# Updated Presentation and retraction of broker coverage reference

**Tesoro Resources Limited** (**Tesoro** or **the Company**) (ASX:TSO) refers to its Presentation released on 28 September 2021 (**Presentation**) and retracts reference to the broker coverage on slide 4 of the Presentation. The Company also advises investors not to make any investment decision based on the broker coverage.

An updated version of the Presentation omitting the wording in relation to the broker coverage, is attached.

The Company confirms that this announcement has been approved and authorised for release by the Board.

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**About Tesoro Resources**

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.

TESORO RESOURCES

# Developing El Zorro Chile's Newest Gold Discovery

Investor Presentation

September 2021

# Disclaimer

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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 Presentation that relates to Geophysical Results is based on information compiled by Dr Jayson Meyers who is a Fellow of the Australian Institute of Geoscientists. Dr Meyers is a consultant to Tesoro Resources Limited and has sufficient experience which 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. Dr Meyers does not hold any securities in the Company. The Company confirms it is not aware of any new information or data that materially affects the Geophysical Results included in the original announcement on 16 April 2021.

The information in this Presentation 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.

# Investment Highlights

- Preliminary works indicate an **uncomplicated, straightforward** project in a world class mining jurisdiction.
- Tesoro holds one of the **largest & most prospective concession packages for gold in** Chile.
- **Strategically positioned,** Tier 1 jurisdiction, established infrastructure & surrounded by world-class mining projects. (1)
- **Discovered the El Zorro Project**, initial 661,000oz (2) gold resource. Scoping study & expanded resource expected Q4 2021.
- **Significant exploration potential** with <2% of the 555km$^2$ permit area drilled.
- **Aggressive exploration,** 6 rigs drilling 24/7.
- 99% success rate with drill bit.
- Strong Cash Position of A$13.7 million. (3)

*Notes: 1- Refer to Appendix 2 on Chile, 2- Refer to Maiden Mineral Resource, 28 July 2021 in Appendix 3, 3- At 30 June 2021*

# Company Strategy & Corporate Snapshot

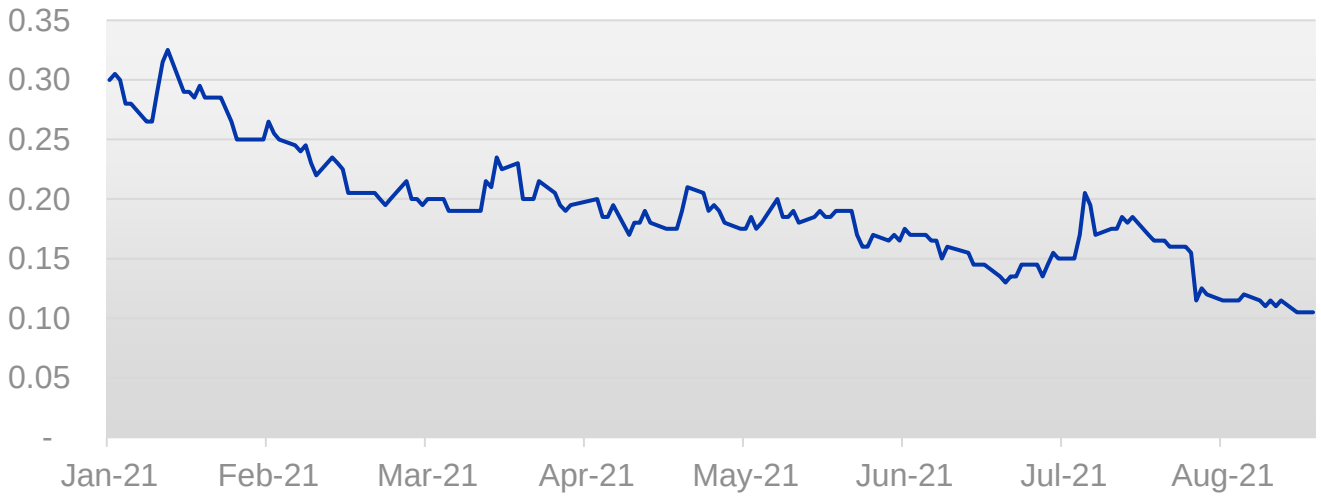
## Strategy

Utilise extensive geological experience to discover, define & develop high quality mining projects in the 'Core Atacama' province of Chile.

