Letter to Shareholders regarding Annual General Meeting

Dear Shareholder

Tesoro Gold Ltd ("Tesoro" or "the Company") will hold its annual general meeting of shareholders at 3:00pm (WST) on Friday, 25 November 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 3:00pm (WST) on 25 November 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:

Company:

Zeff Reeves Managing Director
Tesoro Gold Limited
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Investor Relations:

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Advisir
Evan.smith@advisir.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.



TESORO GOLD LIMITED
ACN 106 854 175
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3:00pm (WST)

DATE: 25 November 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 4:00pm (WST) on 23 November 2022.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial period ended 30 June 2022 including the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

> *"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy:

  (i) does not specify the way the proxy is to vote on this Resolution; and

  (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS KRISTIE YOUNG

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

> *"That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Kristie Young, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GEOFFREY MCNAMARA

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

> *"That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Geoffrey McNamara, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

To consider and if thought fit, to pass the following resolution as a **special resolution**:

> *"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

6. RESOLUTION 5 – APPROVAL OF SALARY SACRIFICE SHARE RIGHTS PLAN

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

> *That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 7.2 exception 13 and for all other purposes, Shareholders approve the Salary Sacrifice Share Rights Plan (**SSRP**) and the issue of Share Rights to participants under the SSRP, up to a maximum of 17,439,615 Share Rights, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person who person who is eligible to participate in the SSRP and any of their associates.

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 the directors given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

  (i) a member of the Key Management Personnel; or

  (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6 – APPROVAL TO PERMIT PARTICIPATION OF DIRECTOR LINTON PUTLAND IN SALARY SACRIFICE PLAN

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

> *"That, subject to Resolution 5 being passed, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to enable all or part of the annual fee payable to Linton Putland (or his nominee) for the period from the date of the Meeting until the date that is three years after the date of the Meeting to be satisfied by the grant of Share Rights, and the issue of Shares (or the transfer of Shares purchased on-market) under the SSRP and otherwise on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the SSRP, including Linton Putland, and any of their associates.

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 the directors given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

  (i) a member of the Key Management Personnel; or

  (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 – APPROVAL TO PERMIT PARTICIPATION OF DIRECTOR GEOFF MCNAMARA IN SALARY SACRIFICE PLAN

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

> *"That, subject to Resolution 5 being passed, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to*

enable all or part of the annual fee payable to Geoff McNamara (or his nominee) for the period from the date of the Meeting until the date that is three years after the date of the Meeting to be satisfied by the grant of Share Rights, and the issue of Shares (or the transfer of Shares purchased on-market) under the SSRP and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the SSRP, including Geoff McNamara, and any of their associates.

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 the directors given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – ADOPTION OF EMPLOYEE INCENTIVE SECURITIES PLAN

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

*"That for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Incentive Securities Plan (**EIP**) and for the issue of up to a maximum of 26,159,423 securities under that Plan, on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of any person who person who is eligible to participate in the EIP and any of their associates.

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 the directors given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 9 – RATIFICATION OF ISSUE OF ACUITY COLLATERAL 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 42,000,000 Acuity Collateral Shares, issued in accordance with ASX Listing Rule 7.1 on 23 August 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 8 by or on behalf of Acuity Capital or any associate of Acuity Capital.

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.

11. RESOLUTION 10 – RATIFICATION OF ISSUE OF ACUITY SUBSCRIPTION SHARES

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

> *"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 18,500,000 Acuity Subscription Shares on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution. Please see below.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of Acuity Capital or any associate of Acuity Capital.

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

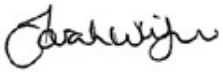
  (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

12. RESOLUTION 11 – APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

> *"That, for the purposes of clause 36 of the Constitution, section 136(2) of the Corporations Act and for all other purposes, approval is given for the proportional takeover provisions in clause 36 of the Constitution (set out in Schedule 4 to this Notice of Meeting) to be renewed for a period of three years on the terms and conditions set out in the Explanatory Statement."*

Dated: 26 October 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 25 November 2022 at 3:00pm (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, Shareholders are able to attend the Meeting at the time, date and place set out above.

The Directors have made a decision that Shareholders will be able to physically attend the Meeting in person and accordingly, have arranged an appropriate meeting venue. If the decision of the Directors changes prior to the Meeting, the Directors will update Shareholders via e-mail.

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.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

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. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at **www.tesorogold.com.au**.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company. The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year. The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the renumeration report considered at the annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS – MS KRISTIE YOUNG AND MR GEOFFREY MCNAMARA

3.1 General

Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Clause 14.2 of the Constitution and Listing Rule 14.4 also set out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Ms Kristie Young and Mr Geoffrey McNamara, who have served as a Director since 14 September 2021 and 29 January 2020 respectively, retire by rotation and each seeks re-election.

3.2 Qualifications and other material directorships

Kristie Young (Non-executive Director)

Ms Young has over 25 years' experience in industry with a focus on the resources sector. Technical mining engineer with strong experience across business development (BD) & growth including BD Director roles with EY & PwC. Over 16 years' experience on boards and committees (ASX & NFP). Ms Young is currently Non-Executive Chair ChemX Materials Ltd, Non-Executive Director Lithium Australia Ltd, Non-Executive Director MinEx CRC and sits on the board of Wesley College WA. She was previously Non-Executive Director with Primero Group, which was acquired by NRW Holdings in Feb 2021. Ms Young holds a Bachelor of Engineering (Mining) Hons UQ 1995, Post Graduate Diploma of Education (Maths, IT) UWA 2001, Cert IV Human Resources 2014 and is a Graduate of the AICD 2015.

