



1st MAY 2018

ASX RELEASE

EXPLORATION PROGRAM TO TARGET HIGH GRADE ZINC

- **Successfully lists on the ASX raising \$4,750,000**
 - **Phase 1 exploration to commence during May 2018, targeting existing high grade Zinc, Lead and Copper mineralisation**
 - **Phase 1 exploration to include mapping, sampling and geophysics**
 - **Phase 2 exploration to include maiden drilling program targeted for commencement early Q3 2018**
 - **Historical samples collected from numerous old workings at Silver Bear returned peak values of 17.9 % Zn, 9.5% Pb 3.3 g/t Au and 300 g/t Ag**
 - **Historical rock chip channel samples at Silver Bear Prospect include;**
 - ***1m @ 9.2% Zn, 2.2% Pb, 0.15% Cu and 48.3 g/t Ag***
 - ***1m @ 3.5% Zn, 2.6% Pb and 54.5 g/t Ag***
 - ***1.2m @ 2.86% Zn, 1.85% Pb, 0.2% Cu and 131 g/t Ag***
 - **Significant interest within the region, with Rio Tinto (Kennecott) and Alderan Resources (ASX: AL8), staking a large number of new claims since 2017**
 - **Recent staking by Alderan Resources tenure now fully abuts the Company's Silver Bear prospect in all directions.**
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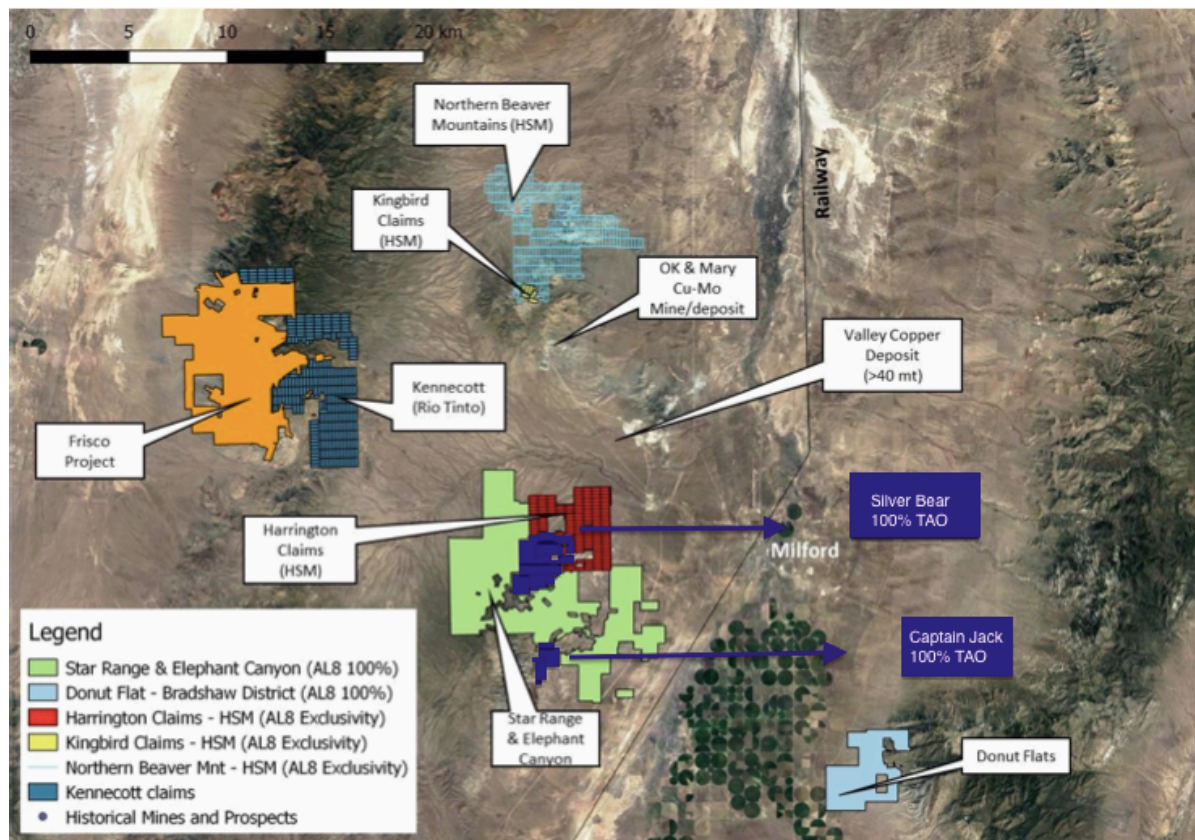
Tao Commodities Limited ("TAO" or "the Company") (ASX: TAO) is pleased to announce its upcoming planned exploration for its 100% owned Silver Bear Prospect located in Milford, UTAH.

