3 November 2020

ASX RELEASE

PHASE 2 SOIL SAMPLING RESULTS EXTEND PROSPECT AREAS AT MILFORD PROJECT

- Phase 2 soil sampling extends geochemical anomalies at the Moccasin and Captain Jack Prospects, located in the Company's Milford Project.
- Rock sampling at Moccasin returned Ag to 65.1 g/t and Au to 1.15 g/t
- Anomalies at both areas remain open along the interpreted mineralised trends.
- Sampling at Moccasin extends the geochemical soil anomaly, open to the SW, with the Ag component of the anomaly over 1.5 km long at +0.2 ppm Ag.
- Sampling at Captain Jack Prospect further defines partially overlapping gold-silver soil anomaly along trend, open to NE.

Tao Commodities Limited ("TAO" or "the Company") (ASX: TAO) is pleased to announce assays results from Phase 2 soil sampling completed at its Milford Project in Beaver County, Utah, USA. The sampling was completed following encouraging Phase 1 soil and rock chip sampling at two priority prospect areas, Moccasin and Captain Jack.

Sampling has extended the geochemical anomalies along interpreted mineralised trends which remain open and require follow-up work.

As part of the Phase 2 programme, a total of 197 soil and 4 rock samples were collected at these two areas, aiming to further extend the anomalous geochemical response along the SW-NE mineralised trends interpreted at both prospects. Samples were analysed for a suite of elements, including Au, Ag, Cu, Pb, Zn. Samples were collected as sieved soil material with sample points located on nominal 200m x 50m and 100m x 50m grids.

Phase 2 samples were collected as extensions to the Phase 1 geochemical sampling area completed earlier in the year. No orientation soil sampling was completed to determine dispersion or response tenor from various size fractions.