## Mineral Resource [1]

| | Indicated | | | Inferred | | | **Total** | | |
|---|---|---|---|---|---|---|---|---|---|
| Cut off Au g/t | Mt | Au g/t | koz | Mt | Au g/t | koz | **Mt** | **Au g/t** | **koz** |
| 0.30 | 2.7 | 0.88 | 75 | 22.4 | 0.81 | 586 | **25.1** | **0.82** | **661** |
| 0.50 | 1.7 | 1.17 | 63 | 13.7 | 1.08 | 476 | **15.4** | **1.09** | **539** |

## Share Price History (A$)




## Capital Structure

| | |
|---|---|
| ASX Share Price [2] | A$0.10 |
| Shares on Issue | 603.2 million |
| Performance Rights | 98 million |
| Market Capitalisation | A$60 million |
| Average Daily Volume | 1,743,085 shares |
| Cash [3] | A$13.7 million |
| Debt | Nil |

## Shareholders

| | |
|---|---|
| Top 20 | 51% |
| Board & Management | 18% |
| Wholesale Investors | 24% |
| Other | 58% |

*Notes: 1- Refer to Maiden Mineral Resource, 28 July 2021 in Appendix 3, 2- At 29 September 2021 3- At 30 June 2021*

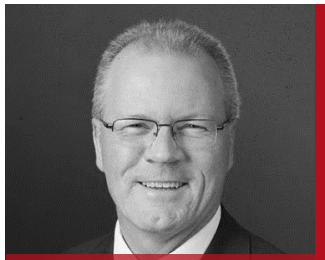
# Board & Management

**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.

**Kristie Young**
Non-Executive Director

>20 years' experience across a range of sectors, including technical engineering, project evaluation, strategy, business development, growth, marketing, commercial, client management, governance & human resources. Has held senior growth & business development executive roles with leading professional services firms PwC & EY. Ms Young is Non-Executive Chair of ChemX Materials, Non-Executive Director of Lithium Australia NL (ASX:LIT) & sits on the boards of Wesley College WA & the Energy Club of WA.



**Linton Putland**
Executive Director – Mining & Development

>30 years of experience in mining operations, joint ventures & corporate management in Australia, Africa & the Americas, over a wide range of commodities. Currently principal of LJ Putland & Associates, a private mining consultancy company. Prior to this, he held corporate & senior management roles in IAMGOLD, Aurion Gold, Delta Gold & Pancontinental Mining. He is a Member of AusIMM & a Graduate Member of Australian Institute of Company Directors.

**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 & Chile.

>27 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.

**Geoff McNamara**
Non-Executive Director

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.

