FORCE COMMODITIES LIMITED

and its Controlled Entities

ABN 12 145 184 667

Half Year Financial Report

30 JUNE 2018

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CORPORATE INFORMATION

DIRECTORS

Mr David Sanders	Chairman
Mr Jason Brewer	Managing Director
Mr Gedeon Pelesa	Non-executive Director

COMPANY SECRETARY
Mr Michael Fry

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Force Commodities Limited shares are listed on the Australian Securities Exchange (ASX)

ASX Code 4CE

ACN 145 184 667

ABN 12 145 184 667

In this report, the following definitions apply:

"Board" means the Board of Directors of Force Commodities Limited

"Force" or the **"Company"** means Force Commodities Limited ABN 12 145 184 667

"Group" means Force Commodities and its controlled entities

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The directors of Force Commodities Limited ('Force' or the 'Company') submit the financial report of the Company and its controlled entities (the 'Group') for the half year ended 30 June 2018.

1. BOARD COMPOSITION

The names and details of the directors of Force Commodities Limited in office during the half year and until the date of this report are set out below. Each director was in office for this entire period unless stated otherwise.

The names of Directors who are in office at the date of this report:

Mr David Sanders	Chairperson
Mr Jason Brewer	Managing Director
Mr Gedeon Pelesa	Non-Executive Director

Company Secretary:

Mr Michael Fry

2. RESULTS

The result for the half year ended 30 June 2018 attributable to members of the Company was a net loss after tax of $609,449 (half year ended 30 June 2017 loss: $3,899,100).

3. REVIEW OF OPERATIONS

During the half year ending 30 June 2018, the Group's main operational focus was on the advancement of its Democratic Republic of Congo (DRC) lithium projects - Kitotolo Lithium Project and Kanuka Lithium Production Project.