Geoffrey McNamara (Non-Executive Director)

Mr McNamara is a geologist with over 30 years of international resource sector experience as a geologist, project manager and fund manager. Previously he worked in Private Equity (AUM USD800 million) and as a Director of Societe General's Mining Finance Team in New York. Operational roles include Project Manager, Senior Mine Geologist and Mine Geologist for Ivanhoe Mines, Lion Ore International and Western Mining Corporation. Mr McNamara holds a Bachelors degree in Geology, a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia (FINSIA). He is a fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a member of the Australian Institute of Company Directors (AICD).

Mr McNamara is Non-Executive Chairman of Culpeo Minerals Limited (ASX:CPO) and Descycle**.** Mr McNamara acknowledges that he will have sufficient time to fulfil his responsibilities as a Director of the Company.

3.3 Independence

Ms Young has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If re-elected the Board does not consider Mr McNamara to be an independent Director due to his substantial shareholding in the Company.

3.4 Board Recommendations

The Board considers that Ms Young's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Ms Young) supports the election of Ms Young and recommends Shareholders vote in favour of Resolution 2.

The Board considers that Mr McNamara's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Mr McNamara) supports the election of Mr McNamara and recommends Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

4.1 General

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, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' is one that, as at the date of the relevant annual general meeting:

(a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation of $300,000,000.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of $36,623,193 (based on the number of Shares on issue and the closing price of Shares on the ASX on 10 October 2022.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing

Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

4.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

(i) the date that is 12 months after the date of this Meeting;

(ii) the time and date of the Company's next annual general meeting; and

(iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or

(ii) if the Equity Securities are not issued within 10 trading days of the date in Section 4.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for advancing the Company's existing operations including the acquisition of new opportunities and/or investments (including expenses associated with such an acquisition and/or investment), market analysis and investigation of investment opportunities, continued software and technology expenditure on the Company's current assets, the meeting of objectives under the Company's investment mandate and/or general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate,

the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 15 September 2022.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in ASX Listing Rule 7.1A.2)		**Shares issued – 10% voting dilution**	**Issue Price**		
			$0.021	**$0.042**	**$0.063**
			50% decrease	**Issue Price**	**50% increase**
			Funds Raised		
Current	871,980,779	87,198,077	$1,831,159	$3,662,319	$5,493,478
50% increase	1,307,971,169	130,797,116	$2,746,739	$5,493,478	$8,240,218
100% increase	1,743,961,558	174,396,155	$3,662,319	$7,324,638	$10,986,957

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 871,980,779 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 10 October 2022.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Performance Rights are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

(i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

(ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

(i) the purpose of the issue;

(ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;

(iii) the effect of the issue of the Equity Securities on the control of the Company;

(iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

(v) prevailing market conditions; and

(vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 25 October 2021 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 25 October 2021, the Company issued 66,843,578 Shares (**Previous Issue**) under its Previous Approval, which represents approximately 10% of the total number of equity securities on issue on 25 October 2021, which was 501,006,869.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

Date of Issue and Appendix 2A	**Date of Issue**: 20 June 2022 **Date of Appendix 2A**: 17 June 2022
Recipients	Professional and sophisticated investors as part of a placement announced on 14 June 2022. The placement participants were identified through a bookbuild process, which involved Shaw and Partners Ltd (**Shaw and Partners**) seeking expressions of interest to participate in the placement from non-related parties of the Company.
Number and Class of Equity Securities Issued	66,843,578 Shares[2]
Issue Price and discount to Market Price[1] (if any)	$0.06 per Share (at a discount 7.7% to Market Price).
Total Cash Consideration and Use of Funds	**Amount raised**: $4,010,614.68 **Amount spent**: $3,906,017[4] **Use of funds**: continued exploration and expansion of gold resources and development of the El Zorro Gold Project (El Zorro) in Chile, general working capital and repayment of an unsecured director's loan (A$200,000 plus 8% lenders fee). **Amount remaining**: $104,597 **Proposed use of remaining funds**[3]: Ongoing drilling of the El Zorro Project for resource expansion, continued Scoping Study and permitting activities and ongoing working capital.

Notes:

1. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: TSO (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. As at 11 October 2022.

(g) **Voting Exclusion**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under ASX Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

4.3 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – APPROVAL OF SALARY SACRIFICE SHARE RIGHTS PLAN

5.1 Background

The Board has recently prepared a Salary Sacrifice Share Rights Plan (**SSRP**) under which the Eligible Participants may elect to sacrifice part of their Fees to acquire Shares in the Company through the grant of Share Rights. Under the SSRP, the relevant Eligible Participant will receive the remainder of their Fees in cash.

As approval of Shareholders is being sought for the Company to adopt the SSRP, and issue Equity Instruments pursuant to the SSRP, Shareholder approval under Listing Rule 7.1 is not required, in accordance with Listing Rule 7.2, exception 13. This Resolution seeks Shareholder approval of the SSRP.

