



SUPPLEMENTARY PROSPECTUS

1. Important Information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the Second Replacement Prospectus dated 1 December 2017 (**Second Replacement Prospectus**) issued by Tao Commodities ACN 618 935 372 (**Company**).

This Supplementary Prospectus is dated 27 February 2018 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus is a refresh document as defined in section 724(3H) of the Corporations Act, as inserted by ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (**ASIC LI 2016/70**).

To the extent of any inconsistency between this Supplementary Prospectus and the Second Replacement Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Second Replacement Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Second Replacement Prospectus as an electronic prospectus and may be accessed on the Company's website at www.taocommodities.com.au.

The Company will send a copy of this Supplementary Prospectus to all Applicants who have subscribed for Shares pursuant to the Prospectus, Replacement Prospectus or Second Replacement Prospectus prior to the date of this Supplementary Prospectus.

This Supplementary Prospectus and the Second Replacement Prospectus are important documents that should be read in their entirety. If you do not understand it you should consult your professional advisers without delay.

2. Reasons for Supplementary Prospectus

The purpose of this Supplementary Prospectus is to provide updated disclosure in relation to the status of the Share Purchase Agreement (pursuant to which the Company is to acquire the Project) and in relation to litigation that the Company has been a party to with respect to the Share Purchase Agreement.

The litigation (which is described in detail in sections 5 and 6 below) has caused delays in the Company's Shares being admitted to the ASX for Official Quotation of its Shares and therefore, pursuant to ASIC LI 2016/70, this Supplementary Prospectus has also been prepared to:

- (a) refresh the period for admission to Official Quotation of Shares offered under the Second Replacement Prospectus from three months from the date of the Second Replacement Prospectus to three months from the date of this Supplementary Prospectus (**Quotation Condition**); and
- (b) refresh the period for the minimum subscription to the Offer under the Second Replacement Prospectus to four months from the date of this Supplementary Prospectus (**Minimum Subscription Condition**).

The amendments to the Second Replacement Prospectus set out in this Supplementary Prospectus should be read in conjunction with the Second Replacement Prospectus.

3. Specific Disclosures Required by ASIC Legislative Instrument 2016/70

3.1 Background

In accordance with the Corporations Act, if a person offers securities under a disclosure document, such as a prospectus, and the disclosure document states or implies that the securities are to be quoted on a financial market such as the ASX and the securities are not then admitted to quotation within three months after the date of the disclosure document, then the issue of securities would be void and any subscription amounts would have to be returned to the applicants (**Quotation Condition**).

Additionally, also in accordance with the Corporations Act, if a person offers securities under a disclosure document, such as a prospectus, and the disclosure document states a minimum subscription amount must be raised before any securities will be issued, then the minimum subscription must be received within four months after the date of the disclosure document, otherwise any subscription amounts must be returned to the applicants or otherwise the applicants must be given a supplementary disclosure document and the opportunity to withdraw their application (**Minimum Subscription Condition**).

By the issue of ASIC LI 2016/70, ASIC has varied the Corporations Act to allow companies to refresh the timing of the Minimum Subscription Condition and the Quotation Condition so that they commence from the date of a refresh document (such as this Supplementary Prospectus) such that the respective three and four month periods commence from the date that the refresh document is lodged with ASIC. ASIC LI 2016/70 contains conditions that must apply to the refresh document and be satisfied. This Supplementary Prospectus addresses those requirements.

For the reasons set out at sections 5 and 6 below, the Company is unlikely to achieve the Quotation Condition within the statutory period of three months from the date of the Second Replacement Prospectus. Therefore, the Company intends to rely on ASIC LI 2016/70 to refresh the time periods for the Quotation Condition and the Minimum Subscription Condition.

One of the conditions under ASIC LI 2016/70 is to give Applicants who have previously submitted an Application Form one month to withdraw their Application and be repaid, should they wish to do so. Applicants can withdraw their Applications at any time up until 27 March 2018. ASIC LI 2016/70 also requires the Offer to remain open until the end of this withdrawal period. The reopening and closing dates, as well as other updated key dates are set out in section 4 below.

3.2 Minimum Subscription

The Company makes the following statements regarding the Minimum Subscription Condition in accordance with ASIC LI 2016/70:

This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

- (a) as at the date of this Supplementary Prospectus the Company has received 386 Applications totalling approximately \$4,750,000 of Application Monies;
- (b) the minimum subscription under the Second Replacement Prospectus was \$4,750,000 which remains unchanged; and
- (c) the Minimum Subscription condition must be satisfied by 27 June 2018, being four months after the date of this Supplementary Prospectus.

