

TESORO GOLD LIMITED
ACN 106 854 175

ENTITLEMENT ISSUE PROSPECTUS

For a 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 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Shaw and Partners Limited (AFSL 236048) (**Underwriter**). Refer to Section 6.4.1 for details regarding the terms of the underwriting.

This Prospectus also contains an offer of Placement Options and Underwriter Options. Refer to Sections 2.3 and 2.4 respectively for details of these secondary Offers.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 17 November 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand and Singapore (other than as permitted under Section 2.12).

For further information on overseas Shareholders please refer to Section 2.12.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company and the Underwriter/Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.tesorogold.com.au).

By making an application under the Entitlement Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at tesorogold.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be a resident of Australia, New Zealand, the United Kingdom, Singapore, the United States of America and Chile and must only access this Prospectus from within Australia, New Zealand, the United Kingdom, Singapore, the United States of America and Chile.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6311 9160 during office hours or by emailing the Company at info@tesorogold.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory

Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship. Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Entitlement Offer please call the Company Secretary on +61 8 6311 9160.

CORPORATE DIRECTORY

Directors

Zeffron Reeves
Managing Director

Linton Putland
Executive Director

Geoffrey McNamara
Non-Executive Director

Kristie Young
Non-Executive Director

Joint Company Secretaries

Shannon Coates

Sarah Wilson

Registered Office

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Level 48 Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 6311 9160

Email: info@tesorogold.com.au
Website: www.tesorogold.com.au

Underwriter and Lead Manager

Shaw and Partners Limited
Level 7, Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

Auditor

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

Share Registry*

Automic Registry Services
Level 5
191 St Georges Terrace
PERTH WA 6000

Telephone: +61 2 8072 1400

ASX Code

TSO

Australian Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	Pre-market Thursday, 17 November 2022
Lodgement of Prospectus and Appendix 3B with ASX	Pre-market Thursday, 17 November 2022
Ex date	Monday, 21 November 2022
Record Date for determining Entitlements	Tuesday, 22 November 2022
Issue of Placement Shares to Gold Fields	Thursday, 24 November 2022
Entitlement Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Friday, 25 November 2022
Last day to extend the Closing Date	Before noon (Sydney time) on Thursday, 1 December 2022
Closing Date as at 5:00pm (WST)¹	Tuesday, 6 December 2022
Securities quoted on a deferred settlement basis	Wednesday, 7 December 2022
ASX notified of under subscriptions	Before noon (Sydney time) on Friday, 9 December 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities²	Before noon (Sydney time) on Tuesday, 13 December 2022
Quotation of Securities issued under the Offers³	Wednesday, 14 December 2022

Notes:

1. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.
2. The Placement Options will be issued (subject to Shareholder approval) after the New Options and Underwriter Options have been issued and their subsequent quotation will commence after that of the New Options and Underwriter Options accordingly.
3. Quotation of the Options is subject to the Company being able to satisfy ASX of the quotation requirements set out in Chapter 2 of the ASX Listing Rules, including the minimum spread requirement. Refer to Section 2.10 for further details.

1.2 Summary of Placement and Entitlement Offer

As announced on 17 November 2022, the Company is undertaking a placement and an underwritten non-renounceable entitlement issue in order to raise a total of approximately \$8,014,916 (before costs).

Placement

The Company has entered into a subscription agreement with Corporate International Holdings BV, a wholly owned subsidiary of Gold Fields Limited (**Gold Fields**) for the placement of 120,000,000 Shares (**Placement Shares**) at an issue price of \$0.035 per Share together with one (1) free Option for every two (2)

Shares issued (**Placement Options**) to raise approximately \$4,200,000 (before costs) (**Placement**).

The Placement Shares and the Placement Options are hereafter referred to together as the **Placement Securities**.

The Company intends to issue the Placement Shares on 24 November 2022 pursuant to the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A. The Placement Shares will be issued after the Record Date for the Entitlement Offer and accordingly Gold Fields will not be eligible to participate in the Entitlement Offer in relation to the Placement Shares.

The Placement Options will be issued pursuant to this Prospectus, subject to Shareholder approval to be sought at a general meeting of the Company, to be held in due course.

The Placement Options will be issued on the terms and conditions set out in Section 4.2 of this Prospectus.

Further details in respect of the Placement are set out in the ASX announcement released by the Company on 17 November 2022.

Entitlement Offer

The Entitlement Offer is being made as an underwritten 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.

1.3 Key statistics of the Offers

Shares

	Maximum Subscription \$3,814,916
Entitlement Offer price per Share	\$0.035
Entitlement ratio (based on existing Shares)	1:8
Shares currently on issue	871,980,779
Placement Shares to be issued under the Placement ¹	120,000,000
Shares to be issued under the Entitlement Offer ²	108,997,597
Gross proceeds of the issue of Shares under the Entitlement Offer ^{1, 2}	\$3,814,916
Shares on issue after completion of the Offers³	1,100,978,376

Notes:

1. The Placement raising a further \$4,200,000 (before costs).
2. Assuming the Maximum Subscription of \$3,814,916 is achieved under the Entitlement Offer (or taken up under the Underwriting or the Shortfall Offer).
3. Refer to Section 4.1 for the terms of the Shares.

Options

	Maximum Subscription \$3,814,916
Entitlement Offer price per New Option	Nil
Option Entitlement ratio (based on Shares subscribed for)	1:2
Options currently on issue	62,989,494
Placement Options to be issued under the Placement Options Offer ³	60,000,000
New Options to be issued under the Entitlement Offer ^{2,3}	54,498,799
Underwriter Options to be issued under the Underwriter Options Offer ³	21,799,519
Options on issue after completion of the Offers	199,287,812

Notes:

1. The Placement raising a further \$4,200,000 (before costs).
2. Assuming the Maximum Subscription of \$3,814,916 is achieved under the Entitlement Offer (or taken up under the Underwriting or the Shortfall Offer).
3. Refer to Section 4.2 for the terms of the Placement Options, the New Options and the Underwriter Options.

Performance Rights

	Maximum Subscription \$3,814,916
Performance Rights currently on issue	54,610,000
Performance Rights to be issued pursuant to the Offers	Nil
Performance Rights on issue after completion of the Offers	54,610,000

1.4 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.5 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Performance Rights	Share Entitlement	New Option Entitlement	\$
Mr Geoffrey McNamara ¹	33,610,546	Nil	21,610,000	4,201,318	2,100,659	147,046
Mr Linton Putland ²	Nil	Nil	10,000,000	Nil	Nil	Nil
Mr Zeffron Reeves ^{3,4}	65,224,417	Nil	18,450,000	8,153,052	4,076,526	285,357
Ms Kristie Young ⁵	375,710	Nil	Nil	46,964	23,482	1,644

Notes:

- 33,610,546 Shares are held by Tanamera Resources Pte Ltd (a company registered in Singapore). Geoffrey McNamara is the sole director and shareholder of Tanamera Resources Pte Ltd. 21,610,000 Performance Rights are held by Linkwood Holdings Pte Ltd (a company registered in Singapore). Geoffrey McNamara is a director and substantial shareholder of Linkwood Holdings Pte Ltd.
- 10,000,000 Performance Rights are held by Mr Linton Putland as trustee for the Putland Family Trust.
- 65,224,417 Shares and 18,450,000 Performance Rights are held by Mr Zeffron Reeves as trustee for the Palin Trust.
- Mr Reeves is also entitled to the long-term incentive Shares set out in Section 11.4.1(f) of the Company's Prospectus dated 29 October 2019.
- All securities are held directly by Ms Kristie Young.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.6 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Mr Zeffron Reeves	65,224,417	7.48%

On the issue of the Placement Shares on 24 November 2022 to Corporate International Holdings BV (a wholly owned subsidiary of Gold Fields), Gold Fields will become a substantial holder of the Company with the voting power in the Company set out below:

Shareholder	Shares	%
Gold Fields	120,000,000	12.10%

Assuming Mr Reeves takes up his full Entitlement under the Entitlement Offer (and does not participate in the Shortfall Offer), if all other Entitlements are accepted under the Entitlement Offer (or taken up under the Underwriting or the Shortfall Offer), Mr Reeves' voting power in the Company will be 6.66% on completion of the Entitlement Offer (as a result of the issue of the Placement Shares).

