

## ASX ANNOUNCEMENT

31 January 2018

### About Force

- Force Commodities Limited is a Perth based lithium exploration and development focussed company listed on the Australian Stock Exchange (ASX Code: 4CE)

### Project Summary

- 70% interest in JV over Kitotolo Lithium Project, DRC.
- 51% interest in JV (to be formalised) over Kanuka Lithium Project, DRC.
- 100% interest in Halls Peak Base Metals Project, in NSW.
- 99.5% interest in Mt Adrah Gold Project, in NSW.
- 59.5% interest in Rocky River / Uralla Gold Project, in NSW

### Directors and Management

**Mr David Sanders** - Chairperson

**Mr Jason Brewer** - Director

**Mr Gedeon Pelesa** - Director

**Mr Michael Fry** – CFO/CoSec

### Capital Structure

#### Shares on Issue:

350,415,868 fully paid ordinary

#### Options on Issue:

- 28,416,662 exercisable @\$0.032; expiring 30 June 2019
- 10,000,000 exercisable @\$0.035; expiring 30 June 2019
- 937,500 exercisable @\$0.048; expiring 30 June 2019
- 2,000,000 exercisable @\$0.06; expiring 1 July 2020
- 2,000,000 exercisable @\$0.08; expiring 1 July 2020

## December 2017 Quarter Review of Operations

### Highlights

#### DRC Lithium Projects

- Kanuka Lithium Project:** Landmark agreement executed to acquire 51% interest covering an area of 194km<sup>2</sup> and containing extensive lithium bearing pegmatites.
- Kitotolo Lithium Project:** Maiden exploration program commenced in November 2017. Work focussed around a large artisanal pit, the 'Katamba Pit', where spodumene was observed in the pegmatite and rock chip samples returned high-grade lithium mineralisation.
- Kitotolo Lithium Project:** Spodumene observed in pegmatite in test-pits and trenches at 500m and 1km step outs. Work demonstrates the pegmatite extends in excess of 1km and remains open in both NE and SW directions.

#### Kitotolo Lithium Project

- Project comprises Exploration License PR 12453 and Mining License PE 13247, and extends over an area of approx. 400Km<sup>2</sup>.
- Due diligence investigations identified spodumene in pegmatites across significant areas within Project area.
- Assay results confirm high grade lithium mineralisation (up to 2.15% Li<sub>2</sub>O) in pegmatites and in large artisanal pit.
- Project area has historical cassiterite and columbite-tantalum mining, minerals commonly found alongside Lithium.
- Project area along strike from AVZ's 'world-class' Manono Project; considered to be one of the largest pegmatite bodies in the world.
- Joint venture agreement finalised and legal and administrative formalities (including licence transfer) nearing finalisation.
- Maiden exploration program commenced. Test pitting and trenching confirms continuous strike pegmatite interpretations along the NE/SW orientation and reinforces the regional pegmatite orientation.
- Assays for work performed in December 2017 expected shortly.

#### Kanuka Lithium Project

- Heads of Agreement executed with Mining Mineral Resources SPRL (MMR) to establish the new, production focused, Kanuka Lithium Project Joint Venture.
- MMR is part of the VinMetals Group, a diversified mining, metals and trading group that has operated successfully in the DRC since 1997, with existing copper, cobalt, tantalum, tin and tungsten mines and processing plants.

### **Kanuka Project (cont'd)**

- The Kanuka Lithium Project Joint Venture (Force 51%, MMR 49%) includes granted Mining License PE13082 and Exploration License PR4100; covering an area of 194km<sup>2</sup> and containing extensive lithium bearing pegmatites.
- MMR currently operates tin and tantalum mining and processing operations on part of the license areas and in conjunction with the iTri exports ICGLR-certified tin and tantalum to international markets.
- The Kanuka Lithium Project Joint Venture is located 5km immediately south of AVZ Mineral's 'world-class' Manono-Kitotolo Lithium Project licenses and 20km east of the Company's Kitotolo Lithium Project.
- Pegmatite on the license areas are on a NE-SW trend and exposed at surface and observed to extend for over 3km in length and 200m in width. Furthermore, pegmatites have in places been exposed by historic and current mining operations and has been mined down to depths of up to 15 metres.
- The Kanuka Lithium Project Joint Venture will benefit from the excellent infrastructure of an established mining operation, with power, mine camp and offices as well as its own airstrip which will accelerate exploration activities.
- The Company's Head of Exploration, Mr James Sullivan completed a technical due diligence investigation of the Kanuka Lithium Project Joint Venture license areas and on the strength of his observations and the sample results received recommended to the Company's Board that it finalise a joint venture agreement.
- Whilst no previous lithium focused exploration or mining has been conducted on the license areas, grab samples of highly weathered shallow material taken as part of the Company's technical due diligence program reported high grade lithium mineralisation in the pegmatite including 2.12% Li<sub>2</sub>O and 1.93% Li<sub>2</sub>O.
- Exploration activities of the Kanuka Lithium Project Joint Venture will focus on new areas on the licenses areas currently not impacted by mining and which are considered highly prospective for pegmatite hosted lithium mineralisation.
- The Kanuka Lithium Project Joint Venture will also utilise MMR's existing logistics capabilities in the region and on-site drilling equipment and mining fleet and services which are anticipated to substantially increase operating efficiencies, reduce costs and accelerate exploration and study work timeframes.
- The Kanuka Lithium Project Joint Venture allows Force to further consolidate its presence in a 'world-class' lithium region, with the Company's joint venture interests now comprising granted Mining and Exploration Licenses extending over approx. 600km<sup>2</sup> of proven lithium bearing pegmatites.

