

30 July 2018

QUARTERLY ACTIVITIES REPORT JUNE 2018

- **Mining Right grant paves way for commencement of drilling at the SPD Vanadium Project.**
 - Imminent start of drilling follows the notification of grant of the Mining Right for the SPD Project by the South African Department of Mineral Resources
 - Drill rigs engaged with Phase One drilling to start in August; SPD's historical 'foreign resource' expected to be converted to JORC Mineral Resource by October
 - Drilling will also test high-grade vanadium pipes to support a DSO operation, potentially generating early cashflow at low cost
- **Due Diligence completed with Completion of the Acquisition of a 73.95% stake in SPD Vanadium Project expected to occur in late August**
 - Following the grant of the Mining Right, formal due diligence on the SPD Vanadium Project is now complete
 - Acquisition of a 73.95% stake in the SPD Vanadium Project will occur following satisfaction of the remaining conditions precedent, including South African Reserve Bank approval and approval by Tando Shareholders (general meeting scheduled for 20 August)
- **Company retains cash reserves over \$4 million and is fully funded to complete Phase 1 and 2 drilling as well as associated studies**
 - Share split completed during the Quarter to facilitate trading in an orderly market with 4.62 shares issued for every 1 share held
- **SPD Vanadium Project is a globally significant project, now with DSO potential**
 - Located in a known vanadium producing region supported by excellent infrastructure
 - Historic drilling has delineated a resource of 513Mt at 0.78% V₂O₅ under the SAMREC Code (a "foreign resource" as defined in the ASX Listing Rules)
 - Grade profile is one of the highest of all ASX listed vanadium projects with numerous whole rock drill intersections >1% V₂O₅ and grade in concentrate averaging 2% V₂O₅ and 13% TiO₂
 - Exploration has also identified 12 vanadium pipes within a 3km radius of the existing vanadium deposit at SPD with high grade samples averaging 1.87% V₂O₅

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Mining Right granted at SPD Vanadium Project, enabling drilling to start in August

During the Quarter the Company carried out the formal due diligence process into the acquisition of a 73.95% stake in the SPD Vanadium Project. Following the grant of the Mining Right, this process is now complete and it is anticipated that the completion of the acquisition will occur in late August following satisfaction of the remaining conditions precedent, including South African Reserve Bank approval and approval by the Tando Shareholders (general meeting scheduled for 20 August).

Drilling contractors have been engaged and will commence mobilising shortly. Site preparations are already well advanced. Phase One of the drilling program will comprise 18 holes for 1,650m at the SPD deposit, where there is currently a resource of 513 million tonnes at a grade of 0.78% V_2O_5 defined under the SAMREC code. This resource is a "foreign resource" (as defined in the ASX Listing Rules) and is detailed below and in the ASX Announcement of 22 March 2018. The drilling is aimed at converting this "foreign resource" to a Mineral Resource estimate (MRE) as defined in the JORC Code. Tando expects the MRE will be published by October, 2018.

Phase One will also include the first holes to be drilled at the shallow, high-grade vanadium pipes which sit within a 3km radius of the SPD deposit. Tando has reported a host of high-grade vanadium assays from samples taken from the surface of these pipes with results consistently above 2% V_2O_5 (see below).

Following completion of the Phase One drilling program, Tando will move straight into Phase Two, which will be aimed at upgrading the maiden JORC Resource to an Indicated category (provided results are as anticipated). To achieve this goal Phase Two is currently designed to comprise 58 holes for 5,550m.

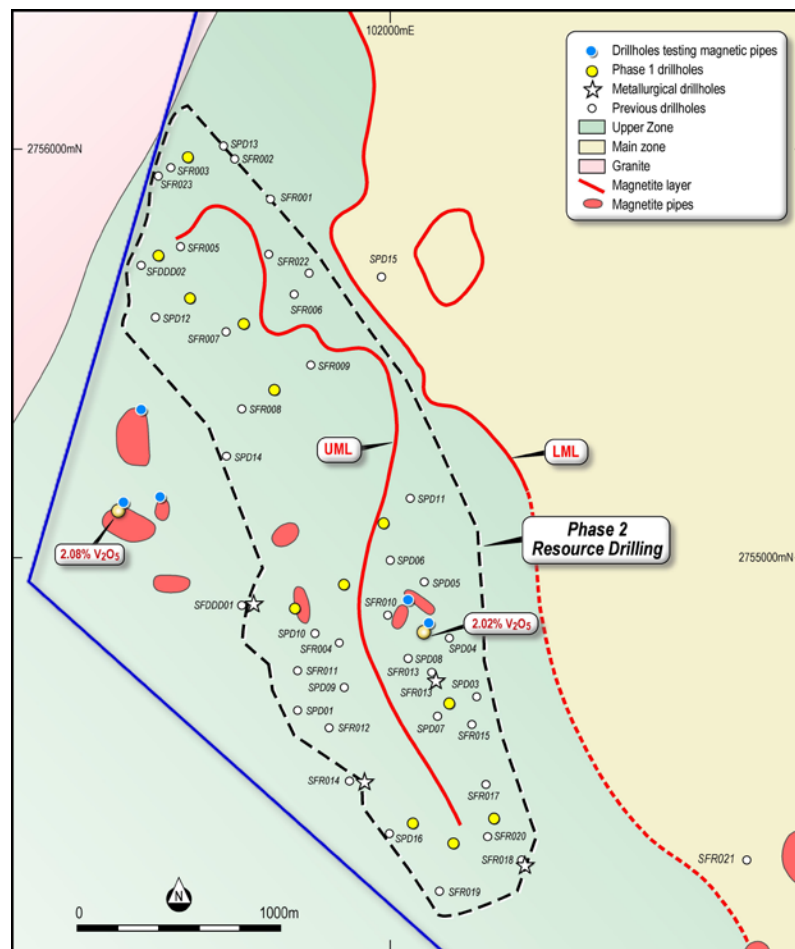


Figure 1. Phase 1 and Phase 2 drilling planned for the SPD Vanadium Project.



