



14 November 2019

ASX RELEASE

TAO EXERCISES OPTION TO PROCEED WITH DSO MINING PTY LTD IRON ORE ACQUISITION

Highlights

- **Due diligence completed.**
- **TAO has exercised the option to proceed with the acquisition of DSO Mining Pty Ltd.**
- **Transaction sunset date mutually extended to 24 January 2020. The proposed shareholder meeting to approve the Acquisition anticipated to be held mid-January 2020.**
- **BW Equities appointed as lead manager (in conjunction with GTT*) to the Company's proposed A\$2,500,000 capital raising at \$0.12 per share, subject to shareholder approval.**

TAO Commodities Limited ("**TAO**" or "**the Company**") (ASX:TAO) is pleased to announce that it has completed its due diligence into DSO Mining Pty Ltd ("**DSO Mining**") and has exercised the option to proceed with the acquisition of DSO Mining ("**Acquisition**").

The Acquisition remains conditional on the satisfaction or waiver of the remaining conditions precedent, including TAO obtaining all necessary shareholder and regulatory approvals, and TAO completing a A\$2,500,000 equity issue via a placement of up to approximately 20,833,333 shares at \$0.12 each ("**Placement**").

The Company and DSO Mining have agreed to extend the sunset date for completion of the Acquisition from 30 December 2019 to 24 January 2020, to allow for adequate time to dispatch and hold the required shareholder meeting ("**Meeting**"). The Company is in the process of preparing a notice of meeting and the Company anticipates holding the Meeting in mid-January 2020. It is anticipated that, subject to shareholder approval, the Placement will be completed shortly after the Meeting.

A list of DSO Mining shareholders is provided in Annexure 1.

Placement

The Company has appointed BW Equities Pty Ltd ("**BW Equities**") as Lead Manager for the \$2,500,000 Placement, in conjunction with GTT Ventures Pty Ltd ("**GTT**")* on the following terms:

1. **BW Equities:**

BW Equities will, on a best endeavours basis, facilitate up to \$2,000,000 worth of the Placement. BW Equities will receive the following fees for its services:

- (a) a management fee of 2% (plus GST) of the total value of all funds raised in respect of the Placement by BW Equities;
- (b) a capital raising fee of 4% (plus GST) of the total value of all funds raised in respect of the Placement by BW Equities; and
- (c) subject to completion of the Placement and the Acquisition (including regulatory and shareholder approvals) up to 2,800,000 unlisted options with an exercise price of \$0.30 per option, expiring 12 months from date of issue.

2. GTT*:

GTT will, on a best endeavours basis, facilitate up to A\$500,000 of the Placement. GTT will receive the following fees for its services:

- (a) a management fee of 2% (plus GST) of the total value of all funds raised in respect of the Placement by GTT;
- (b) a capital raising fee of 4% (plus GST) of the total value of all funds raised in respect of the Placement by GTT; and
- (c) subject to completion of the Placement and the Acquisition (including regulatory and shareholder approvals) issue to GTT a maximum of 700,000 unlisted options with an exercise price of \$0.30 per option, expiring 12 months from date of issue.

The options proposed to be issued to BW Equities and GTT will be subject to shareholder approval at the upcoming Meeting.

Executive Director, Patrick Glovac, commented:

“The acquisition of DSO Mining exposes TAO to multifaceted iron ore exploration projects with an extensive footprint across Western Australia. The portfolio includes advanced drill tested targets proximal to infrastructure solutions.

We look forward to further evaluating each of the opportunities within the portfolio to prioritise the advancement of each of the respective projects and expedite exploration across the priority assets.”

*TAO’s Managing Director, Patrick Glovac, is also a director and shareholder of GTT.

END

For further information, please contact

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ANNEXURE 1 – DSO MINING PTY LTD VENDORS

NAME AND ADDRESS OF VENDORS	NO. SHARES IN COMPANY	% HOLDING IN COMPANY	% ENTITLEMENT TO CONSIDERATION	ALLOCATION OF CONSIDERATION*
ROBERT ANDREW JEWSON	1275	25.5	25.5	Option Fee Shares: 106250 Consideration Shares: 5843750 Consideration Options: 3825000 Performance Shares: 3187500
PETER ROMEO GIANNI	1275	25.5	25.5	Option Fee Shares: 106250 Consideration Shares: 5843750 Consideration Options: 3825000 Performance Shares: 3187500
KITARA INVESTMENTS PTY LTD	1275	25.5	25.5	Option Fee Shares: 106250 Consideration Shares: 5843750 Consideration Options: 3825000 Performance Shares: 3187500
ANDREW NEIL TAYLOR	125	2.5	2.5	Option Fee Shares: 10416 Consideration Shares: 572916 Consideration Options: 375000 Performance Shares: 312500
NITRAM FAMILY INVESTMENTS PTY LTD as trustee for Nitram Family Trust	50	1	1	Option Fee Shares: 4166 Consideration Shares: 229166 Consideration Options: 150000 Performance Shares: 125000
DIANA AMY JOAN HANCOCK	125	2.5	2.5	Option Fee Shares: 10416 Consideration Shares: 572916 Consideration Options: 375000 Performance Shares: 312500

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BENUSSI ROVIGNO PTY LTD Benussi Superannuation Fund A/C	50	1	1	Option Fee Shares: 4166 Consideration Shares: 229166 Consideration Options: 150000 Performance Shares: 125000
DAVY CORP PTY LTD as trustee for Davy Investment A/C	50	1	1	Option Fee Shares: 4166 Consideration Shares: 229166 Consideration Options: 150000 Performance Shares: 125000
DC & PC HOLDINGS PTY LTD as trustee for DC & PC Neesham Super Fund A/C	125	2.5	2.5	Option Fee Shares: 10416 Consideration Shares: 572916 Consideration Options: 375000 Performance Shares: 312500
JMARC HOLDINGS PTY LTD	300	6	6	Option Fee Shares: 25000 Consideration Shares: 1375000 Consideration Options: 900000 Performance Shares: 750000
VALTELLIN PTY LTD ACN 613 as trustee for Agneii Family A/C	50	1	1	Option Fee Shares: 4166 Consideration Shares: 229166 Consideration Options: 150000 Performance Shares: 125000
KUMOVA PASTORAL PTY LTD	300	6	6	Option Fee Shares: 25000 Consideration Shares: 1375000 Consideration Options: 900000 Performance Shares: 750000