The Board considers that the issue of Share Rights to acquire Shares to Directors in lieu of cash payments for Fees is reasonable, and seeks to give Directors a tax-effective opportunity to share in the success of the Company, and aims to align the financial interests of the Eligible Participants with those of the Company's Shareholders.

5.2 ASX Listing Rules 7.1 and 7.2

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 approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of the period.

Listing Rule 7.2, exception 13(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which shareholders approve the issue of Equity Securities under the employee incentive scheme as an exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 Exception 13(b). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

Resolution 5 seeks shareholder approval to issue Share Rights under the SSRP under and for the purposes of Listing Rule 7.2, exception 13. If Resolution 5 is passed, the Company will be able to issue Share Rights under the SSRP to Eligible Participants over a period of three years up to a nominated maximum amount without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the SSRP and issue Share Rights in lieu of the annual remuneration under the proposed SSRP, and will likely continue to remunerate Eligible Participants in cash.

5.3 Specific information required pursuant to ASX Listing Rule 7.1, exception 13

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the SSRP:

(a) the material terms of the SSRP are summarised below in Schedule 1;

(b) as at the date of the Meeting no Share Rights (and therefore no Shares upon their exercise) will have been issued to any Eligible Participants under the SSRP; and

(c) the maximum number of Share Rights proposed to be issued under the SSRP pursuant to Listing Rule 7.2 (Exception 13(b) following approval of Resolution 5 shall not exceed 17,439,615 (which includes the Share Rights proposed to be issued to Mr Linton Putland under Resolution 6 and to Mr McNamara under Resolution 7). It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately; and

(d) a voting exclusion statement is included in the Notice.

5.4 Board Recommendation

Due to the Directors' interest in this Resolution, the Directors make no recommendation to Shareholders on Resolution 5. The Chair intends to direct all undirected proxies in favour of Resolution 5.

6. RESOLUTIONS 6 AND 7 – APPROVAL TO PERMIT PARTICIPATION OF DIRECTORS IN SALARY SACRIFICE PLAN

6.1 Background

The Company is proposing, subject to obtaining Shareholder approval of the SSRP pursuant to Resolution 5, to grant Share Rights convertible into Shares to Mr Linton Putland (the subject of Resolution 6) and Mr Geoff McNamara (the subject of Resolution 7), or their respective nominees (together, the **Related Parties**), under the SSRP in accordance with the below formula (the **Formula**).

$$\text{Amount of Share Rights} = \frac{\text{salary sacrifice contributions for the relevant quarter}}{\text{volume weighted average price of Shares over the last 10 trading days prior to the end of the relevant quarter}}$$

The Board considers that the issue of Share Rights in lieu of cash payments for Fees is reasonable, and seeks to give Eligible Participants, including Directors a tax-effective opportunity to share in the success of the Company, and aims to align the financial interests of the Directors with those of the Company's Shareholders.

Resolutions 6 and 7 seek Shareholder approval for the grant of Share Rights to the Related Parties under the SSRP for the purposes of Listing Rules and sections 195(4) and 208 of the Corporations Act.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Share Rights to the Related Parties (or their nominees) constitutes giving a financial benefit and the Related Parties are each a related party of the Company by virtue of being Directors.

The Directors (other than Mr Putland and Mr McNamara) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Equity Instruments, because the issue of Share Rights constitutes reasonable remuneration payable to the Related Parties as they are sacrificing some or all of their annual salary and/or directors' fees.

6.3 ASX Listing Rule 10.14

The Company is proposing to issue Share Rights to acquire Shares under the SSRP to the Related Parties in accordance with the Formula (**Issue**).

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

(a) a director of the company (Listing Rule 10.14.1);

(b) an associate of a director of the company (Listing Rule 10.14.2); or

(c) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

The Issue falls within Listing Rules 10.14.1 and 10.14.2 above and therefore requires the approval of the Company's Shareholders under Listing Rule 10.14.

Resolutions 6 and 7 seek the required Shareholder approval to the Issue under and for the purposes of Listing Rule 10.14. If Resolution 5 is passed, but Resolution 6 and/or 7 are not passed with respect to a Related Party's participation, then the applicable Related Party will be excluded from participating in the SSRP.

In the event Shareholder approval is not obtained for Resolutions 6 and 7, the annual salary and/or fees that accrue to the Related Parties will continue to be paid in cash.

6.4 Technical information required by ASX Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to Resolutions 6 and 7:

(a) Resolutions 6 and 7 seek Shareholder approval for the issue of Share Rights pursuant to the SSRP to the Related Parties (and/or their nominees) each of whom fall within the category set out in Listing Rule 10.14.1, by virtue of being Directors;

(b) The maximum number of Share Rights proposed to be issued to the Related Parties will be relative to the amount of their respective contribution and will be determined in accordance with the Formula;

(c) the Related Parties' current total remuneration package is as follows:

	Current Remuneration Package			
Director	**Annual Base Salary & Fees**	**Superannuation (if applicable)**	**Share Based Payments**	**Total Salary and Fees**
Mr Linton Putland	$300,000	$30,000	-	$330,000
Mr Geoff McNamara	$50,000	-	-	$50,000

(d) as this is the first time that the Shareholder approval is being sought for the adoption of the SSRP (refer to Resolution 5), no Share Rights have been previously issued under the SSRP;

(e) the Company has determined that Share Rights are an appropriate type of security to issue under the SSRP as Share Rights:

(i) support the participating Directors in developing a meaningful shareholding in the Company;

(ii) align the interests of participating Directors and Shareholders by providing an opportunity to participating Directors to receive an equity interest in the Company in the form of Share Rights; and

(iii) assist with the remuneration planning for the participating Directors.