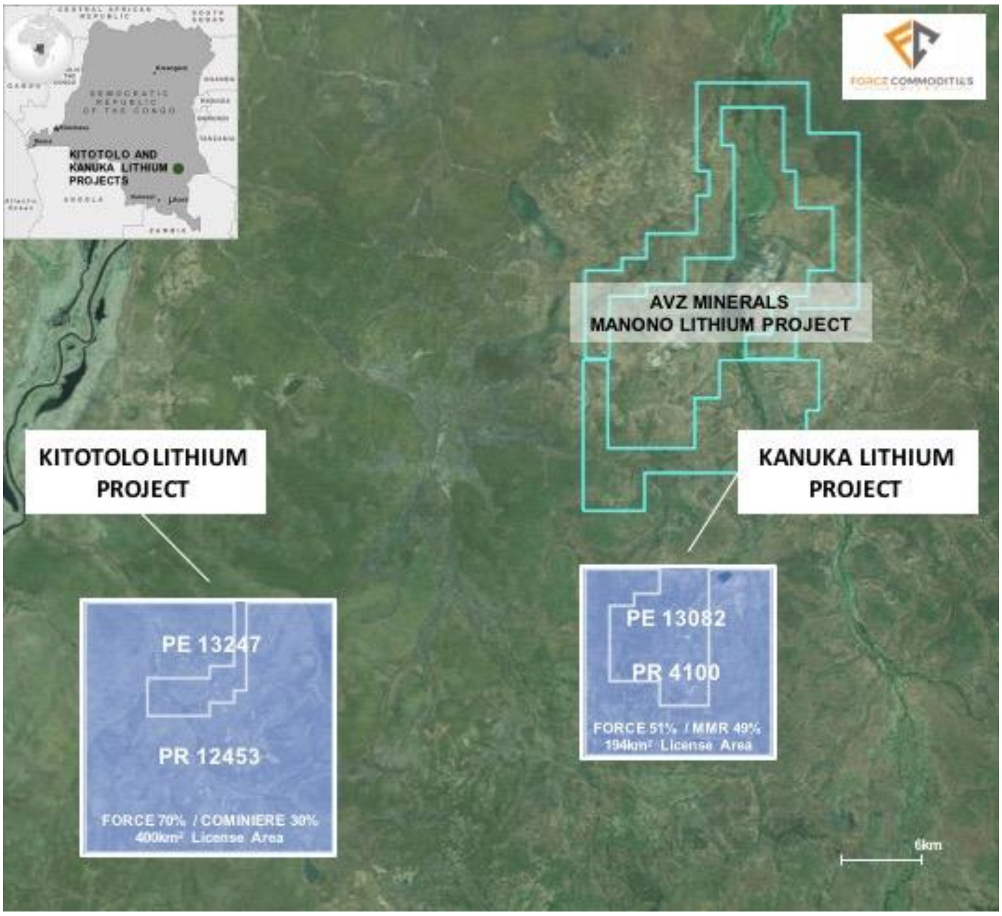

Figure 1: Location Map – DRC lithium projects

Kanuka Lithium Production Project

In late March 2018, a formal joint venture agreement was executed and on 25 May 2018 a Joint Venture company was incorporated for the Kanuka Lithium Production Project Joint Venture, 51% Force and 49% MMR (Mining Mineral Resources SPRL).

The Kanuka Project comprises two contiguous licenses: granted Mining License PE13082 and Exploration License PR4100.

These licenses cover an area of approx. 194km^2 and are located 20km east of the Company's other lithium project - the Kitotolo Lithium Project. The Kanuka licenses are also located on the licenses immediately south (approx. 4km from the license boundaries) of AVZ's Manono Project.

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.

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.

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 5kms long and open along strike on a NE-SW trend, typical of other pegmatites identified in the region.

The Company completed a detailed Technical Due Diligence investigation on the Kanuka Lithium Project in September 2017.

Mr James Sullivan, Force's Head of Exploration, and the Company's two local geologists 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.

As part of Technical Due Diligence, 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% Li2O as detailed below:

Tenement	Sample No	UTM_E	UTM_N	Locality	Sample Type	Orientation	Lithology	ME-MS61 (Li2O %)
PR4100/PE13082	A2501	541257	9165944	Kanuka	Rockchip	Random	Pegmatite	**0.45**
PR4100/PE13082	A2502	541269	9165833	Kanuka	Rockchip	Random	Pegmatite	**1.62**
PR4100/PE13082	A2504	540959	9165840	Kanuka	Rockchip	Random	Pegmatite	**1.86**
PR4100/PE13082	A2505	541850	9166122	Kanuka	Rockchip	Random	Pegmatite	**1.93**
PR4100/PE13082	A2519	543387	9165359	Kanuka	Rockchip	Random	Pegmatite	**2.12**

Table 1: 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.

During the half-year, work activities included detailed mapping and sampling, auger drilling and preparation for the Phase 1 Drill Program.

The detailed mapping and sampling work identified a number of major additional pegmatites lying parallel to the Main Kania Pegmatite body.

The auger drilling program which followed the detailed mapping and sampling was aimed at extending the better defining the pegmatites in areas of soil cover.

In total 143 auger holes were completed with a total of 51 geochemical samples sent for assay. Subsequent to the half-year end, the assay results have been received with 50 of the 51 samples returning lithium mineralisation, confirming the mineralisation at Kanuka has a strong Lithium-Cesium-Tantalum (LCT) pegmatite) affinity.

Subsequent to 30 June 2018, Force has completed its maiden RC drilling program at the Project which consisted of approximately 3,000 metres of drilling. As at the date of this report, the results of the RC drilling are pending.

Kitotolo Lithium Project

The Company has acquired a 70% interest in a new Joint Venture company incorporated on 28 December 2017 together with DRC sate-owned mining company La Congolaise d'Exploitation Minière (30%) for the purpose of exploring in joint venture the Kitotolo Project.

The Kitotolo Project is highly prospective for lithium, tin and tantalum mineralisation, with the Company's main focus being on the lithium mineralisation. There is very limited historical exploration activity at Kitotolo, and Force aims to undertake aggressive exploration programs to quickly identify the extent of the pegmatite and to target the lithium mineralisation.

The Kitotolo Project comprises Exploration License PR 12453 and Mining License PE 13247, and extends over an area of approx. 400Km^2.

