Letter to Shareholders regarding General Meeting

Tesoro Gold Ltd ("Tesoro" or "the Company") (**ASX**:TSO, **OTCQB**:TSORF) will hold a general meeting of shareholders at 1:30pm (WST) on Wednesday, 22 February 2023 (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 1:30pm (WST) on 20 February 2023, 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
info@tesorogold.com.au

About Tesoro

Tesoro Gold Limited was established with a strategy of acquiring, exploring, and developing mining projects in the Coastal Cordillera region of Chile. The Coastal Cordillera region is host to multiple world class copper and gold mines, has well established infrastructure, service providers and an experienced mining workforce. Large areas of the Coastal Cordillera remain unexplored due to the unconsolidated nature of mining concession ownership, but Tesoro, via its in-country network and experience has been able secure rights to a district scale gold project in-line with the Company's strategy. Tesoro's 95% owned Chilean subsidiary owns 85% of the El Zorro Gold Project.



TESORO GOLD LIMITED
ACN 106 854 175
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 1:30pm (WST)

DATE: 22 February 2023

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 20 February 2023.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE OPTIONS TO GOLD FIELDS

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 7.1 and for all other purposes, approval is given for the Company to issue 60,000,000 Options to Gold Fields on the terms and conditions set out in the Explanatory Statement."*

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

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF CERTAIN SHARES ISSUED TO GOLD FIELDS – 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 purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 61,222,116 Shares on the terms and conditions set out in the Explanatory Statement."*

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

3. RESOLUTION 3 – SELECTIVE SHARE BUY-BACK FROM ACUITY CAPITAL

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

> *"That, for the purposes of Section 257D of the Corporations Act and for all other purposes, approval is given for the Company to selectively buy back for nil consideration and cancel 42,000,000 Shares currently held by Acuity Capital on the terms and conditions set out in the Explanatory Statement."*

Short Explanation: Under the Corporations Act, a company may make a selective buy back by a special resolution passed at a general meeting. The Company has entered into an agreement with Acuity Capital for the buy-back and cancellation of 42,000,000 Shares held by Acuity Capital. The agreement is conditional on obtaining a special resolution of Shareholders to approve the buy-back. Please refer to the Explanatory Statement for details.

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

4. RESOLUTION 4 – SELECTIVE SHARE BUY-BACK FROM FORFEITING SHAREHOLDERS

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

> *"That, for the purposes of Section 257D of the Corporations Act and for all other purposes, approval is given for the Company to selectively buy back for nil consideration and cancel 5,466,666 Shares currently held by the Forfeiting Shareholders on the terms and conditions set out in the Explanatory Statement."*

Short Explanation: Under the Corporations Act, a company may make a selective buy back by a special resolution passed at a general meeting. The Company has entered into

agreements with the Forfeiting Shareholders for the buy-back and cancellation of 5,466,666 Shares held by the Forfeiting Shareholders. The agreements are conditional on obtaining a special resolution of Shareholders to approve the buy-back. Please refer to the Explanatory Statement for details.

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

Dated: 16 January 2023

By order of the Board



Sarah Wilson
Joint Company Secretary

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 – Approval to Issue Options to Gold Fields	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Corporate International Holdings BV) or an associate of that person (or those persons).
Resolution 2 – Ratification of prior issue of Certain Shares issued to Gold Fields– Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved (namely Corporate International Holdings BV) or an associate of that person or those persons.

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

(a) a person as a 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 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.

Voting Prohibitions

In accordance with section 257D(1)(a) of the Corporations Act, the Company will disregard any votes cast in favour of the resolutions set out below by or on behalf of the following persons:

Resolution 3 – Selective Share Buy-Back from Acuity Capital	Acuity Capital and any of their associates.
Resolution 4 – Selective Share Buy-Back from Forfeiting Shareholders	The Forfeiting Shareholders and any of their associates.

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.

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6311 9160.

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. BACKGROUND TO RESOLUTIONS 1 AND 2 – GOLD FIELDS PLACEMENT

On 17 November 2022, the Company announced an $8 million capital raising, comprising:

(a) an equity placement to Corporate International Holdings BV (**Gold Fields**), a wholly owned subsidiary of Gold Fields Limited (JSE:GFI, NYSE:GFI) of $4.2 million, pursuant to a subscription agreement between the Company and Gold Fields (**Subscription Agreement**); and

(b) a fully underwritten non-renounceable entitlement offer to raise $3.8 million (**Entitlement Offer**).