(f) a summary of the material terms and conditions of the SSRP is set out in Schedule 2;

(g) for illustrative purposes only, the table below reflects the maximum number of Share Rights that could be granted annually under the SSRP to the Related Parties assuming the Related Parties' remuneration package remains the same as that set out in paragraph 6.4(c) above. Three indicative values per Share Right have been used to calculate the estimated maximum number of Share Rights (based on various share prices for the Company);

Illustrative 10 day volume weighted average price of Shares ($)	**Estimated maximum number of Share Rights granted up to 30 June 2023[1]**	**Estimated maximum number of Share Rights granted between 1 July 2023 and 30 June 2024[1]**	**Estimated maximum number of Share Rights granted between 1 July 2024 and 30 June 2025[1]**
0.05	2,200,000	2,200,000	2,200,000
0.10	1,100,000	1,100,000	1,100,000
0.15	733,334	733,334	733,334

Notes:

1. The Related Parties have indicated that they intend to sacrifice the following amounts each financial year:
   a. Mr Putland - $30,000; and
   b. Mr McNamara - $50,000.

(h) the Equity Instruments will be issued to the Related Parties (or their nominees) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Share Rights will be issued on an quarterly basis;

(i) the Related Parties have indicated that they intend to sacrifice the following amounts each financial year:

(i) Mr Putland - $30,000; and

(ii) Mr McNamara - $50,000,

with the number of Share Rights to be determined in accordance with the Formula, with the issue price for the Share Rights to be the volume weighted average price of Shares over the last 10 trading days prior to the end of the relevant quarter;

(j) no loan will be made to the Related Parties (and/or their nominees) in respect of the Share Rights;

(k) details of any securities issued under the SSRP will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;

(l) any additional persons covered by Listing Rule 10.14 who become entitled to participate in any issue of securities under the SSRP after this Resolution is passed and who was not named in this Notice will not participate in the SSRP until approval is obtained under that rule;

(m) a voting exclusion statement for each Resolution is included in the Notice of Meeting; and

6.5 Board Recommendation

The Board (other than Mr Putland and McNamara given their respective interests in the outcome of Resolutions 6 and 7) has considered the corporate governance issues relevant to executive compensation arrangements, including the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" and has formed the view that the issue of the Share Rights to the Related Parties (and/or their nominees) on the terms and conditions set out in this Explanatory Statement are reasonable, that the value and quantum of the Share Rights are not excessive nor unusual for a company of the Company's size in light of recent market practice of compensation for officers in similar positions and the Related Parties' importance to the ongoing business operations of the Company.

7. RESOLUTION 8 – ADOPTION OF EMPLOYEE INCENTIVE SECURITIES PLAN

7.1 General

Resolution 8 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Employee Incentive Securities Plan" (**EIP**) and for the issue of up to a maximum of 21,337,019 Performance Rights and Options under the EIP in accordance with Listing Rule 7.2 (Exception 13(b)).

The EIP is designed to provide incentives to the employees of the Company and to recognise their contribution to the Company's success. In the Company's current circumstances, the Directors consider that the incentives to employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to attract employees of experience and ability who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by providing an incentive to the employees to achieve the long term objectives of the Company and fostering and promoting loyalty between the Company and its employees by encouraging personnel to acquire and retain significant shareholdings in the Company.

7.2 ASX Listing Rules 7.1 and 7.2

A summary of ASX Listing Rules 7.1 and 7.2 is set out in section 5.2 above.

Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 exception 13(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

The Company will be able to issue Performance Rights and Options under the EIP to eligible participants over a period of 3 years. The issue of any Performance Rights or Options to eligible participants under the EIP (up to the maximum number of Securities stated in Section 7.3(b) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1. For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights or Options under the EIP to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 8 is not passed, the Company will be able to proceed to issue Performance Rights and Options under the EIP to eligible participants, however the issue of those Performance Rights and Options will not fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 and therefore effectively decreasing the number of equity securities which may be issued without Shareholder approval.

7.3 Technical information required by Listing Rule 7.2 (Exception 13)

In accordance with the requirements of Listing Rule 7.2 (exception 13), the following information is provided in relation to Resolution 8:

(a) A summary of the EIP is provided at Schedule 3 to this Notice and Explanatory Memorandum and a full copy of the EIP is available on the Company's website.

(b) The Company has not issued any Performance Rights or Options under the EIP as this is the first time that Shareholder approval is being sought for the adoption of the EIP;

(c) The maximum number of Securities proposed to be issued under the EIP following Shareholder approval is 26,159,423. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

(d) A voting exclusion statement has been included for the purposes of Resolution 8.

7.4 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 8.

8. RESOLUTIONS 9 AND 10 – RATIFICATION OF ISSUE OF ACUITY SHARES (ISSUED IN ACCORDANCE WITH ASX LISTING RULE 7.1)

8.1 General

As announced on 23 August 2022, the Company entered into an At-the-Market Subscription Agreement (**ATM Subscription Agreement**) with Investment Management Pty Ltd (as trustee for the Acuity Capital Holdings Trust) (ACN 132 459 093) (**Acuity Capital**). The ATM Subscription Agreement provides the Company with up to $5,000,000 of standby equity capital over 30 months (**ATM Facility**). The ATM Facility gives the Company significant flexibility of terms and of timing for financing of its exploration activities at its highly prospective gold project portfolio in Chile.

