

2nd June 2020

ASX RELEASE

SOIL SAMPLING RESULTS ENHANCE PROSPECT AREAS

- Soil sampling returns multi-element anomalies at the Company's Milford Project at two prospects, Captain Jack West and Moccasin, defining mineralised trends for follow-up work.
 - Sampling at Captain Jack Prospect defines gold-silver anomaly along NE trend open to NE.
 - Sampling at Moccasin prospect defines silver-lead-zinc-gold anomaly along two parallel NE trends.
 - Results compliment reconnaissance rock chip samples assays, which returned grades to 17.4 g/t and 8760 g/t Ag, announced to ASX on 30th April 2020.
 - Detailed mapping and sampling within the anomalous zones and along strike is planned as follow-up. Geophysical techniques will also be investigated to determine their effectiveness and aid in initial drill hole targeting.
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Tao Commodities Limited ("TAO" or "the Company") (ASX: TAO) is pleased to announce assays results from soil sampling completed at its Milford Project in Beaver County, Utah, USA. The sampling was completed as part of the Phase 1 exploration programme which also included reconnaissance rock sampling where grades to 17.4 g/t Au and 8760 g/t Ag were recorded¹.

Sampling has extended known mineralised trends, which remain open and require follow-up work.

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 2013². 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 Au¹.

Previous ASX Announcements

- 1- 30/04/2020 - TAO Commodities Ltd – ASX Announcement – ROCK SAMPLING RETURNS UP TO 17.4 g/t Au & 8760 g/t Ag.
- 2- 05/02/2013- Firestrike Resources Ltd – ASX announcement – Widespread high grade silver, lead and zinc with elevated copper and gold discovered at surface.

A total of 209 soil samples were collected in the current programme targeting these two areas, and analysed for a suite of elements, including Au, Ag, Cu, Pb, Zn. Samples were collected as sieved soil samples located on a nominal 100m x 50m grid.

The results from this sampling have defined two differing geochemical signatures/associations with both interpreted to follow a broad NE orientation;

- Gold-Silver association at the Captain Jack Prospect, with peak Au to 26 ppb (0.026 ppm) and 0.54 ppm Ag.
- Silver-lead-zinc-gold association at Moccasin Prospect with peak Au to 20 ppb (0.02 ppm), 1.08 ppm Ag, 827 ppm Zn and 550 ppm Pb.

Weakly elevated copper was recorded at both prospect areas although not as strongly associated with the interpreted anomalous NE trends. Other elements including As, Sb, Mo, Co and W also showed an association with the geochemical anomalies. Samples were collected as first pass geochemical samples. No orientation soil sampling was completed to determine dispersion or response tenor from various size fractions.

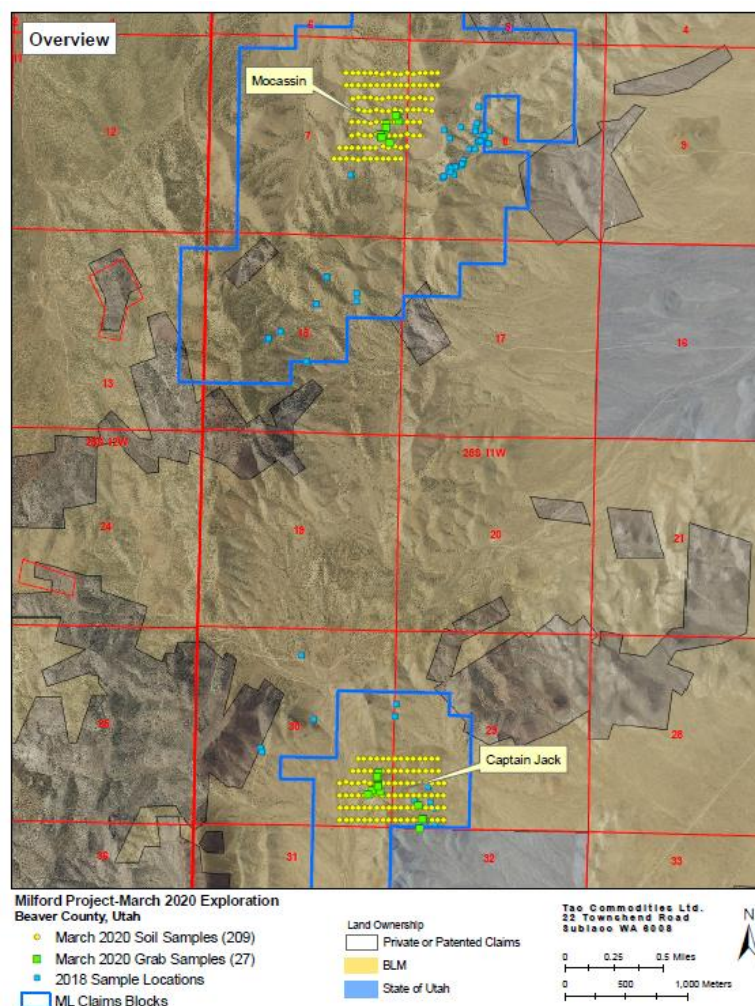


Figure 1- Overview Map- Milford Project. Green- Rock samples (27), Yellow- Soil Samples (209)

CAPTAIN JACK

The Captain Jack Project is located in the southern part of the Milford Project. Work by previous explorers² had located outcropping altered sediments and carbonate rocks with anomalous gold and base metals in the Captain Jack area. Due to the base metals focus at the time, note that sampling completed by TAO in 2018 was not analyzed for gold³.

