



Tesoro Gold Limited

ABN 91 106 854 175

Half-Year Financial Report
for the half-year ended 31 December 2022

TABLE OF CONTENTS

<i>Corporate Directory</i>	2
<i>Directors' Report</i>	3
<i>Auditor's Independence Declaration</i>	16
<i>Consolidated Statement of Profit or Loss and Other Comprehensive Income</i>	17
<i>Consolidated Statement of Financial Position</i>	18
<i>Consolidated Statement of Changes in Equity</i>	19
<i>Consolidated Statement of Cash Flows</i>	20
<i>Notes to the Financial Statements</i>	21
<i>Directors' Declaration</i>	32
<i>Independent Auditor's Review Report</i>	33

CORPORATE DIRECTORY

Tesoro Gold Limited is an Australian listed company focused on the acquisition, exploration and development of commercially significant resource projects in Chile, with a focus on gold. For more details visit www.tesorogold.com.au.

DIRECTORS

Mr Zeffron Reeves
(Managing Director)

Mr Linton Putland
(Executive Director – Mining and Development)

Mr Geoffrey McNamara
(Non-Executive Director)

Ms Kristie Young
(Non-Executive Director)

COMPANY SECRETARY

Ms Sarah Wilson

REGISTERED OFFICE

Level 48
152-158 St Georges Terrace
PERTH WA 6005

AUDITORS

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

SHARE REGISTRAR

Automic Pty Ltd
Level 5, 191 St Georges Terrace
PERTH WA 6000

GPO Box 5193
SYDNEY, NSW 2000
Telephone: 1300 288 664 (within Australia)
Email: hello@automic.com.au

SECURITIES EXCHANGE LISTING

Australian Securities Exchange Limited
(Home Exchange: PERTH, Western Australia)
Code: ASX:TSO, TSOO, TSOA
OTCQB:TSORF

The Directors present their report, together with the financial statements, of the Group (referred to hereafter as the “consolidated entity” or “the Group”) and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were Directors of Tesoro Gold Limited (“Tesoro” or “the Company”) who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Zeffron Reeves	Managing Director
Mr Linton Putland	Executive Director – Mining and Development
Mr Geoffrey McNamara	Non-Executive Director
Ms Kristie Young	Non-Executive Director
Mr John Toll	Non-Executive Chairman (<i>Resigned 25 October 2022</i>)

Principal activities

The principal activities of the Company and its subsidiaries are the acquisition, exploration and development of commercially significant resource projects in Chile. The Company currently holds interests in Chile, namely the El Zorro Gold Project, which is prospective for gold.

Operating results

The loss, after tax, attributable to the Group for the financial half-year ended 31 December 2022 amounted to \$1,483,067 (2021: \$2,384,258).

Review of Operations

Tesoro is focused on exploration and development of the El Zorro Gold Project (**El Zorro** or the **Project**) located in Northern Chile. El Zorro is proximate to well established infrastructure and is 140km from the city of Copiapo and approximately 800km north of the Chilean capital, Santiago. Successful exploration at the Project has resulted in the definition of the 1.1 Moz Au Ternera Gold Deposit (**Ternera** or the **Deposit**) Mineral Resource Estimate (**MRE**) (refer Table 1). The combination of highly prospective geology and positive early results from first pass regional exploration have confirmed El Zorro as a new Chilean gold district.

During the period, the Company continued regional El Zorro exploration while progressing activities to grow and advance Ternera. Assay results from regional drilling at the Calderillas target returned significant gold intercepts, while positive results were returned from the Animas Viejas channel mapping and sampling program. At Ternera, results from a successful infill and extensional drilling program further highlighted the vast district scale Project potential.



Figure 1: Location Map for the El Zorro Gold Project showing proximity to major mining projects, existing infrastructure and population centres.

Ternera Gold Deposit growth and advancement

Drilling activities

During the period, a 13-hole, 5,123m diamond drilling program was completed at Ternera. The program focused on testing and confirming the deposit's down plunge continuity, ensuring sufficient drill coverage to upgrade the classification within the existing MRE, and targeted extension of the known mineralised zones to the south.

Within the existing 1.1 Moz MRE envelope (refer Table 1), assay results included the best intercept to date, with infill hole ZDDH0297 returning **434.60m @ 1.22g/t Au, including 20.8m @ 9.19g/t Au** (refer

Figure 2). Importantly, drill hole ZDDH0301 returned significant gold mineralisation below the current block model, successfully defining a new gold zone outside the existing MRE (refer Figure 3).

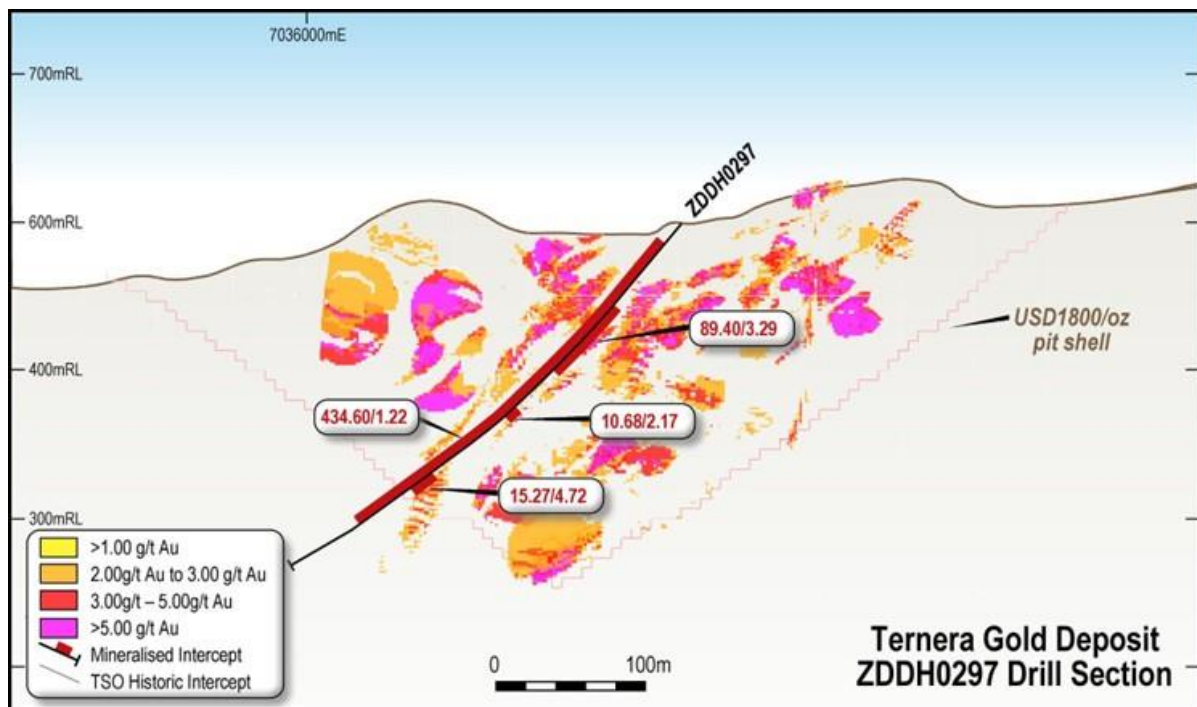


Figure 2: Drill section for hole ZDDH0297 looking west showing the current MRE block model. Block model is coloured to gold grade. Hole ZDDH0297 infilled and upgraded gold grade within the existing MRE block model. Window +/-25m, datum PSAD56 19S.

