Detailed Metallurgical Test Work Confirms Gravity Recovery of 45% and overall recovery of 94.5% at a 150 µm grind size

- Detailed metallurgical test work results indicate achievable gravity recovery of 45% and overall recovery of 94.5% at a 150 µm grind size and up to 98% at finer grind sizes.
- As with the Phase 1 test work, the Phase 2 leach test work demonstrated rapid leach times with the majority of tests achieving total gold extraction in excess of 90% within 8 hours.
- Phase 2 metallurgical test work completed on representative drill core samples from the Tenera Gold Deposit resulted in high gravity and leach recoveries.
- These results will be used to set the process design criteria for Tenera confirming the potential for ore processing using a simple, conventional crush, grind, gravity recovery and leach flowsheet achieving high recoveries.

Tesoro Resources Limited (Tesoro or **the Company)** (ASX: TSO) is pleased to announce the final results from the Phase 2 metallurgical test work conducted on mineralised material from the Ternera Gold Deposit (**Ternera**) at the Company's El Zorro Gold Project, Chile.

The Phase 2 test work program was designed to assess the gravity recovered gold component and cyanide leaching characteristics over a range of gold grades using different grind sizes to allow the selection of the most appropriate grind size for future processing. The Phase 2 test work was completed using sea water.

The Phase 2 test work was conducted on representative samples from the various mineralised zones at Tenera over a range of grades. A total of 526kg of samples selected from the various mineralised zones that lie within the optimisation pit shell that was used to constrain the Tenera Mineral Resource Estimate as released on 29 July 2021. Samples were sent to the ALS Metallurgical Laboratory in Perth WA for test work.

The results of this testwork program and the main conclusions drawn regarding the possible metallurgical treatment of the El Zorro deposits are as follows:

- The test programme successfully determined a simple processing method for recovering gold from the Ternera gold deposit with the optimal results being:
  - Bond Ball Mill work index (BWi) = 20.4 kWh/t (from Phase 1 Test Work Program);
  - A leach feed grind size distribution of P80 = 150µm;
  - Cyanide consumptions of 0.5kg/t;
  - Lime consumption of 4.0kg/t;
  - Gravity recovery of 45%;

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- Overall Au recovery of 94.5%; and
- Test work undertaken using seawater.

Results of the overall test work are summarised below for a 200 micron and 150 micron grind sizes:

COMP_ID	Recoveries					
	P_{80} = 200µm			P_{80} = 150µm		
	Gravity	Leach	Overall	Gravity	Leach	Overall
	%	%	%	%	%	%
NSF_FR_LG	48.6	42.2	90.8	48.2	44.5	92.7
NSF_FR_MG	51.6	40.6	92.2	52.9	42.7	95.5
NSF_FR_HG	54.8	37.0	92.4	57.7	39.8	97.5
EZT_FR_LG	48.5	47.3	95.8	48.0	47.9	95.9
EZT_FR_MG	51.8	39.9	91.6	52.1	42.5	94.6
EZT_FR_HG	49.1	42.3	91.5	49.9	42.5	93.4
SED_FR_LG	42.3	49.6	92.0	35.9	50.3	88.9
SED_FR_MG	49.5	42.3	91.8	52.2	42.5	94.6
SED_FR_HG	47.6	43.0	90.5	48.3	45.5	93.9
AVERAGE	***49.3***	***42.7***	***92.1***	***49.5***	***44.2***	***94.1***
MEDIAN	***49.1***	***42.3***	***91.8***	***49.9***	***42.7***	***94.6***
OX_HG	60.1	37.6	97.6			
OX_LG	28.1	67.0	95.1			

Tesoro Managing Director Zeff Reeves commented:

"These are first class metallurgical results confirming high gravity and cyanide leach recoveries that can be achieved for processing material from Ternera using conventional gravity and CIL processes at coarse grind sizes. These results have enabled the development of a very simple, generic, preliminary processing flowsheet and largely de-risks one of the projects key revenue drivers as it advances toward development."

