

27 January 2021

ASX RELEASE

LAND POSITION GROWS IN CRITICAL MINERAL RICH REGION IN TENNESSEE, USA

- Titan Project now comprises over 3,850 acres covering the McNairy Sand which hosts the potential for a large US domestic source of critical minerals.
- New landholdings comprise a highly prospective, large area to the north of the Company's outstanding Phase 1 results.
- Phase 1 drill results included thick intersections of high grade heavy mineral sands containing critical minerals including titanium, zircon and monazite / rare-earths.
- A Phase 3 drilling program has commenced and will include infill drilling and bulk sampling for resource delineation and exploration drilling on these new properties.
- Further land additions and the results of the Phase 2 drilling program are expected in Q1 2021.

Tao Commodities Limited ("TAO" or "the Company") (ASX: TAO) is pleased to advise that the Company has increased its holdings of titanium and zircon prospective heavy mineral sands ("HMS") properties by approximately 750 acres through additional land option agreements signed with local landowners at the Titan Project ("Project") in west Tennessee, USA.

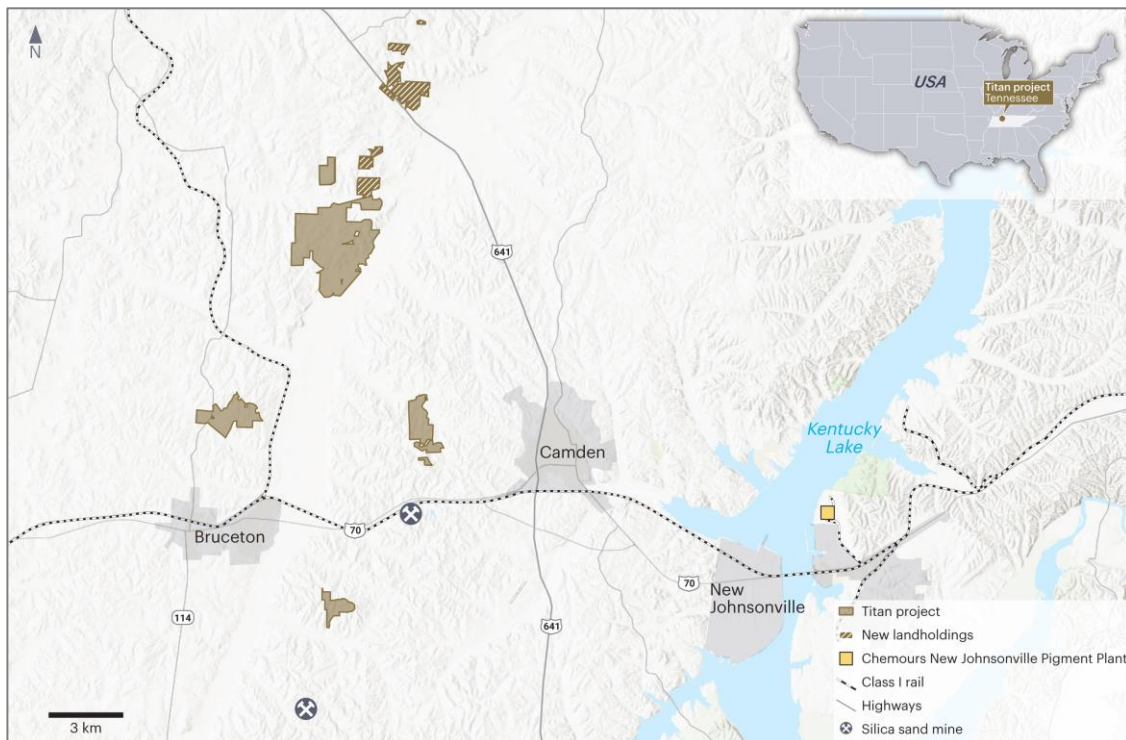


Figure 1: Titan Project location and highlighting the new land option agreements



The Project now comprises approximately 3,850 acres within the heavy mineral sands rich McNairy Sands geological formation. The new landholdings are directly to the north of the large contiguous area that has been the focus of the Company's Phase 1 and Phase 2 drilling campaigns.

A Phase 3 drilling campaign has now commenced and will include infill drilling and bulk sampling within the area of the Phase 1 & 2 drilling programs for potential resource delineation within this contiguous area.

The new properties referenced in this announcement have been secured on substantially the same terms as the Company's existing option agreements.

