Letter to Shareholders regarding General Meeting

Dear Shareholder

Tesoro Gold Ltd (Tesoro or **the Company**) will hold a general meeting of shareholders at 12:00pm (WST) on Wednesday, 17 August 2022 (**Meeting**) at 31-33 Cliff Street, Fremantle WA 6160.

In accordance with section 110D(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Company will not be sending hard copies of the Notice to shareholders unless a shareholder has previously requested a hard copy of the Notice or made an election for the purposes of section 110E of the Corporations Act to receive documents from the Company in physical form. The Notice can be viewed and downloaded from the Company's website at https://www.tesorogold.com.au/announcement-category/asx-announcements/ or ASX at www2.asx.com.au.

A copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Automic Group Pty Ltd by:

post to: Automic
GPO Box 5193
Sydney NSW 2001
email to: meetings@automicgroup.com.au
fax to: +61 2 8583 3040

Proxy votes may also be lodged online using the following link:

https://investor.automic.com.au/#/loginsah

Your proxy voting instruction must be received by 12:00pm (WST) on 15 August 2022, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Automic Group Pty Ltd on, 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

The Company strongly encourages all shareholders to submit their directed proxy votes in advance of the Meeting. The Company also encourages shareholders to submit question in advance of the Meeting, however, questions may also be raised during the Meeting.

The Company will continue to closely monitor the impact of the COVID-19 virus in Western Australia and follow any guidance from the Federal and State Government. At this stage, the Directors have made the decision that a physical meeting will be held, although this may be subject to change. If any changes are required, the Company will advise Shareholders by way of announcement on ASX and the details will also be made available on our website at https://www.tesorogold.com.au/

Authorised by the Board of Tesoro Gold Ltd.

For more information, please contact:

Zeff Reeves
Managing Director

zeff.reeves@tesorogold.com.au

About Tesoro

Tesoro Gold 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.



+61 8 9322 1587 | info@tesorogolds.com.au | Suite 5, 62 Ord Street, West Perth WA 6005 | www.tesorogold.com.au

TESORO GOLD LTD
ACN 106 854 175

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 12:00pm (WST)

DATE: 17 August 2022

PLACE: 31-33 Cliff Street
FREMANTLE WA 6160

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00 PM (WST) on 15 August 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF PLACEMENT SHARES (ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1A)

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

> *"That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify the issue of 66,843,578 Shares at an issue price of $0.06 per Share issued in accordance with ASX Listing Rule 7.1A on 20 June 2022 to the Placement Participants and on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of the Placement Participants or any associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides: or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

  (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – RATIFICATION OF ISSUE OF PLACEMENT SHARES (ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify the issue of 23,141,425 Shares at an issue price of $0.06 per Share issued in accordance with ASX Listing Rule 7.1 on 20 June 2022 and 27 June 2022 to the Placement Participants and on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of the Placement Participants or any associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides: or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF PLACEMENT OPTIONS (ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify the issue of 44,992,493 Options in accordance with ASX Listing Rule 7.1 on 7 July 2022 to the Placement Participants and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of the Placement Participants or any associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides: or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF LEAD MANAGER OPTIONS (ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify the issue of 17,997,001 Options in accordance with ASX Listing Rule 7.1 on 7 July 2022 to the Placement Lead Manager (and its nominees) who participated in the Placement and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of the Placement Lead Manager or any associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides: or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF EMPLOYEE SHARES (ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purpose of Listing Rule 7.4 and all other purposes, Shareholders ratify the issue of 3,000,000 Shares at a deemed issue price of $0.06 per Share issued in accordance with ASX Listing Rule 7.1 on 7 July 2022 on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person who participated in the issue of Shares the subject of Resolution 5 or any associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

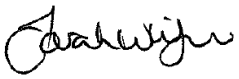
(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides: or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 18 July 2022
By order of the Board



Sarah Wilson
Joint Company Secretary

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 31-33 Cliff Street, Fremantle WA 6160 on Wednesday, 17 August 2022 at 12:00pm (WST).

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy vote if appointment specifies way to vote: Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances: Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 1587.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 AND RESOLUTION 2 – RATIFICATION OF ISSUE OF PLACEMENT SHARES (ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1 AND 7.1A)

1.1 General

As announced on 14 June 2022, the Company received firm commitments from investors for a share placement totalling $5.4 million (before costs), through the issue of up to 89,985,003 Shares at an issue price of $0.06 per Share (**Placement Shares**) to existing shareholders and new institutional, professional and/or sophisticated investors who are clients of Shaw and Partners Limited, or contacts from the Directors' networks (**Placement Participants**).

Pursuant to the placement, the Company has issued:

1.1.1 66,843,578 Placement Shares pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 25 October 2021 (being, the subject of Resolution 1); and

1.1.2 23,141,425 Placement Shares pursuant to the Company's capacity under ASX Listing Rule 7.1 (being, the subject of Resolution 2).