A total of 102 soil samples were collected at the Captain Jack and Captain Jack West Prospects. The Captain Jack West prospect is associated with a series of old shallow workings/pits in altered silicified carbonate and sedimentary rocks with evidence of ex-sulphide textures and copper oxide staining. Reconnaissance rock sampling completed by the Company as part of the Phase 1 programme returned samples with anomalous gold, ranging from 0.99 to 17.4 g/t Au¹. Silver results ranged from 0.25 to 8760 g/t, with four samples assaying >100 g/t (ppm) Ag¹.

Soils sampling has defined partially overlapping NE orientated gold-silver anomalies over several hundred metres in the Captain Jack West prospect area, and a more semi-continuous anomaly over a similar distance at Captain Jack. The soil anomalies appear topographically controlled to some degree, and further detailed mapping is required along strike from the outcropping mineralisation to better define the full extent of the anomaly.

Previous ASX Announcements

- 1- 30/04/2020 - TAO Commodities Ltd – ASX Announcement – ROCK SAMPLING RETURNS UP TO 17.4 g/t Au & 8760 g/t Ag.
- 3- 09/07/2018 – TAO Commodities Ltd – ASX Announcement – High grade lead, zinc and copper confirmed.

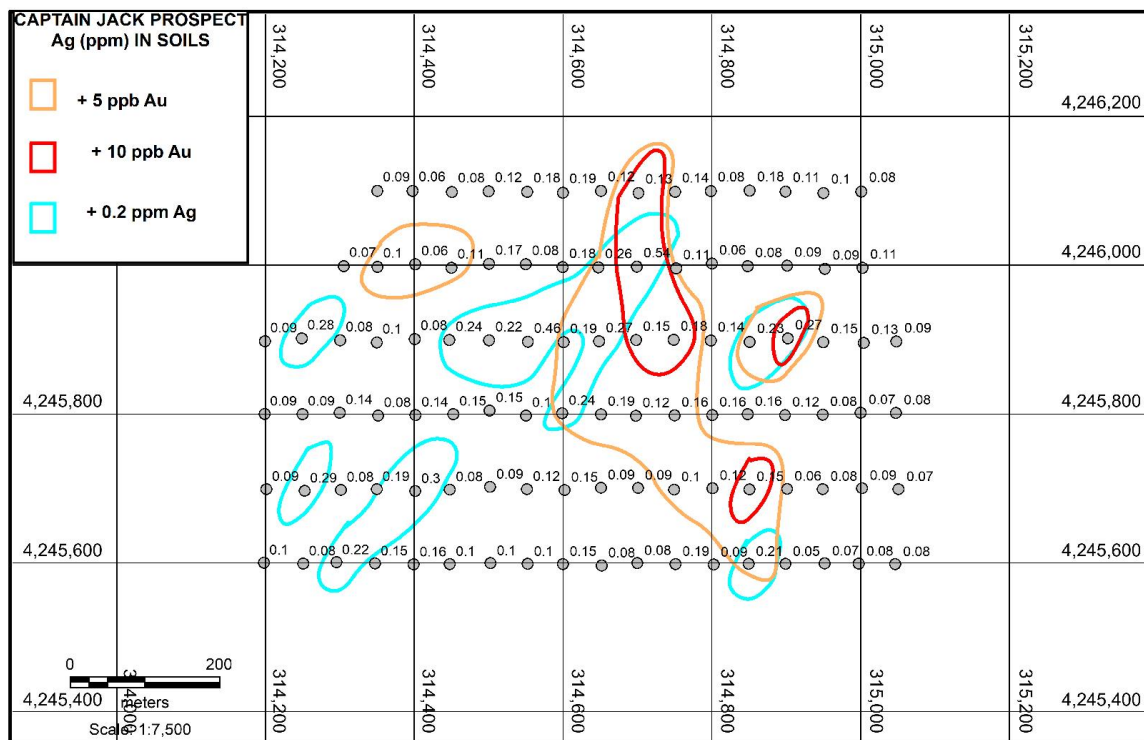
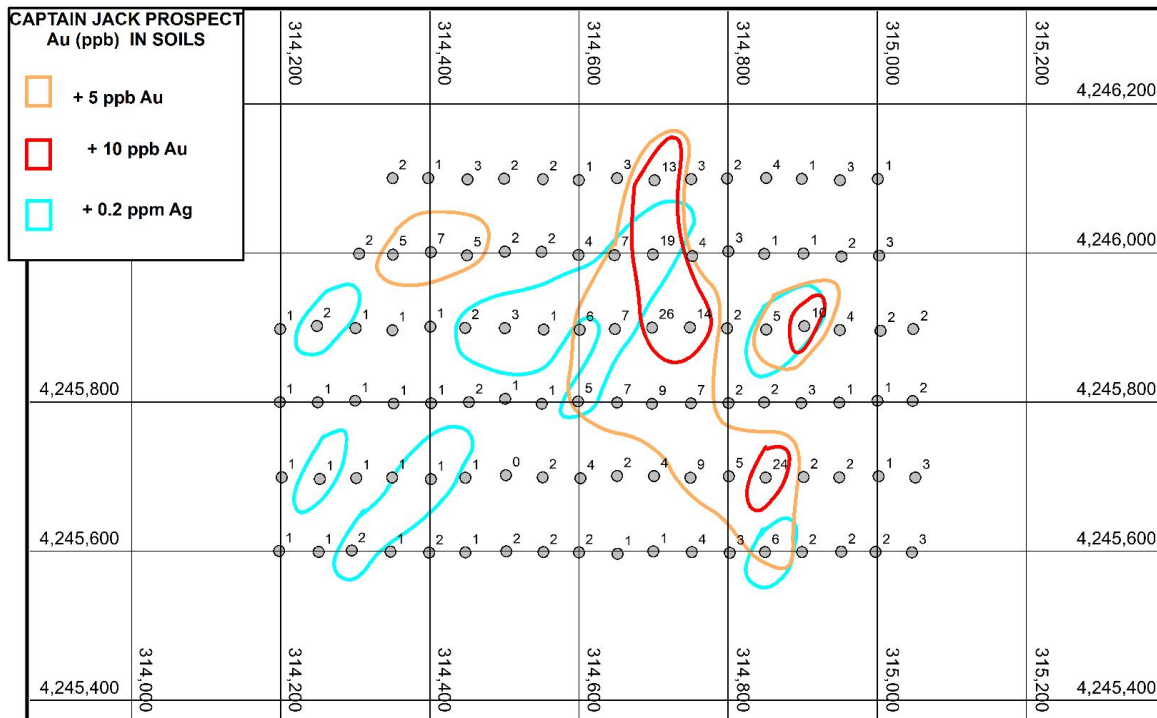


