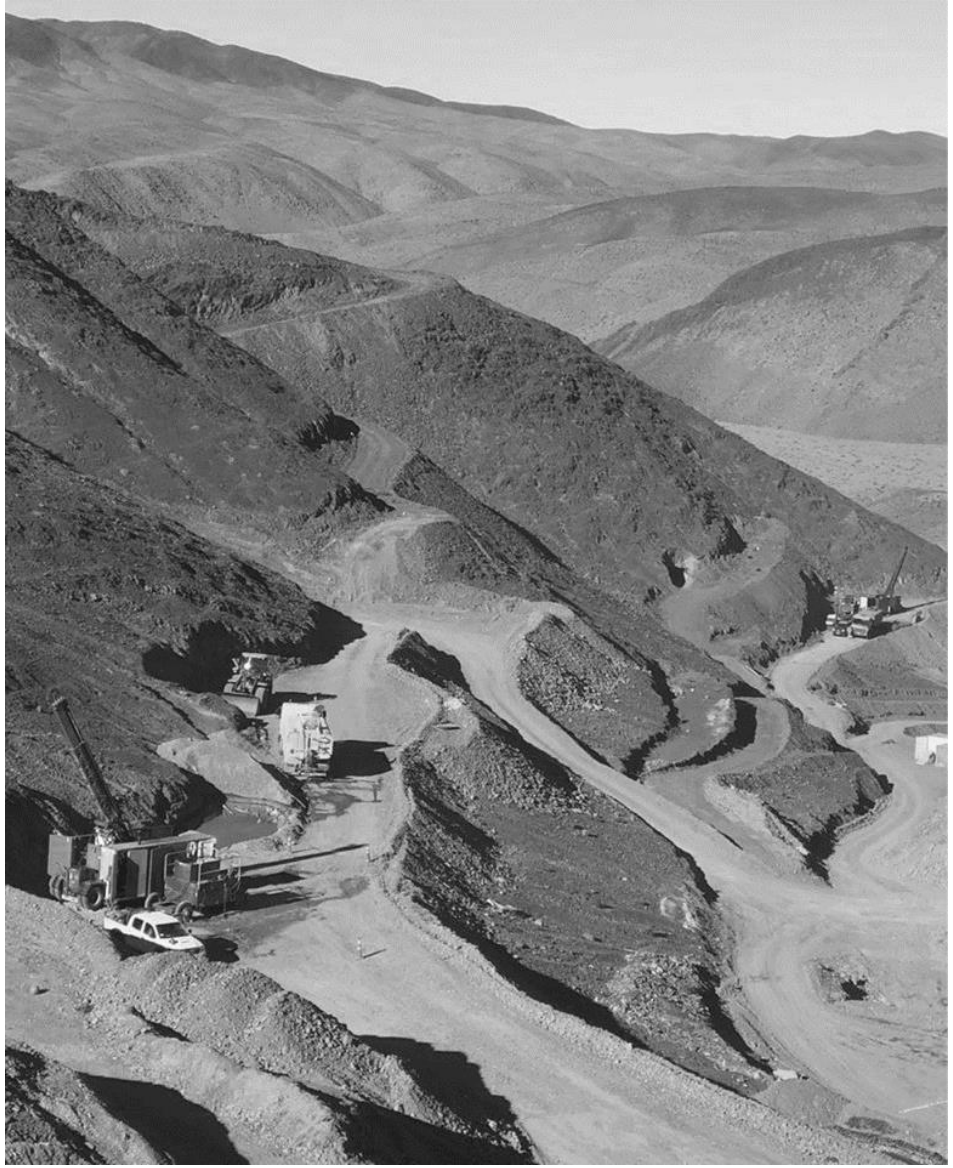
The information in this Presentation that relates to Exploration Results is based on information compiled by Mr Zeffron Reeves (B App Sc (Hons) Applied Geology) MBA, MAIG). Mr Reeves is a member of the Australian Institute of Geoscientists and Managing Director and shareholder of the Company. Mr Reeves has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reeves consents to the inclusion in this Presentation of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Daniel Saunders, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Saunders is a full-time employee of Cube Consulting Pty Ltd, acting as independent consultants to Tesoro Resources Limited. Mr Saunders has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource information included in the original announcement on 28 July 2021 and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the applicable Competent Persons' findings are presented have not been materially modified from the original announcement.