Commenting on the announcement, Executive Director Anastasios Arima said, *"We have rapidly continued to add land in areas which are highly prospective and to the north of our outstanding Phase 1 drilling results which included thick zones of high-grade mineral sands containing critical minerals including Titanium, Zircon and Monazite (rare-earths). This new landholding adds further to our potential to delineate a massive deposit of critical minerals in Tennessee, USA."*

This announcement has been authorised for release by the Executive Director.

END

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About Tao Commodities

Tao Commodities Limited ("TAO") holds a 100% interest in the Titan Project ("the Project"), covering ~3,850 acres of titanium and zircon prospective heavy mineral sands ("HMS") properties in Tennessee, U.S. The Project is located in an area which saw significant historic exploration from 1960 – 1990 by DuPont, BHP and others, and included over 200 drill holes and a bulk sample mining operation.

The Project is strategically located in the southeast of the U.S., close to significant manufacturing capacity, providing a significant logistical advantage over current U.S. suppliers of imported titanium feedstock. Specifically, the Project is ~15 km from Chemours' New Johnsonville pigment plant, one of the largest pigment plants globally and within a low-cost barge, truck or rail-served distance to all other major U.S. titanium pigment and metal plants.

The U.S. is the second-largest global importer of titanium feedstocks where it is primarily used to produce TiO_2 pigment for the coatings and plastics sector and Ti metal for the defense, aerospace, space and medical sector. Over the last decade the U.S. has seen a significant decrease in production of both titanium feedstocks and zircon with the closure of Iluka's operations in Virginia in 2016. As a result, import reliance has risen to 95% in 2019, with import values of ~A\$1,200 million.

The Company also holds a 100% interest in the Milford Project in Utah, United States, which is considered prospective for base and precious metals.

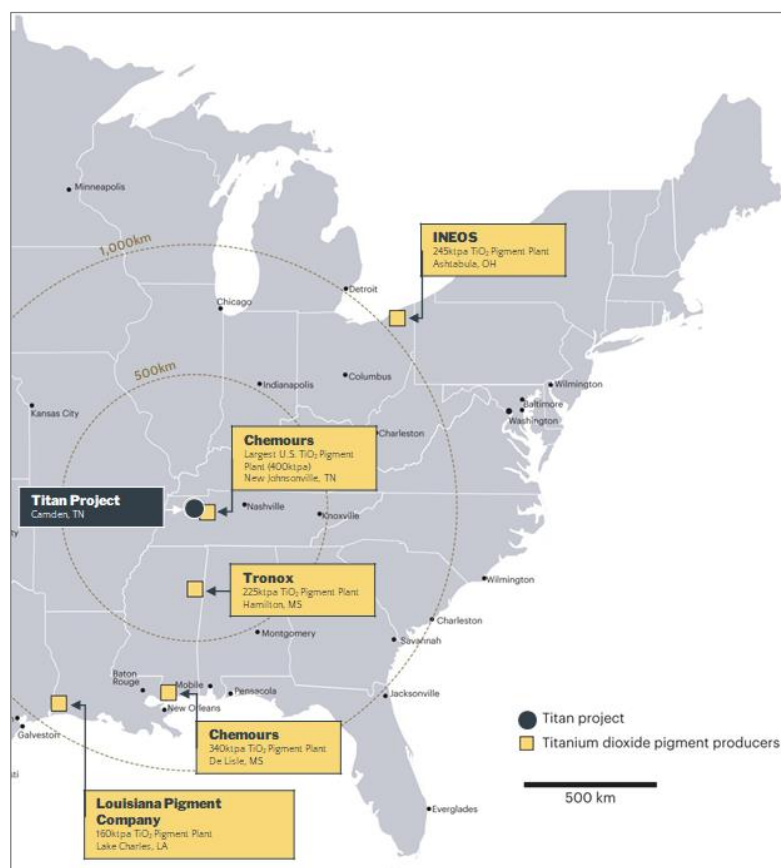


Figure 2: Titan Project location and proximity to major titanium dioxide pigment producers

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.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is extracted from the Company’s ASX Announcements dated 7 January 2021 and 3 November 2020 (“Original ASX Announcements”) which are available to view at the Company’s website at www.taocommodities.com.au.

The Company confirms that a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements; b) all material assumptions included in the Original ASX Announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons’ findings are presented in this report have not been materially changed from the Original ASX Announcements.