

## Tesoro Company Update

- Tesoro to focus on the El Zorro gold project and implement capital preservation program
- Tesoro remains well funded following its recent relisting
- No impact to current drilling program at El Zorro

**Tesoro Resources Limited (Tesoro or the Company)** would like to provide the following update to shareholders on the Company's current exploration activities and the impact of the COVID-19 virus:

- All Company personnel are safe and are taking appropriate measures to avoid contracting or transmitting the COVID-19 Virus.
- El Zorro planned 10 hole drill program is currently unaffected, 6 holes have been completed for 1,535m.
- All holes drilled to date have intersected the target lithology and associated alteration.
- Core from holes ZDDH00018, ZDDH00019, ZDDH00020, ZDDH00021 and ZDDH00022 has been submitted to ALS Laboratories (ALS) for analysis.
- ALS in Santiago has advised of a possible delay in receiving results due to logistical and workforce restrictions resulting from the COVID-19 virus.
- Tesoro is undertaking a capital preservation program to ensure the Company is in a sound financial position during this period of market uncertainty.

### COVID-19 IMPACT

To date there has been no direct impact from COVID-19 on the Company's day to day activities in Australia or Chile. All Tesoro personnel are safe and are taking appropriate measures, as advised by the respective government authorities, to avoid contracting or transmitting the COVID-19 virus. Tesoro is focussed on ensuring all personnel and contractors are safe and are not exposed to any unnecessary risk.

To date, COVID-19 has had no impact on drilling activities at El Zorro, with 6 diamond drill holes having been completed, for a total of 1,535m. Core from holes ZDDH00018, ZDDH00019, ZDDH00020, ZDDH00021 and ZDDH00022 has been submitted to ALS in Santiago for analysis and the Company is awaiting results.

ALS has advised of possible delays in receiving assay results due to logistical issues and reduced personnel at their facilities as a result of COVID-19 restrictions. Tesoro uses a standard 50-gram fire assay method for gold analysis which cannot be undertaken by ALS at its Santiago laboratory. Samples are prepared in Santiago and the pulverised samples are then sent to the ALS laboratory in Lima, Peru for gold analysis. Currently, Peru has closed all international borders and all non-essential businesses are prohibited from operating, with assay laboratories being classified as non-essential. This has impacted the timeframes in which Tesoro will receive assay results for hole ZDDH00018 and rock chip/channel samples from El Zorro.

ALS has sent samples from ZDDH00019, ZDDH00020, ZDDH00021 and ZDDH00022 to its laboratory in Vancouver, Canada for gold analysis. This is expected to add additional time for results and as such the Company does not expect to receive any results before mid-April 2020.

### **Capital Management**

In response to global market uncertainty, the Company has undertaken a detailed review of its work plans and budgets to ensure it is in a sound financial position going forward, while continuing to add value to its projects.

As such, measures are currently being taken to ensure prudent use of capital. The Company announced on 23 March 2020 that it has agreed to move to 70% ownership of the El Zorro Project with no further expenditure commitments required. This now enables the Company to focus its exploration effort and further delineate the large emerging gold system at El Zorro. The Company is also reviewing its exploration and contractual commitments at Espina.

### **Next Steps**

Tesoro expects to receive further drill results in mid-April 2020. All surface channel assay results from Coquetas, Drone Hill and Buzzard targets remain outstanding and drill hole assays have been prioritised over surface assays.

Drilling continues at El Zorro, with a further 4 holes to be completed.

Authorised by the Board of Tesoro Resources Limited.

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## About Tesoro

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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 two district scale gold projects in-line with the Company's strategy. Tesoro has rights to acquire up to 80% of the El Zorro Gold Project and 100% of the Espina Gold Project



## Future Performance

This announcement may contain certain forward-looking statements and opinion. Forward-looking statements, including projections, forecasts and estimates, are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainties, assumptions, contingencies and other important factors, many of which are outside the control of the Company and which are subject to change without notice and could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward looking statements or other forecast. Nothing contained in this announcement nor any information made available to you is, or and shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Tesoro.