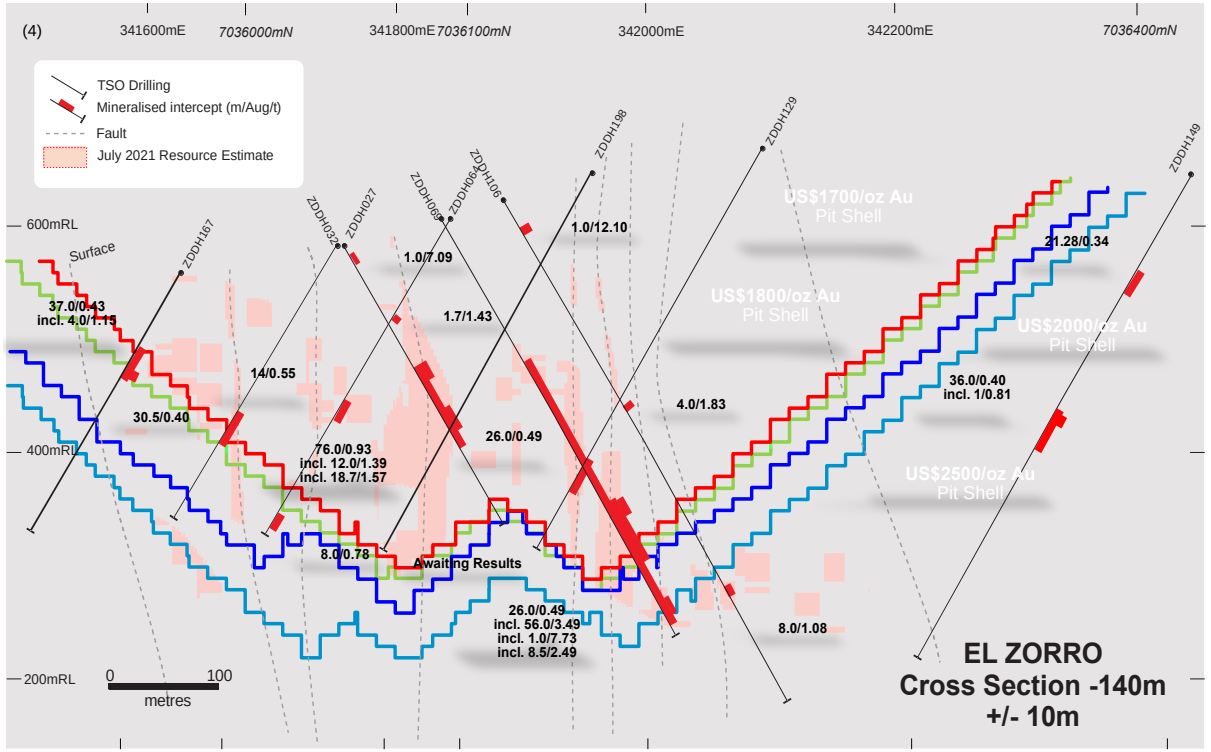
**Shannon Coates**
Company Secretary

Administrative, management & development professional with experience in Chile. He has worked on greenfield exploration, discovery, production, closure, retreatment & tailings reclamation. Part of the development team with Fortescue during development of its Pilbara mining operations. Commercial Manager of Metallum Chile, General Manager of Acorn Mining Chile & Country Manager for Cleveland Mining Chile. Sergio has a Business Management degree from Universidad del Desarrollo & is a member of the civil police & a military reserve officer.

**Sergio Uribe**
Country Manager Chile

# El Zorro: Chile's Newest Gold Discovery

- Tesoro Owns 85% of the El Zorro Gold Project. (1)
- Maiden Mineral Resource of 25.1 Mt @ 0.8 g/t for **661 koz of gold** at 0.3g/t Au cut-off including 15.4Mt @ 1.09 g/t for 540koz at 0.5g/t Au cut-off. (2)
- **Resource has low sensitivity to lower gold price RPEEE pit shells.** (3)
- Outcropping Orebody with High Grade Core.
- **Scoping Study Underway** for Large Open Pit Mine.
- **Exceptional Metallurgy** – high recoveries at coarse grind size - 94% total recovery at 200 microns(5)
- Simple Flowsheet: Single Stage Crushing, SAG Mill, Gravity & CIL.
- Logistical advantages:
  - Low Power Costs (12-17c/kwh, less than Australia)
  - Distance to Port only 57km
  - Distance to Workforce 53km




| Indicated + Inferred Resource (0.30 g/t cut off) | | | |
|---|---|---|---|
| USD/Oz Gold Price Pit | Mt | Au g/t | koz |
| 1,700 | 18.3 | 0.88 | 519 |
| 1,800 | 19.4 | 0.88 | 548 |
| 2,000 | 20.9 | 0.86 | 580 |
| 2,500 | 25.1 | 0.82 | 661 |