The Company has released all material information that relates to Exploration Results for the El Zorro Gold Project, on a continuous basis to the ASX and in compliance with JORC 2012. The Company confirms that it is not aware of any new information that materially affects the content of this ASX release. A list of all Material ASX releases referred to in this announcement are listed at Appendix 3 of this release.

# 18 MONTHS ON THE ASX

## MANAGEMENT FOCUSED ON RAPIDLY ADVANCING THE EL ZORRO GOLD PROJECT



- A$31.6M Raised Since March 2020 ASX Listing
- >87% of Capital deployed into El Zorro

- >61km of Diamond Drilling
- 6 Rigs Drilling 24/7

- 660koz Maiden Resource Estimate at Ternera
- Deposit remains open in all directions

- Low Discovery cost of $21 per ounce
- Multiple Untested Mineralised Targets

- Clear Development Pathway
- Funded with Material Exploration Upside

# EL ZORRO GOLD PROJECT MAIDEN MINERAL RESOURCE

**Ternera Gold Deposit Maiden Resource Table** *

| | Indicated | | | Inferred | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| Cut-off Au g/t | Mt | Au g/t | koz | Mt | Au g/t | koz | Mt | Au g/t | koz |
| 0.3 | 2.7 | 0.88 | 75 | 22.4 | 0.81 | 586 | **25.1** | **0.82** | **661** |
| 0.4 | 2.1 | 1.03 | 68 | 17.4 | 0.95 | 529 | **19.4** | **0.96** | **597** |
| 0.5 | 1.7 | 1.17 | 63 | 13.7 | 1.08 | 476 | **15.4** | **1.09** | **539** |
| 0.6 | 1.4 | 1.28 | 58 | 11.1 | 1.21 | 430 | **12.5** | **1.22** | **488** |
| 0.7 | 1.2 | 1.40 | 54 | 8.9 | 1.34 | 385 | **10.1** | **1.35** | **439** |
| 0.8 | 0.9 | 1.64 | 45 | 6.0 | 1.61 | 312 | **6.9** | **1.62** | **357** |

- Resource only uses 148 holes of 204 holes drilled
- Does not included drilling at Ternera South or Ternera East
- Modelling has defined approx. 250koz at 0.5g/t cut-off as unclassified meaning rapid resource upgrade
- Pit optimisation** uses 0.30g/t cut off grade
- Vertical ounces per metre ranging from 2,000 ovm to 3,200 ovm
- Low discovery cost of $21/oz.