1.2 Listing Rules 7.1 and 7.1A

Resolution 1 and Resolution 2 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Shares.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 25 October 2021.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively used up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Shares.

1.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolution 1 and Resolution 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

1.4 Technical information required by ASX Listing Rule 14.1A

If Resolution 1 and Resolution 2 are passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 1 and Resolution 2 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

1.5 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1 and Resolution 2:

1.5.1 the Placement Shares were issued to existing shareholders and new institutional, professional and/or sophisticated investors who are clients of Shaw and Partners Limited, or contacts from the Directors' networks, none of whom are related parties of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person. The recipients of the Placement Shares were identified through a bookbuild process, which involved Shaw and Partners Limited seeking expressions of interest to participate in the placement from non-related parties of the Company;

1.5.2 in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:

(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

(ii) issued more than 1% of the issued capital of the Company;

1.5.3 89,985,003 Placement Shares were issued on the following basis:

(i) 66,843,578 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 1); and

(ii) 23,141,425 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 2);

1.5.4 the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

1.5.5 the Placement Shares were issued on 20 June 2022 and 27 June 2022;

1.5.6 the issue price was $0.06 per Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Placement Shares;

1.5.7 the funds raised from the issue of the Placement Shares have and will be used to fund the continued exploration and expansion of gold resources and development of the El Zorro Gold Project in Chile, general working capital, repayment of an unsecured director's loan (A$200,000 plus 8% lenders fee), including the costs of the capital raising; and

1.5.8 the Placement Shares were issued under firm commitment letters entered into by the Company with each recipient of Placement Shares. The material terms of these agreements (being the terms of the Placement) are summarised in 1.1 above; and

1.5.9 a voting exclusion statement has been included for the purpose of Resolution 1 and Resolution 2.

1.6 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 1 and Resolution 2.

2. RESOLUTIONS 3 AND 4 – RATIFICATION OF ISSUE OF PLACEMENT OPTIONS AND LEAD MANAGER OPTIONS (ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1)

2.1 General

In conjunction with the Placement noted in section 1.1 above, and as announced on 14 June 2022, the Company agreed to issue subscribers of the Placement one (1) attaching option exercisable at $0.11 each and expiring three (3) years from the date of issue, for every two (2) Placement Shares issued (**Placement Options**).

Further, in part consideration for their role in the Placement, the Company agreed to issue one (1) attaching option on the same terms as the Placement Options, for every five (5) Placement Shares issued to Shaw and Partners Limited (**Placement Lead Manager**), or their nominee(s) (**Lead Manager Options**). The Placement Options and Lead Manager Options may be collectively referred to as Options.

The Placement Options and Lead Manager Options were quoted on ASX on 13 July 2022 under code TSOO. The Placement Options and Lead Manager Options were issued pursuant to the Company's 15% annual placement capacity under ASX Listing Rule 7.1 on 7 July 2022.

Listing Rule 7.1 is summarised in Section 1.2 above.

The issue of the Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Options.

A summary of ASX Listing Rule 7.4 noted in section 1.3.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Options.

Resolution 3 and Resolution 4 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Options and Lead Manager Options.

2.2 Technical information required by ASX Listing Rule 14.1A

If Resolution 3 and Resolution 4 are passed, the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Options and Lead Manager Options.

If Resolution 3 and Resolution 4 are not passed, the Placement Options and Lead Manager Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Options and Lead Manager Options.

2.3 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3 and Resolution 4:

2.3.1 the Placement Options were issued to subscribers in the Placement as set out in section 1.5.1 above, none of whom are related parties of the Company;

2.3.2 the Lead Manager Options were to nominees of Shaw and Partners Limited, none of whom are related parties of the Company;

2.3.3 in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients of the Options were:

(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

(ii) issued more than 1% of the issued capital of the Company;

2.3.4 62,989,494 Options were issued and the Options were issued on the terms and conditions set out in Schedule 1;

2.3.5 the Options were issued on 7 July 2022;

2.3.6 the issue price of the Options was nil as they were issued free attaching with the Placement Shares on a 1 for 2 basis. The Company has not and

will not receive any other consideration for the issue of the Options (other than in respect of funds received on exercise of the Options);

2.3.7 the purpose of the issue of the Placement Options was to attract potential investors to subscribe for Placement Shares;

2.3.8 the purpose of the issue of the Lead Manager Options was to satisfy the Company's obligations under the lead manager services agreement with Shaw and Partners;

2.3.9 the Placement Options were issued to subscribers in the Placement. The Lead Manager Options were issued to nominees of Shaw and Partners Limited as part consideration for lead manager services to the Placement. The material terms of the agreement with Shaw and Partners Limited are summarised in section 2.1 above; and

2.3.10 a voting exclusion statement has been included for the purpose of Resolution 3 and Resolution 4.