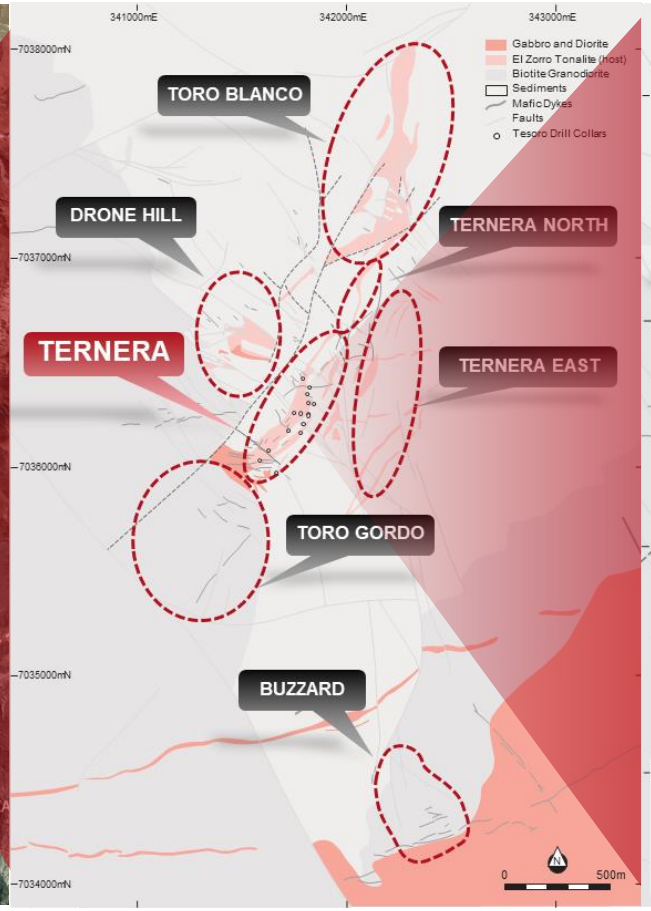
*Notes: 1- Tesoro may increase its holding of the JV via capital contributions. On the 26 August 2021, 15% JV partner Wanaco disputed the valuation & the procedure followed for the recent capital increase approved in the Shareholders Meeting of El Zorro SCM held on 11 February 2021. Tesoro is vigorously defending its position and is considering its legal options to have this spurious claim rejected by the court. 2- Refer to Maiden Mineral Resource, 28 July 2021 in Appendix 3. Alternate scenarios using different gold price inputs for the Reasonable Prospects for Eventual Economic Extraction (RPEEE) resource limiting pit shell demonstrate the sensitivity of contained mineralization. 4. Refer ASX announcements 10/06/2020, 4/09/2020, 16/12/2020, 21/12/2020, 25/06/2021, 6/07/2021 and 19/08/2021 / 5. ASX Announcement 27 September 2021*

# Enormous Exploration Potential

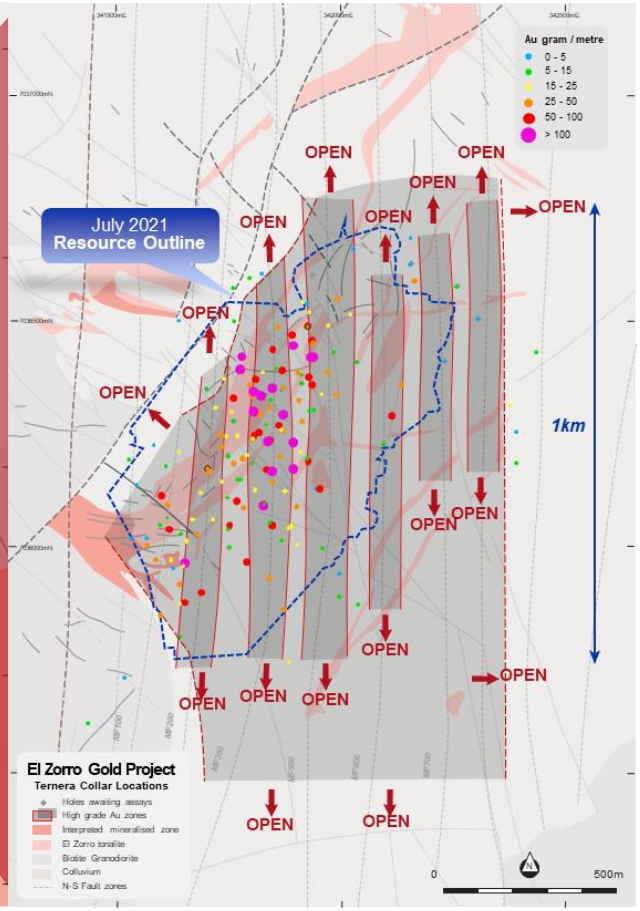
- **Intrusive Related Gold System (IRGS)** analogous to Tintina Province, (Fort Knox, Pogo, Brewery, Donlin).
- <2% of 555km$^2$ permit area drilled.
- Ternera deposit **open in all directions.**
- **6 Analogous** Prospects, all to be drilled in 2021/22.
- Discovery Cost US$21/oz (half global average [2]).
- Aggressive **Exploration >60,000m drilling**.
- Six rigs drilling 24/7.