Exploration identifies high grade vanadium pipes, potential for near term DSO

Exploration at the SPD Vanadium Project focussed on drilling preparations and mapping and sampling of high grade vanadium pipes identified within the property. 12 vanadium pipes have now been identified with 20 samples submitted for analysis. These samples returned an average of 1.87% V_2O_5 with seven samples returned grades of more than 2% V_2O_5 (refer ASX Announcements 7 May 2018, 5 July 2018; Figure 2).

It should be emphasised that the results discussed here are **whole rock (or in situ) results, not concentrate grades**, and compare favourably to the already-high in-situ grade of the SPD Project (0.78% V_2O_5). These excellent results provide firm evidence of the potential for these pipes to underpin a low-cost, high-grade DSO operation with a short development timetable. Metallurgical results indicate that material from the magnetic pipes could represent a DSO material which, after a relatively simple concentration process, may be able to be sold to an end-user as feedstock for a downstream processing plant or processed cost-effectively using a different method (refer ASX Announcement 5 June 2018).

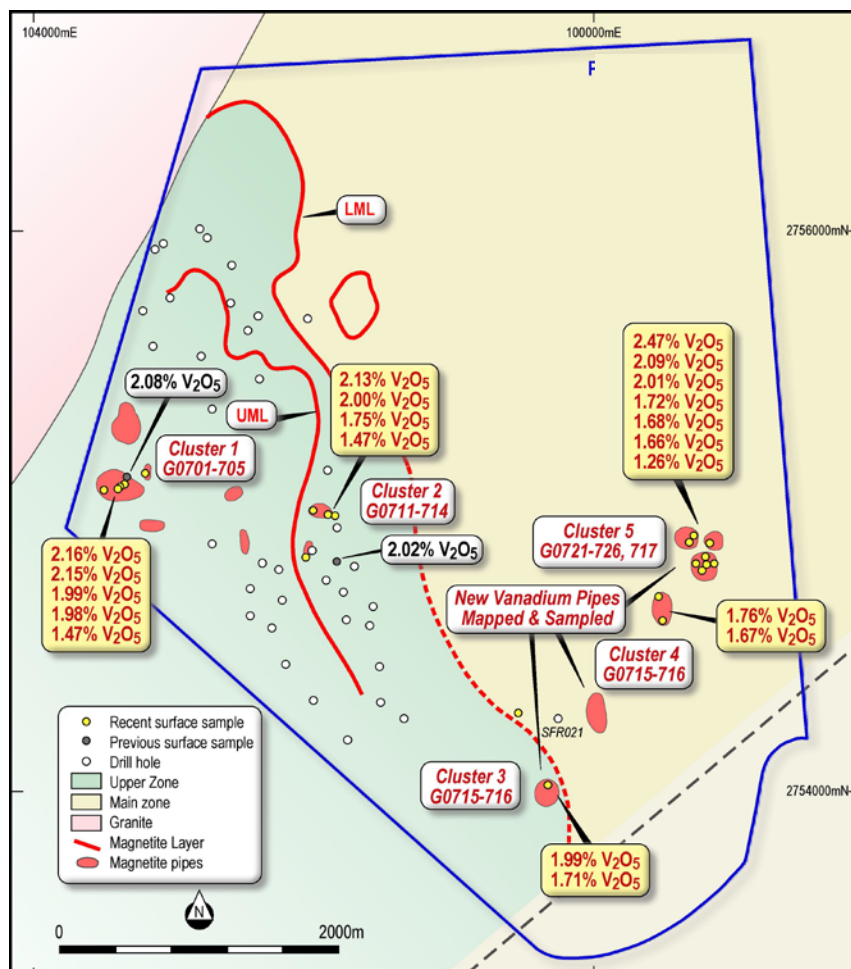


Figure 2. Plan showing location of surface samples and magnetite pipes at the SPD Vanadium Project along with historical drilling and geology.



Background on the SPD Vanadium Project

Global vanadium projects are summarised in Figure 3, demonstrating that the SPD Vanadium Project has the potential to be globally significant based on its tonnage and grade in concentrate. Currently approximately 85% of the world's vanadium is produced in China, Russia and South Africa, and with the SPD Project located in one of these producing regions there is potential for the Project to be fast tracked into production.