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

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

The Kitotolo Lithium Project lies in an inferred regional structural corridor that is trending SW-NE and incorporates AVZ's Manono Project, TSX-V listed Tantale's Buckell Project, and Force's Kitotolo Project, where lithium mineralisation grades appear to be at elevated levels.

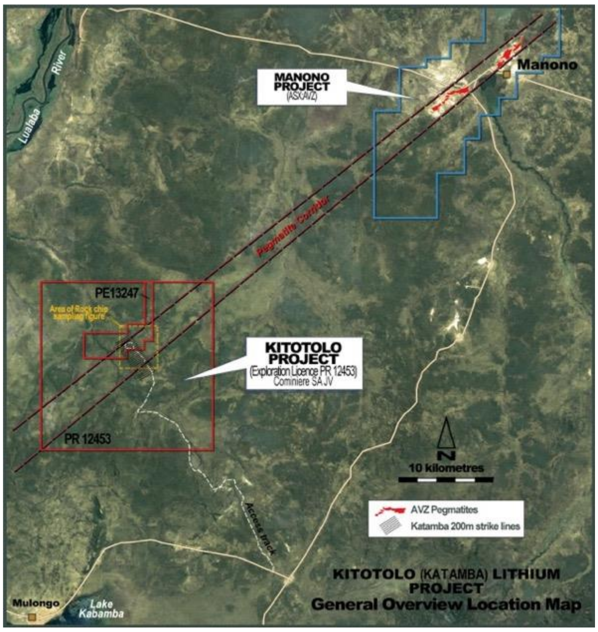

Figure 2: Location Map: Highlights an <u>Inferred Regional structural Corridor</u> which possibly hosts a larger and wider pegmatite field within the Kibaran Belt.

On-the-ground technical due diligence activities were undertaken over a 4-week period in September 2017 and identified significant occurrences of visible spodumene and other lithium bearing minerals in pegmatite exposures.

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.

Numerous artisanal workings were identified within the Kitotolo Lithium Project license area, typically alluvial in nature and focused on cassiterite and columbite-tantalite mining.

In the north of the Kitotolo Lithium Project area there is a significantly 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.

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.

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 Lithium Project.

As at the date of this report, work is focused on preparation for the Phase One Drill program to comprise 15,000 metres of RC drilling.

NSW Projects

In addition, to its DRC lithium projects Force owns three projects in New South Wales that are prospective for base metals and gold mineralization.

Due to the focus on the DRC Projects, the Company took the decision during 2017 to seek out partners to joint venture, earn-in or acquire the NSW projects.

During the half year, the Company has entered into sale agreements to dispose of its Mt Adrah Gold Project and its Halls Peak Base Metals Project which are the subject of conditions precedent which are being worked through as at the date of this report. The Company remains confident that the conditions precedent will be satisfied in due course and that the sales will proceed.

Force retains the Rocky River – Uralla Gold Project. During the half year, work on the Rocky River – Uralla Gold Project was limited to administrative filings and a review of historical data.

Mineral Tenement Schedule

Project	Country	Status	Tenement	Interest Held by Force
Mt Adrah (1)	Australia	Granted	EL8606	99.5%
Mt Adrah (1)	Australia	Granted	EL6372	99.5%
Mt Adrah (1)	Australia	Granted	EL7844	99.5%
Halls Peak (1)	Australia	Granted	EL4474	100%
Halls Peak (1)	Australia	Granted	EL7679	59.5%
Rocky River / Uralla	Australia	Granted	EL7491	59.5%
Rocky River / Uralla	Australia	Granted	EL6483	59.5%
Kitotolo Lithium Project (2)	DRC	Granted	PR12453	70.0%
Kitotolo Lithium Project (2)	DRC	Granted	PE13247	70.0%
Kanuka Lithium Production Project (3)	DRC	Granted	PR4100	51.0%
Kanuka Lithium Production Project (3)	DRC	Granted	PE13082	51.0%

EL – Exploration License, PR – Research Permit (equivalent of an Exploration License), PE – Exploitation Permit (equivalent of a Mining License)

(1) - subject to a sale agreement
(2) - tenements are in the process of being transferred into COMFORCE DRC SAU in which Force has a 70% joint venture interest
(3) - tenements are held by joint venture partner, with Force having a 51% joint venture interest in the lithium rights only

Qualifying Statements

The information in this report that relates to Exploration Information is based on information compiled by Mr James Sullivan who is a member of The Australasian Institute of Geoscientists. Mr Sullivan is a qualified geologist and is a full-time employee of Force Commodities Limited.