1.7 Lead Manager, Underwriting and sub-underwriting

The Entitlement Offer is fully underwritten by Shaw and Partners Limited (AFSL 236048) (**Underwriter**). The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The terms of the underwriting and total fees payable are set out in Section 6.4.1 below.

The Underwriter has also been appointed as the lead manager of the Entitlement Offer. The terms of the Lead Manager Mandate and total fees payable are set out in Section 6.4.3 below.

The Underwriter may enter into sub-underwriting agreements in respect of the Entitlement Offer with various sub-underwriters (**Sub-Underwriters**) (including Gold Fields who has been appointed pursuant to the Gold Fields Sub-Underwriting Agreement to take up the Shortfall Securities).

No Sub-Underwriter will increase their shareholding to above 19.99% as a direct result of the issue of Securities under the Entitlement Offer. Where Shares are issued pursuant to the exercise of the New Options, the voting power of the Sub-Underwriters who exercise their New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

Refer to Section 6.4.2 for further details of the Gold Fields Sub-Underwriting Agreement.

1.8 Sub-underwriting by Gold Fields and effect on control

Under the terms of the Gold Fields Sub-Underwriting Agreement, Gold Fields has agreed to sub-underwrite up to \$3,465,000 of the Entitlement Offer, comprising 99,000,000 Shares plus 49,500,000 free attaching New Options (**GF Sub-Underwriting Commitment**).

Gold Fields will not receive any fee under the Gold Fields Sub-Underwriting Agreement, and the Gold Fields Sub-Underwriting Agreement is otherwise on standard terms and will be consistent with the sub-underwriting agreements for other general sub-underwriters.

Gold Fields has also agreed to subscribe for the Placement Securities under the Placement.

Assuming no Shareholder takes up their Entitlement and Gold Fields sub-underwrites the full GF Sub-Underwriting Commitment, Gold Fields may be issued 99,000,000 Shares and 49,500,000 New Options under the Entitlement Offer equating to a maximum aggregate holding by Gold Fields of 219,000,000 Shares and 109,500,000 New Options and Placement Options which would result in a maximum potential shareholding of 19.89% and a maximum potential post-exercise shareholding of 19.99% for Gold Fields upon completion of the Entitlement Offer and the Placement (given Gold Fields will only be able to exercise its Placement Options or New Options up to a maximum shareholding of 19.99% unless an exception to section 606 of the Corporations Act applies).

Gold Fields' present relevant interest and voting power under several scenarios are set out in the table below and are based on the assumption that Gold Fields is issued all of the Placement Securities and takes up its maximum sub-underwriting allocation under each scenario.

Event	Shares held by Gold Fields	Options held by Gold Fields	Undiluted voting power of Gold Fields	Diluted voting power of Gold Fields ³
Prospectus Date	0	0%	0%	0%
Post Record Date ¹	120,000,000	60,000,000	12.10%	18.15%
Completion of Entitlement Offer				
100% subscribed	120,000,000	60,000,000	10.90%	16.35%
50% subscribed	169,500,000	84,750,000	15.40%	19.99% ²
30% subscribed	189,300,000	94,650,000	17.19%	19.99% ²
20% subscribed	199,200,000	99,600,000	18.09%	19.99% ²
0% subscribed	219,000,000	109,500,000	19.89%	19.99% ²

Notes:

1. Assuming all the Placement Securities are issued to Gold Fields after the Record Date.
2. Gold Fields may be able to exercise its Placement Options and/or New Options 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).
3. Assuming no other Tesoro convertible securities are converted or exercised other than Gold Fields' Placement Options and/or New Options.

The number of Shares held by Gold Fields and its voting power in the table above show the potential effect of Gold Fields' sub-underwriting of the Entitlement Offer and its participation in the Placement.

However, the Board considers that it is unlikely that no Shareholders will take up their Entitlements under the Entitlement Offer and that other Sub-Underwriters would not be allocated Shortfall Securities. The sub-underwriting allocation and therefore voting power of Gold Fields will reduce by a corresponding number of Entitlements accepted under the Entitlement Offer by Shareholders.

Refer to Section 2.9 for further details of the allocation under the Shortfall Offer.

1.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 20.80% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus), including dilution resulting from the issue of the Placement Shares.

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options, Underwriting Options and Placement Options offered pursuant to this Prospectus are issued and exercised into Shares (and no other Options are exercised), Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by an aggregate of approximately

29.52% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date ¹	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken Up	% post Entitlement Offer and Placement ²
Shareholder 1	10,000,000	1.15%	1,250,000	10,000,000	0.91%
Shareholder 2	5,000,000	0.57%	625,000	5,000,000	0.45%
Shareholder 3	1,500,000	0.17%	187,500	1,500,000	0.14%
Shareholder 4	400,000	0.05%	50,000	400,000	0.04%
Shareholder 5	50,000	0.01%	6,250	50,000	0.005%

Notes:

1. This is based on a share capital of 871,980,779 Shares as at the date of the Prospectus and assumes no other Shares are issued and no Options or Performance Rights are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer and that the Placement Shares have been issued.

2. DETAILS OF THE OFFERS

2.1 The Entitlement Offer

The Entitlement Offer is being made as an underwritten pro-rata non-renounceable entitlement issue of one (1) Share for every eight (8) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.035 per Share together with one (1) new Option for every two (2) Shares subscribed for and issued (**New Options**). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of Securities on issue) approximately 108,997,597 Shares and 54,498,799 New Options may be issued under the Entitlement Offer to raise up to \$3,814,916. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 62,989,494 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to Section 4.2 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.07 each on or before the date that is three (3) years from the date of issue and otherwise on the terms set out in Section 4.2.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.

2.2 Offers of Placement Options and Underwriter Options

This Prospectus also contains offers for the issue of the Placement Options and the Underwriter Options (defined below) for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of the Placement Options and Underwriter Options issued by the Company.

The Placement Options and the Underwriter Options will be issued on the same terms as the New Options as set out in Section 4.2.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Further details of the Placement Options Offer and Underwriter Options Offer are set out below.

2.3 Placement Options Offer

The Placement Options Offer is an offer of 60,000,000 Placement Options to Gold Fields. The Placement Options will be offered for nil consideration to the Placement participant, Gold Fields. Accordingly, no funds will be raised from the Placement Options Offer.

The Placement Options offered will only be issued to Gold Fields (or its nominee). Application forms in respect of the Placement Options Offer will only be provided by the Company to the Gold Fields (or its nominee).

