

ASX ANNOUNCEMENT

29 July 2021

ASX: TSO | ACN 106 854 175

TESORO
RESOURCES



El Zorro Gold Project Maiden Resource Estimate - Webinar

Tesoro Resources Limited (Tesoro or the Company) advises that Managing Director, Mr Zeff Reeves, will deliver a Mineral Resource Estimate (**MRE**) briefing presentation and update via a webinar at 1:30pm AEDT Thursday, 29 July 2021.

Mr Reeves will discuss the MRE, its implications for the growing El Zorro Gold Project, the ongoing drill program and outlook for the project.

The Company invites shareholders to attend via the login link below:

https://us02web.zoom.us/webinar/register/WN_DmdEN3JuRhyaUhl5tAKEMQ

Authorised by the Board of Tesoro Resources Limited.

For more information:

Company:

Zeff Reeves Managing Director,
Tesoro Resources Limited
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Investors:

Peter Taylor
NWR Communications
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About Tesoro

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



TESORO RESOURCES



Aerial View of the Ternera Prospect Looking North

El Zorro Gold Project Presentation, July 2021
ASX:TSO

Tesoro Resources Limited ACN 106 854 175

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Competent Person's Statements

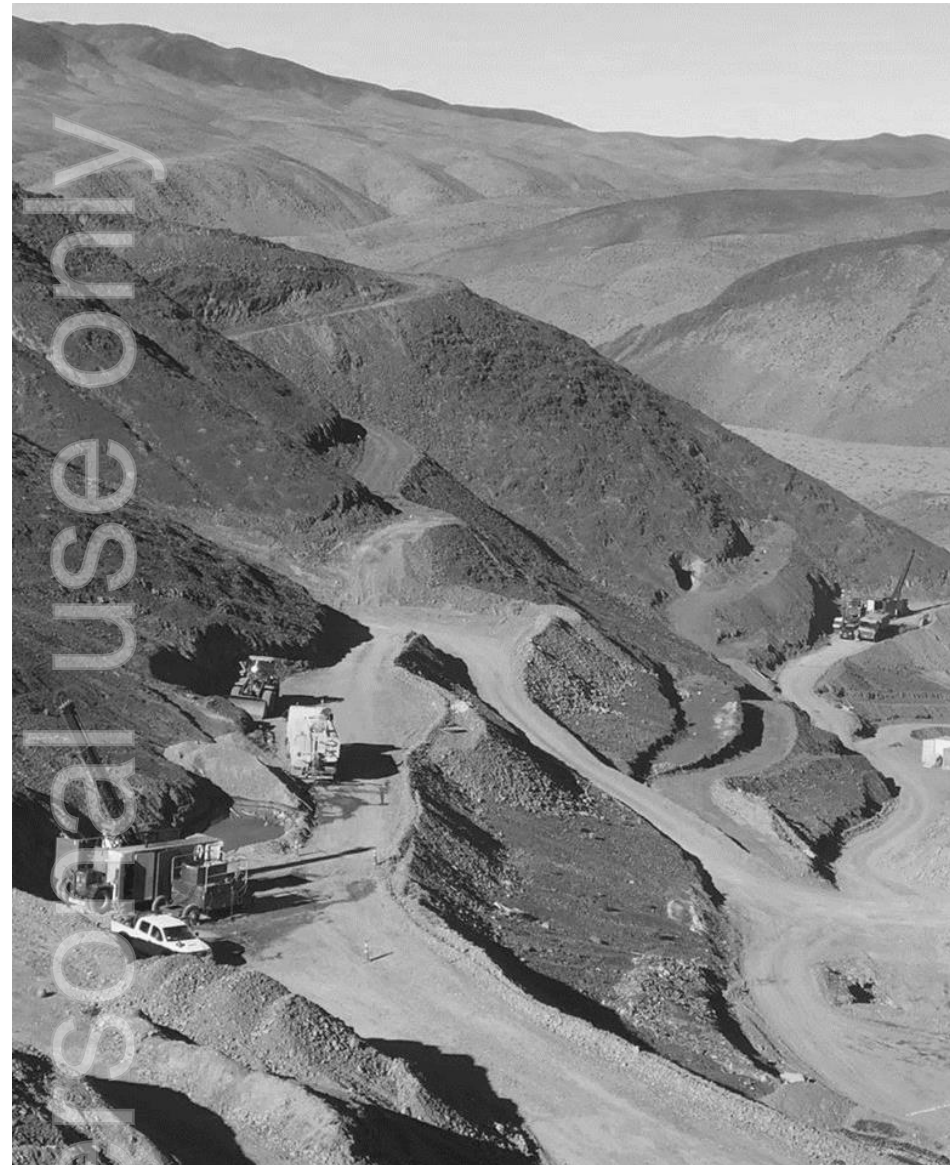
The information in this Presentation that relates to Exploration Results is based on information compiled by Mr Zeffron Reeves (B App Sc (Hons) Applied Geology) MBA, MAIG). Mr Reeves is a member of the Australian Institute of Geoscientists and Managing Director and shareholder of the Company. Mr Reeves has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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. Mr Reeves consents to the inclusion in this Presentation of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Daniel Saunders, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Saunders is a full-time employee of Cube Consulting Pty Ltd, acting as independent consultants to Tesoro Resources Limited. Mr Saunders 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 it is not aware of any new information or data that materially affects the Mineral Resource information included in the original announcement on 28 July 2021 and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the applicable Competent Persons' findings are presented have not been materially modified from the original announcement.