3.3 Quotation Condition

The Company makes the following statements regarding the Quotation Condition in accordance with ASIC LI 2016/70:

- (a) an application for admission to Official Quotation was made by the Company on 13 September 2017, that is, within the prescribed 7 days after the date of the Original Prospectus;
- (b) the Company's Shares have not been admitted to Official Quotation as at the date of this Supplementary Prospectus;
- (c) ASX has indicated, by way of letter dated 18 December 2017, that the Company's Shares will be admitted to Official Quotation subject to certain conditions being satisfied;
- (d) as at the date of this Supplementary Prospectus, the conditions precedent to the Company's Shares being admitted to Official Quotation which have not yet been satisfied are:
 - (i) completion of the issue of 23,750,000 ordinary fully paid shares at an issue price of \$0.20;
 - (ii) ASX being satisfied that the Company has an appropriate spread of shareholders;
 - (iii) ASX being satisfied that the Company has a free float of at least 20%;
 - (iv) an undertaking from the Company's registry service provider that the restricted securities have holding locks in place;
 - (v) confirmation that the conditions precedent to the Share Purchase Agreement have been satisfied and completion of the Share Purchase Agreement has occurred;
 - (vi) confirmation of the issue of 3,500,000 ordinary fully paid shares to GTT Ventures Pty Ltd and 11,000,000 options exercisable at \$0.30 on or before 1 August 2020 to current and former directors;
 - (vii) confirmation that there is no legal, regulatory, statutory or contractual impediments to the Company entering any and all of the Mining Rights that comprise the Project and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b);
 - (viii) despatch of a notice of the Company under ASX Settlement Operating Rules 8.9.1 in relation to all holdings on the CHESS sub-register;
 - (ix) despatch of issuer sponsored holding statements for all holdings other than those on the CHESS sub-register;
 - (x) provision in a form suitable for release to the market of information including statements on the distribution of the number of shares held by each shareholder, a statement setting out the names of the top twenty largest holders of each class of securities, a statement that all conditions precedent to the Share Purchase Agreement have been satisfied and

This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

completion of the Share Purchase Agreement has occurred, a statement confirming the issue of all shares listed in (vi) above, a statement in accordance with (vii) above and a statement of the number of securities subject to ASX restrictions and the restriction period applied to those securities.

Following the issue of Shares under the Second Replacement Prospectus, the Company considers it will be in a position to satisfy the outstanding conditions precedent to obtaining Official Quotation.

- (e) the Quotation Condition has not changed and the Offer remains subject to the Quotation Condition;
- (f) Upon lodgement of this Supplementary Prospectus, subject only to the lodgement of any future refresh document, the Quotation Condition must now be satisfied by 27 May 2018, that is, three months after the date of this Supplementary Prospectus; and
- (g) as at the date of this Supplementary Prospectus, the number of Shares for which applications have been received is 23,750,000.

3.4 Withdrawal of previous Applications

The information in this section replaces the information in clause 3.4 of the Second Replacement Prospectus.

Applicants who have previously submitted an Application Form and do not want to withdraw their Application do not need to complete a Supplementary Application Form under this Supplementary Prospectus in order to receive their Shares. However, such Applicants may lodge a Supplementary Application Form if they wish to apply for additional Shares in accordance with the instructions set out below for investors who have not previously submitted an Application Form.

Applicants who have previously submitted an Application Form and do want to withdraw their Application may withdraw their Applications and be repaid any Application Monies (without interest) if their Applications for withdrawal are made within one month of the date of this Supplementary Prospectus, that is, by 27 March 2018. If you wish to withdraw your Application, you can do so by contacting the Company Secretary on (08) 6500 6872 or by email at anna@gttventures.com.au.

The Offer will remain open until the end of this one month withdrawal period.

3.5 New Applications

The information in this section replaces section 3.5 in the Second Replacement Prospectus.

Applications for Shares under the Offer must be made using the Supplementary Application Form accompanying this Supplementary Prospectus. Applications must not be made on the Application Form attached to or accompanying the Second Replacement Prospectus.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares. Payment for the Shares must be made in full at the issue price of \$0.20 per Share.

You can apply online at <https://investor.automic.com.au/taocommodities.html> and by BPAY.

Applications and payment must be received by the Closing Date.

The Company reserves the right to extend the Offer.

This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

4. Amended Key Dates

The Closing Date for the Offer has been extended to 27 March 2018. The table of key dates in section 2.4 of the Second Replacement Prospectus is replaced with the table below:

Event	Date*
Lodgement of Supplementary Prospectus with the ASIC	27 February 2018
Opening Date of the Offer	27 February 2018
Closing Date of the Offer	27 March 2018
Despatch of holding statements	29 March 2018
Expected date for quotation on ASX	10 April 2018

** The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.*

5. Additional Disclosure - Status of the Offer and Acquisition of Calatos

The Second Replacement Prospectus is amended by adding a new section 2.19 as follows:

2.19 Status of Offer and Acquisition of Calatos

The Company closed the Offer under the Second Replacement Prospectus on 1 January 2018. At the time of closing the Offer, the Company had raised the Minimum Subscription under the Offer being \$4,750,000. On 18 December 2017 the Company received notification from ASX that it could be admitted to the official list of the ASX and have its securities quoted, subject to certain conditions precedent.

On or about 11 February 2018, pursuant to the orders of Master Sanderson in the Supreme Court of Western Australia (for further details see section 2.20(a) below), the Vendor completed the transfer of Calatos to the Company which places the Company in effective possession and control of Calatos and the Project. However, as a result of the Vendor stating that he intended to appeal Master Sanderson's decision (see section 2.20(c) below for further details), the Company was unable to:

- (a) issue the Shares under the Second Replacement Prospectus resulting in the Company being unable to access the funds raised under the Second Replacement Prospectus; and
- (b) pay the cash consideration to the Vendor (described as the Reimbursement Funds in the Second Replacement Prospectus).