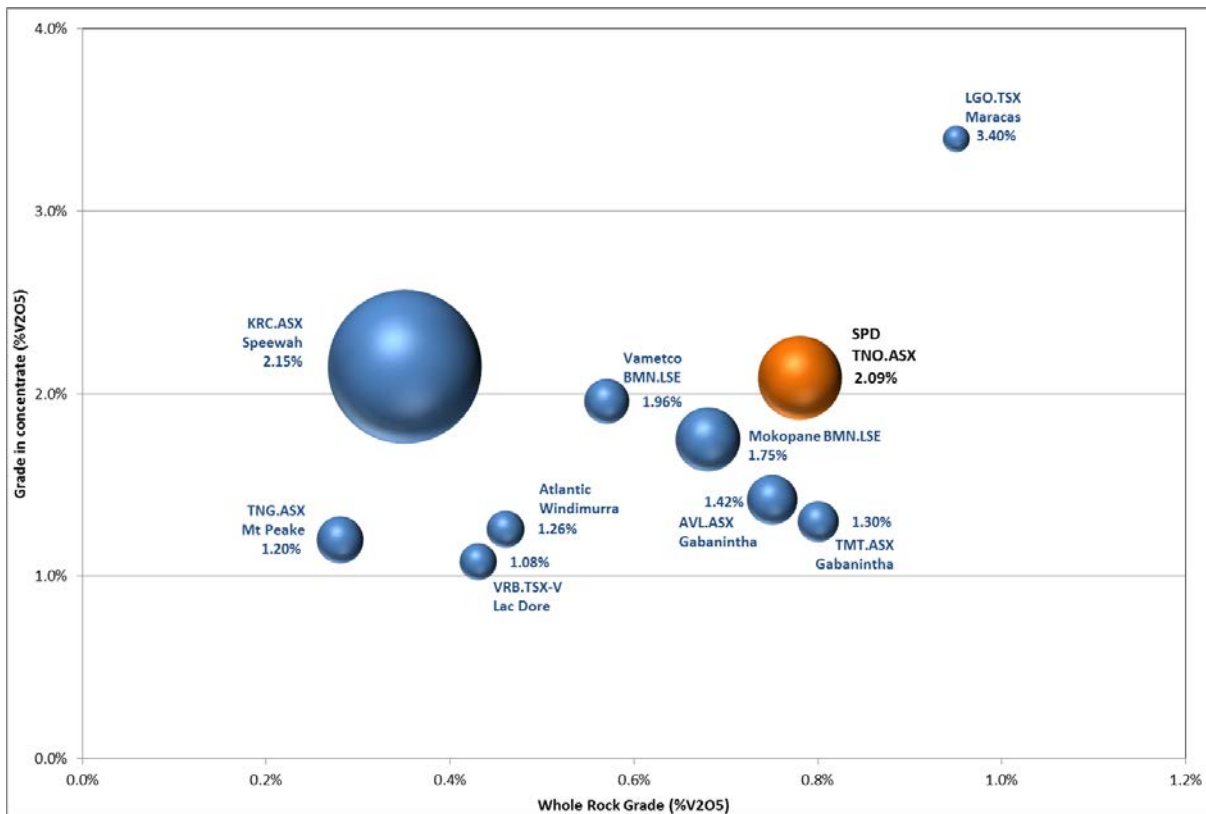


Figure 3. Global vanadium projects categorised by resource grade and grade in concentrate. Label states concentrate grade based on reported testwork. Bubble size denotes tonnage. Tonnes and grade based on reported total resources, due to different host exchanges these are reported under differing reporting regimes (JORC, 43-101 or SAMREC). Source: Company websites, ASX / TSX / LSE announcements.

The SPD Vanadium Project is located in a similar geological setting to the mining operations of Rhovan (Glencore), Vametco (Bushveld Minerals) and Mapochs (International Resources Ltd) in the Gauteng and Limpopo provinces of South Africa (Figure 4). Both the Rhovan and Vametco processing plants include refining to generate products used in the global steel making industry and aim to develop downstream processing to produce materials used in the battery market. The SPD Vanadium Project is located only 30km from the currently dormant Mapochs mine which has a processing plant and railway infrastructure with other critical infrastructure in the region including:

- High voltage power lines and sub stations operated by the state provider ESKOM,
- Water resources including the De Hoop Dam 15km south of the project,
- Rail links,
- Sealed roads around the project area,
- Mining service companies and support business in the immediate area,
- Skilled workforce within the local community and the region.

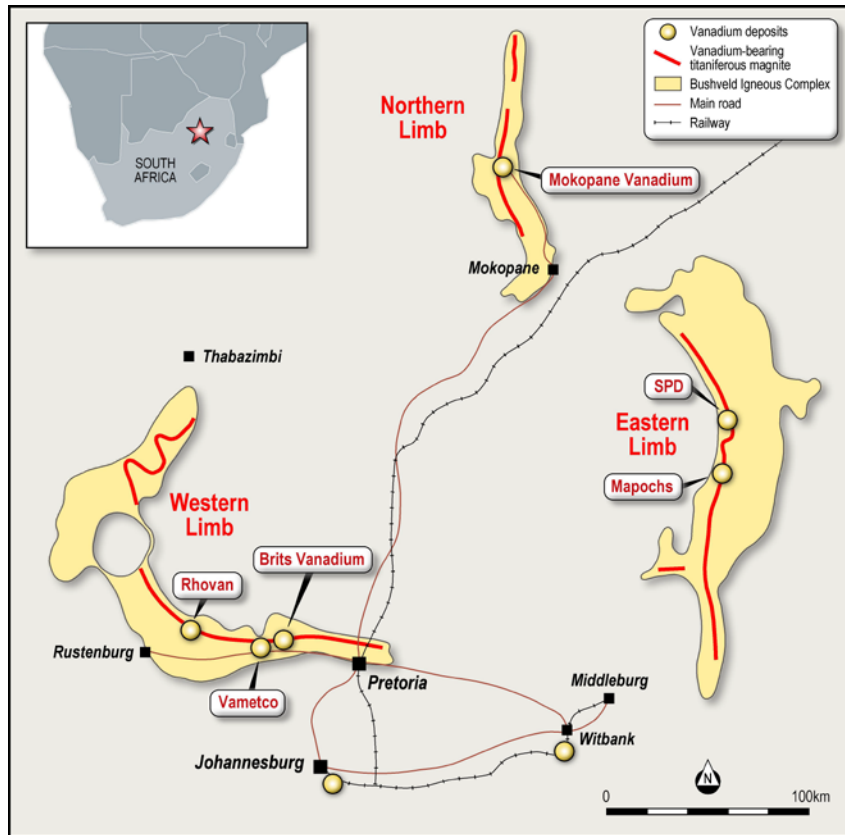


Figure 4 Location of the SPD Vanadium Project and other vanadium deposits in the Bushveld Igneous Complex.