Tenure Map

Significant interest has been observed within the San Francisco Mining District with Rio Tinto (Kennecott) staking a large number of new claims around Alderan Resources Frisco Project in 2017. Tamra Mining LLC, backed by the Indonesian conglomerate, Lippo Group, has also restarted operations at its nearby copper mines.

In addition Alderan Resources (ASX: AL8) announced on the 27th March 2018 that they had also acquired additional tenure in the region by staking a large number of new claims, including in the Elephant Canyon and Star Range region. The additional claims staked by Alderan now borders the Company's 100% owned Silver Bear Prospect in all directions.

The Company's claims are shown below in relation to the Alderan and Kennecott claims in the region.



Source: Alderan Resources Limited ASX release 27th March 2018

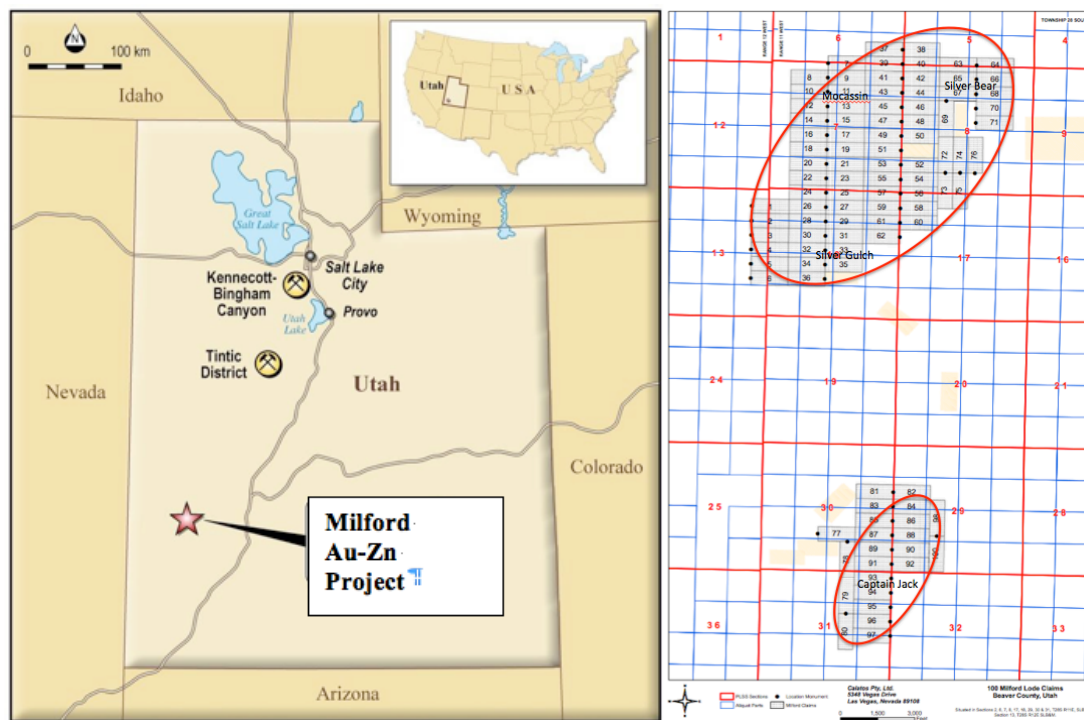
The Milford Project

TAO has acquired a highly prospective project area with numerous old workings, which were exploited for precious and base metals in the 1800s. Very little systematic modern day exploration has been completed, with little if any drilling data known to exist despite the evidence of extensive historical mining activity.