The Placement Options will be exercisable at \$0.07 each on or before the date that is three (3) years from the date of issue of the New Options under the Entitlement Offer and otherwise on the terms and conditions set out in Section 4.2.

The Company has agreed to issue the Placement Options to Gold Fields under a subscription agreement dated 16 November 2022, subject to Shareholder approval at a general meeting of the Company, to be held within the next three months. As noted in Section 2.2, the Placement Options are being offered under this Prospectus to ensure that secondary trading restrictions do not apply to the Placement Options should they be granted quotation on ASX (refer to Section 2.10 for further details on quotation).

Shares issued upon exercise of the Placement Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

2.4 Underwriter Options Offer

The Underwriter Options Offer is an offer of up to 21,799,519 Options to the Underwriter (or its nominee) in part consideration for services provided to the Company in respect of the Entitlement Offer (**Underwriter Options**). Accordingly, no funds will be raised from the issue of the Underwriter Options.

The Underwriter Options offered will only be issued to the Underwriter (or its nominee). Application forms in respect of the Underwriter Options will only be provided by the Company to the Underwriter (or its nominee).

The Underwriter Options will be exercisable at \$0.07 each on or before the date that is three (3) years from the date of issue and otherwise on the terms and conditions set out in Section 4.2.

The Company has agreed to issue the Underwriter Options to the Underwriter (or its nominees) under the Underwriting Agreement. As noted in Section 2.2, the Underwriter Options are being offered under this Prospectus to ensure that secondary trading restrictions do not apply to the Underwriter Options should they be granted quotation on ASX (refer to Section 2.10 for further details on quotation).

The Company intends to issue the Underwriter Options pursuant to the Company's available placement capacity under ASX Listing Rule 7.1 at the same time as it issues the New Options under the Entitlement Offer.

Shares issued upon exercise of the Underwriter Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

2.5 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at <https://investor.automic.com.au/#/home>. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<p>Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home. Please read the instructions carefully.</p> <p>Payment can be made by the methods set out in Section 2.6. As set out in Section 2.6, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</p>	Section 2.6 and Section 2.7.
Take up all of your Entitlement and also apply for Shortfall Securities	<p>Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home. Please read the instructions carefully.</p> <p>Payment can be made by the methods set out in Section 2.6. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</p> <p>If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.9. Accordingly, your application for additional Shortfall Securities may be scaled-back.</p> <p>The Company's decision on the number of</p>	Sections 2.6, 2.7 and 2.9.

Option	Key Considerations	For more information
	Shortfall Securities to be allocated to you will be final.	
Take up a proportion of your Entitlement and allow the balance to lapse	If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home for the number of Securities you wish to take up and making payment using the methods set out in Section 2.6 below. As set out in Section 2.6, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Section 2.6 and Section 2.7
Allow all or part of your Entitlement to lapse	If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse.	N/A

The Entitlement Offer is non-renounceable. Accordingly, an Eligible Shareholder may not sell or transfer all or part of their Entitlement.

2.6 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received**

by 4:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.

(b) Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(c) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(d) No payment by cheque or cash

Payment by cheque or cash will not be accepted.

2.7 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.8 Minimum subscription

There is no minimum subscription.

2.9 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form part of the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.035 being the price at which Shares have been offered under the Entitlement Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders (up to a maximum of \$5,000 per Eligible Shareholder) or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement up to a maximum of \$5,000 are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.6.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4.1. If the Entitlement Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Underwriter notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

2.10 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the New Options and Underwriter Options offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 1.1. If ASX does not grant Official Quotation of the New Options and Underwriter Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, then those Options will still be issued, however, will not be quoted on ASX.

Application for Official Quotation of the Placement Options offered pursuant to this Prospectus will be made following the receipt of Shareholder approval of the issue of the Placement Options (if obtained) at a general meeting of the Company, to be held in due course. If ASX does not grant Official Quotation of the Placement Options offered pursuant to this Prospectus, then those Options will still be issued, however, will not be quoted on ASX.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

2.11 Issue of Securities

Securities issued pursuant to the Entitlement Offer and the Shortfall Offer will be issued in accordance with the ASX Listing Rules and the timetable set out at Section 1.1.

Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Entitlement Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.12 Overseas shareholders

The Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand and Singapore or as contemplated below.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New

Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Chile

The Securities have not been, and will not be, registered under the securities law of Chile. Accordingly, this document may not be delivered to more than 49 persons in Chile in accordance with the conditions of the general ruling No. 336, as issued by the Financial Market Commission of Chile. There is no obligation to deliver public information relating to the Entitlement Offer in Chile.

This document may be distributed, and the Securities may be offered and sold, only to existing shareholders of the Company. No securities may not be offered to the public in Chile unless they are registered in the securities registry of the Company.

Singapore

This document and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Securities may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer of the Securities has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Securities.

The Securities may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Securities has only been communicated or caused to be communicated

and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, **Relevant Persons**). The investment to which this document relates is available only to relevant persons. Any person who is not a Relevant Person should not act or rely on this document.

United States of America

The Securities have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities as well as the ordinary shares underlying the New Options may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and applicable US state securities laws.

The only persons in the United States who may participate in the Entitlement Offer are shareholders of the Company who are institutional “accredited investors” (within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the Securities Act).

In order to participate in the Entitlement Offer, a US shareholder must sign and return a US investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the US shareholder is an institutional accredited investor.

Nominees and custodians

Nominees and custodians may not distribute this document and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia New Zealand and Singapore except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

3. PURPOSE AND EFFECT OF THE OFFERS

The purpose of the Entitlement Offer is to raise up to \$3,814,916 before costs.

The funds raised from the Entitlement Offer, together with the Placement, are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Entitlement Offer	Maximum Subscription (\$)	%
1.	District and Regional Exploration	3,360,000	41.9%
2.	Tenera Infill and Expansion Drilling	2,300,000	28.7%
3.	Resource Estimations, Mining Studies and Permitting Works	850,000	10.6%
4.	Working capital	1,217,687	15.2%
5.	Expenses of the Offers ¹	287,229	3.6%
	Total	8,014,916	100%

Notes:

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offers.

On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) 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 funds are applied on this basis.

3.1 Effect of the Offers and the Placement

The principal effect of the Offers and the Placement, assuming all Entitlements are accepted (or taken up under the Underwriting or the Shortfall Offer), and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the Company's cash reserves by \$8,014,916 (before deducting the estimated expenses of the Offers) immediately after completion of the Offers;
- (b) increase the number of Shares on issue from 871,980,779 as at the date of this Prospectus to 1,100,978,376 Shares; and
- (c) increase the number of Options on issue from 62,989,494 as at the date of this Prospectus to 199,287,812 Options.

3.2 Effect on capital structure

The effect of the Offers and the Placement on the capital structure of the Company, assuming all Entitlements are accepted pursuant to the Entitlement Offer (or taken up under the Underwriting or the Shortfall Offer) and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue ¹	871,980,779
Placement Shares to be issued pursuant to the Placement	120,000,000
Shares offered pursuant to the Entitlement Offer	108,997,597
Shares on issue after completion of the Offers	1,100,978,376

Notes:

1. In addition to the Shares currently on issue, Mr Reeves is entitled to long-term incentive Shares as set out in Section 11.4.1(f) of the Company's Prospectus dated 29 October 2019.