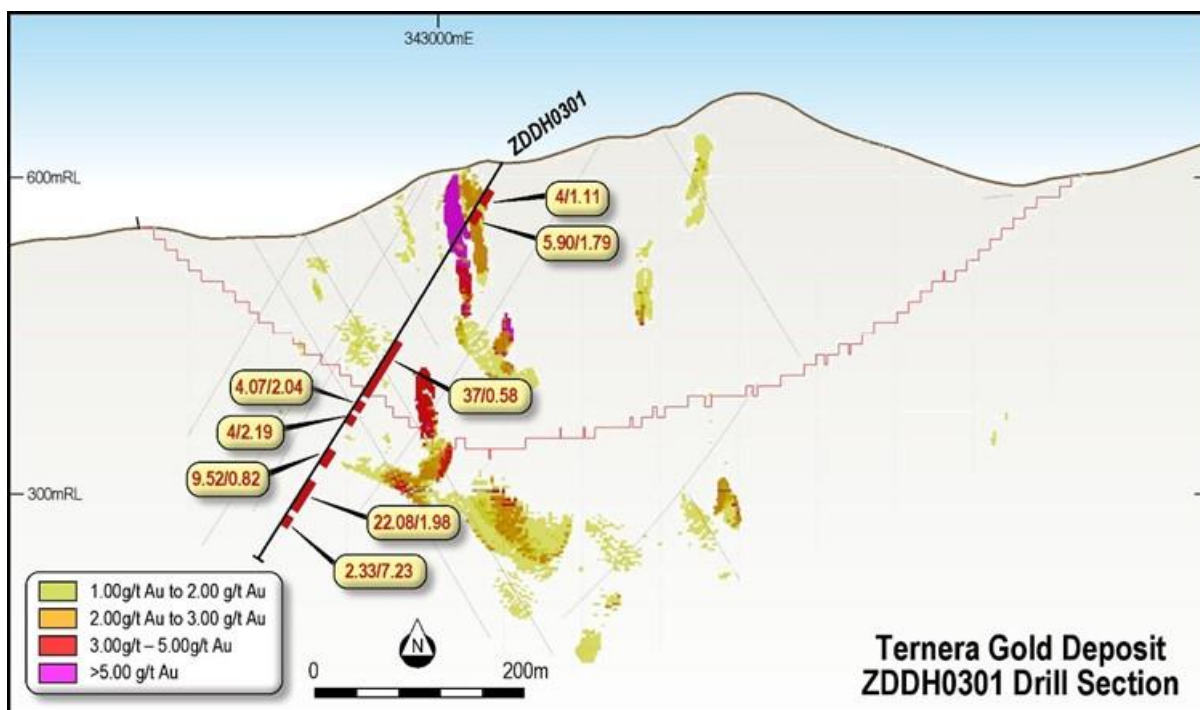


Figure 3: Drill section B-B' for hole ZDDH0301 looking northwest showing the current MRE block model. Block model is coloured to gold grade. Hole ZDDH0301 has defined a new gold zone outside of the existing MRE. Window +/-25m, datum PSAD56 19S.

Additional targeted extensional drilling intersected multiple gold zones well outside of the existing MRE envelope. Hole ZDDH0309 intercepted a new, shallow, high-grade gold zone, approximately 200m

south of the existing MRE area. Mineralisation commenced approximately 30m below surface adding another 200m of strike to the potential resource area.

Mineralisation is open in all directions, and the current Ternera pit shell envelope remains unconstrained, with additional drilling planned through 2023 targeting further growth and upgrade in classification of the current MRE.

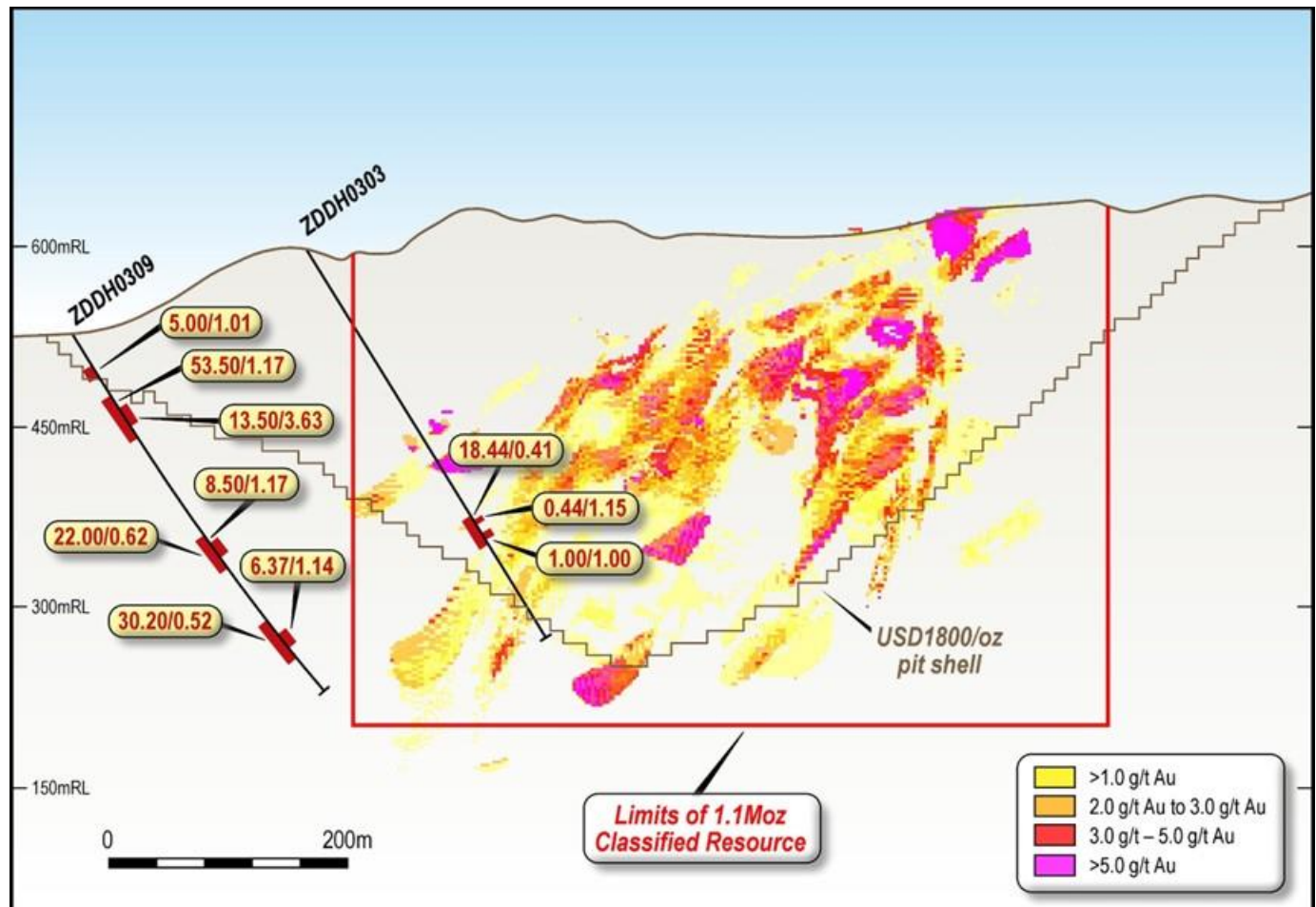


Figure 4: Drill section for hole ZDDH0309 looking west showing the current MRE block model. Block model is coloured to gold grade. Hole ZDDH0309 is drilled approximately 200m outside of the MRE limit. Drill results shown as downhole length/Au g/t. Window +/-25m, datum PSAD56 19S.