Mineralisation at the SPD Vanadium Project is hosted in two magnetite layers (Figure 2) with drill intersections returning several results > 1% V₂O₅ near surface including:

- 9m at 1.34% V₂O₅ + 10.5% TiO₂ from 9m (SFR019)
- 13m at 1.13% V₂O₅ + 7.43% TiO₂ from 10m (SFR017)
- 14m at 1.08% V₂O₅ + 7.07% TiO₂ from 9m (SFR013)
- 20m at 0.96% V₂O₅ + 8.35% TiO₂ from 11m (SFR011)
- 15m at 0.92% V₂O₅ + 6.44% TiO₂ from 8m (SFR018)
- 12.2m at 0.90% V₂O₅ from 127.2m & 26.9m at 0.80% V₂O₅ from 43.1m (SFDD001)
- 44m at 0.66% V₂O₅ TiO₂ + 4.24% TiO₂ from 35m (SFR008)
- 34m at 0.65% V₂O₅ + 4.58% TiO₂ from 23m (SFR009)

(Refer ASX Announcement 22 March 2018)

Drill samples were passed through a Davis Tube to obtain a magnetic concentrate. Vanadium and titanium content in the concentrate is consistent, averaging 2% V₂O₅ and 13% TiO₂ (refer ASX Announcement 22 March 2018). The Company plans to complete a testwork programme to determine whether hydrometallurgical processes can extract high purity vanadium and titanium products, which are sought after for numerous uses including vanadium redox flow batteries, where demand is forecast to increase.



Based on historic drilling data, a resource of 513 million tonnes was delineated for the SPD Vanadium Project by GEMECS Pty Ltd. The resource for the SPD Vanadium Project as shown in Table 1 is estimated in accordance with the SAMREC Code (2007) and is therefore a “qualifying foreign resource estimate” as defined in the ASX Listing Rules (further detail in the ASX Announcement of 22 March 2018). The resource was classed as inferred under the SAMREC Code.

Table 1. *SPD Vanadium Project resource summary (classed as inferred under the SAMREC Code).*

Reef	Avge Thickness (m)	Tonnes (Mt)	Whole Rock V ₂ O ₅ %	Mt%	Magnetite Tonnes	V ₂ O ₅ % in Magnetite
Upper Layer	24	184.2	0.73	42.4	78.1	1.99
Lower Layer	22	329.1	0.81	41.6	136.0	2.20
Averages & Totals	23	513.3	0.78	41.9	215.0	2.09

Table 1 Notes: While this foreign resource is not reported in compliance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**), it is the Company’s opinion (and the opinion of the Competent Person for this document), that the data quality and validation criteria, as well as the resource methodology and check procedures, are reliable and consistent with criteria as defined by the JORC Code. All tabulated data has been rounded to one decimal place for tonnage and two decimal places for grades.

Bill Oliver, Managing Director of Tando, is acting as the Competent Person and has reviewed reports and data compiled and used in the resource estimation. Independent consultants GEMECS completed the estimation of the resource presented here and Beacon Rock supervised all sampling. The authors of the report on the 2010 exploration activities and resource estimate have confirmed that there are no material changes to the resource or underlying data since the date of the report (June 2010), and that the information presented in this announcement is consistent with the data it reported. The Competent Person has not yet completed sufficient review on the qualifying foreign resource estimate to classify it in accordance with the JORC Code at this time and consequently it is uncertain that, following evaluation and/or further exploration work that the qualifying foreign resource estimate will be able to be reported as a Mineral Resource in accordance with the JORC Code.

As detailed above the Company plans to carry out further assessment and due diligence on the Mineral Resource, and then to implement a drilling programme to verify the Mineral Resource and, provided results are consistent with previous drilling, aim to increase the confidence in the Mineral Resource.



Quartz Bore – High Grade Zinc Mineralisation in the Pilbara

The Quartz Bore is located in the Pilbara region of Western Australia, adjacent to Venturex Resources' Whim Creek Project. The Balla Balla Prospects were discovered via helicopterborne EM with some 11,193 metres of RC and DD drilling by previous explorers successfully delineating high grade zinc mineralisation (Figure 5).

Geostatistical review by the Company indicates a spacing of 80m by 20m is likely to be the optimum drill spacing to delineate a Mineral Resource (assuming results are consistent with historical intersections). The current drill spacing at the Balla Balla Prospect is 80m by 80m (approximately) and the Company is considering the best methodology to advance the project.

The Company completed a successful diamond drilling programmes at the Quartz Bore Project in Dec 2017 with intersections including a high grade copper zone (17m at 2.95 % Cu + 1.48% Zn incl. 7m at 6.44% Cu + 3.21% Zn incl. 2m at 14.3% Cu + 6.33% Zn, refer Figure 5 and ASX Announcement 21 February 2018).

In addition surveying of QBDD0002 detected a strong, coincident, DHEM and DHMMR anomalies interpreted to represent the extension of mineralisation intersected in historical drillhole BBD009 (which returned 15m at 5.92%Zn + 0.80% Cu, refer Figure 6 and ASX Release 3 November 2017). Drilling of DHEM and DHMMR anomalies at the adjacent Salt Creek deposit (owned by Venturex Resources (ASX.VXR)) intersected grades including 18.7m at 2.42% Cu and 9.85m at 8.76% Zn (ASX.VXR Release 12 January 2017).

The results from the downhole surveying of the Quartz Bore drillholes, and specifically the success of the DHMMR technique, led the Company to complete a successful surface MMR trial survey at the Balla Balla Prospect. The ability of the MMR survey at mapping the prospective horizon highlights the potential to identify further mineralised zones along the prospective horizon within the Mons Cupri Volcanics.

