

31 January 2018

QUARTERLY ACTIVITIES REPORT DECEMBER 2017

- **Maiden drill programme completed at the Quartz Bore Project:**
 - Thick zones of sulphide minerals (up to 25m) intersected in each of the four holes drilled with massive and semi-massive sulphides present.
 - Downhole surveys completed using DHEM and DHMMR techniques to detect potential extensions and off-hole targets.
 - Assay results anticipated during February.
- **Substantial number of EM anomalies detected in VTEM survey at Mt Sydney:**
 - Near surface anomalies similar to those detected at adjacent Braeside Project (owned by Rumble Resources). Key regional scale structures extend directly from Braeside Project into the Mt Sydney Project.
 - Rumble's maiden drill programme at Braeside intersected mineralisation including a high grade zinc discovery. Clear analogy exists at Mt Sydney.
 - In addition a compelling large scale target defined by broad coincident EM and magnetic anomaly, interpreted to represent a deeper intrusive body.
 - Drill targets to be delineated by detailed geological mapping and geochemical surveys during 2018 field season.
- **Compilation of historical geochemical and geophysical surveys at Mt Vernon Project ongoing:**
 - Mt Vernon close to Galena Mining's Abra Deposit and hosted in similar geological setting.
 - A number of targets defined in historical exploration, current compilation will enable these to be evaluated and ranked.
- **Option acquired over tenement prospective for conglomerate-hosted gold in the Pilbara region of Western Australia.**
 - E45/4621 contains outcropping Mt Roe Basalts with conglomerate units observed within the tenement area.
 - Adds to the Company's existing portfolio which includes a substantial strike length of Hardey Formation underlying the Mt Sydney Project.

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Quartz Bore – Maiden Drilling Programme Completed

During the Quarter a total of 4 holes for 1595.7m were completed at the Quartz Bore Project as shown on Figures 1 and 2. Drilling aimed to validate mineralisation intersected in historic drilling and delineate potential extensions for future drilling. Results from historical drilling at Quartz Bore include:

- 15m @ 5.92% Zn, 0.80% Cu and 1.45% Pb (BBD009)
 - including 6m @ 7.34% Zn
- 15m @ 5.11% Zn, 0.12% Cu and 1.89% Pb (BBRC007)
 - including 5m @ 12.5% Zn
- 3m @ 15.5% Zn, 0.76% Cu and 4.90% Pb (BBD003)
- 7.6m @ 4.86% Zn, 2.13% Cu and 1.56% Pb (BBD002)
 - including 2m @ 13.71% Zn
- 10m @ 4.45% Zn, 0.22% Cu and 2.54% Pb (BBRC005)
 - including 2m @ 9.74% Zn

(Refer ASX Announcement 3 November 2017)