The Project is considered prospective for epithermal and replacement style precious and base metal mineralisation along structural corridors in reactive host rocks. Of primary interest are three areas prospective for replacement or manto/pipe-style base and precious metals. Numerous other old workings and prospects exist within the region, known as the San Francisco Mining District.

The San Francisco Mining District covers the southern one-third of the San Francisco mountain range west of the town of Milford in Beaver County Southern Utah in the USA. The San Francisco Mining District can be reached by traveling west from Milford on State Highway 21 to the town of Frisco.

The Project is located 6 km west of the town of Milford. Access is via numerous maintained gravel roads and farm tracks. Power lines and gas pipelines transect the SE corner of the Project, and Union Pacific Railroad passes through Milford.



Firestrike Sample Locations 2012

Location of TAO Claims relative to the historic prospects of Captain Jack, Silver Gulch, Silver Bear and Moccasin as circled in red. Please note the areas circled in red are an indicative representation of the area of land subject to TAO's claims, and that not all of the land previously claimed by Firestrike is claimed by TAO.

Phase 1 Exploration - Silver Bear Prospect

Under the phase 1 exploration program the Company proposes to conduct regional geological mapping and sampling along the Silver Bear trend to identify structural controls and prospective geological contacts.

Ground geophysics along prospective mineralised trends is also planned. Due to the sphalerite dominant nature of the Silver bear mineralisation, Induced Polarisation or closed spaced gravity may be effective in locating silicified zones or massive sphalerite zones, rather than EM. This will be determined once mapping has been completed and the physical properties of the mineralisation better understood.



Silver Bear Prospect- Grab Sample from Mullock/Dump material & old headframe In northern part of prospect area. ECR189 – 14.6% Zn, 427 g/t Ag, 3.8% Pb, 0.4% Cu, 0.3 g/t Au

Source: Firestrike 2013, "Widespread high grade silver, lead and zinc along with elevated copper and gold discovered at surface." ASX Release 5 February 2013

The Silver Bear Prospect lies in the central north part of the Project area and west of the Harrington-Hickory historical base metal mines. A total of 77 claims for 6.43 km² comprise the area and are prospective for replacement or manto/pipe-style base and precious metals.

The controlling feature appears to be a ~060° striking, moderately SE dipping fault/shear which has propagated along lithological contacts within the sediments, predominantly limestone. Mineralisation may be described as vein/fissure fill.

The host sediments are bleached, silicified and sericite altered. Copper minerals include malachite, azurite and chalcocite with sphalerite. No galena was seen although some of the darker oxide material may have been Pb oxide minerals.

A number of relatively sizeable shafts and adits, now reclaimed by the Bureau of Land Management (BLM), occur along a NE trend over some 500-600m of strike. The Milford Project claims cover a substantial portion of this mineralised trend.

A number of old (now re-claimed by BLM) workings are located west of the Silver Bear Prospect, named the Moccasin prospect. The Moccasin Prospect is interpreted to represent a possible extension of the Silver Bear mineralised trend along the limestone/sediment contact, which has been displaced to the north by later faulting, although this has yet to be fully tested.

Historical Exploration Silver Bear Prospect

Firestrike completed rock sampling and RC drilling. A 2000m RC drilling programme was completed by the joint venture at the Coronado Prospect (outside of current Project) in late 2012 targeting a series of EW striking ferruginous quartz veins hosted within the granitic intrusive and skarns. Broad anomalous gold results were returned from skarn proximal to the intrusive contact.

In December 2012, Firestrike completed further surface sampling and prospecting at the Elephant Canyon Project in Utah to define the regional controls and characteristics of mineralised zones following on from recent drilling undertaken. A total of 241 samples (ECR001-241) were collected as continuous 'rock chip' channel samples, mineralised samples in outcrop derived from the existing workings or mullock /dump samples found in the area. The results have confirmed that elevated gold and copper continues to be associated with mineralised skarn as identified at several prospects including Lucky Boy and Lucky Boy North. More notably the sampling has highlighted abundant high grade silver fissure zones with associated lead and zinc particularly in the north of the current Project area at Silver Gulch, Silver Bear and Moccassin.