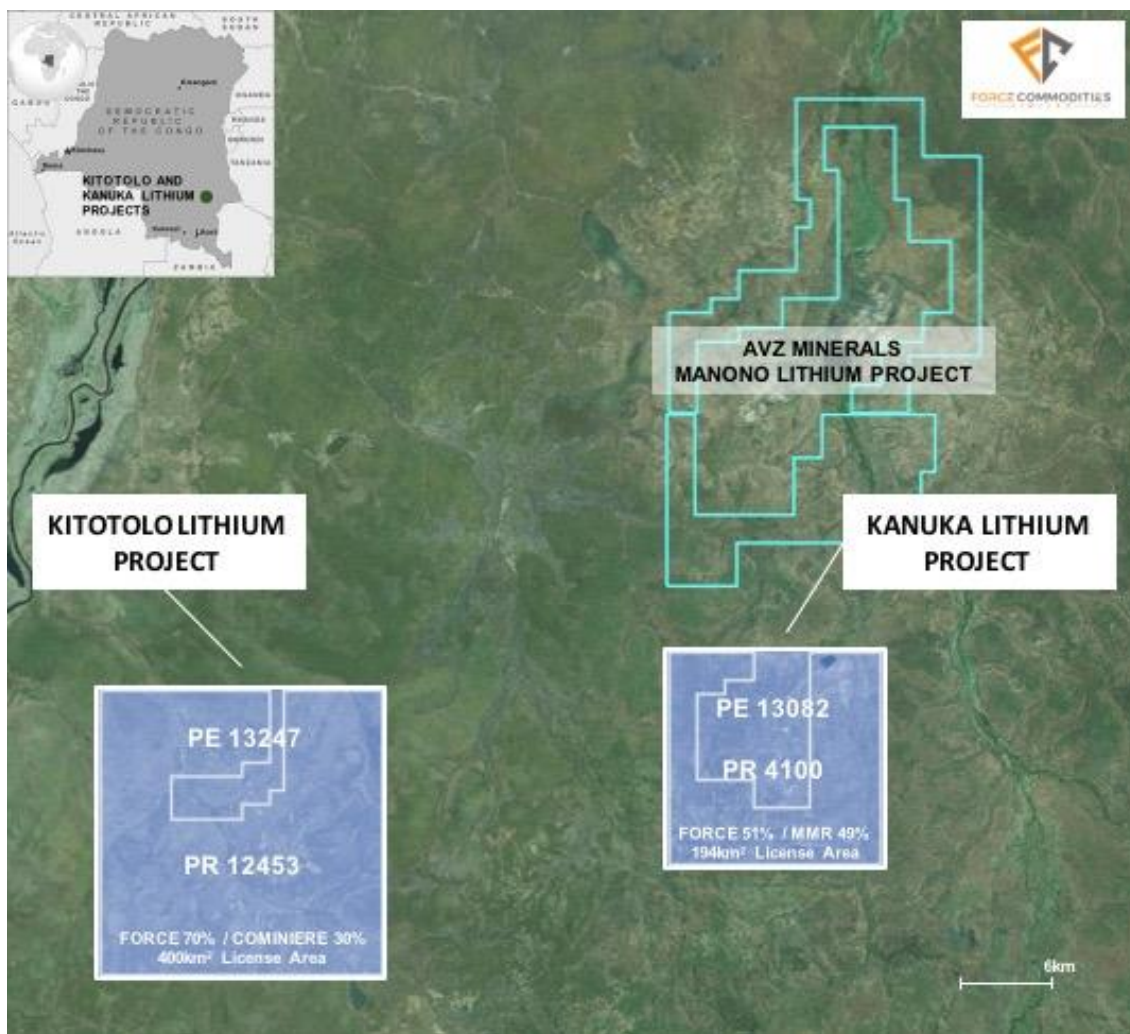
### **Corporate & Finance**

- Appointment of key personnel (Pelesa, Fry) to oversee local operations and finances respectively.
- Establishment of an administrative and accounting function in DRC to support local operations and for reporting purposes.
- \$3m placement completed at A\$0.05 (5 cents) in December 2017 resulting in the issue of 60,000,000 new shares.
- \$634k received in option conversions.
- Cash at bank as at 31 December 2017 of \$3.516m.
- Well-funded to undertake aggressive exploration programs planned at Kitotolo Lithium Project and Kanuka Lithium Project this calendar year.
- General Meeting held 10 October 2017; all resolutions approved with the exception of those relating to ex-director Alistair Stephens.

Force Commodities Limited (ASX Code: 4CE) ("**Force**" or the "**Company**") provides its activities report for the quarter ended 31 December 2017.

Force has two highly prospective lithium projects in the Democratic Republic of Congo (**DRC**) each of which have pegmatites across significant areas of their project area and both of which lie to the south of ASX listed AVZ Minerals' 'world-class' Manono Lithium Project (refer location map below).

AVZ's Manono Project is considered to be potentially one of the largest lithium-rich LCT (lithium, caesium, tantalum) pegmatite deposits in the world. Work performed to date by AVZ has demonstrated that the pegmatites extend for a strike length of 13km+ and is more than 200m wide and more than 240m thick in places.



**Figure 1:** Location Map – Kitotolo Lithium Project and Kanuka Lithium Project

Historical records suggest that pegmatite field extends over 500km from Kolwezi in the south-west to Kalemie in the north-east and that Force's Kitotolo and Kanuka lithium projects overlay a large section of the pegmatite field.

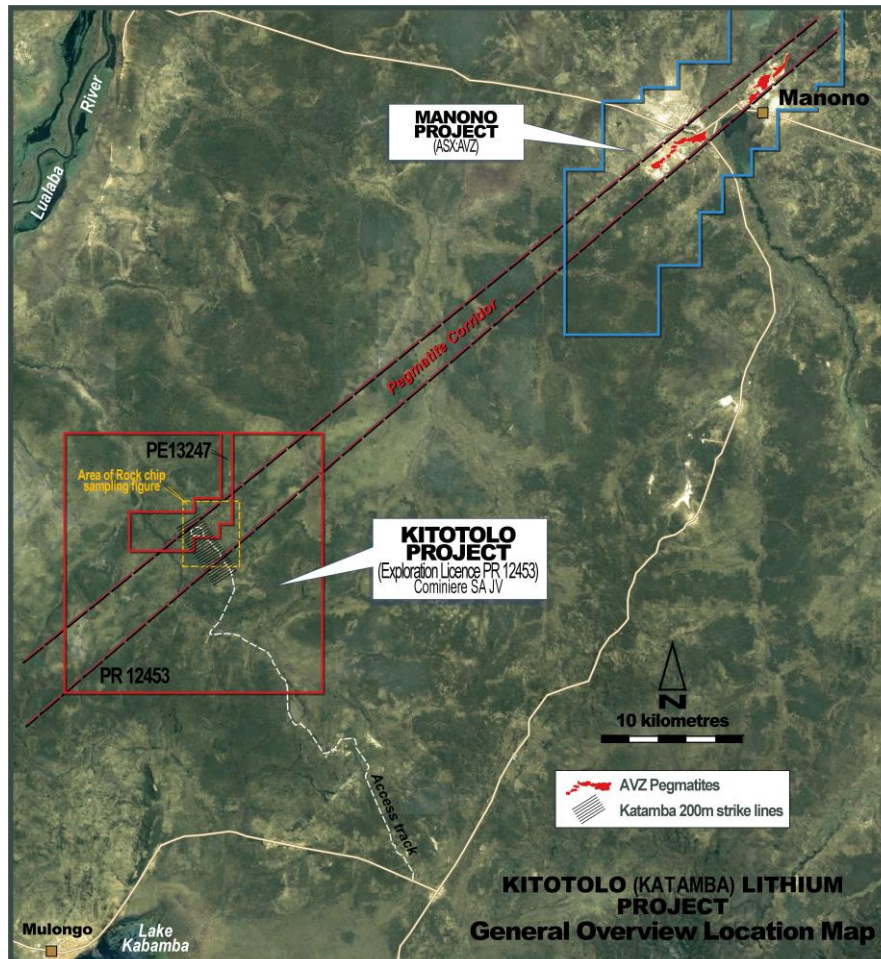
No historical lithium exploration activity has been undertaken at either project, with Force to now undertake aggressive exploration programs at each project this calendar year to quickly identify the extent of the pegmatite and to target the lithium mineralisation.