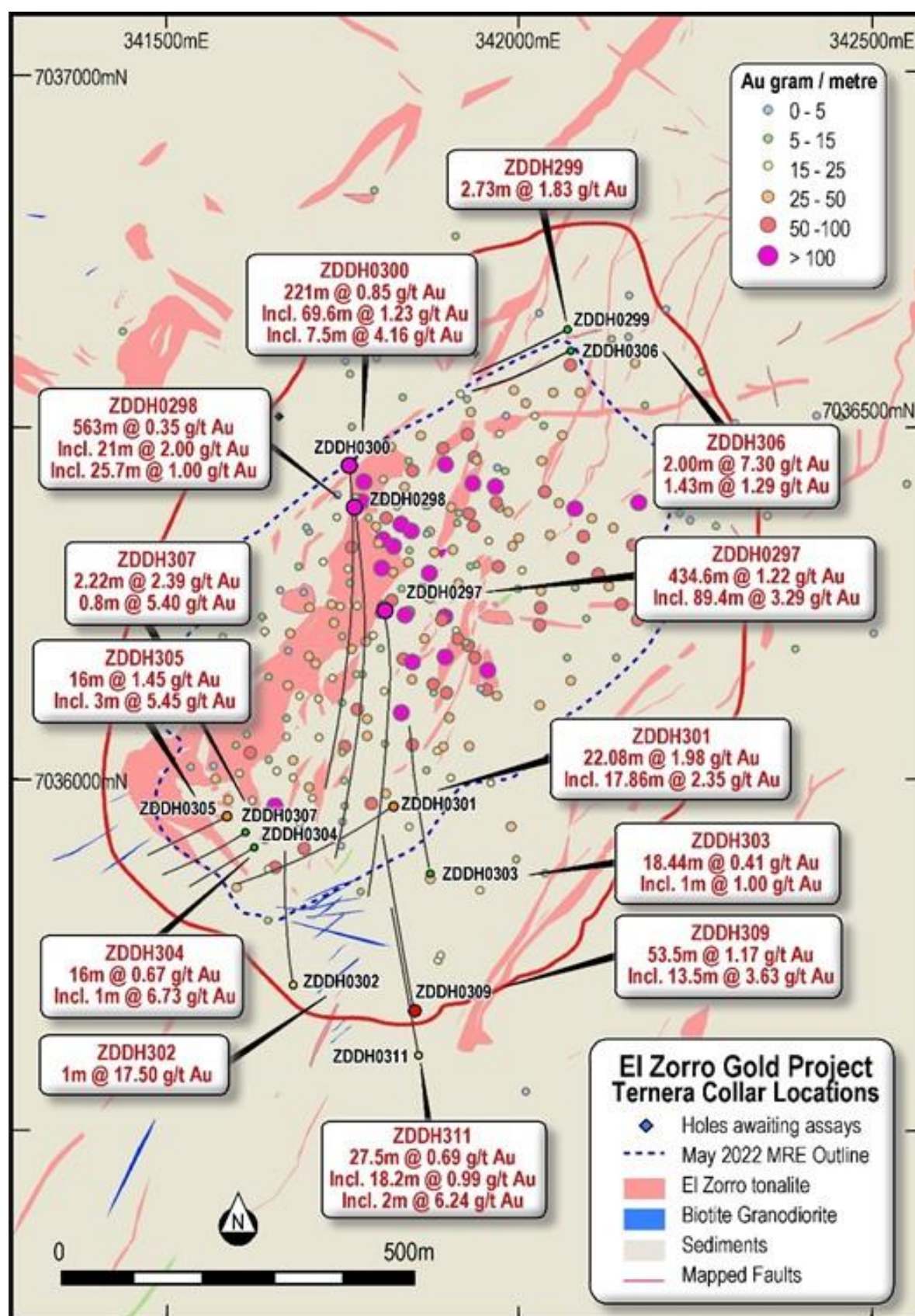


Figure 5: Ternerera Gold Deposit Drilling Plan on geology and results reported during the December 2022 quarter. Red outline shows MRE USD1,800/oz optimised pit location. Datum PSAD56 19S

	INDICATED			INFERRED			TOTAL		
Cut-off Au g/t	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	koz
2.00	1.8	3.93	223	2.0	3.63	230	3.7	3.77	453
1.00	4.4	2.41	341	5.2	2.23	373	9.6	2.31	715
0.50	9.3	1.51	453	12.0	1.36	527	21.4	1.43	980
0.30	13.3	1.18	503	17.2	1.07	593	30.5	1.12	1,096

Table 1: El Zorro Gold Project, Ternerá Gold Deposit Updated MRE (ASX Announcement 23 May 2022) reported at various cut-offs within a USD1,800 per ounce optimised pit shell.

Project advancement

The Company continued preliminary project development workstreams during the period. This work included preliminary mining studies, collection and analysis of Capital Cost and Operating Cost information for mining studies, environmental permitting activities.

Regional exploration

El Zorro's permitted tenure covers an area of over 570km², with less than 5% of the ground drilled to date. Through H1 FY23, previously identified regional and district level anomalies were further interrogated, with significant exploration activity undertaken at the Animas Viejas and Calderillas targets.

During the period, strategic concessions for the high-priority Kitsune and Calderillas gold targets were acquired. The concessions were acquired at a cost of CLP5,364,965 (approx. A\$9,000) through a public auction process. The acquisition added approximately 2.40km² to the El Zorro Project area.

Animas Viejas Target

The highly prospective Animas Viejas Target is located approximately 35km north of Ternerá (refer Figure 6). Geology of the Animas Viejas area is dominated by Palaeozoic basement sedimentary units and the Flamenco Pluton a large intrusive batholith.

Mapping in the area identified an extensive system of intrusive dyke swarms of similar composition to the El Zorro Tonalite dykes which host the majority of gold mineralisation at Ternerá. Where these dyke swarms have been affected by later faulting and alteration, they are considered prospective for gold mineralisation. Initial investigation of a 55km by 15km prospective gold corridor at the Animas Viejas Target was completed during the period.

Positive results were returned from the first pass, 159 sample channel mapping program on widespread outcropping mineralisation, which defined prospective geology over an area of approximately 7km by 2km (refer ASX Announcement, 31 October 2022). Best gold results reported included:

- 2.00m @ 2.78g/t Au;
- 2.00m @ 2.33g/t Au;
- 2.00m @ 1.72g/t Au; and
- 2.00m @ 1.28g/t Au.

Further detailed work is planned at the Animas Viejas Target to define future drill targets.

