TANDO RESOURCES

ASX ANNOUNCEMENT

30 April 2018

QUARTERLY ACTIVITIES REPORT MARCH 2018

- **Binding Heads of Agreement signed to acquire the high grade SPD Vanadium Project via staged all-scrip payments.**
    - **SPD Vanadium Project is a globally significant vanadium deposit located in a known vanadium producing region supported by excellent infrastructure.**
    - **Historic drilling has delineated a resource > 500Mt under the SAMREC Code (a "foreign resource" as defined in the ASX Listing Rules)**
    - **Vanadium drill intersections >1% V_2O_5 (whole rock) with mineralised units averaging 23m in thickness.**
    - **Grade profile is one of the highest of all ASX listed vanadium projects with grade in concentrate averaging 2% V_2O_5 and 13% TiO_2.**
- **Maiden drill programme completed at the Quartz Bore Project:**
    - **Thick zones of sulphide minerals (up to 25m) intersected in each of the four holes drilled with assay results including 7m at 6.44% Cu + 3.21 % Zn QBDD001, including 2m at 14.3% Cu + 6.33%Zn)**
    - **Downhole surveys completed using DHEM and DHMMR techniques successfully detected off-hole targets representing potential extensions to mineralisation.**
- **Substantial number of EM anomalies detected in VTEM survey at Mt Sydney:**
    - **Near surface anomalies similar to those detected at adjacent Braeside Project (owned by Rumble Resources). Rumble's maiden drill programme at Braeside intersected mineralisation including a high grade zinc discovery.**
    - **In addition a compelling large scale target defined by broad coincident EM and magnetic anomaly, interpreted to represent a deeper intrusive body.**
    - **Drill targets to be delineated by detailed geological mapping and geochemical surveys during 2018 field season.**
- **Compilation of historical geochemical and geophysical surveys at Mt Vernon Project ongoing:**
    - **Mt Vernon close to Galena Mining's Abra Deposit and hosted in similar geological setting.**
    - **A number of targets defined in historical exploration, current compilation will enable these to be evaluated and ranked.**
- **Capital raising of $2M completed to rapidly advance the SPD Vanadium Project.**

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High Grade SPD Vanadium Project to be acquired

During the Quarter the Company signed a binding Heads of Agreement ("HoA") to acquire 74% of the SPD Vanadium Project, a large, high grade vanadium deposit located in an established vanadium production hub in South Africa. Global vanadium projects are summarised in Figure 1, demonstrating that the SPD Vanadium Project has the potential to be globally significant based on its tonnage and grade in concentrate (Figure 1). Currently approximately 85% of the world's vanadium is produced in China, Russia and South Africa, and with the SPD Project located in one of these producing regions there is the potential for the Project to be fast tracked into production.

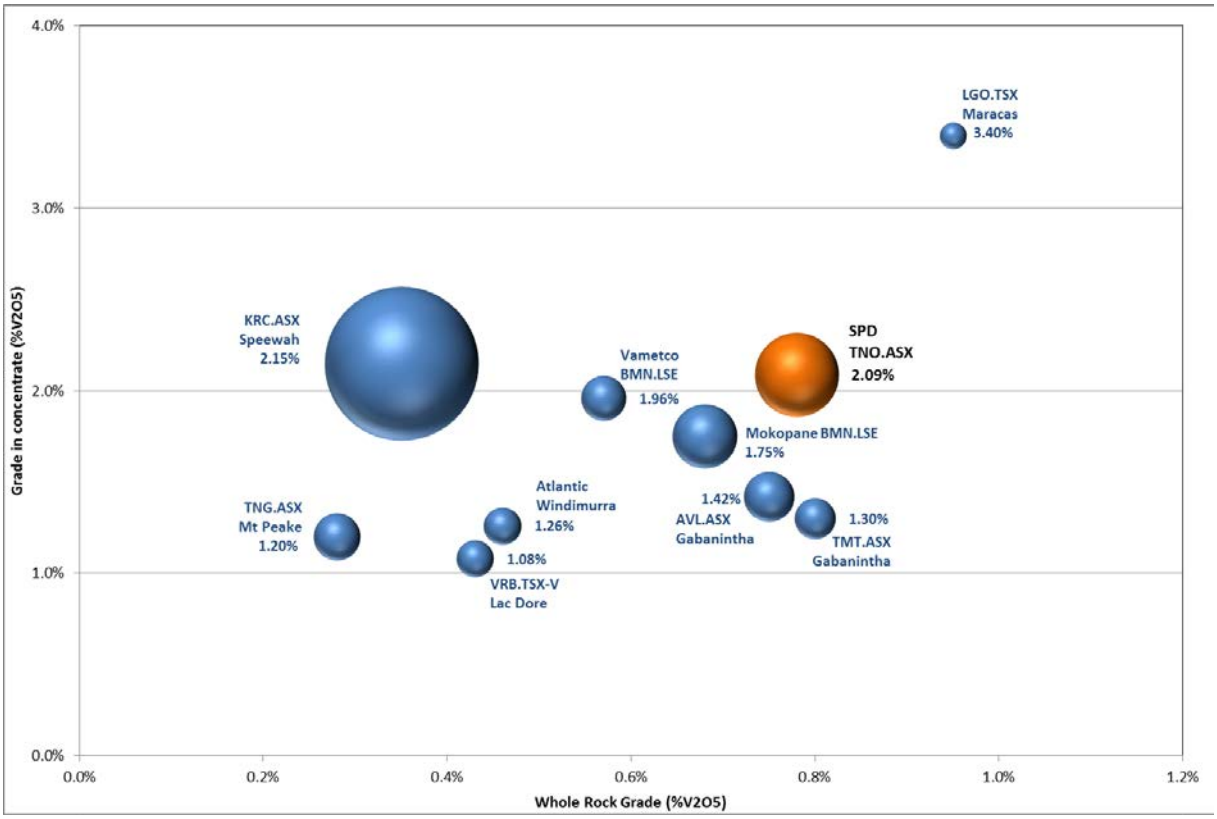

Figure 1. *Global vanadium projects categorised by resource grade and grade in concentrate.*

Label states concentrate grade based on reported testwork. Bubble size denotes tonnage. Tonnes and grade based on reported total resources, due to different host exchanges these are reported under differing reporting regimes (JORC, 43-101 or SAMREC).
Source: Company websites, ASX / TSX / LSE announcements.

