

28 March 2019

ASX RELEASE

TAO RECEIVES DRILLING APPROVALS FOR THE MILFORD PROJECT

- **Bureau of Land Management (BLM) and Utah division of Oil, Gas and Mining grant drilling approvals for maiden drill program at the highly prospective Zinc, Lead & Copper Milford Project.**
 - **Site preparations to commence in the coming weeks, with the R-40 truck mounted core rig to be onsite by end of April 2019. Titan Drilling has been engaged for the maiden program.**
 - **The Company has agreed with Titan Drilling to undertake a minimum of 650m of drilling (approx. 4-5 holes), with a view of completing the planned 1000m (6-7 holes) in consultation with its Geologist during the program.**
 - **Drill sites were staked in the Silver Bear prospect, which is the most promising of several prospect areas within the greater Milford Project. The main vein is exposed and has a length of at least 150 metres and is approximately 2 metres wide where exposed.**
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Tao Commodities Limited ("TAO" or "the Company") (ASX: TAO) is pleased to announce that drilling permits have been issued for the 100% owned Milford Project located in Beaver County, Utah, USA. This will represent the maiden drill program for TAO's Milford Project.

Site preparations for constructing of access roads, pads and sumps will commence in the following weeks, with the R-40 truck mounted core rig to be onsite by end of April. Drilling is expected to take 45-60 days, inclusive of a break period, with assays to be dispatched systematically during the campaign. The Company has agreed with Titan Drilling to undertake a minimum of 650m of drilling (approx. 4-5 holes), with a view of completing the planned 1000m (6-7 holes) in consultation with its Geologist during the program.

The maiden drill program will focus on the Silver Bear which is the most promising of several prospect areas included in the extensive Milford land holdings. Six drill sites, from which up to seven may be drilled, were staked on the Silver Bear prospect, two on either side of the vein (Figure 1). The main vein is exposed in two adits (now mostly inaccessible) and an open trench. The vein has a known strike length of at least 150 metres and is approximately 2 metres wide where it is exposed.

Drill sites were also staked north and south of an old prospect area that appears to have been a shaft, a trench, or both, labelled “SB West Shaft” on Figure 1. The shaft/trench area had been bulldozed over by the Utah Department of Natural Resources for public safety reasons, but samples from the dumps yielded excellent values in Cu, Ag, Zn and Pb. As announced previously by TAO in the ASX release dated 9th July 2018 titled, “High Grade Zinc, Lead and Copper Confirmed”.

- **ML18035 assay returned 26.4% Zn, 10.65% Pb and 1.72% Cu**
- **ML18037 assay returned 9.99% Zn, and 8.78% Pb 2.05% Cu**
- **ML18039 assay returned 7% Pb, and 3.93 Cu**