Subsequently, the Company sought and secured alternative arrangements to raise the Reimbursement Funds (see section 9.3 below for further details). Consequently, on 22 February 2018, the Company paid the Reimbursement Funds and issued 500,000 Shares to the Vendor and effected completion under the Share Sale Agreement. The Vendor has disputed the Company's completion under the Share Sale Agreement (see section 2.20(c)).

This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

6. Additional Disclosure - Litigation Risk

The Second Replacement Prospectus is amended by adding a new section 2.20 as follows:

2.20 Litigation Risk

(a) First Action

Pursuant to the Share Purchase Agreement, the Vendor was required to provide a restriction agreement to the Company with respect to the Shares to be issued to the Vendor as consideration for the acquisition of all of the issued share capital of Calatos.

This restriction agreement is a condition precedent to the Company obtaining Official Quotation of its Shares. The Vendor refused to provide the restriction agreement and on 20 December 2017, the Company commenced an action in the Supreme Court of Western Australia to compel the Vendor to provide the restriction agreement (**First Action**).

The Company was successful in the First Action, with the Court ordering the Vendor to provide the restriction agreement and to pay the Company's legal costs of the First Action on an indemnity basis.

On 13 February 2018, the Vendor lodged an appeal against the indemnity costs order (**Costs Appeal**). The Costs Appeal will be opposed by the Company. The outcome of the Costs Appeal only affects the quantum of money the Vendor will be ordered to pay to the Company in respect of its costs associated with the First Action.

The Company will provide additional disclosure on the progress of the Costs Appeal (as it arises and if any changes are considered material).

(b) Second Action

On 27 December 2017, the Vendor purported to terminate the Share Purchase Agreement by notice in writing to the Company. The Company (on legal advice) considered the purported termination to be unlawful and maintained the Share Purchase Agreement remained binding and valid. Further, the Company insisted the Vendor was obligated to attend to all matters to enable completion of the acquisition of Calatos to occur in accordance with the Share Purchase Agreement.

On 3 January 2018, (the completion date prescribed by the Share Purchase Agreement), the Vendor (insisting the Share Purchase Agreement had been terminated) failed to attend to all matters to enable completion of the acquisition of Calatos to occur in accordance with the Share Purchase Agreement.

On 4 January 2018 the Company commenced an action in the Supreme Court of Western Australia seeking specific performance of the Share Purchase Agreement and to attend to all matters to enable completion of the acquisition of Calatos to occur in accordance with the Share Purchase Agreement (**Second Action**).

The Second Action was tried before by Master Sanderson on 2 February 2018.

On 7 February 2018, Master Sanderson found in favour of the Company and relevantly declared the Share Purchase Agreement should be specifically performed and carried into execution and ordered the Vendor to do all things necessary to enable completion to occur for the Company to acquire Calatos and otherwise in accordance with the Share Purchase Agreement (**Decision**). Accordingly, based on the Decision the Company is now in effective possession and control of Calatos and the Project (see section 2.19 above for further details regarding completion of the acquisition).

This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

Master Sanderson also ordered that the Vendor pay the Company's legal costs of the Second Action. The quantum of the costs to be paid by the Vendor to the Company is still to be determined.

The Company will provide additional disclosure on the progress of this costs order (as it arises and if considered material).

(c) Appeal of Decision

On 19 February 2018, the Vendor lodged an appeal against the Decision with the Court of Appeal of the Supreme Court of Western Australia (**Appeal**).

The Company will oppose the Appeal and (if the Vendor does not do so) will file an application seeking that the Appeal be heard on an urgent/expedited basis. The timing for the hearing and determination of the Appeal is subject to the availability of the Court of Appeal and uncertain at the date of this Supplementary Prospectus. The Company will provide additional disclosure on the progress and timing of the Appeal as the information becomes available.

If the Vendor's Appeal is successful, the Company will:

- (i) not be able to acquire Calatos;
- (ii) be required to return the shareholding in Calatos to the Vendor and the Vendor will be required to refund the Reimbursement Funds to the Company (and return the 500,000 Shares); and
- (iii) not proceed with the Offer and will repay all Application Monies received.

If the Vendor's Appeal is unsuccessful, the Company will, as soon as possible:

- (i) issue all of the Shares; and
- (ii) do all things necessary to satisfy the remaining conditions precedent for admission to Official Quotation of its Shares.

The Company will provide additional disclosure on the progress of the Appeal (as it arises).

(d) Vacation of orders

On 19 February 2018, the Vendor purported to terminate the Share Purchase Agreement (for a second time) on the basis that the Company had not complied with its obligations in relation to completion of the Share Purchase Agreement.

Based on this, the Vendor has notified that it intends to apply to vacate the orders made by Master Sanderson in the Second Action (**Vacation Application**).

As disclosed in section 2.19 above, the Company performed all of its obligations under the Share Purchase Agreement on 22 February 2018 and on this basis, the Company intends to oppose the Vacation Application.

The Company will provide additional disclosure on the progress of the Vacation Application (as it arises and if considered material).