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TERNERA PHASE 2 METALLURGICAL TESTWORK PROGRAM

A total of 526kg of mineralised rock samples were collected from 53 diamond drill holes from Tenera, representing each of the mineralised and grade zones within the Mineral Resource.

Drillhole and sample locations are presented in Appendices 1 and 2 to this report. For full drillhole details please refer to ASX announcement of 6 December 2021.

In all, twenty-five tests were conducted in the Phase 2 program. This is in addition to the three tests conducted on the Phase 1 program in 2020 (ASX Announcement 9 June 2020).

Testwork Sample Selection

A total of 326 half HQ core samples were delivered to ALS Metallurgy Laboratory, Perth, weighing 526kg. The mineralogical and domain make-up of the samples is shown below:

- Material from the Ternera deposit of tonalite (intrusive igneous rock), identified as EZT-FR or EZ tonalite fresh samples;
- Material from the Ternera deposit which are not tonalite but are fresh, identified as NS-FR or EZ non-sediment fresh samples;
- Material from the Ternera deposit of sediments and are fresh, identified as SED-FR or fresh sedimentary samples; and
- Material from the Ternera deposit of weathered or "oxide" samples, identified as OX samples.

Details of the composite samples are shown below:

COMP_ID	EST Wgt (kg)	Calc Grade	ALS Assay		DESCRIPTION
		Au g/t	Au g/t	As ppm	
NSF_FR_LG	49.00	0.76	1.07	130	<1g/t North South Fault Zone
NSF_FR_MG	49.00	1.70	1.54	15	1-2.5 g/t Au - north South fault zone
NSF_FR_HG	49.00	6.57	3.63	980	>2.5 g/t Au north south fault Zone
EZT_FR_LG	50.75	0.58	0.86	440	<1g/t main tonalite
EZT_FR_MG	50.75	1.76	1.84	605	1-2.5g/t Au main tonalite
EZT_FR_HG	49.00	5.07	2.98	2,985	>2.5g/t Main Tonalite
SED_FR_LG	49.00	0.66	0.41	40	<1 g/t Au sediment hosted
SED_FR_MG	50.75	1.88	0.81	45	1-2.5 g/t Au Sediment hosted
SED_FR_HG	49.22	4.88	4.62	825	>2.5 g/t Sediment hosted
OX_LG	80.61	0.54	0.73	170	<1 g/t Au Oxide zone
OX_HG	99.05	5.13	13.10	1,310	>1 g/t Au Oxide zone
LOM Composite			1.12		

Metallurgical Test Work Programme

Each individual sample was crushed to minus 4mm, homogenised, and split with one split stored for future use and the other half used for its respective composite of 15 to 30kg each. The composites were prepared for head assays analysing for Au, Ag, S and SiO2 along with other analytes such as As.

11 composites were prepared to investigate grind times to reach particle size distributions of 80 percent passing 850, 250, 150 and 75 micron ("P80 = 850, 250, 150 and 75µm).

Following this a bulk portion of 15kg was ground to P80 = 850µm and processed through a laboratory size Knelson gravity separator. The Knelson concentrate was then intensively leached while the Knelson tailings were dried and split into 1kg samples for conventional cyanide leaching. All gravity and leach products were analysed for Au and Ag.

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A 12th composite was also generated, composed of all fresh medium and low-grade composites. This composite was called "LOM composite" and was used as the initial "scout" tests to better determine the leach parameters.

Following initial LOM sample tests, it was decided to test the composite samples at a leach grind size of P80 = 200µm. Following review of the results from this test work, the program was re-run at a lower grind size of P80 = 150µm.

Gravity Recoverable Gold (GRG) Testwork

Large scale gravity separation tests were conducted to eliminate individual 1kg gravity test variations.

Three of the LOM composite sample tests were conducted at a Knelson Concentrator feed grind size of P80 = 850µm, with the remainder conducted at P80 = 200µm.

