

Update on El Zorro Joint Venture

Tesoro Resources Limited (Tesoro or the Company) advises that it has been served notice of dispute initiated by the Company's El Zorro Joint Venture partner, Wanaco SpA (**Wanaco**), lodged with 7th Civil Court de Santiago de Chile.

Wanaco is disputing the valuation and the procedure followed for the capital increase approved in the Shareholders Meeting of El Zorro SCM held on February 11, 2021. El Zorro SCM is the El Zorro Gold Project joint venture company of which Tesoro's 95% owned Chile subsidiary, Tesoro Mining Chile SpA (**Tesoro Chile**) currently owns 85% (see ASX announcement on 24 March 2021).

The result of the cash contributions of A\$7.6 million made by Tesoro Chile to El Zorro SCM was that Tesoro Chile increased its ownership of the El Zorro Gold Project from 70% to 85% as Wanaco did not contribute in accordance with its pre-emptive right to pro-rata contribute to the capital increase.

Tesoro is confident that the capital increases were properly valued and duly approved under Chilean corporate and mining law and the dispute initiated by Wanaco is vexatious and with no legal basis.

Tesoro will vigorously defend its position and is considering its legal options to have this spurious claim rejected by the court.

Tesoro will continue to keep the market informed of further developments in respect of these matters.

Authorised by the Board of Tesoro Resources Limited.

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About Tesoro

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