Figure 2- Captain Jack Prospect - Au (ppb) and Ag(ppm) soil results

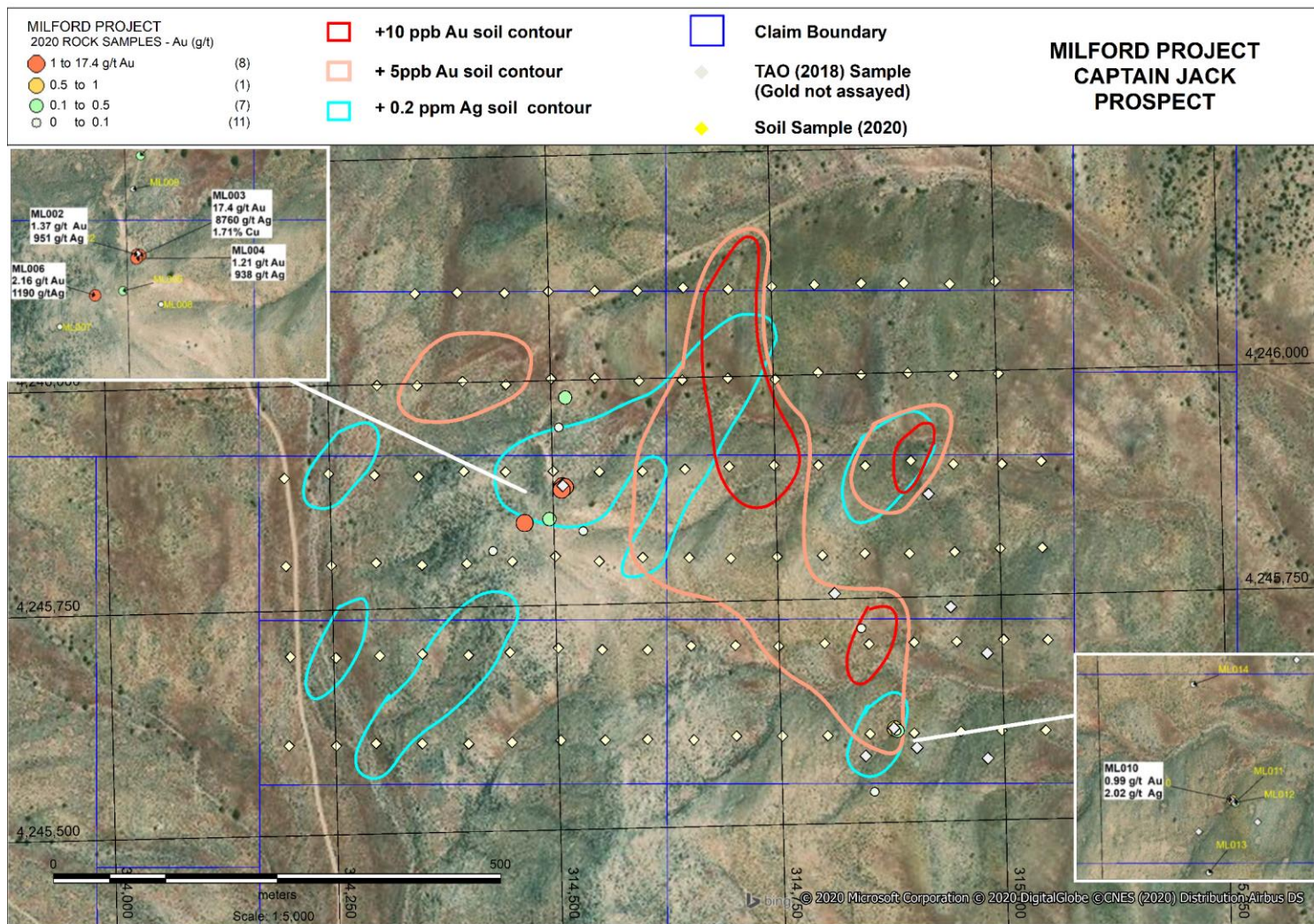


Figure 3 - Captain Jack Prospect- Soil Sampling results -Au (ppb) & Ag (ppm) overlain on recent rock samples

MOCCASIN PROSPECT

A total of 107 soil samples were collected at the Moccasin Prospect located in the northern portion of the Milford Project. The work refocused on a series of old workings orientated northeast over several hundred meters strike where 2018 samples collected by the company were not analyzed for gold but returned anomalous silver.

Four reconnaissance rock samples collected by the Company as part of the 2020 Phase 1 programme returned gold values of +1 g/t. A number of samples also returned elevated base metal assay results with up to 15.1% Pb, 4.64% Zn and 1.21% Cu¹.