Options

	Number
Options currently on issue	
Quoted Options exercisable at \$0.11 on or before 7 July 2025	62,989,494
Placement Options to be issued pursuant to the Placement	60,000,000
New Options offered pursuant to the Entitlement Offer	54,498,799
Underwriter Options to be issued pursuant to the Underwriter Options Offer	21,799,519
Options on issue after completion of the Offers	199,287,812

Performance Rights

	Number
Performance Rights currently on issue	54,610,000
Performance Rights offered pursuant to the Offers	Nil
Performance Rights on issue after completion of the Offers	54,610,000

The capital structure on a fully diluted basis as at the date of this Prospectus would be 989,580,273 Shares and on completion of the Placement and the Offers (assuming all Entitlements are accepted (or taken up under the Underwriting or the Shortfall Offer), and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 1,354,876,189 Shares.

On 14 June 2022, the Company successfully completed a placement of 89,985,003 new Shares at an issue price of \$0.06 per Share, to raise approximately \$5,400,000 (**June Placement Raise**). As at 17 November 2022,

there are 2,833,333 Shares and 1,416,667 Options, totalling approximately \$170,000, issued pursuant to the June Placement Raise that remain unpaid (**Unpaid Securities**). The Unpaid Securities issued to investors are currently under a trading lock until such a time that the Company receives payment for the Unpaid Securities.

No other Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.3 Pro-forma balance sheet

The audited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet as at 30 June 2022 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted by Eligible Shareholders or taken up in the Underwriting or the Shortfall Offer, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offers.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	TSO Audited 30-06-2022	June Placement Raise Funds Post 30 June 2022	ATM Subscription Raise	Placement @ \$0.035	Entitlement Offer @ \$0.035	Proforma Balance Sheet
CURRENT ASSETS						
Cash	3,949,773	70,000	750,000	4,200,000	3,527,687	12,497,460
Trade and other receivables	751,589	(70,000)	-	-	-	681,589
TOTAL CURRENT ASSETS	4,701,362	-	750,000	4,200,000	3,527,687	13,179,049
NON-CURRENT ASSETS						
Plant and equipment	205,182	-	-	-	-	205,182
Exploration and evaluation	26,063,374	-	-	-	-	26,063,374
Right-of-use assets	137,024	-	-	-	-	137,024
TOTAL NON- CURRENT ASSETS	26,405,580	-	-	-	-	26,405,580

	TSO Audited 30-06-2022	June Placement Raise Funds Post 30 June 2022	ATM Subscription Raise	Placement @ \$0.035	Entitlement Offer @ \$0.035	Proforma Balance Sheet
TOTAL ASSETS	31,106,942	-	750,000	4,200,000	3,527,687	39,584,629
CURRENT LIABILITIES						
Creditors and other payables	805,049	-	-	-	-	805,049
Provisions	73,251	-	-	-	-	73,251
Lease liabilities	22,804	-	-	-	-	22,804
TOTAL CURRENT LIABILITIES	901,104	-	-	-	-	901,104
NON-CURRENT LIABILITIES						
Lease liabilities	86,134	-	-	-	-	86,134
TOTAL CURRENT LIABILITIES	86,134	-	-	-	-	86,134
TOTAL LIABILITIES	987,238	-	-	-	-	987,238
NET ASSETS (LIABILITIES)	30,119,704	-	750,000	4,200,000	3,527,687	38,597,391
EQUITY						
Share capital	48,945,881	-	750,000	4,200,000	2,888,669	56,784,550
Reserves	(1,882,516)	-	-	-	753,465	(1,129,051)
Accumulated losses	(18,790,191)	-	-	-	(114,447)	(18,904,638)
Equity attributable to owners of the Company	28,273,174	-	750,000	4,200,000	3,527,687	36,750,861
Non-controlling interest	1,846,530	-	-	-	-	1,846,530
TOTAL EQUITY	30,119,704	-	750,000	4,200,000	3,527,687	38,597,391

Notes:

The above pro-forma balance sheet includes the following pro forma adjustments for the effect of the Offers and other material post-balance date events:

1. An increase to Cash and Share capital as a result of the June Placement Raise funds received after 30 June 2022 totalling \$70,000.

2. An increase to Cash and Share capital as a result of utilisation of the Company's At-the-Market Subscription Agreement with Acuity Capital to raise \$750,000 (including costs).
3. An increase to Cash and Share capital as a result of the Placement to Gold Fields totalling \$4,200,000.
4. An increase to Reserves and decrease of Share Capital of \$753,465 as a result of the fees to be paid to the Underwriter and the issue of Underwriter Options deemed fair value using the Black-Scholes options pricing model at 27 October 2022. Refer to Section 4.2 of this Prospectus for details of Underwriter Options.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of New Options, Placement Options and Underwriter Options

(a) **Entitlement**

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

(b) **Exercise Price**

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

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on the date which is three (3) years from the date of issue (**Expiry Date**)¹. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the 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.

¹ The Placement Options will be issued (subject to Shareholder approval) after the New Options and Underwriter Options have been issued. The Placement Options will have the same Expiry Date as the New Options and the Underwriter Options, being the date which is three years from the issue of the New Options and the Underwriter Options.

(f) **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 Option being exercised in cleared funds (**Exercise Date**).

(g) **Deferral of exercise if resulting in a prohibited acquisition of Shares**

If the exercise of an Option under paragraph (e) 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 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 an Option would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the exercise of an 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 an Option will not result in any person being in contravention of the General Prohibition; and
- (ii) 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 an Option will not result in any person being in contravention of the General Prohibition.

(h) **Timing of issue of Shares on exercise**

Subject to paragraph (g) within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) 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
- (iii) 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 Options.

If a notice delivered under (h)(ii) 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.

(i) **Shares issued on exercise**

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

(j) **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.

(k) **Participation in new issues**

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

(l) **Change in exercise price**

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

(m) **Transferability**

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

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

Risk Category	Risk
Potential for dilution	<p>In addition to potential control impacts set out in Section 1.9, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 20.80% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus), including dilution resulting from the issue of the Placement Shares.</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by an aggregate of approximately 29.52% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p>

Risk Category	Risk
	<p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offers being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.037 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offers.</p> <p>The last trading price of quoted Options on ASX prior to the Prospectus being lodged of \$0.014 is not a reliable indicator as to the potential trading price of quoted Options after implementation of the Offers.</p>
Exploration	<p>The mineral exploitation concessions comprising the El Zorro Project are at various stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of the El Zorro Project, or any other concessions that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to the exploitation concessions comprising the El Zorro Project and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the El Zorro Project, a reduction in the cash reserves of the Company and possible relinquishment of the projects. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially</p>

Risk Category	Risk
	<p>differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
<p>Mineral exploitation concessions applications and license renewal</p>	<p>The Company cannot guarantee additional applications for mineral exploitation concessions made by the Company will ultimately be granted, in whole or in part.</p> <p>Further, mining and exploration concessions are subject to periodic renewal. There are no guarantees that current or future concessions and/or applications for concessions will be approved. The renewal of the term of a granted concession is also subject to the discretion of the relevant authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the concessions. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <p>Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required, and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of its Project.</p> <p>The Company has yet to receive regulatory and environmental approval to convert its mineral exploitation concessions into production permits. There is a risk that these approvals may not be obtained.</p>
<p>Joint Venture Risk</p>	<p>The Company is subject to the risk that changes in the status of any of the Company's joint ventures may adversely affect the operations and performance of the Company.</p> <p>There is also a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Company is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising with the Company's joint venture partners, the resolution of which could lead to delays in the Company's proposed development activities or financial loss.</p> <p>As noted in Section 6.1, on 26 August 2021, Tesoro was served notice of dispute initiated by the Company's El Zorro joint venture partner, Wanaco SpA (Wanaco), lodged with the 7th Civil Court de Santiago de Chile.</p>