Refer to the announcement titled 'Tesoro secures strategic investment from Gold Fields' and the prospectus released on the Company's ASX platform on 17 November 2022 for further details.

The placement to Gold Fields comprised the issue of 120,000,000 fully paid ordinary shares (**Gold Fields Shares**) at an issue price of $0.035 per Share together with one (1) free attaching option for every two (2) Gold Fields Shares issued, exercisable at $0.07 per option (**Gold Fields Options**) on or before the date that is three (3) years from the date of issue of the free-attaching Options issued under the Entitlement Offer (**Gold Fields Placement**).

Gold Fields also acquired 43,227,850 Shares and 21,613,952 Options (on the same terms as the Gold Fields Options) as a sub-underwriter of the Entitlement Offer.

The Company did not have sufficient placement capacity to issue the Gold Fields Options to Gold Fields at the same time as it issued the Gold Field Shares. Accordingly, the issue of the Gold Fields Options is subject to Shareholder approval.

Resolution 1 seeks Shareholder approval for the issue of the Gold Fields Options.

Resolution 2 seeks Shareholder ratification of 61,222,116 of the Gold Fields Shares issued pursuant to the Company's Listing Rule 7.1 placement capacity.

Under the Gold Fields Placement, the remaining 58,777,884 Gold Fields Shares were issued pursuant to an inadvertent breach of Listing Rule 7.1, the details of which are contained in the Company's ASX announcement dated 10 January 2023. As a consequence of this inadvertent breach, it is not possible to ratify the issue of these further Shares pursuant to ASX Listing Rule 7.4.

As set out in the announcement, the Company has provided ASX with an undertaking not to issue any equity securities without shareholder approval until 16 May 2023, unless the issue falls within an exception under Listing Rule 7.2.

Notwithstanding that the Company has obtained approval for the 7.1A Mandate under Listing Rule 7.1A at its annual general meeting held on 25 November 2022, the Company will not be able to utilise the 7.1A Mandate until

16 May 2023. Thereafter, the Company will be able to utilise the full 10% placement capacity under Listing Rule 7.1A from 16 May 2023 until the first to occur of either 25 November 2023, the time and date of the entity's next annual general meeting or the time and date of the approval by shareholders of a transaction under rule 11.1.2 or rule 11.2

2. RESOLUTION 1 – APPROVAL TO ISSUE OPTIONS TO GOLD FIELDS

2.1 General

As set out above, the Company issued 60,000,000 Gold Fields Options to Gold Fields pursuant to the Gold Fields Placement.

2.2 Listing Rule 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 the 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 that period.

The proposed issue of the Gold Fields Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

2.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Gold Fields Options. In addition, the issue of the Gold Fields Options 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.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Gold Fields Options and may be forced to renegotiate the terms of the Subscription Agreement to satisfy Gold Fields via alternative means.

Resolution 1 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Gold Fields Options.

2.4 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

(a) the Gold Fields Options will be issued to Gold Fields;

(b) the maximum number of Gold Fields Options to be issued is 60,000,000. The terms and conditions of the Gold Fields Options are set out in Schedule 1;

(c) the Gold Fields Options will be issued no later than 3 months after the date of the Meeting and it is intended that issue of the Gold Fields Options will occur on the same date;

(d) the Gold Fields Options will be issued as free-attaching options pursuant to the Gold Fields Placement. The Company will not receive any

consideration for the issue of the Gold Fields Options (other than in respect of funds received on exercise of the Gold Fields Options);

(e) the purpose of the issue of the Gold Fields Options is as free-attaching options issued on a one (1) for two (2) basis with Gold Fields Shares pursuant to the Gold Fields Placement to raise $4,200,000. As set out in the Company's announcement on 17 November 2022, the Company intends to apply 80% of the funds raised under the Gold Fields Placement towards assessing regional targets of Tesoro's El Zorro Gold Project (specifically excluding the Ternera Gold Deposit);

(f) the Gold Fields Options are being issued to Gold Fields under the Subscription Agreement. A summary of the material terms of the Subscription Agreement is set out in Schedule 2; and

(g) the Gold Fields Options are not being issued under, or to fund, a reverse takeover.

