



8 August 2018

Dear Shareholder

**Tao Commodities Limited – Pro-Rata Non-Renounceable Entitlements Issue of Options**

As announced on 7 August 2018, Tao Commodities Limited (ACN 618 935 372) (**TAO** or **the Company**) is undertaking a pro rata non-renounceable entitlements issue (**Options Issue** or **Offer**) of approximately 15,375,000 listed options (**Options**) at an issue price of \$0.01 each (**Issue Price**) to raise approximately \$153,750. The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 6 August 2018.

Each Option will be exercisable at \$0.20, on or before the expiry date of 1 September 2020.

The purpose of the Offer is to reward seed and initial public offer investors for their loyalty, having committed their capital at or before the Company's initial public offer. The Offer will also serve to help maintain Shareholder loyalty and Share ownership for any Shareholders who have purchased Shares since the Company's Shares commenced quotation on ASX. In addition, the Offer will raise up to \$153,750 (before costs of the Offer) and provide future exploration funds for the Company's projects.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 16 August 2018, whose registered address is in Australia or New Zealand.

Shares issued upon the exercise of the Options will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

A copy of the Prospectus is available on ASX's and TAO's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 15 August 2018. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of Options.

**Ineligible shareholders**

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of Options to which they would otherwise be entitled.

If you have any queries concerning the Offer, please contact your financial adviser or the Company +61 8 6380 2470.

Yours sincerely

Patrick Glovac  
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