Risk Category	Risk
	Refer to Section 6.1 and the Company's ASX releases for further details.
Main operations in Chile and land access	<p>While Chile is considered to be one of South America's most politically stable and prosperous nations, it may nevertheless be subject to social and economic uncertainty. Civil and political unrest and outbreaks of hostilities in Chile could affect the Company's access to its projects and subsequent exploration and development. Adverse changes in government policies or legislation in Chile affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company.</p> <p>In particular, there is a mining royalty bill (Royalty Bill) under discussion in the National Congress of Chile for the creation of a new tax to mining operations in Chile. The draft Royalty Bill proposes charging a royalty on mining companies exploiting certain minerals in Chile.</p> <p>If the Royalty Bill is passed, it may adversely impact the Company's operations. The Directors will continue to monitor and update the market as necessary.</p>
Control risk – Mr Zeffron Reeves	<p>Mr Zeffron Reeves, through his related entities, is currently the largest Shareholder of the Company and has a relevant interest in approximately 7.48% of the Shares in the Company. Assuming Mr Reeves takes up his full Entitlement under the Entitlement Offer (and does not participate in the Shortfall Offer), if all other Entitlements are accepted under the Entitlement Offer (or taken up under the Underwriting or the Shortfall Offer), Mr Reeves' voting power in the Company will be 6.66% on completion of the Entitlement Offer (as a result of the issue of the Placement Shares).</p> <p>Mr Reeves' significant interest in the capital of the Company means that he is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p>
Control risk – Gold Fields	<p>Gold Fields currently does not hold any relevant interest in any Shares of the Company. However, assuming all Placement Shares are issued to Gold Fields and Gold Fields is allocated its maximum sub-underwriting commitment under the Entitlement Offer, Gold Fields' relevant interest in the Company may increase to as high as 19.99%.</p> <p>Gold Fields' significant interest in the capital of the Company means that it may be in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p>

Risk Category	Risk
Earthquake	Chile, including the area in which the El Zorro Project is situated, is seismically active and prone to frequent earthquakes and occasional tsunamis. Any such event may result in operational delays to the Company's operations.
Mine development	<p>Possible future development of a mining operation at the Company's El Zorro Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.</p> <p>The risks associated with the development of a mine will be considered in full should the El Zorro Project or any future projects that the Company acquires an interest in reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

5.3 Industry specific

Risk Category	Risk
Gold price	Changes in the market price of gold, which in the past have fluctuated widely, will affect the profitability of the Company's operations and its financial condition in the future, if and when the Company enters production. The Company's revenues, profitability and

Risk Category	Risk
	<p>viability would depend on the market price of gold produced from the Company's El Zorro Project. The market price of gold is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand, expectations with respect to the rate of inflation, interest rates, currency exchange rates, the demand for gold and industrial products containing metals, gold production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and procedures of gold and other metals in response to any of the above factors, and global and regional political and economic factors.</p> <p>Should the Company eventually enter a production phase, a decline in the market price of gold below the Company's production costs for any sustained period would have a material adverse impact on the profit, cash flow and results of operations of the Company's El Zorro Project and anticipated future operations. Such a decline also could have a material adverse impact on the ability of the Company to finance the exploration and development of its existing and future mineral projects. A decline in the market price of gold may also require the Company to write-down its material reserves which would have a material adverse effect on the value of the Company's securities. Further, if future revenue from any future gold sales decline, the Company may experience liquidity difficulties. The Company will also have to assess the economic impact of any sustained lower prices on recoverability and therefore, on cut-off grades and the level of any future mineral reserves and resources.</p>
Exploration costs	<p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
Results of studies	<p>Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Project. These studies may include scoping, prefeasibility, definitive feasibility and bankable feasibility studies.</p> <p>These studies will be completed within parameters designed to determine the economic feasibility of the</p>

Risk Category	Risk
	<p>Project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Project, or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).</p>
<p>Resource and reserves and exploration targets</p>	<p>The Company has identified a number of exploration targets based on geological mapping and interpretations, geophysical data, geochemical sampling and historical drilling. A maiden mineral resource estimate was announced to ASX on 28 July 2021 and a subsequent, increased mineral resource estimate was announced to the ASX on 27 September 2022. Whilst the Company intends to undertake additional exploratory work with the aim of expanding the current mineral resource, no assurances can be given that additional exploration will result in the determination of additional resources on any of the exploration targets identified. Even if an additional resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature Resource and Reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
<p>Operations</p>	<p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its mineral exploitation concessions. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>
<p>Regulatory Compliance</p>	<p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native</p>

Risk Category	Risk
	<p>title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the concessions.</p>
Environmental	<p>The operations and proposed activities of the Company are subject to Chilean laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or fires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment,</p>

Risk Category	Risk
	<p>environmental damage caused by previous operations or noncompliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p>

5.4 General risks

Risk Category	Risk
Climate risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
Coronavirus	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The</p>

Risk Category	Risk
	<p>Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Offers, the Company will notify investors under a supplementary prospectus.</p>
<p>Ukraine Conflict</p>	<p>The current evolving conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>

Risk Category	Risk
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
Commodity price volatility and exchange rate risk	The Company's revenue will be in US dollars derived from the sale of gold and the Company's operating expenses will be incurred principally in US dollars. Movements in the USD/AUD exchange rate and/or the US dollar gold price may adversely or beneficially affect the Company's results or operations and cash flows.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance</p> <p>In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.</p>
Taxation	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential

Risk Category	Risk
	<p>investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
<p>Additional requirements for capital</p>	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Entitlement Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company</p>
<p>Government Policy Changes</p>	<p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Chile may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p>
<p>Agents and contractors</p>	<p>The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.</p>
<p>Force majeure</p>	<p>The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.</p>
<p>Litigation risks</p>	<p>As set out in Section 6.1, the Company is currently involved in litigation with Wanaco SpA. Refer to Section 6.1 and the Company's ASX announcements for further details.</p> <p>The Company is exposed to other possible litigation risks including intellectual property claims, contractual</p>

Risk Category	Risk
	disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.
Insurance	The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with the Company's business may not always be available and where available the costs may be prohibitive.

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings other than as set out below and the Directors are not aware of any legal proceedings pending or threatened against the Company.

On 26 August 2021, the Company was served notice of dispute initiated by the Company's El Zorro joint venture partner, Wanaco, lodged with the 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 11 February 2021. El Zorro SCM is the El Zorro Gold Project (**Project**) joint venture company of which Tesoro's 95% owned Chilean subsidiary; Tesoro Mining Chile SpA (**Tesoro Chile**) currently owns 85% (see ASX announcement on 24 March 2021).

The initial proceedings brought by Wanaco SpA were dismissed by the Civil Court as the court deemed that the proceedings were incorrectly brought and that the proceedings should be correctly brought to the appropriate court by Wanaco SpA.