The Company has released all material information that relates to Exploration Results for the El Zorro Gold Project, on a continuous basis to the ASX and in compliance with JORC 2012. The Company confirms that it is not aware of any new information that materially affects the content of this ASX release. A list of all Material ASX releases referred to in this announcement are listed at Appendix 3 of this release.

18 MONTHS ON THE ASX

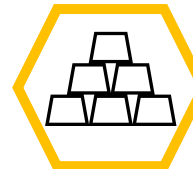
MANAGEMENT FOCUSED ON RAPIDLY ADVANCING THE EL ZORRO GOLD PROJECT



- A\$31.6M Raised Since March 2020 ASX Listing
- >87% of Capital deployed into El Zorro



- >61km of Diamond Drilling
- 6 Rigs Drilling 24/7



- 660koz Maiden Resource Estimate at Ternerá
- Deposit remains open in all directions



- Low Discovery cost of \$21 per ounce
- Multiple Untested Mineralised Targets



- Clear Development Pathway
- Funded with Material Exploration Upside

EL ZORRO GOLD PROJECT MAIDEN MINERAL RESOURCE

Tenera Gold Deposit Maiden Resource Table *

Cut-off Au g/t	Indicated			Inferred			Total		
	Mt	Au g/t	koz	Mt	Au g/t	koz	Mt	Au g/t	koz
0.3	2.7	0.88	75	22.4	0.81	586	25.1	0.82	661
0.4	2.1	1.03	68	17.4	0.95	529	19.4	0.96	597
0.5	1.7	1.17	63	13.7	1.08	476	15.4	1.09	539
0.6	1.4	1.28	58	11.1	1.21	430	12.5	1.22	488
0.7	1.2	1.40	54	8.9	1.34	385	10.1	1.35	439
0.8	0.9	1.64	45	6.0	1.61	312	6.9	1.62	357