3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF CERTAIN SHARES ISSUED TO GOLD FIELDS– LISTING RULES 7.1

3.1 General

As set out in Section 1 above, on 17 November 2022, the Company announced an equity placement to Gold Fields of $4.2 million, pursuant to the Subscription Agreement.

On 22 November 2022, the Company issued the 120,000,000 Gold Fields Shares at an issue price of $0.035 per Share.

61,222,116 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1, for which Shareholder ratification is sought pursuant to Resolution 2.

As set out in Section 1, the remaining 58,777,884 Gold Fields Shares were issued pursuant to an inadvertent breach of Listing Rule 7.1, the details of which are contained in the Company's ASX announcement dated 10 January 2023. Consequently, it is not possible to ratify these further Shares issued under Listing Rule 7.4.

3.2 Listing Rules 7.1

Listing Rules 7.1 and 7.2 are summarised in Section 2.2 above.

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

3.3 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 Gold Fields Shares.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 61,222,116 of the Gold Fields Shares.

Notwithstanding that the Company is seeking Shareholder ratification for the issue of 61,222,116 of the Gold Fields Shares, the Company will not be able to utilise its placement capacity under Listing Rule 7.1 until 16 May 2023 pursuant to the undertaking provided to ASX as referred to above.

3.4 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, 61,222,116 of the Gold Fields Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Gold Fields Shares.

If Resolution 2 is not passed, all of the Gold Fields Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Gold Fields Shares (once the undertaking referred to above lapses on 16 May 2023).

3.5 Technical information required by Listing Rule 7.5

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

(a) the Gold Fields Shares were issued to Gold Fields;

(b) 120,000,000 Gold Fields Shares were issued on the following basis:

  (i) 61,222,116 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 2); and

  (ii) 58,777,884 Shares issued pursuant to an inadvertent breach of Listing Rule 7.1 as detailed above and in the Company's ASX announcement dated 10 January 2023 (ratification of which cannot be sought pursuant to Listing Rule 7.4);

(c) the Gold Fields Shares were issued on 22 November 2022;

(d) the issue price was $0.035 per Gold Fields Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Gold Fields Shares;

(e) the purpose of the issue of the Gold Fields Shares was to raise $4,200,000. As set out in the Company's announcement on 17 November 2022, the Company intends to apply 80% of the funds raised under the Gold Fields Placement towards assessing regional targets of Tesoro's El Zorro Gold Project (specifically excluding the Ternera Gold Deposit); and

(f) the Gold Fields Shares were issued to Gold Fields under the Subscription Agreement. A summary of the material terms of the Subscription Agreement is set out in Schedule 2.

4. RESOLUTIONS 3 AND 4 – SELECTIVE BUY-BACKS OF SHARES FROM SHAREHOLDERS

4.1 Background to the ATM Subscription Agreement

On 23 August 2022, the Company announced that it had entered into an At-the-Market Subscription Agreement (**ATM**) with Acuity Capital. The ATM granted the Company with up to $5,000,000 of standby equity capital over 30 months following execution.

As announced on 21 December 2022, the Company has terminated the ATM with immediate effect. In accordance with the terms of the ATM, the Company will buy back (and cancel) 42,000,000 Shares issued to Acuity Capital as security for the ATM (**Collateral Shares**) (subject to Shareholder approval of Resolution 3).

4.2 Background to the July Placement

On 14 June 2022, the Company announced it had received firm commitments from domestic and institutional investors for a placement of 89,985,003 Shares at an issue price of $0.06 per Share (**July Placement Shares**) together with one free attaching option for every two July Placement Shares subscribed for, exercisable at $0.11 each and expiring three years from the date of issue (**July Placement Options**) to raise approximately $5,400,000 (before costs) (**July Placement**). The July Placement Shares and July Placement Options were issued between 20 and 27 June 2022 pursuant to the Company's available placement capacity under Listing Rules 7.1 and 7.1A.

The Company has not received an outstanding amount of $328,000 owed on a total of 5,466,666 July Placement Shares (and 2,733,332 July Placement Options) by the payment due dates from the following parties:

(a) Mr Ryan Mount – 2,833,333 Shares (and 1,416,666 July Placement Options); and

(b) Balclutha Advisors Pty Ltd – 2,633,333 Shares (and 1,316,666 July Placement Options),

(together, the **Forfeiting Shareholders**).