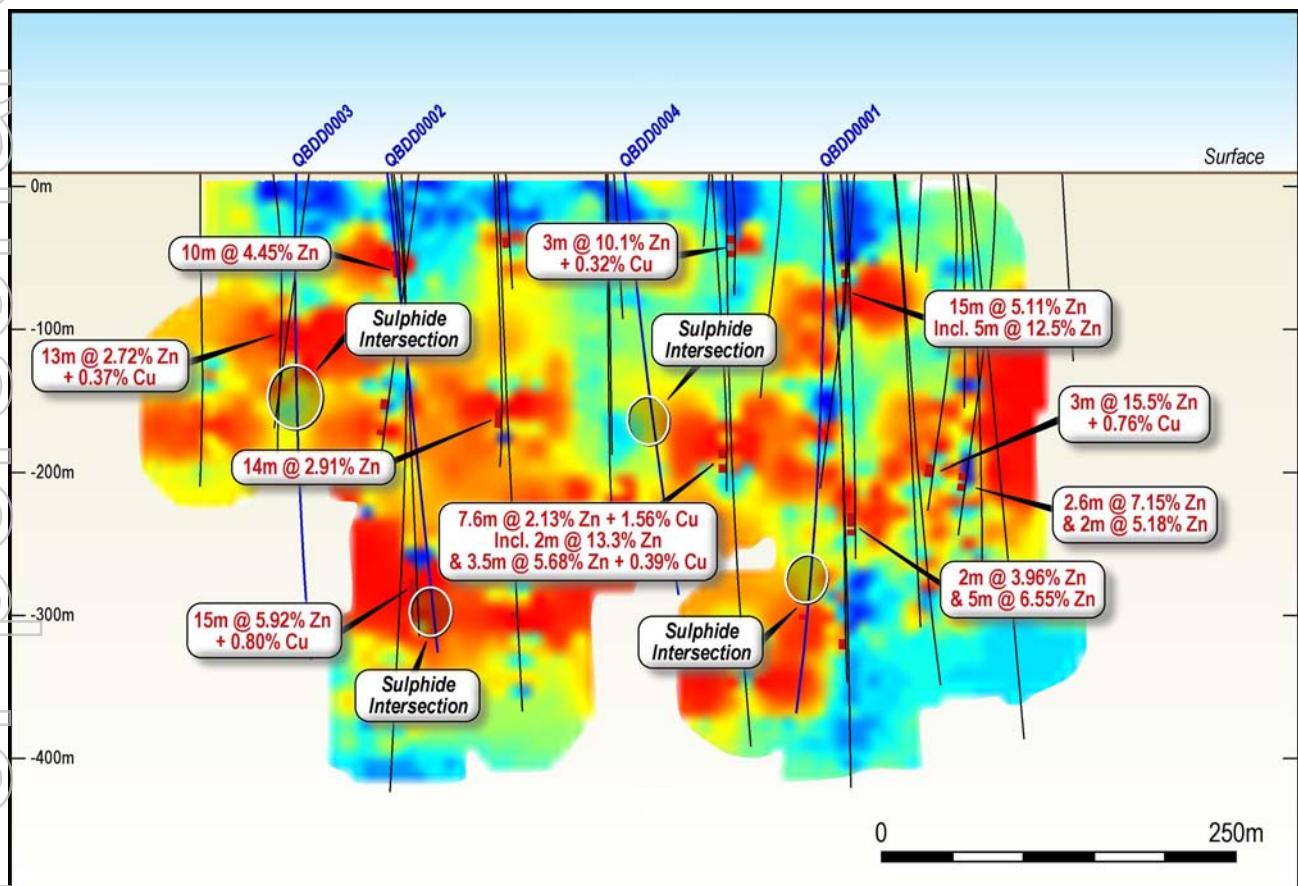


Figure 1. Long Section through the Balla Balla Prospect showing Tando's 2017 drilling. Historical drilling results shown are detailed in the ASX Announcement of 3 November 2017. Base image is a gridded image of %S returned in historical assays.