Gravity Recovered Au Results are shown below,

COMP_ID	-200µ Grind	-150µ Grind
NSF_FR_LG	48.6	48.2
NSF_FR_MG	51.6	52.9
NSF_FR_HG	54.8	57.7
EZT_FR_LG	48.5	48.0
EZT_FR_MG	51.7	52.2
EZT_FR_HG	49.1	49.9
SED_FR_LG	42.3	35.6
SED_FR_MG	49.5	50.0
SED_FR_HG	47.8	48.3
OX_LG	28.1	n/a
OX_HG	60.1	n/a
LOM Composite*	41.7	n/a

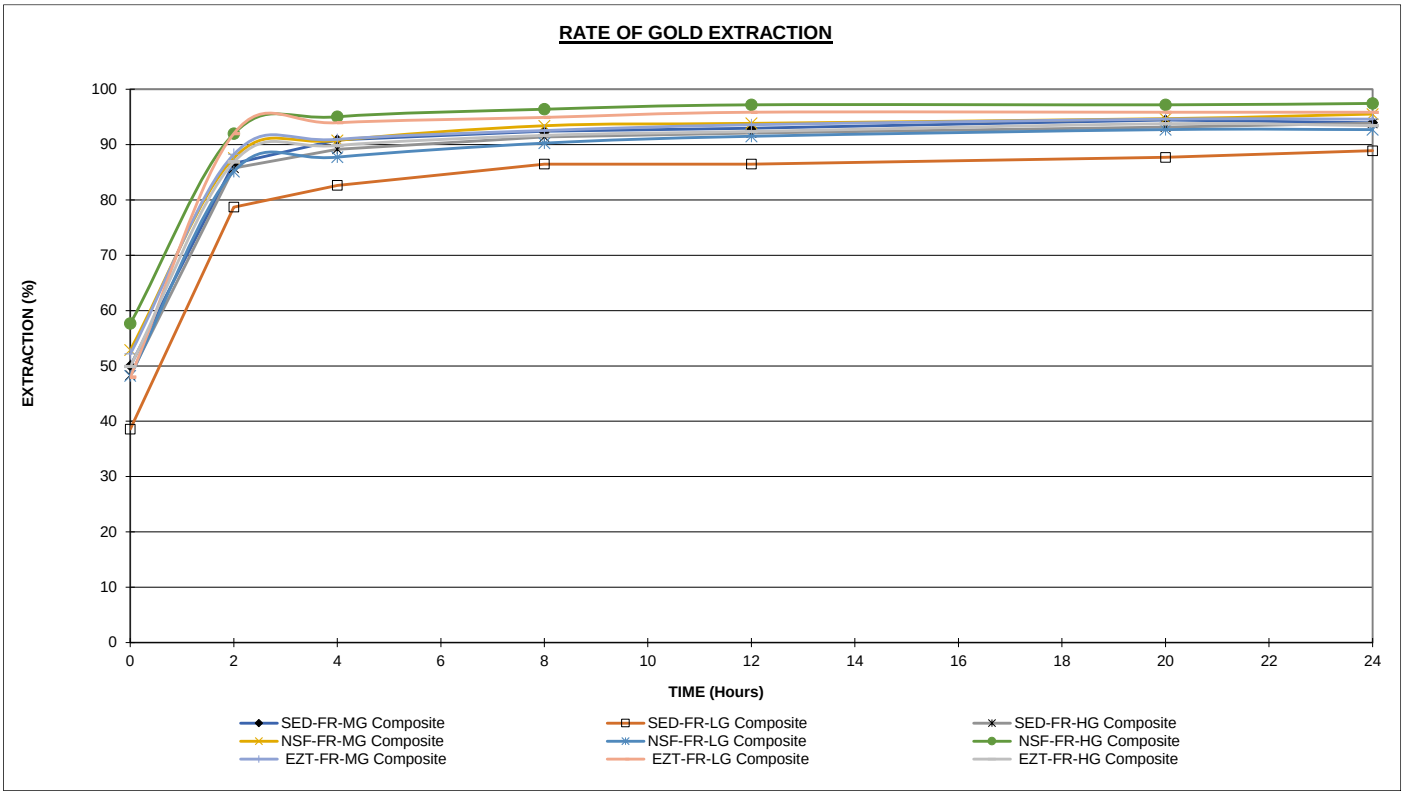
Gravity recovery is relatively consistent at around 49% to 50%, disregarding the three anomalous oxide results. For study purposes the design gravity will be set at 45%.