2.4 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 3 and Resolution 4.

3. RESOLUTION 5 – RATIFICATION OF ISSUE OF EMPLOYEE SHARES (ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1)

3.1 General

On 7 July 2022, the Company issued a total of 3,000,000 Shares at a deemed issue price of $0.06 per Share to in-country employees of the Company located in Chile, as a once-off bonus in recognition of recent efforts and in lieu of payment of a cash bonus (**Employee Shares**). The Employee Shares were issued pursuant to the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Employee Shares. A summary of ASX Listing Rule 7.4 noted in section 1.2.

Listing Rule 7.1 is summarised in Section 1.2 above.

The issue of the Employee Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Employee Shares.

Listing Rule 7.4 is summarised in Section 1.3 above.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Employee Shares.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Employee Shares.

3.2 Technical information required by ASX Listing Rule 14.1A

If Resolution 5 is passed, the Employee Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of Employee Shares.

If Resolution 5 is not passed, the Employee Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Employee Shares.

3.3 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

3.3.1 the Employee Shares were issued to the Company's key in-country Chilean employees, none of whom are related parties of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person;

3.3.2 in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:

(i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

(ii) issued more than 1% of the issued capital of the Company;

3.3.3 3,000,000 Employee Shares were issued pursuant to Listing Rule 7.1;

3.3.4 the Employee Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

3.3.5 the Employee Shares were issued on 7 July 2022;

3.3.6 the Employee Shares were issued at a deemed issue price of $0.06 per Share. The Employee Shares were issued as a once-off bonus and therefore the Company will not receive any consideration for the issue of the Employee Shares; and

3.3.7 the purpose of the issue of the Employee Shares was to motivate and reward the performance of the recipients as employees of the Company via a cost-effective means. The non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if a cash bonus was given to the recipients;

3.3.8 the Employee Shares are not being issued under an agreement (as they were issued as a once-off bonus to employees in lieu of payment of a cash bonus); and

3.3.9 a voting exclusion statement has been included for the purpose of Resolution 5.

3.4 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 5.

GLOSSARY

$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Tesoro Gold Ltd (ACN 106 854 175).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Shareholders means Shareholders:

(a) who were registered holders of Shares on the Record Date; and

(b) whose registered address was in Australia or New Zealand.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Lead Manager Options has the meaning given in Section 2.1.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Placement Options has the meaning given in Section 2.1.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in this Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Australian Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 - TERMS AND CONDITIONS OF PLACEMENT AND LEAD MANAGER OPTIONS

The following terms and conditions apply to the Options:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be $0.11 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is three (3) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under Section 4.1(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Tesoro Gold Limited I ACN 106 854 175

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **12.00pm (WST) on Monday, 15 August 2022** be in g **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at https://investor.automic.com.au/#/loginsah

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.

SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: **https://investor.automic.com.au/#/home** Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise, if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all Shareholders should sign.
Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications dispatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Contact

Return your completed form

BY MAIL
Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL
meetings@automicgroup.com.au

BY FACSIMILE
+61 2 8583 3040

All enquiries to Automic

WEBCHAT
https://automic.com.au/

PHONE
1300 288 664 (With in Australia)
+61 2 9698 5414 (Overseas)

AUTOMIC

STEP 1: Appoint Your Proxy

Complete and return this form as in structed only if you do not vote online

I/We be in g a Shareholder entitled to attend and vote at the General Meet in g of Tesoro Gold Limited, to be held at **12.00pm (WST) on Wednesday, 17 August 2022 at 31-33 Cliff Street, Fremantle 6160, WA** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or fail in g the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the follow in g directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
Unless indicated otherwise by tick in g the "for"," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

STEP 2: Your Voting Direction

Resolutions		For	Against	Abstain
1.	Ratification of Issue of Placement Shares (Issued in Accordance with ASX Listing Rule 7.1A)	☐	☐	☐
2.	Ratification of Issue of Placement Shares (Issued in Accordance with ASX Listing Rule 7.1)	☐	☐	☐
3.	Ratification of Issue of Placement Options (Issued in Accordance with ASX Listing Rule 7.1)	☐	☐	☐
4.	Ratification of Issue of Lead Manager Options (Issued in Accordance with ASX Listing Rule 7.1)	☐	☐	☐
5.	Ratification of Issue of Employee Shares (Issued in Accordance with ASX Listing Rule 7.1)	☐	☐	☐

Please note: *If you mark the abstain box for a particular Resolution, you are direct in g your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

TSO

STEP 3: Sign Here + Contact Details

SIGNATURE of SECURITYHOLDERS – THIS MUST BE COMPLETED

in dividual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) ☐☐ / ☐☐ / ☐☐

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).