Mr Sullivan has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results., Mineral Resources and Ore Resources. Mr Sullivan consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

4. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events subsequent to reporting date.

5. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 9 for the half year ended 30 June 2018.

This report is made in accordance with a resolution of directors.

Dr David Sanders
Chairman
Perth, Western Australia
13 September 2018

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Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF FORCE COMMODITIES LIMITED

As lead auditor for the review of Force Commodities Limited for the half-year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Force Commodities Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty ltd

Perth, 13 September 2018

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FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2018

	Notes	30 Jun 2018 $	30 Jun 2017 $
Continuing Operations			
Interest income		**15,827**	**11,591**
Other income		**163,526**	**188,469**
Administrative expenses		(350,454)	(577,098)
Consulting and staff costs		(274,332)	(501,846)
Depreciation		(2,258)	(2,249)
Share based payments	13	(159,950)	-
Change in fair value of investments		-	(133,136)
Impairment		-	(2,878,349)
Finance costs		(1,808)	(6,482)
Loss before income tax expense		**(609,449)**	**(3,899,100)**
Income tax expense		-	-
Loss for the period		**(609,449)**	**(3,899,100)**
Total comprehensive loss for the period is attributed to:			
Loss attributable to owners		**(609,449)**	**(3,899,100)**
Non-controlling interests		**2,350**	**(20,716)**
Total comprehensive loss for the period		**(607,099)**	**(3,919,816)**
Loss per share			
Basic loss per share (cents per share)		**(0.15)**	(1.85)
Diluted loss per share (cents per share)		**(0.15)**	(1.85)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	30 Jun 2018 $	31 Dec 2017 $
ASSETS			
Current assets			
Cash and cash equivalents		1,969,636	3,524,376
Trade and other receivables	3	334,787	308,302
Financial assets	4	772,500	637,500
Total current assets		**3,076,923**	**4,470,178**
Non-current assets			
Prepayments		-	6,068,758
Exploration and evaluation	5	7,757,681	-
Plant and equipment		75,701	7,893
Security deposits		56,538	-
Total non-current assets		**7,889,920**	**6,076,651**
Total assets		**10,966,843**	**10,546,829**
LIABILITIES			
Current liabilities			
Trade and other payables	8	130,897	119,756
Employee benefits provision	9	-	35,729
Total current liabilities		**130,897**	**155,485**
Total liabilities		**130,897**	**155,485**
Net (liabilities)/assets		**10,835,946**	**10,391,344**
Equity			
Issued capital	10	39,262,831	34,796,331
Reserves		4,365,161	8,052,711
Accumulated losses		(34,792,470)	(34,183,021)
		8,835,522	8,666,021
Non-Controlling interest	7	2,000,424	1,725,323
Total equity		**10,835,946**	**10,391,344**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2018

	Notes	30 Jun 2018 $	30 Jun 2017 $
Cash flows from operating activities			
Interest received		15,827	11,591
Other income		21,336	-
Payments to suppliers and employees		(611,370)	(1,074,780)
Interest paid		(1,144)	-
GST refunds		34,752	-
R&D grant (net of costs)		-	71,460
Net cash flows used in operating activities		**(540,599)**	**(991,729)**
Cash flows from investing activities			
Payments for exploration and evaluation assets		(1,278,537)	(334,799)
R&D grant offset against exploration and evaluation assets (net of costs)		-	125,886
Purchase of plant and equipment		(70,066)	(3,248)
Redemption/(payment) for term deposit		(56,538)	90,000
Net cash flows used in investing activities		**(1,405,141)**	**(122,161)**
Cash flows from financing activities			
Proceeds from issue of shares		391,000	947,870
Share issuing costs		-	(32,127)
Net cash flows from financing activities		**391,000**	**915,743**
Net decrease in cash and cash equivalents		(1,554,740)	(198,147)
Cash and cash equivalents at beginning of period		3,524,376	676,478
Cash and cash equivalents at end of period		**1,969,636**	**478,331**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2018