Leaching Test Work

All leach tests conducted in the Phase 2 programme were undertaken using sea water.

As with the Phase 1 test work, the Phase 2 leach test work demonstrated rapid leach times with the majority of tests achieving total gold extraction in excess of 90% within 8 hours.

The total extraction curves for the P80 = 150µm leach test work are shown below,



Gravity, leach and overall recoveries for each of the Phase 2 test along with respective reagent consumptions are shown below.

COMP_ID	Reagent Consumption				Recoveries					
	P_{80} = 200µm		P_{80} = 150µm		P_{80} = 200µm			P_{80} = 150µm		
	NaCN	Lime	NaCN	Lime	Gravity	Leach	Overall	Gravity	Leach	Overall
	kg/t	kg/t	kg/t	kg/t	%	%	%	%	%	%
NSF_FR_LG	0.47	2.08	0.50	3.12	48.6	42.2	90.8	48.2	44.5	92.7
NSF_FR_MG	0.54	1.78	0.46	3.55	51.6	40.6	92.2	52.9	42.7	95.5
NSF_FR_HG	0.54	2.17	0.47	3.73	54.8	37.0	92.4	57.7	39.8	97.5
EZT_FR_LG	0.54	2.74	0.57	3.67	48.5	47.3	95.8	48.0	47.9	95.9
EZT_FR_MG	0.54	3.18	0.47	4.32	51.8	39.9	91.6	52.1	42.5	94.6
EZT_FR_HG	0.54	1.71	0.48	3.63	49.1	42.3	91.5	49.9	42.5	93.4
SED_FR_LG	0.61	2.80	0.43	4.36	42.3	49.6	92.0	35.9	50.3	88.9
SED_FR_MG	0.57	2.66	0.43	4.49	49.5	42.3	91.8	52.2	42.5	94.6
SED_FR_HG	0.57	2.88	0.41	4.25	47.6	43.0	90.5	48.3	45.5	93.9
AVERAGE	***0.55***	***2.44***	***0.47***	***3.90***	***49.3***	***42.7***	***92.1***	***49.5***	***44.2***	***94.1***
MEDIAN	***0.54***	***2.66***	***0.47***	***3.73***	***49.1***	***42.3***	***91.8***	***49.9***	***42.7***	***94.6***
OX_HG	0.47	3.22			60.1	37.6	97.6			
OX_LG	0.54	2.61			28.1	67.0	95.1			

INTERPRETATION OF RESULTS

The Phase 2 metallurgical results confirm high gravity and cyanide leach gold recoveries from Ternera material using conventional gravity and CIL processes at a coarse grind size. Information was also produced to provide guidance on expected reagent usage to achieve these recoveries at a level appropriate for use in a Scoping Study level of assessment for the project.

These results provide the basis for a very simple, generic, preliminary processing flowsheet for the project as shown below.