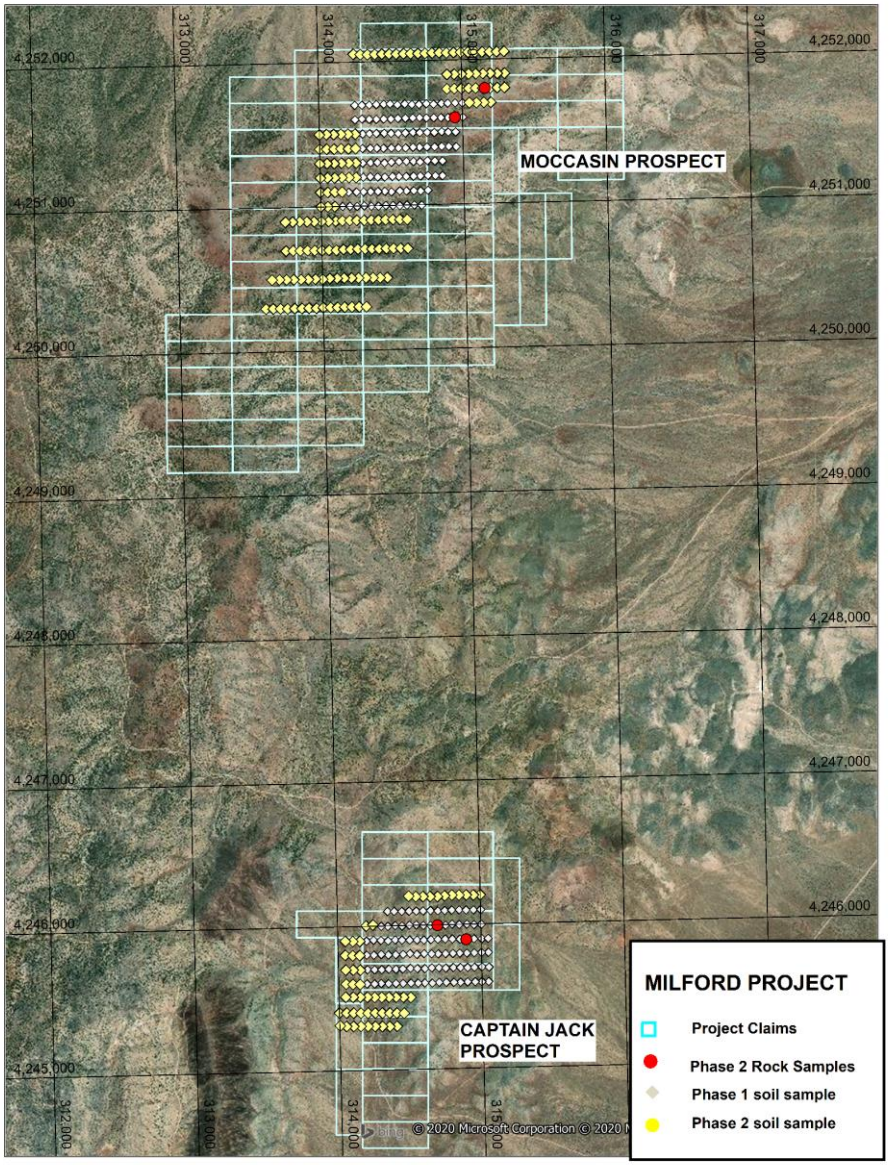

Figure 1- Overview Map- Milford Project.

MOCCASIN PROSPECT

A total of 143 soil and two rock samples were collected at the Moccasin Prospect located in the northern portion of the Milford Project as part of the Phase 2 programme.

Silver results received from the Phase 2 soil sampling data have further extended the anomalous zone along strike to the SW from the central old workings. Gold results appear more restricted and associated with the locations of the old workings in the main prospect area in the central portion of the soil grid with isolated anomalies returned in the Phase 2 results.

The Mocassin anomaly remains open along to the SW. The main Ag anomaly is traceable for over 1.5 km at a +0.2ppm Ag contour, with a peak result of 0.56 ppm occurring on the

southern most sample line, and appear to be spatially associated with a SW-NE striking contact between carbonates and sandy sediments.
Anomalous Pb (ppm) and Zn (ppm) initially defined in the Phase 1 programme are more sporadic and discontinuous in the Phase 2 results, although still following the interpreted SW-NE trend.

Two rock grab samples collected in the northern part of the Moccasin prospect area recorded anomalous results as shown in Appendix 1:

- MOC001 recorded 1.15 g/t, 5.14 g/t Ag, 0.39% Pb and 0.46% Zn
- MOC002 recorded 65.1 g/t Ag and 0.1% Cu.

Other elements including As, W and Mn were also elevated.