Under the terms of the ATM Subscription Agreement, the Company retains full control of all aspects of the subscription process, having sole discretion including, among other things, whether to utilise the ATM Facility, the maximum number of shares to be issued, the minimum issue price of shares and the timing of each subscription (if any). There is no obligation for the Company to utilise the ATM Facility and the Company may terminate the ATM Subscription Agreement at any time, without cost or penalty. Acuity Capital and the ATM Subscription Agreement do not place any restrictions at any time on the Company raising capital through other methods.

When the Company utilises the ATM Subscription Agreement, it is able to set a price floor (at its sole discretion), with the final issue price being calculated as the greater of the nominated floor price and up to a 10% discount to a volume weighted average price over a period of the Company's choosing.

The Company has since issued the following Shares to Acuity from its placement capacity under ASX Listing Rule 7.1:

(a) 42,000,000 Shares as security for provision of the ATM Facility on 23 August 2022 (the subject of Resolution 9) (**Acuity Collateral Shares**); and

(b) 18,500,000 Shares at an issue price of $0.0405 per Share to raise $749,250 following utilisation of the ATM Facility for additional working capital on 11 October 2022 (the subject of Resolution 10) (**Acuity Placement Shares**),

(together, the **Acuity Shares**).

Resolutions 9 and 10 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Acuity Shares.

8.2 Listing Rule 7.1

Listing Rule 7.1 is summarised in Section 5.2.

The issue of the Acuity 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 15% limit in Listing Rules 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rules 7.1 for the 12 month period following the date of issue of the Acuity Shares.

8.3 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 Acuity Shares.

Resolutions 9 and 10 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Acuity Shares.

8.4 Technical information required by ASX Listing Rule 14.1A

If Resolutions 9 and 10 are passed, the Acuity 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 Acuity Shares.

If Resolutions 9 and 10 are not passed, the Acuity 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 Acuity Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 4 being passed at this Meeting.

8.5 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 Resolutions 9 and 10:

(a) the Acuity Shares were issued to Acuity Capital;

(b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that the recipient was not:

  (i) a related party of the Company, member 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;

(c) 42,000,000 Acuity Collateral Shares and 18,500,000 Acuity Subscription Shares were issued pursuant to Listing Rule 7.1;

(d) the Acuity 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;

(e) the Acuity Collateral Shares were issued on 23 August 2022;

(f) the Acuity Subscription Shares were issued on 11 October 2022;

(g) the Acuity Collateral Shares were issued at a nil issue price for nil cash consideration as security for the provision of the ATM Facility. The Company has not and will not receive any other consideration for the issue of the Acuity Collateral Shares;

(h) the Acuity Subscription Shares were issued at an issue price of $0.0405 per Acuity Subscription Share, which raised $749,250 for the Company. The Company has not and will not receive any other consideration for the issue of the Acuity Subscription Shares;

(i) the Acuity Shares were issued pursuant to the ATM Subscription Agreement, the material terms of which are set out in Section 8.1;

(j) the purpose of the issue of the Acuity Collateral Shares was to secure financing of up to $5,000,000 over 30 months which is intended to be applied towards advancing exploration activities at the Company's gold project in Chile;

(k) the purpose of the issue of the Acuity Subscription Shares was to utilise a portion of the ATM Facility which is intended to be applied towards working capital requirements; and

(l) a voting exclusion statement has been included for the purpose of Resolutions 9 and 10.

8.6 Board Recommendation

The Board recommends Shareholders vote in favour of Resolutions 9 and 10.

8. RESOLUTION 11 – APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in clause 36 of the Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Constitution ceases to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Resolution 11 seeks Shareholder approval for the renewal of the proportional takeover provisions contained in clause 36 of the Constitution.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

(a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;

(b) assisting in preventing Shareholders from being locked in as a minority;

(c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

(d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

(a) proportional takeover bids may be discouraged;

(b) lost opportunity to sell a portion of their Shares at a premium; and

(c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of approving the renewal of the proportional takeover provisions and as a result consider that the renewal of the proportional takeover provision in the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 11.

GLOSSARY

$ means Australian dollars.

7.1A Mandate has the meaning given in Section 4.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice, and any other **Article** means an article of the Constitution.

ASX means ASX Limited (ACN 008 624 691).

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 or a day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependent of the member or the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;

(e) a company the member controls; or

(f) a person prescribed by the *Corporations Regulations 2001 (Cth)* for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Tesoro Resources Limited (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.

EIP has the meaning given in Section 7.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

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.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or

indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Option means an option to acquire a Share.

Performance Right means a right granted under the EIP to acquire one or more Shares by transfer or allotment as set out in the relevant invitation.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

Resolutions means the resolutions set out in the 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.

Share Right means a right to acquire a Share.

Shareholder means a registered holder of a Share.

Spill Meeting has the meaning given in Section 2.2.