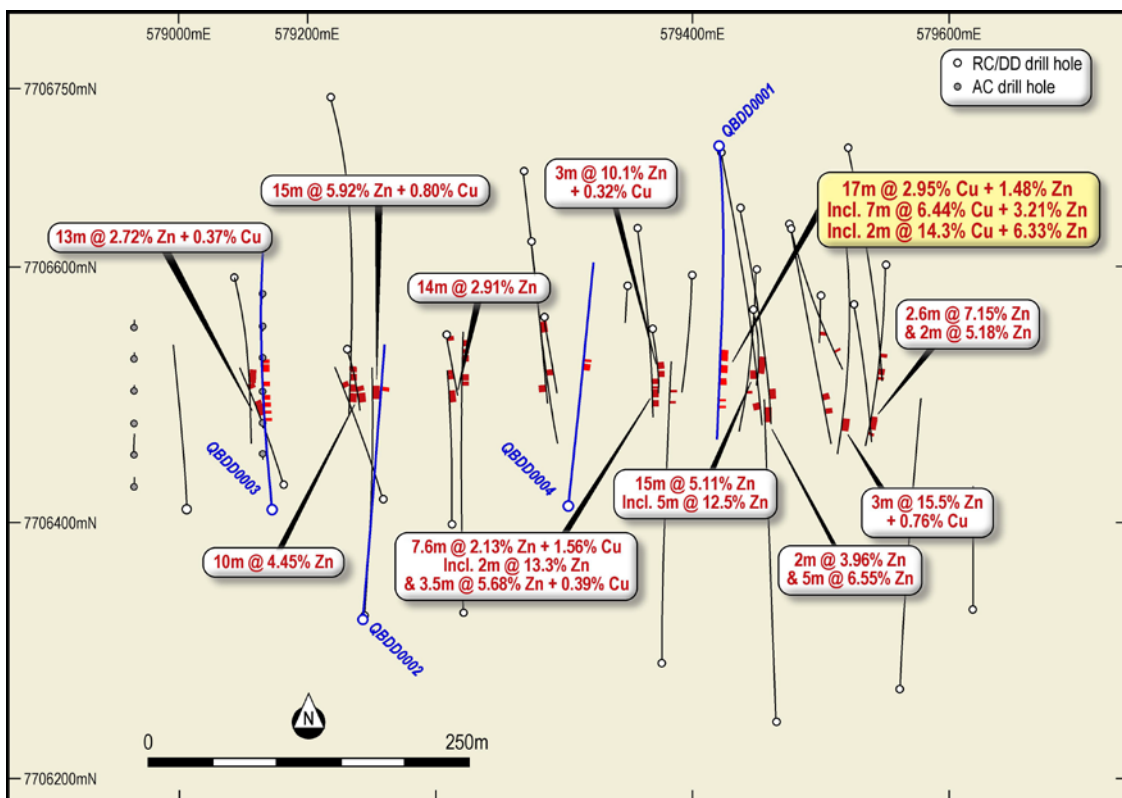


Figure 5. Plan showing drilling results (Tando and historical) at the Balla Balla Prospect.