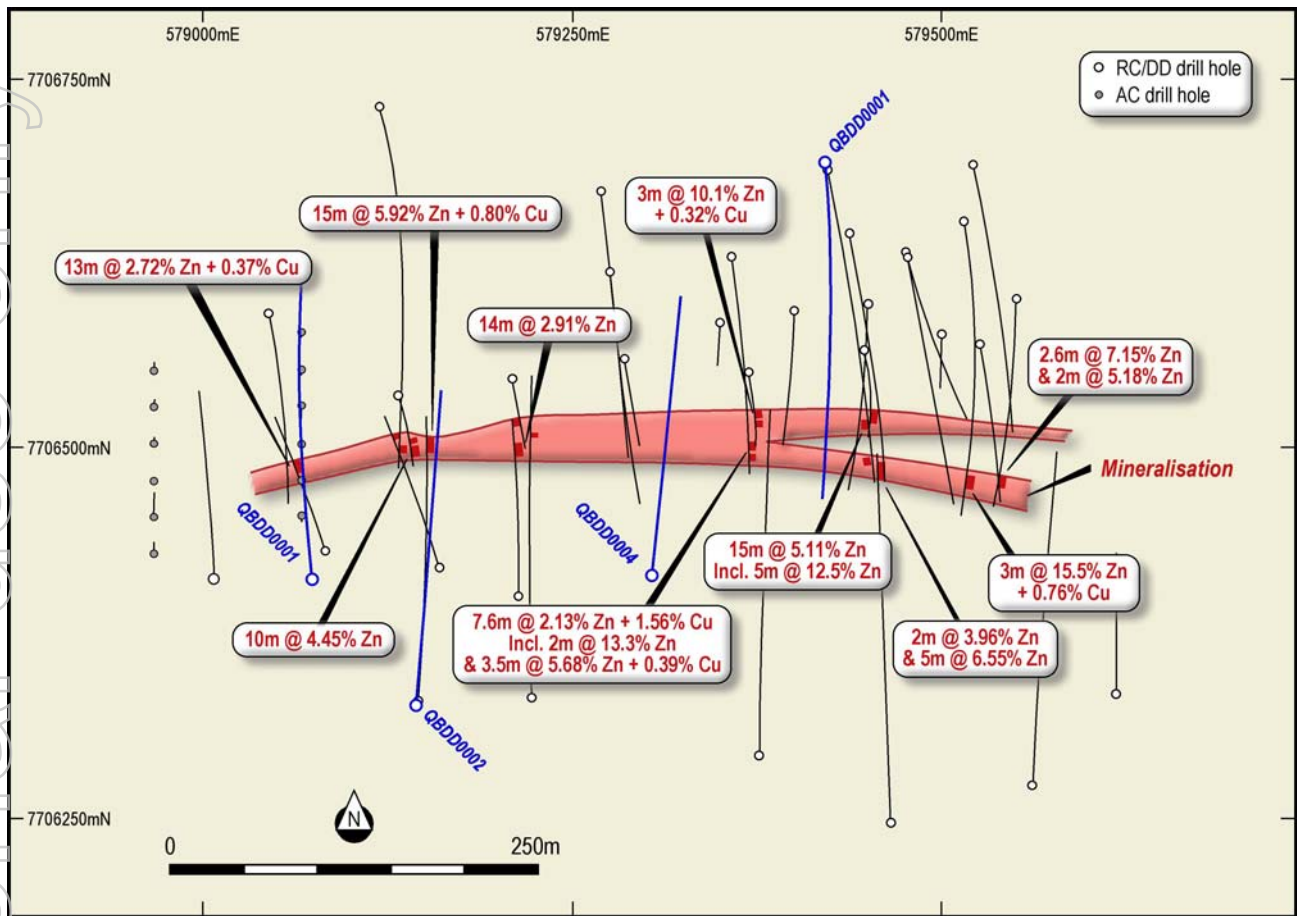


Figure 2. Plan showing Tando's 2017 drilling along with historical drilling and intersections.

Encouragingly zones of sulphide mineralisation were intersected in all holes, with cumulative downhole thicknesses ranging from 15m (QBDD0001) to 25m (QBDD0004). These intervals are delineated on the basis of containing greater than 5% sulphide minerals over the interval and include bands of disseminated, semi-massive and massive sulphides. Minerals observed including sphalerite, chalcopyrite, and galena along with pyrite. Examples of the sulphide mineralisation intersected are shown in Figure 3.

To aid the latter goal all holes have been surveyed using both DHEM and DHMMR techniques. These methods have been successfully employed by the Company's consultants Southern Geoscience to detect extensions to zinc-copper mineralisation at the adjacent Salt Creek Deposit, owned by Venturex Resources (refer VXR's ASX Announcement 31 May 2017).

Results from the geophysical surveys are awaited with the findings to be interpreted in conjunction with assay data to define targets for follow up drilling.



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Figure 3. Images of sulphide minerals in drill core from QBDD0001 (LHS, approximately 342m downhole) and QBDD0004 (RHS, approximately 206m downhole).