Mineralisation occurring as outcrop to sub crop/float (with evidence of historical shallow pits and shafts) was traced along a northeasterly orientation for over 200m and is hosted within dark grey- to grey-brown altered carbonate to cherty carbonate rocks with moderate to intense ferruginization and pitting after sulphide. Some remnant sulphide including pyrite and chalcopyrite together with copper oxides was observed.

Silver results from the soil sampling data have further extended the anomalous trend along strike to the SW from the old workings. Gold results appear more restricted and associated with the locations of the old workings in the main prospect area in the central portion of the soil grid where rock sampling was also completed.

A second parallel trend has also been identified from the gold results NW of the main area which remain open to the NE. No rock samples were collected from this areas as part of the Phase 1 programme.

Anomalous Pb (ppm) and Zn (ppm) are also associated with the geochemical response at Moccasin.

Previous ASX Announcements

1- 30/04/2020 - TAO Commodities Ltd – ASX Announcement – ROCK SAMPLING RETURNS UP TO 17.4 g/t Au & 8760 g/t Ag.

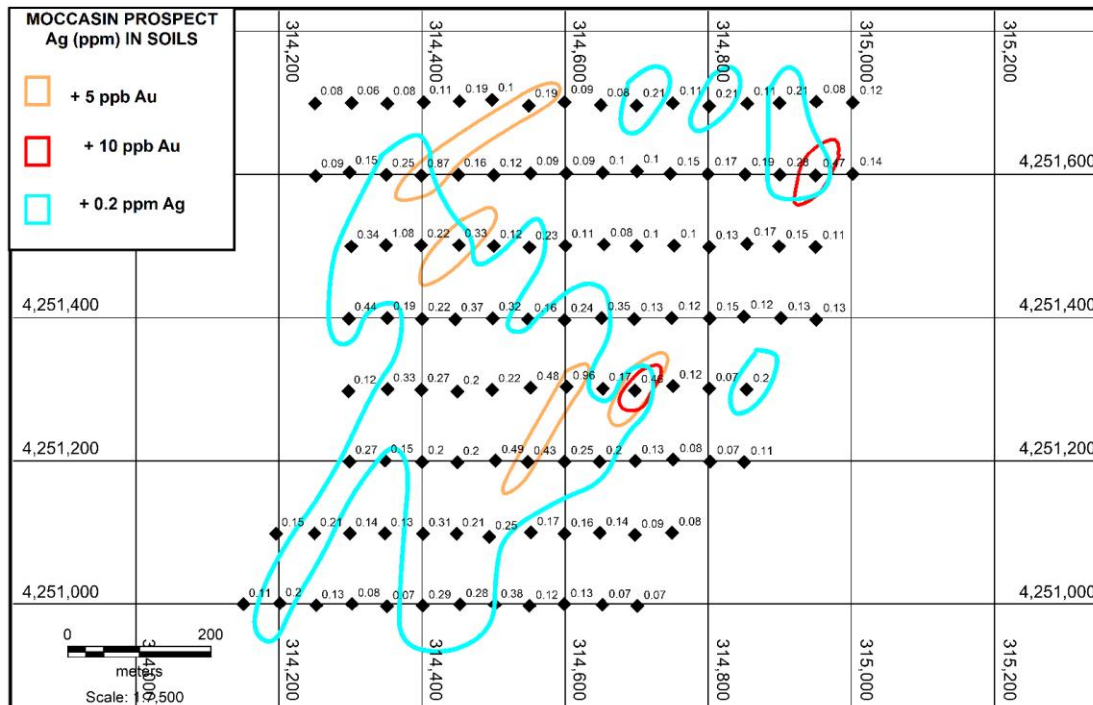
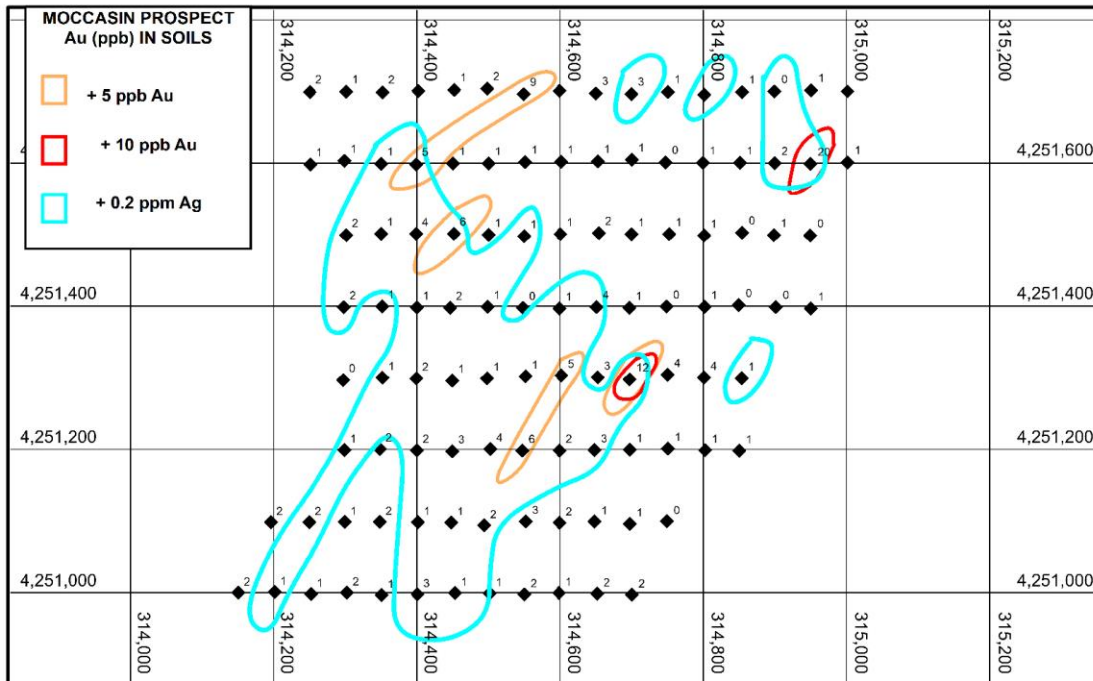


