

ASX ANNOUNCEMENT

17 NOVEMBER 2022

Not for release to US wire services or distribution in the United States

Tesoro secures \$8 million including strategic investment from Gold Fields

Tesoro Gold Limited (Tesoro or the Company) (ASX:TSO, OTCQB:TSORF) is pleased to announce an \$8 million capital raising, comprising a strategic investment by way of an equity placement of \$4.2 million and a fully underwritten non-renounceable entitlement offer to raise \$3.8 million.

Highlights:

- Capital raising confirmed to raise a total of \$8 million;
- Corporate International Holdings BV, a wholly owned subsidiary of Gold Fields Limited (JSE:GFI, NYSE:GFI) (**Gold Fields**), to make a strategic investment of \$4.2 million in the Placement, and sub-underwrite up to \$3.465 million of the Entitlement Offer;
- Fully underwritten non-renounceable Entitlement Offer to raise ~\$3.8 million;
- Capital raising funds will be used to advance the El Zorro Gold Project, including drill testing of multiple district gold targets and Mineral Resource expansion of the Ternera Gold Deposit (**Ternera**) (ASX announcement 23 May 2022).

Tesoro Managing Director, Zeff Reeves commented:

"We are very pleased to have attracted Gold Fields as a strategic investor in Tesoro and the El Zorro Gold Project. We believe this investment represents tremendous confidence in El Zorro and our team and recognition of the significant potential of the project. The investment by Gold Fields will, in particular, allow us to accelerate our district and regional exploration efforts, as well as continue to grow the Mineral Resource base at the Ternera Gold Deposit."

Equity Placement

The equity placement comprises the issue of 120,000,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.035 per Share (**Placement**) to strategic investor, Corporate International Holdings BV, a subsidiary of Gold Fields Ltd, to be issued pursuant to the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A (**Placement Shares**), together with one (1) free attaching option for every two (2) Placement Shares issued, exercisable at \$0.07 per option on or before the date which is three (3) years from the date of issue of the free-attaching options issued under the Entitlement Offer (**Options**). The issue of the Options will be subject to Shareholder approval at a General Meeting to be held within the next 3 months.

It is proposed that the Placement Shares will be issued on 24 November 2022 and will rank equally with existing Shares from their date of issue.

Pursuant to the terms of the subscription agreement between the Company and Gold Fields, it is agreed amongst other things that:

- 80% of the funds raised under the Placement are to be deployed towards assessing regional targets of Tesoro's El Zorro Gold Project (specifically excluding Ternera);
- For so long as Gold Fields has a relevant interest in the Company above 5% it will have 50% representation on an advisory technical committee to be formed by Tesoro in respect of the El Zorro Gold Project (**Technical Committee**);
- A program of work to deploy the Placement funds will be agreed by the Technical Committee;
- Whilst Gold Fields has a relevant interest in the Company above 5%:
 - Gold Fields will maintain a right to nominate a Director to the Board;
 - Gold Fields will maintain a right to match any proposed third-party participation on the Company's mineral assets; and
 - Gold Fields will maintain a participation right in respect of future equity capital raisings conducted by the Company.

As stated above, the Company will use 80% of the proceeds from the Placement to continue to identify, define and drill test district and regional targets other than Ternera, as determined by the Technical Committee.

Non-Renounceable Entitlement Offer

The Company has lodged a prospectus with ASIC (**Prospectus**) in respect of a non-renounceable entitlement offer on the same terms as the Placement, providing an opportunity for all Eligible Shareholders (defined below) to subscribe for one Share for every eight Shares held on the record date of 18 November 2022 (**Record Date**) at an issue price of \$0.035 per Share to raise up to approximately \$3.8 million (before costs), together with one (1) free attaching Option for every two (2) Shares issued via the offer, exercisable at \$0.07 per Option on or before the date which is three (3) years from the date of issue (**Entitlement Offer**).

Eligible Shareholders comprise those registered at 4:00pm (WST) on the Record Date, with a registered address in Australia, New Zealand or Singapore or who are permitted to participate in the Entitlement Offer under the Prospectus (**Eligible Shareholders**).

The Company intends to apply for quotation of the Options (including the Options issued to Gold Fields), subject to meeting the ASX quotation requirements.

The issue price of \$0.035 per Share represents a 5.4% discount to the closing price on 15 November 2022, a 4.7% discount to the 5-day VWAP of \$0.0367 up to and including 15 November 2022 and a 4.3% discount to TERP* of \$0.0366.