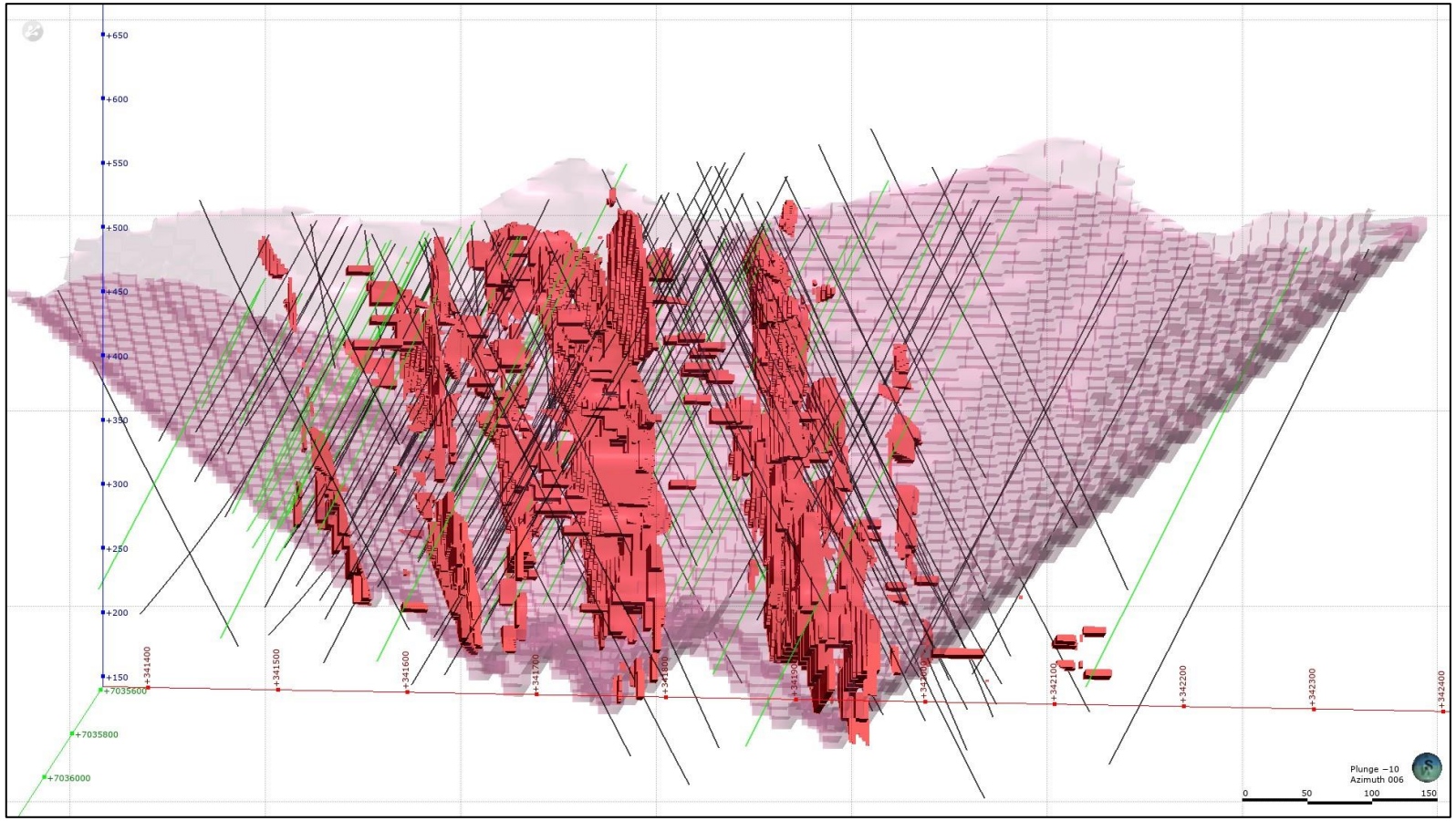
*Refer ASX Announcement 28/07/2021. Full List of material announcements is presented in Appendix 3
**Refer Notes in Appendix 4