## PERMIT

## EXPLORATION TARGETS




## TERNERA EXPLORATION




*Notes: 1- Refer to Maiden Mineral Resource, 28 July 2021 in Appendix 3. 2- Refer to https://minexconsulting.com/wp-content/uploads/2021/05/Gold-Exploration-Trends-PDAC-May-2021.pdf for discovery costs of US$45/oz*

# Recent Activity

Exploration Drilling

Core Shed

Local Workforce

Ternera Drill Rigs in Operation

# Recent Exploration Highlights

**Ternera** (1)

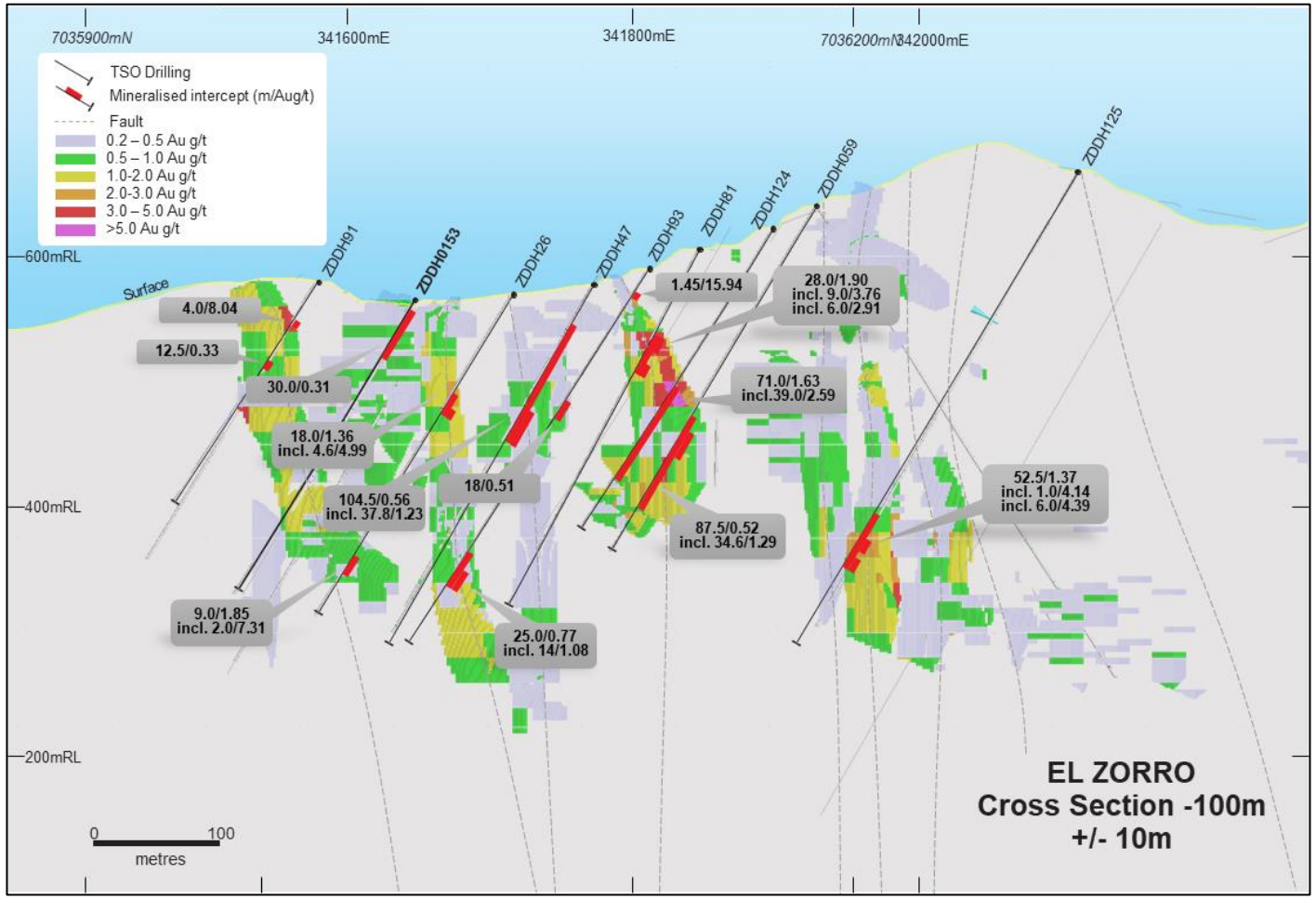
Multiple new **thick high grade** gold zones contained in broad mineralised zones outside existing resource.