A hearing was held on 2 February 2022 and parties agreed to suspend the legal process for 30 working days (6 weeks) to see if a settlement can be reached for the Company to acquire 100% of the Project. No settlement was reached, resulting in the legal process resuming with the next court hearing later in the year at a time yet to be determined. If the parties are unsuccessful in reaching an agreement following the hearing, the timing for the matter to proceed to trial is unknown at this stage.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred

to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

The Company notes it is currently undertaking drilling at the El Zorro Gold Project in Chile and that results from this drilling program are analysed, collated and released in accordance with the Company's continuous disclosure obligations.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
17 November 2022	Tesoro secures strategic investment from Gold Fields
9 November 2022	Noosa Mining Conference Presentation
31 October 2022	Quarterly Cashflow Report
31 October 2022	Quarterly Activities Report
31 October 2022	New discovery confirmed 35km North of Ternera Gold Deposit
26 October 2022	Notice of Annual General Meeting/Proxy Form
26 October 2022	Final Director's Interest Notice
26 October 2022	Director resignation
11 October 2022	Notice pursuant to s708A(5)(e) Corporations Act 2001
11 October 2022	Application for quotation of securities - TSO
11 October 2022	At the market raise
10 October 2022	Tesoro Attending New Orleans Investor Conference
6 October 2022	Annual General Meeting information
27 September 2022	Major gold intersections at El Zorro
23 September 2022	Appendix 4G
23 September 2022	Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.tesorogold.com.au.

6.3 Market price of Shares and Options

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares and Options are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.053	31 August 2022
Lowest	\$0.03	27 September 2022 28 September 2022
Last	\$0.037	16 November 2022

The highest, lowest and last closing market sale prices of the Options on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.018	31 August 2022
Lowest	\$0.008	28 July 2022
Last	\$0.0140	16 November 2022

6.4 Material Contracts

6.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Shaw and Partners Limited, pursuant to which the Underwriter has agreed to underwrite the Entitlement Offer up to a value of \$3,814,916 (the **Underwritten Amount**) (being 100% of the funds to be raised under the Entitlement Offer (and equal to 108,997,597 Shares and 54,498,799 New Options) (**Underwritten Securities**).

The Underwriter may appoint sub-underwriters to sub-underwrite the Entitlement Offer (including Gold Fields who has been appointed as set out in section 6.4.2 below). The appointment of any sub-underwriter and the allocation of any Underwritten Securities is at the sole discretion of the Underwriter.

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

Fees	The Company must pay the Underwriter: (a) an underwriting fee of 3% of the Underwritten Amount, exclusive of GST; and (b) a selling fee of 3% of the total amount raised by the Company under the Entitlement Offer (excluding funds raised from sub-underwriters introduced by the Company, including the Sub-underwriter), exclusive of
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	<p>GST.</p> <p>On successful completion of the Entitlement Offer, the Company will issue to the Underwriter (or its nominee) one (1) New Option for every five (5) New Shares issued under the Entitlement Offer.</p>
<p>Termination Events</p>	<p>The Underwriting Agreement will be terminated if any of the following events occur at any time between the date of the Agreement and completion of the Entitlement Offer:</p> <p>(a) delisting: ASX announces that the Company will be removed from the official list or that any Shares will be delisted or suspended from quotation by ASX for any reason;</p> <p>(b) market fall: at any time from (and including) the date of lodgement of the Prospectus, to (and including) the date of settlement of the Entitlement Offer, the S&P/ASX 200 Index is at a level that is 10% or more below its level as at the close of business on the trading day prior to the date of the Underwriting Agreement;</p> <p>(c) cannot issue New Securities: the Company is prevented from allotting and issuing any of the securities pursuant to the Entitlement Offer under the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency;</p> <p>(d) quotation: ASX does not, or states that it will not, agree to grant official quotation of all of the securities to be issued pursuant to the Entitlement Offer on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the Underwriter (acting reasonably), have a material adverse effect on the Entitlement Offer) by the time required in the timetable, or if permission for the official quotation of those new securities is granted before the date of allotment and issue of the relevant new securities, that approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;</p> <p>(e) adverse change: any material adverse change occurs in the assets, liabilities, share capital, share structure, financial position or performance, profits, loss or prospects of the Company or the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company), from those respectively disclosed in the accounts, Prospectus or the public information, including:</p> <ul style="list-style-type: none"> (i) any material adverse change in the reported earnings or future prospects of the Company or a related body corporate of the Company; (ii) any material adverse change in the nature of the business conducted by the Company or a related body corporate of the Company; or (iii) the insolvency or voluntary winding up of the Company or a related body corporate of the Company, or the appointment of any receiver, receiver and manager, liquidator or other

- external administrator to a related body corporate of the Company (or in the case of a receiver, over any assets owned or controlled by a related body corporate of the Company); or
- (iv) any material adverse change to the rights and benefits attaching to any Shares; or
 - (v) any change that may have a material adverse effect;
- (f) **withdrawal:** the Company withdraws the Prospectus or terminates the Entitlement Offer;
- (g) **repayment:** any circumstance arises after lodgement of the Prospectus that results in the Company either repaying the money received from applicants (other than to applicants whose applications were not accepted in whole or in part), or offering applicants an opportunity to withdraw their applications and be repaid their application money; or
- (h) **no certificate:** any certificate or notice which is required to be furnished by the Company under the Underwriting Agreement is either:
- (i) not furnished when required; or
 - (ii) misleading or deceptive (including by omission) or otherwise incorrect in a material; or
- (i) **capital structure:** other than as contemplated by the Prospectus, the Company or any related body corporate of the Company takes any steps to alter its capital structure without the prior written consent of the Underwriter, excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (j) **financial assistance:** the Company or a related body corporate passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;
- (k) **insolvency:** any one of the following occurs in respect of the Company (or any of its related bodies corporate):
- (i) that entity being or stating that it is unable to pay its debts as and when they fall due;
 - (ii) that entity suspending payment of its debts generally; or
 - (iii) that entity failing to comply with a statutory demand; or
 - (iv) any step being taken which will or is likely to result in any of the following (except, in the case of matters affecting related bodies corporate of the Company as part of restructuring in the ordinary course of the group's business):
 - (A) the appointment of a liquidator, provisional liquidator, administrator,

receiver, receiver and manager or other similar official in relation to, or to any property of, the Company (or any of its related bodies corporate); or

(B) the Company (or any of its related bodies corporate) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an assignment for the benefit of its creditors or any class of them; or

(C) circumstances existing which would permit a presumption of insolvency in relation to the Company (or any of its related bodies corporate) under subsection 459C(2) of the Corporations Act, or

anything analogous or having a substantially similar effect occurring in relation to the Company (or any of its related bodies corporate), including under the laws of any other jurisdiction;

(l) **ceasing business:** other than as contemplated by the Prospectus, the Company or a related body corporate of the Company ceasing or threatening to cease to carry on business;

(m) **judgment:** a judgment in an amount exceeding \$100,000 being obtained against the Company or a related body corporate of the Company and not being set aside or satisfied within 21 days;

(n) **process:** any distress, attachment, execution or other process of a governmental agency in an amount exceeding \$100,000 being issued against, levied or enforced upon any of the assets of the Company or a related body corporate of the Company is the case may be, and not being set aside or satisfied within 21 days;

(o) **Prospectus, the Entitlement Offer or any investor presentation to comply:** the Prospectus, the Entitlement Offer or any investor presentation made public in connection with the Entitlement Offer:

(i) not materially complying with the Corporations Act, the Listing Rules or any other applicable law or regulation;