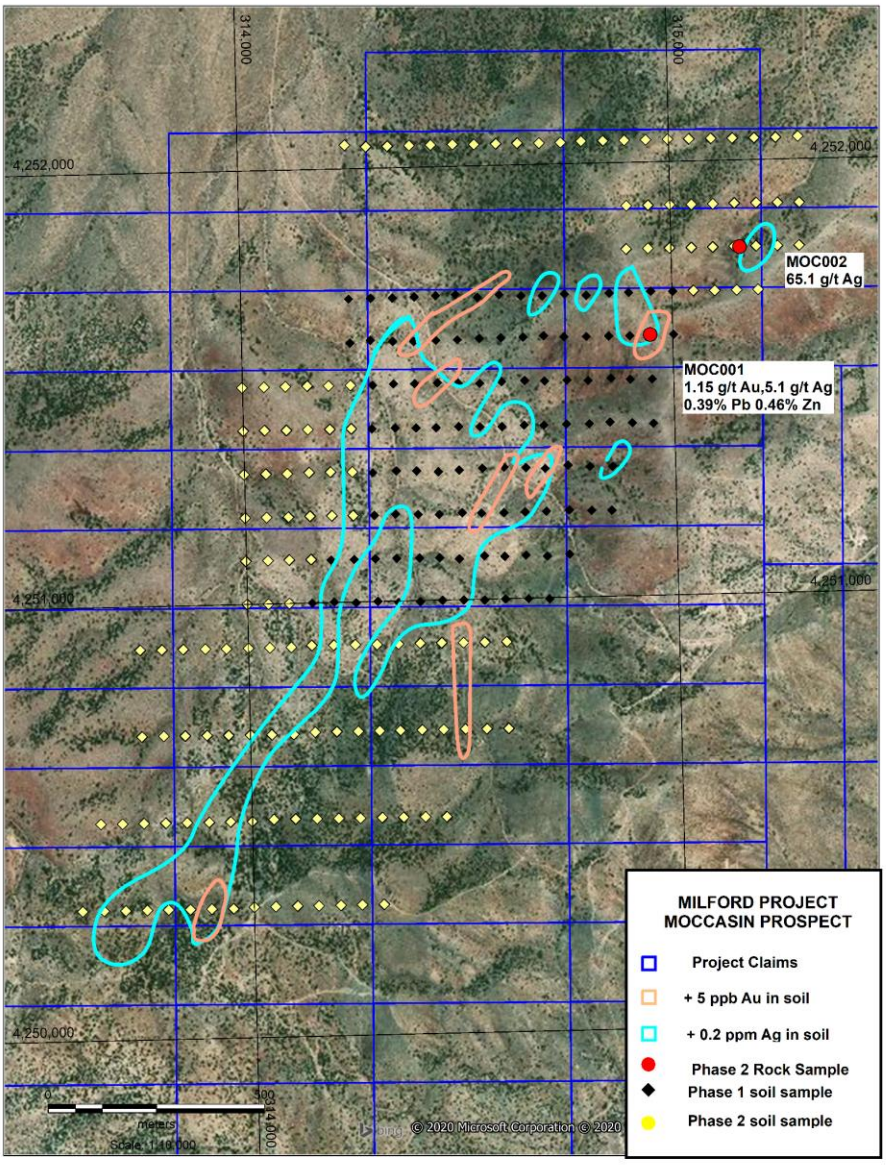

Figure 2- Moccasin Prospect- Ag(ppm) and Au (ppb) soil and rock sample results

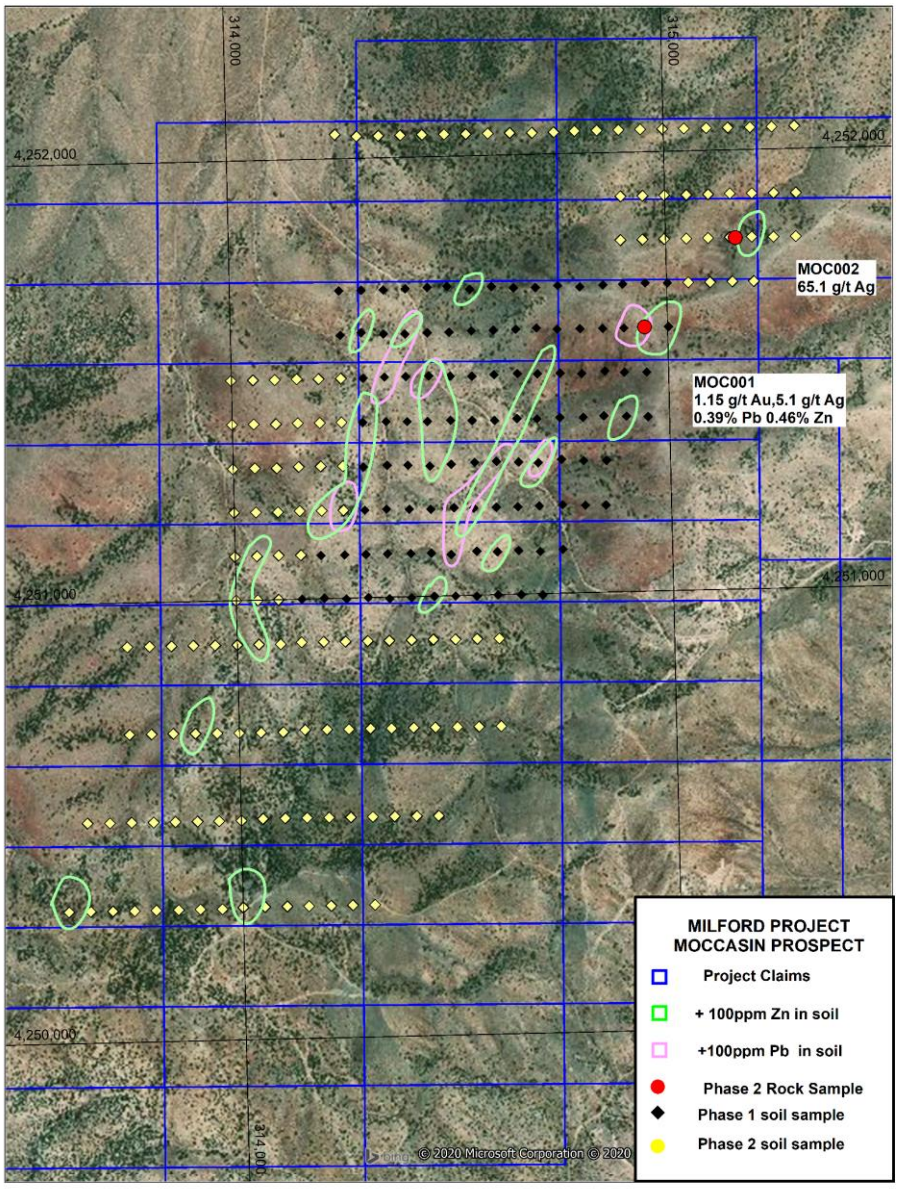

Figure 3- Moccasin Prospect- Zn(ppm) and Pb (ppm) soil and rock sample results

CAPTAIN JACK

The Captain Jack Project is located in the southern part of the Milford Project. Work by previous explorers[2] had located outcropping altered sediments and carbonate rocks with anomalous gold and base metals in the Captain Jack area.

A total of 43 soil samples were collected at the Captain Jack and Captain Jack West Prospects as part of the Phase 2 programme. The Captain Jack West prospect is associated with a series of old shallow workings/pits in altered silicified carbonate and sedimentary rocks with evidence of ex-sulphide textures and copper oxide staining. Reconnaissance rock sampling completed by the Company as part of the Phase 1 programme returned samples with

anomalous gold, ranging from 0.99 to 17.4 g/t Au[1]. Silver results ranged from 0.25 to 8760 g/t, with four samples assaying >100 g/t (ppm) Ag[1].

Phase 1 and 2 soil sampling has defined partially overlapping gold-silver anomalies over several hundred meters in the Captain Jack West prospect area, and a more semi-continuous anomaly over a similar distance at Captain Jack. Phase 2 soil sampling results have extended the Au-Ag anomalism to the north, which remains open to north at Captain Jack West under transported sheetwash cover.