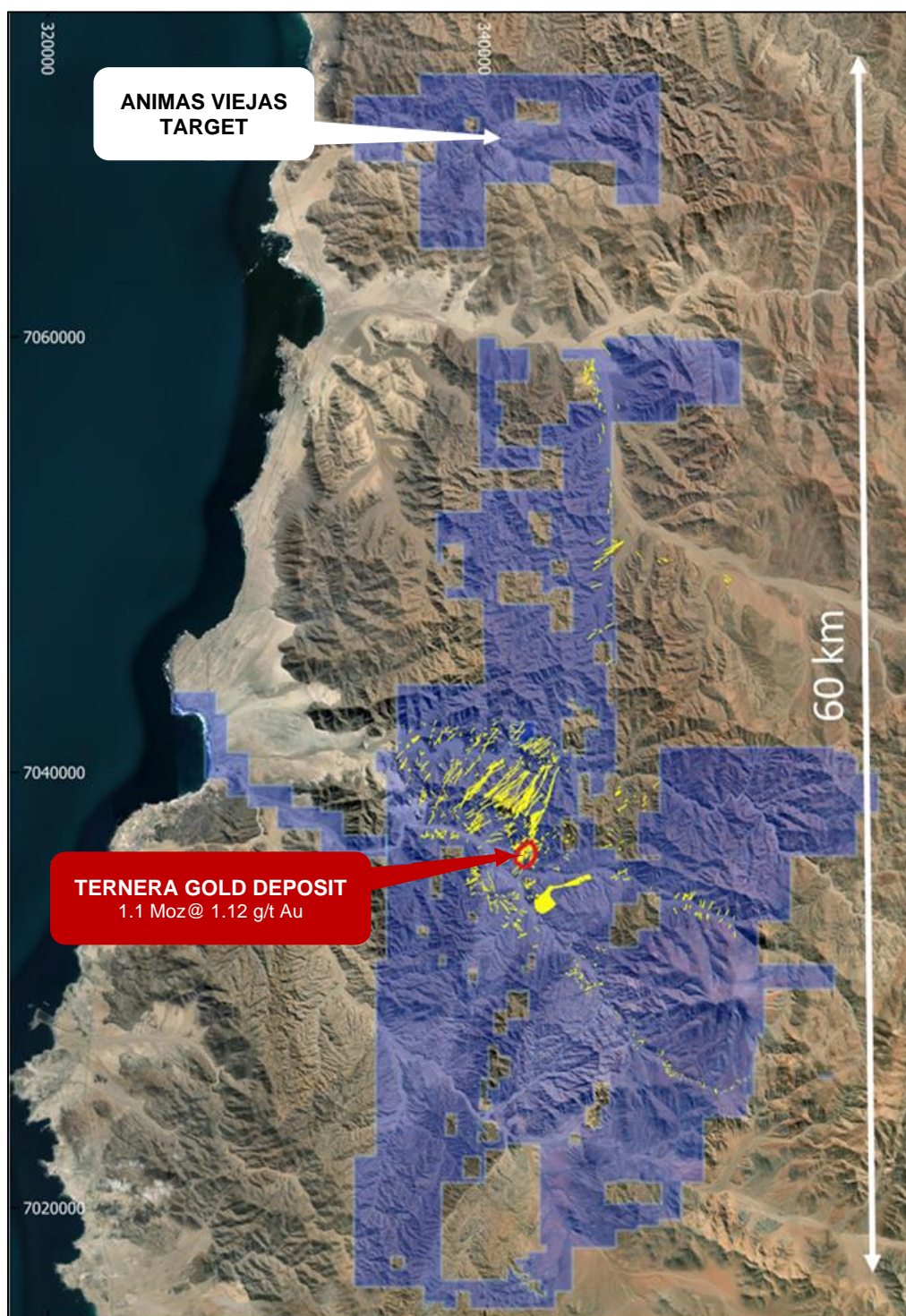


Figure 6: El Zorro Gold Project concession map. Yellow indicates mapped intrusions (EZT) prospective for gold mineralisation and the location of the Animas Viejas target

Calderillas Target

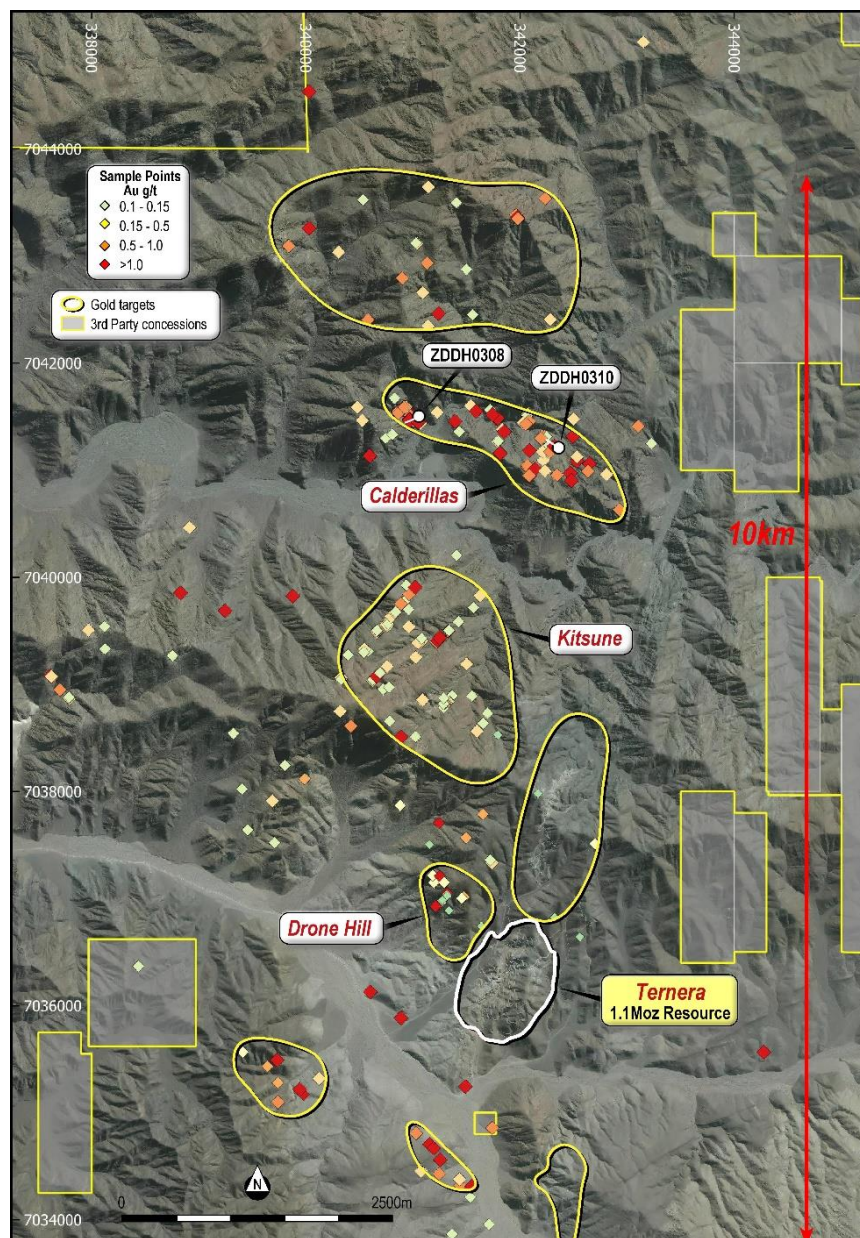
The Calderillas Target area occurs approximately 5km north of Ternera and immediately north of Tesoro's untested Kitsune Target. The proximity of Ternera, Calderillas and Kitsune (refer Figure 7) combined with the presence of identified widespread outcropping gold occurrences, indicates the potential for a large scale, linked mineralised system.

During the period, the Company completed a 2-hole scout drilling program at the Calderillas Target, where mineralisation was encountered in both holes. The holes were drilled approximately 1.35km apart to test the western and eastern end of the surface mineralised zone previously identified.