TESORO RESOURCES

# TERNERA LARGE SCALE OPEN PIT BULK MINING POTENTIAL

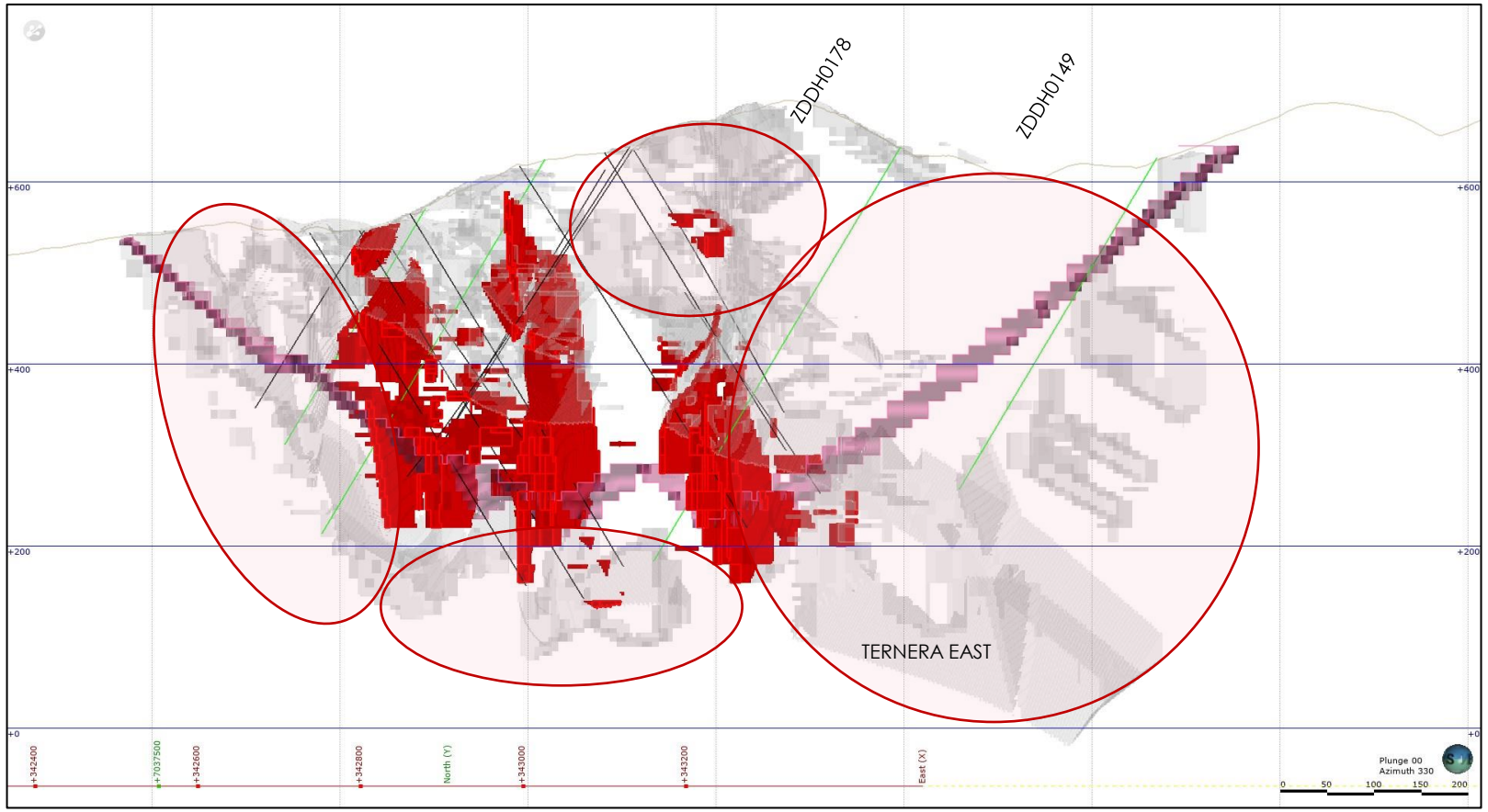
- Mineralised from Surface
- No Overburden
- Multiple Outcropping High Grade Lodes
- Strike & Depth Continuity
- Continuity maintained at higher cut-off grades
- Reduce strip via conversion of mineralised waste
- Ternera East could significantly change open pit economics
- Good metallurgy, high gravity & high recovery means lower cut-off




**Ternera Block Model – looking North showing classified resource blocks >0.60g/t Au within pit shell. Demonstrating grade continuity at higher gold grade.**