## 1. Kitotolo Lithium Project

### 1.1 Overview

Project comprises Exploration License PR 12453 and Mining License PE 13247, and extends over an area of approx. 400Km<sup>2</sup>.

It is located 30km south west of ASX listed AVZ Minerals' Manono Lithium Project.



**Figure 2:** Highlights an Inferred Regional structural Corridor which possibly hosts a larger and wider pegmatite field within the Kibaran Belt.

In accordance with a Heads of Agreement entered into in August 2017, Force has acquired a 70% interest in a company together with DRC state-owned mining company La Congolaise d'Exploitation Miniere (**Cominiere SA**) (30%) for the purpose of exploring in joint venture the Kitotolo Lithium Project.

### 1.2 Geology

The Kitotolo Project is approximately 30Km SW and along strike of the main historical Manono-Kitotolo (Roche Dure) pegmatite.

The pegmatite is exposed in two regions, Manono in the northeast (where AVZ Minerals Limited' Manono Project is, and Kitotolo in the southwest. These are separated by a 2.5km unexposed section centred on Lake Lukashi and the surrounding alluvial plain.

The area has not been the subject of any modern lithium exploration and as such there is no reliable maps of local geology. What local geology that is known is largely as a consequence of the work that AVZ Minerals Limited has undertaken to date.

At Kitotolo, historical alluvial mining activity focused mainly on Cassiterite and Columbite is visibly evident across the Project area. In the north of the Project area, there is a large artisanal pit measuring approximately 120m long by 50m wide, which contains abundant pegmatite rock types and mineralisation, including Spodumene.

Generally, the pegmatite is observed as being shallow (i.e. near to surface) and underlying a regional laterite cover of between 0 and 6m in thickness.

In places, the laterite is exposed in small windows above the sandy soil cover. Lateritic outcrops often have pegmatitic material as large clasts within the concretions. This could suggest further in-situ pegmatitic material below or in close proximity to these laterite exposures.

Numerous pegmatite inclusions were mapped in the lateritic cover several hundred metres from the large artisanal pit's workings suggesting that the pegmatite lies below the lateritic cover or in close proximity.

And numerous artisanal workings are located around the perimeter of the pit, with abundant previously mined material, including Quartz, Micas-Muscovite and Zinnwaldite, being located in these workings.

### **1.3 Work Completed to Date**

#### *Due Diligence Investigation*

On-the-ground technical due diligence activities were undertaken over a 4-week period in September 2017 by consultant geologist Mr James Sullivan with assistance provided by two geologists from joint venture partner - DRC state-owned mining and exploration company Cominiere SA.

The independent technical due diligence work completed determined the Kitotolo Lithium Project to be in the same geological setting as AVZ Minerals 'world-class' Manono Project.

Significant occurrences of visible spodumene and other lithium bearing minerals in pegmatite exposures were also identified across widespread areas within the Kitotolo Lithium Project.

The pegmatite exposures are dominated by quartz-albite-muscovite, with columbite and spodumene-zinewaldite at the macro-scale. In places the laterite is exposed in small windows above the sandy soil cover. Lateritic outcrops were identified as often having pegmatitic material as large clasts within the concretions and conceptually this is considered to suggest further in-situ pegmatitic material below or in close proximity to these laterite exposures.



**Figure 3, 4 and 5:** Pegmatite hosting spodumene mineralisation at the Kitotolo Lithium Project



**Figure 6:** Historical artisanal mining activity

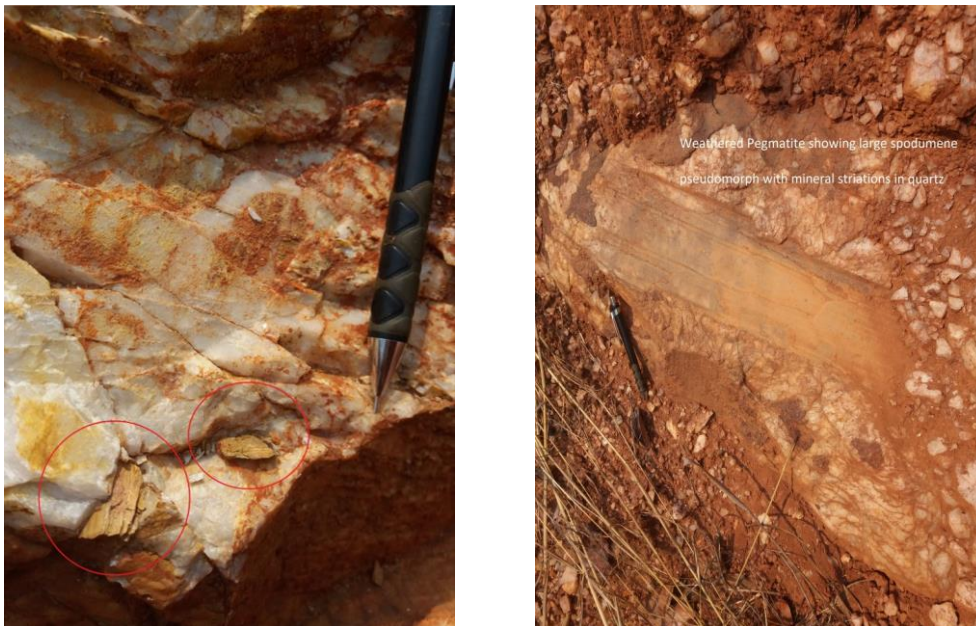
Large artisanal workings within the Kitotolo Lithium Project license area were inspected and confirmed as containing abundant pegmatite rock types and mineralisation, including spodumene, lepidolite and other associated micas.

