

18 January 2018

COMPELLING TARGETS DEFINED BY VTEM SURVEY AT MT SYDNEY

- **Substantial number of near surface EM anomalies detected in airborne survey at 100% owned Mt Sydney Project.**
- **Clear analogy with adjacent Braeside Project (owned by Rumble Resources) where the maiden drilling programme included a high grade zinc discovery.**
- **Key regional scale structures extend directly from Braeside Project into the Mt Sydney Project. EM anomalies are clustered along these structures.**
- **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.**

Tando Resources (“Tando” or “the Company”) is pleased to advise that it has received preliminary data from the VTEM_{max} survey carried out in December 2017 at its 100% owned Mt Sydney Project, in the Pilbara region of Western Australia. 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. 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 1 and 2). 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.**

Rumble recently 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 2). 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.

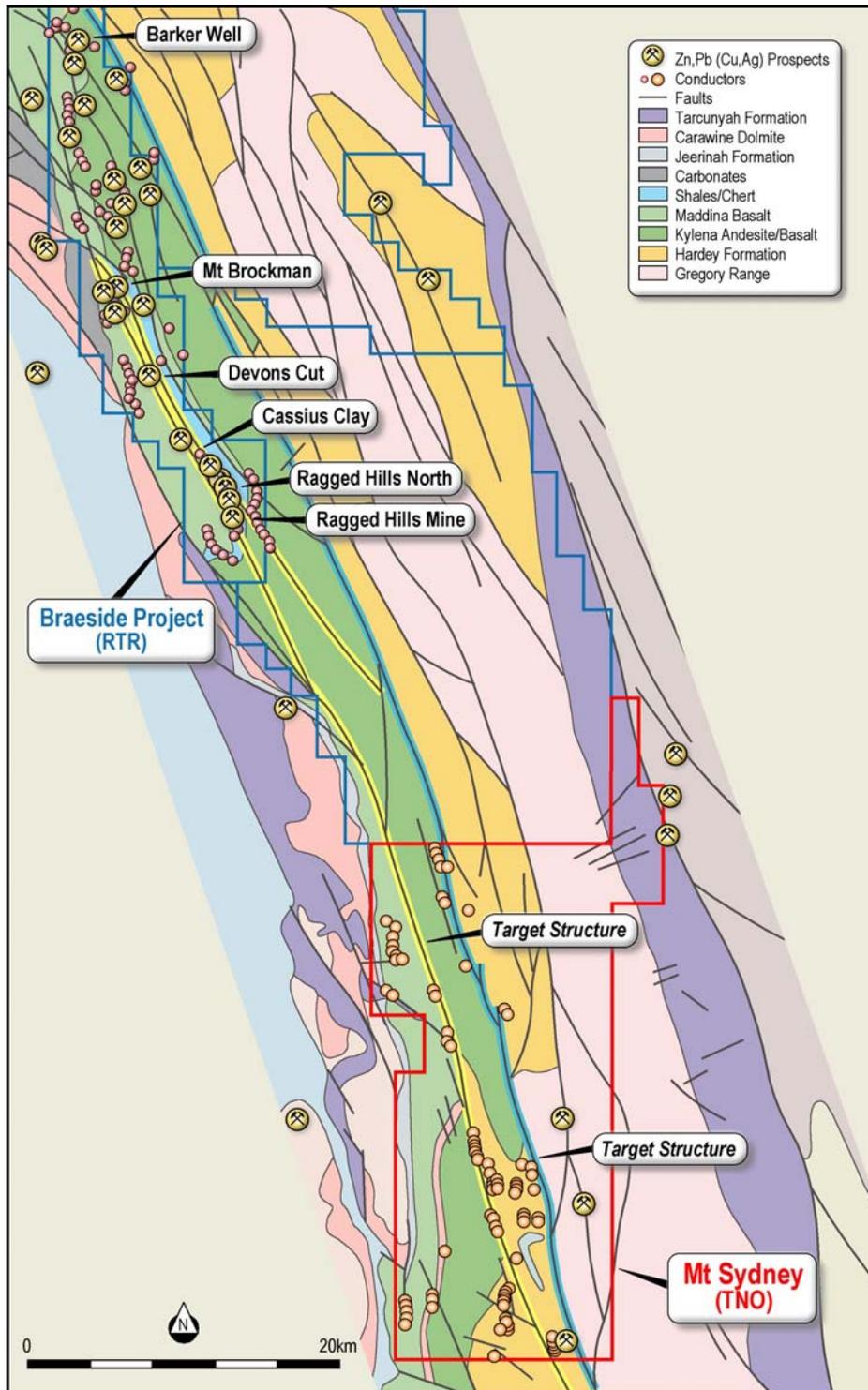


Figure 1. Plan showing Tando's Mt Sydney Project and RTR's Braeside Project including conductors detected in each companies VTEM survey, key structures and underlying geology.