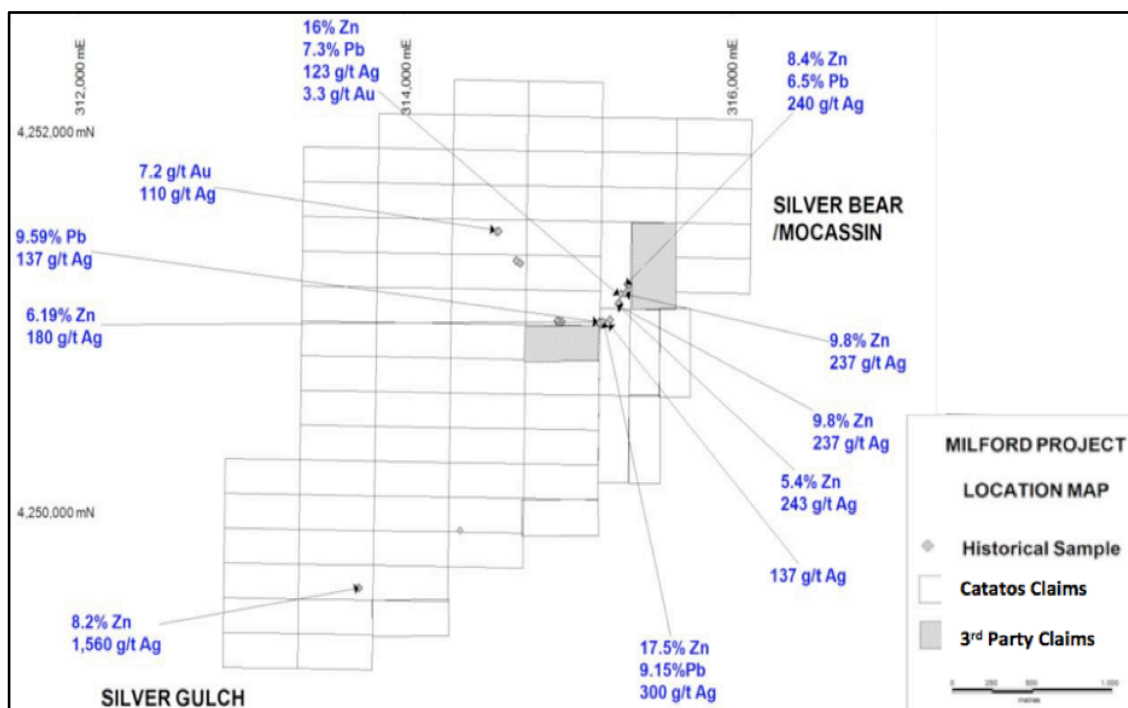
Field observations concurrent with the sampling has identified mineralisation in three broad styles:

- Skarn-related mineralisation: Visible malachite +/- azurite as fracture fill and disseminations was seen in the skarn at several localities, often in association with steeply dipping structures and also notably associated with the highly magnetic skarn proximal to the limestone contact.
- Siliceous and ferruginous vein systems which are considered to be fault controlled and may be associated with lithological contacts (though in the case of the Coronado trend simply structurally controlled). Veins located at prospects such as Captain Jack show epithermal textures over several hundred metres of strike.
- Siliceous, ferruginised and bleached vein-fissure fill systems that appear fault controlled and are associated with lithological contacts. This style is interpreted to be distal to the intrusive porphyry system. Mineralisation may be described as generally ferruginous quartz (+/- carbonate) vein fill material with some bleaching and manganese-staining. Fine grained pitting after possible sulphides in weathered examples is observable. Minerals including malachite, azurite, sphalerite, Lead oxide minerals and siderite were also noted in some samples at Silver Bear, Moccassin and Captain Jack West prospects. Mineralisation has been traced for over 600 metres at Silver Bear and is considered open along strike.

Assays from grab dump samples collected from numerous old workings along Silver Bear mineralised trend returned peak values of **17.9 % Zn, 9.5% Pb 3.3 g/t Au and 300 g/t Ag**.