The Entitlement Offer includes a shortfall facility under which Eligible Shareholders that have taken up their full entitlement under the Entitlement Offer can apply to take up additional Shares in excess of their pro rata entitlement (up to a maximum of \$5,000 per Eligible Shareholder) (**Shortfall Offer**). The Shortfall Offer may also be offered to third parties introduced by the Company or the Lead Manager. The Shortfall Offer is a separate offer made pursuant to the Prospectus. The Shares and Options issued under the Shortfall Offer will have the same terms as those issued under the Entitlement Offer and the Placement.

*TERP is the theoretical ex rights price, and is calculated to include both the Placement shares and the Entitlement Offer shares to be issued assuming fully subscribed

The funds raised from the Entitlement Offer will be applied towards the Terner infill and expansion drilling program, Mineral Resource estimation, mining studies and permitting works, district exploration, offer costs and working capital.

Indicative Timetable

An indicative timetable of key dates in relation to the Entitlement Offer and the Placement is as follows:

Event	Date ¹
Announcement of Entitlement Offer & Appendix 3B	Pre-market Thursday, 17 November 2022
Lodgement of Prospectus with ASIC & ASX	Pre-market Thursday, 17 November 2022
Ex-date	Monday, 21 November 2022
Record Date for determining Entitlements (4:00pm WST)	Tuesday, 22 November 2022
Issue of Placement Shares to Gold Fields	Thursday, 24 November 2022
Prospectus despatched to Shareholders & Company announces despatch has been completed Entitlement Offer opens	Friday, 25 November 2022
Last day to extend Closing Date	Before noon (Sydney time) on Thursday, 1 December 2022
Closing Date (5:00pm WST)	Tuesday, 6 December 2022
Shares quoted on a deferred settlement basis from market open	Wednesday, 7 December 2022
Announcement of results of Entitlement Offer	Before noon (Sydney time) on Friday, 9 December 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Entitlement Offer Shares and Options	Before noon (Sydney time) on Tuesday, 13 December 2022
Quotation of Shares and Options issued under the Entitlement Offer	Wednesday, 14 December 2022

1. Eligible Shareholders that wish to participate in the Entitlement Offer are encouraged to subscribe for Shares as soon as possible after the Entitlement Offer opens. The Company reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer (including extending the Entitlement Offer or accepting late applications) without notice.

Lead Manager and Underwriter

The Entitlement Offer is fully underwritten by Shaw and Partners Limited (AFSL 236048) (**Shaw and Partners**). Shaw and Partners has also been appointed as the lead manager to the Entitlement Offer. Shaw and Partners has entered into a number of sub-underwriting agreements in respect of the Entitlement Offer with various sub-underwriters (**Sub-Underwriters**), including a sub-underwriting agreement with Gold Fields to take up a portion of the Shares and Options under the Shortfall Offer.

No Sub-Underwriter will increase their shareholding to above 19.99% as a direct result of the issue of Shares and Options under the Shortfall Offer.

As consideration for underwriting the Entitlement Offer and for lead manager services provided to the Company, Shaw and Partners (or its nominee) will receive:

- a management fee of 3.0% of proceeds from the Entitlement Offer (excluding GST); and

- a selling fee of 3.0% of proceeds from the Entitlement Offer, excluding proceeds received:
 - from sub-underwriters introduced by the Company (including Gold Fields); and
 - under the Shortfall Offer from investors introduced by the Company, should the Entitlement Offer not be underwritten (excluding GST).

Furthermore, on successful completion of the Entitlement Offer, the Company will issue to Shaw and Partners (or its nominee/s) one (1) Option for every five (5) Shares issued under the Entitlement Offer. The Options will be issued pursuant to the Lead Manager Options Offer set out in the Prospectus.

Further Information

Further details of the Offers, including key risks, are set out in the Prospectus.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this Announcement have not been, and will not be, registered under the US Securities Act of 1933 and 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 and applicable US state securities laws.

Authorised by the Board of Tesoro Gold Limited.

For more information:

Company:

Zeff Reeves, Managing Director
Tesoro Gold Limited
info@tesorogold.com.au

About Tesoro

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



Competent Persons Statements

The information in this report that relates to Mineral Resources is based on information compiled by Mr Lynn Widenbar, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Widenbar is acting as an independent consultant to Tesoro Gold Limited. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement on 23 May 2022.