

Company Overview

Tesoro Resources Ltd (ASX:TSO) is a Chilean gold explorer with a focus on its flagship El Zorro Gold Project. Drilling commenced on listing in early 2020, the first hole intersected **86.45m @ 2.29g/t Au, including 50.50m @ 3.63g/t Au**. The experienced and well credentialed Tesoro team has recognised a new gold system and has secured a large tenement position that covers not only the main drilling target but a number of district prospects as well, providing TSO with a strong pipeline of resource definition drilling and exploration targets to test.

Key Offer Terms

Issuer	Tesoro Resources Ltd (ASX: TSO)
Offer type	\$5.98m Capital Raising, comprising: <ul style="list-style-type: none"> - Placement to raise up to \$3.26m - 1:8 Accelerated Non-Renounceable Entitlement Offer to raise up to \$2.72m
Offer Price	\$0.06 per Share Represents a discount of: <ul style="list-style-type: none"> • 25.3% to the 15-day VWAP of \$0.075/sh • 13% to last traded price of \$0.069/sh, as at the close of trading on 11 June 2020.
Use of Proceeds	To further the Company's drilling program at its El Zorro project and working capital
Sole Lead Manager	PAC Partners Securities Pty Ltd (PAC Partners).

Investment Highlights

TSO's main focus is the El Zorro Project., which is located ~140km from Copiapo, Region III, Northern Chile. Copiapo is the regional capital and is a well serviced mining hub, with skilled workforce, mining contractors and service providers located in the town. The project is located only ~10kms from the Pan American highway, the Pacific Ocean and is at low altitude. This allows for cost effective exploration all year round. The Intrusive Related Gold System, (IGRS) model proposed for El Zorro is not the typical porphyry or epithermal targets that are synonymous with Chilean exploration. This makes the identification of gold and validation of a new model at El Zorro exciting for TSO.

We see El Zorro as a resource definition stage project with considerable exploration potential still to be tested.

Drilling highlights to date include:

- **86.45m @ 2.29g/t Au from 167.55m, including (50.50m @ 3.63g/t Au from 182.70m).**
- **121.55m @ 1.32 g/t Au from 49m including; 10.9m @ 4.57g/t Au from 73.1m; 12.27m @ 4.98g/t Au from 148m and 4.7m @ 10.69g/t Au from 155.2m**

Gold mineralisation remains open in all directions with +5km of strike and a 2km wide footprint. Positively the widths of mineralisation and shallow depth could see a conceptual open pit operation.

The potential of the project is also shown in the identification of high grade fault structures, TSO has now identified 9 fault zones (between 25m and 50m apart) from either drilling or surface sampling (trenching). At the time of listing TSO had mapped 4 zones and was still to determine the relevance of the structures to high grade gold. Some of the fault zones remain to be drill tested and all remain open along strike.

Chile is a favourable mining jurisdiction with a long history of production and exploration. Mineral production from Chile accounts for 27% of global copper, 38% of global lithium and 1.2% of global gold.

Capital Structure

Current Shares on Issue	362,673,387*
Placement shares to be issued	54,401,008
Entitlement Offer Shares to be issued (up to)	45,334,174
Market Cap (pre Offer)	\$22.6m
Market Cap (post Raise)	\$28.5m

* Includes 55,473,613 restricted shares on issue, does not include 13,992,895 Shares to be issued subject to shareholder approval

Indicative Timetable #	2020
Trading Halt	Friday 12 th June
Placement Offer	
Bids Due	12pm Monday 15 th June
Commitment letters signed & returned	9am Tuesday 16 th June
TSO Recommences Trading	Thursday 8 th June
DVP Settlement	Friday 19 th June
Allotment of Shares	Monday 22 nd June
Entitlement Offer	
Record Date	Thursday 8 th June
Entitlement Offer Opens	Tuesday 23 rd June
Entitlement Offer Closes	Thursday 2 nd July
Expected trading of Entitlement Offer shares	Friday 10 th July

* Timetable is subject to change

Bid Process

- Broker Firm and Institutional Offer bids can only be accepted from investors who qualify under section 708 of the Corporations Act.
- All Firm bids to be emailed to corporate@pacpartners.com.au no later than **12pm Monday 15th June**

Board & Management - includes experienced mining and markets people that have delivered solid results to date

Zeffron Reeves,
Managing Director

Geologist with over 20 years' experience from greenfields exploration, discovery, definition and feasibility, construction, production to closure of resources projects. Has Australian and international experience, with over a decade operating in Chile and Brazil.