Quartz Bore – Regional

In parallel with the drilling programme a number of rockchip samples were taken across the Quartz Bore Project as part of a review of the project area. There is limited outcrop at Quartz Bore (Figure 4) and a total of 5 samples were taken with results shown in Table 1 and supporting information in Appendix 1. Two samples were taken from the gossan at the East Balla Prospect to confirm historical results with assays returning 12.2%Cu + 3.61% Zn + 12.55g/t gold (17RK004) and 1.01% Zn + 1.12% Pb (17RK003). Historical drilling at the East Balla Prospect returned a significant intersection of 0.8m at 17.2%Cu + 2.30%Zn in EBD001 (refer ASX Announcement 3 November 2017). Drilling to date has failed to identify extensions to the East Balla mineralised system however no ground based EM and MMR surveys were completed at the Quartz Bore Project, with targets primarily generated from an airborne VTEM survey. A trial ground MMR survey was completed by the Company at the Balla Balla Prospect and, if successful, further surveys may be undertaken at East and West Balla to refine targets in these areas.

Table 1. Rockchip Results from the Quartz Bore Project (refer Appendix 1 for further information)

Sample ID	East	North	Au (g/t)	Ag (g/t)	Cu (ppm)	Pb (ppm)	Zn (ppm)
17RK001	575386	7706119	0.003	0.03	9.5	0.7	8
17RK002	579305	7706333	0.003	0.06	11	58.1	87
17RK003	580597	7706581	0.014	0.61	903	11200	10050
17RK004	580615	7706603	12.55	70	12200	5870	36100
17RK006	582913	7705982	0.002	0.11	20.6	100	100



Figure 4. View across the Quartz Bore Project.

Mt Sydney – Airborne EM survey identifies shallow anomalies

During the quarter the Company completed a VTEM_{max} survey at its 100% owned Mt Sydney Project (E45/4939). The Mt Sydney Project is located adjacent to, and along strike from, Rumble Resources (ASX.RTR, “**Rumble**”) Braeside Project. The VTEM_{max} survey comprised approximately 1,300 line kilometres flown in an east-west orientation by Geotech Australia, at a 400m line spacing.

Subsequent to the end of the quarter the Company received preliminary data from the survey. Initial processing of the data has detected a substantial number of near surface EM anomalies aligned along major regional structures within the Mt Sydney Project (Figure 5 and 6). These structures extend directly from the Braeside Project and represent the key targets for base metal mineralisation. EM anomalies lying on these structures are therefore highly prospective.

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.



In September 2017 Rumble completed a VTEM_{max} survey at the Braeside Project which highlighted a multitude of conductors associated with the identified regional base metal trends (refer ASX.RTR Announcement 4 September 2017). Mineralisation has been intersected in drilling at the Barker Well, Cassius Clay, Ragged Hills North and Mt Brockman Prospects, prospects where VTEM anomalies were detected.

In addition a broad coincident magnetic and EM anomaly has been detected in the south of the Mt Sydney project area (Figure 6). While further processing and geological information is required to refine this target it appears to be a deeper-intrusive, larger body. Rumble has stated that the Braeside drill results supported a porphyry related base metal deposit style model and the magnetic and EM anomaly observed at Mt Sydney could be consistent with a target of this nature, or other intrusion related mineralisation styles.

