ASX: TSO | ACN 106 854 175

$7.3 million capital raising to accelerate El Zorro District Drilling, Resource Expansion and complete Scoping Study

- Firm commitments received for a placement to raise approximately $4.3 million utilising the Company's existing ASX Listing Rule 7.1 placement capacity (**Placement**);
- Share Purchase Plan (**SPP**) for all Eligible Shareholders seeking to raise $3 million at $0.085 per share, the same price as the Placement;
- Proceeds from the Placement and SPP will increase cash reserves to $14.8 million, 90% of cash reserves will be deployed into the Company's El Zorro Gold Project in Chile (**El Zorro**), including:
    - Resource expansion drilling (43,000m) - $9.50 million;
    - El Zorro District drilling (10,000m) - $1.80 million; and
    - Scoping Study - $2.18 million.

Tesoro Resources Limited (Tesoro or **the Company)** (ASX: TSO) is pleased to announce it has received firm commitments for a Placement to raise approximately $4.3 million (before costs), and the Company intends to undertake a follow on SPP to raise a further $3 million (before costs), to raise a total of $7.3 million (before costs).

Funds raised pursuant to the Placement and SPP will be used for Resource expansion drilling (43,000m), El Zorro District drilling (10,000m), Scoping Study, corporate administration and for general working capital purposes, including the costs of the capital raising.

Tesoro Managing Director Zeff Reeves commented:

"We are pleased to welcome a number of new institutional and sophisticated investors as shareholders of Tesoro and wish to thank all our existing shareholders for their continued support. The Company is well positioned to continue its exceptional exploration success at El Zorro and the rapidly expanding Ternera Gold Deposit."

Placement

The Placement comprises the issue of 51,000,011 new Shares at an issue price of $0.085 per Share, to raise approximately $4.3 million utilising the Company's existing ASX Listing Rule 7.1 placement capacity (**Placement Shares**).

The issue price under the Placement represents a 19% discount to the last closing price and a 14.4% discount to the 15 trading day volume weighted average price (**VWAP**) for shares in the Company up to and including Friday, 22 October 2021.

Viriathus Capital Pty Ltd is acting as Lead Manager to the Placement and the SPP.

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An indicative timetable for the Placement and SPP is set out in Appendix 1. The timetable remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

SPP

The SPP aims to raise $3 million (before costs) and will enable all Tesoro shareholders (including retail shareholders) with registered addresses in Australia and New Zealand at 5.00pm (WST) on the Record Date of 26 October 2021 (**Eligible Shareholders**) the opportunity to apply for new Shares at an offer price of $0.085 per Share (the same price as the Placement price). Eligible Shareholders will be offered the opportunity under the SPP to apply for up to $30,000 worth of new Shares (subject to scale back at the company's absolute discretion).

The SPP shares will be offered under a prospectus (the **SPP Prospectus**), so that Eligible Shareholders will be able to apply for the full $30,000 worth of new Shares (subject to scale back at the Company's absolute discretion), even if they received Shares under the Company's Share Purchase Plan in December 2020/January 2021.

The Company intends to issue the SPP Shares pursuant to the Company's additional placement capacity under ASX Listing Rule 7.1A.

New Shares issued under the SPP will rank equally with Tesoro's existing Shares with effect from their issue. The offer price is free of brokerage and commission. The Board intends to cap the SPP at $3 million, however the Board reserves the right to accept oversubscriptions (utilising available placement capacity under ASX Listing Rules 7.1 and 7.1A) or to scale back applications, to change the SPP closing date, including closing early, or cancel the SPP, in its absolute discretion.

The SPP Prospectus will also include a Shortfall Offer on the same terms as the SPP Offer which provides the Company with the ability to issue any shares not taken up under the SPP Offer up to the maximum available under the SPP Offer of $3 million.

Participation in the SPP by Eligible Shareholders is entirely optional. The SPP is not underwritten.

The terms and conditions of the SPP will be set out in an SPP Prospectus that will be released on ASX and provided to Eligible Shareholders in accordance with the timetable.

Authorised by the Board of Tesoro Resources Limited.

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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.

APPENDIX 1: INDICATIVE TIMETABLE

Key Event	Date
Record Date for Eligibility to participate in SPP	5.00pm WST on 26 October 2021
Announcement of firm commitments for the Capital Raising	27 October 2021
Settlement of Placement Shares	Friday, 29 October 2021
Allotment of Placement Shares	Monday, 1 November 2021
Lodgement of SPP Prospectus with ASIC and Dispatch of SPP Offer letter (including details of how to access the SPP Prospectus) to Shareholders	8 November 2021
SPP Opening date	9.00am WST on 8 November 2021
SPP Closing date	5.00pm WST on 6 December 2021
Announcement of SPP Participation Results	9 December 2021
Last date for Issue of SPP Shares	13 December 2021

The timetable is indicative only and remains subject to change at the Company discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable or cancel the SPP at any time before new Shares are issued, subject to regulatory requirements. **The Company encourages Eligible Shareholders who wish to participate to act promptly in submitting their application forms.** The Company reserves the right to close the SPP early, in its sole and absolute discretion, should it be considered necessary to do so, by making an announcement to the ASX.

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