Figure 4 - Moccasin Prospect- Soil Sampling results -Au (ppb) & Ag (ppm)

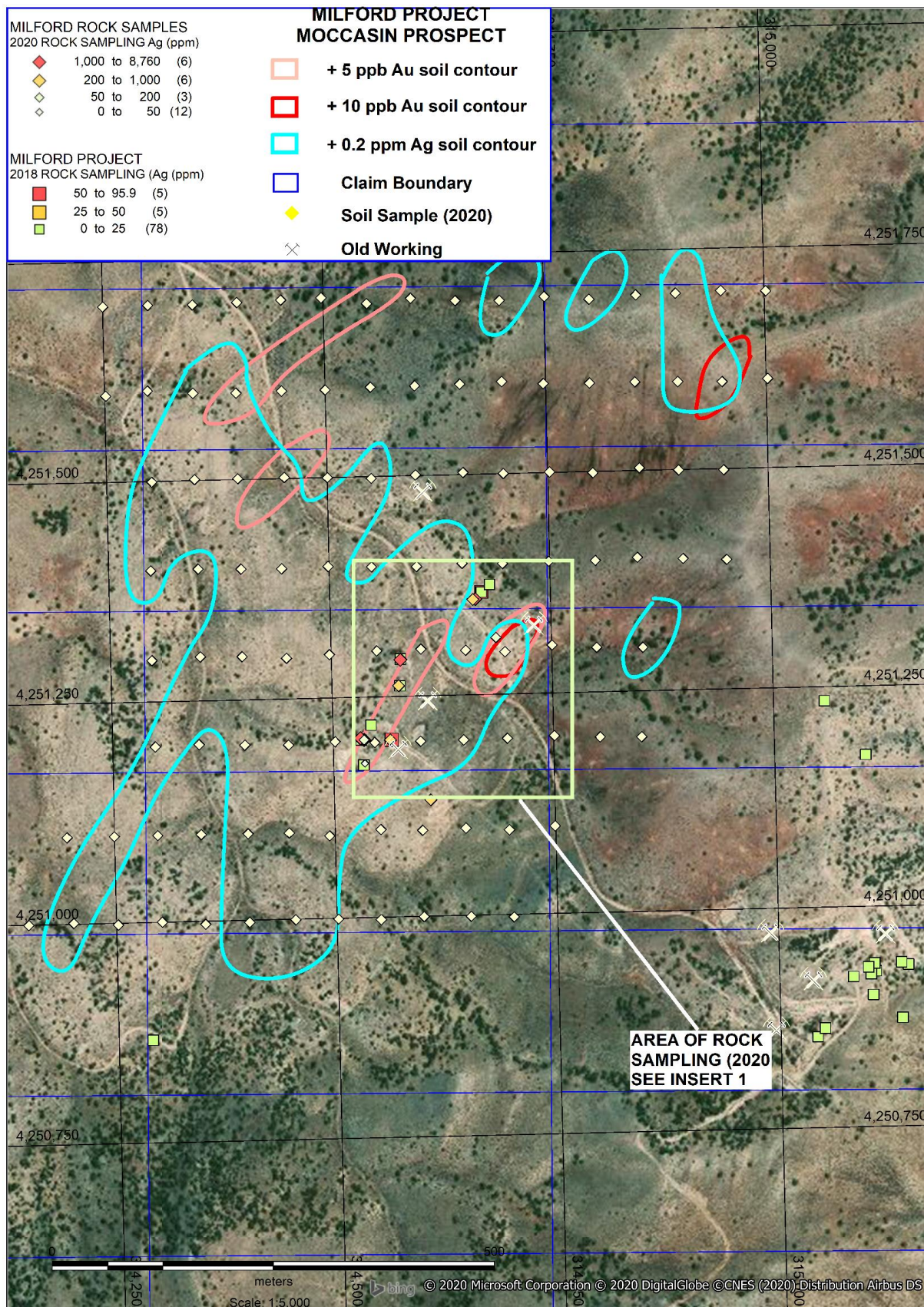


Figure 5- Moccasin Prospect- Soil Sampling results -Au (ppb) & Ag (ppm) overlain on recent rock samples