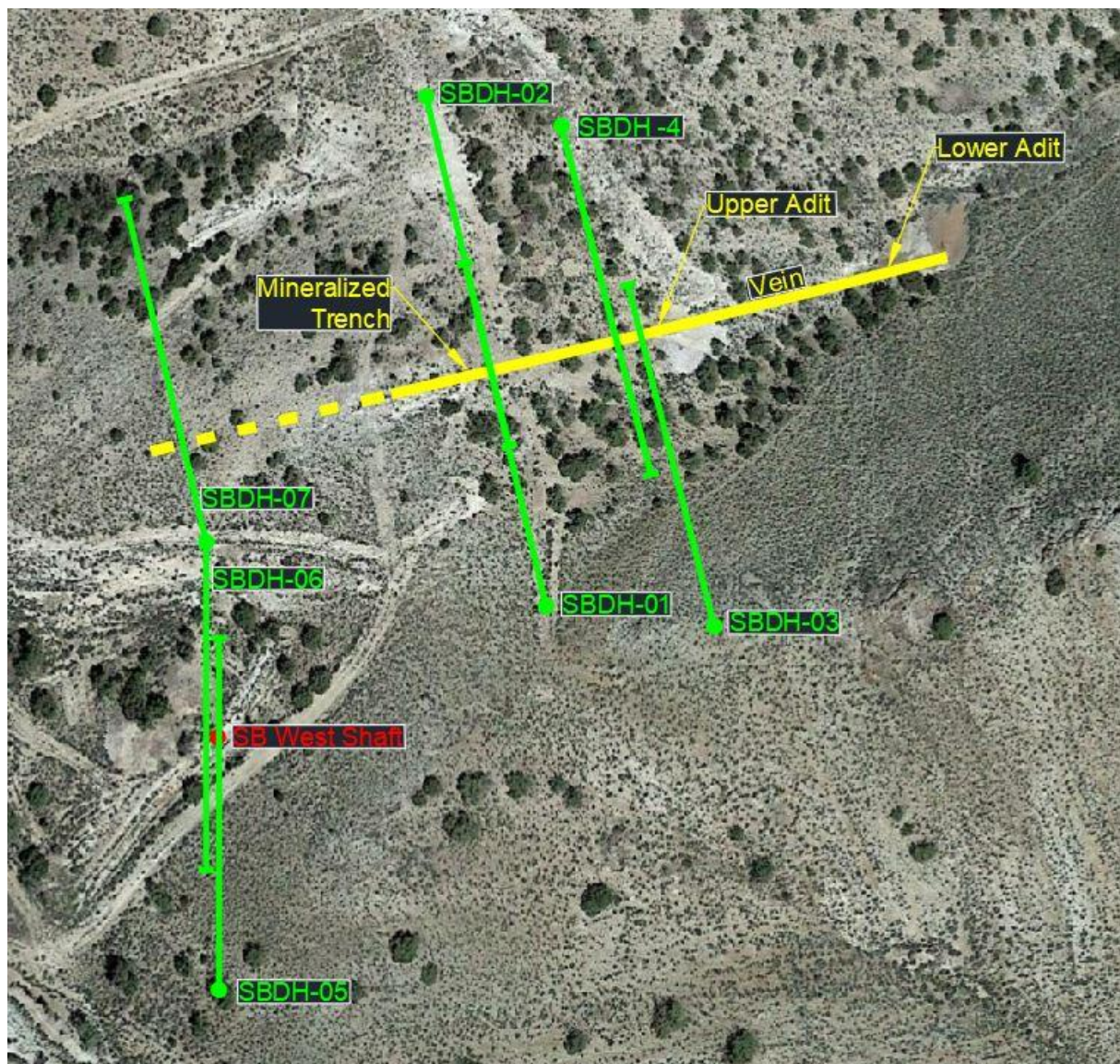


Figure 1 – Staked drill hole locations and mineralized features of the Silver Bear prospect.

Each hole is expected to be core drilled to approximately 150 metres (± 500 feet) and will reach beyond the structures with the intent of intersecting other parallel veins. Several structures with significant assay values are scattered along the hillside north of the main structure indicating the likelihood of veins parallel to the main vein. The holes are all designed to be drilled at a -60° but can be drilled at a lesser angle if priorities change.

Additional holes can be drilled from the same drill pad locations, if deemed advantageous. The holes are designed to intersect the vein structures from opposite directions to provide a sense of the structure's attitude, as well as gauge its width and grade.

Table 1 is a summary of the drill hole calculations for the Silver Bear prospect.

Table 1 - Silver Bear Proposed Drill Hole Calculations. (UTM locations are based on NAD83, Zone 12.

Proposed Drill Hole	Easting UTM	Northing UTM	Google Elev (m)	Direction	Horizontal Distance to Vein (m)	Drill Distance to Vein -60° (m)	Drill Distance to Vein -60° (ft)	Proposed Hole Length (m)	Proposed Hole Length (ft)
SBDH-01	315121	4250884	1915	N15°W	50	100	328	150	500
SBDH-02	315099	4250986	1910	S15°E	60	120	394	150	500
SBDH-03	315126	4250981	1909	N15°W	65	130	427	150	500
SBDH-04	315052	4250895	1903	S15°E	50	100	328	150	500
SBDH-05	315056	4250812	1922	Due N	54	108	354	150	500
SBDH-06	315154	4250878	1910	Due S	42	84	276	150	500
SBDH-07	315154	4250878	1910	N15°W	21	42	138	150	500
Total								1050	3500

The Company will continue to update shareholders in due course.

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For further information, please contact

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Appendix 1:

Competent Persons Statement – JORC Code 2012

The information in this Report that relates to Exploration Results of the Company has been reviewed by Bradley C. Peek, MSc. who is a Member of the American Institute of Professional Geologists (CPG #11299). Mr. Peek is a consultant to independent contractor Harrison Land Services, LLC and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which 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' ("JORC Code 2012"). Mr. Peek consents to the inclusion in this Report of the matters based on the information in the form and context in which they appear.

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