



Force Commodities Limited
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Latest News

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Directors / Officers

Charles Thomas (Chairman)
Rocco Tassone (MD)
Patrick Glovac

ASX: SOC
(to change to "4CE")

Mount Adrah Mineral Resource estimate:

770,000 oz of gold, at various cut-off grades:
Indicated: 440,000 oz
from 12.1 Mt at 1.1 g/t gold and Inferred:
330,000 oz from 8.4 Mt at
1.1 g/t gold*

** The information regarding the Mineral Resource is extracted from the report entitled "Hobbs Pipe Mineral Resource Update Additional Information" created 27th December 2013 and is available to view on sovereigngold.com.au/investors.htm. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

ASX Release
22 December 2016

Company Update December 2016

- **Lodgement of R&D Tax Incentive Claim for 2015 and commencement of claim for 2016**
- **SOC working to sever ties with Chinese JV partners on EL7768, EL7491 and EL7679**
- **Prospectus for Clayton Valley Lithium spin-off Marquee Resources Limited lodged with authorities and Force Commodities Ltd to retain a 9.375% equity position (\$450,000 @ \$0.20 IPO issue price)**
- **Halls Peak – Gibson Project1**
 - 102.3 metres (from Surface) @ 4.40% Zn+Pb, 0.39% Cu, 88.94g/t Ag and 0.26g/t Au (SG03)
 - Including 2.8m (from 11.35m) @20.50 Zn, 10.84% Pb, 2.16% Cu, 683.57 g/t Ag, 1.35 g/t Au.
 - Pending assays will be released shortly, currently being re-assayed to ensure their accuracy
- **Mt Adrah Gold Project – 1280m drilling program in 2017**
 - 770,000 oz of gold, at various cut-off grades: Indicated: 440,000 oz from 12.1 Mt at 1.1 g/t gold and Inferred: 330,000 oz from 8.4 Mt at 1.1 g/t gold
- **Global search to strengthen Executive team**

Force Commodities Ltd (Force Commodities or the Company) (ASX Code: "SOC" to change to "4CE") is pleased to provide the following update to shareholders:

R&D Tax Incentive Claim

The company has recently lodged its R&D Tax Incentive claim for the 2015 Financial Year with the relevant Government agency, AusIndustry. The company has received its Registration Number and will shortly submit its self-assessment documentation to the Australian Taxation Office (ATO). Should the self-assessment be accepted, Sovereign Gold expects to receive approximately \$200,000 R&D Tax Incentive Offset Refund.

The company has also commenced work to lodge its R&D Tax Incentive claim for the 2016 Financial Year, which is expected to be greater than the 2015 offset refund amount. Lodgement of this claim is expected to occur by the end of 1Q17.

Marquee Resources Limited

Marquee Resources Limited spin-off of the Clayton Valley (Nevada) Lithium Project Prospectus has been lodged with ASX and ASIC and awaits regulatory approval.

Force Commodities Ltd to retain a 9.375% equity position (\$450,000 @ \$0.20 IPO issue price), based on a proposed IPO market capitalisation of \$4,800,000.

¹ See ASX release 15 December 2016

Marquee Resources Limited has attracted a world-class experienced board to be appointed at the completion of the IPO:

Mr Mark Ashley (Proposed Non-Executive Chairman) - Has held senior executive roles with Normandy Mining, Lion Ore Mining International, Kagara Zinc and Apex Minerals.

Mr Jason Bontempo (Proposed Non-Executive Director) - Is currently Executive Director of Equator Resources (ASX Code: EQU) and until recently Non-Executive Director of Red Mountain Mining Limited (ASX Code: RMX).

Mr Charles Thomas (Proposed Executive Director) – Currently a director of Force Commodities Ltd

Chinese Joint Venture Partners

The Directors believe severing ties with its Chinese JV partners on EL7768 (Guyra), EL7491 (Urala) and EL7679 (Halls Peak) is within the best interests of shareholders, Sugec Resources Limited.

The company has recently sent correspondence to its JV partners, SUGEC Mining and Hong Kong Global Resources Ltd (HKGR), with SUGEC yet to formally respond, and HKGR refusing to contribute any funds. The Directors are trying to determine the connection between HKGR and Hudson Corporate Ltd, at this stage neither SUGEC or HKGR have responded to a request to contribute funds for exploration.

The current agreements require significant company resources to be allocated and additional accounting costs also being borne by Force Commodities. The board believes that whilst SUGEC and HKGR continue to be involved in the above-mentioned EL's, limited exploration work will occur, negatively impacting potential shareholder upside.

Once a resolution regarding Sugec Resources Limited has occurred, the board will look to re-commence work to access the prospective VTEM Conductor Zones identified on Spike Island, Sunnyside, Khans Prospect, Mickey Mouse and Keys (EL7679).

Executive Team

The Company has now been transformed to a marketable company and is in the envious position of having two quality projects (Mt Adrah and Halls Peak) that it will explore to unlock their potential in 2017.

This combined with a healthy cash position, expected R&D Tax Offset Refunds and a potential equity position in Marquee Resources Limited, the Company has commenced its search for new candidates to strengthen its executive team, with a strong focus on resource sector experience.

Exploration Program and Drill Results

Assays from drill holes SG04, SG05 and SG06 will be released shortly, currently being re-assayed to ensure their accuracy.

Phase three (3) of the next Halls Peak drilling campaign will be expedited for early 2017 and will target a maiden JORC resource with potential additional extensions to the shallow mineralised high-grade zones.

Mt Adrah 2017 campaign will initially conduct a 1,280 metres diamond core drill program and naturally if results are positive the program will be expanded to test structures along strike and down dip with the aim to build a JORC resource inventory.

For further information, please contact:

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