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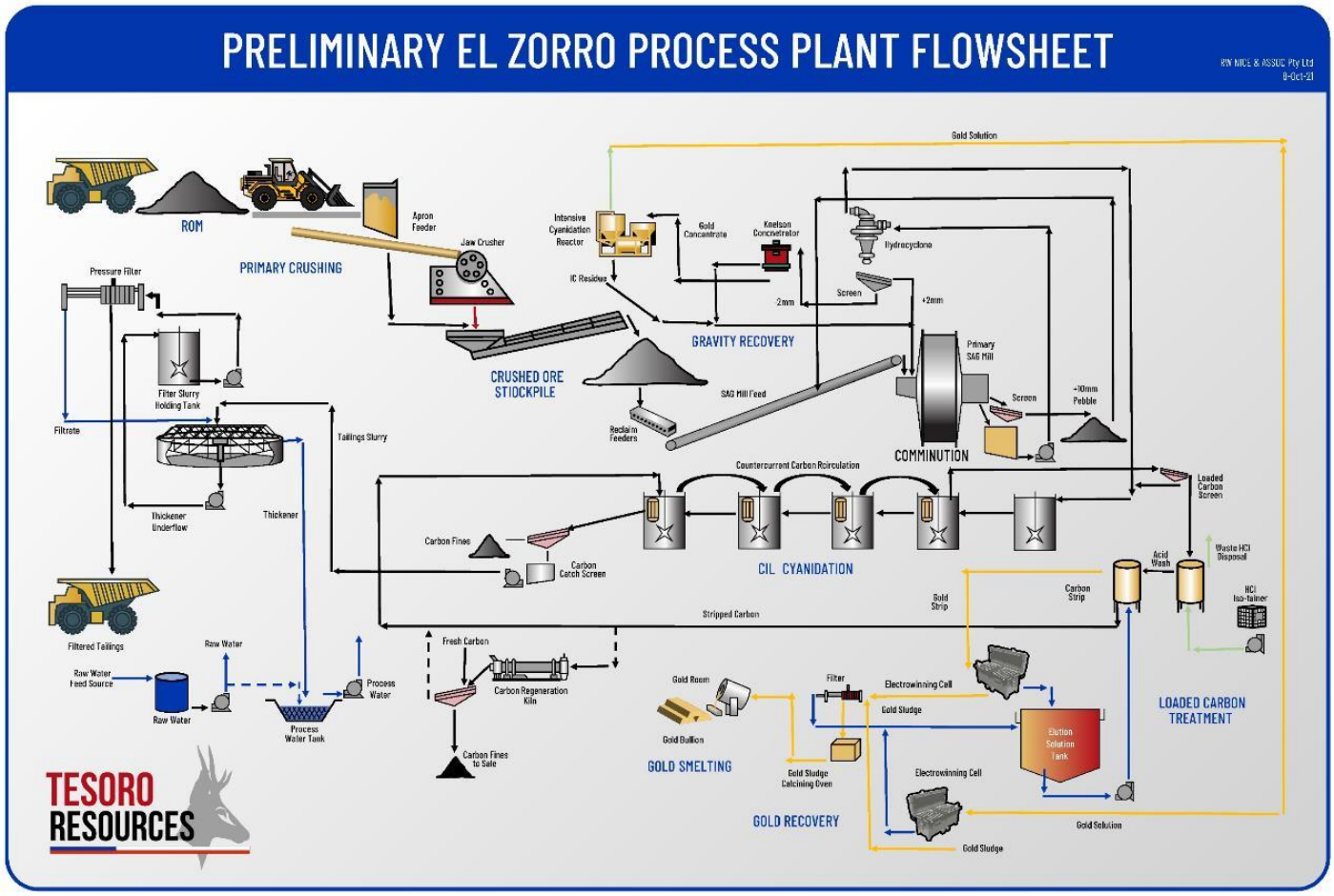

Authorised by the Managing Director of Tesoro Resources Limited.

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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 has rights to acquire up to 80% of the El Zorro Gold Project.



Future Performance

This announcement may contain certain forward-looking statements and opinion. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties, assumptions, contingencies and other important factors, many of which are outside the control of the Company and which are subject to change without notice and could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast. Nothing contained in this announcement nor any information made available to you is, or and shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Tesoro.

Competent Persons Statement

The information in this report 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 a 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 report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Metallurgical Test Work Results is based on information compiled by Mr Linton Putland (B Eng – Mining, MSc – Mineral Economics, MAUSIMM, MAICD). Mr Putland is a member of the Australasian Institute of Mining and Metallurgy and a Director and employee of the Company. Mr Putland has sufficient experience that is relevant to the results 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 Metallurgical Results. Mr Putland consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