(ii) containing a statement which is materially misleading or deceptive, or a matter required by the Corporations Act to be included being omitted from that material;

(p) **market conditions:** any material adverse change or disruption occurring in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America, the

European Union, Canada, the People's Republic of China, Hong Kong, Singapore or in the international financial markets, or any material adverse change occurring in national or international political, financial or economic conditions;

- (q) **moratorium on commercial banking:** a general moratorium on commercial banking activities in Australia, New Zealand, the European Union, Canada, the People's Republic of China, Hong Kong, Norway, Singapore, Switzerland, the United Kingdom or the United States being declared by the relevant central banking authority in any of those countries or there being a material disruption in commercial banking or Share settlement or clearance services in any of those countries;
- (r) **Force Majeure:** an event of force majeure occurring that makes it commercially impossible for the Underwriter to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the Entitlement Offer of Underwritten Shares, or that causes the Underwriter to delay satisfying a material obligation under the Underwriting Agreement;
- (s) **disclosures in Due Diligence Questionnaire:** any information supplied by or on behalf of the Company to the Underwriter in relation to the Group or the Entitlement Offer as part of the due diligence process being or becoming materially misleading or deceptive;
- (t) **material contracts:** the termination (other than those that terminate due to the effluxion of time) or a material amendment of any material contract of the Company, where in either case this may have a material adverse effect on the Company;
- (u) **hostilities:** hostilities, political or civil unrest, not presently existing commencing (whether war has been declared or not) or a major escalation in existing hostilities, political or civil unrest occurs (whether war has been declared or not) occurring which involves any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, Japan, Indonesia, Singapore, Malaysia, Hong Kong, North Korea or the Peoples Republic of China, Ukraine or Russia, or a significant terrorist act being perpetrated on or in any of those countries, or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (v) **general trading suspensions:** trading in securities generally being suspended or materially limited, for at least one trading day, by any of the ASX, the New York Stock Exchange, NASDAQ, the Hong Kong Stock Exchange or the London Stock Exchange;
- (w) **forecasts:** the Prospectus, any investor presentation made public in connection with the Entitlement Offer or the Placement, or other announcement made by the

Company to the ASX including any forecast, expression of opinion, belief, intention or expectation which is not based on reasonable grounds (including having regard to ASIC Regulatory Guide 170), or which ceases to be based on reasonable grounds (including having regard to ASIC Regulatory Guide 170);

- (x) **change in management:** a change in the board of Directors or senior management of the Company occurring to which the Underwriter does not consent within 5 business days of the change, which consent shall not be unreasonably withheld or delayed;
- (y) **fraud:** the Company or any of its related bodies corporate, or any of their respective directors or officers (as those terms are defined in the Corporations Act) engaging in any fraudulent conduct or activity whether or not in connection with the Entitlement Offer;
- (z) **legal proceedings and offence by Directors:** any of the following occurring:
 - (i) a Director or other officer of the Company being charged relation to fraudulent conduct, whether or not in connection with the Entitlement Offer, or a Director or other officer of the Company being charged with an indictable offence relating to financial or corporate matters; or
 - (ii) material legal proceedings being commenced against the Company; or
 - (iii) any Director being disqualified from managing a corporation under section 206A Corporations Act;
- (aa) **change to Constitution:** other than as contemplated by the Prospectus, prior to the Issue Date, a change to the constitution of the Company or the Company's capital structure occurring without the prior written consent of the Underwriter;
- (bb) **change of control:** a scheme of arrangement or reconstruction being announced by the Company, or an offer to Shareholders being announced by another person, which, if implemented, may result in a person and their associates acquiring a beneficial interest in, or voting power of, 50% or more of the interests in the Company;
- (cc) **charges:** the Company or any of its related bodies corporate charging, or agreeing to charge, the whole or a substantial part of their respective business or property other than:
 - (i) a charge over any fees or commissions to which the Company is or will be entitled;
 - (ii) as disclosed in the Prospectus or already having been disclosed in any Public Information as at the date of the Underwriting Agreement; or
 - (iii) as agreed with the Underwriter (acting

reasonably);

(dd) **investigation:** any of the following occurring:

- (i) ASIC applying (or threatening to apply) for an order under section 1324B or 1325 of the Corporations Act, or ASIC or any other Government Agency issuing or threatening to issue proceedings in relation to the Entitlement Offer, the Prospectus, or any investor presentation, or commencing any formal inquiry or investigation into the Entitlement Offer or the Placement, the Company, the Prospectus or any investor presentation (or advising of its intention to do so);
- (ii) there being an application to any Government Agency (including, without limitation, any court and the Takeovers Panel) for any order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy, or any other Government Agency commencing any other investigation or hearing or announcing its intention to do so, in each case in connection with the Entitlement Offer (or any part of it) (or advises of its intention to do so);
- (iii) ASIC or any other Government Agency commencing or giving notice of an intention to commence a prosecution of the Company or any director or employee of the Company; or
- (iv) ASIC or any other Government Agency commencing or giving notice of an intention to commence a hearing or investigation into the Company;

(ee) **notifications:** any of the following notifications being made:

- (i) an application is made by ASIC for an order under Part 9.5 Corporations Act in relation to the Prospectus or ASIC commences any investigation or hearing under Part 3 Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Prospectus; and
- (ii) the Company or an entity in the Group issuing a public statement concerning the Entitlement Offer which has not been approved by the Underwriter;

(ff) **breach:** the Company breaching any of its material obligations under the Underwriting Agreement;

(gg) **representations and warranties:** any representation or warranty contained in the Underwriting Agreement on the part of the Company being breached or becoming false, misleading or incorrect to a material extent;

(hh) **prescribed occurrence:** an event specified in section 652C(1) or section 652C(2) Corporations Act occurring,

	<p>but as if the reference in those sections to 'target' where references to the Company;</p> <p>(ii) timetable: an event specified in the Timetable being delayed for more than five (5) Business Days other than with the Underwriter's prior consent, such consent not to be unreasonably withheld or delayed;</p> <p>(jj) change in laws: any of the following occurring which does or is likely to prohibit, materially restrict or regulate the Entitlement Offer or materially reducing the likely level of valid Applications or materially affecting the financial position of the Company or having a material adverse effect of the success of the Entitlement Offer:</p> <p>(i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or</p> <p>(ii) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory or the Reserve Bank of Australia; or</p> <p>(kk) failure to comply: the Company or any related body corporate of the Company failing to comply with any of the following:</p> <p>(i) a material provision of its constitution;</p> <p>(ii) any material applicable law or regulation (including the Corporations Act); or</p> <p>(iii) the Listing Rules.</p>
Conditions	The Underwriter's obligations are conditional upon the Company providing the Underwriter with a shortfall notice and closing certificate on the date that the results of the Entitlement Offer are announced to the ASX.

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

6.4.2 Gold Fields Sub-Underwriting Agreement

The Underwriter has entered into a sub-underwriting agreement with Gold Fields, pursuant to which Gold Fields has agreed to sub-underwrite the Entitlement Offer on the following material terms:

- (a) Gold Fields has agreed to sub-underwrite \$3,465,000 (99,000,000 Shares and 49,500,000 New Options) (**GF Sub-Underwriting Commitment**); and
- (b) the Gold Fields Sub-Underwriting Agreement will automatically terminate if the Underwriter's obligations under the Underwriting Agreement cease or are terminated.