Assays returned from the scout program were highly encouraging, underpinning the potential for the El Zorro Gold Project to comprise multiple gold deposits (refer ASX Announcement, 1 December 2022). Key results included:

- 21.00m @ 0.55g/t Au from 128.00m (ZDDH0310) including;
 - 7.20m @ 1.43g/t Au from 141.00m; and
 - 1.70m @ 3.92g/t Au from 147.30m.
- 1.00m @ 2.38g/t Au from 15.00m (ZDDH0308); and
- 1.90m @ 0.59g/t Au from 62.00m.

Additional drilling is planned for 2023 to further test and delineate the Calderillas Target and other promising district level targets.



Calderillas

Legend:

- Gold Target
- Drill hole
- New results (m/Au ppm)
- Previously announced results (m/Au ppm)
- El Zorro tonalite
- Sediments

Scale: 0 to 1000m

Coordinates: 341000mE, 342000mE, 343000mE, 7042000mN, 7041000mN

Drill Holes and Results:

- ZDDH0308:** 1m @ 2.68 g/t Au, 1.9m @ 0.59 g/t Au
- ZDDH0310:** 21m @ 0.55 g/t Au, Incl. 7.2m @ 1.43 g/t Au, Incl. 1.7m @ 3.92 g/t Au

Other Labels: OPEN, 3km, 2/2.56

Judicial Approval of Surface Rights and VAT Rebate

During the period, the Company's 85% owned El Zorro SCM, was granted provisional surface easement rights over the El Zorro Gold Project area. The granted rights allowed the Company to apply for recovery of Value Added Tax (**VAT**) credit for expenditure made, including construction of infrastructure on the El Zorro Gold Project within the land areas covered by the easement. The VAT rate in Chile is 19% on qualifying expenditures. As such, an application was filed with the Chilean taxation authority for the recovery of up to approximately CLP1.95 billion (equivalent to A\$3.00 million). As at the end of December 2022, approximately A\$0.592 million has been received from the Chilean tax authority. The balance of approximately A\$2.408 million remains under assessment by the tax authority.

Competent Persons Statements

The information in this report 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 a 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 report 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 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.

CORPORATE

Strategic Investment

During the period, Corporate International Holdings BV, a wholly owned subsidiary of Gold Fields Limited (JSE:GFI, NYSE:GFI) (**Gold Fields**) invested a total \$4.2 million (120,000,000 fully paid ordinary shares and 60,000,000 attaching options exercisable at \$0.07 per option on or before 3 years from the date of issue) via an equity placement and participation in an entitlement offer. Pursuant to the terms of the subscription agreement between the Company and Gold Fields, it was 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 Ternerá);
- 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 upon 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 in the Company's mineral assets; and
 - Gold Fields will maintain a participation right in respect of future equity capital raisings conducted by the Company.

Placement shares were issued on 22 November 2022 and rank equally with existing shares from their date of issue. Gold Fields will also receive one (1) free attaching option for every two (2) placement shares issued, exercisable at \$0.07 per option on or before 3 years from the date of issue. Issuance of options are subject to shareholder approval at a General Meeting to be held on 22 February 2023.

Entitlement Offer

The non-renounceable pro-rata entitlement offer to eligible shareholders was announced to the ASX on 17 November 2022 and closed on 6 December 2022. The offer included one free attaching option for every two shares issued, exercisable at \$0.07 per option on or before 13 December 2025.

The Company received valid applications from eligible shareholders for 27,957,156 new shares (and 13,978,649 attaching options), representing approximately \$979,000 in proceeds. This included applications received under the shortfall facility detailed in the entitlement offer prospectus, dated 17 November 2022.

The remaining shortfall under the entitlement offer, comprising 81,041,302 new shares and approximately 40,520,651 attaching options, representing approximately \$2.8 million proceeds, was allocated pursuant to the Underwriting Agreement and Sub-Underwriting Agreement (refer ASX Announcement, 17 November 2022).

All new shares and attaching options under the offer were issued on 13 December 2022 and commenced trading on 14 December 2022. The attaching options are trading under ticker code ASX:TSOOA.

At-The-Market Financing Facility

During the quarter, the Company advised that it had utilised and subsequently terminated the At-the-Market Subscription Agreement (**ATM**) with Acuity Capital, raising \$0.750 million inclusive of costs. No fees or costs were associated with termination of the facility and no further subscriptions under the ATM will take place.

In accordance with the terms of the ATM, the Company plans to buy back for nil cash consideration (and cancel) the 42,000,000 fully paid ordinary shares issued to Acuity Capital as security for the ATM (subject to shareholder approval at a General Meeting to be held on 22 February 2023).

Board Changes

Mr John Toll resigned as Non-Executive Chairperson on 25 October 2022.

Ms Shannon Coates resigned as Joint Company Secretary 31 January 2023. Ms Sarah Wilson remains as Company Secretary.

Administrative Matters

The Company held its Annual General Meeting of shareholders on 25 November 2022 at which all resolutions put to shareholders were approved.

The Registered Address and Principal Place of Business were updated on 1 November 2022 to c/- Source Services, Level 48, 152–158 St Georges Terrace, Perth WA 6000. The Company's website and email addresses remain unchanged.

El Zorro Joint Venture with Wanaco SpA

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.

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 joint venture company of which Tesoro's 95% owned Chilean subsidiary, Tesoro Mining Chile SpA (Tesoro Chile) currently owns 85% (refer to ASX announcement dated 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 Tesoro to acquire 100% of the Project.

On 22 June 2022, the parties were advised a date for discovery is to be set to negotiate a settlement. Discovery date has not been advised at the date of this report.

If the parties are unsuccessful in reaching an agreement following the discovery, the timing for the matter to proceed to trial is unknown at this stage.

Tesoro is confident that the capital increases were properly valued and duly approved under Chilean corporate and mining law and the dispute initiated by Wanaco is vexatious and with no legal basis.

Tesoro will vigorously defend its position and is considering its legal options to have this spurious claim rejected by the court. Tesoro's estimate of its financial effect is US\$150,000.

COVID-19 impact

All the Company's staff and contractors, including those on site at the El Zorro Project in Chile are safe. The Company has implemented procedures to ensure all staff and contractors remain safe and healthy during the COVID-19 pandemic, including regular testing, altered rosters and strict quarantining procedures. As at the date of this report, the Company's operations at the El Zorro Project have not been directly affected by COVID-19 restrictions in Chile, however the Company continues to monitor this closely with the health and wellbeing of all staff and contractors remaining a priority.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Group during the half-year.

Matters subsequent to the end of the half-year

On 17 January 2023, the Company announced assay results from the Toro Blanco and Kitsune targets in the El Zorro Project.

On 22 February 2023, the Company announced the cessation of 42,000,000 fully paid ordinary shares issued as Collateral Shares to Acuity Capital, in relation to the At-the-Market Subscription Agreement (ATM) terminated at 21 December 2022.

On 22 February 2023, the Company announced the cessation of 5,466,666 fully paid ordinary shares and 2,733,332 options, being cancellation pursuant to a selective buy back announced at 18 January 2023.