(e) Litigation costs

The Company has and will continue to, incur costs in relation to the litigation with the Vendor, being the First Action, the Costs Appeal, the Second Action, the Appeal and the Vacation Application (the **Litigation**). The costs associated with the Litigation (**Litigation Costs**) are to be met and dealt with as set out in section 9.1 below.

7. Key Risk

The information in this section should be read in conjunction with the information in sections 2.2 and 8.2 of the Second Replacement Prospectus.

The risks associated with the Appeal are set out in section 2.20(c) above.

8. Investigating Accountant's Report

The Company has obtained an updated Investigating Accountant's Report dated 22 February 2018, a copy of which is attached to this Supplementary Prospectus as Annexure A (**Updated Accountant's Report**). The Updated Accountant's Report replaces the Investigating Accountant's Report dated 1 November 2017 in section 7 of the Second Replacement Prospectus.

The Updated Accountant's Report was obtained as a result of the Litigation Costs set out in section 9.1 below.

9. Agreements with Related Parties and Material Contracts

The information in this section should be read in conjunction with sections 10 and 2.17 of the Second Replacement Prospectus.

9.1 Funding Agreement

Sections 10 and 2.17 of the Second Replacement Prospectus are amended by the addition of the following information.

On 21 February 2018, the Company entered into a loan agreement with GTT pursuant to which GTT agreed to provide funds to pay the Company's Litigation Costs up to \$250,000 (**Funding Agreement**).

The Company will reimburse GTT for the Litigation Costs to the extent that the Company receives payment from the Vendor as a result of any costs order made in favour of the Company in relation to the Litigation. Pursuant to the Funding Agreement, GTT has agreed to forgo repayment of any Litigation Costs over and above the amount recovered from the Vendor pursuant to any litigation costs order.

The loan is unsecured and non interest bearing.

9.2 Loan Facility Agreement amended

In light of the delay to the Company achieving Official Quotation of its Shares, the Loan Facility Agreement between GTT and the Company was amended on 21 February 2018 to extend the Repayment Date to 23 June 2018.

9.3 Loan Agreement

Due to the delay to the Company achieving Official Quotation of its Shares, the Company cannot yet access the funds raised under the Offer.

To meet its obligation under the Share Purchase Agreement to pay the Vendor the Reimbursement Funds, the Company entered into a loan agreement with GTT on 21 February 2018 pursuant to which GTT advanced \$70,000 to the Company to pay the Vendor the Reimbursement Funds. The loan is unsecured and non interest bearing.

The Company will repay the loan advanced by GTT from the funds raised under the Offer after it has obtained Official Quotation of its Shares on the ASX.

This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

9.4 Disclosures Regarding GTT

Section 2.18 of the Second Replacement Prospectus is amended by the addition of the following information.

Upon the Company's Shares being admitted to Official Quotation, the Company understands that Messrs Glovac, Tassone and Thomas intend to issue a substantial shareholder notice to reflect their relevant interests in the Company's securities.

10. Consents

Section 11.5 of the Second Replacement Prospectus is amended by the addition of the following information.

BDO Corporate Finance (WA) Pty Ltd (**BDO Corporate Finance**) has acted as Investigating Accountant and has prepared the Updated Accountant's Report which is included as Annexure A. The Company estimates it will pay BDO Corporate Finance a total of \$8,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Supplementary Prospectus with ASIC, BDO Corporate Finance has not received fees from the Company from any other services. BDO Corporate Finance has given its written consent to being named as Investigating Accountant in this Supplementary Prospectus and to the inclusion of the Updated Accountant's Report in the form and context in which the information and report is included. BDO Corporate Finance has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

11. Directors' Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC.



Patric Glovac
Executive Director
For and on behalf of Tao Commodities Ltd

ANNEXURE A – INVESTIGATING ACCOUNTANT’S REPORT



This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

22 February 2018

The Directors
Tao Commodities Limited
22 Townshend Road
SUBIACO WA 6008

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Tao Commodities Limited ('Tao Commodities' or 'the Company') to prepare this Investigating Accountant's Report ('Report') in relation to certain financial information of Tao Commodities, for the Initial Public Offering of shares in Tao Commodities, for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 23.75 million Shares at an issue price of \$0.20 each to raise up to \$4.75 million before costs ('the Offer'). The Offer is subject to a minimum subscription level of \$4.75 million.

Calatos Pty Ltd LLC ('Calatos') was incorporated in the USA on 5 April 2017. Calatos owns the Milford Zinc-Gold Project in Utah, USA. Tao Commodities was incorporated in Australia on 5 May 2017 for the purpose of acquiring Calatos and listing on the Australian Securities Exchange ('ASX'). Tao Commodities will acquire 100% of the issued capital of Calatos pursuant to the terms and conditions of a share purchase agreement dated 23 May 2017 (and amended on 10 August 2017 and 30 October 2017). The material terms of the share purchase agreement are set out in section 10.1 of the Prospectus.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a review engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Historical Financial Information

You have requested BDO to review the following historical financial information (together the 'Historical Financial Information') of Tao Commodities included in the Prospectus:

- the audited historical Statements of Financial Position, Performance and Cash Flows for the period ended 30 June 2017.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of Tao Commodities for the period from incorporation to 30 June 2017, which was audited by BDO Audit (WA) Pty Ltd ('BDO Audit') in accordance with the Australian Auditing Standards. BDO Audit issued an unmodified audit opinion on the financial report, however did include a material uncertainty relating to going concern noting that the ability of Tao Commodities to continue as a going concern is dependent upon the success of the fundraising under the Prospectus and/or the continued support of shareholders.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of Tao Commodities included in the Prospectus:

- the pro forma consolidated historical Statement of Financial Position as at 30 June 2017 which includes:
 - the subsequent events outlined in section 6 of our Report; and
 - the pro forma adjustments for the events outlined in section 7 of our Report.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Tao Commodities to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on Tao Commodities' financial position as at 30 June 2017. As part of this process, information about Tao Commodities' financial position has been extracted by the Company from Tao Commodities' financial statements for the period ended 30 June 2017.

3. Directors' responsibility

The directors of Tao Commodities are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the

preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our review procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical consolidated Statements of Financial Position, Performance and Cash Flows for the period ended 30 June 2017,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Tao Commodities as at 30 June 2017,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to 30 June 2017:

- On 19 May 2017, the Company and GTT Ventures Pty Ltd ('GTT') entered into a loan facility agreement whereby GTT agreed to provide a loan to the Company up to a limit of \$130,000 which was subsequently increased to \$180,000 ('GTT Loan Facility'). An amount of \$66,277 had been drawn down as at 30 June 2017. Since 1 July 2017 the balance of this facility has been drawn down by way of GTT meeting certain costs of the listing. The GTT Loan Facility was due for repayment on 23 February 2018. This repayment date has been subsequently extended to 23 June 2018.

- Between 1 July 2017 and 31 October 2017 \$19,465 has been accrued in fees due to directors and staff. These fees were capped and therefore no further fees have been accrued since 31 October 2017.
- On 21 February 2018, the Company entered into a loan agreement with GTT pursuant to which GTT agreed to provide the Company \$70,000 to pay the Vendor a reimbursement of funds previously expended on the assets, outlined further in Section 7 of this Report. Note that this amount constitutes part of the consideration outlined in Section 7 of this Report, therefore we have accounted for this as part of the consideration.
- On 21 February 2018, the Company entered into a loan agreement with GTT pursuant to which GTT agreed to provide funds to pay for the Company's legal costs associated with the injunction application and appeal (outlined further in the Supplementary Prospectus) up to \$250,000. Up to the date of this Report, the abovementioned legal fees amounted to approximately \$120,000.

The Company will reimburse GTT for the legal costs it has paid to the extent that the Company receives payment from the Vendor as a result of any costs order made in favour of the Company in relation to the injunction application or the appeal. Pursuant to the abovementioned agreement, GTT has agreed to forgo repayment of any costs over and above the amount recovered from the Vendor pursuant to any litigation costs order.

Given that GTT has provided the loan, and will either be reimbursed for legal costs or forgive repayment of any remaining loan payable by the Company, we consider this loan will not have any effect on the Balance Sheet of Tao Commodities by completion of the Offer.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Tao Commodities not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 1. This has been prepared based on the financial statements as at 30 June 2017, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 23.75 million Shares at an offer price of \$0.20 each to raise \$4.75 million before costs pursuant to the Prospectus.
- Costs of the Offer are estimated to be \$525,849. The GTT Loan Facility outlined in Section 6, totaling \$180,000, is used to pay for Costs of the Offer, which leaves \$345,849 to be paid by Tao Commodities. The costs that relate to the issue of new shares under the Offer, being \$335,000, have been offset against contributed equity while the remaining costs have been expensed.
- The Company will acquire 100% of the issued capital of Calatos with the consideration to be satisfied by the issue of 500,000 Shares in the Company and the payment of \$70,000 as reimbursement of funds previously expended on the assets.

The Company has considered whether the transaction falls within the scope of *AASB 3 Business Combinations* and therefore is required to be accounted for as a business combination. A business combination involves an acquirer obtaining control of one or more business by transferring cash, incurring liabilities or issuing shares. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors.

The Company does not consider that the transaction meets the definition of a business combination in accordance with *AASB 3 Business Combinations* as Calatos is not deemed to be a business for accounting purposes. Therefore, we have provisionally accounted for the transaction as an asset acquisition and under the guidance of Regulatory Guide 228 ('RG 228'), specifically RG 228.96 to RG 228.98, the transaction has been included in the pro forma historical Statement of Financial Position. The assets acquired have been taken up in the pro forma Statement of Financial Position at their fair value which has been deemed to be the value of the 500,000 Shares issued in consideration. The financial statements of Calatos for the period from incorporation to 31 July 2017 were reviewed by BDO Audit in accordance with the Australian Standards on Review Engagements. BDO Audit issued an unmodified review opinion on the Calatos trial balance,

- As per the terms of the GTT Loan Facility, the Company will repay the outstanding funds under the facility on the date the Company is admitted to the official list of the ASX.
- The Company will pay the 30 June 2017 Trade and Other Payables balance of \$44,810 plus the accrued director and staff fees of \$19,465 (outlined in Section 6), totaling \$64,275, from the proceeds of the Offer.
- The issue of 3.5 million Shares to GTT as the Lead Manager (or nominees) in consideration for services performed in relation to the Offer. These Shares have been valued at \$0.20 each and as these are in consideration of services perform in relation to the Offer, the value will be offset against contributed equity.
- The issue of 11 million Options to Directors and a former director of the Company (or their nominees). These Options are exercisable at \$0.30 on or before 1 August 2020. These Options have been valued using the Black Scholes option pricing model.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO Audit is the auditor of Tao Commodities and from time to time, BDO also provides Tao Commodities with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

A handwritten signature in dark ink, appearing to read 'Sherif Andrawes', written over a light grey rectangular background.