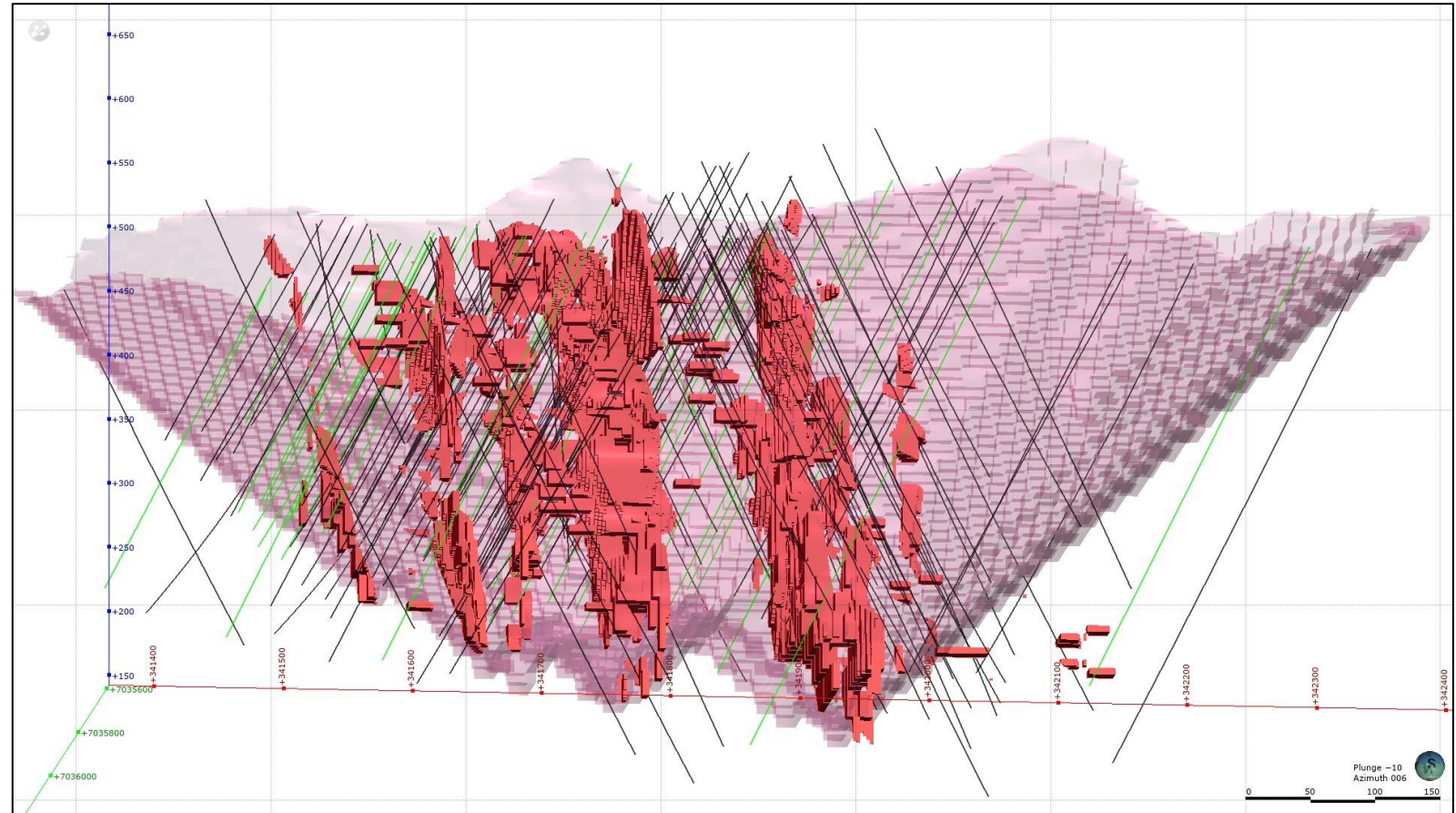
- Resource only uses 148 holes of 204 holes drilled
- Does not included drilling at Tenera South or Tenera East
- Modelling has defined approx. 250koz at 0.5g/t cut-off as unclassified meaning rapid resource upgrade
- Pit optimisation** uses 0.30g/t cut off grade
- Vertical ounces per metre ranging from 2,000 ovm to 3,200 ovm
- Low discovery cost of \$21/oz.

*Refer ASX Announcement 28/07/2021. Full List of material announcements is presented in Appendix 3