These artisanal workings, typically alluvial in nature have been focused on cassiterite and columbite-tantalite mining.

In the north of the Kitotolo Lithium Project area there is a large artisanal pit measuring approximately 120m long by 50m wide, referred to as the 'Katamba Pit', where visible spodumene, lepidolite and other associated micas were identified.

Further numerous artisanal workings were identified around the perimeter of the pit.

In addition, numerous pegmatite inclusions were mapped in the lateritic cover several hundred metres from the large pit's workings suggesting that the pegmatite lies below the lateritic cover or in close proximity and extends over a significant range.



**Figure 7 and 8:** Spodumene mineralisation at the Kitotolo Lithium Project



**Figure 9 and 10:** Pegmatitic clasts within regional lateritic cover and further artisanal workings and test pits

Initial geological and structural mapping and visual inspection of samples taken by the Company's technical consultants has highlighted potential economic mineralisation on the Kitotolo Lithium Project.

Furthermore, the potential for significant additional discoveries and further in situ hard rock pegmatites hosting spodumene and related lithium mineralisation was considered extremely high during the Company's initial independent technical due diligence work.

### Due Diligence Investigation – Assay Results

A geochemistry sampling program consisting of 20 in-situ channel and rock chip samples were also collected from one of the main artisanal pit areas.

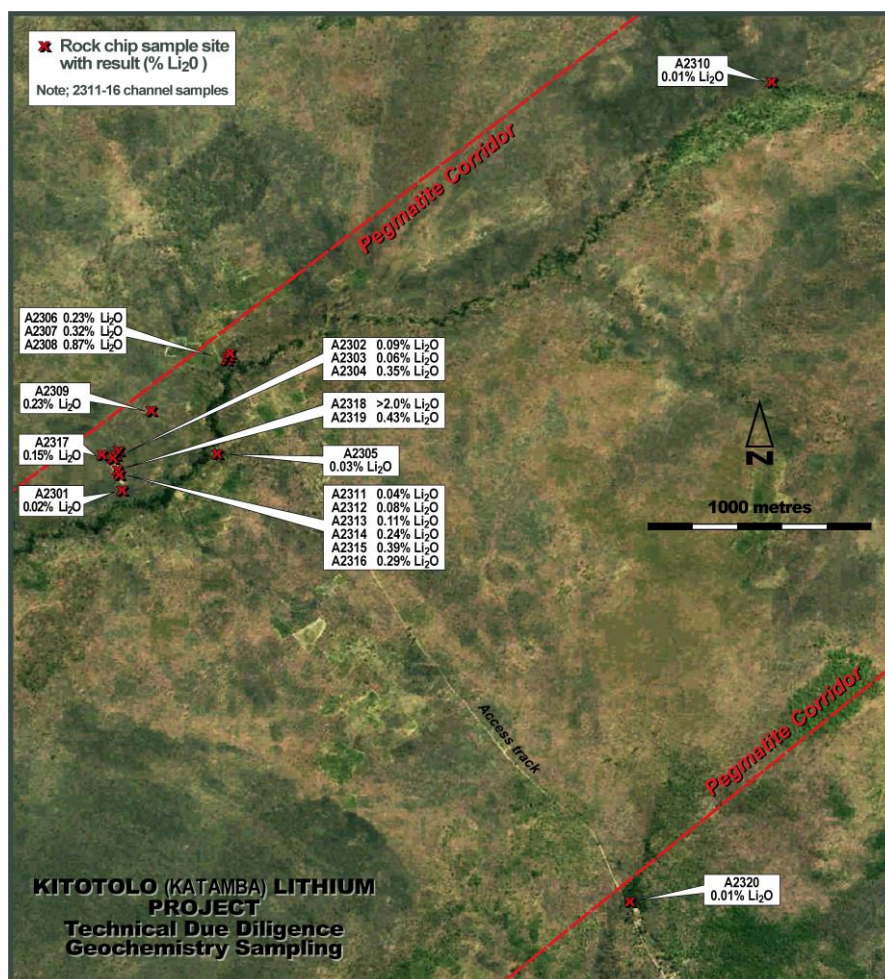
In addition, a channel sample of 6m was sampled from the surface down through weathered in-situ pegmatite, providing a shallow representative portion of the pegmatite.

The assay results confirm the presence of high grade spodumene pegmatite-hosted lithium mineralisation at shallow depths, hosted in an inferred structural corridor, just 40km south-west of AVZ Minerals Limited's 'world-class' Manono and Kitotolo Lithium Projects.

Upon review of the assay results received, Force's Consulting Geologist Mr. James Sullivan stated:

*"The results of the first ever sampling at the Kitotolo Lithium Project are significant, having confirmed the presence of high grade zones of pegmatite hosting lithium spodumene mineralisation at surface and at shallow depths and in predominantly weathered material."*

*"The results are very encouraging, and continue to highlight the potential of the Kibaran Belt within the Kitotolo Lithium Project to host significant pegmatite hosted lithium mineralisation."*



**Figure 11:** Lithium assays results derived from the Independent Technical Due Diligence



The assay results show in a broad sense, that the lithium mineralisation at the Kitotolo Lithium Project is observed to be preferentially hosted within a near surface and very oxidised pegmatite with an LCT affinity (Rare-Element Classed pegmatite with Lithium, Caesium, and Tantalum enrichment). The strongest mineralisation is frequently observed within or near the contacts between large quartz rich and quartz-albite zones.

These observations and characteristics are typical of LCT type pegmatite deposits and consistent with recent descriptions of AVZ's Manono pegmatite deposits.

The initial assay results for the first 20 test pit and rockchip samples of the Independent Technical Due Diligence campaign are summarized below.