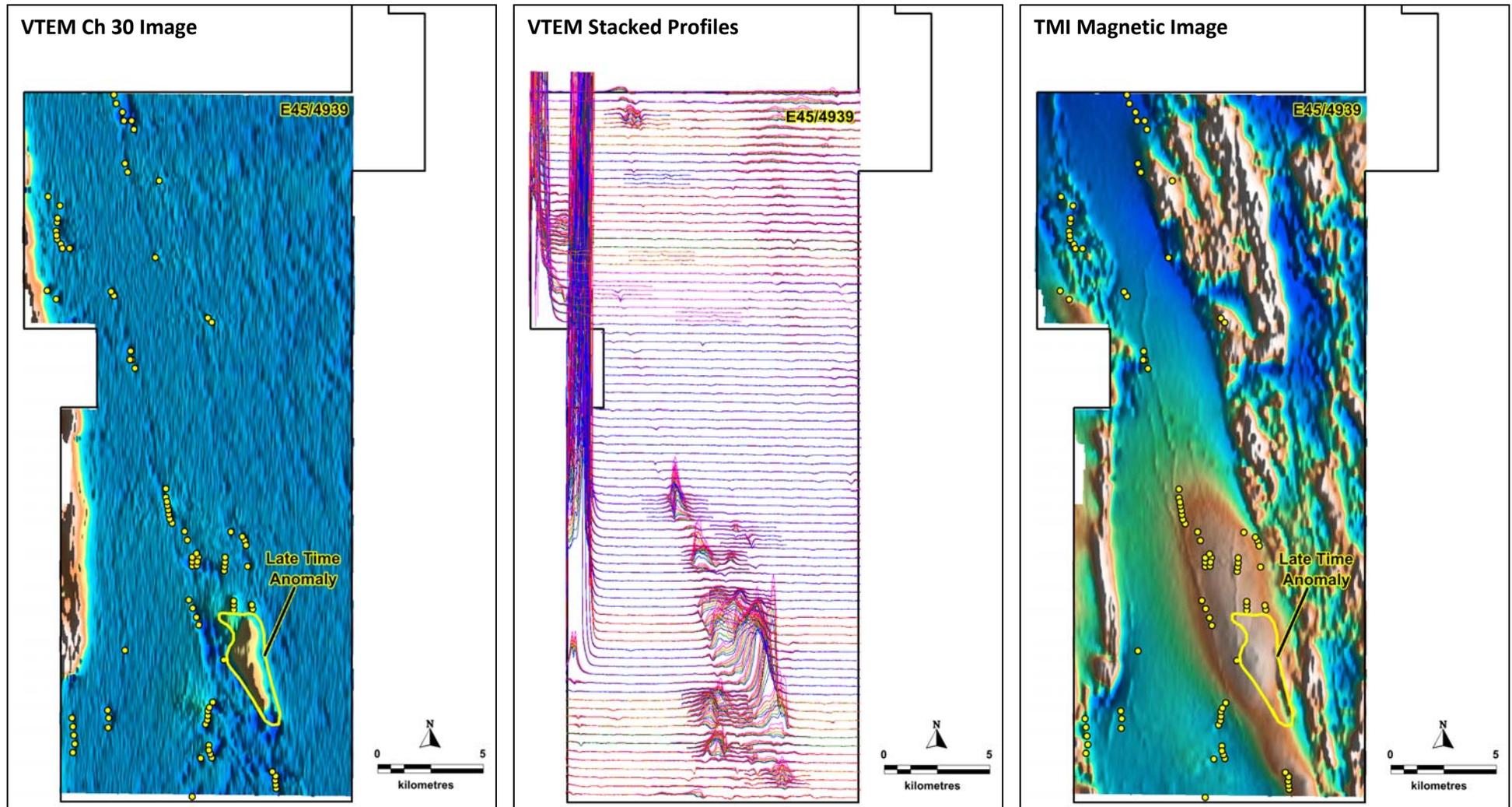


Figure 2. Preliminary images from VTEMmax survey. LH shows late time (Channel 30) image with interpreted anomalies, central image shows stacked line profiles and RH image shows magnetic data from survey (TMI).



Managing Director Bill Oliver commented:

“The prospectivity of the Mt Sydney Project has been demonstrated by the discovery of surface EM anomalies along regional scale structures, with mineralised intersections now present in drilling along strike. The combined strike length of the Braeside and Mt Sydney Projects implies a mineral system of a significant scale, with systematic exploration required to adequately test such a system and identify where mineralisation may occur.

The presence of a large coincident magnetic and EM anomaly within the project is a very interesting development and a number of mineralisation models will be considered in addition to our current focus on VMS and porphyry targets, including intrusion-related and sedimentary hosted mineralisation.”