Spill Resolution has the meaning given in Section 2.2.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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

SCHEDULE 1 – TERMS AND CONDITIONS OF SALARY SACRIFICE SHARE RIGHTS PLAN

A summary of the material terms of the Company's Salary Sacrifice Share Rights Plan (**Plan**) is set out below.

Eligible Participants	**Eligible Participant** means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	The purpose of the Plan is to: (a) align the interests of Eligible Participants and Shareholders by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of share rights (**Share Rights**); (b) provide competitive remuneration for the retention of key Eligible Participants; (c) support a culture of share ownership by Eligible Participants; (d) provide the Company with the ability to attract employees of a high calibre; and (e) assist with remuneration planning for Eligible Participants.
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) Share Rights provided under the Plan on such terms and conditions as the Board decides. On receipt of an invitation, an Eligible Participant may apply for the Share Rights the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
Grant of Share Rights	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Share Rights, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to Share Rights	A **Share Right** represents a right to acquire one or more Plan Shares in accordance with the Plan. Prior to a Share Right being exercised, the holder:

	(a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Share Right other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (c) is not entitled to receive any dividends declared by the Company; and (d) is not entitled to participate in any new issue of Shares (see Adjustment of Share Rights section below).
Exercise of Share Rights	To exercise a Share Right, the Participant must deliver a signed notice of exercise at any time and prior to the expiry date as set out in the invitation.
Timing of issue of Shares and quotation of Shares on exercise	Within five business days after the valid exercise of a Share Right by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Share Rights held by that Participant.
Restrictions on dealing with Share Rights	Unless in Special Circumstances (as defined under the Plan) with the consent of the Board, or the relevant dealing is effected by force of law on death or legal incapacity to the Participant's legal personal representative, a Participant may not deal with a Share Right that has been granted to them. The Share Right is forfeited immediately on a purported dealing other than in accordance with the Plan.
Listing of Share Rights	A Share Right granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of Shares granted under the Plan on conversion of the Share Rights on the ASX or any other recognised exchange.
Forfeiture of Share Rights	Share Rights will be forfeited in the following circumstances: (a) where a Participant who holds Share Rights ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Share Rights will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Share Rights to vest; (b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan; (d) on the date the Participant becomes insolvent; or (e) on the Expiry Date, unless the Board otherwise determines.

Change of control	If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Share Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
Adjustment of Share Rights	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Share Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Share Rights is entitled, upon exercise of the Share Rights, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Share Rights are exercised. Unless otherwise determined by the Board, a holder of Share Rights does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
Rights attaching to Plan Shares	All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Share Right, (**Plan Shares**) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares.. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
Disposal restrictions on Plan Shares	If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction. For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not: (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

General Restrictions on Transfer of Plan Shares	If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Share Rights) may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act. Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information. Any Plan Shares issued to a holder under the Plan (including upon exercise of Share Rights) shall be subject to the terms of the Company's Share Rights Trading Policy.
Buy-Back	Subject to applicable law, the Company may at any time buy-back Share Rights in accordance with the terms of the Plan.
Employee Share Trust	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Share Rights for holders under the Plan and delivering Shares on behalf of holders upon exercise of Share Rights.
Maximum number of Share Rights	The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Share Rights offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b)) – refer to Resolution 5 and Section 5.2 of this Notice.
Amendment of Plan	Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Share Rights have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
Plan duration	The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

	If a Participant and the Company (acting by the Board) agree in writing that some or all of the Share Rights granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Share Rights may be cancelled in the manner agreed between the Company and the Participant.
Income Tax Assessment Act	The Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.

SCHEDULE 2 – TERMS AND CONDITIONS OF SHARE RIGHTS

1. Entitlement

Subject to the terms and conditions set out below, each Share Right entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**) under the Company's Salary Sacrifice Share Rights Plan (**Plan**).

2. Plan

Defined terms in these terms and conditions have the same meaning as in the Plan. In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

3. Consideration

The Share Rights will be granted to the Eligible Participant (or their permitted nominee) for nil cash consideration.

4. Exercise Price

No consideration is payable upon the exercise of each Share Right.

5. Expiry Date

Each Share Right will expire on the earlier to occur of:

(a) 5.00pm (AWST) on the date that is five years form the date of issue; or

(b) the Share Right lapsing and being forfeited under the Plan or these terms and conditions,

(**Expiry Date**). For the avoidance of doubt any unexercised Share Rights will automatically lapse on the Expiry Date.

6. Exercise

The holder may exercise their Share Rights by delivering to the Company, on or prior to the Expiry Date a written notice of exercise of Share Rights specifying the number of Share Rights being exercised (**Exercise Notice**).

7. Timing of issue of Shares and quotation of Shares on exercise

As soon as practicable after the issue of an Exercise Notice by the holder, the Company will:

(a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;

(b) if required, issue a substitute Certificate for any remaining unexercised Share Rights held by the holder; and

(c) if required and subject to paragraph 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act.

8. Restrictions on transfer of Shares

If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Share Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

9. Shares issued on exercise

All Shares issued upon the exercise of Share Rights will upon issue rank equally in all respects with the then Shares of the Company.

10. Transfer

The Share Rights are not transferable unless with the prior written approval of the Board in special circumstances and subject to compliance with the Corporations Act and the Listing Rules.

11. Quotation

No application for quotation of the Share Rights will be made by the Company.