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditors

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Mr Zeffron Reeves
Managing Director
13 March 2023

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

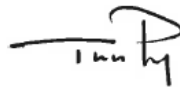
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Tesoro Gold Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 13 March 2023

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Tesoro Gold Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2022

		Consolidated	
		Half-Year Ended 31 December 2022 \$	Half-Year Ended 31 December 2021 \$
	Note		
Interest revenue		7,418	640
Other revenue		14,063	47,150
Administration expenses		(218,690)	(184,490)
Consultant expenses		(52,465)	(85,452)
Corporate and compliance expenses		(168,671)	(161,353)
Depreciation		(34,049)	(53,157)
Employee related expenses		(450,219)	(252,578)
Equity based payments	5	(397,895)	(37,669)
Financial expenses		(4,034)	(2,604)
Legal and professional fees		(315,098)	(348,751)
Impairment of assets	7	140,764	(1,367,587)
Foreign currency (losses)/gains		(4,191)	61,593
Loss before income tax from continuing operations		(1,483,067)	(2,384,258)
Income tax expense		-	-
Loss after tax		(1,483,067)	(2,384,258)
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		3,008,748	(2,466,532)
Other comprehensive income/(loss) for the period, net of tax		3,118,748	(2,466,532)
Total comprehensive income/(loss) for the period		1,525,681	(4,850,790)
Profit/(loss) attributable to:			
Non-controlling interests		21,135	(205,138)
Members of the parent		(1,504,202)	(2,179,120)
		(1,483,067)	(2,384,258)
Total comprehensive income/(loss) attributable to:			
Non-controlling interests		21,135	(205,138)
Members of the parent		1,504,546	(4,645,652)
		1,525,681	(4,850,790)
Basic and diluted loss per share attributable to members of the parent (cents per share)		(0.18)	(0.36)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Tesoro Gold Limited
Consolidated Statement of Financial Position
As at 31 December 2022

		Consolidated	
		As at 31 December 2022 \$	As at 30 June 2022 \$
ASSETS	Note		
CURRENT ASSETS			
Cash and cash equivalents		7,206,209	3,949,773
Trade and other receivables		559,415	751,589
TOTAL CURRENT ASSETS		7,765,624	4,701,362
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	2	32,847,759	26,063,374
Plant and equipment		564,024	205,182
Right-of-use assets		99,035	137,024
TOTAL NON-CURRENT ASSETS		33,510,818	26,405,580
TOTAL ASSETS		41,276,442	31,106,942
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		682,451	805,049
Provisions		94,277	73,251
Lease liability		55,271	22,804
TOTAL CURRENT LIABILITIES		831,999	901,104
NON-CURRENT LIABILITIES			
Lease liability		52,364	86,134
TOTAL NON-CURRENT LIABILITIES		52,364	86,134
TOTAL LIABILITIES		884,363	987,238
NET ASSETS		40,392,079	30,119,704
EQUITY			
Issued capital	3	58,427,541	48,945,881
Reserves	4	391,266	(1,882,516)
Accumulated losses		(20,294,393)	(18,790,191)
Equity attributable to owners of the Company		38,524,414	28,273,174
Non-controlling interest		1,867,665	1,846,530
TOTAL EQUITY		40,392,079	30,119,704

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Tesoro Gold Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2022

	Issued Capital	Accumulated Losses	Equity Based Payment Reserve	Foreign Currency Reserve	Non- Controlling Interest	Total Equity
CONSOLIDATED	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	48,945,881	(18,790,191)	1,737,292	(3,619,808)	1,846,530	30,119,704
Loss for the period	-	(1,504,202)	-	-	21,135	(1,483,067)
Exchange differences arising on translation of foreign currency	-	-	-	3,008,748	-	3,008,748
Total comprehensive income/(loss) for the period	-	(1,504,202)	-	3,008,748	21,135	1,525,681
Shares issued in At-the-Market exercise	750,000	-	-	-	-	750,000
Shares issued in Placement	4,200,000	-	-	-	-	4,200,000
Shares issued in Entitlement Offer	3,814,946	-	-	-	-	3,814,946
Shares issued to employees as bonus	135,000	-	-	-	-	135,000
Conversion of Performance Rights – Class B	1,501,800	-	(1,501,800)	-	-	-
Performance Rights vesting expense for period	-	-	397,895	-	-	397,895
Capital raising costs	(920,086)	-	368,939	-	-	(920,086)
Balance at 31 December 2022	58,427,541	(20,294,393)	1,002,326	(611,060)	1,867,665	40,392,079

	Issued Capital	Accumulated Losses	Equity Based Payment Reserve	Foreign Currency Reserve	Non- Controlling Interest	Total Equity
CONSOLIDATED	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	37,156,675	(13,729,842)	2,228,337	194,352	2,135,409	27,984,931
Loss for the period	-	(2,179,120)	-	-	(205,138)	(2,384,258)
Exchange differences arising on translation of foreign currency	-	-	-	(2,466,532)	-	(2,466,532)
Total comprehensive loss for the period	-	(2,179,120)	-	(2,466,532)	(205,138)	(4,850,790)
Shares issued in Placement	4,335,001	-	-	-	-	4,335,001
Shares issued in Share Purchase Plan	210,000	-	-	-	-	210,000
Conversion of Performance Rights – Class A	1,517,262	-	(1,517,262)	-	-	-
Performance Rights vesting expense for period	-	-	37,669	-	-	37,669
Capital raising costs	(328,536)	-	-	-	-	(328,536)
Balance at 31 December 2021	42,890,402	(15,908,962)	748,744	(2,272,180)	1,930,271	27,388,275

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Tesoro Gold Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2022

	Consolidated	
	Half-Year	Half-Year
	Ended	Ended
	31 December	31 December
	2022	2021
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(1,409,136)	(874,730)
Interest received	7,418	536
Other revenue	-	36,304
VAT refund	592,470	-
Interest paid	(4,034)	-
Net cash flows used in operating activities	(813,282)	(837,890)
Cash Flows from investing activities		
Payments for exploration and evaluation	(4,440,377)	(11,187,498)
Purchase of plant and equipment	(353,594)	(143,147)
Net cash flows used in investing activities	(4,793,971)	(11,330,645)
Cash flows from financing activities		
Proceeds from share issues	8,834,946	4,545,001
Payments for share issue costs	(240,025)	(328,536)
Repayment of lease liabilities	(3,709)	-
Net cash flows from financing activities	8,591,212	4,216,465
Net increase/(decrease) in cash and cash equivalents	2,983,959	(7,952,070)
Cash and cash equivalents at beginning of the financial period	3,949,773	13,728,277
Effect of exchange rate changes on cash and cash equivalents	272,477	(214,527)
Cash and cash equivalents at end of the financial period	7,206,209	5,561,680

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Statement of Significant Accounting Policies

Statement of compliance

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The consolidated half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Tesoro Gold Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Note 2. Exploration and evaluation expenditure		
Costs carried forward in respect of areas of interests	32,847,759	26,063,374
<i>Movement</i>		
Opening balance	26,063,374	15,506,028
Exploration expenditure capitalised	3,882,395	13,823,930
Foreign currency translation	2,901,990	(3,266,584)
	<u>32,847,759</u>	<u>26,063,374</u>

Note 3. Issued capital

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
1,100,979,237 (30 June 2022: 758,420,779) issued and fully paid ordinary shares	58,427,541	48,945,881
	<u>58,427,541</u>	<u>48,945,881</u>

	Consolidated	
	31 December 2022 Number	31 December 2022 \$
Movement in ordinary shares on issue		
Opening balance at 1 July 2022	<u>758,420,779</u>	<u>48,945,881</u>
Shares issued as Bonus to employees @ \$0.045 per share	3,000,000	135,000
Conversion of Performance Rights – Class B ¹	50,060,000	1,501,800
Shares issued as Collateral Shares for At-the-Market Agreement ²	42,000,000	-
Shares issued in At-the-Market exercise @ \$0.041 per share ²	18,500,000	750,000
Placement - shares issued @ \$0.035 per share	120,000,000	4,200,000
Entitlement Offer – shares issued @ \$0.035 per share	108,998,458	3,814,946
Share issue costs	-	(920,086)
At 31 December 2022	<u>1,100,979,237</u>	<u>58,427,541</u>

1. Refer Note 5 for share-based payment details.
2. On 23 August 2022, the Company entered into a At-the-Market Subscription Agreement (ATM) with Acuity Capital issuing 42,000,000 fully paid ordinary shares (Collateral Shares) for nil consideration. The ATM provides Tesoro with up to \$5,000,000 of standby equity capital over the coming 30 months. On 11 October 2022, the Company has utilised its ATM subscription facility to raise \$750,000. On 21 December 2022, the Company terminated the ATM subscription agreement. General meeting to be held 22 February 2023 will seek shareholder approval for the buyback of the Collateral Shares for nil consideration.