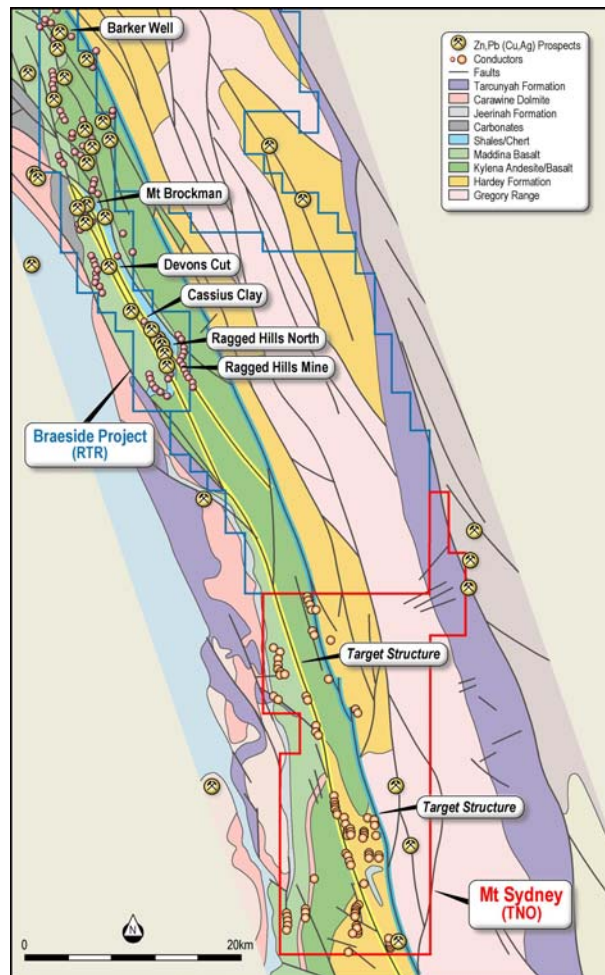


Figure 5. Plan showing Tando's Mt Sydney Project and RTR's Braeside Project including conductors detected in each companies VTEM survey, key structures and underlying geology.