Samp_No	UTM_E	UTM_N	Locality	Samp_Type	Depth	ME-MS61	ME-MS61	ME-MS61	ME-MS61	ME-MS61
						Cs	Li	Li <sub>2</sub> O	Sn	Ta
						m	ppm	ppm	%	ppm
A2301	508996	9164072	Katamba	rockchip	3.4	5.46	99.4	0.02	3.2	0.1
A2302	508964	9164187	Katamba	rockchip	4.4	129.5	426	0.09	216	52.3
A2303	508953	9164174	Katamba	rockchip	2	42.5	288	0.06	29.7	0.34
A2304	508957	9164183	Katamba	rockchip	6	>500	1640	0.35	421	>100
A2305	509413	9164227	Katamba	rockchip	4	30	130.5	0.03	8.5	1.1
A2306	509466	9164664	Katamba	rockchip	0	107	1060	0.23	49	2.46
A2307	509466	9164664	Katamba	rockchip	0	211	1490	0.32	130	46
A2308	509466	9164664	Katamba	rockchip		491	4040	0.87	75	12.05
A2309	509125	9164421	Katamba	rockchip	0.5	185.5	1050	0.23	50.9	9.08
A2311	508979	9164147	Katamba	Channel	0-1	32.8	178	0.04	6.6	11.15
A2312	508979	9164147	Katamba	Channel	1-2	87.4	385	0.08	15.4	5.58
A2313	508979	9164147	Katamba	Channel	2-3	109	510	0.11	36.3	22.4
A2314	508979	9164147	Katamba	Channel	3-4	195	1110	0.24	48	25.4
A2315	508979	9164147	Katamba	Channel	4-5	264	1810	0.39	116.5	58.3
A2316	508979	9164147	Katamba	Channel	5-6	207	1360	0.29	112.5	>100
A2317	508937	9164177	Katamba	rockchip	0	117.5	710	0.15	49	>100
<b>A2318</b>	<b>508980</b>	<b>9164141</b>	<b>Katamba</b>	<b>rockchip</b>	<b>0</b>	<b>&gt;500</b>	<b>&gt;10000</b>	<b>&gt;2.15</b>	<b>480</b>	<b>50.6</b>
A2319	508980	9164147	Katamba	rockchip	0	496	1990	0.43	449	>100
A2320	511230	9162167	Katamba	rockchip	0	13.8	55.7	0.01	7.6	1.36

**Table 1:** Summary assay results for rockchip and channel samples A2301 to A2320 at the Kitotolo Project.

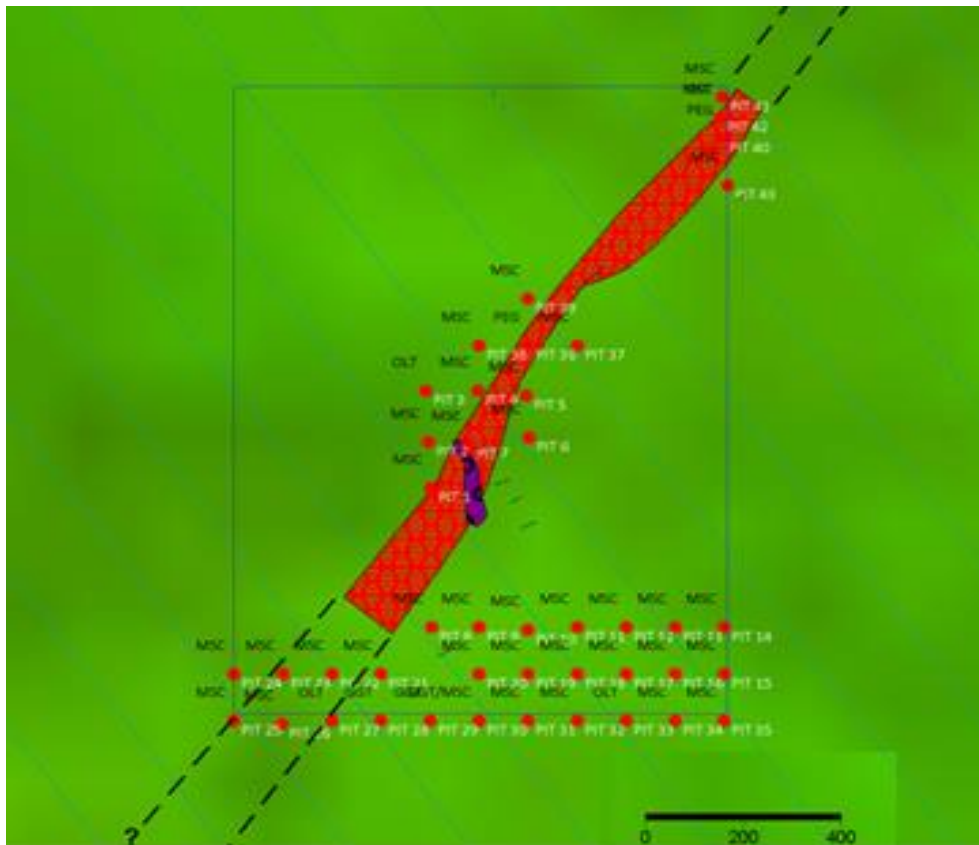
### Phase 1 Exploration – Test-pitting and Trenching

The Phase 1 Lithium Exploration Program commenced at the Kitotolo Lithium Project in late November 2017.

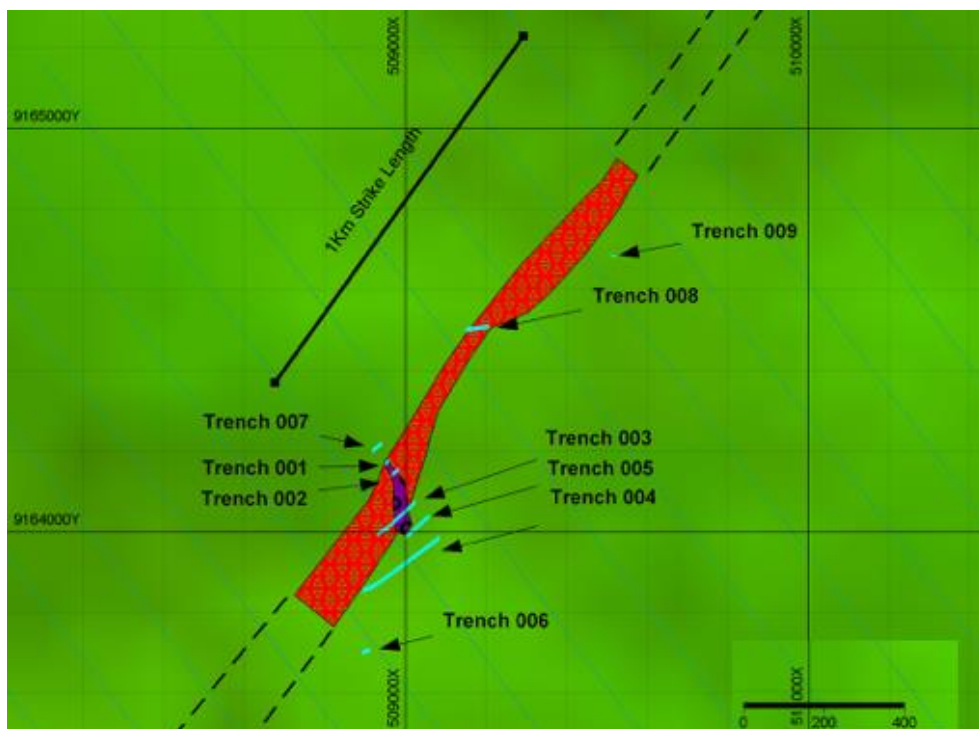
Initial exploration activities are being focused on the area surrounding the large artisanal workings at the Katamba Pit where spodumene in pegmatite has been identified and where assays from the Company's initial independent due diligence review returned high-grade lithium mineralisation (refer ASX Announcement dated 9 October 2017 - Assays Confirm High Grade Lithium Mineralisation at Kitotolo).