- **21.00m @ 5.26g/t Au**; contained within 205.00m @ 0.96g/t Au
- **17.50m @ 4.51g/t Au**; contained within 40.00m @ 2.11g/t Au

**Ternera East** (2)

New discovery.

- 4.50m @ 1.14g/t Au; contained within 21.28m @ 0.34g/t Au
- 4.00m @ 1.69g/t Au; contained within 36.00m @ 0.40g/t Au




**Ternera Drill Section +60m looking northwest. Hole ZDDH0170 & ZDDH0164 showing strong gold mineralisation outside of existing Mineral Resource model and significantly expanding known gold zones.**(3)

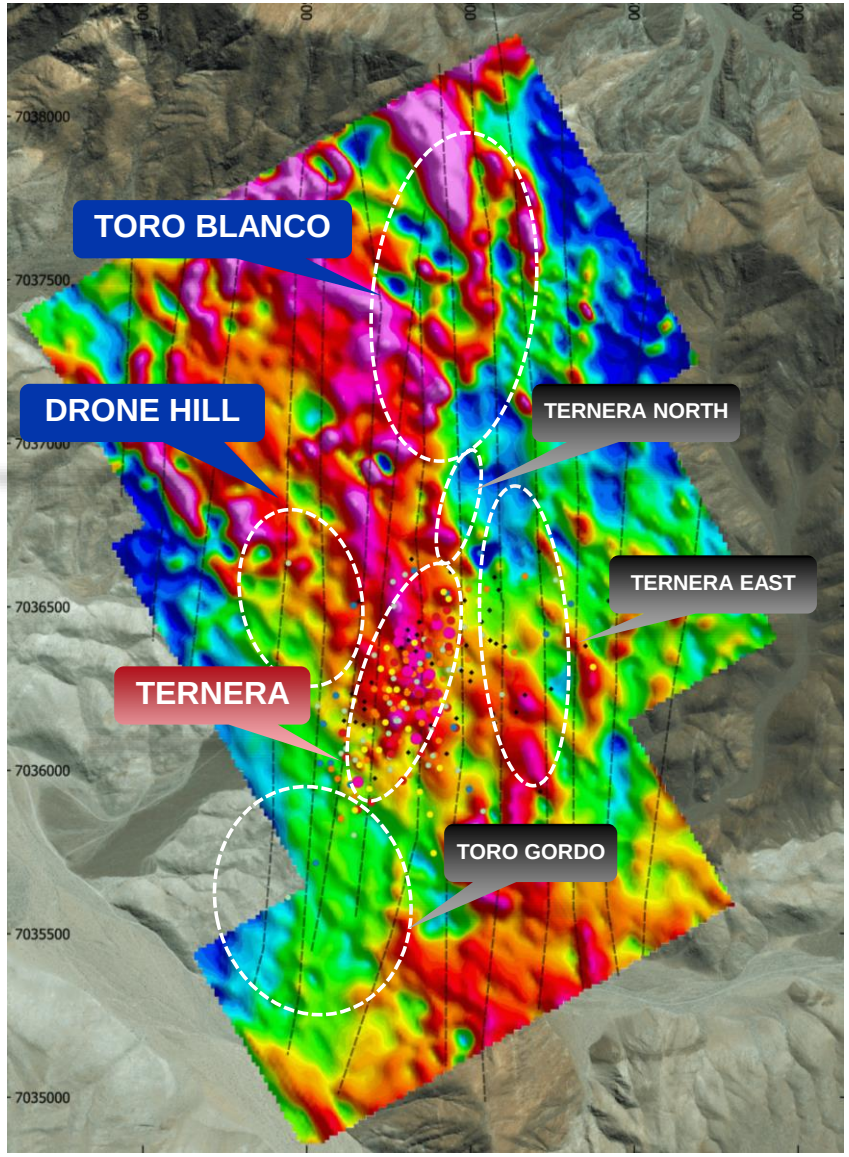
*Notes: 1- Refer to ASX announcement 19 August 2021.*
*2- Refer to ASX announcement 11 August 2021.*
*3- Refer to ASX announcements 9/10/2020, 16/2/2021, 27/07/2021, 4/08/2021, 19/08/2021, & 27/08/2021*