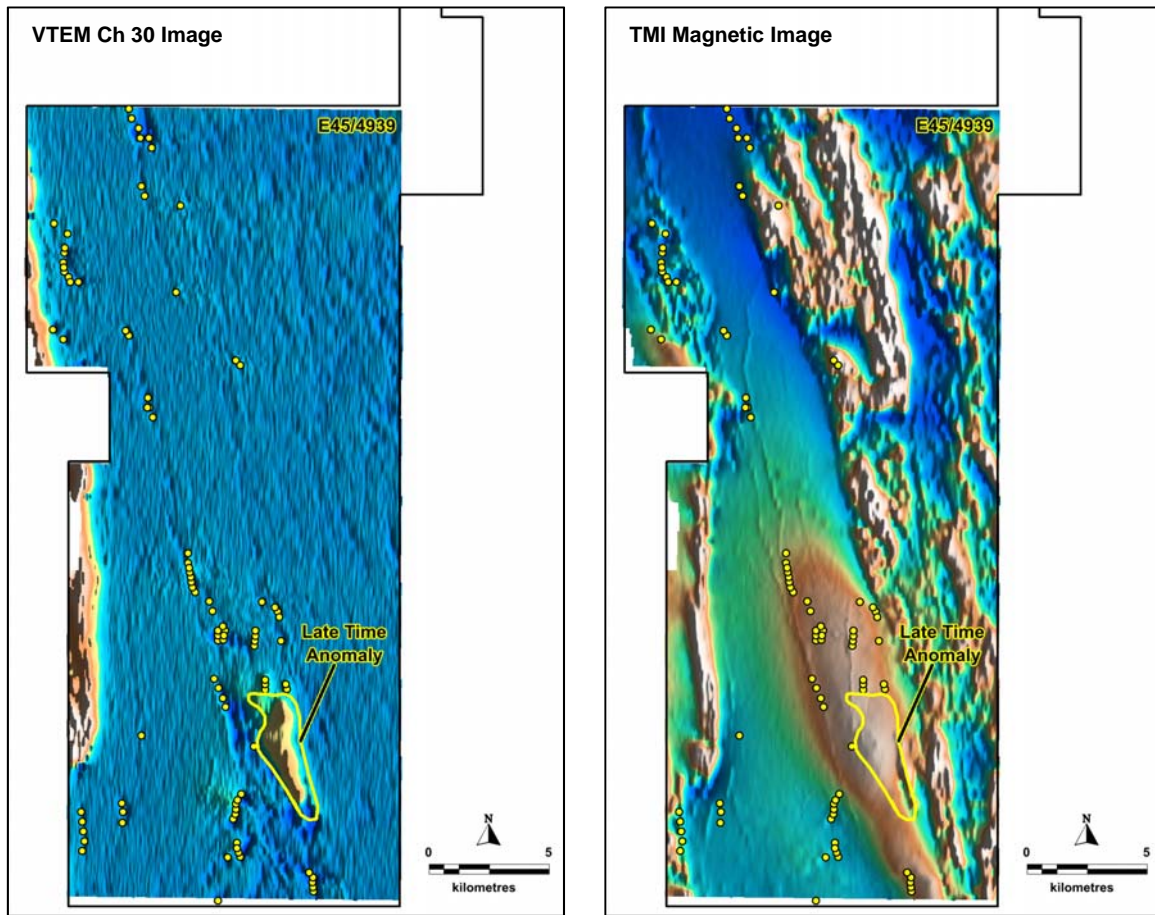


Figure 6. Preliminary images from VTEMmax survey. LH image shows late time (Channel 30) image with interpreted anomalies and RH image shows magnetic data from survey (TMI).

Mt Vernon – Review of historical exploration nearing completion

Previous exploration in the area of the Mt Vernon Project was completed by Westfield Minerals, Aberfoyle Resources, BHP Minerals, CRA Exploration, Rio Tinto Exploration, Geotech International, Independence Group and Pioneer Resources.

Historical explorers have identified targets related to both sediment-hosted zinc-lead and structurally controlled copper mineralisation in the area of the Mt Vernon tenement, in similar settings to the Abra Base Metals Deposit (owned by Galena Mining (ASX.G1A)) and Newman Base Metals Project (owned by Marindi Metals (ASX.MZN)).

Tando is currently completing a comprehensive data compilation and validation of historical exploration activities at the Mt Vernon project which includes a number of historical geochemical and geophysical surveys including drainage, soil and rock sampling; radiometric, gravity and IP surveys; and RC and diamond drilling. Provided the source data supports the historical targets Tando will then evaluate and rank each target then design work programmes to advance the most prospective.



Option acquired over East Pilbara tenement prospective for gold

Recent activity in the Pilbara region has focussed on conglomerate-hosted gold mineralisation as well as other gold mineralisation. While the Company's focus is on its advanced and prospective zinc targets it is worth noting that the Company's tenements are within, or adjacent, to areas of interest for gold mineralisation.

During the quarter the Company acquired an option over E45/4621 located in the Pilbara region of Western Australia. E45/4621 is located to the east of Marble Bar, with other operators in the belt including Novo Resources Corporation ("**Novo**"), Haoma Mining NL, Impact Minerals and DGO Gold (Figure 7).

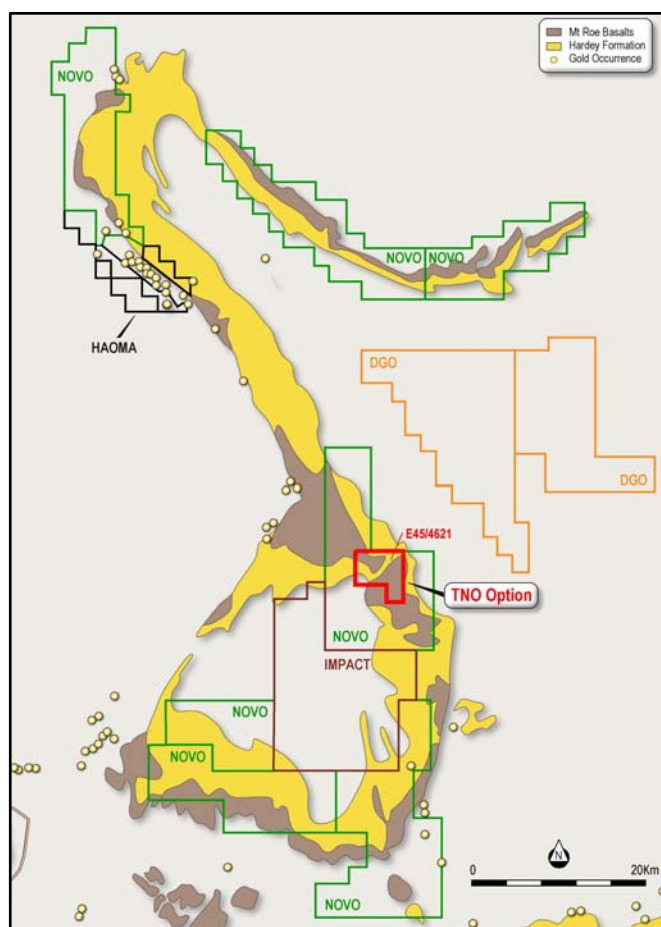


Figure 7. Plan showing regional setting of E45/4621 and other operators in the area.