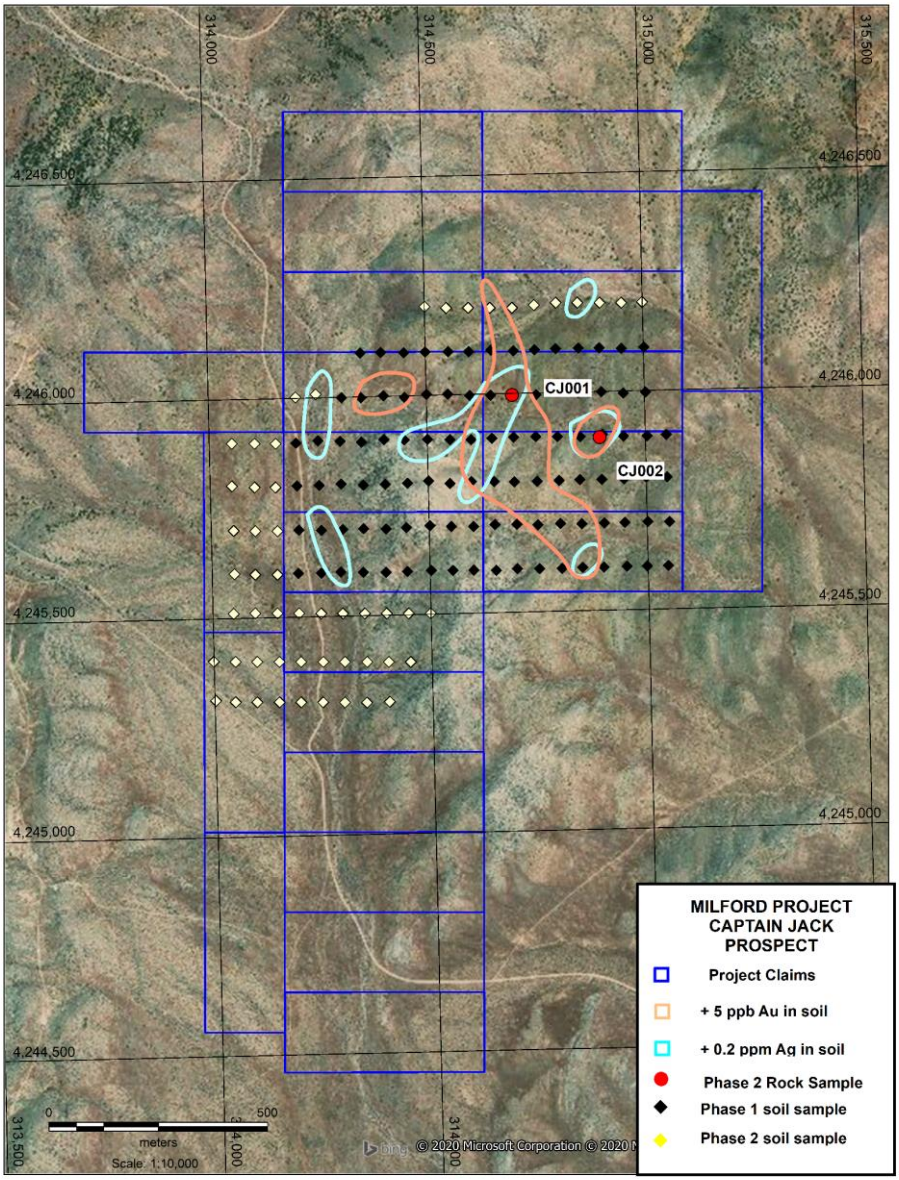

Figure 4- Captain Jack Prospect Ag (ppm) and Au(ppb) soil results

Two rock samples, CJ001 and CJ002 were collected at the Captain jack Prospect with no significant results recorded (Appendix 1).

A summary of Phase 2 soil sample assay range values for main elements under consideration is presented below:

Element	Detection Limit	Captain Jack	Moccasin
Au (ppm*)	0.001 (1 ppb)	Below detection to 0.012	Below detection to 0.008
Ag (ppm)	0.01	0.05 to 0.22	0.06 to 0.56
Cu (ppm)	0.2	9.1 to 38	9.9 to 152.5
Zn (ppm)	2.0	45to 135	47 to 379
Pb (ppm)	0.2	8.8 to 133	10.8 to 100

*- Gold results were converted to ppb on maps and plans (e.g.: 0.026 ppm = 26 ppb). Samples analysed at ALS Laboratories (Method Au-ME-TL43).

NEXT STEPS

The Phase 1 and 2 soil sampling results have defined areas of interest for initial drill testing. The effectiveness of ground geophysical techniques will also be investigated with the aim of defining drill targets.