In the period to end December 2017, 43 of the planned 121 test pits were completed along with 586 line metres of trenching across 9 trenches.

A total of 185 samples were collected for assay, 42 from test-pits and 143 from trenches. Assay results can be expected in February 2018.



**Figure 19:** Test pitting completed in initial Phase 1 Lithium Exploration at the Kitotolo L Project



**Figure 20:** Trenching completed in Phase 1 Lithium Exploration Program

Trenches 001, 002, 003 and 008 in particular were observed to contain significant quantities of fresh and partially weathered spodumene mineralisation.



**Figures 12 and 13:** Commencement of Trench 003 and channel sampling exposed pegmatite at base of Trench 001.



**Figures 14 and 15:** Trench 008 showing exposed and weathered pegmatite from surface dipping  $10^{\circ}$  to  $15^{\circ}$  west and providing upper contact structural data



**Figure 16:** One of several examples of partially weathered spodumene lithium mineralisation – from Trench 008 observed in the trench walls and base.



**Figures 17 and 18.** Partially weathered spodumene lithium mineralisation - exposed in Trench 002 and white spodumene lithium mineralisation from Test Pit 036

Significantly, Trench 008 was completed approx. 500m to the NE of the Katamba Pit and was successful in exposing significant quantities of fresh and weathered spodumene mineralisation in the pegmatite. Given initial interpretations, from the pegmatite exposures in trenches 002 and 008, a regional step out of 500m from trench 008 was completed.

Test pitting in the furthestmost NE corner of the initial Phase 1 program area, successfully identified pegmatite lithologies in test pit 040 – located approx. 1km NE of the Katamba Pit and interpreted to add a continuous strike along the NE/SW orientation and bolstering the regional pegmatite orientation interpretations across the Kitotolo Mining and Exploration licences.

Further work is proposed to be completed at trenches 004, 005, 006 and 007 and this may include drilling as part of the initial drilling program that has now been brought forward, and is proposed to commence following the wet season.

The main pegmatite exposed in the test pits and trenching completed as part of the initial Phase 1 Lithium Exploration Program is interpreted to strike approximately  $035^{\circ}$ , has a current initial strike length of over 1000m and is approx. 100m widest. It is exposed in trenches 001, 002, 003 and 008. It is interpreted to dip towards the west at approx.  $12^{\circ}$ . And appears shallower to the NE.

The main pegmatite remains remains open towards NE and SW directions.

These initial dimensions are expected to change with the completion of the Phase 1 program and the commencement of additional trenching in Phase 2 and the planned regional test pitting and trenching to commence in Phase 3 using wider step outs based on the results from Phase 1 and 2, also on the NE-SW trend. This will assist in determining the overall regional strike length potential of the pegmatite mineralization within the Kitotolo Lithium Project area.

Following the observations made during this initial Phase 1 work, the Company is now proposing to bring forward its initial drilling program at the Kitotolo Lithium Project. The Company's Head of Exploration Mr James Sullivan has commenced planning work for this and is in discussions with a number of drilling contractors capable of completing the work. It is intended that work commence immediately after the end of the current wet season.

In addition, to accelerate the Company's regional mapping and planned test pitting and trenching work, the Company's is proposing to appoint additional Congolese field geologists to commence work on the Kitotolo Lithium Project. These appointments will be made in February 2018.

Commenting on the initial Phase 1 Lithium Exploration Program results to end December 2017, Mr Sullivan said:

*“Mapping, trenching and test-pitting has confirmed near surface pegmatite exposures and interpretations that the Katamba Pit pegmatite extends over 1km and is open in both NE-SW directions.”*

*“Fresh and weathered spodumene has been identified in trenches 002 and 008, and test-pitting work, and samples have been collected for further analytical work, including XRD/petrology for mineral identification and confirmation.”*

*“The trench and test-pitting results are highly encouraging by exposing near surface pegmatite outcrops and hosting spodumene mineralisation which lends support to the region as being a fast emerging world-class hard rock lithium province.”*

*“Given initial interpretations, from pegmatite exposures in trenches 002 and 008, a regional step out of approx. 500m from trench 008 was completed using test pitting in the furthestmost NE corner of the initial Phase 1 program, which again identified pegmatite lithologies in test pit 040. This is extremely positive interpreted to add a continuous strike along the NE/SW orientation and bolsters the regional pegmatite orientation interpretations across the Kitotolo Mining and Exploration licences.”*

*“We are now moving forward to complete Phase 1 and step out with the Phase 2 work which will incorporate further trenching to map the near surface expression and extensions of the pegmatite and most significantly will involve the commencement of our maiden drilling program.”*