Sherif Andrawes

Director

APPENDIX 1

TAO COMMODITIES LIMITED

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Tao Commodities	Notes	Audited as at 30-Jun-17 \$	Subsequent events \$	Pro forma adjustments \$	Pro forma after Offer \$
CURRENT ASSETS					
Cash and cash equivalents	2	-	-	4,089,876	4,089,876
Trade and other receivables	3	3,000	113,723	(113,723)	3,000
TOTAL CURRENT ASSETS		3,000	113,723	3,976,153	4,092,876
NON CURRENT ASSETS					
Calatos Pty Ltd - prepayment	4	15,000	-	(15,000)	-
Exploration expenditure	5	-	-	185,000	185,000
TOTAL NON CURRENT ASSETS		15,000	-	170,000	185,000
TOTAL ASSETS		18,000	113,723	4,146,153	4,277,876
CURRENT LIABILITIES					
Trade and other payables	6	44,810	19,465	(64,275)	-
Borrowings	7	66,277	113,723	(180,000)	-
TOTAL CURRENT LIABILITIES		111,087	133,188	(244,275)	-
TOTAL LIABILITIES		111,087	133,188	(244,275)	-
NET ASSETS		(93,087)	(19,465)	4,390,428	4,277,876
EQUITY					
Share capital	8	3,000	-	4,515,000	4,518,000
Reserves	9	-	-	1,067,000	1,067,000
Accumulated losses	10	(96,087)	(19,465)	(1,191,572)	(1,307,124)
TOTAL EQUITY		(93,087)	(19,465)	4,390,428	4,277,876

The pro forma consolidated statement of financial position after the Offer is as per the consolidated statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The pro forma consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4.

APPENDIX 2
TAO COMMODITIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the period from 5-May-17 (incorporation) to 30-Jun-17 \$
Revenue	-
Expenses	
Legal fees	33,737
Directors' fees	32,850
Consultant fees	11,000
General expenses	18,500
Travel expense	-
Loss from continuing operations before income tax expense	96,087
Income tax expense	-
Loss from continuing operations after income tax expense	96,087

This statement of profit or loss and other comprehensive income shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 3
TAO COMMODITIES LIMITED
STATEMENT OF CASH FLOWS

	Audited for the period from 5-May-17 (incorporation) to 30-Jun-17 \$
Cash flows from operating activities	
Receipts from customers	-
Payments to suppliers and employees	-
Net cash flows from operating activities	-
Cash flows from investing activities	
Payments for plant and equipment	-
Payment for website development	-
Net cash flows from investing activities	-
Cash flows from financing activities	
Proceeds from issue of shares	-
Proceeds from loans	-
Net cash flows from financing activities	-
Net (decrease)/increase in cash and cash equivalents	-
Cash and cash equivalents at the end of the period	-

This statement of cash flows shows the historical cash flows of the Company and is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4.

APPENDIX 4

TAO COMMODITIES LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of Historical Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

Going Concern

The Historical Financial Information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result, the Historical Financial Information has been prepared on a going concern basis. However, should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Reporting Basis and Conventions

The Report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the Historical Financial Information. The accounting policies have been consistently applied, unless otherwise stated.

1. Basis of consolidation

The Historical Financial Information comprise the financial statements of Tao Commodities and its subsidiary at 30 June 2017 (the 'Group'). Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless cost cannot be recovered.

This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and comprehensive income, statement of changes in equity and statement of financial position respectively.

Subsidiaries are accounted for in the parent entity's financial statement at cost.

2. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

4. Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the Historical Financial Information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

Determination of fair values on exploration and evaluation assets acquired

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

	Audited 30-Jun-17	Pro forma after Offer
NOTE 2. CASH AND CASH EQUIVALENTS	\$	\$
Cash and cash equivalents	-	4,089,876
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Tao Commodities at 30 June 2017		-
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued under this Prospectus		4,750,000
Costs of the Offer met directly by Tao Commodities		(345,849)
Cash payment to acquire Calatos Pty Ltd		(70,000)
Payment of Trade and Other Payables balance		(64,275)
Repayment of GTT Loan Facility		(180,000)
		4,089,876
Pro-forma Balance		4,089,876