# Exciting New Exploration Targets

- **Drone Hill** & **Toro Blanco** have same geology as Ternera and structural trends & high chargeability anomalies, as identified by the recently expanded Gradient Array Induced Polarisation (GAIP) survey (see map on right). (1)

- **Drone Hill** first drill hole intersected a high grade gold zone of 1.57m @ 7.37g/t Au contained within 11.50m @ 1.13g/t Au. (2)

*Note: 1- Refer to ASX announcement 16 April 2021.*
*2 – Refer ASX announcement 23 March 2021*

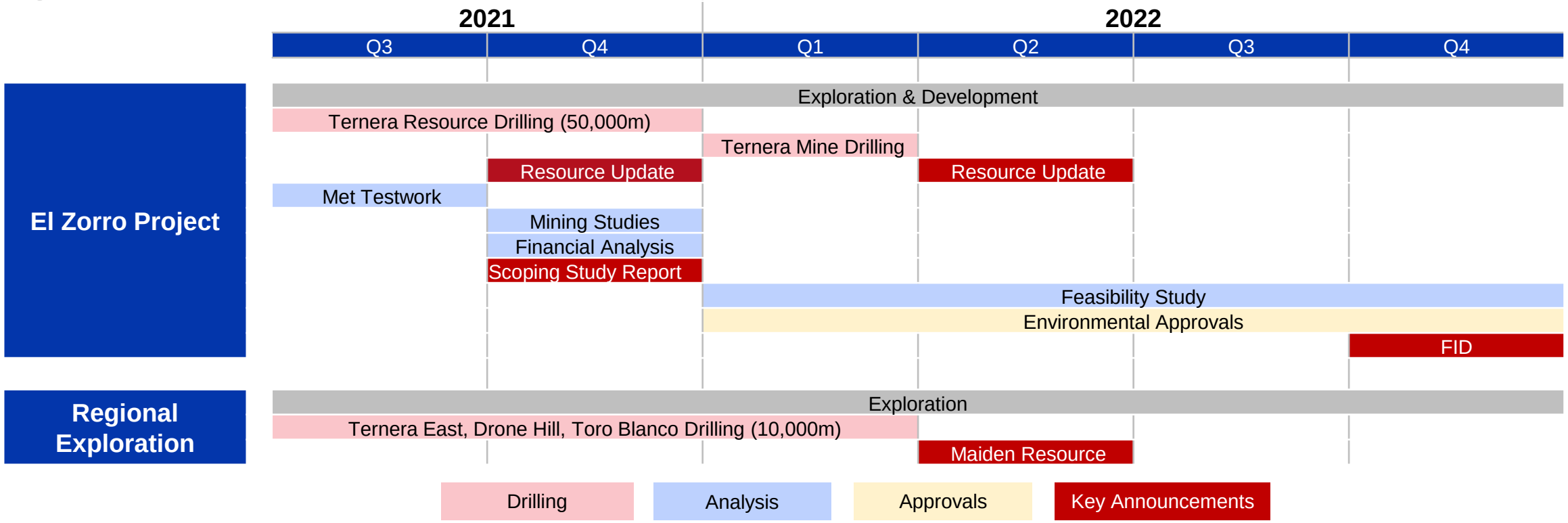


# Roadmap to Create Shareholder Value

**Immediate Focus**

- Continue to grow resources at El Zorro via low-cost drilling.
- Identify Ternera repeats within the regional El Zorro concessions.
- Complete scoping study & build organisational capability to progress El Zorro to production.