The SPD Vanadium Project is located in a similar geological setting to the mining operations of Rhovan (Glencore), Vametco (Bushveld Minerals) and Mapochs (International Resources Ltd) in the Gauteng and Limpopo provinces of South Africa (Figure 2). Both the Rhovan and Vametco processing plants include refining to generate products used in the global steel making industry and aim to develop downstream processing to produce materials used in the battery market. The SPD Vanadium Project is located only 30km from the currently dormant Mapochs mine which has a processing plant and railway infrastructure.

The region around the SPD Vanadium Project contains critical infrastructure such as:

- High voltage power lines and sub stations operated by the state provider ESKOM,
- Water resources including the De Hoop Dam 15km south of the project,
- Rail links,
- Sealed roads around the project area,
- Mining service companies and support business in the immediate area,
- Skilled workforce within the local community and the region.

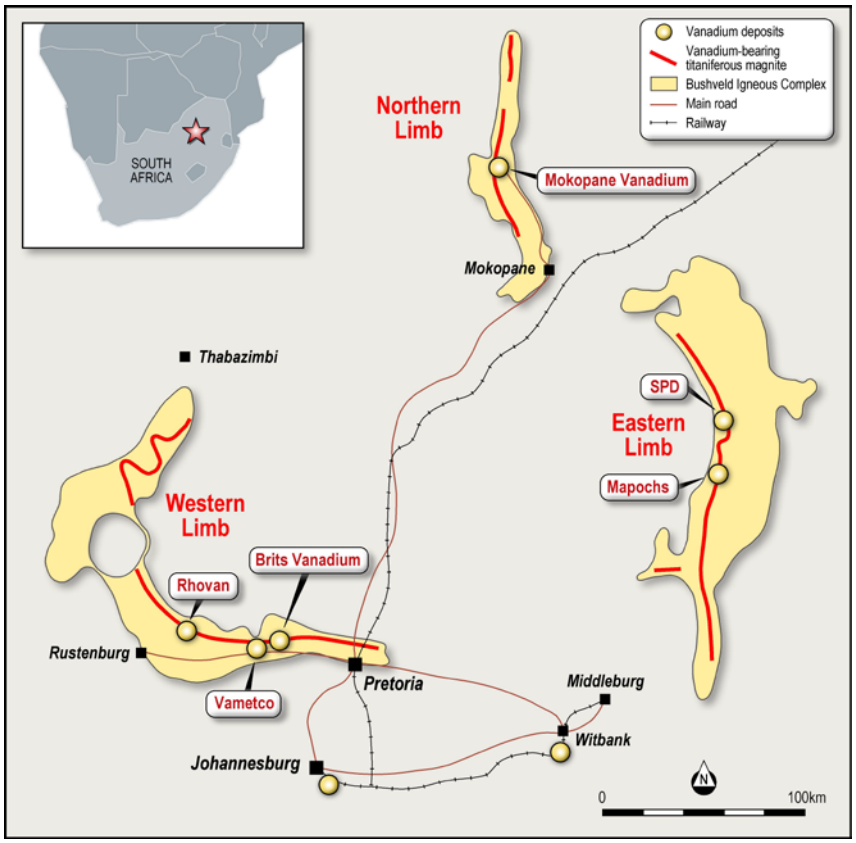

Figure 2 *Location of the SPD Vanadium Project and other vanadium deposits in the Bushveld Igneous Complex.*

Mineralisation at the SPD Vanadium Project is hosted in two magnetite layers (Figure 3) with drill intersections returning results > 1% V2O5 near surface including:

- 9m at 1.34% V2O5 + 10.5% TiO2 from 9m (SFR019)
- 13m at 1.13% V2O5 + 7.43% TiO2 from 10m (SFR017)
- 14m at 1.08% V2O5 + 7.07% TiO2 from 9m (SFR013)
- 20m at 0.96% V2O5 + 8.35% TiO2 from 11m (SFR011)
- 15m at 0.92% V2O5 + 6.44% TiO2 from 8m (SFR018)
- 12.2m at 0.90% V2O5 from 127.2m & 26.9m at 0.80% V2O5 from 43.1m (SFDD001)
- 44m at 0.66% V2O5 TiO2 + 4.24% TiO2 from 35m (SFR008)
- 34m at 0.65% V2O5 + 4.58% TiO2 from 23m (SFR009)

(Refer ASX Announcement 22 March 2018)