# EL ZORRO – MORE VALUE TO COME

- New Intrusive Related Gold District
- Convert Unclassified Material (approx. 250koz @ 0.5g/t Au cut-off) to JORC
- Major Extensions at Ternera South & Ternera East to be included in resource upgrade
- Rapid & Cost-Effective resource delineation – 65 holes to be add to model prior to year end
- Significant Future Resource Upgrades
- Material Exploration Upside outside of Ternera




**Drill Section 140. red blocks >0.30g/t, Grey = unclassified potential resource, Pink = pit outline. Pink circles show areas of high potential resource growth**

# TESORO – FOCUS FOR 2021

**Ternera**

- Resource Definition Drilling to Extend & Upgrade resources
- Continue to Expand Ternera remains open in all directions
- Potential for additional higher grade north south faults to be identified

**El Zorro District**

- Define resources at Ternera East & Drone Hill
- Initial drill testing of Toro Blanco & Buzzard
- Continue to identify mineralised tonalite intrusions
- IRGS Potential for Multiple Deposits

**Regional Exploration**

- Regional Targeting to find Ternera Analogues
- Identify Causative Intrusions from Mapping & Geochemistry
- First Mover Advantage

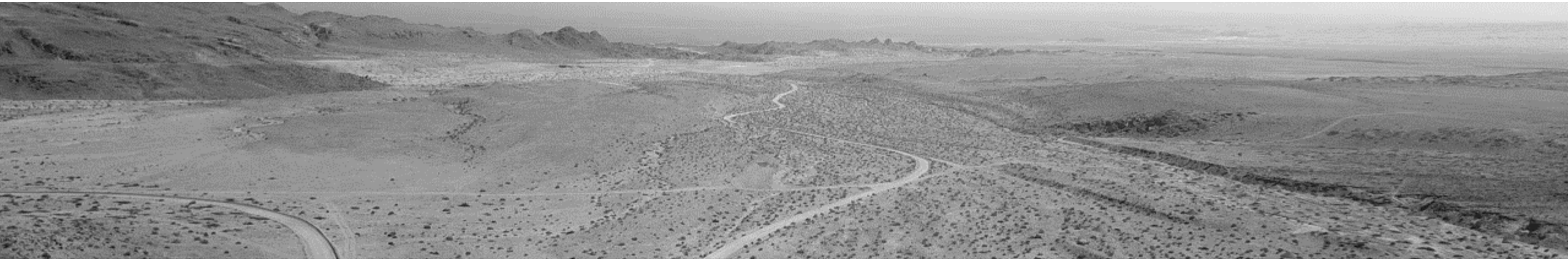
**Studies & Development**

- Detailed Metallurgical Testwork underway
- Commenced Environmental Studies
- Infrastructure Studies to Optimise Power & $H_2O$
- Mining & Processing Studies for Scoping & PFS

# EL ZORRO WILL CONTINUE TO GROW

- Continue to grow resources at El Zorro with additional low cost drilling
- Identify new targets within the El Zorro concessions
- Build organisational capability & progress El Zorro to production

**Tesoro aims to become a low cost gold producer in Chile**



El Zorro access road looking west to Pacific Ocean & Pan American Hwy

# APPENDIX 2
# TESORO RESOURCES – AN EXPERIENCED TEAM

## BOARD & MANAGMENT

**John Toll - Chairman**
John is a Partner at Azure Capital Limited with >15 years of experience in corporate advisory, focusing mainly on equity financing transactions across a range of industries including mining, technology, general industrials, biotech & infrastructure.

**Zeffron Reeves - Managing Director**
Geologist with >20 years of experience in the resources sector on resource projects from greenfields exploration, discovery, definition & feasibility, construction, production to closure. Zeff previously Managing Director of ASX listed Metallum Ltd which had a number of development & operational projects in Chile. He has also held senior management positions with companies developing projects in Brazil. He has had previous exploration success identifying & delineating new gold districts in Brazil and Chile.