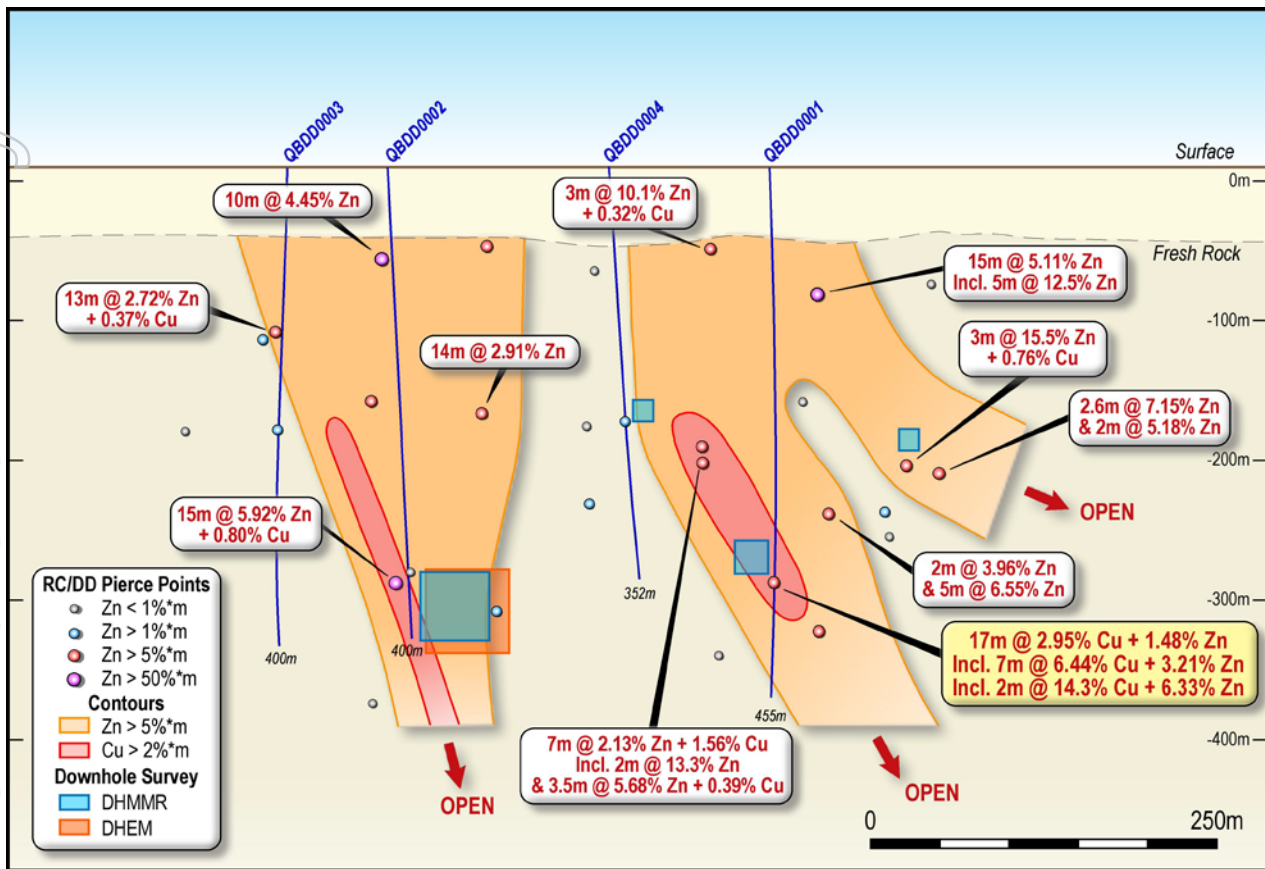


Figure 6. Long section showing results from Tando drilling and downhole geophysical surveys. Pierce points coloured by Zn grade * metres intersected.

Mt Sydney –Shallow EM anomalies along strike from known mineralisation

The Mt Sydney Project is 100% owned by the Company and is located adjacent to, and along strike from, Rumble Resources (ASX.RTR, "Rumble") Braeside Project (Figure 7).

In January Rumble announced results from its maiden drilling programme including a high grade zinc discovery at the Braeside Project (refer ASX.RTR Announcement 16 January 2018). Mineralised zinc-lead intersections reported include 4m at 9.64% Zn + 0.41% Pb from 32m, 2m at 3.08% Zn + 2.98% Pb from 60m and 3m at 2.19% Zn + 0.95% Pb from 49m. The reconnaissance nature of this drilling makes the presence of mineralisation very encouraging for regional base metal prospectivity and enhances the potential of the base metal targets within Tando's Mt Sydney Project.

Tando flew a VTEMmax survey over the Mt Sydney Project in December 2017 (refer ASX Announcement 18 January 2018). Careful examination of the electromagnetic data has delineated numerous conductors that correlate with important target structures interpreted to be part of the Braeside Fault Zone, as well as stratigraphic contacts of prospective volcanic lithologies. Most of the mapped structures in the area produced distinct early time EM responses and this is probably caused by preferential weathering over this structural features. More importantly, numerous stronger EM anomalies are also evident over strike limited portions of these significant structures which extend directly from Rumble Resources' Braeside Project further north. These conductors are considered high priority targets and warrant follow-up.

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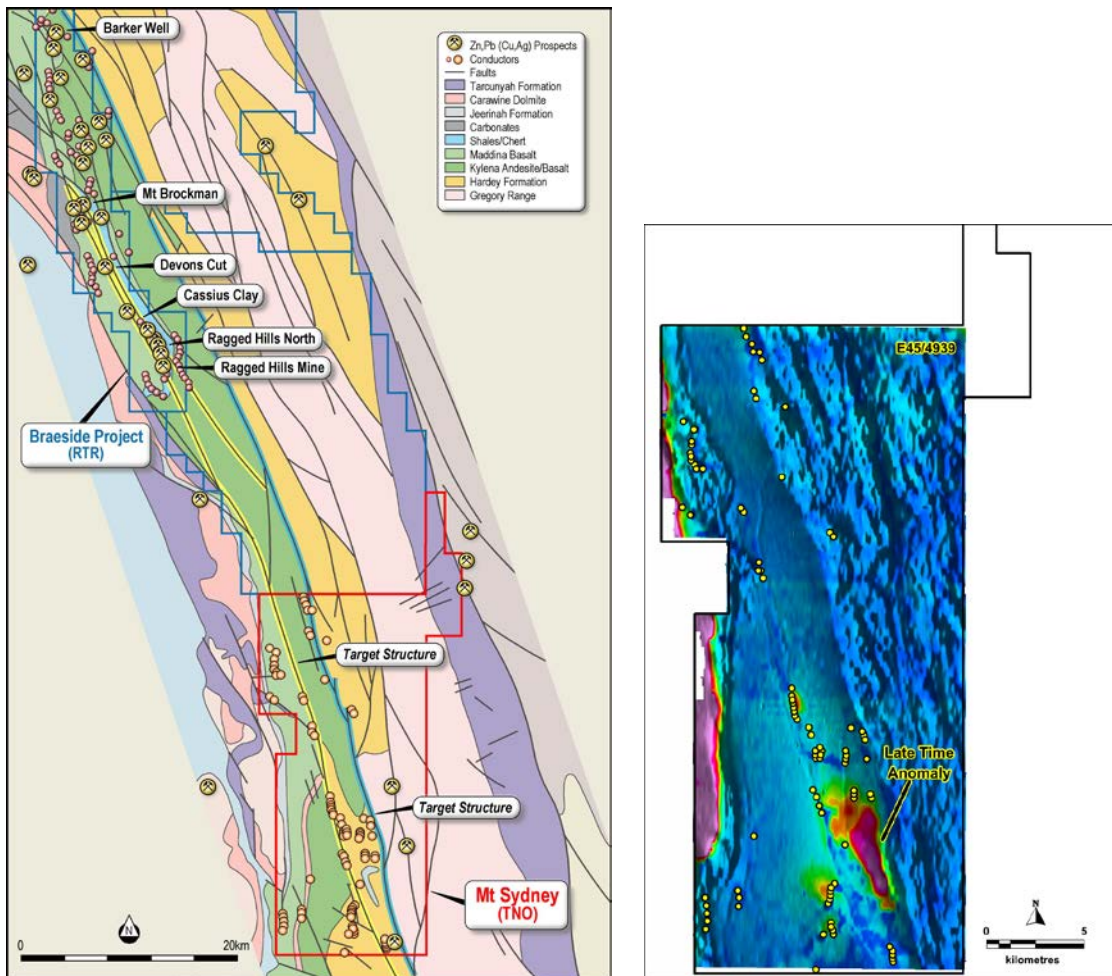


Figure 7. LH shows Tando's Mt Sydney Project and RTR's Braeside Project including conductors detected in each companies VTEM survey, key structures and underlying geology. RH shows final EM data from Tando's VTEMmax survey (Channel 28) over magnetic data from the survey

A total of seventeen targets have been identified from the interpretation from which nine are considered high priority. The main criterion for ranking the targets is based on the target strength, strike length and the correlation with prospective structures and lithological contacts. Additionally, a highly conductive, deep seated feature has been identified by the airborne EM survey. Interestingly this is coincident with a magnetic feature and has been interpreted as being a potential target for porphyry or other intrusion related mineralisation styles. Further geological information is required to assess this target.