Note 4. Reserves

	31 December 2022 \$	30 June 2022 \$
Equity Based Payments Reserve(a)	1,002,326	1,737,292
Foreign Currency Translation Reserve (b)	(611,060)	(3,619,808)
Balance at end of the period/year	<u>391,266</u>	<u>(1,882,516)</u>

(a) Movement in Equity Based Payments Reserve

	Consolidated	
	31 December 2022 Number	31 December 2022 \$
Opening balance at 1 July 2022	104,670,000	1,737,292
Conversion of Performance Rights – Class B	(50,060,000)	(1,501,800)
Performance rights vesting period expense	-	201,223
Performance rights issued to employees	18,802,940	196,672
Placement options issued ¹	44,992,493	-
Broker options issued (Note 5)	17,997,001	368,939
Entitlement offer options issued ²	54,499,300	-
At 31 December 2022	<u>190,901,734</u>	<u>1,002,326</u>

- 44,992,493 options exercisable on or before 7 July 2025 @ \$0.11 each were issued as free-attaching options in accordance with the terms and conditions of the Placement announced on the ASX on 28 June 2022.
- 54,499,300 options exercisable on or before 13 December 2025 @ \$0.07 each were issued as free-attaching options in accordance with the Non-renounceable Entitlement Issue announced on the ASX on 17 November 2022.

(b) Movement in Foreign Currency Translation Reserve

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Opening balance	(3,619,808)	194,352
Foreign currency translation movement	3,008,748	(3,814,160)
Balance at end of the period/year	<u>(611,060)</u>	<u>(3,619,808)</u>

Note 5. Equity Based Payments

Equity based payments included in the Statement of Financial Position for the half-year are as follows:

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Broker options issued as capital raising costs ¹	368,939	-
	<u>368,939</u>	<u>-</u>

Note 5. Equity Based Payments (cont.)

Equity based payments included in the Statement of Profit or Loss and Other Comprehensive Income for the period are detailed below:

	Consolidated 31 December 2022 \$	31 December 2021
Performance rights vesting period expense (Directors) ²	138,906	253,546
Performance rights vesting period expense (Directors) ³	62,317	-
Performance rights vesting period expense (Employees) ⁴	-	(215,877)
Performance rights vesting period expense (Employees) ⁵	196,672	-
Total included in profit or loss as equity based payments expense	<u>397,895</u>	<u>37,669</u>

1. Broker Options

On 7 July 2022, the Company issued 17,997,001 Broker Options exercisable at \$0.11 each on or before 7 July 2025 as part consideration for services provided to the Company in respect of the Placement.

The Trinomial Lattice Option Pricing model was used to value the Broker Options and the following table lists the inputs to the model used for the valuation of the options:

	Broker Options
Number on issue	17,997,001
Grant date	27 June 2022
Issue date	7 July 2022
Expiry date	7 July 2025
Exercise price	\$0.11
Risk-free interest rate	3.31%
Share price at grant date	\$0.05
Expected volatility	100%
Dividend yield	-
Vesting period	-
Number vested as at 31 December 2022	17,997,001
Number exercisable as at 31 December 2022	17,997,001
Fair value per option	\$0.02
Amount recognised as share issue costs	\$368,939

2. Director Performance Rights

On 31 January 2020, the Company issued Performance Rights to the Company's Managing Director and Non-executive Director in connection with their appointments as directors upon the reverse acquisition of Tesoro Australia Limited completed 29 January 2020.

Note 5. Equity Based Payments (cont.)

The Company has on issue 40,060,000 Performance Rights to Mr Zeffron Reeves and Mr Geoffrey McNamara (30 June 2022: 90,120,000). On 23 May 2022, 50,060,000 Class B Performance Rights vested and converted to fully paid ordinary shares on a 1:1 basis on 11 July 2022.

The total amount recognised as equity based payment expense for the period ended 31 December 2022 was \$138,906 (31 December 2021: \$253,546).

3. Director Performance Rights

On 28 April 2022, the Company issued 10,000,000 Performance Rights to Executive Director of Mining and Development Mr Linton Putland and 4,550,000 Performance Rights to Non-Executive Director Ms Kristie Young under the Company's Incentive Option and Performance Rights Plan. The total amount recognised as equity based payment expense for the period ended 31 December 2022 was \$62,317 (31 December 2021: nil).

4. Incentive Performance Rights - Employees

On 26 May 2020, the Company issued Incentive Performance Rights to Chilean employees under the Company's Incentive Option and Performance Rights Plan. As at 30 June 2022, the Company had nil on issue Incentive Performance Rights. The total amount recognised as equity based payment expense for the period ended 31 December 2022 was \$nil (31 December 2021: (\$215,877)).

5. Incentive Performance Rights - Employees

During the period ended 31 December 2022, the Company issued 18,802,940 Incentive Performance Rights to the Company's Australian and Chilean employees under the Company's Incentive Option and Performance Rights Plan. Details are as follows:

Class of Performance Right	Number issued	Vesting Condition	Expiry date
Australian Employees Performance Rights (a)			
Milestone 1	100,000	Performance Rights will vest and become capable of exercise into fully paid ordinary Shares on 31 December 2022, subject to continuous service as an employee of the Company.	4 July 2027
Milestone 2	125,000	Performance Rights will vest and become capable of exercise into fully paid ordinary Shares on 31 December 2023, subject to continuous service as an employee of the Company (Milestone 2).	4 July 2027

Note 5. Equity Based Payments (cont.)

Class of Performance Right	Number issued	Vesting Condition	Expiry date
Chilean Employees Performance Rights (b)			
Milestone 1	9,176,470	Performance Rights will vest and become capable of exercise into fully paid ordinary shares twelve (12) months from the date of issue, subject to continuous service as an employee/contractor of the Company.	4 July 2027
Milestone 2	9,176,470	Performance Rights will vest and become capable of exercise into fully paid ordinary shares upon announcement of a 2 million ounce Mineral Resource Estimate at equivalent of a gold grade of 1 gram per tonne or greater, as defined by the JORC code, at El Zorro by 5 February 2024.	4 July 2027
Chilean Employees Performance Rights (c)			
Milestone 1	100,000	Performance Rights will vest and become capable of exercise into fully paid ordinary Shares, subject to continuous service as an employee/contractor of the Company on 30 June 2023.	7 September 2027
Milestone 2	125,000	Performance Rights will vest and become capable of exercise into fully paid ordinary Shares, subject to continuous service as an employee/contractor of the Company on 30 June 2024.	7 September 2027

The fair value of the Performance Rights granted are estimated at the date of grant based on the assumptions set out below:

(a) *Performance Rights issued to Australian employees:*

	Milestone 1	Milestone 2
Assumptions:		
Grant date	4 July 2022	4 July 2022
Issue date	31 December 2022	31 December 2022
Expiry date	4 July 2027	4 July 2027
Share price at grant date	\$0.05	\$0.05
Probability	100%	50%
Vesting period	6 months	18 months
Expected volatility	100%	100%
Dividend yield	-	-
Risk-free interest rate	2.57%	2.57%
Number of performance rights	100,000	125,000
Fair value at grant date	\$0.05	\$0.05
Amount recognised as equity based payment expense for the period ended 31 December 2022	\$4,700	\$970

Note 5. Equity Based Payments (cont.)