**Refer Notes in Appendix 4

TERNERA LARGE SCALE OPEN PIT BULK MINING POTENTIAL

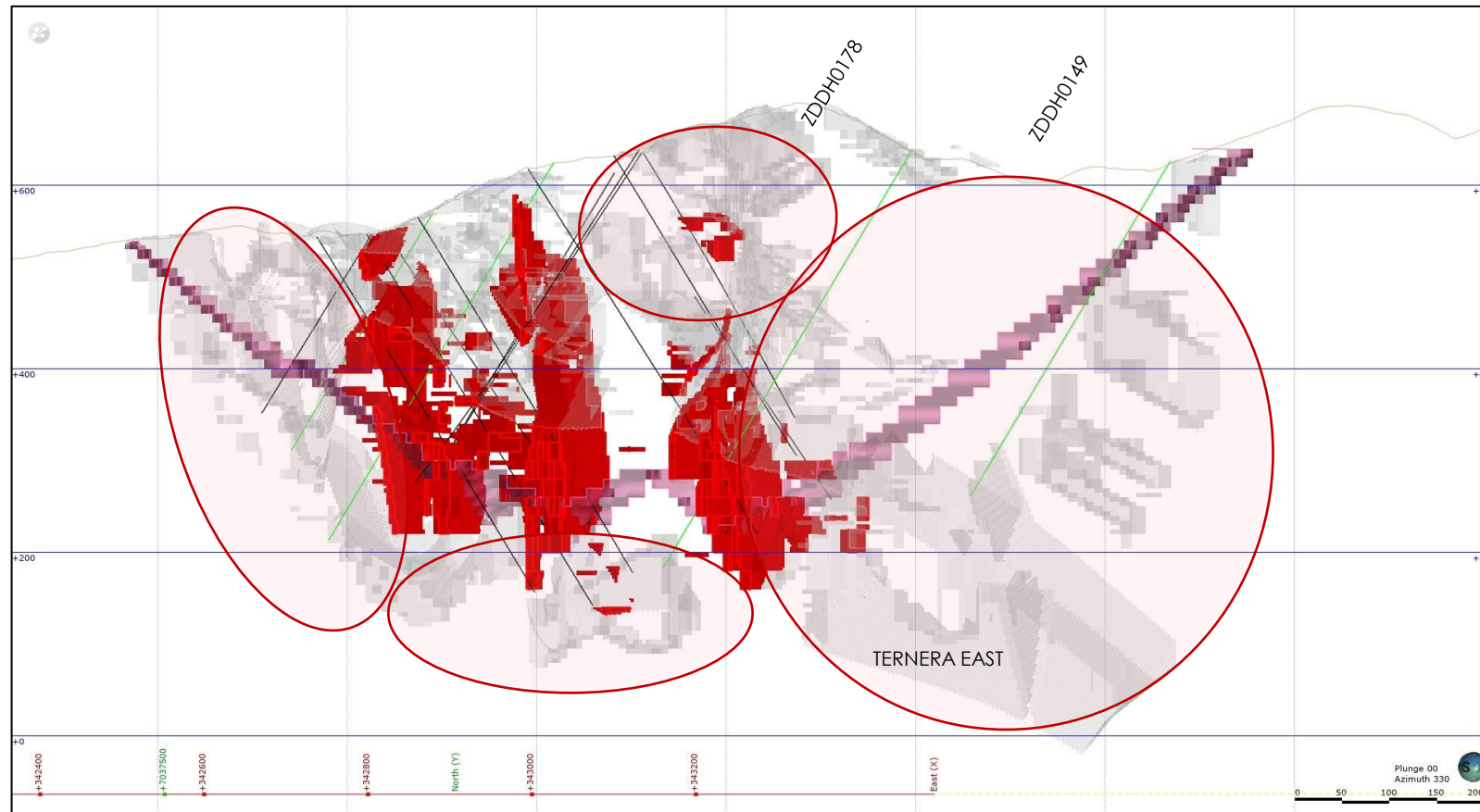
- Mineralised from Surface
- No Overburden
- Multiple Outcropping High Grade Lodes
- Strike & Depth Continuity
- Continuity maintained at higher cut-off grades
- Reduce strip via conversion of mineralised waste
- Terner East could significantly change open pit economics
- Good metallurgy, high gravity & high recovery means lower cut-off



Terner Block Model – looking North showing classified resource blocks >0.60g/t Au within pit shell. Demonstrating grade continuity at higher gold grade.

EL ZORRO – MORE VALUE TO COME

- New Intrusive Related Gold District
- Convert Unclassified Material (approx. 250koz @ 0.5g/t Au cut-off) to JORC
- Major Extensions at Ternera South & Ternera East to be included in resource upgrade
- Rapid & Cost-Effective resource delineation – 65 holes to be add to model prior to year end
- Significant Future Resource Upgrades
- Material Exploration Upside outside of Ternera



Drill Section 140. red blocks >0.30g/t, Grey = unclassified potential resource, Pink = pit outline. Pink circles show areas of high potential resource growth

TESORO – FOCUS FOR 2021

Tenera

- Resource Definition Drilling to Extend & Upgrade resources
- Continue to Expand Tenera remains open in all directions
- Potential for additional higher grade north south faults to be identified

El Zorro District

- Define resources at Tenera East & Drone Hill
- Initial drill testing of Toro Blanco & Buzzard
- Continue to identify mineralised tonalite intrusions
- IRGS Potential for Multiple Deposits