Mt Vernon – Zn-Pb targets in same region as Abra Deposit

The Mt Vernon Project overlies sediments of the Edmund and Collier Groups adjacent to the regional scale Mt Vernon Fault in the Pilbara region of Western Australia. The Company has completed a detailed review of historical exploration at the project and identified geophysical and geochemical targets worthy of further inspection:

- Four airborne EM anomalies have been identified from a survey flown by BHP in 1997 and named MV_Geotem_01-04 (Figure 8)
- Surface geochemical surveys across the project area have identified discrete copper and zinc targets separated by the Mt Vernon Fault (Figure 9)

(refer ASX Announcement 15 March 2018)

E52/3560 lies wholly within the Nharnuwangga Wadjarri Ngarlawangga (**NWN**) Indigenous Land Use Agreement area and therefore access to the area of E52/3560 is not permitted until an agreement has been entered into with the NWN. The Company has received a draft heritage agreement from the legal representatives of the Jidi Jidi Aboriginal Corporation (JJAC), which is the registered native title body corporate for the NWN determination area and is reviewing this.

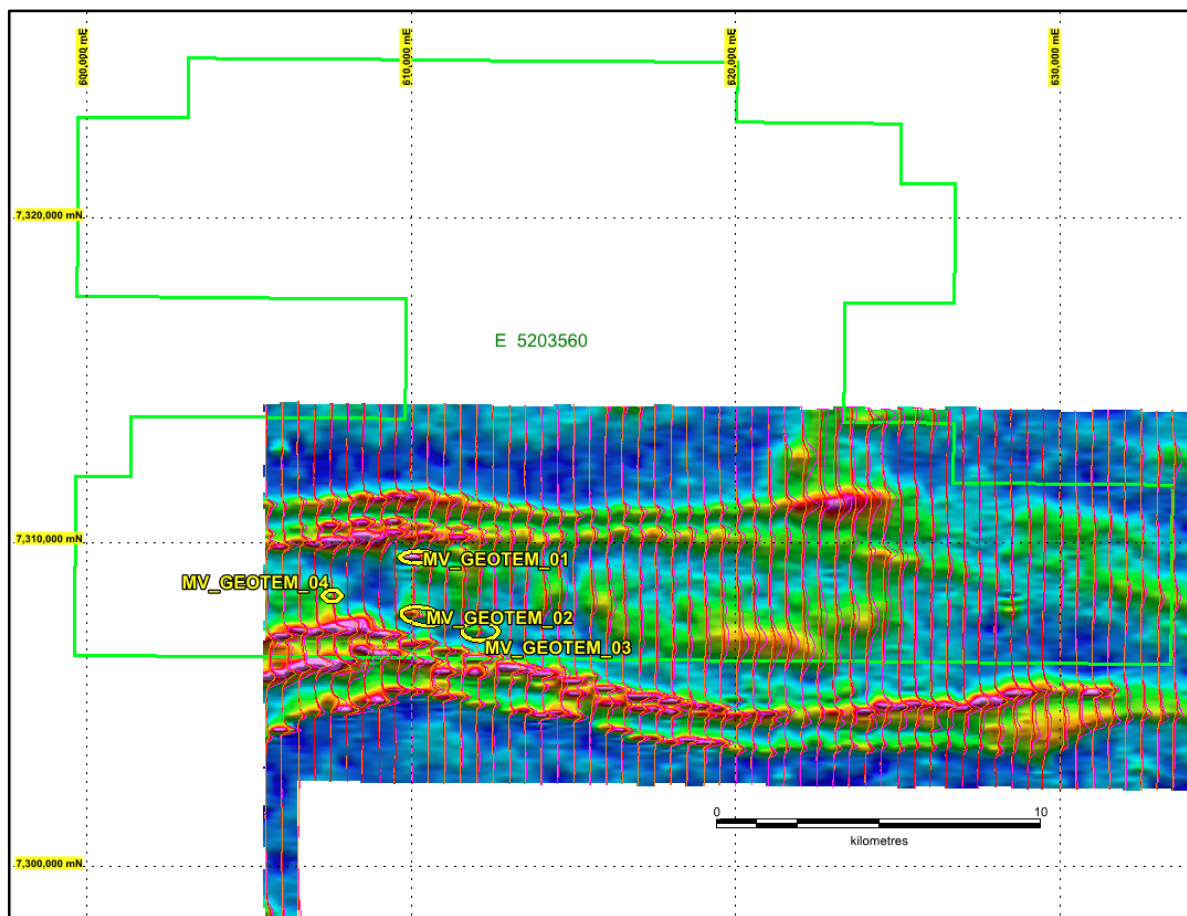


Figure 8. Image showing historical airborne EM data from the Mt Vernon Project (GEOTEM Ch20) along with detected anomalies (labelled GEOTEM_01 to GEOTEM_04).