4.3 Buy-backs

The Company has entered into separate Buy-Back Agreements with Acuity Capital and each of the Forfeiting Shareholders and (**Buy-Back Agreements**). Pursuant to the Buy-Back Agreements, the Company proposes to buy back and cancel for nil consideration:

(a) the Collateral Shares; and

(b) a total of 5,466,666 July Placement Shares held by the Forfeiting Shareholders (**Sale Shares**),

(together, the **Buy-Backs**).

The Company will also cancel a total of 2,733,332 July Placement Options held by the Forfeiting Shareholders for nil consideration.

The terms of the Buy-Back Agreements are summarised in Section 2.4 below.

The purpose of the proposed Buy-Backs is to allow the Company to buy back and cancel the Collateral Shares and the Sale Shares for nil consideration in accordance with the terms of the ATM and the agreements with the Forfeiting Shareholders (respectively).

Resolutions 3 and 4 are special resolutions. Accordingly, at least 75% of votes cast by Shareholders entitled to vote on Resolutions 3 and 4 must be in favour of Resolutions 3 and 4 for it to be passed.

4.4 Terms of Buy-Back Agreements

The Buy-Back Agreements contain the following material terms and conditions:

(a) (**Sale and Buy-Back**): subject to the satisfaction of the conditions precedent below, Acuity Capital and the Forfeiting Shareholders have agreed to enter into agreements to sell their respective Sale Shares to the Company and the Company has agreed to purchase the Sale Shares and Collateral Shares from the Forfeiting Shareholders and Acuity Capital respectively for nil consideration free from all encumbrances and with all rights attaching to them;

(b) (**Condition Precedent**): completion of the Buy-Backs is conditional upon Shareholders approving the relevant Buy-Back under Resolutions 3 and 4; and

(c) (**Completion**): Subject to Shareholders approving the relevant Buy-Back under Resolutions 3 and 4, completion of the Buy-Backs will occur at 10:00am on the date that is 5 business days after the date of this Meeting and the Company will buy-back and cancel the Collateral Shares and the Sale Shares at that time.

4.5 General

The Corporations Act provides that the rules relating to share buy-backs are designed to protect the interests of shareholders and creditors by:

(a) addressing the risk of the transaction leading to the company's solvency;

(b) seeking to ensure fairness between the shareholders of the company; and

(c) requiring the company to disclose all material information.

In particular, Section 257A of the Corporations Act provides that a company may buy back its own shares if:

(a) the buy-back does not materially prejudice the company's ability to pay its creditors; and

(b) the company follows the procedures laid down in Division 2 of Part 2J.1 of the Corporations Act.

Pursuant to Section 257D(1) of the Corporations Act, a selective share buy-back must be approved by either:

(a) a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose shares are to be bought back or by their associates; or

(b) a resolution agreed to, at a general meeting by all ordinary shareholders.

The phrase "no votes being cast" is intended to operate in a similar way to the way in which voting exclusion statements operate in the context of the ASX Listing Rules.

Section 257D(2) of the Corporations Act requires that a Company must include in the notice of meeting a statement setting out all information known to the Company that is material to the decision on how to vote on Resolutions 3 and 4. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to Shareholders.

Section 257H(3) of the Corporations Act provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

ASIC Regulatory Guide 110 sets out what ASIC expects a company to provide when disclosing such information to shareholders with a notice of meeting. This information is set out below.

4.6 Impact of Buy-Back on the capital structure of the Company

The effect of the proposed Buy-Backs on the Company will be to reduce the total number of Shares on issue by 47,466,666, amounting to 4.31% of the issued capital of the Company.

The overall effect of the Buy-Back on the capital structure of the Company is as follows:

Event	Shares	Options
Shares and Options on issue as at the date of this notice	1,100,979,237	117,488,723
Less Shares subject to selective buy-back and cancellation and Options subject to cancellation	47,466,666	2,733,332
Shares and Options on issue at Completion of the Buy-Back	**1,053,512,571**	**114,755,391**

4.7 Interests in the Buy-Back

The Company confirms that no directors will participate in the Buy-Backs and no directors have an interest in the Buy-Back Agreements.

4.8 Effect of the Buy-Back on the Company

(a) **Effect on control of the Company**

If Resolutions 3 and 4 are passed, it is not expected that the Buy-Backs will give rise to any change in the control of the Company.