	Audited 30-Jun-17	Pro forma after Offer
NOTE 3. TRADE AND OTHER RECEIVABLES	\$	\$
Prepayments and Other Receivables	3,000	3,000
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Tao Commodities at 30 June 2017		3,000
<i>Subsequent events:</i>		
Costs of the offer met through drawdowns of the GTT Loan Facility		113,723
		113,723
<i>Pro-forma adjustments:</i>		
Prepaid costs of the offer expensed upon listing		(113,723)
		(113,723)
Pro-forma Balance		3,000

	Audited 30-Jun-17	Pro forma after Offer
NOTE 4. CALATOS - PREPAYMENT	\$	\$
Calatos - Prepayment	15,000	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Tao Commodities at 30 June 2017		15,000
<i>Pro-forma adjustments:</i>		
Acquisition of Calatos		(15,000)
		(15,000)
Pro-forma Balance		-

	Audited 30-Jun-17	Pro forma after Offer
	\$	\$
NOTE 5. EXPLORATION EXPENDITURE		
Exploration expenditure	-	185,000
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Tao Commodities at 30 June 2017		-
<i>Pro-forma adjustments:</i>		
Acquisition of Calatos - shares		100,000
Acquisition of Calatos - cash		70,000
Acquisition of Calatos - prepayment		15,000
		185,000
Pro-forma Balance		185,000

	Audited 30-Jun-17	Pro forma after Offer
	\$	\$
NOTE 6. TRADE AND OTHER PAYABLES		
Trade and other payables	44,810	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Tao Commodities at 30 June 2017		44,810
<i>Subsequent events:</i>		
Accrual of directors' and staff fees		19,465
		19,465
<i>Pro-forma adjustments:</i>		
Payment of Trade and Other Payables balance		(64,275)
		(64,275)
Pro-forma Balance		-

	Audited 30-Jun-17	Pro forma after Offer
	\$	\$
NOTE 7. BORROWINGS		
Borrowings	66,277	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Tao Commodities at 30 June 2017		66,277
<i>Subsequent events:</i>		
Listing expenses met through drawdowns of the GTT Loan Facility		113,723
		113,723
<i>Pro-forma adjustments:</i>		
Repayment of GTT Loan Facility		(180,000)
		(180,000)
Pro-forma Balance		-

	Audited 30-Jun-17	Pro forma after Offer
NOTE 8. CONTRIBUTED EQUITY	\$	\$
Contributed equity	3,000	4,518,000
	Number of shares	\$
<i>Adjustments to arise at the pro-forma balance:</i>		
Fully paid ordinary share capital	3,000,000	3,000
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued under this Prospectus	23,750,000	4,750,000
Costs of the Offer to be capitalised	-	(335,000)
Issue of Shares to acquire Calatos Pty Ltd	500,000	100,000
Issue of Shares to lead broker	3,500,000	700,000
Issue of Shares to lead broker deemed costs of the Offer	-	(700,000)
	27,750,000	4,515,000
Pro-forma Balance	30,750,000	4,518,000

	Audited 30-Jun-17	Pro forma after Offer
NOTE 9. RESERVES	\$	\$
Reserves	-	1,067,000
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Tao Commodities at 30 June 2017		-
<i>Pro-forma adjustments:</i>		
Issue of Options to Directors and former director		1,067,000
		1,067,000
Pro-forma Balance		1,067,000

This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

	Audited 30-Jun-17	Pro forma after Offer
NOTE 10. ACCUMULATED LOSSES	\$	\$
Accumulated losses	(96,087)	(1,307,124)
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Tao Commodities at 30 June 2017		(96,087)
<i>Subsequent events:</i>		
Accrual of directors' fees		(19,465)
		(19,465)
<i>Pro-forma adjustments:</i>		
Costs of the Offer to be expensed		(10,849)
Costs of the offer met through drawdowns of the GTT Loan Facility		(113,723)
Issue of Options to Directors		(1,067,000)
		(1,191,572)
Pro-forma Balance		(1,307,124)

NOTE 11: PROVISIONAL ACCOUNTING FOR THE ACQUISITION OF CALATOS

The Company has considered whether the transaction falls within the scope of *AASB 3 Business Combinations* and therefore is required to be accounted for as a business combination. A business combination involves an acquirer obtaining control of one or more business by transferring cash, incurring liabilities or issuing shares. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors. The Company does not consider that the transaction meets the definition of a business combination in accordance with *AASB 3 Business Combinations* as Calatos is not deemed to be a business for accounting purposes. Therefore, we have provisionally accounted for the transaction as an asset acquisition and under the guidance of Regulatory Guide 228 ('RG 228'), specifically RG 228.96 to RG 228.98, the transaction has been included in the pro forma historical Statement of Financial Position.

A summary of the acquisition details with respect to the acquisition of Calatos, as included in our Report, is set out below. These details have been determined for the purposes of the pro-forma adjustments as at 31 July 2017, however will require re-determination as at the successful acquisition date which may result in changes to the values set out below.