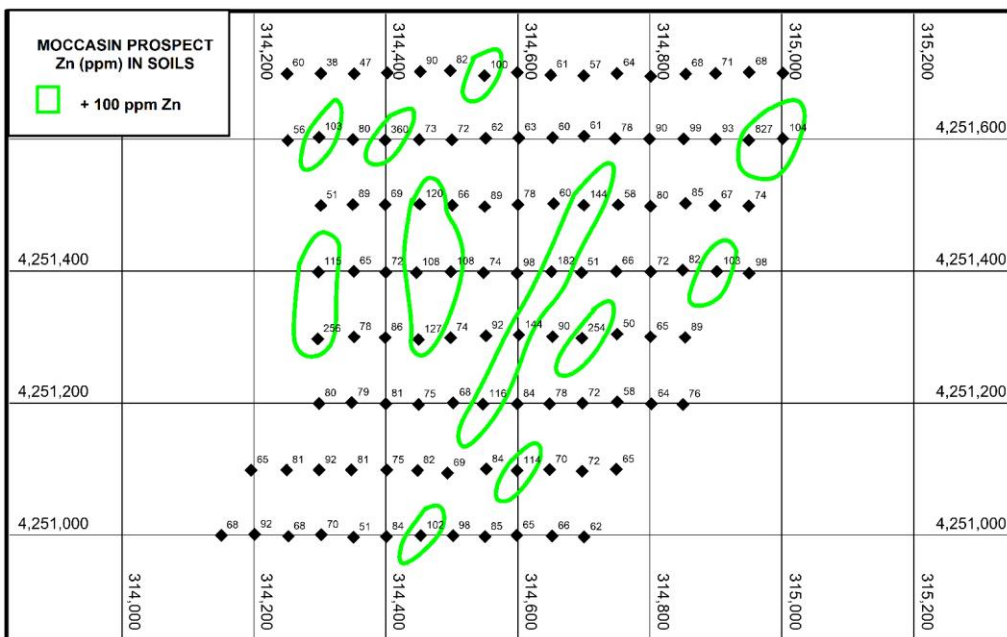
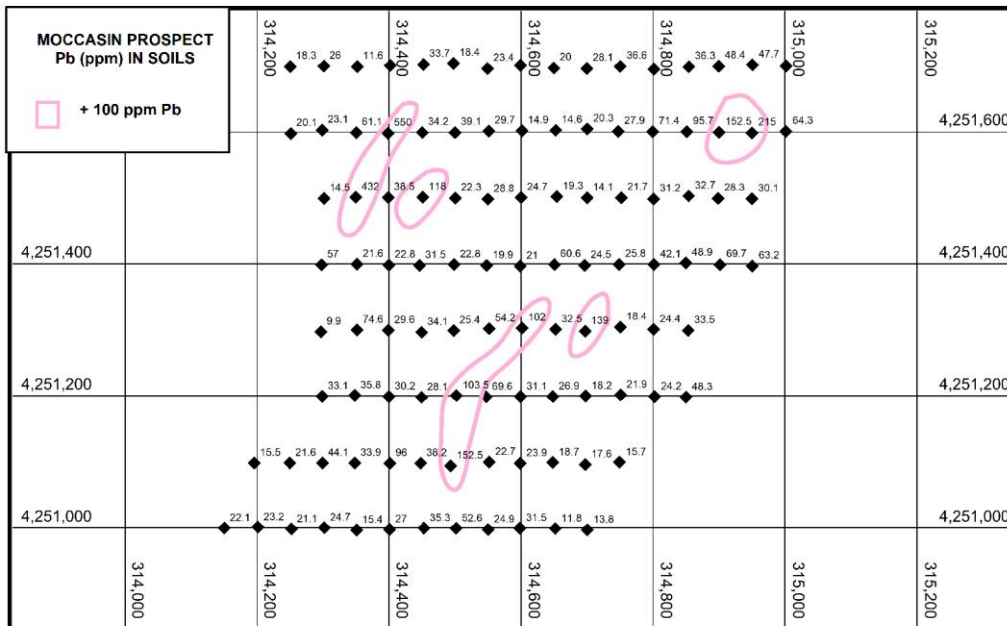


Figure 6 - Moccasin Prospect- Soil Sampling results -Pb (ppm) & Zn (ppm)