	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total Equity
	$	$	$		$
Balance at 1 January 2018	**34,796,331**	**8,052,711**	**(34,183,021)**	**1,725,323**	**10,391,344**
Comprehensive loss for the period	-	-	(609,449)	2,350	(607,099)
Total comprehensive loss for the period	-	-	(609,449)	2,350	(607,099)
Transactions with owners in their capacity as owners					
Non-controlling interests on acquisition of subsidiary	-	-	-	272,751	272,751
Security issue costs	391,000	-	-	-	391,000
Issue of shares as consideration for asset acquisition	4,075,500	(3,847,500)	-	-	228,000
Share based payments	-	159,950	-	-	159,950
Balance at 30 June 2018	**39,262,831**	**4,365,161**	**(34,792,470)**	**2,000,424**	**10,835,946**
Balance at 1 January 2017	**29,706,305**	**3,681,761**	**(29,552,424)**	**(770)**	**3,834,872**
Comprehensive loss for the period	-	-	(3,899,100)	(20,716)	(3,919,816)
Total comprehensive loss for the period	-	-	(3,899,100)	(20,716)	(3,919,816)
Transactions with owners in their capacity as owners					
Transactions with non-controlling interests	-	-	-	-	-
Shares issued during the period	947,870	-	-	-	947,870
Security issue costs	(32,127)	-	-	-	(32,127)
Balance at 30 June 2017	**30,622,048**	**3,681,761**	**(33,451,524)**	**(21,486)**	**830,799**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONTENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

This consolidated interim financial report for the half-year reporting period ended 30 June 2018 has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporation Act 2001.*

This financial report complies with Australian Accounting Standards which include International Financial Reporting Standards as adopted in Australia. Compliance with these standards ensures that the consolidated financial statements and notes as presented with the International Reporting Standards **(IFRS)**.

b) New accounting standard and interpretations

Adoption of new and amended accounting standards

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of the adoption of the following standards:

- AASB 9 *Financial Instruments*; and
- AASB 15 *Revenue from Contracts with Customers*.

The impact of the adoption of these standards and the new accounting policies are disclosed below. The impact of these standards, and the other new and amended standards adopted by the Group, has not had a material impact on the amounts presented in the Group's financial statements.

Changes in accounting policies

This note explains the impact of the adoption of AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* on the group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

AASB 9 Financial Instruments – Impact of adoption

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from January 1, 2018 resulted in no material changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. Comparative figures have not been restated in accordance with transitional provisions.

On January 1, 2018, the Company assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate AASB 9 categories.

Reclassification of financial assets held-for-trading to fair value through profit or loss ("FVPL")

The investment in an equity instrument held was reclassified from financial assets held for trading to FVPL. There was no impact on the amounts recognised in the financial statements as a result of adoption.

AASB 15 Revenue from Contracts with Customers – Impact of Adoption

The Group has adopted AASB 15 *Revenue from Contracts with Customers* from 1 January 2018 which has no material impact to the amounts recognised in the financial statements.

c) Going Concern

For the half year ended 30 June 2018 the entity recorded a loss of $609,499 and had net cash outflows from operating activities of $540,599.

The ability of the entity to continue as a going concern is dependent on securing additional funding through the exercise of share options in existence or the placement of additional shares to the public or to strategic investors to continue to fund its operational and exploration activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business as the directors are confident that the Group will raise funds through capital raising events or joint venture projects as and when required.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amount that differ from those stated in the financial statements and that the financial report does not include any adjustments to the recoverability and classification of recorded assets amounts or liabilities that might be necessary should the entity not continue as a going concern.

d) Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparation the interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at the year ended 31 December 2017.

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, after impairment indicators are identified, the recoverable amount has been assessed by reference to the higher of "fair value less costs to sell" and, if applicable, "value in use".

