



24 October 2018

ASX RELEASE

QUARTERLY ACTIVITIES REPORT SEPTEMBER 2018

TAO Commodities Limited (“TAO” or “the company”) (ASX:TAO) is pleased to release the Quarterly Activities Report for September 2018.

Highlights

- **TAO expanded holdings with additional 100 mining claims staked south west of the Company’s Captain Jack prospect and adjoining Alderan Resources Limited (ASX:AL8)**
- **The Company’s ongoing phase 1 exploration program identifies a new structure (West Edge Prospect) outside of the initial target areas**
- **Tao Commodities Limited conducted a pro-rata non-renounceable entitlement issue of options to eligible shareholders on the basis of one (1) option for every eligible two (2) shares held (Option Issue).**

Additional Mining Claims

Early in the quarter, the Company announced the staking of an additional 100 mining claims. The new mining claims are located south west to the Company’s existing Captain Jack prospect, where recent samples were collected, and the new claims also border tenure held by Alderan Resources Limited (ASX:AL8).

The Company’s additional claims cover numerous historical workings and same-scale mines, hosted within sedimentary and tertiary-aged intrusives. The Company began a sampling program on the additional ground, along with follow-up mapping and trenching as part of the phase 1 exploration program.

Phase 1 Exploration Program Milford Zinc & Copper Project

During the September 2018 the Company identified a new structure (West Edge Prospect) during recent field-work from the Company’s ongoing phase 1 exploration program.

The Company is advancing plans towards its phase 2 exploration program and the finalisation of its maiden drilling program.

West Edge Prospect

As part of the overall evaluation of the Milford area a new prospect was discovered on the previously staked claims. As the name implies, the prospect occurs on the western edge of the original claim block. The prospect is exposed in bulldozer cuts into the side of a hill. The dozer cuts expose a major structure that appears to be approximately 75 feet (23 metres) to 100 feet (30 metres) thick with considerable alteration. It was difficult to determine from the exposure, but the structure appears to strike about N45°E and dip about 25° SE. The prospect occurs in the Permian Talisman Quartzite.

There were 3 obvious bands of mineralised rock within the structure, each approximately 6 feet (2 metres) to 10 feet (3 metres) wide. Copper minerals were evident in the mineralised band at the southeast end of the exposure. A sample from each of the mineralised zones was collected for assay. The size of the structure and presence of mineralisation warrant further investigation. The structure could be easily drilled with 2 or 3 short holes from the road cut into the hillside above the structure. No road building would be required to access the drill sites.

Other Projects

As outlined in the Company's IPO Prospectus and use of funds allocation, the Company intends to continually review and assess complimentary assets, which will add shareholder value. The Company's main focus continues to be the exciting and highly prospective Milford Zinc, Lead & Copper project, however given the current single asset focus, the Company believes it is prudent to add new assets in due course. As part of this process the Company is increasing its activities in identifying additional projects. The Company is currently identifying parameters around the search, including preferred jurisdictions and commodities and will update the market in due course.

Corporate

The Company undertook a pro-rata non-renounceable entitlements issue which opened on the 15 August 2018 and closed on 30 August 2018.

The Options Issue offered Eligible Shareholders registered on the Record Date the ability to subscribe for Options on the basis of one (1) Option for every two (2) Shares held at an issue price of \$0.01 each to raise up to \$153,750.

12,182,284 options were issued raising \$121,822.84 before costs. The 3,192,734 shortfall options were successfully placed and allotted 2 October 2018 raising a further \$31,927.34 before costs.

The Company lodged its Annual Report to Shareholders for the financial period ending 30 June 2018 on the 27th September 2018.



Tenement Schedule (Disclosure per ASX Listing Rule 5.3.3)

Tenements held at end of the quarter by TAO Commodities Ltd and subsidiary companies.

TENEMENT	LOCATION	INTEREST
ML-001 to ML-200	Utah USA	100%
Total Number of Claims	200	

END

For further information, please contact

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