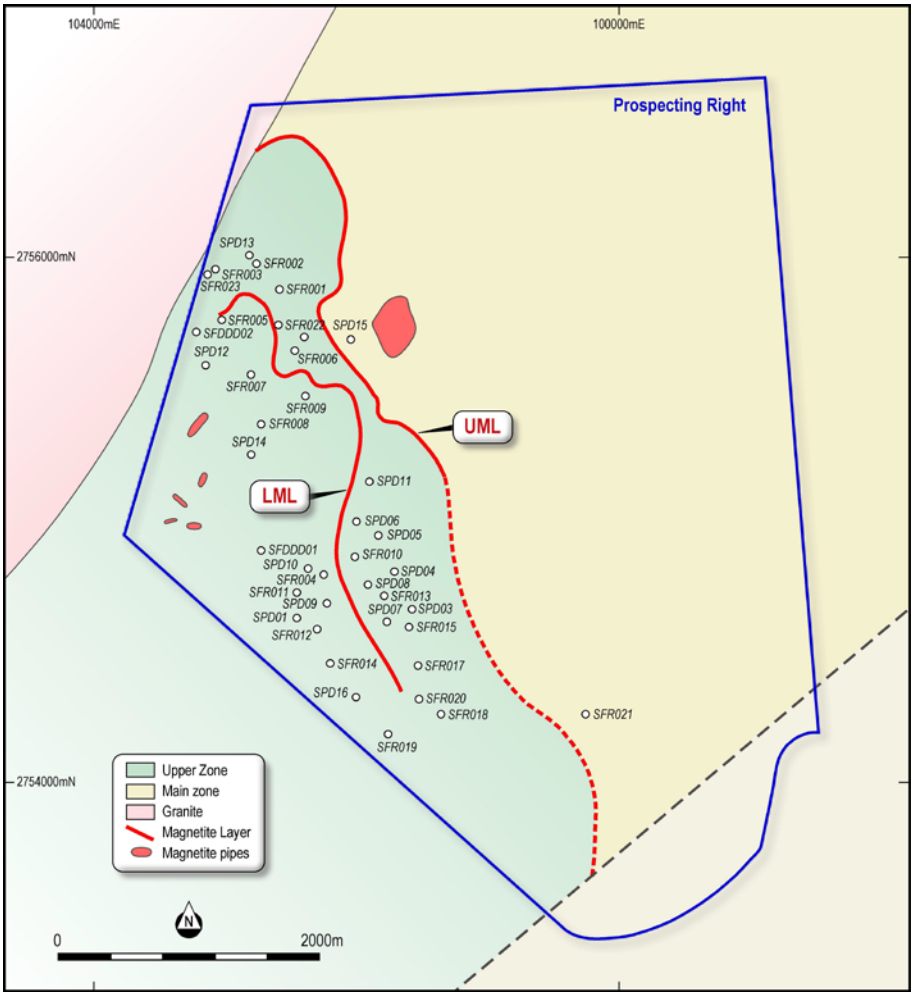

***Figure 3**. Plan showing drilling and geology at the SPD Vanadium Project.*

Drill samples were passed through a Davis Tube to obtain a magnetic concentrate. Vanadium and titanium content in the concentrate is consistent, averaging 2% V_2O_5 and 13% TiO_2 (refer ASX Announcement 22 March 2018). The Company plans to complete a testwork programme to determine whether hydrometallurgical processes can extract high purity vanadium and titanium products, which are sought after for numerous uses including vanadium flow batteries, where demand is forecast to increase

Based on historic drilling data, a resource of 513 million tonnes was delineated for the SPD Vanadium Project by GEMECS Pty Ltd. The resource for the SPD Vanadium Project as shown in Table 1 is estimated in accordance with the SAMREC Code (2007) and is therefore a “qualifying foreign resource estimate” as defined in the ASX Listing Rules (further detail below and in the ASX Announcement of 22 March 2018). The resource was classed as inferred under the SAMREC Code.

The Company plans to carry out further assessment and due diligence on the Mineral Resource, and then to implement a drilling programme to verify the Mineral Resource and, provided results are consistent with previous drilling, aim to increase the confidence in the Mineral Resource.

Table 1. *SPD Vanadium Project resource summary (classed as inferred under the SAMREC Code).*

Reef	Avge Thickness (m)	Tonnes (Mt)	Whole Rock V_2O_5%	Mt%	Magnetite Tonnes	V_2O_5% in Magnetite
Upper Layer	24	184.2	0.73	42.4	78.1	1.99
Lower Layer	22	329.1	0.81	41.6	136.0	2.20
Averages & Totals	**23**	**513.3**	**0.78**	**41.9**	**215.0**	**2.09**

Table 1 Notes: While this foreign resource is not reported in compliance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**), it is the Company's opinion (and the opinion of the Competent Person for this document), that the data quality and validation criteria, as well as the resource methodology and check procedures, are reliable and consistent with criteria as defined by the JORC Code. All tabulated data has been rounded to one decimal place for tonnage and two decimal places for grades.

Bill Oliver, Managing Director of Tando, is acting as the Competent Person and has reviewed reports and data compiled and used in the resource estimation. Independent consultants GEMECS completed the estimation of the resource presented here and Beacon Rock supervised all sampling. The authors of the report on the 2010 exploration activities and resource estimate have confirmed that there are no material changes to the resource or underlying data since the date of the report (June 2010), and that the information presented in this announcement is consistent with the data it reported. The Competent Person has not yet completed sufficient review on the qualifying foreign resource estimate to classify it in accordance with the JORC Code at this time and consequently it is uncertain that, following evaluation and/or further exploration work that the qualifying foreign resource estimate will be able to be reported as a Mineral Resource in accordance with the JORC Code.

Quartz Bore – Results received from Maiden Drilling Programme

During the Quarter the Company received results from its maiden drilling programme at the Quartz Bore Project. Drillhole QBDD0001 intersected a high grade copper rich zone with assays returned of:

- 17m at 2.95 % Cu + 1.48% Zn from 340.5m,
  - incl. 7m at 6.44% Cu + 3.21% Zn,
  - incl. 2m at 14.3% Cu + 6.33% Zn.

(Refer ASX Announcement 21 February 2018. All drilling is shown on Figures 3 and 4).

In addition surveying of QBDD0002 detected a strong, coincident, DHEM and DHMMR anomalies interpreted to represent the extension of mineralisation intersected in historical drillhole BBD009 (which returned 15m at 5.92%Zn + 0.80% Cu, refer ASX Release).

Drilling of DHEM and DHMMR anomalies at the adjacent Salt Creek deposit (owned by Venturex Resources (ASX.VXR)) intersected grades including 18.7m at 2.42% Cu and 9.85m at 8.76% Zn (ASX.VXR Release 12 January 2017).