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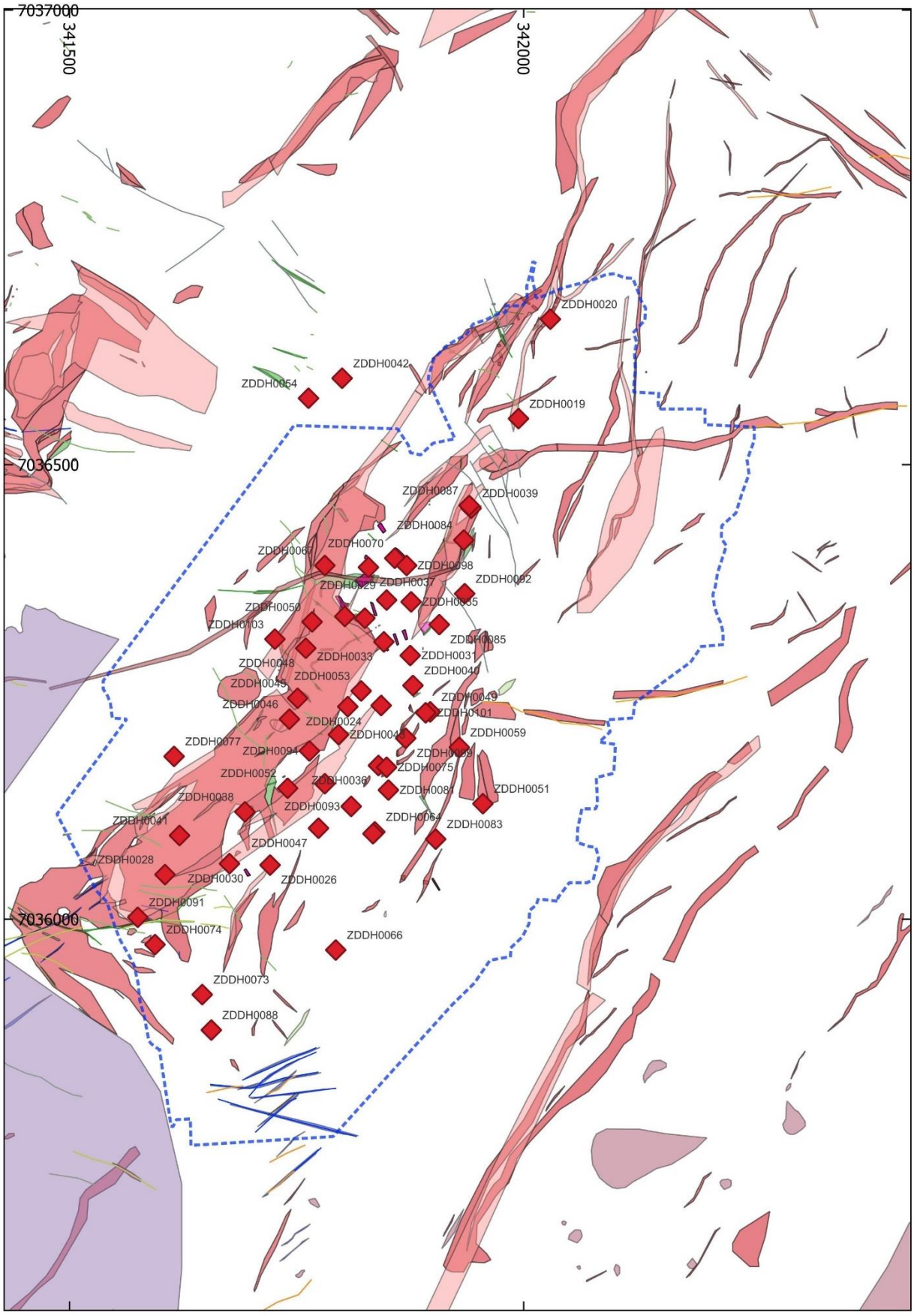
APPENDIX 1 – DRILLHOLE COLLAR LOCATION MAP



Ternera Gold Deposit drillhole collar location map for holes used for metallurgical samples. Collar locations = red diamonds, Maiden Mineral Resource Estimate area in dashed blue line. PSAD56 19S Datum. For full drill hole details refer to ASX Announcement 6 December 2021