## 2. Kanuka Lithium Project

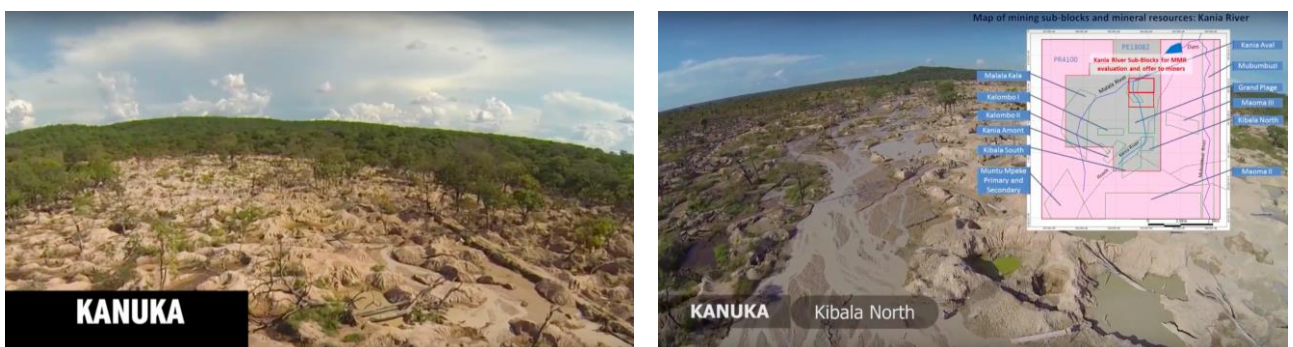
The Kanuka Lithium Joint Venture, to be held 51% by Force and 49% by MMR will focus on two contiguous licenses: granted Mining License PE13082 and Exploration License PR4100. These licenses cover an area of approx. 194km<sup>2</sup> and are located 20km east of the Company's existing Kitotolo Lithium Project. The licenses are also located on the licenses immediately south (approx. 4km from the license boundaries) of AVZ's Manono Project.

### 2.1 Project Joint Venture

The Company's joint venture partner, MMR, is an established tin, tantalum and tungsten mining company that was incorporated in 2008 and which operates a series of exploration, mining and processing operations throughout the DRC.

MMR is part of the VinMetals Group, a diversified mining, metals and trading group that has operated successfully in the DRC since 1997, with existing copper cathode and copper, cobalt, tantalum, tin and tungsten concentrate production from several mines and processing plants.

MMR acquired the mining and exploration licenses that make up the Kanuka Lithium Project in 2012.



**Figure 19 and 20:** PE13082 which forms part of the Kanuka Lithium Project Joint Venture

Conventional open pit mining operations are ongoing on the license areas, with the alluvial sand layers that host the cassiterite and columbite (minerals that are typically coincidental with lithium mineralisation) mined by truck and shovel methods.



**Figure 20 and 21:** Current open pit mining activities on PE13082

Current and historic mining in the license areas has exposed a number of pegmatites, with one identified in the current main mining area being in excess of 3kms long and greater than 200 metres in width. This is open along strike on a NE-SW trend and is typical of other pegmatites identified in the region.



**Figure 22 and 23:** The site offices and processing plant on PE13082

Mined material is fed into the recently expanded processing plant which produces tin and tantalum concentrates that MMR exports to the international market. MMR is one of the industry leaders in the DRC, working closely with iTRI, and has been instrumental in the ongoing success of the program in the DRC, supplying ICGLR-certified conflict free “3T” minerals to the international marketplace.



**Figure 24 and 25:** Mining activity has exposed significant pegmatite exposures on the license areas

## 2.2 Technical Due Diligence

The Company has completed a detailed technical due diligence investigation on the Kanuka Lithium Project.

In September, James Sullivan, Force's Head of Exploration, and the Company's two local geologists conducted a Technical Due Diligence review of the license areas.

Based on the strength of his observations and sample results, it was recommended that the Board should proceed and negotiate a joint venture on the areas identified as being highly prospective for lithium mineralisation.

Mr Sullivan and the Force geological team spent approx. 7 days at Kanuka and undertook mapping and sampling.

Mapping within the area established the presence of significant occurrences of pegmatite exposures, which had had been exposed by the current and historical mining activity. In addition, a number of pegmatites were identified at surface.

Continuous pegmatite exposures were identified extending in excess of 3km on a NE-SW trend, and in places in excess of over 200m wide. The pegmatites identified appeared open in all directions and are considered to extend for possibly up to several kilometres along the NE-SW trend. Further exploration including detailed mapping, trenching, pitting and drilling is required to confirm whether the pegmatite is the result of a single intrusion or multiple intrusions.

## 2.3 Assay Results and Discussion

As part of Technical Due Dilligence, 25 random grab samples were taken from pegmatites outcropping in the license areas.

Assay results have been received with a number of samples returning high grade lithium mineralization. In total, five grab samples returned assays better than 0.4% Li<sub>2</sub>O as detailed below:

Tenement	Sample No	UTM_E	UTM_N	Locality	Sample Type	Orientation	Lithology	ME-MS61 (Li <sub>2</sub> O %)
PR4100/PE13082	A2501	541257	9165944	Kanuka	rockchip	Random	Pegmatite	<b>0.45</b>
PR4100/PE13082	A2502	541269	9165833	Kanuka	rockchip	Random	Pegmatite	<b>1.62</b>
PR4100/PE13082	A2504	540959	9165840	Kanuka	rockchip	Random	Pegmatite	<b>1.86</b>
PR4100/PE13082	A2505	541850	9166122	Kanuka	rockchip	Random	Pegmatite	<b>1.93</b>
PR4100/PE13082	A2519	543387	9165359	Kanuka	rockchip	Random	Pegmatite	<b>2.12</b>

**Table 2:** Select assay results for rock chip samples at the Kanuka Lithium Project Joint Venture

The assay results are considered entirely consistent with weathered pegmatites and are indicative of a well mineralised lithium system. They further confirm the presence of high grade lithium mineralisation. The assay results for all 25 grab samples are reported in full at Appendix 2.



The results show in a broad sense, that the lithium mineralisation identified on the Kanuka Lithium Project is observed to be preferentially hosted within a near surface and very oxidised pegmatite with an LCT affinity. The strongest mineralisation is frequently observed within or near the contacts between large quartz rich and quartz-albite zones.

These observations and characteristics are typical of LCT type pegmatite deposits and consistent with recent descriptions of the Manono and Kitotolo deposits located immediately to the north.

The Company's Head of Exploration, Mr James Sullivan stated:

*"The proposed Joint Venture with MMR, is in an area with extensive pegmatites, both exposed at surface and exposed by recent and historical mining activities"*

*"The licenses, both a Mining and Exploration license, are in an excellent location. They are located very close to and just south of AVZ's Manono Lithium Project and also to the east of our Kitotolo Lithium Project. This in particular allows us to focus our exploration activities and resources"*

*"The major lithium occurrences just to the north at Manono, were originally exposed by historic tin mining. We have that same situation here at Kanuka, where MMR have been mining the alluvial material, and we are able to see some substantial and quite significant pegmatite exposures"*

*"We can see the opportunity and work in front of us, and we look forward to finalising the exploration budget and plans with MMR and commencing work in the New Year"*

### **3. NSW Projects**

As reported previously, the Company intends on focussing its efforts and financial resources predominantly on its DRC Lithium Projects and for this reason it has sought to attract parties interested in advancing its NSW projects via an earn-in, joint venture or sale opportunity, cash or share based.