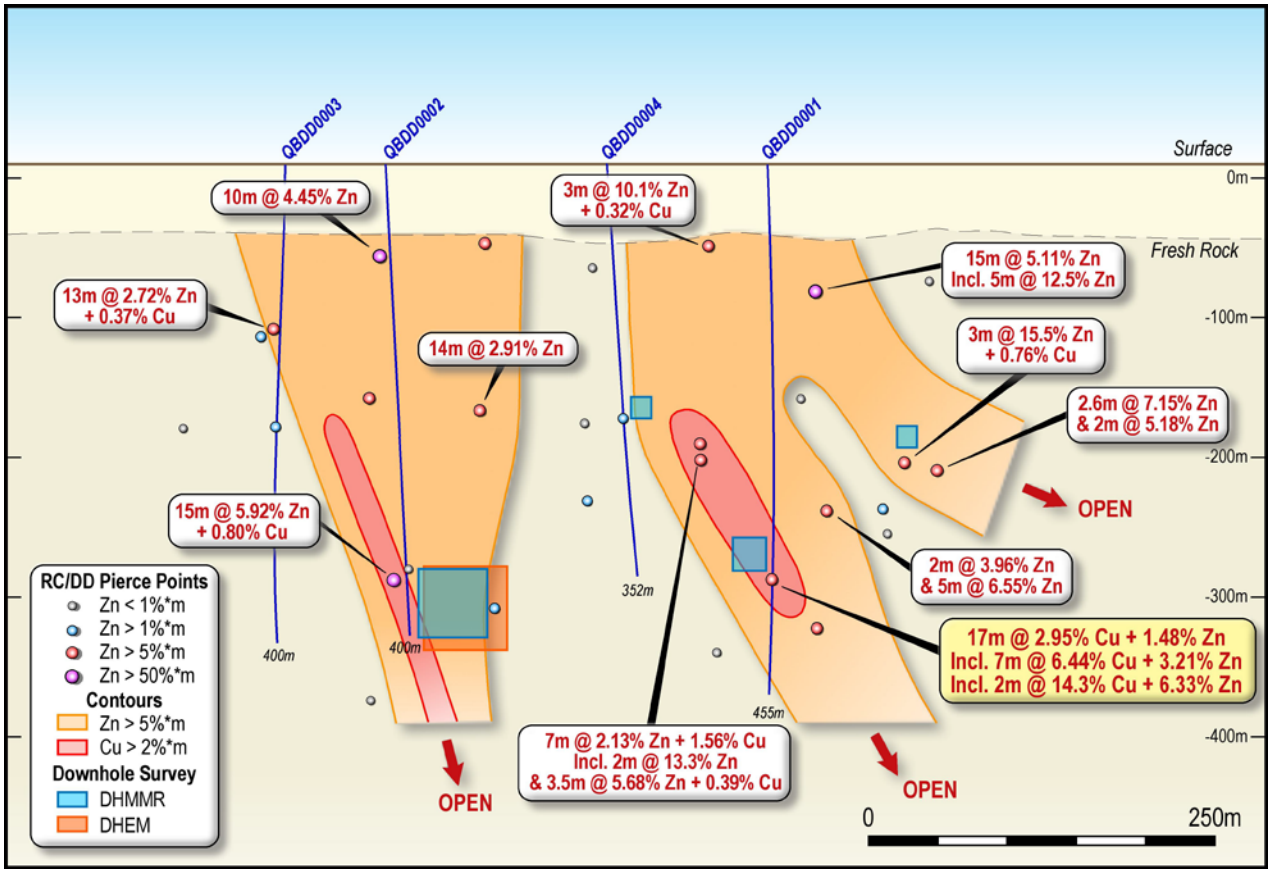

Figure 3. *Long section showing results from Tando drilling and downhole geophysical surveys. Pierce points coloured by Zn grade * metres intersected.*

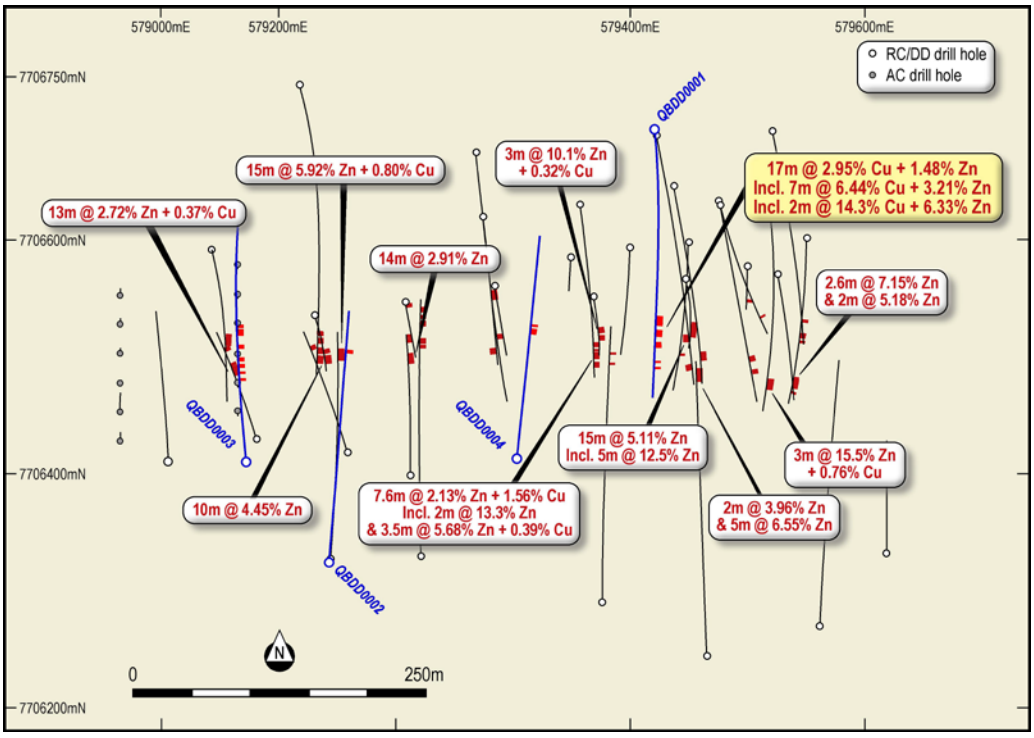

Figure 4. *Plan showing drilling results (Tando and historical) at the Balla Balla Prospect.*

Geostatistical review of the drillhole database indicates a spacing of 80m by 20m will be the optimum drill spacing required to delineate a Mineral Resource (assuming results are consistent with historical intersections). The current drill spacing at the Balla Balla Prospect is 80m by 80m (approximately) and the Company is considering the best methodology to advance the project.

The results from the downhole surveying of the Quartz Bore drillholes, and specifically the success of the DHMMR technique, led the Company to complete a surface MMR trial survey at the Balla Balla Prospect while the equipment was available at the end of the drilling programme. Data from this survey has now been processed and finalised, with an image presented as Figure 5.

The MMR feature clearly maps the mineralised horizon at the Quartz Bore Deposit. The survey only "looks" up to ~100-150m below surface and is coincident with a number of shallow, high grade zinc intersections including:

- 15m at 5.11% Zn from 94m (BBRC007);
- 10m at 4.45% Zn from 74m (BBRC005); and
- 3m at 10.1% Zn from 68m (BBRC006)

Refer ASX Announcement 3 November 2017 for further details.

The Balla Balla Prospects were discovered via heliborne EM with no detailed ground or downhole EM/MMR surveys being completed until the surveys carried out by Tando. The success of the MMR survey at mapping the prospective horizon highlights the potential to identify further mineralised zones along the prospective horizon within the Mons Cupri Volcanics.

