



8 August 2018

Dear Shareholder

Tao Commodities Limited – Pro-Rata Non-Renounceable Entitlements Issue of Options

As announced on 7 August 2018, Tao Commodities Limited (ACN 618 935 372) (**TAO** or **the Company**) is undertaking a pro rata non-renounceable entitlements issue (**Options Issue** or **Offer**) of approximately 15,375,000 listed options (**Options**) at an issue price of \$0.01 each (**Issue Price**) to raise approximately \$153,750. The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 6 August 2018.

Each Option will be exercisable at \$0.20, on or before the expiry date of 1 September 2020.

The purpose of the Offer is to reward seed and initial public offer investors for their loyalty, having committed their capital at or before the Company's initial public offer. The Offer will also serve to help maintain Shareholder loyalty and Share ownership for any Shareholders who have purchased Shares since the Company's Shares commenced quotation on ASX. In addition, the Offer will raise up to \$153,750 (before costs of the Offer) and provide future exploration funds for the Company's projects.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 16 August 2018, whose registered address is in Australia or New Zealand.

Shares issued upon the exercise of the Options will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

A copy of the Prospectus is available on ASX's and TAO's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 15 August 2018. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of Options.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for Options pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for your full Entitlement is received by Automatic (**Share Registry**) by no later than 5:00pm (WST) on 30 August 2018, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.

- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00pm (WST) on 30 August 2018, by completing and returning your Entitlement and Acceptance Form by filling in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies; or by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.01 per Option).
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted upon exercise of the Options and you will receive no value for your Entitlement.

Key dates for the Offer

Action	Date
Lodgement of Prospectus with the ASIC	Monday 6 August 2018
Lodgement of Prospectus & Appendix 3B with ASX	Tuesday 7 August 2018
Notice sent to Shareholders	Wednesday 8 August 2018
Ex date	Monday 13 August 2018
Record Date for determining Entitlements	5:00pm (WST) Tuesday 14 August 2018
Opening Date Prospectus dispatched to Shareholders & Company announces dispatch has been completed	Wednesday 15 August 2018
Closing Date*	5:00pm (WST) Thursday 30 August 2018
Securities quoted on a deferred settlement basis	Friday 31 August 2018
ASX notified of under subscriptions	Monday 3 September 2018
Issue date	Monday 3 September 2018
Quotation of Options issued under the Offer*	Tuesday 4 September 2018

** This timetable is indicative only and subject to the Corporations Act and the ASX Listing rules, the Company reserves the right to change the above dates. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Options are expected to commence trading on ASX may vary.*

If you have any queries concerning the Offer, or the action you are required to take to subscribe for Options, please contact your financial adviser or the Company +61 8 6380 2470.

Yours sincerely

Patrick Glovac
Managing Director
TAO Commodities Limited
info@taocommodities.com.au