12. Dividend and voting rights

The Share Rights do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

13. Adjustment for bonus issue

(a) If Shares are issued by the Company pro rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Share Rights is entitled, upon exercise of the Share Rights, to receive, in addition to the Shares in respect of which the Share Rights are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Share Rights are exercised.

(b) Additional Shares to which the holder of Share Rights becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Share Rights are exercised for the purposes of subsequent applications of paragraph 13(a), and any adjustments which, after the time just mentioned, are made under paragraph 15 to the number of Shares will also be made to the additional Shares.

14. No other participation

(a) Other than as contemplated by paragraph 13 in relation to bonus issues, a holder of Share Rights does not have the right to participate in a pro rate issue of Shares by the Company or sell renounceable rights.

(b) Subject to paragraph 13, during the currency of any Share Rights and prior to their exercise, the holders of Share Rights are not entitled to participate in any new issues of Shares of the Company as a result of their holding of Share Rights.

15. Reorganisation of capital

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Share Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

16. Leaver

(a) Where a Participant ceases to be an Eligible Participant (**Leaver**):

(i) the Participant will be deemed to have given a notice in writing to terminate their participation in the Plan and any prior salary sacrifice arrangement; and

(ii) the Board, in its discretion, may determine that some or all of a Participant's Share Rights:

(A) are deemed to have been validly exercised;

(B) are only exercisable for a prescribed period; and/or

(C) are no longer subject to some of the restrictions that previously applied.

(b) The Board may specify in the Invitation how the Participant's Share Rights will be treated on the Participant becoming a Leaver, which may:

(i) vary depending upon circumstances in which the Participant becomes a Leaver; and

(ii) preserve some or all of the Board's discretions under the Plan.

SCHEDULE 3 – TERMS AND CONDITIONS OF THE COMPANY'S EMPLOYEE INCENTIVE SECURITIES PLAN

A summary of the material terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below.

Eligible Participant	**Eligible Participant** means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	The purpose of the Plan is to: (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of securities.
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) Options and Performance Rights provided under the Plan on such terms and conditions as the Board decides. On receipt of an invitation, an Eligible Participant may apply for the securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
Grant of securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

Rights attaching to securities	Prior to an Option or Performance Right being exercised, the holder: (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the convertible security other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; (c) is not entitled to receive any dividends declared by the Company; and (d) is not entitled to participate in any new issue of Shares (see Adjustment of convertible securities section below).
Vesting of convertible securities	Any vesting conditions applicable to the Options or Performance Rights will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant securities have vested. Unless and until the vesting notice is issued by the Company, the securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to an Option or Performance Right are not satisfied and/or otherwise waived by the Board, that security will lapse.
Exercise of convertible securities and cashless exercise	To exercise a security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Option or Performance Right (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice. An invitation to apply for Options may specify that at the time of exercise of the Options, the Participant may elect not to be required to provide payment of the exercise price for the number of Options specified in a notice of exercise, but that on exercise of those Options the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Options. **Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. An Option or a Performance Right may not be exercised unless and until that security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.
Timing of issue of Shares and quotation of Shares on exercise	As soon as practicable after the valid exercise of an Option or a Performance Right by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised securities held by that Participant.

Restrictions on dealing with securities	A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with an Option or a Performance Right that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to an Option or a Performance Right that has been granted to them. However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with convertible securities granted to them under the Plan with the consent of the Board.
Listing of convertible securities	An Option or a Performance Right granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.
Forfeiture of convertible securities	Options and Performance Rights will be forfeited in the following circumstances: (a) where a Participant who holds Options or Performance Rights ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested convertible securities will automatically be forfeited by the Participant; (b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan; (d) on the date the Participant becomes insolvent; or (e) on the expiry date of the Options or Performance Rights.
Change of control	If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Options or Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
Adjustment of convertible securities	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Options or Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Options or Performance Rights is entitled, upon exercise of those securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Options or Performance Rights are exercised.

	Unless otherwise determined by the Board, a holder of Options or Performance Rights does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
Rights attaching to Shares	All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of an Option or a Performance Right, will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Shares issued upon exercise of an Option or a Performance Right and may participate in any dividend reinvestment plan operated by the Company in respect of Shares. A Participant may exercise any voting rights attaching to Shares issued under the Plan.
Disposal restrictions on Shares	If the invitation provides that any Shares issued upon the valid exercise of an Option or a Performance Right are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction. For so long as a Share is subject to any disposal restrictions under the Plan, the Participant will not: (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Share; or (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
General Restrictions on Transfer of Shares	If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of an Option or a Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act. Restrictions are imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information. Any Shares issued to a holder upon exercise of an Option or a Performance Right shall be subject to the terms of the Company's Securities Trading Policy.
Buy-Back	Subject to applicable law, the Company may at any time buy-back Options or Performance Rights and Shares issued upon exercise of Options or Performance Rights in accordance with the terms of the Plan.
Employee Share Trust	The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Options or Performance Rights.

Maximum number of securities	The Company will not make an invitation under the Plan which involves monetary consideration if the number of Shares that may be issued, or acquired upon exercise of Options or Performance Rights offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b) – refer to Resolution 5 and Section 5.2).
Amendment of Plan	Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
Plan duration	The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants. If a Participant and the Company (acting by the Board) agree in writing that some or all of the securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those securities may be cancelled in the manner agreed between the Company and the Participant.
Income Tax Assessment Act	The Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.