Several 'rock chip' channel samples at the Silver Bear Prospect returned:

- **1 metre @ 9.2% Zn, 2.2% Pb, 0.15% Cu and 48.3 g/t Ag**
- **1 metre @ 3.5% Zn, 2.6 % Pb and 54.5 g/t Ag**
- **1.2 metres @ 2.86 % Zn, 1.85% Pb, 0.2 % Cu and 131 g/t Ag**
- **Grab samples at Silver Gulch return Ag results to 1560 g/t Ag.**



Source: Calatos 2017, Firestrike 2013

The Company will provide shareholders with further updates once the Phase 1 exploration program has commenced.

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For further information, please contact

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Appendix 1:

Competent Persons Statement – JORC Code 2012

The information in this Report that relates to Exploration Results and Mineral Resources of the Company has been reviewed by Malcolm Castle, who is a Member of AusIMM. Mr Castle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (“JORC Code 2012”). Mr Castle consents to the inclusion in this Report of the matters based on the information in the form and context in which they appear.

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

Appendix 2:

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. 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 (e.g. '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 (e.g.: submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Samples collected as channel samples or grab samples taken from outcrop or float/dump material. Style of mineralisation was recorded for each sample site. Most samples were of altered or mineralised sediments with some ferruginised epithermal veins in sediments and a gossanous fault zone. Refer to preamble above Table 1.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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). 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Refer to preamble above Table 1.
Drill sample recovery	<ul style="list-style-type: none"> 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 grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Refer to preamble above Table 1.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Refer to preamble above Table 1.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. The entire rock chip sample was sent to the laboratory for preparation. Sample preparation was completed by SGS in Elko, Nevada where the samples were dried, crushing and pulverised to 750 micron particle size before being split and sent to SGS analytical Laboratories in Vancouver, Canada. Refer to preamble above Table 1.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Previous explorers employed reputable laboratories for assay and utilised both aqua regia and fire assay techniques for determinations. These techniques are considered appropriate for metals being investigated. Previous explorers did not document any additional QC procedures implemented Gold was determined using fire assay technique whilst the other elements

Criteria	JORC Code explanation	Commentary
		<p>were determined using total acid digest with analysis through ICP/MS. Lower detection limit was Au 0.1 ppb, Cu 1 ppm, Ag 0.02 ppm, Pb 2 ppm, Zn 2 ppm.</p> <ul style="list-style-type: none"> Refer to preamble above Table 1.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Rock chip sample results were not independently verified and data was stored in a digital database. No adjustments to the data were applied. Refer to preamble above Table 1.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. No mineral Resource estimation was undertaken. Refer to preamble above Table 1.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Sample locations randomly located on old workings and outcrops Refer to preamble above Table 1.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Refer to preamble above Table 1.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Not documented in historic reporting. Refer to preamble above Table 1.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Not documented in historic reporting. Refer to preamble above Table 1.

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Claims are identified as ML-001 to ML-100 and held by Calatos Pty Ltd LLC.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The area was held by Firestrike Resources Ltd who collected rock Chip samples from the quartz veins on the project. Rock chip sampling only – no drilling reported..
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Project is considered prospective for epithermal and replacement style precious and base metal mineralisation along structural corridors in reactive host rocks. Refer to preamble above Table 1.

Criteria	JORC Code explanation	Commentary
<i>Drill hole Information</i>	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Refer to preamble above Table 1.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Refer to preamble above Table 1.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> 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 (e.g. ‘down hole length, true width not known’). 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Refer to preamble above Table 1.
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Rock chip sampling only – no drilling reported. Refer to preamble above Table 1.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All the material rock chip sample results have been reported. Material results are extracted from Firestrike Resources Limited, 2013, “Widespread high grade silver, lead and zinc along with elevated copper and gold discovered at surface.” ASX Release 5 February 2013 Refer to preamble above Table 1.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No other exploration results have been collected. Refer to preamble above Table 1.
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. 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. 	<ul style="list-style-type: none"> The Company proposes to conduct regional geological mapping and sampling along the Silver Bear/Mocassin and Captain Jack Trends to identify structural controls and prospective geological contacts. Soil Sampling is planned at Captain Jack to locate potential mineralised veins systems under soil cover. Refer to preamble above Table 1.