This announcement has been authorized for release by the board

END

For further information, please contact

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Previous ASX Announcements

1- *30/04/2020 - TAO Commodities Ltd – ASX Announcement* – ROCK SAMPLING RETURNS UP TO 17.4 g/t Au & 8760 g/t Ag.
2- *05/02/2013- Firestrike Resources Ltd – ASX announcement – Widespread high grade silver, lead and zinc with elevated copper and gold discovered at surface.*
3- *09/07/2018 – TAO Commodities Ltd – ASX Announcement – High grade lead, zinc and copper confirmed.*
4- *30/06/2020 - TAO Commodities Ltd- ASX Announcement – Further Gold Exploration works planned at Milford*
5- *17/08/2020-TAO Commodities Ltd- ASX Announcement – Soil Sampling targeting Au0Ag completed at Milford*

Competent Persons Statement – JORC Code 2012

The information in this report that relates to Exploration Results, is based on information compiled and/or reviewed by Mr. Lyle Thorne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Thorne is an independent consultant to TAO Commodities Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are 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. Thorne consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix 1- Rock Sampling Data

Sample	East	North	Area	Au_ppm	Ag_ppm	As_ppm	Cu_ppm	Fe_%	Mn_ppm	Sb_ppm	W_ppm	Zn_ppm
CJ001	314700	4246000	Captain Jack	<0.01	0.04	11.4	8.3	4.14	679	0.66	0.22	88
CJ002	314980	4545900	Captain Jack	0.01	0.06	33.2	29.6	2.28	1260	0.56	0.39	48
MOC001	314943	4251600	Mocassin	1.15	5.14	1455	550	18.25	283	30.6	5.19	4630
MOC002	316160	4251800	Mocassin	0.3	65.1	489	1130	28.2	186	36.3	13.8	184

JORC Code, 2012 Edition – Table 1 – Milford Project – Phase 2 Soil Sampling

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• A total of 197 soil geochemical samples were collected at nominal 100 x 50m & 200m x 50m spaced locations at two prospect areas, Captain Jack & Moccasin. Material was collected from a depth of 10-15cm, sieved to -3mm with an average of 220 gm being placed in a pre-numbered zip-lock sample bag. • A total of 4 rock reconnaissance geochemical samples were collected as grab samples from historically existing mining and exploration workings. This includes from sites such as mine dumps, prospect pits & trenches, and adjacent mineralised outcrop or subcrop/float. Equipment used was predominately hand held hammer for the collection of rock fragments. • All field exploration work was completed by Harrison Land Services LLC, a Utah based company.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling conducted.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and*	• No drilling conducted.

Criteria	JORC Code explanation	Commentary
	grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• No drilling conducted.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Soil samples were placed directly into pre-numbered zip-lock plastic bags at the site location from which they were collected. No repeat or check samples have yet been submitted for analysis. Each sample was weighed at the preparation laboratory and the weights recorded along with the analytical results. No specific quality control procedure has been adopted for the collection of samples. Samples were shipped to ALS Global laboratories in Reno, Nevada for drying, pulverizing, and splitting to prepare a pulp of approximately 25g which was then shipped to ALS Global laboratories in Vancouver, Canada for analytical determinations. • Grab samples were placed directly into calico bags at the site location from which they were collected. No repeat or check samples have yet been submitted for analysis. Each sample was weighed at the preparation laboratory and the weights recorded along with the analytical results. No specific quality control procedure has been adopted for the collection of samples. Samples were shipped to ALS Global laboratories in Reno, Nevada for drying, pulverizing, and splitting to prepare a pulp of approximately 200g which was then shipped to ALS Global laboratories in Vancouver, Canada for analytical determinations.
Quality of assay data and	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Soils Assays were prepared and performed by ALS Global – Geochemistry Analytical Labs in Reno, Nevada USA and Vancouver, BC Canada using a four acid digestion method with an