**Key Activities for 2021/2022**



# Appendix 1: Environmental & Social Strategy

Our environmental & social strategy is aligned to the United Nations (UN) Sustainable Development Goals (SDG) with the company committed to ensuring its exploration & operational activities generate positive sustainability outcomes.

| Sustainability Pillars | Summary | UN SDG |
|---|---|---|
| **Health & Safety** | Occupational Health & Safety are fundamental responsibilities Tesoro has towards its workforce. Our strategies & practices are based on providing a safe workplace for all employees, suppliers & contractors. | 3 GOOD HEALTH AND WELL-BEING |
| **Climate Change** | Total GHG emissions on a $ per value basis for newly mined gold is significantly lower than that for other major metals & mined products. Tesoro is committed to put in place a framework to ensure future mine developments are built & operated to support global greenhouse mitigation targets. | 13 CLIMATE ACTION |
| **Environment** | Tesoro applies leading exploration techniques, technology & practices to promote drilling efficiency & minimise environmental impacts. Furthermore Tesoro is committed to continual improvement of its environmental performance through a robust environmental management program. | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 15 LIFE ON LAND |
| **People & Culture** | Attracting, developing & retaining a diverse, inclusive & competent workforce is important to Tesoro & a key foundation to the company's policies and practices. | 3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY |
| **Community Partnerships** | Tesoro partners with the local & host communities of the Coastal Cordillera region of Chile to share value through the creation of local jobs & business opportunities. | 17 PARTNERSHIPS FOR THE GOALS |
| **Economic Sustainability** | Generating economic growth & value for all our investors, employees & stakeholders through successful exploration & investment in the Coastal Cordillera region of Chile. | 8 DECENT WORK AND ECONOMIC GROWTH |

# Appendix 2: Why Chile

1) **Low Sovereign Risk:** Chile has a population of >19 million people, one of South America's most stable & prosperous nations, enabling the country to significantly reduce poverty. Chile's GDP is expected to rebound to 5.5% in 2021 [(1)], on the back of government stimulus & a rapid COVID-19 vaccination rollout (one of the best in South America).

2) **Extremely Low Corruption:** Chile ranks in the top quartile of countries in Transparency International's 2020 Corruption Index, equal with the United States of America.

3) **Supportive Government Policy Towards Mining:** Mining is a major driver of the Chilean economy, contributing to more than 50% of Chile's exports & 9% of GDP. The Fraser Institute's 2020 [(2)] annual survey ranked Chile as the best country in South America for mining exploration investment based on public policy factors such as tax rates & regulation.

4) **Significant Mineral Endowment:** As the top producer of both copper & iodine in the world, Chile is also home to several other highly valuable natural resources including molybdenum, selenium, rhenium, nitrates, iron ore, lithium & of course precious metals such as gold. Most of the world's largest mining companies operate in Chile.

*Source: 1-World Bank, 2- https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2020.pdf*

# Appendix 3: Mineral Resource

Maiden Mineral Resource Estimate of 661 koz gold announced on 28 July 2021

| | 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 | 1.4 | 54 | 8.9 | 1.34 | 385 | **10.1** | **1.35** | **439** |
| 0.8 | 0.9 | 1.64 | 45 | 6 | 1.61 | 312 | **6.9** | **1.62** | **357** |

***Mineral Resource Estimate Parameters***

- *148 HQ diameter diamond drill holes used (46,937m)*
- *Domaining based on 3D modelling of lithology (El Zorro Tonalite) & faults*
- *Resource Classification Criteria:*
    - *Geological continuity and volume;*
    - *Drill spacing & drill data quality;*
    - *Modelling technique; and*
    - *Estimation properties, including search strategy, number of informing composites, average distance of composites from blocks & 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 & is considered comparable.*

***Pit Optimisation Parameters***

- *It must be noted that the optimisation 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 & 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.*

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