**Geoff McNamara - Non-Executive Director**
>25 years of international resource sector experience as a Geologist, Project Manager & Fund Manager. Previously worked in Private Equity (FUM USD800 million) & as a Director of Societe General's Mining Finance Team in New York. Operational roles include Project Manager, Senior Mine Geologist & Mine Geologist for Ivanhoe Mines, Lion Ore International & Western Mining Corporation.

**Sergio Uribe - Country Manager, Chile**
Administrative, management & development professional with experience in Chile. He has worked on numerous resource projects from greenfields exploration, discovery, production, closure, retreatment & tailings reclamation. Part of the development team with Fortescue Metals Group during development of its Pilbara mining operations, he has 10 years of resource sector experience. Sergio has represented numerous foreign companies investing into resource projects in Chile & was Commercial Manager of Metallum Chile Ltd. where he was involved in the acquisition & development of their operation in Chile. Prior to this he was General Manager of Acorn Mining Chile Ltd & Country Manager for Cleveland Mining Chile Ltd. Sergio has a Business Management degree from Universidad del Desarrollo & is a member of the civil police & a military reserve officer.

**Shannon Coates - Company Secretary**
Qualified lawyer with >20 years' experience in corporate law & compliance. She is currently Non-Executive Director of ASX listed companies Vmoto Limited, Bellevue Gold Limited & Company Secretary to a number of public unlisted & listed companies.

# APPENDIX 3 – MATERIAL ASX ANNOUNCEMENTS
## ASX:TSO

| Date | Announcement Title |
|---|---|
| 28/07/2021 | Maiden Mineral Resource Estimate sets foundation at El Zorro |
| 6/07/2021 | New Discovery expands Ternera Gold System 500m to the East |
| 25/06/2021 | Bonanza Gold Grades Continue to Expand Ternera |
| 11/06/2021 | Ternera Step Out Hole Extends Mineralisation 150m East |
| 25/05/2021 | New Gold Zone Identified from Extensional Drilling |
| 29/04/2021 | Ternera Resource Definition Drilling Continues to Deliver |
| 16/04/2021 | Geophysics survey expands gold potential at El Zorro |
| 13/04/2021 | New Gold Discovery at El Zorr0 |
| 29/03/2021 | Multiple wide shallow gold intercepts at Ternera |
| 26/03/2021 | EL Zorro Gold Project Update and Outlook Webinar |
| 24/03/2021 | El Zorro Ownership increased ot 85% |
| 5/03/2021 | First Toro Gordo hole returns gold grades up to 69g/tAU |
| 1/03/2021 | Commencement of fully contributing JV for El Zorro Project |
| 19/02/2021 | Step out drilling extends Ternera 200m to south |
| 27/01/2021 | Drilling continues to extend Ternera deposit |
| 11/01/2021 | Drilling continues to expand scale at El Zorra |
| 24/12/2020 | El Zorro drilling returns multiple thick gold intercepts |
| 22/12/2020 | 300g/m intercept confirms El Zorro large-scale potential |
| 10/12/2020 | Large surface gold target defined by trenching at Toro Gordo |
| 1/12/2020 | Geophysical survey identified potential Terera repeat |
| 17/11/2020 | Drilling success continues at El Zorro |
| 4/11/2020 | Wide high-grade gold intercept at El Zorro |