Criteria	JORC Code explanation	Commentary
laboratory tests	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	ICP-MS finish for a suite of elements (Method Au-ME-TL43). Average soils sample weight submitted for prep was 0.22kg and ranged from 0.17kg to 0.36kg.. Samples were pulverized to minus 75 microns before a split was sent to ALS Vancouver lab for analysis. This is an accepted industry analytical process appropriate for the nature and style of mineralization under investigation. No company generated standards or blanks were incorporated into the sampling procedure. ALS undertook their own internal checks and blanks. • Multi-element analysis included 51 elements (major and minor, (Method ME_MS41- AR-ICP-MS).). Only elements of exploration interest have been reported in text. • Rocks - Assays were prepared and performed by ALS Global – Geochemistry Analytical Labs in Reno, Nevada USA and Vancouver, BC Canada using a four acid digestion method with an ICP-MS finish for a suite of elements (Method ME_MS41- AR-ICP-MS). Average rock samples weight was 0.4 kg with range of 0.3-0.51 kg Gold was assayed using Fire Assay technique on 30gm charge (Method Au-AA25). Average sample weight submitted for prep was 0.42kg and range from 0.24kg to 0.6kg. Samples were pulverized to minus 75 microns before a split was sent to ALS Vancouver lab for analysis. This is an accepted industry analytical process appropriate for the nature and style of mineralization under investigation. No company generated standards or blanks were incorporated into the sampling procedure. ALS undertook their own internal checks and blanks. • Multi-element analysis included 51 elements (major and minor, (Method Au-ME-TL43.). Only elements of exploration interest have been reported in text.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Results were checked and reviewed by the Project Geologist and consultant. Assay data was supplied electronically by the laboratory and incorporated into a digital database. ALS report Au in ppm which was converted to ppb in the Company database • Interpretation of multi-element data is on going.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Location of samples were recorded by hand held GPS. The GPS recorded locations used the NAD83 datum UTM Zone 12N. Accuracy is limited to approximately 3 meters.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Soil samples were collected at nominal 200m x 50m and 100m x 50m locations Samples were collected along E-W orientated lines. The data is primarily an initial exploration reconnaissance sampling program. • Rock samples were collected randomly at previously known mining and prospect sites. The data is primarily an initial exploration reconnaissance sampling program. Samples locations are variable and based on field observations.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The data is primarily an initial exploration reconnaissance sampling program and is useful for identifying broad geological trends.
Sample security	• *The measures taken to ensure sample security.*	• Contractor personnel collected the samples and transported them to the assay laboratory in Reno, Nevada.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audit has been completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	TAO Commodities Ltd.'s project is located on unpatented Federal mining claims in Beaver County, Utah, USA. The Project consists of 101 (ML-001 to ML-100, ML-051a) Mining Rights on US Bureau of Land Management (BLM) administered land covering approximately 8.36km^2 .
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Extensive historical mining and exploration activity beginning in the late 1800's is evident within the project area. Limited modern day exploration techniques and methods appear to have been conducted. • Firestrike Resources Ltd and J/V partner Escalante Mines LLC performed rock chip sampling of historic mine dumps and prospect pits during 2011-2013. They also completed a 2000m RC drilling program during 2012 on the Coronado Prospect which lies outside of the current project area. Results of this campaign are contained in Firestrike Resources Limited ASX announcement release dated 5 February 2013, "Widespread high grade silver, lead and zinc along with elevated copper and gold discovered at surface." • Agricola Mining Consultants Pty Ltd completed an independent technical review of the project during September 2017.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The project area lies within a structurally controlled Basin & Range type mountain range, dominated by Paleaozoic clastic and chemical sediments. Late granitoid intrusives are known to occur adjacent to the project. Epithermal and replacement type mineralisation occurs along structural corridors in reactive sedimentary host rocks.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• No drilling conducted.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• The assay results are based on early stage soil geochemical sample assays. No data aggregation methods, weighting of results or top cuts have been applied. ALS report Au in ppm which was converted to ppb in the Company database. All other elements are in ppm or % as reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No drilling completed.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery*	• See text

Criteria	JORC Code explanation	Commentary
	being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results have been reported for the main elements targeted (Au, Ag, Cu, Pb, Zn) for all soil sampling. Interpretation of other elements included in the assay method is ongoing.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• See text
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The Phase 1 and 2 soil sampling results have defined areas of interest for initial drill testing. The effectiveness of ground geophysical techniques will also be investigated with the aim of defining drill targets.

Forward looking statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.