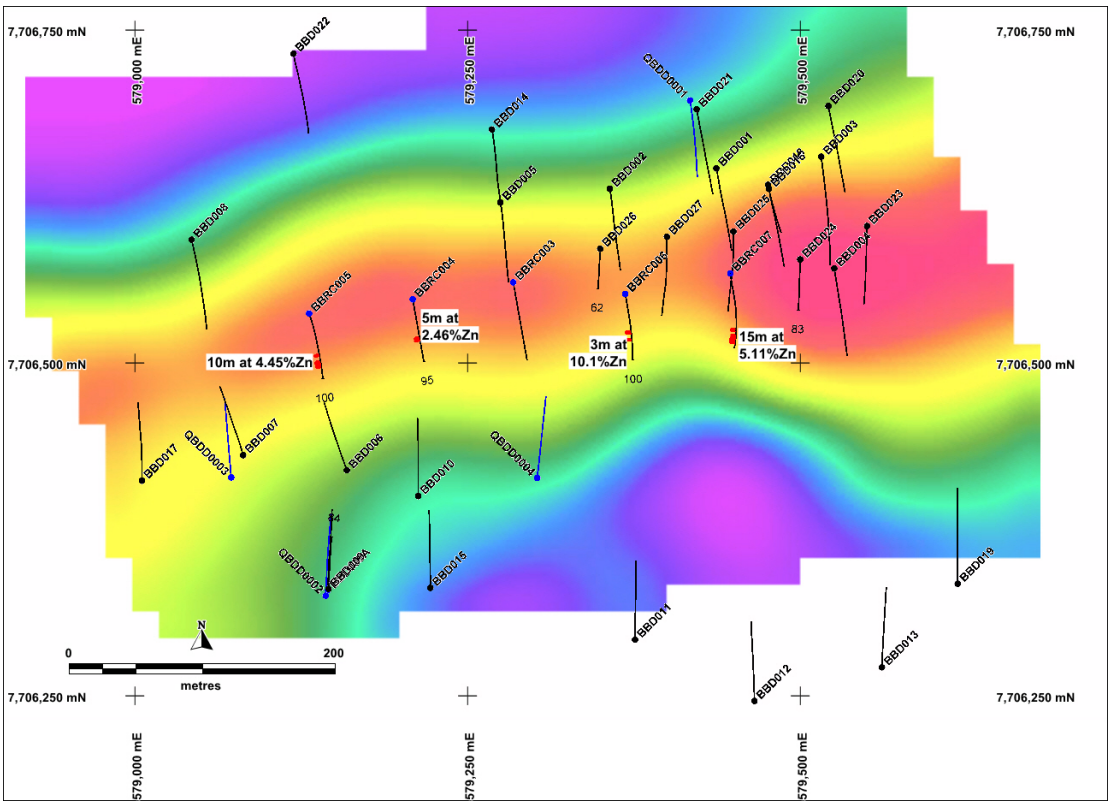

Figure 5. *Image showing MMR survey data over drilling results 100m from surface at Quartz Bore.*

Mt Sydney – Airborne EM survey identifies shallow anomalies

During the Quarter the company's geophysical consultants Southern Geoscience completed their interpretation of the VTEMmax survey flown over the Mt Sydney Project in December 2017 (refer ASX Announcement 18 January 2018). The Mt Sydney Project is 100% owned by the Company and is located adjacent to, and along strike from, Rumble Resources (ASX.RTR, "**Rumble**") Braeside Project (Figure 6).

In January Rumble announced results from its maiden drilling programme including a high grade zinc discovery at the Braeside Project (refer ASX.RTR Announcement 16 January 2018). Mineralised zinc-lead intersections reported include 4m at 9.64% Zn + 0.41% Pb from 32m, 2m at 3.08% Zn + 2.98% Pb from 60m and 3m at 2.19% Zn + 0.95% Pb from 49m. The reconnaissance nature of this drilling makes the presence of mineralisation very encouraging for regional base metal prospectivity and enhances the potential of the base metal targets within Tando's Mt Sydney Project.

Careful examination of the electromagnetic data has delineated numerous conductors that correlate with important target structures interpreted to be part of the Braeside Fault Zone, as well as stratigraphic contacts of prospective volcanic lithologies. Most of the mapped structures in the area produced distinct early time EM responses and this is probably caused by preferential weathering over this structural features. More importantly, numerous stronger EM anomalies are also evident over strike limited portions of these significant structures which extend directly from Rumble Resources' Braeside Project further north. These conductors are considered high priority targets and warrant follow-up.

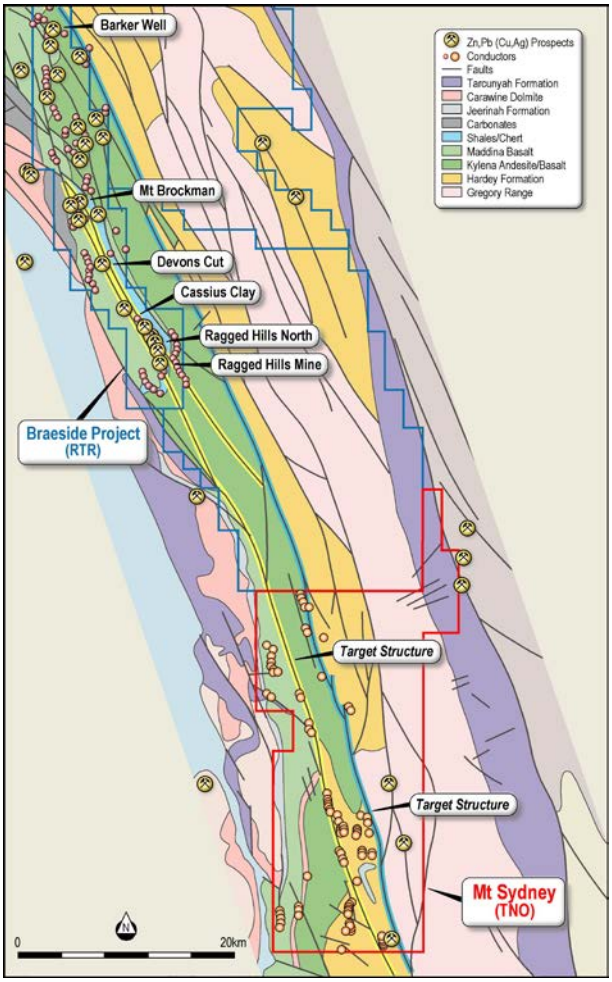

***Figure 6**. Plan showing Tando's Mt Sydney Project and RTR's Braeside Project including conductors detected in each companies VTEM survey, key structures and underlying geology.*

Due to the strong correlation between early time near surface conductors and known structures in the area, the EM interpretation is also likely to be a valuable tool to identify new structures of interest that have not been mapped in the surface geology.

Additionally, a highly conductive, deep seated feature has been identified by the airborne EM survey. Interestingly this is coincident with a magnetic feature and has been interpreted as being a potential target for porphyry or other intrusion related mineralisation styles. Further geological information is required to assess this target.