(b) Performance Rights issued to Chilean employees:

	Milestone 1	Milestone 2
Assumptions:		
Grant date	4 July 2022	4 July 2022
Issue date	31 December 2022	31 December 2022
Expiry date	4 July 2027	4 July 2027
Share price at grant date	\$0.05	\$0.05
Probability	100%	35%
Vesting period	18 months	19 months
Expected volatility	100%	100%
Dividend yield	-	-
Risk-free interest rate	2.57%	2.57%
Number of performance rights	9,176,470	9,176,470
Fair value at grant date	\$0.05	\$0.05
Amount recognised as equity based payment expense for the period ended 31 December 2022	\$142,445	\$46,767

(c) Performance Rights issued to Chilean employees:

	Milestone 1	Milestone 2
Assumptions:		
Grant date	7 September 2022	7 September 2022
Issue date	31 December 2022	31 December 2022
Expiry date	7 September 2027	7 September 2027
Share price at grant date	\$0.04	\$0.04
Probability	100%	50%
Vesting period	10 months	22 months
Expected volatility	100%	100%
Dividend yield	-	-
Risk-free interest rate	3.14%	3.14%
Number of performance rights	100,000	125,000
Fair value at grant date	\$0.04	\$0.04
Amount recognised as equity based payment expense for the period ended 31 December 2022	\$1,399	\$391

At 31 December 2022, management has provided the best estimate of the probability of performance rights expected to vest. The performance rights have been valued in accordance with AASB 2 *Share Based Payments* and are brought to account over their vesting periods. Equity based payment expense of \$196,672 (31 December 2021: \$nil) has been included in the statement of profit or loss and other comprehensive income for the period.

Note 6. Segment Reporting

Tesoro Gold Limited operates predominantly in one industry being the mining exploration and evaluation industry in Chile, with its corporate function located in Australia.

Segment Information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker (being the Board of Directors) in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of evaluation of its gold and copper exploration tenements in Chile and its corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

(i) Exploration and evaluation

Segment assets, including acquisition cost of exploration licenses and all expenses related to the licenses in Chile are reported in this segment.

(ii) Corporate

Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents and trade and other receivables are reported in this segment.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables.

Note 6. Segment Reporting (cont.)

Consolidated
31 December 2022

	Corporate	Exploration and Evaluation	Total
	\$	\$	\$
Segment revenue	-	-	-
Other revenue	21,481	-	21,481
Total revenue	21,481	-	21,481
EBITDA	(1,333,659)	(122,777)	(1,456,436)
Depreciation			(34,049)
Interest revenue			7,418
Loss before income tax expense			(1,483,067)
Income tax expense			-
Loss after income tax expense			(1,483,067)
Segment assets	7,185,825	34,090,617	41,276,442
Segment liabilities	(693,007)	(191,356)	(884,363)

Consolidated
31 December 2021

	Corporate	Exploration and Evaluation	Total
	\$	\$	\$
Segment revenue	-	-	-
Other revenue	45,916	1,874	47,790
Total revenue	45,916	1,874	47,790
EBITDA	(689,746)	(1,641,858)	(2,331,741)
Depreciation			(53,157)
Interest revenue			640
Loss before income tax expense			(2,384,258)
Income tax expense			-
Loss after income tax expense			(2,384,258)

Note 6. Segment Reporting (cont.)

(i) Revenue by geographical region

There was no revenue attributable to external customers for the half-year ended 31 December 2022 (2021: Nil).

(ii) Assets by geographical region

Non-current assets by geographical region are as follows.

	31 December 2022 \$	30 June 2022 \$
Australia	143,885	176,924
Chile	33,366,933	26,228,656
	<u>33,510,818</u>	<u>26,405,580</u>

Note 7. Contingent assets

All purchases in Chile are subject to the payment of the Impuesto al Valor Agregado ("IVA") which is a Value Added Tax.

During the half-year ended 31 December 2022, A\$592,470 (CLP359,272,754) refund has been received. As at 31 December 2022, El Zorro S.C.M. carries an IVA tax receivable of A\$3,212,229. The contingent asset has not been recognised as a receivable at 31 December 2022 as the receipt of the amount is dependent upon El Zorro S.C.M. meeting the IVA refund conditions stipulated by the relevant taxation authorities in Chile. Accordingly, \$451,706 (2021: \$1,367,587) of IVA tax receivable has been impaired in the Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2022.

Note 8. Contingent liabilities

On 26 August 2021, Tesoro advised it had been 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.

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 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 Tesoro to acquire 100% of the Project.

On 22 June 2022 the parties were advised a date for discovery is to be set to negotiate a settlement. Discovery date has not been advised at the date of this report. If the parties are unsuccessful in reaching an agreement following the discovery, the timing for the matter to proceed to trial is unknown at this stage.

Note 8. Contingent liabilities (cont.)

Tesoro is confident that the capital increases were properly valued and duly approved under Chilean corporate and mining law and the dispute initiated by Wanaco is vexatious and with no legal basis.

Tesoro will vigorously defend its position and is considering its legal options to have this spurious claim rejected by the court. Tesoro's estimate of its financial effect is US\$150,000.

There are no other contingent liabilities as at 31 December 2022 and 30 June 2022.

Note 9. Commitments

Consolidated	
31 December 2022	30 June 2022
\$	\$

The exploration commitments are as follows:

Not longer than 1 year	242,035	667,034
Longer than 1 but not longer than 5 years	-	-
Longer than 5 years	-	-
Total	242,035	667,034

Exploration commitments consist of annual rents payable on mineral concessions.

Other commitments

The Company has agreed to issue 60,000,000 options exercisable on or before the date that is three years from the date of issue @ \$0.07 each, under a subscription agreement as announced on the ASX on 17 November 2022, subject to Shareholder approval at a general meeting of the Company. The options will be issued as free-attaching options in accordance with the Placement announced on the ASX on 17 November 2022.

Note 10. Events after reporting period

On 17 January 2023, the Company announced assay results from the Toro Blanco and Kitsune targets in the El Zorro Project.

On 22 February 2023, the Company announced the cessation of 42,000,000 fully paid ordinary shares issued as Collateral Shares to Acuity Capital, in relation to the At-the-Market Subscription Agreement (ATM) terminated at 21 December 2022.

On 22 February 2023, the Company announced the cessation of 5,466,666 fully paid ordinary shares and 2,733,332 options, being cancellation pursuant to a selective buy back announced at 18 January 2023.

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the opinion of the Directors of Tesoro Gold Limited ("the Company"):

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5)(a) of the Corporations Act 2001.



Mr Zeffron Reeves
Managing Director
13 March 2023

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TESORO GOLD LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Tesoro Gold Limited which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tesoro Gold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Tesoro Gold Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

THE POWER OF BEING UNDERSTOOD **AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Directors' Responsibility for the Half-Year Financial Report

The directors of Tesoro Gold Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

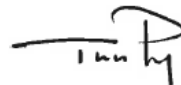
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten-style signature of the letters 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 13 March 2023