ASSET ACQUISITION		Fair value
		A\$
Purchase consideration comprises:		
Prepayment		15,000
Issue of 500,000 Shares		100,000
Cash payment		70,000
Total consideration		185,000
Net assets of Calatos to be acquired:		
Total assets		48,918
Total liabilities		(48,918)
Total net assets acquired		-
Fair value attributable to exploration assets		185,000

NOTE 12: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 13: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

SUPPLEMENTARY APPLICATION FORM

TAO COMMODITIES LTD

ACN 618 935 372

SUPPLEMENTARY PROSPECTUS

PUBLIC OFFER – APPLICATION FORM

Option A: Apply Online and Pay Electronically (Recommended)

Applicants who received this Offer from their broker must return their Application Form and Application Monies back to their broker

Broker Code

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Adviser Code

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Apply online:

- ✓ **Pay Electronically:** Applying online allows you to pay electronically, for Australian residents through BPay. Overseas applicants in permitted jurisdictions can also pay electronically through an electronic funds transfer.
- ✓ **Get in first, it's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **It's Secure and Confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your application has been successfully processed.



To apply online, simply scan the barcode to the right with your tablet or mobile device or you can enter the following link into your browser.

<https://investor.automic.com.au/taocommodities.html>

Option B: Standard Application and Pay by Cheque

Enter your details below, attach cheque and return in accordance with the instructions on the reverse.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

1. Number of Shares applied for

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Application payment (multiply box 1 by \$0.20 per share)

A\$									
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Applications under the Public Offer must be for a minimum of 10,000 Shares (A\$2,000.00), and thereafter in multiples of 1,000 Shares (A\$200.00)

2. Applicant name(s) and postal address - refer to naming standards for correct form of registrable title(s) (See overleaf)

Name of Applicant 1

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Name of Applicant 2 or <Account Designation>

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Name of Applicant 3 or <Account Designation>

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<Account Designation>

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Postal address

Number/Street

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Suburb/Town

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State

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Postcode

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3. Contact details

Telephone Number

()																	
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Contact Name (PLEASE PRINT)

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Email Address

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By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESS Holders Only – Holder Identification Number (HIN)

X																			
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Note: if the name and address details in sections 2 do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant 1

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Applicant #2

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Applicant #3

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If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

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CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

This is a Supplementary Prospectus intended to be read with the Second Replacement Prospectus dated 1 December 2017 issued by Tao Commodities Ltd.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

This is an Application Form for Ordinary Fully Paid Shares (**Shares**) in Tao Commodities Ltd (ACN 618 935 372) (**Company**), made under the terms set out in the Supplementary Prospectus dated 27 February 2018.

The Supplementary Prospectus contains important information relevant to your decision to invest and you should read the entire Supplementary Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Supplementary Prospectus.

1 Shares applied for - Enter the number of Shares you wish to apply. Your application must be for a minimum of 10,000 Shares (A\$2,000) and then in increments of 1,000 shares (A\$200). Enter the amount of the Application Monies. To calculate this amount, multiply the number of Shares applied for by the offer price which is A\$0.20.

2 Applicant name(s) and postal address - Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. You should refer to the table for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Enter your postal address for all correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released.

3 Contact Details - Please advise your contact details between 9:00am WST and 5:00pm WST should we need to speak to you about your application. You can notify any change to your communication preferences by visiting the registry website – www.automic.com.au

4 CHESS Holders - If you are sponsored by a stockbroker or other participant and you wish to hold shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.

5 TFN/ABN/Exemption - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

6 Payment - Unless received from their broker, Applicants under the Offer must lodge their Application Form and Application Monies with the Share Registry by 5.00pm (WST) on the Closing Date.

BPAY® your payment via internet or phone banking. Please visit our share registry's website: <https://investor.automic.com.au/taocommodities.html> and complete the online application form. All online applicants can BPAY their payments via internet or phone banking. A unique reference number will be quoted upon completion of the application. Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return any documents if you have made payment via BPAY.

Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid.

All cheques should be made payable to "Tao Commodities Ltd Application Account" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

Electronic Funds Transfer (EFT) is available for overseas applicants. Please email your completed Application Form and payment method request to hello@automic.com.au. The registry will then contact you with your unique payment reference number and will outline the procedure for making payment by EFT. Applicants should be aware of their financial institution's cut-off time. It is the Applicant's responsibility to ensure funds are submitted correctly by the Closing Date and time.

Applicants who received this Offer from their broker must return their Application Form and Application Monies back to their broker. Any cheque must be made payable to the broker.

LODGEMENT INSTRUCTIONS

There is no maximum value of Shares that may be applied for under the Offer. The Company may determine a person to be eligible to participate in the Offer.

The Offer opens at 9.00am (WST) on 27 February 2018 and is expected to close at 5.00pm (WST) on 27 March 2018. The Company may elect to extend the Offer or any part of it, may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

Completed Application Forms and cheques must be:

Posted to:
Tao Commodities Ltd
C/- Automic
PO Box 2226
STRAWBERRY HILLS NSW 2012

Delivered to:
Tao Commodities Ltd
C/- Automic
Level 3, 50 Holt Street
SURRY HILLS NSW 2010
Hand delivery between Sydney office hours only - 9am to 5pm (AEST)

**Enquiries in respect of this Share Application Form should be addressed to Automic at +61 2 9698 5414 or hello@automic.com.au.
Application Forms must be received no later than 5.00pm (WST) 27 March 2018**

Privacy Clause: Automic Pty Ltd (ACN 152 260 814) trading as Automic Registry Services (Automic) advises that Chapter 2C of the *Corporation Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au