Regional Exploration

- Regional Targeting to find Tenera Analogues
- Identify Causative Intrusions from Mapping & Geochemistry
- First Mover Advantage

Studies & Development

- Detailed Metallurgical Testwork underway
- Commenced Environmental Studies
- Infrastructure Studies to Optimise Power & H₂O
- Mining & Processing Studies for Scoping & PFS



EL ZORRO WILL CONTINUE TO GROW

- Continue to grow resources at El Zorro with additional low cost drilling
- Identify new targets within the El Zorro concessions
- Build organisational capability & progress El Zorro to production

Tesoro aims to become a low cost gold producer in Chile



El Zorro access road looking west to Pacific Ocean & Pan American Hwy

APPENDIX 2

TESORO RESOURCES – AN EXPERIENCED TEAM

BOARD & MANAGMENT



John Toll - Chairman

John is a Partner at Azure Capital Limited with >15 years of experience in corporate advisory, focusing mainly on equity financing transactions across a range of industries including mining, technology, general industrials, biotech & infrastructure.



Zeffron Reeves - Managing Director

Geologist with >20 years of experience in the resources sector on resource projects from greenfields exploration, discovery, definition & feasibility, construction, production to closure. Zeff previously Managing Director of ASX listed Metallum Ltd which had a number of development & operational projects in Chile. He has also held senior management positions with companies developing projects in Brazil. He has had previous exploration success identifying & delineating new gold districts in Brazil and Chile.



Geoff McNamara - Non-Executive Director

>25 years of international resource sector experience as a Geologist, Project Manager & Fund Manager. Previously worked in Private Equity (FUM USD800 million) & as a Director of Societe General's Mining Finance Team in New York. Operational roles include Project Manager, Senior Mine Geologist & Mine Geologist for Ivanhoe Mines, Lion Ore International & Western Mining Corporation.



Sergio Uribe - Country Manager, Chile

Administrative, management & development professional with experience in Chile. He has worked on numerous resource projects from greenfields exploration, discovery, production, closure, retreatment & tailings reclamation. Part of the development team with Fortescue Metals Group during development of its Pilbara mining operations, he has 10 years of resource sector experience. Sergio has represented numerous foreign companies investing into resource projects in Chile & was Commercial Manager of Metallum Chile Ltd. where he was involved in the acquisition & development of their operation in Chile. Prior to this he was General Manager of Acorn Mining Chile Ltd & Country Manager for Cleveland Mining Chile Ltd. Sergio has a Business Management degree from Universidad del Desarrollo & is a member of the civil police & a military reserve officer.



Shannon Coates - Company Secretary

Qualified lawyer with >20 years' experience in corporate law & compliance. She is currently Non-Executive Director of ASX listed companies Vmoto Limited, Bellevue Gold Limited & Company Secretary to a number of public unlisted & listed companies.

APPENDIX 3 – MATERIAL ASX ANNOUNCEMENTS

ASX:TSO

Date	Announcement Title
28/07/2021	Maiden Mineral Resource Estimate sets foundation at El Zorro
6/07/2021	New Discovery expands Ternera Gold System 500m to the East
25/06/2021	Bonanza Gold Grades Continue to Expand Ternera
11/06/2021	Ternera Step Out Hole Extends Mineralisation 150m East
25/05/2021	New Gold Zone Identified from Extensional Drilling
29/04/2021	Ternera Resource Definition Drilling Continues to Deliver
16/04/2021	Geophysics survey expands gold potential at El Zorro
13/04/2021	New Gold Discovery at El Zorro
29/03/2021	Multiple wide shallow gold intercepts at Ternera
26/03/2021	El Zorro Gold Project Update and Outlook Webinar
24/03/2021	El Zorro Ownership increased to 85%
5/03/2021	First Toro Gordo hole returns gold grades up to 69g/tAU
1/03/2021	Commencement of fully contributing JV for El Zorro Project
19/02/2021	Step out drilling extends Ternera 200m to south
27/01/2021	Drilling continues to extend Ternera deposit
11/01/2021	Drilling continues to expand scale at El Zorro
24/12/2020	El Zorro drilling returns multiple thick gold intercepts
22/12/2020	300g/m intercept confirms El Zorro large-scale potential
10/12/2020	Large surface gold target defined by trenching at Toro Gordo
1/12/2020	Geophysical survey identified potential Terera repeat
17/11/2020	Drilling success continues at El Zorro
4/11/2020	Wide high-grade gold intercept at El Zorro