Geoffrey McNamara,
Non-Executive Director

Geologist with over 25 years of international resource sector experience as a geologist, project manager & fund manager. Previously worked in Private Equity (AUM USD800 million) & as a Director of Societe General's Mining Finance Team in New York. Operational roles include Project Manager, Senior Mine Geologist & Mine Geologist for Ivanhoe Mines, Lion Ore International & WMC.

John Toll
Current Non-Executive Chairman

John is a Partner at Azure Capital Limited and has over 15 years of experience in corporate advisory, focusing mainly on equity financing transactions across a range of industries including mining, technology, general industrials, biotech and infrastructure. Previous experience includes with a UK-based investment bank offering equity capital markets and advisory services and with the Advisory division of KPMG in Perth.

Sergio Uribe,
Country Manager, Chile.

Experienced on numerous resource projects from exploration, discovery, production, and closure, in administrative, management and development roles. He was worked in both Chile and Australia (with FMG).

Upcoming News flow

- Surface sampling results on district prospects – pending
- Drilling is expected to resume in mid July, with 2 drill rigs
- Drilling (infill and extensional) at Ternerera and to test adjacent prospects
- Advanced metallurgical testing results
- Modelling and resource estimation in 2H 2020

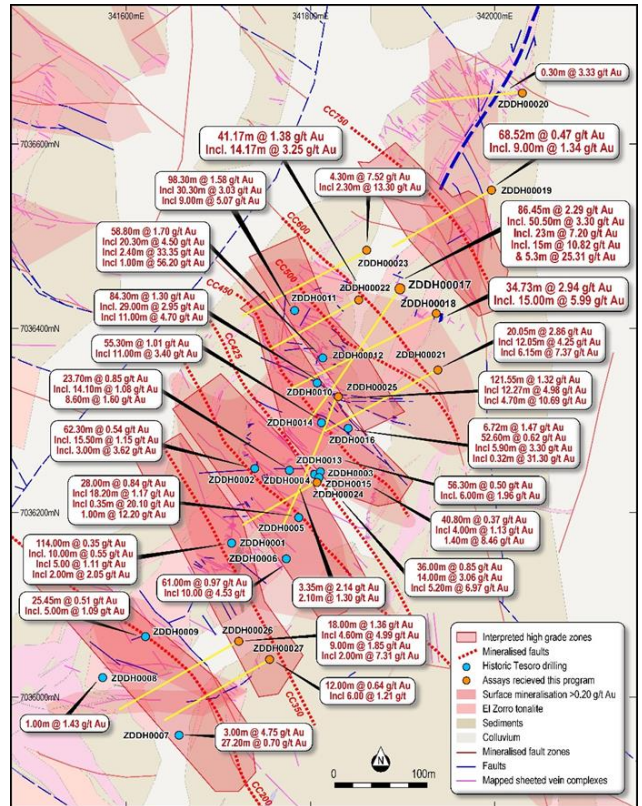
Risks

- Early stage explorer, no mining operation, no revenue, tenement renewal and reduction, operation, mineral resource estimates, commodity price fluctuation, funding, land access, environmental, commercialisation and competition
- Other specific risks such as: infrastructure access, adverse climatic and weather conditions, natural disasters, health and safety, insurance, management, contractors, potential acquisitions, litigation, third parties, dividends and growth.
- General risks: general economic climate, share market and liquidity, share price volatility, government policy and legislation, accounting policies, war, terrorist attacks and potential restrictions due to COVID-19.

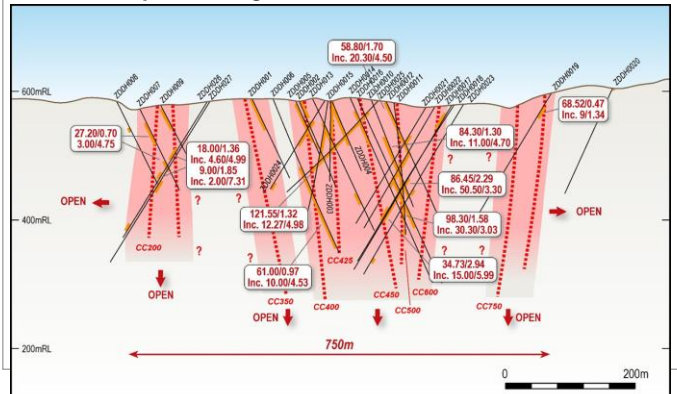
EL Zorro Project

Tesoro has earned a 51% interest in the project and will increase to 70% upon issuing 5m shares to the vendor (subject to shareholder approval at the forthcoming EGM). TSO has an option to increase to 80% and the ability to acquire 100%.

Ternerera Prospect – drilling results and geology



Ternerera Prospect – Long section



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