Within E45/4621 rocks of the Mt Roe Sequence have been observed including basalt, rhyolite, conglomerate and limestone. The conglomerate unit is recorded as being matrix supported with cobbles and pebbles to 20cm in diameter. The matrix is angular to rounded sand sized quartz, feldspar and trace pyrite with the lithology of the pebbles/cobbles being basalt, granite, shale and quartzite. A PhD study completed across the tenement area by M.P. Alvin in 1998 and reviewed by the vendor suggested that the observed conglomerate may be the basal conglomerate at the bottom of the Mount Roe Sequence but did not provide further evidence for this claim. The basal conglomerate of the Mount Roe Sequence is the host for mineralisation at Purdy's Reward (owned by Novo and Artemis Resources).



Reprocessing of geophysical data during the quarter identified a number of targets for conglomerate-hosted gold mineralisation at the Mt Sydney Project. The Mt Sydney Project is underlain by a substantial strike length of the Hardey Formation, a sedimentary unit near the base of the Fortescue Group which contains a number of conglomerate beds and is the host for mineralisation at the Beatons Creek Deposit owned by Novo. Within the Mt Sydney Project much of the Hardey Formation is covered by recent sand cover. The conglomerate units in the Pilbara are associated with radiometric anomalies due to the presence of uranium in these systems and other operators in the Pilbara such as Segue Resources and Elysium Metals have reported nugget gold discoveries associated with radiometric anomalies (ASX.SEG ASX Announcement 6 November 2017 and ASX.EYM ASX Announcement 22 November 2017). Reprocessing of radiometric data, including decorrugation to remove the effects of surficial dunes, has resulted in the identification of a number of anomalies which will be investigated in the field but likely require testing by drilling (Figure 8).

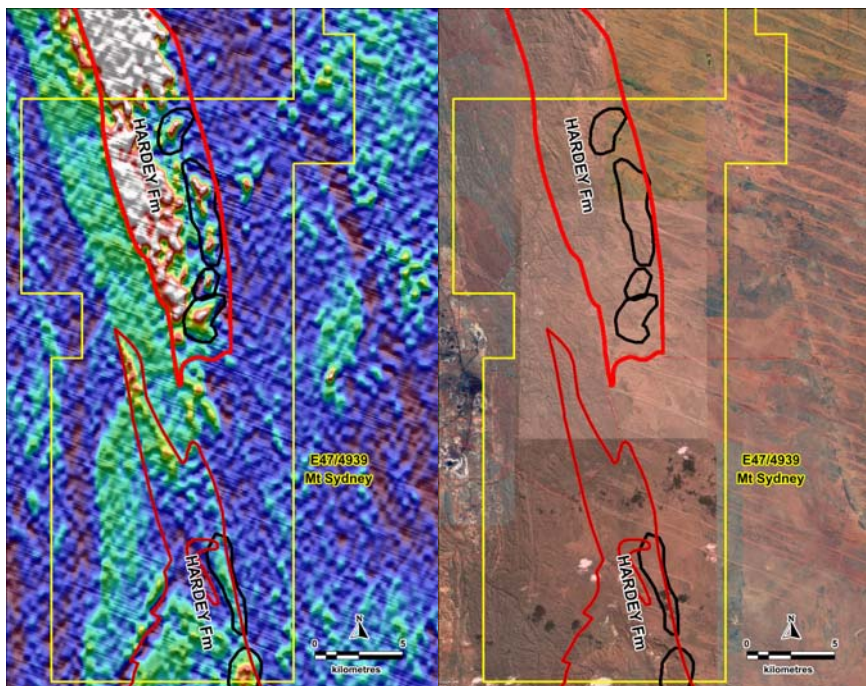


Figure 8. Image showing decorrugated uranium anomalies over Mt Sydney (LHS) and satellite image (RHS).

