

\$21 million capital raising to underpin aggressive exploration program at El Zorro

- Firm commitments received for a placement to raise \$18 million utilising the Company's existing ASX Listing Rule 7.1 and 7.1A placement capacity (**Placement**);
- Share Purchase Plan (**SPP**) for all Eligible Shareholders seeking to raise \$3 million at \$0.27 per Share, the same price as the Placement;
- Proceeds from the Placement and SPP will increase cash reserves to over \$24 million and underpin an aggressive exploration program at the Company's El Zorro Gold Project in Chile (**El Zorro**), including:
 - Accelerated 50,000m drilling program;
 - Detailed Metallurgical testwork program; and
 - Commence Scoping Study CY2021.
- Placement and SPP issue price of \$0.27 per share, representing a 9.3% discount to the last closing price and 14.6% discount to the 5 day-trading and 15 day-trading volume weighted average market price (**VWAP**);
- Fund manager Tribeca Investment Partners (**Tribeca**) to cornerstone the Placement with a \$5 million firm commitment; and
- Strong support from existing shareholders, with Tribeca and existing shareholders committing to \$13.1 million in the Placement.

Tesoro Resources Limited (Tesoro or the Company) (ASX: TSO) is pleased to announce it has received firm commitments for a Placement and SPP to raise up to \$21 million (before costs). Funds raised pursuant to the Placement and SPP will be used to fund an accelerated 50,000m drilling program at the El Zorro Gold Project, a detailed metallurgical testwork program and the commencement of a Scoping Study at the Company's El Zorro Gold Project in early CY2021, and for general working capital purposes, including the costs of the capital raising.

Tesoro Managing Director Zeff Reeves commented:

"This is a transformational capital raising for the Company. The El Zorro Gold Project is emerging as a significant new gold district, with the rapidly expanding Ternera Gold deposit being the first of 6 mineralised targets the Company has drilled. Tesoro is now well positioned to progress El Zorro through to a Maiden Resource Estimate during 2021 as well as rapidly move the project through into its next stage of development. On behalf of the Board, I would like to thank the strong support we have received from existing shareholders and welcome all new shareholders, including Tribeca, to the Company."

Placement

The Placement comprises the issue of 66,666,667 new Shares at an issue price of \$0.27 per Share, to raise approximately \$18 million utilising the Company's existing ASX Listing Rule 7.1 and 7.1A placement capacities. It is proposed that:

- 19,037,275 new Shares will be issued pursuant to ASX Listing Rule 7.1; and
- 47,629,392 new Shares will be issued pursuant to ASX Listing Rule 7.1A (**Placement Shares**).

The issue price under the Placement represents a 9.3% discount to the last closing price and a 14.6% discount to the 5 trading day and 15 trading day volume weighted average price (**VWAP**) for shares in the Company up to and including Friday, 4 December 2020.

A further 925,926 new Shares will be issued to Tribeca in lieu of fees for capital raising services, pursuant to ASX Listing Rule 7.1.

PAC Partners Securities Pty Ltd is acting as Lead Manager to the Placement.

An indicative timetable for the Placement and SPP is set out in Appendix 1. The timetable remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.

SPP

The SPP aims to raise \$3 million (before costs) and will enable all Tesoro shareholders (including retail shareholders) with registered addresses in Australia and New Zealand at 5.00pm (WST) on the Record Date of 8 December 2020 (**Eligible Shareholders**) the opportunity to apply for new Shares at an offer price of \$0.27 per Share (the same price as the Placement price). Eligible Shareholders will be offered the opportunity under the SPP to apply for up to \$30,000 worth of new Shares (subject to scale back at the company's absolute discretion).

New Shares issued under the SPP will rank equally with Tesoro's existing Shares with effect from their issue. The offer price is free of brokerage and commission. The Board intends to cap the SPP at \$3 million, however the Board reserves the right to accept oversubscriptions or to scale back applications, to change the SPP closing date, including closing early, or cancel the SPP, in its absolute discretion.

The SPP Prospectus also includes a Shortfall Offer on the same terms as the SPP Offer which provides the Company with the ability to issue any shares not taken up under the SPP Offer up to the maximum available under the SPP Offer of \$3 million.

Participation in the SPP by Eligible Shareholders is entirely optional. The SPP is not underwritten.

The terms and conditions of the SPP will be set out in an SPP Prospectus that will be released on ASX and provided to Eligible Shareholders in accordance with the timetable.

Authorised by the Board of Tesoro Resources Limited.

For more information:

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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 has rights to acquire up to 80% of the El Zorro Gold Project.



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APPENDIX 1: INDICATIVE TIMETABLE

Key Event	Date
Record Date for Eligibility to participate in SPP	5.00pm WST on 8 December 2020
Launch of Capital Raising and Investor Presentation	9 December 2020
Dispatch SPP Offer Documents	11 December 2020
SPP Opening date	9.00am WST on 11 December 2020
Settlement of Placement Shares	14 December 2020
Allotment of Placement Shares	15 December 2020
SPP Closing date	5.00pm WST on 8 January 2021
Announcement of SPP Participation Results	13 January 2020
Issue of New Shares under SPP	18 January 2021
Issue of SPP Shortfall Shares	On or before 8 April 2021

The timetable is indicative only and remains subject to change at the Company discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable or cancel the SPP at any time before new Shares are issued, subject to regulatory requirements. **The Company encourages Eligible Shareholders who wish to participate to act promptly in submitting their application forms.** The Company reserves the right to close the SPP early, in its sole and absolute discretion, should it be considered necessary to do so, by making an announcement to the ASX.