Date	Announcement Title
23/10/2020	Infill drilling continues to intercept gold bearing zones
9/10/2020	Wide gold zones defined at El Zorro
1/10/2020	Annual Report to shareholders
23/09/2020	Tesoro increases El Zorro land position by 500%
17/09/2020	Wide interval of visible gold in drilling at El Zorro
4/09/2020	Intercept confirms large scale potential at El Zorro
26/08/2020	Drilling results demonstrate wide gold zones at El Zorro
10/08/2020	El Zorro geophysical survey highlights gold mineralisation
4/08/2020	El Zorro exploration update
31/07/2020	Tesoro increases El Zorro land position by 360%
3/07/2020	Infill and extensional drill program commences at El Zorro
25/06/2020	Extensive gold bearing vein system identified at Buzzard
10/06/2020	Drilling results continue to expand scale of El Zorro
9/06/2020	Excellent metallurgical testwork results from El Zorro
27/05/2020	El Zorro drill results continue to expand mineralisation
13/05/2020	El Zorro's Coquetas gold system extended 750m south
6/05/2020	Further wide high-grade gold intercepts at El Zorro
27/04/2020	Wide high-grade gold intercept at El Zorro
17/04/2020	Widespread surface gold mineralisation at El Zorro
12/03/2020	Additional assays extend gold zone at El Zorro
6/03/2020	Exceptional gold assays for first drill hole at El Zorro

APPENDIX 4 – TERNERA RESOURCE ESTIMATION PARAMETERS

Mineral Resource Estimate

- 148 HQ diameter diamond drill holes used (46,937m)
- Domaining based on 3D modelling of lithology (El Zorro Tonalite) and faults
- Resource Classification Criteria:
 - Geological continuity and volume;
 - Drill spacing and drill data quality;
 - Modelling technique; and
 - Estimation properties, including search strategy, number of informing composites, average distance of composites from blocks and kriging quality parameters.
- Mineral Resource has been reported above a **0.30 g/t Au cut-off**. Selection of the cut-off has considered results of metallurgical testing (ASX release 9 June 2020). The applied cut-off has been reviewed against that reported from peer projects with similar mineralisation styles and proposed processing options and is considered comparable.

Pit Optimisation Parameters

- The following parameters were used to generate an optimised pit shell that reported a 0.30 g/t Au cut-off grade to match the calculated geological Mineral Resource Estimate.

Item	Units	Value	Justification
Average Mining Cost	US\$/t mined	2.10	Based on mining cycle time modelling
Mining Dilution	%	10	Industry Standard assumption for open pit
Mining Recovery	%	95	Industry Standard assumption for open pit
Gold price	US\$ per oz	2,500	
Recovery Au	%	94	Based on preliminary metallurgical testwork as announced to the ASX on 9th June 2020
Processing cost	US\$/t milled	13.60	Based on cost modelling from metallurgical testwork and database costs
General and Administration	\$/t milled	3.60	Based on previous costs estimates database
Tailings	\$/t milled	0.15	Based on previous costs estimates database
Closure cost provisions	\$/t milled	1.00	Based on previous costs estimates database
Overall slope angle	Degree	42.5	Based on geotechnical logging and groundwater measurements in host rock units.

It must be noted that the optimization pit shell provided was for the purpose of constraining the Resource model only and is **NOT** an economic assessment of an open pit mining operation at El Zorro or indicates the economic gold price required for potential future mining at El Zorro.

The optimization was completed to delineate the portion of the Resource estimate that could potentially be mined by an open pit at some time in the future. The pit optimization was based on certain assumptions that are considered at to be preliminary and have a high degree of uncertainty. The purpose of the optimization is to provide a constraint around the resource with some explained economic parameters.

The gold price selected for the pit optimization was based on cut-off grade calculations using the conceptual cost, recovery and dilution inputs as outlined above, to match the geological cut off grade in the Mineral Resource Estimate. A gold price of US2,500/oz provides an estimated cut off grade for an optimized pit shell of approximately 0.3g/t Au, in line with the Mineral Resource cut off grade.