



Tesoro Chile Update

Highlights

- Tesoro has received judicial approval for provisional surface property easement rights at the El Zorro Gold Project, Chile.
- Easement rights provide right of access to surface land at El Zorro including permissions to establish fixed assets such as surface infrastructure and improvements, roads, buildings etc.
- Establishment of easement rights paves way for VAT credit refund application to the Chilean tax authority for VAT paid on previous expenditure on the acquisition of fixed assets, including drilling.
- Tesoro is preparing an application for Value Added Tax (VAT) credit recovery for fixed asset acquisition estimated up to CLP1,950,000,000 (approx. AUD3m).

Tesoro Gold Ltd (ASX:TSO, OTCQB:TSORF) (**Tesoro or the Company**) is pleased to provide an update for the El Zorro Gold Project, Chile.

El Zorro SCM (85% owned by Tesoro Mining Chile SpA¹) has recently been granted provisional surface easement rights over the El Zorro Gold Project area. The easement rights allow Tesoro to establish fixed assets such as surface infrastructure and improvements and to occupy the surface land over which the easement has been granted. The surface land at El Zorro is owned by the Chilean State and the rights have been granted by the relevant Chilean court in accordance with the special mining law procedure.

The easement rights have been granted for an initial term of 7 years and relate to the execution of exploration activities, allowing some works carried out during exploration to qualify as fixed assets. It is envisaged that an additional easement application will be made to cover the full mine life of any future mining operations at El Zorro during the permitting process for the development of the El Zorro Gold Project.

Chilean regulations allow the recovery of Value Added Tax (VAT) credit for expenditure made on the acquisition of fix assets, including the construction of infrastructure of the El Zorro Gold Project within the land areas covered by the easement, this includes all surface buildings, roads, earthworks, and drilling. The VAT rate in Chile is 19% on qualifying expenditures.

Tesoro will file an application to the Chilean taxation authority for the recovery of up to approximately CLP1,950,000,000 (approx. AUD3m) If approved in full, it is expected that the Company will receive the refund in the fourth quarter CY2022.

Tesoro Managing Director, Zeff Reeves commented:

"The granting of full surface access at El Zorro is another milestone we are pleased to have achieved. Not only does it clear the pathway for us to continue to develop the El Zorro Gold Project, but the surface rights also allow us to recover the VAT on qualifying expenditure that Tesoro has

1- Refer 'About Tesoro Gold' of this report for ownership details

been expended over the course of the last four years. We will apply to recover approximately AUD3m in paid VAT which we expect to be assessed and received by the end of CY2022.

The estimated VAT refund, existing cash reserves, and the flexibility provided through the recently announced At The Market (ATM) facility (ASX Announcement 23 August 2022), will allow us to continue to explore and progress towards development of the exciting El Zorro Gold Project."

The Company will provide further updates on the status of the VAT refund process in due course.

Authorised by the Board of Tesoro Gold Ltd.

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About Tesoro Gold

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.

