

20th April 2020

ASX RELEASE

QUARTERLY ACTIVITIES REPORT MARCH 2020

TAO Commodities Limited (“TAO” or “the company”) (ASX: TAO) is pleased to release the Quarterly Activities Report March 2020.

Milford Project – New Gold Focus

In consultation with its US based geological team the Company commenced exploration work in March 2020 on two prospect areas which has shown previous anomalous gold assay results.

Shortly after the quarter end the Phase 1 exploration program was completed with 27 rock chip samples collected from Moccasin, Captain Jack and the immediate areas. Further to this work a first phase high-level soil grid was completed and processed with a total of 209 samples in the same areas. All of the samples have been packaged and shipped to ALS Labs for further processing. Results are expected in the coming weeks.

Previous exploration conducted by the Company primarily focused on replacement style Manto-style base metal targets (Zn,Pb,Ag) within altered limestones and sediments. Several phases of exploration since TAO acquired the project confirmed historical base metal results as well as locating new prospect areas. Due to base metal focus at the time, no assaying for gold was completed.

A review of historical work has shown that two prospect areas within the Milford Project returned anomalous gold assay results from reconnaissance rock sampling completed by Firestrike Resources Ltd in 2013*. This work returned gold anomalous assays from the Captain Jack and Moccasin areas, although no further work appears to have been completed subsequently.

A single grab sample from old workings in the Moccasin area returned over 7 g/t Au with 110 g/t Ag, hosted in altered and quartz veined sediments whilst a sample of outcropping ferruginous quartz veins at Captain Jack assayed 0.99 g/t Au.

These two areas will be the primary focus in the current exploration program. Initial exploration will comprise grid-based geochemical soil sampling over the Moccasin and Captain Jack areas together with further prospecting and rock sampling of regional gold targets within the Milford Project.

**05/02/2013- Firestrike Resources Ltd – ASX announcement – Widespread high grade silver, lead and zinc with elevated copper and gold discovered at surface.*

The Company will provide an update to shareholders as exploration activities progress.

DSO Mining Acquisition

Shareholder approval to proceed with the acquisition of DSO Mining Ltd was obtained on 21 January 2020. Subsequent to this, the Company worked with its lead manager BW Equities Pty Ltd ("BW") to complete the A\$2,500,000 equity issue via a placement of up to approximately 20,833,33 shares at \$0.12 each ("Placement") prior to an end date of 17 February 2020 (End Date).

On 18 February 2020, the Company confirmed that the A\$2,500,000 capital raising condition precedent was not satisfied by the end date. Accordingly, the Company terminated the binding term sheet and advised that it will not proceed with the DSO acquisition.

Corporate

On 23 January 2020, Jason Brewer resigned as non-executive director of TAO Commodities Ltd and as a result of Mr Brewer's departure, the Company appointed Frank Knezovic. Mr Knezovic has for more than 20 years, advised public and private companies, directors, corporate advisors, broking firms, insolvency practitioners and financial services providers on a broad range of corporate and commercial matters. Mr Knezovic has extensive experience in advising on capital raisings (both IPO and post-IPO) asset acquisitions and disposals, takeovers, mergers and acquisitions, corporate reconstructions and insolvency, directors' duties, general corporate and commercial advice, and regulatory and strategic advice.

Payments to related parties of the entity and their associates

Section 6.1 Appendix 5B description of payments:

Director Fees	\$55,845	
Nova legal fees	\$4,956	Director F Knezovic is a Director of Nova Legal
GTT Ventures Pty Ltd – Consultant fees and rent	\$40,500	P Glovac is Director and shareholder of GTT Ventures
Total	\$101,301	

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-100, ML-051a	Utah USA	100%
Total Number of Claims	101	

Authorised by the Board of TAO Commodities Ltd

For further information, please contact

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