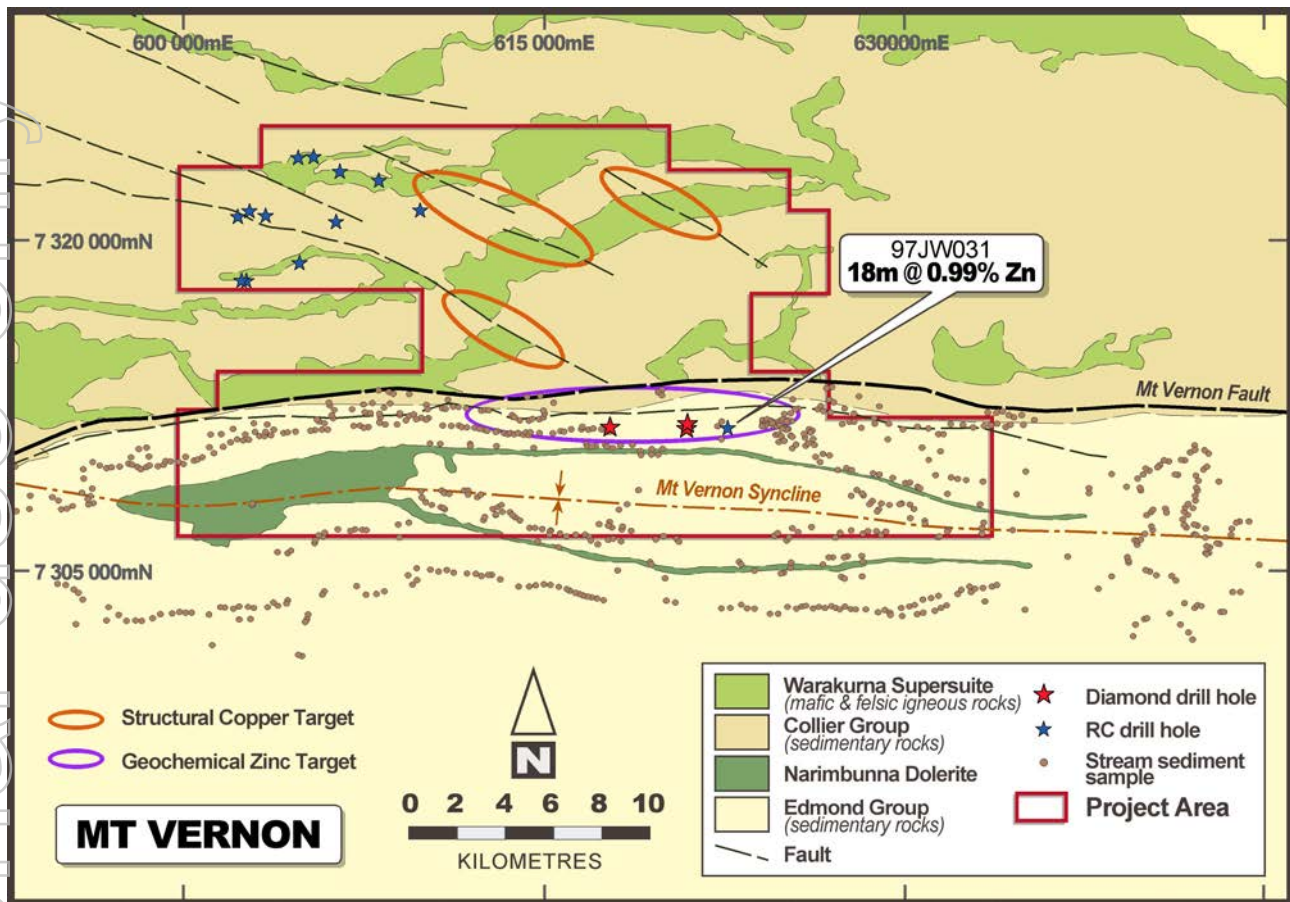


Figure 9. Image showing drillhole and stream sediment sample locations over geology.

Corporate

During the Quarter the Company completed a subdivision of issued capital ("Share Split") in the Company to facilitate trading in an orderly market. 4.62 shares were issued for every share held.

As at 30 June 2018, the Company has 158,629,129 fully paid ordinary shares on issue.

As at 30 June 2018, the Company had \$4.3 million cash on hand.

The Company will hold a general meeting of shareholders on 20 August 2018 relating to the acquisition of the SPD Vanadium Project.

For and on behalf of the board:

Mauro Piccini

Company Secretary



Competent Persons Statement

The information in this announcement that relates to Exploration Results complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**) and has been compiled and assessed under the supervision of Mr Bill Oliver, the Managing Director of Tando Resources Ltd. Mr Oliver is a Member of the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Oliver consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. The Exploration Results are based on standard industry practises for drilling, logging, sampling, assay methods including quality assurance and quality control measures as detailed in the Announcements referred to in the text.

Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Tando operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Tando's control.

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Tenement Table: ASX Listing Rule 5.3.3

Mining tenement interests held at the end of the quarter and their location

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER / APPLICANT	AREA IN km ²	PERMIT STATUS	PERMIT EXPIRY	INTEREST / CONTRACTUAL RIGHT
Pilbara Region, Western Australia						
Quartz Bore	E47/3352	VMS Resources Pty Ltd	15	Granted	21/12/2021	100%
Mt Sydney	E45/4939	Tando Resources Ltd	508	Application		100% on grant
Mt Vernon	E52/3560	Tando Resources Ltd	463	Granted	23/08/2022	100%
Meentheena	E45/4621	Geko-Co Pty Ltd	22	Granted	02/05/2021	0%, Option to acquire non fluorite rights not taken up

The mining tenement interests relinquished during the quarter and their location

Nil.

The mining tenement interests acquired during the quarter and their location

Nil.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

Not applicable.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

The Company did not take up its option to acquire the non fluorite rights over E45/4621.