The next stage of exploration at the Mt Sydney Project will comprise detailed geochemical surveys and geological mapping to refine targets currently defined by the VTEM anomalies and interpreted structures. More detailed geological and geochemical information will also be collected to advance the coincident magnetic-EM anomaly and determine the nature of the target in this area. These programmes will be designed based on the final VTEM data which is anticipated to be received in February.

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 Mt Sydney 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>	Heliborne EM survey of approximately 1,300 line km carried out at 400 metre line spacing using VTEMmax system by Geotech Airborne Ltd. Survey carried out at a flight height of 90 metres with sensor at 35 metres. VTEMmax configuration: 35 m transmitter loop diameter, 700,000 NIA peak dipole moment, 7 ms transmitter pulse width, VTEM receiver Z,X coils
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	VTEMmax system was calibrated prior to the survey at standard testing sites.
	<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>	VTEM survey has detected targets prospective for mineralisation, the presence of mineralisation is yet to be determined. VTEM surveys are an industry standard practise in early stage exploration for base metals.
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.



Criteria	JORC Code explanation	Commentary
	<i>The total length and percentage of the relevant intersections logged.</i>	No drilling activities are being reported.
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>	No drilling activities are being reported.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	No drilling activities are being reported.
	<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 drilling activities are being reported.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	No drilling activities are being reported.
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>EM measurements taken using VTEMmax system.</p> <p>VTEMmax system calibrated prior to commencement of survey at standard testing sites.</p> <p>All digital data is inspected on a daily basis to ensure that bad data is not present and to identify missing data sections.</p> <p>A preliminary flight path map is plotted and checked against survey specifications.</p> <p>Following completion of the survey all digitally acquired survey data has been merged into a Geosoft Montaj database and checked on a line by line basis.</p> <p>The data presented here is preliminary data and has not undergone any processing to reduce noise or base level adjustments. However following the QA/QC completed by the contractor and the consultant they have advised that the data is suitable for public domain release and anomalism/targets for follow-up will not markedly change following final processing.</p> <p>The "raw" stacked profiles used to generate the anomalies are included in Figure 2.</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>	Data is recorded using a Geotech proprietary data acquisition system. All digital data is inspected on a daily basis to ensure that bad data is not present and to identify missing data sections. A preliminary flight path map is plotted and checked against survey specifications..
	<i>Discuss any adjustment to assay data.</i>	No assay data being reported.



Criteria	JORC Code explanation	Commentary
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>	Real-time GPS navigation system utilizing the Novatel WAAS enable GPS receiver providing in-flight accuracy of 3 metres, and up to 1.5 metres depending on satellites available. A preliminary flight path map is plotted daily and checked against survey specifications.
	<i>Specification of the grid system used.</i>	The grid system for the Mt Sydney Project is Map Grid of Australia GDA 94, Zone 50.
	<i>Quality and adequacy of topographic control.</i>	Altitude measured using radar altimeter with accuracy of 1 metre.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Readings taken at 2-3m intervals along flight lines 400m apart. Line spacing is 400 metres as this is believed to be sufficient to identify anomalies for follow up work. Infill to 200 metre spacing was carried out around single line anomalies and any other areas not clearly defined with 400m line spacing.
	<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>	No assay data being reported.
	<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>	Survey oriented perpendicular to major structural features, lithological trends and/or other features of interest to ensure maximum resolution
	<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>	No assay data being reported.
Sample security	<i>The measures taken to ensure sample security.</i>	All data acquired by Geotech Airborne reported to the Company's representatives.
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 Mt Sydney Project comprises a single granted Exploration Licence, namely E45/4939 covering a land area of 508 km ² . The tenement is within land where native title has been determined. The traditional owners of part of the land are the Martu and Ngurrara People. A second group, the Njamal People, have made an application for a determination that native title exists, which application currently remains active.



Criteria	JORC Code explanation	Commentary
		Access to the tenement will require the negotiation of a Land Access Agreement.
	<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 licence is currently pending and is held by Tando Resources Ltd. There are no known impediments to operate in the area.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The Project has previously been explored for copper, zinc, gold and manganese by a number of companies.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	Conceptual deposit model is VMS and/or sub volcanic porphyry hosted mineralisation, current assessment, data collection and subsequent exploration will aid in confirming model.
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> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> 	No drilling is being reported.
	<i>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.</i>	
Data aggregation methods	<i>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.</i>	No assays are being reported.
	<i>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.</i>	No assays are being reported
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values are being used.
Relationship between mineralisation widths and intercept lengths	<i>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').</i>	No assays are being reported.
Diagrams	<i>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.</i>	Refer to Figures in body of text.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be</i>	No assays are being reported.



Criteria	JORC Code explanation	Commentary
	<i>practiced to avoid misleading reporting of Exploration Results.</i>	
Other substantive exploration data	<i>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.</i>	All relevant exploration data is shown on figures, in text and in previous announcements by the Company.
Further work	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></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>