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APPENDIX 2 – JORC TABLES

JORC Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	Tesoro has completed 265 diamond drill holes for 85,830m in 2017, 2018, 2020 and 2021 (ZDDH0001 to ZDDH00260). Diamond drill holes were drilled with HQ. Sampling was half core at geologically defined and significant mineralisation boundaries. Tesoro considers the sampling methodologies to be appropriate for this style of mineralisation. Metallurgical sampling methodology is described in the body of this report.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	Tesoro Diamond drill holes were drilled with HQ. Sampling was half core at geological and significant mineralisation boundaries. Tesoro consider this appropriate for the style of mineralisation.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Diamond drilling was used to obtain ½ core samples of various lengths (minimum 0.25m), from which 1kg of material was pulverised passing 200 mesh to produce a 50g charge for fire assay fusion with a gravimetric finish. Multielement assays were completed by 4-acid digest with a 2.5g charge. Tesoro consider these appropriate assay techniques.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Tesoro has completed 265 diamond drill holes for 85,830m . Diamond drill holes were drilled with HQ. Sampling was half core at geological and significant mineralisation boundaries. Standard tube was used.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	Core recovery was estimated using the drillers recorded depth marks against the length of the core recovered. Reviewing the core photos, there are occasional shears/faults where core is broken. There is however no significant core loss.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	A single tube system was employed and in general core recovery good.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	There appears to be no potential sample bias as there was no regular loss of core.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological core logging to a resolution of 25 cm was undertaken with a record kept of, inter alia, colour, lithology, weathering, grain size, mineralisation, alteration, geotechnical characteristics etc. Diamond core is stored at the Company's warehouse. Tesoro consider the data to be of an appropriate level of detail to support a future resource estimation.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	Logging of diamond core was qualitative and diamond core was photographed.
	• *The total length and percentage of the relevant intersections logged.*	All drilled intervals are logged and recorded.
Subsampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	Drill core was cut, and half core was collected for analysis
	• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	Tesoro has not completed any percussion drilling.

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Criteria	JORC Code explanation	Commentary
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Collection of half core ensured the nature, quality and appropriateness of the collected sample. The sample preparation of crushing half core at the lab to mm size prior to splitting off a 50g charge (either by cone/quarter or riffle) for pulverisation provides an appropriate and representative sample for analysis. Details of sample prpartion for metllurgical samples is described in the body of this report.
	• *Quality control procedures adopted for all subsampling stages to maximise representivity of samples.*	Half core was collected for the entirety of the Tesoro drilling, as such there was consistency throughout the drilling. Core was logged by a qualified geoscientist. Each subsample is considered to be representative of the interval.
	• *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.*	Sampling of half core is representative of the in-situ material. There are field duplicate samples collected from the diamond core with irregular results. Field drill core duplicates are irregular by nature and it has been recommended by Tesoro's consultants to use coarse reject material to monitor the sample preparation.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	sample sizes collected were considered appropriate to reasonably represent the material being tested.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Assays reported in this report were undertaken at the accredited laboratory of ALS Metllurgical Laboratory Perth Australia, which is fully certified. Composite core samples of various lengths were assayed (minimum 0.25m) from which 1kg of material was pulverized passing 200 mesh to produce a 50 g charge for fire assay fusion with gravimetric finish. Multielement assays were completed by 4-acid digest with a 2.5 g charge. All techniques are appropriate for the element being determined.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	Standard chemical analyses were used for grade determination. There was no reliance on determination of analysis by geophysical tools.
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	QAQC procedures included the insertion of Certified Reference Materials (CRMs) (5%) and blank material (2%), Check samples (5%) and check assaying 5% Cube Consulting Pty Ltd manage the database for Tesoro. The laboratories used have generally demonstrated analytical accuracy at an acceptable level within 95% confidence limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	A number of independent consulting geoscientists (Cube Consulting, Oliver, and Cooley) external to Tesoro have verified the intersections for holes ZDDH0001 to ZDDH0080. Holes ZDDH0081 onwards have been verified by multiple appropriately qualified Company personnel.
	• *The use of twinned holes.*	no twinned holes have been completed
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	Tesoro drilling is digitally entered and stored following documented core handling protocols. The protocols are considered adequate.
	• *Discuss any adjustment to assay data.*	No adjustments were made to Tesoro Drilling
Location of data points	• *Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Tesoro drill hole collars have been surveyed accurately using differential GPS for holes ZDDH0001 to ZDDH00080. Holes ZDDH0081 onwards have been surveyed using handheld GPS and will be surveyed using differential GPS once the drill program has concluded.
	• *Specification of the grid system used.*	The grid system used PSAD56 19S
	• *Quality and adequacy of topographic control.*	The topography generated from an accurate topographic survey data completed by a registered surveyor and has been used for the current control.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	Drill hole spacing is variable between 25m and 200m.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the*	The spacing of drill holes is variable and satisfactory for reconnaissance level drilling. The metallurgical holes and intervals were selected based upon their gold grades, ore type and location within the Ternera Gold Deposit.