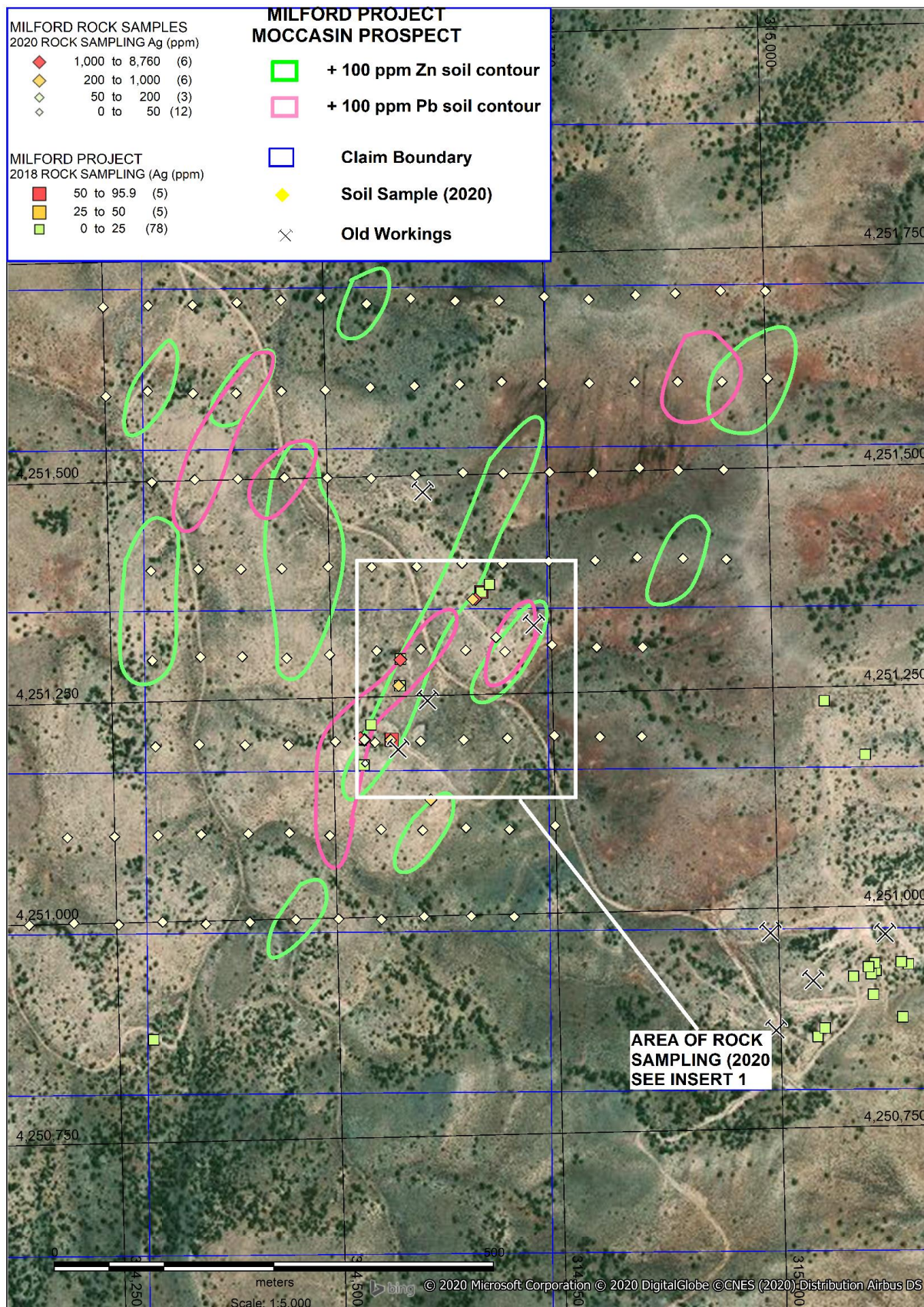


Figure 7 Moccasin Prospect- Soil Sampling results -Zn (ppm) & Pb (ppm) overlain on recent rock samples

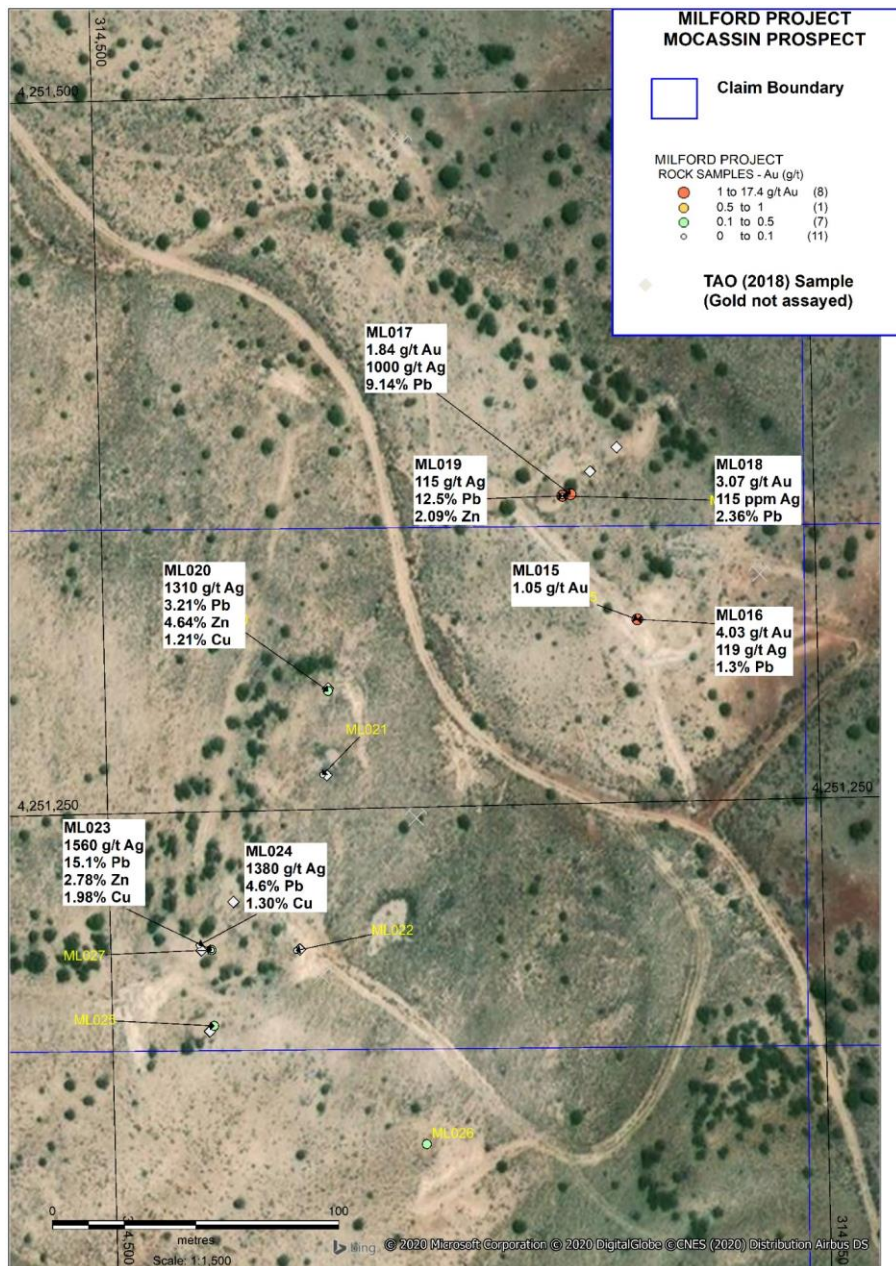


Figure 8 - Moccasin Prospect- Rock Sampling results -Au (g/t)

A summary of soil sample assay range values for main elements under consideration is presented below:

Element	Detection Limit	Captain Jack	Moccasin
Au (ppm*)	0.001 (1 ppb)	Below detection to 0.026	Below detection to 0.02
Ag (ppm)	0.01	0.05 to 0.54	0.06 to 1.08
Cu (ppm)	0.2	10.3 to 45.9	7 to 89.9
Zn (ppm)	2.0	42 to 170	38 to 827
Pb (ppm)	0.2	6 to 139	9 to 550

*- Gold results were converted to ppb on maps and plans (e.g.: 0.026 ppm = 26 ppb). Samples analysed at ALS Laboratories (Method Au-ME-TL43).