A total of seventeen targets have been identified from the interpretation from which nine are considered high priority. The main criterion for ranking the targets is based on the target strength, strike length and the correlation with prospective structures and lithological contacts. Figure 7 shows the interpreted EM conductors and nominated targets in yellow outlines. Table 1 describes the selected targets.

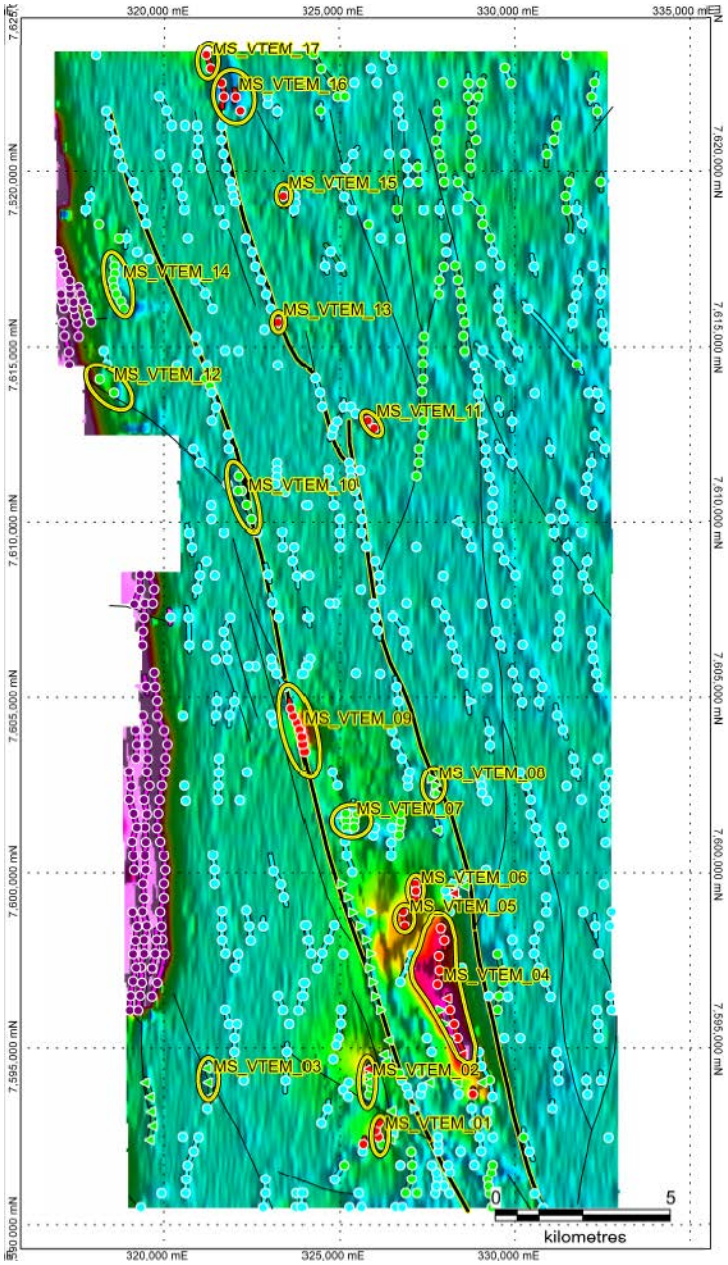

***Figure 7**. VTEMmax interpretation with nominated targets over EM channel amplitude image (channel 25, 0.44 milliseconds)*

Target_ID	Description	East (MGA51)	North (MGA51)	Priority
MS_VTEM_01	Discrete early to mid time conductor within volcanic rocks of the Hardey Fm	326133	7592526	Medium
MS_VTEM_02	Discrete early to mid time conductor within volcanic rocks of the Hardey Fm	325777	7594026	Medium
MS_VTEM_03	Early to mid time conductor coincident with secondary NNW-trending structure	321274	7594127	Low
MS_VTEM_04	Large, strong late time conductor.	327805	7596740	Medium
MS_VTEM_05	Discrete mid to late time conductor	326836	7598696	High
MS_VTEM_06	Discrete mid to late time conductor	327154	7599513	High
MS_VTEM_07	stacked mid time conductors parallel and near NNW-trending target structure	325321	7601482	High
MS_VTEM_08	Elevated EM response along major NNW-trending target structure.	327669	7602503	High
MS_VTEM_09	Elevated EM response along major NNW-trending target structure.	323851	7604051	High
MS_VTEM_10	Elevated EM response along major NNW-trending target structure.	322275	7610703	High
MS_VTEM_11	Discrete mid time conductor. Possibly associated with secondary NW-trending structure	325897	7612805	Medium
MS_VTEM_12	Discrete mid time conductor. Possibly associated with secondary NW-trending structure	318434	7613848	Medium
MS_VTEM_13	Discrete mid to late time anomaly along major NNW-trending target structure.	323274	7615686	High
MS_VTEM_14	Moderate early to mid time conductor within Meddina Basalt	318694	7616772	Medium
MS_VTEM_15	Discrete mid to late time anomaly within volcanic rocks of the Hardey Fm	323424	7619309	Low
MS_VTEM_16	Elevated EM response along major NNW-trending target structure.	322002	7622088	High
MS_VTEM_17	Elevated EM response along major NNW-trending target structure.	321258	7623111	High

***Table 1**. VTEM Targets delineated in survey.*

Mt Vernon – Review of historical exploration identifies areas of interest

During the Quarter the company completed a comprehensive data compilation and review of historical exploration activities at the Mt Vernon project. Geophysical data reviewed included reprocessing of open file aeromagnetic, radiometric and gravity data sourced from the Geological Survey of Western Australia (GSWA) and review of historical EM and IP surveys completed by other exploration companies which are now in the public domain. The reprocessed magnetic and gravity data highlighted a number of structural and lithological features which has enabled interpretation of the bedrock geology of the area as detailed in the ASX Announcement of 15 March 2018.

In 1997 BHP Minerals completed an airborne EM survey in the Pilbara region using the Geotem system. The survey covers the southern portion of Tando's tenement as shown in Figure 8. The survey was flown along N-S lines 500m apart with a 25 Hz transmitter pulse. The EM data was effective at mapping conductive sediments of the Edmund Group delineating the Mount Vernon Syncline; adding detail to the litho-stratigraphical information observed in the magnetic data. The Geotem data was assessed on a line by line basis to check for discrete anomalies that may be related to base metal mineralisation. Four anomalies have been identified and named MV_Geotem_01-04.