Criteria	JORC Code explanation	Commentary
	Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	
	• *Whether sample compositing has been applied.*	The composite samples described in this report relate to exisiting diamond drill holes drilled at the Ternera Gold Deposit.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Drill holes were drilled across the interpreted strike of the mineralization
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Tesoro diamond drilling at various orientations does not reveal any bias regarding the orientation of the mineralised horizons.
Sample security	• *The measures taken to ensure sample security.*	Chain of Custody of digital data is managed by the Company. Physical material was stored on site and, when necessary, delivered to the assay laboratory. Thereafter laboratory samples were controlled by the nominated laboratory which to date has been Bureau Veritas and ALS Santiago. All sample collection was controlled by digital sample control file(s) and hardcopy ticket books.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits have been undertaken. ALS Metallurgy Perth and the Companies consulting metallurgist have reviewed the data.

(Criteria in this section apply to all succeeding sections)

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Information regarding tenure is included in the company's December 2020 half yearly report released to the ASX on 12 March 2021 Tesoro Resources Ltd, 95% owned Chilean subsidiary, Tesoro Mining Chile SpA, owns 85% of the El Zorro Gold Project Concessions.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Concession is believed to be in good standing with the governing authority and there is no known impediment to operating in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Little historical exploration has been undertaken in either project area. Coeur d'Alene's Chilean exploration division undertook activities on the Ternera prospect, under an option agreement with the previous owners between April 1990 and January 1993.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The mineralisation model is to likely to be intrusive related gold deposit. The key characteristics that are consistent with this style deposit include: • Low sulphide content, (typically <5%); reduced ore mineral assemblage that typically comprises pyrite and lacks primary magnetite or hematite • Mineralisation occurs as sheeted vein deposits or stockwork assemblages and often combine gold with variably elevated Bi, W, As, Mo, Te, and/or Sb but low concentrations of base metals as seen in the initial four holes by Tesoro at El Zorro • Restricted and commonly weak proximal hydrothermal alteration • Intrusions of intermediate to felsic composition.
Drillhole information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:* o *easting and northing of the drillhole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar* o *dip and azimuth of the hole* o *downhole length and interception depth*	Information relating to current drill program presented in this report.

Criteria	JORC Code explanation	Commentary
	○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No cutting of grades has been undertaken at this early stage of exploration drilling. Downhole intercepts are calculated using a length weighted averaging method.
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	All individual results for holes ZDDH00001 to ZDDH00016 are reported in prospectus dated 30th October 2019 lodged by Plukka Ltd. Down hole length weighted average results are calculated using a 0.20g/t Au cut off and a maximum of 5m internal dilution
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No metal equivalents are reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	
	• *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.*	The mineralisation forms sub-vertical sheeted veins and individual veins and may form plunging zones within the mineralised structures. Drilling by Tesoro has been undertaken to test these orientations.
	• *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').*	Exploration results are reported as downhole widths as the true width is not known with any certainty.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	Relevant maps and diagrams are included in the body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All assay results from drilling are reported. Reporting of visible gold occurrences in drill core is by visual inspection only and final gold content is not known until assay results have been received.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All material exploration data is reported in the body of the report.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Further work will be focused on drill testing the Ternera mineralisation and additional prospects as defined in the work program. Core will be used for metallurgical testwork and resource modelling is planned.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Diagrams have been included in the body of this report.