However, the Buy-Backs will increase the Shareholding and voting power of the Company's substantial shareholders as follows:

Substantial Shareholder	Number of Shares held	% Voting power before Buy-Back (undiluted)	% Voting power post Buy-Back
Gold Fields[1]	163,227,850	14.83%	15.49%
Mr Zeffron Charles Reeves <The Palin A/C>	65,224,417	5.92%	6.19%

Notes:

1. Corporate International Holdings BV also holds 81,613,925 Options, which it can exercise to increase its voting power in the Company above 19.99% where an exception to section 606 of the Corporations Act applies (including the 3% creep exception and the Shareholder approval exception, among others under section 611 of the Corporations Act.

Sections 609(4) and 611 of the Corporations Act provide exemptions for acquisitions of relevant interests in a company's voting shares. A shareholder in a company is permitted to increase its shareholding as a result of a permitted buy back authorised under Section 257A of the Corporations Act by any percentage, therefore additional approvals for the increase in voting power for the Company's substantial shareholders is not required.

(b) **Financial effect on the Company**

As the Company has agreed to purchase the Collateral Shares and the Sale Shares from Acuity Capital and the Forfeiting Shareholders (respectively) for nil consideration, no funds will be expended for the Buy-Backs, and there will be no financial effect on the Company.

4.9 Advantages and disadvantages of the Selective Buy-back

The Board believes that the Buy-Backs will provide the following advantages to Shareholders:

(a) the Buy-Back of the Collateral Shares will discharge the Company of its obligations pursuant to the ATM Subscription Agreement;

(b) the Buy-Back of some of the July Placement Shares enables the Company to buy back and cancel the July Placement Shares that were not paid for, to ensure that the Forfeiting Shareholders does not benefit from the July Placement Shares issued to them under the Placement that they have not paid for; and

(c) there will be a lesser number of Shares on issue, resulting in an increased ownership interest in the Company of each remaining Shareholder.

The Board does not believe that there are any disadvantages of the Buy-Backs to Shareholders.

4.10 Trading price of Shares

The latest trading price of Shares on ASX prior to the date of this Notice of Meeting was $0.038, on 13 January 2023.

4.11 Recommendation of Directors

Based on the information available, including that contained in this Explanatory Statement, all of the Directors consider that the Buy-Backs the subject of Resolutions 3 and 4 is in the best interests of the Company.

The Directors strongly recommend that Shareholders vote in favour of Resolutions 3 and 4. The Directors confirm that they intend to vote in favour of Resolutions 3 and 4 in relation to all votes that they control. No Director has an interest in the Buy-Backs other than as holders of securities in the Company.

The Chair intends to vote all available proxies in favour of Resolutions 3 and 4.

There is no other information material to the making of a decision by Shareholders whether or not to vote in favour of Resolutions 3 and 4, being information that is known to the Directors, which has not previously been disclosed to Shareholders, other than as set out in this Notice.

GLOSSARY

$ means Australian dollars.

Acuity Capital means Acuity Capital Investment Management Pty Ltd (ACN 132 459 093) as trustee for the Acuity Capital Holdings Trust.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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

Buy-Back has the meaning given to it at Section 4.1.

Buy-Back Agreement means the buy-back agreement on the terms set out at Section 4.4.

Chair means the chair of the Meeting.

Company means Tesoro Gold 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.

Entitlement Offer means the pro-rata non-renounceable entitlement issue of one (1) Share for every eight (8) Shares held by those Eligible Shareholders registered at the record date at an issue price of $0.035 per Share together with one (1) free New Option for every two (2) Shares applied for and issued to raise up to $3,814,916 pursuant to the Company's Prospectus dated 17 November 2022.

Explanatory Statement means the explanatory statement accompanying the Notice.

Forfeiting Shareholders means Mr Ryan Mount and Balclutha Advisors Pty Ltd (ACN 909 335 079).

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

Gold Fields means Corporate International Holdings BV, a wholly owned subsidiary of Gold Fields Limited (JSE:GFI, NYSE:GFI).

Gold Fields Share means a fully paid ordinary share in the capital of the Company issued to Gold Fields pursuant to the Gold Fields Placement.

Gold Fields Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Gold Fields Placement has the meaning given to it in Section 1.