NEXT STEPS

Further exploration will include detailed prospect scale mapping and sampling together with additional reconnaissance prospecting work along strike from the presently defined anomalies. The effectiveness of ground geophysical techniques will also be investigated with the aim of defining initial drill targets.

This announcement has been authorised for release by the board

END

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Competent Persons Statement – JORC Code 2012

The information in this report that relates to Exploration Results, is based on information compiled and/or reviewed by Mr. Lyle Thorne who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Thorne is an independent consultant to TAO Commodities Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Thorne consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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

JORC Code, 2012 Edition – Table 1 – Milford Project – Soil Sampling

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> A total of 209 soil geochemical samples were collected at nominal 100 x 50m spaced locations at two prospect areas, Captain Jack & Moccasin. Material was collected from a depth of 10-15cm, sieved to -3mm with ~100gm being placed in a pre-numbered zip-lock sample bag. All field exploration work was completed by Harrison Land Services LLC, a Utah based company.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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"> No drilling conducted.
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"> No drilling conducted.
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. 	<ul style="list-style-type: none"> No drilling conducted.

Criteria	JORC Code explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <i>The total length and percentage of the relevant intersections logged.</i> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Soil samples were placed directly into pre-numbered zip-lock plastic bags at the site location from which they were collected. No repeat or check samples have yet been submitted for analysis. Each sample was weighed at the preparation laboratory and the weights recorded along with the analytical results. No specific quality control procedure has been adopted for the collection of samples. Samples were shipped to ALS Global laboratories in Reno, Nevada for drying, pulverizing, and splitting to prepare a pulp of approximately 25g which was then shipped to ALS Global laboratories in Vancouver, Canada for analytical determinations.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> Assays were prepared and performed by ALS Global – Geochemistry Analytical Labs in Reno, Nevada USA and Vancouver, BC Canada using a four acid digestion method with an ICP-MS finish for a suite of elements (Method Au-ME-TL43). Average sample weight submitted for prep was 0.12kg and ranged from 0.08kg to 0.18kg. Samples were pulverized to minus 75 microns before a split was sent to ALS Vancouver lab for analysis. This is an accepted industry analytical process appropriate for the nature and style of mineralization under investigation. No company generated standards or blanks were incorporated into the sampling procedure. ALS undertook their own internal checks and blanks. Multi-element analysis included 51 elements (major and minor, (Method Au-ME-TL43- AR-ICP-MS)). Only elements of exploration interest have been reported in text.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Results were checked and reviewed by the Project Geologist and consultant. Assay data was supplied electronically by the laboratory and incorporated into a digital database. ALS report Au in ppm which was converted to ppb in the Company database Interpretation of multi-element data is on going.
<i>Location of data points</i>	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Location of samples were recorded by hand held GPS. The GPS recorded locations used the NAD83 datum UTM Zone 12N. Accuracy is limited to approximately 3 meters.

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Samples were collected at nominal 100m x 50m locations. Samples were collected along E-W orientated lines. The data is primarily an initial exploration reconnaissance sampling program.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The data is primarily an initial exploration reconnaissance sampling program and is useful for identifying broad geological trends.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Contractor personnel collected the samples and transported them to the assay laboratory in Reno, Nevada.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No external audit has been completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<p>TAO Commodities Ltd.'s project is located on unpatented Federal mining claims in Beaver County, Utah, USA. The Project consists of 101 (ML-001 to ML-100, ML-051a) Mining Rights on US Bureau of Land Management (BLM) administered land covering approximately 8.36km²</p>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Extensive historical mining and exploration activity beginning in the late 1800's is evident within the project area. Limited modern day exploration techniques and methods appear to have been conducted. • Firestrike Resources Ltd and J/V partner Escalante Mines LLC performed rock chip sampling of historic mine dumps and prospect pits during 2011-2013. They also completed a 2000m RC drilling program during 2012 on the Coronado Prospect which lies outside of the current project area. Results of this campaign are contained in Firestrike Resources Limited ASX announcement release dated 5 February 2013, "Widespread high grade silver, lead and zinc along with elevated copper and gold discovered at surface." • Agricola Mining Consultants Pty Ltd completed an independent technical review of the project during September 2017.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The project area lies within a structurally controlled Basin & Range type mountain range, dominated by Paleozoic clastic and chemical sediments. Late granitoid intrusives are known to occur adjacent to the project. Epithermal and replacement type mineralisation occurs along structural corridors in reactive sedimentary host rocks.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>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:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from</i> 	<ul style="list-style-type: none"> • No drilling conducted.

Criteria	JORC Code explanation	Commentary
	<i>the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • The assay results are based on early stage soil geochemical sample assays. No data aggregation methods, weighting of results or top cuts have been applied. ALS report Au in ppm which was converted to ppb in the Company database. All other elements are in ppm or % as reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • No drilling completed.
Diagrams	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • See text
Balanced reporting	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Results have been reported for the main elements targeted (Au, Ag, Cu, Pb, Zn) for all soil sampling. Interpretation of other elements included in the assay method is ongoing.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • See text
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Further geological work including detailed prospect scale mapping and sampling along strike is planned. Investigations in ground based geophysical prior to drill target selection is also being considered.