| Date | Announcement Title |
|---|---|
| 23/10/2020 | Infill drilling continues to intercept gold bearing zones |
| 9/10/2020 | Wide gold zones defined at El Zorro |
| 1/10/2020 | Annual Report to shareholders |
| 23/09/2020 | Tesoro increases El Zorro land position by 500% |
| 17/09/2020 | Wide interval of visible gold in drilling at El Zorro |
| 4/09/2020 | Intercept confirms large scale potentail at El Zorro |
| 26/08/2020 | Drilling results demonstrate wide gold zones at El Zorro |
| 10/08/2020 | El Zorro geophysical survey highlights gold mineralisation |
| 4/08/2020 | El Zorro exploration update |
| 31/07/2020 | Tesoro increases El Zorro land position by 360% |
| 3/07/2020 | Infill and extensional drillprogram commences at El Zorro |
| 25/06/2020 | Extensive gold breaing vein system identified at Buzzard |
| 10/06/2020 | Drilling results continue to expand scale of El Zorro |
| 9/06/2020 | Excellent metallurgical testwork results from El Zorro |
| 27/05/2020 | El Zorro drill results continue to expand mineralisation |
| 13/05/2020 | El Zorro's Coquetas gold system extended 750m south |
| 6/05/2020 | Further wide high-grade gold intercepts at El Zorro |
| 27/04/2020 | Wide high-grade gold intercept at El Zorro |
| 17/04/2020 | Widespread surface gold mineralisation at El Zorro |
| 12/03/2020 | Additional assays extend gold zone at El Zorro |
| 6/03/2020 | Exceptional gold assays for first drill hole at El Zorro |

# APPENDIX 4 – TERNERA RESOURCE ESTIMATION PARAMETERS

**Mineral Resource Estimate**

- 148 HQ diameter diamond drill holes used (46,937m)
- Domaining based on 3D modelling of lithology (El Zorro Tonalite ) and faults
- Resource Classification Criteria:
  - Geological continuity and volume;
  - Drill spacing and drill data quality;
  - Modelling technique; and
  - Estimation properties, including search strategy, number of informing composites, average distance of composites from blocks and kriging quality parameters.
- Mineral Resource has been reported above a **0.30 g/t Au cut-off**. Selection of the cut-off has considered results of metallurgical testing (ASX release 9 June 2020). The applied cut-off has been reviewed against that reported from peer projects with similar mineralisation styles and proposed processing options and is considered comparable.

**Pit Optimisation Parameters**

- The following parameters were used to generate an optimised pit shell that reported a 0.30 g/t Au cut-off grade to match the calculated geological Mineral Resource Estimate.

| Item | Units | Value | Justification |
|---|---|---|---|
| Average Mining Cost | US$/t mined | 2.10 | Based on mining cycle time modelling |
| Mining Dilution | % | 10 | Industry Standard assumption for open pit |
| Mining Recovery | % | 95 | Industry Standard assumption for open pit |
| Gold price | US$ per oz | 2,500 | |
| Recovery Au | % | 94 | Based on preliminary metallurgical testwork as announced to the ASX on 9th June 2020 |
| Processing cost | US$/t milled | 13.60 | Based on cost modelling from metallurgical testwork and database costs |
| General and Administration | $/t milled | 3.60 | Based on previous costs estimates database |
| Tailings | $/t milled | 0.15 | Based on previous costs estimates database |
| Closure cost provisions | $/t milled | 1.00 | Based on previous costs estimates database |
| Overall slope angle | Degree | 42.5 | Based on geotechnical logging and groundwater measurements in host rock units. |

It must be noted that the optimization pit shell provided was for the purpose of constraining the Resource model only and is **NOT** an economic assessment of an open pit mining operation at El Zorro or indicates the economic gold price required for potential future mining at El Zorro.

The optimization was completed to delineate the portion of the Resource estimate that could potentially be mined by an open pit at some time in the future. The pit optimization was based on certain assumptions that are considered at to be preliminary and have a high degree of uncertainty. The purpose of the optimization is to provide a constraint around the resource with some explained economic parameters.

The gold price selected for the pit optimization was based on cut-off grade calculations using the conceptual cost, recovery and dilution inputs as outlined above, to match the geological cut off grade in the Mineral Resource Estimate. A gold price of US2,500/oz provides an estimated cut off grade for an optimized pit shell of approximately 0.3g/t Au, in line with the Mineral Resource cut off grade.