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 Appendix 1.

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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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APPENDIX 1.

The following Tables are provided to ensure compliance with the JORC Code (2012 Edition) requirements for the reporting of Exploration Results at the Quartz Bore Project.

Section 1: Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Rock Chip sampling was carried out at geologist's discretion by a suitably qualified geologist.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Sampling was taken to test geological features therefore may not be representative of mineralisation at the project.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	Industry standard practise in early stage exploration.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc).</i>	No drilling activities are being reported.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling activities are being reported.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No drilling activities are being reported.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No drilling activities are being reported.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	No drilling activities are being reported.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	No drilling activities are being reported.
	<i>The total length and percentage of the relevant intersections logged.</i>	No drilling activities are being reported.



Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling activities are being reported.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	No drilling activities are being reported.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Standard lab preparation and sub sampling techniques used.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Appropriate protocols used for reconnaissance sampling.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	No measures taken as reconnaissance sampling only.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample size believed acceptable.
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<p>Rock chip samples were analysed by ALS Laboratory in Perth (a quality certified laboratory).</p> <p>Two sub samples were analysed, the first prepared using multi acid digestion and analysed for a suite of elements by ICP-AES and ICP-MS (ALS method ME-MS61). The second was analysed by ICP for Au.</p> <p>No QA/QC samples were added which is not unusual for first pass / reconnaissance exploration.</p> <p>These assay methods are appropriate for the metals being investigated.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No assay data is being reported.
	<i>The use of twinned holes.</i>	No drilling activities are being reported.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All primary data held by the company – locations and geological observations recorded on site in spreadsheet, assay data held directly.
	<i>Discuss any adjustment to assay data.</i>	Cu, Pb and Zn results > 10,000ppm were reported as %.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Sample points were located using a handheld GPS (+/- 5m accuracy).
	<i>Specification of the grid system used.</i>	The grid system is Map Grid of Australia GDA 94, Zone 50.
	<i>Quality and adequacy of topographic control.</i>	Open file data used, adequate for this purpose.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	No regular spacing utilised as reconnaissance sampling.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Samples not appropriate for use in a Mineral Resource.



Criteria	JORC Code explanation	Commentary
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Sampling is not unbiased.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Samples are grab samples, not oriented.
Sample security	<i>The measures taken to ensure sample security.</i>	All samples were freighted directly to the laboratory from Karratha by a haulage contractor.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No independent audits have been undertaken.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Quartz Bore Project comprises a single granted Exploration Licence, namely E47/3352 covering a land area of 15 km ² . Tando owns 100% of the tenement holder, VMS Resources Ltd. The tenement is within land where native title has been determined. The traditional owners of the land are the Ngarluma People. A Heritage Agreement has been signed with the Ngarluma Aboriginal Corporation to manage access.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The tenement is in good standing.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The Project has previously been explored for volcanic massive sulphide deposits by a number of companies. Work has ranged from early stage soil sampling to auger and diamond drilling.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Quartz Bore Project is located within the Archaean Whim Creek Basin, a sequence of intermediate to felsic volcanic, volcanoclastic and sediments. Tando is exploring for volcanogenic massive sulphide (VMS) deposits. Massive sulphide and stringer sulphide mineralisation has been deposited at the top of the Cistern Formation which comprises a thick sequence of volcanogenic siltstone, sandstone and conglomerate with minor shale units.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> 	No drilling is being reported.



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> dip and azimuth of the hole down hole length and interception depth hole length. 	
	<p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p>	No aggregation has been carried out.
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	No metal equivalent values are being used.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	No drilling widths are presented so not relevant.
Diagrams	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	Refer to Figures in body of text.
Balanced reporting	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	All results are tabulated and shown on figures in this announcement.
Other substantive exploration data	<p>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</p>	All relevant exploration data is shown on figures, in text and in previous announcements by the Company.
Further work	<p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	<p>A follow up exploration work program is being designed and is outlined in the announcement.</p> <p>All relevant diagrams and inferences have been illustrated in this report.</p>