July Placement has the meaning given to it in Section 4.2.

July Placement Share means a fully paid ordinary share in the capital of the Company issued pursuant to the July Placement.

July Placement Option means an option to acquire a Share issued pursuant to the July Placement.

Listing Rules means the Listing Rules of ASX.

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.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

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

Sale Shares means 4,000,000 Shares held by the Forfeiting Shareholder.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF GOLD FIELDS OPTIONS

1. Entitlement

Each Gold Fields Option entitles the holder to subscribe for one (1) Share upon exercise of the Gold Fields Option.

2. Exercise Price

Subject to paragraph 10, the amount payable upon exercise of each Gold Fields Option will be $0.07 (**Exercise Price**)

3. Expiry Date

Each Gold Fields Option will expire at 5:00pm (WST) on 13 December 2025 (**Expiry Date**). A Gold Fields Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

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

5. Notice of Exercise

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

6. Exercise Date

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

7. Deferral of exercise if resulting in a prohibited acquisition of Shares

If the exercise of a Gold Fields Option under paragraph 5 would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the exercise of that Gold Fields Option shall be deferred until such later time or times that the exercise would not result in a contravention of the General Prohibition. In assessing whether the exercise of a Gold Fields Option would result in a contravention of the General Prohibition:

(a) holders may give written notification to the Company if they consider that the exercise of a Gold Fields Option may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Gold Fields Option will not result in any person being in contravention of the General Prohibition; and

(b) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (g) within seven days if the Company considers that the exercise of an Option may result in a contravention of the General Prohibition. The

absence of such written notification from the holder will entitle the Company to assume the exercise of a Gold Fields Option will not result in any person being in contravention of the General Prohibition.

8. Timing of issue of Shares on exercise

Subject to paragraph 7 within 5 Business Days after the Exercise Date, the Company will:

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

(b) unless the issued Shares can be offered for sale without disclosure to investors and without the issue of a notice that complies with section 708A(5)(e) of the Corporations Act, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

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

If a notice delivered under 8(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

9. Shares issued on exercise

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

10. Reconstruction of capital

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

11. Participation in new issues

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

12. Change in exercise price

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

13. Transferability

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

SCHEDULE 2 – SUMMARY OF SUBSCRIPTION AGREEMENT

The material terms and conditions of the Subscription Agreement are summarised below:

Subscription	Under the Subscription Agreement, the Company issued to Gold Fields 120,000,000 Shares at an issue price of $0.035 per Share to raise $4,200,000 (**Subscription**).
Attaching Options	Subject to and conditional on completion of the Subscription, the Company agreed to allot and issue, subject to Shareholder approval, 60,000,000 Options to Gold Fields for nil consideration.
Investor Rights	The Company has agreed with Goldfields that: (a) 80% of the funds raised under the Gold Fields Placement will be deployed towards assessing regional targets of the Company's El Zorro Gold Project (specifically excluding Ternera); (b) an advisory technical committee will be formed by Tesoro in respect of the El Zorro Gold Project (**Technical Committee**), with Gold Fields to have 50% representation on the Technical Committee while it holds a relevant interest in the Company above 5%; (c) a program of work to deploy the Gold Fields Placement funds will be agreed by the Technical Committee; (d) while Gold Fields has a relevant interest in the Company above 5%: (i) Gold Fields will maintain a right to nominate a Director to the Board (no Gold Fields nominee has been appointed at this stage); (ii) Gold Fields will maintain a right to match any proposed third-party participation on the Company's mineral assets; and (iii) Gold Fields will maintain a right of first offer over future equity capital raisings conducted by the Company.

The Subscription Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).

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 **1:30pm (WST) on Monday, 20 February 2023,** 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:
WEBSITE: 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 General Meeting of Tersoro Gold Limited, to be held at **1:30pm (WST) on Wednesday, 22 February 2023 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.

STEP 2 – Your voting direction

Resolutions		For	Against	Abstain
1.	Approval to Issue Options to Gold Fields	☐	☐	☐
2.	Ratification of Prior Issue of Certain Shares Issued to Gold Fields – Listing Rule 7.1	☐	☐	☐
3.	Selective Share Buy-Back from Acuity Capital	☐	☐	☐
4.	Selective Share Buy-Back from Forfeiting Shareholders	☐	☐	☐

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).

AUTOMIC

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