The Company is in ongoing discussion with a number of parties in relation to its Halls Peak Base Metals Project and its Mt Adrah Gold Project. Those discussions are not yet at a stage where they represent an unconditional offer.

The Company will update shareholders if there are any significant developments.

## **4. Corporate**

### **4.1 Cash at Bank**

Cash at bank for the Company as at the end of the quarter was \$3.516 million.

#### Cashflows for Quarter ended 31 December 2017

In December 2017, the Company completed a \$3 million placement to sophisticated investors, issuing 60 million new shares at 5 cents per share. No financing fees or commissions were paid in relation to the placement.

In addition, from the start of the quarter to the date of this report, the Company has received funds for option conversions into shares totaling \$634k, as follows:

Type	Expiry Date	Exercise Price	Number	Amount Received
Unlisted	30 June 2019	\$0.032	13,416,664	\$429,333
Unlisted	30 June 2019	\$0.035	5,000,000	\$175,000
unlisted	5 August 2019	\$0.048	625,000	\$30,000
			<b>19,041,664</b>	<b>\$634,333</b>

## 4.2 Options

As at 31 January 2017, share options remaining on issue are as follows:

Type	Expiry Date	Exercise Price	Number	Amount Outstanding
Unlisted	30 June 2019	\$0.032	28,416,662	\$909,333
Unlisted	30 June 2019	\$0.035	10,000,000	\$350,000
Unlisted	5 August 2019	\$0.048	937,500	\$45,000
Unlisted	1 July 2020	\$0.06	2,000,000	\$120,000
unlisted	1 July 2020	\$0.08	2,000,000	\$160,000
			<b>43,354,162</b>	<b>\$1,584,333</b>

## 4.3 General Meeting

The Company's AGM was held on 10 October 2017.

All resolutions were approved with the exception of resolutions 9, 10 and 11 relating to termination payments, options and performance rights proposed to be issued to former director Mr Alistair Stephens.

For the full results of the General Meeting please refer to ASX announcement of 10 October 2017.

## 4.4 Key Appointments

On 17 October 2017, Force announced three key senior appointments to strengthen the Company's management capabilities and new focus on its DRC Lithium Projects.

Firstly, Mr James Sullivan was appointed as Head of Exploration, to lead the Company's exploration activities at its DRC Lithium Projects, with an immediate focus on the Kitotolo Lithium Project.

Mr Sullivan is a professional geologist with 20 years' experience, and who was initially engaged by the Company to undertake an independent due diligence assessment of the Kitotolo and Kiambi Lithium Projects. Mr Sullivan has now agreed to accept a full-time ongoing role with the Company to manage and implement the proposed exploration activities of the Company in the DRC.

Previously, Mr Sullivan was engaged as Project Due Diligence Supervisor for ASX listed AVZ Minerals. Based in Manono, Mr Sullivan was involved with the full range of mineral due diligence assessments of the historical Manono-Kitotolo Pegmatite.

Commenting on the appointment of Mr Sullivan, director Mr Jason Brewer stated:

*“James is a highly competent, experienced and respected geologist and one of very few that has worked on the Manono-Kitotolo Pegmatite. He is in high demand, particularly from a number of companies that are looking to quickly enter the lithium and cobalt sector in the DRC.”*

*“The appointment of James by Force is a bold statement of our intent, and both a sign of his commitment to the Company and a demonstration of his belief in our projects. This appointment now allows us to move forward quickly and focus on the areas of greatest potential.”*

Mr Sullivan's immediate focus will be on the scheduling and budgeting of the Company's maiden exploration program at the Kitotolo Lithium Project which is proposed to include trenching, test pitting and auger drilling to sample and assay the fresh spodumene in pegmatite and to determine the depth and strike extensions of the pegmatites, which are open in all directions and are considered to potentially extend for several kilometres along a NE-SW trend. This proposed exploration program will initially focus on the area surrounding a large artisanal pit where work has already identified spodumene in weathered pegmatite which has been assayed and returned high-grade lithium mineralisation.

Secondly, experienced Congolese mining executive, Mr Makonga Ngoy “Gedeon” Pelesa was appointed to the Board as a non-executive director and as the Company's in-country representative. Mr Pelesa is a mining engineer (M.Eng (Mining) Lumbumbashi University), with over 10 years' experience in mineral exploration projects including senior roles as Logistics Manager and Site Manager for Xstrata and Glencore in the Republic of Congo. Mr Pelesa is currently Country Director for ASX-listed and DRC gold focused company Vector Resources Limited.

Commenting on the appointment, Mr Brewer stated:

*“To operate effectively in the DRC requires a strong in-country team and the support of highly experienced local partners. I am particularly pleased that Gedeon has agreed to accept Force's invitation to join the Company's Board.”*

*“He is a very impressive individual who I have had the opportunity to observe closely over the past year in his role with Vector Resources in the DRC. I know from experience that his appointment will be of great benefit to Force.”*

Lastly, the Company renewed arrangements with current Chief Financial Officer and Company Secretary, Mr Michael Fry. Mr Fry is highly experienced in the financial and executive management of public companies particularly those operating in overseas and remote locations.

At the same time, Mr Patrick Glovac resigned from the Board having overseen the Company's transition into lithium in DRC and the introduction of new management team.

## 5 Schedule of Mineral Tenements as at 31 December 2017

Project	Status	Tenement	Interest by Force held
Mt Adrah	Granted	EL8606	99.5%
Mt Adrah	Granted	EL6372	99.5%
Mt Adrah	Granted	EL7844	99.5%
Halls Peak	Granted	EL4474	100%
Halls Peak	Granted	EL5339	100%
Halls Peak	Granted	EL7679	100%
Rocky River / Uralla	Granted	EL6483	59.5%
Rocky River / Uralla	Granted	EL7491	59.5%

EL – Exploration Licence

**END**

**Contact:**

**Michael Fry**

Company Secretary

Force Commodities Limited

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### **Competent Person Statement**

The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets, Mineral Resources or Ore Reserves has been compiled by Mr James Sullivan is a member of the Australian Institute of Geoscientists. Mr Sullivan is engaged by Force Commodities as a consultant geologist.

Mr Sullivan has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Sullivan consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

### **Forward looking statements**

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.