The Gold Fields Sub-Underwriting Agreement is otherwise made on terms and conditions considered standard for an agreement of this nature.

6.4.3 Lead Manager Mandate

The Company has signed a mandate letter to engage Shaw and Partners to act as lead manager of the Entitlement Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Term	The terms of the Lead Manager Mandate will remain in place until the earlier of: (a) completion of the Entitlement Offer and the Shortfall Offer; or (b) 12 months after the date of the Lead Manager Mandate, unless terminated earlier as with or without cause by written agreement or by mutual written agreement.
Fees	The fees payable to the Underwriter under the Underwriting Agreement include all fees for the provision of lead manager services as well. Refer to Section 6.4.1.
Termination Events	The Entitlement Offer may only be withdrawn and/or the Lead Manager Mandate terminated, in accordance with the terms of the Underwriting Agreement. Refer to Section 6.4.1.
Right of First Refusal	Subject to the completion of the Entitlement Offer and the Shortfall Offer, the Company will offer Shaw and Partners the first right to act as a joint lead manager for any capital raising (Future Capital Raising) within 12 months of the date of the Lead Manager Mandate, excluding any placement to a strategic or institutional investor identified by the Company. The Future Capital Raising will be subject to a minimum fee of 6% of the proceeds of the capital raising (excluding funds raised from investors introduced by the Company) (excluding any GST).

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

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offers.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.5.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e., non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2022 Annual Report.

Director	FY ending 30 June 2022	FY ending 30 June 2023
Mr Zeffron Reeves	\$941,703 ¹	\$240,000
Mr Geoffrey McNamara	\$594,834 ²	\$50,000
Mr Linton Putland	\$336,257 ³	\$330,000
Ms Kristie Young	\$46,563 ⁴	\$50,000

Notes:

1. Includes a cash-based payment of \$240,000, a superannuation payment of \$24,000 and share based payments of \$677,703.
2. Includes a cash-based payment of \$50,000 and share based payments of \$544,834.
3. Includes a cash-based payment of \$299,400, a superannuation payment of \$24,000 and share based payments of \$12,857.

4. Includes a cash-based payment of \$36,237, a superannuation payment of \$3,624 and share based payments of \$6,702.

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$111,871 (excluding GST and disbursements) for legal services provided to the Company.

RSM Australia Partners has been paid \$31,597 for auditing the Company's 30 June 2022 balance sheet. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Australia Partners has received \$64,653 (excluding GST) in fees from the Company.

Shaw and Partners has acted as underwriter and lead manager of the Entitlement Offer. Shaw and Partners will be paid a fee of approximately \$228,895 and issued up to 21,799,519 Underwriter Options pursuant to the Underwriter Options Offer as consideration for underwriting and lead manager services provided in respect of the Entitlement Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Shaw and Partners has received \$287,496 (excluding GST) in fees from the Company (some of these fees were paid away to other brokers as selling fees in connection with the

relevant capital raising by the Company). Shaw and Partners has also received 11,817,000 Options as part consideration for services provided to the Company during the 24 months preceding lodgement of this Prospectus (some of these fees were issued to other brokers as nominees of Shaw and Partners as a selling fee in connection with the relevant capital raising by the Company).

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

RSM Australia Partners has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2022 audited balance sheet of the Company in Section 3.3.

Shaw and Partners has given its written consent to being named as underwriter and lead manager to the Entitlement Offer in this Prospectus. Shaw and Partners (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities (other than the Options referred to in Section 6.6).

6.8 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$287,229 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	25,128
Legal fees	25,000

	\$
Underwriter fees	228,895
Miscellaneous	5,000
Total	287,229

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Zeffron Reeves
Managing Director
For and on behalf of
Tesoro Gold Limited

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

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.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Tesoro Gold Limited (ACN 106 854 175).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and who resides within Australia, New Zealand or Singapore or is permitted to participate in the Offers as contemplated in Section 2.12.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement Offer means the fully underwritten non-renounceable entitlement issue the subject of this Prospectus.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Exercise Date has the meaning given to it in Section 4.2(f).

Exercise Period has the meaning given to it in Section 4.2(d).

Exercise Price means the exercise price of the New Options, the Underwriter Options and the Placement Options being \$0.07.

Expiry Date means the expiry date of the New Options and the Underwriter Options being 5:00pm (WST) on the date that is three (3) years from the date of issue. The Placement Options will be issued (subject to Shareholder approval) after the New Options and Underwriter Options have been issued. The Placement Options will have the same Expiry Date as the New Options and the Underwriter Options, being the date, which is three years from the issue of the New Options and the Underwriter Options.

Gold Fields means Corporate International Holdings BV, an entity incorporated in the Netherlands and a wholly owned subsidiary of Gold Fields Limited.

Gold Fields Sub-Underwriting Agreement means the sub-underwriting agreement between Shaw and Partners and Gold Fields dated 16 November 2022.

GF Sub-Underwriting Commitment means \$3,465,000, being 99,000,000 Shares and 49,500,000 New Options pursuant to the Entitlement Offer.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or Singapore or is not permitted to participate in the Entitlement Offer as contemplated in Section 2.12.

June Placement Raise has the meaning given to it at Section 3.2.

Lead Manager means Shaw and Partners.

Lead Manager Mandate means the mandate letter signed by the Company to engage Shaw and Partners to act as lead manager of the Entitlement Offer dated 15 November 2022.

New Option means an Option issued pursuant to the Entitlement Offer or the Shortfall Offer on the terms set out in Section 4.2.

Notice of Exercise has the meaning given to it in Section 4.2(e).

Offers means together, the Entitlement Offer, the Placement Options Offer and the Underwriter Options Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the placement of 120,000,000 Shares at an issue price of \$0.035 per Share together with one (1) free Option for every two (2) Shares issued to Gold Fields to raise approximately \$4,200,000.

Placement Options means 60,000,000 Options issued pursuant to the Placement Options Offer on the terms set out in Section 4.2.

Placement Securities means together the Placement Shares and Placement Options.

Placement Shares means 120,000,000 Shares issued pursuant to the Placement.

Project means the El Zorro Project.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

Shaw and Partners means Shaw and Partners Limited (ACN 003 221 583) (AFSL 236048).

Shortfall means the Securities not applied for under the Entitlement Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.9.

Shortfall Securities means those Securities not applied for under the Entitlement Offer (if any) and offered pursuant to the Shortfall Offer.

Sub-Underwriters means any parties who enter into sub-underwriting agreements with the Underwriter in respect of the Entitlement Offer.

Tesoro Chile means Tesoro Mining Chile SpA (an entity incorporated in Chile).

Underwriter means Shaw and Partners.

Underwriter Option means an Option issued pursuant to the Underwriter Options Offer on the terms set out in Section 4.2.

Underwriter Options Offer means the offer of up to 21,799,519 Options to the Underwriter in part consideration for underwriting the Entitlement Offer.

Underwritten Amount means an amount up to a value of \$3,814,916 to be underwritten (being 100% of the funds to be raised under the Entitlement Offer (and equal to 108,997,597 Shares and 54,498,799 New Options)).

Underwriting Agreement means the underwriting agreement between Shaw and Partners and the Company dated 16 November 2022.

Underwritten Securities means the 108,997,597 Shares and 54,498,799 New Options under the Entitlement Offer.

Wanaco means Wanaco SpA (an entity incorporated in Chile).

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