36 PARTIAL TAKEOVER PLEBISCITES

36.1 Resolution to Approve Proportional Off-Market Bid

(a) Where offers have been made under a proportional off-market bid in respect of a class of securities of the Company ("**bid class securities**"), the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional off-market bid is prohibited unless and until a resolution (in this clause 36 referred to as a "**prescribed resolution**") to approve the proportional off-market bid is passed in accordance with the provisions of this Constitution.

(b) A person (other than the bidder or a person associated with the bidder) who, as at the end of the day on which the first offer under the proportional off-market bid was made, held bid class securities is entitled to vote on a prescribed resolution and, for the purposes of so voting, is entitled to one vote for each of the bid class securities.

(c) A prescribed resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the prescribed resolution.

(d) A prescribed resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the prescribed resolution bears to the total number of votes on the prescribed resolution is greater than one half, and otherwise is taken to have been rejected.

36.2 Meetings

(a) The provisions of this Constitution that apply in relation to a general meeting of the Company apply, with modifications as the circumstances require, in relation to a meeting that is convened pursuant to this clause 36.2 as if the last mentioned meeting was a general meeting of the Company.

(b) Where takeover offers have been made under a proportional off-market bid, the Directors are to ensure that a prescribed resolution to approve the proportional off-market bid is voted on in accordance with this clause 36 before the 14th day before the last day of the bid period for the proportional off-market bid (the "**resolution deadline**").

36.3 Notice of Prescribed Resolution

Where a prescribed resolution to approve a proportional off-market bid is voted on in accordance with this clause 36 before the resolution deadline, the Company is, on or before the resolution deadline:

(a) to give the bidder; and

(b) if the Company is listed – each relevant financial market (as defined in the Corporations Act) in relation to the Company;

a notice in writing stating that a prescribed resolution to approve the proportional off-market bid has been voted on and that the prescribed resolution has been passed, or has been rejected, as the case requires.

36.4 Takeover Resolution Deemed Passed

Where, at the end of the day before the resolution deadline, no prescribed resolution to approve the proportional off-market bid has been voted on in accordance with this clause 36, a resolution to approve the proportional off-market bid is to be, for the purposes of this clause 36, deemed to have been passed in accordance with this clause 36.

36.5 Takeover Resolution Rejected

Where a prescribed resolution to approve a proportional off-market bid under which offers have been made is voted on in accordance with this clause 36 before the resolution deadline, and is rejected, then:

(a) despite section 652A of the Corporations Act:

(i) all offers under the proportional off-market bid that have not been accepted as at the end of the resolution deadline; and

(ii) all offers under the proportional off-market bid that have been accepted and from whose acceptance binding contracts have not resulted as at the end of the resolution deadline,

are deemed to be withdrawn at the end of the resolution deadline;

(b) as soon as practicable after the resolution deadline, the bidder must return to each person who has accepted any of the offers referred to in clause 36.5(a)(ii) any documents that were sent by the person to the bidder with the acceptance of the offer;

(c) the bidder:

(i) is entitled to rescind; and

(ii) must rescind as soon as practicable after the resolution deadline,

each binding takeover contract resulting from the acceptance of an offer made under the proportional off-market bid; and

(d) a person who has accepted an offer made under the proportional off-market bid is entitled to rescind the takeover contract (if any) resulting from the acceptance.

36.6 Renewal

This clause 36 ceases to have effect on the third anniversary of the date of the adoption of the last renewal of this clause 36.

Tesoro Gold Limited | 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 **3.00pm (AWST) on Wednesday, 23 November 2022,** being **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

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 despatched 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.

Lodging your Proxy Voting Form:

Online:
Use your computer or smartphone to appoint a proxy at https://investor.automic.com.au/#/loginsah
or scan the QR code below using your smartphone
Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting 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://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 - How to vote

APPOINT A PROXY:
I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Tesoro Gold Limited to be held at **3.00pm (AWST) on Friday, 25 November 2022 at 31-33 Cliff Street, Fremantle WA 6160 hereby**:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair 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 failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following 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 ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 5- 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 5- 8 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2 – Your voting direction

Resolutions		For	Against	Abstain	Resolutions		For	Against	Abstain
1.	Adoption of Remuneration Report	☐	☐	☐	7.	Approval to Permit Participation of Director Geoff McNamara in Salary Sacrifice Plan	☐	☐	☐
2.	Re-election of Director – Ms Kristie Young	☐	☐	☐	8.	Adoption of Employee Incentive Securities Plan	☐	☐	☐
3.	Re-election of Director – Mr Geoffrey McNamara	☐	☐	☐	9.	Ratification of Issue of Acuity Collateral Shares (Issued in accordance with ASX Listing Rule 7.1)	☐	☐	☐
4.	Approval of 7.1A Mandate	☐	☐	☐	10.	Ratification of Issue of Acuity Subscription Shares	☐	☐	☐
5.	Approval of Salary Sacrifice Share Rights Plan	☐	☐	☐	11.	Approval of Proportional Takeover Provisions	☐	☐	☐
6.	Approval to Permit Participation of Director Linton Putland in Salary Sacrifice Plan	☐	☐	☐					

Please note: *If you mark the abstain box for a particular Resolution, you are directing 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.*

STEP 3 – Signatures and contact details

Individual 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).

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