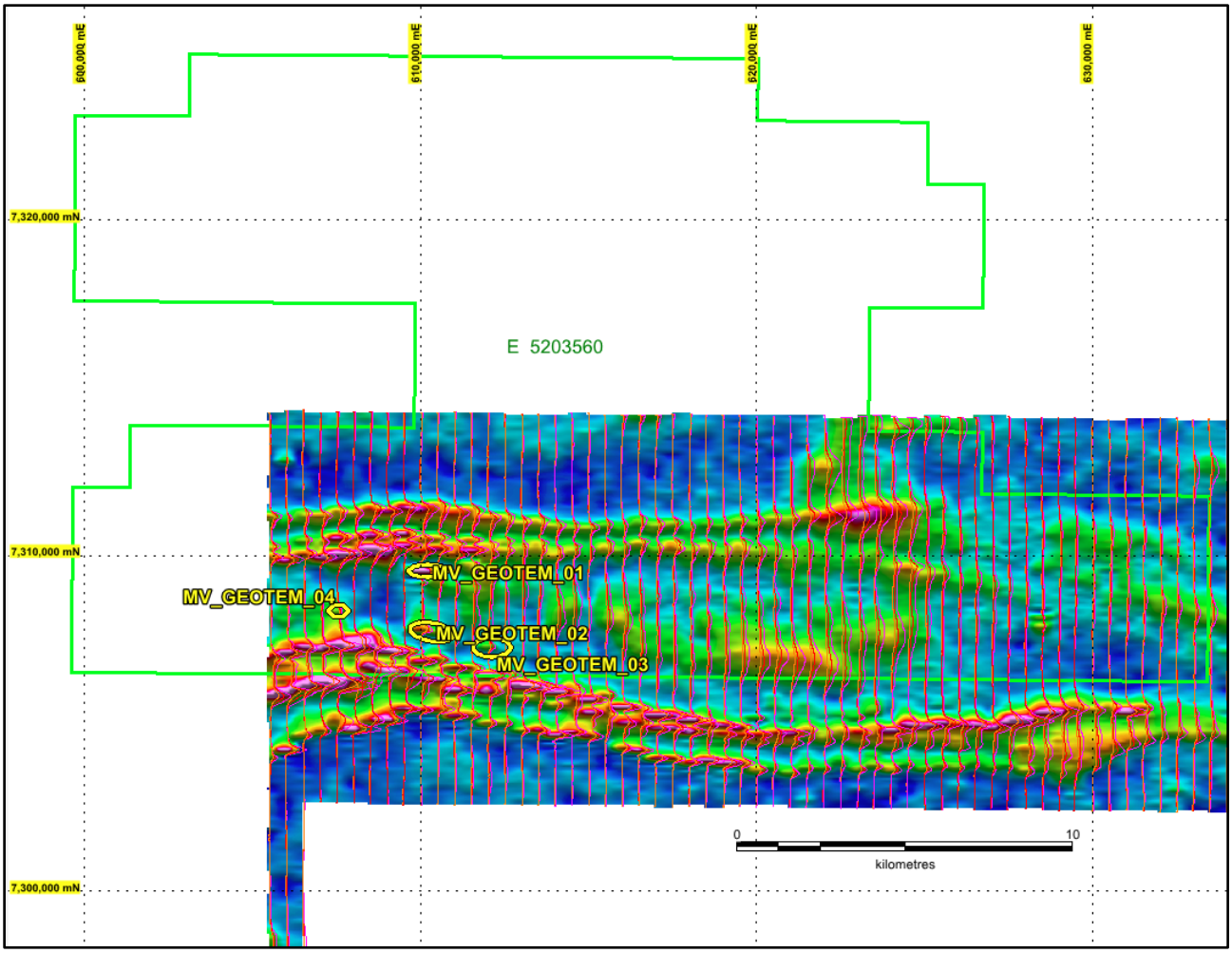

Figure 8. *Image showing historical airborne EM data from the Mt Vernon Project (GEOTEM Ch20) along with detected anomalies (labelled GEOTEM_01 to GEOTEM_04).*

All available open file geochemical data was reviewed for the project area. The Mt Vernon Project has seen a large amount of rockchip sampling and mapping but only a single systematic geochemical survey and little drilling has been completed (Figure 9).

In the northwest of the tenement area CRA Exploration Pty Ltd (CRAE) carried out soil and rock chip sampling between 1996 and 1997. While soil sampling defined a greater than 200ppm zinc anomaly along a strike length of 16km and width of 100 to 500m, this area was subsequently drill tested with no significant results returned in assays (refer ASX Announcement 15 March 2018).

Stream sediment sampling was completed to the south of the MVF by Westfield Minerals and analysed for Cu and Zn, however no QA/QC or original assay data is present in the report (WAMEX A000571) and therefore only the locations have been shown on Figure 9. A single drillhole was drilled in this area by BHP Minerals which returned results of 18m at 0.99%Zn (refer Figure 9, ASX Announcement 15 March 2018).

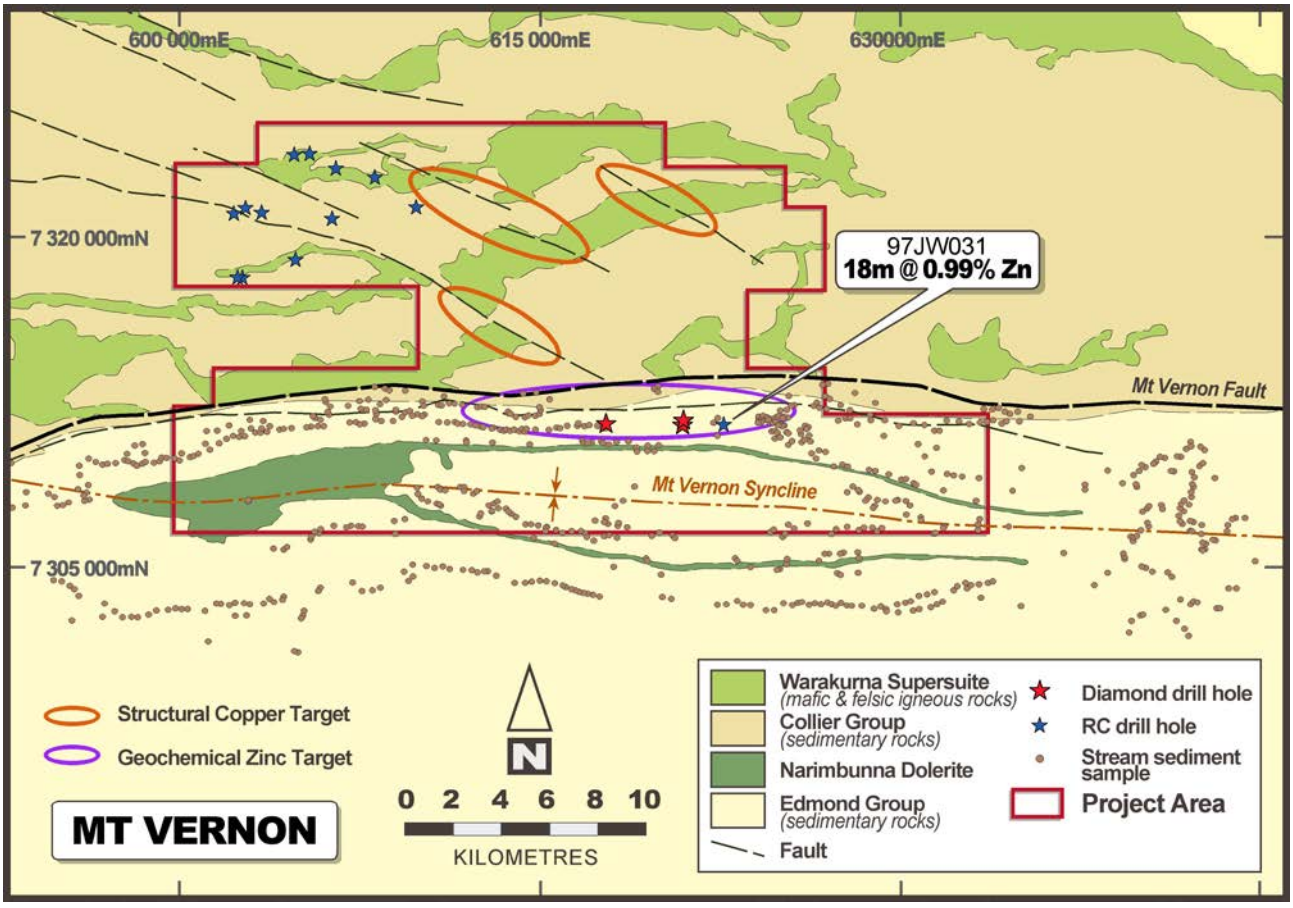

***Figure 9**. Image showing drillhole and stream sediment sample locations over geology.*

Diamond drilling was also completed by Westfield and anomalous assays were reported in the annual report however these results are also not detailed at this time as the location and assay data is still being verified. Given the identified base metal mineralisation from drilling and the presence of EM anomalies in this area the Company plans to carry out sampling programmes to confirm the Westfield Minerals results and identify whether there are any geochemical characteristics coincident with the EM anomalies.

E52/3560 lies wholly within the Nharnuwangga Wadjarri Ngarlawangga (**NWN**) Indigenous Land Use Agreement area and therefore access to the area of E52/3560 is not permitted until an agreement has been entered into with the NWN. The Company has begun preliminary discussions over a heritage agreement with the legal representatives of the Jidi Jidi Aboriginal Corporation (JJAC), which is the registered native title body corporate for the NWN determination area.

Corporate

As announced on 22 March 2018, the Company completed a $2M capital raising at $0.40 per share ("Placement"). The proceeds from the Placement will be used to fund due diligence and initial work at the SPD Vanadium Project which will encompass resource delineation drilling including infill and confirmatory drilling along with metallurgical test-work on drill core.

The Company is also seeking shareholder approval for a subdivision of issued capital ("Share Split") in the Company to facilitate trading in an orderly market. A notice of meeting has been dispatched to shareholders including details of the methodology to be used for the Share Split, which will be carried out such that the share price will be equal to $0.20 on a post subdivision basis. It is recommended shareholders refer to section 1.2 of the NoM for further information.

Set out below, and subject to compliance with all regulatory requirements, is an indicative timetable for completion of the Share Split.

Event	Date
Company announces Subdivision and sends out Notice of Meeting.	Monday, 16 April 2018
Company announces Subdivision Ratio.	Wednesday, 16 May 2018
Company tells ASX that Shareholders have approved the Subdivision.	
Last day for trading Securities on a pre-subdivision basis	Friday, 18 May 2018
Trading commences in the post-subdivision Securities on a deferred settlement basis (ASX Code: TNO and TNOO)	Monday, 21 May 2018
Last day for registration of transfers of Securities on a pre-subdivision basis	Tuesday, 22 May 2018
First day for the Company to send notice to Security holders of change of holdings as a result of the subdivision	Wednesday, 23 May 2018
Deferred settlement trading ends	Tuesday, 29 May 2018
Last day for the Company to register Securities on a post-subdivision basis	
Last day for the Company to send notice to Security holders of change of holdings as a result of the subdivision	
Normal settlement trading (T+2) in the Company's Securities recommences (ASX Code: TNO and TNOO)	Wednesday, 30 May 2018

As at 31 March 2018, the Company has 35,519,301 fully paid ordinary shares on issue.

As at 31 March 2018, the Company had $4.9 million cash on hand.

For and on behalf of the board:
Mauro Piccini
Company Secretary

Competent Persons Statement

The information in this announcement that relates to Exploration Results complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**) and has been compiled and assessed under the supervision of Mr Bill Oliver, the Managing Director of Tando Resources Ltd. Mr Oliver is a Member of the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. He 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 JORC Code. Mr Oliver consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. The Exploration Results are based on standard industry practises for drilling, logging, sampling, assay methods including quality assurance and quality control measures as detailed in the Announcements referred to in the text.

Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Tando operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Tando's control.

Tando does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of Tando, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

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Tenement Table: ASX Listing Rule 5.3.3

Mining tenement interests held at the end of the quarter and their location

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER / APPLICANT	AREA IN km^2	PERMIT STATUS	PERMIT EXPIRY	INTEREST / CONTRACTUAL RIGHT
Pilbara Region, Western Australia						
Quartz Bore	E47/3352	VMS Resources Pty Ltd	15	Granted	21/12/2021	100%
Mt Sydney	E45/4939	Tando Resources Ltd	508	Application		100% on grant
Mt Vernon	E52/3560	Tando Resources Ltd	463	Granted	23/08/2022	100%
Meentheena	E45/4621	Geko-Co Pty Ltd	22	Granted	02/05/2021	0%, Option to acquire non fluorite rights,

The mining tenement interests relinquished during the quarter and their location

Nil.

The mining tenement interests acquired during the quarter and their location

Nil.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

Not applicable.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.