Asset Acquisition

The Consolidated Entity has determined that the acquisition of a controlling interest in the Kitotolo Lithium Project and the Kanuka Lithium Production Project are not deemed business acquisitions. The transactions have been accounted for as an asset acquisition. In assessing the requirements of AASB 3 Business Combinations, the Consolidated Entity has determined that the assets acquired do not constitute a business.

The principal assets acquired consist of the right to explore granted Mining License PE13247 and Exploration License PR12453 in the case of the Kitotolo Lithium Project in the DRC and granted Mining License (PE13082) and Exploration Licence (PR4100) in the case of the Kanuka Lithium Production Project.
When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transactions costs of the acquisition are included in the capitalised cost of the asset.

2. SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on geographical location, with the consolidated entity having operated in two locations: Australia and the Democratic Republic of Congo (DRC) in the previous 6 months.

Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Activity by segment

Exploration DRC

The Exploration DRC segment includes the following exploration projects:
- Kitotolo Lithium Project in DRC; and
- Kanuka Lithium Production Project in DRC

Exploration Australia

The Exploration Australia segment includes the following exploration projects:
- Mt Adrah Gold Project in New South Wales
- Halls Peak Base Metals Project in New South Wales
- Rocky River – Uralla Gold Project in New South Wales

The following table presents the revenue, profit, and selected expenditure information for the half year ended 30 June 2018 and selected balance sheet information as at 30 June 2018 for the Group's reportable segments.

30 June 2018	**Exploration Australia $**	**Exploration DRC $**	**Corporate $**	**Total $**
Segment performance				
Segment revenue	-	-	**179,353**	179,353
Segment result	**-**	**-**	**(609,449)**	**(609,449)**
Segment assets				
Cash	5,516	13,968	1,950,152	1,969,636
Exploration and evaluation	-	7,757,681	-	7,757,681
Other assets	83,322	250,192	906,012	1,239,526
Total segment assets	**88,838**	**8,021,841**	**2,856,164**	**10,966,843**
Segment liabilities				
Trade payables	-	-	130,897	130,897
Employee benefits provision	-	-	-	-
Other liabilities	-	-	-	-
Total segment liabilities	**-**	**-**	**130,897**	**130,897**

The following table presents the revenue, profit, and selected expenditure information for the half year ended 31 December 2017 and selected balance sheet information as at 31 December 2017 for the Group's reportable segments.

31 December 2017	**Exploration Australia**	**Exploration DRC $**	**Exploration US $**	**Corporate $**	**Total $**
Segment performance					
Segment revenue	120,987		**-**	**182,953**	**303,940**
Segment result	**(2,877,862)**		**(37,934)**	**(1,735,518)**	**(4,651,314)**
Segment assets					
Cash	4,348		-	3,520,028	**3,520,028**
Exploration and evaluation		6,068,758	-	-	**6,068,758**
Other assets	84,761	133,807	-	735,127	**953,695**
Total segment assets	**89,109**	**6,202,565**	**-**	**4,255,155**	**10,542,481**
Segment liabilities					
Trade payables	706		-	88,056	**88,056**
Employee benefits provision	10,553	-	-	25,716	**36,269**
Other liabilities	6,000		-	25,000	**31,000**
Total segment liabilities	**17,259**	**-**	**-**	**138,772**	**155,325**

3. TRADE AND OTHER RECEIVABLES

	30 Jun 2018 $	31 Dec 2017 $
CURRENT		
Receivables - other parties	8,370	1,180
Receivables - tenement deposits	83,000	83,000
Receivables - GST	49,658	50,315
Prepayments	193,759	40,000
Other - monies held in trust	-	133,807
Total current trade and other receivables	**334,787**	**308,302**

4. FINANCIAL AND OTHER ASSETS AND FAIR VALUE MEASUREMENT

	30 Jun 2018 $	31 Dec 2017 $
CURRENT		
Investments in listed securities	772,500	637,500
Total financial and other assets	**772,500**	**637,500**

Fair value measurement

Fair value hierarchy

The following table details the consolidated entity's assets measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Unobservable inputs for the asset or liability.

	Level 1 $	Level 2 $	Level 3 $	Total $
Consolidated 30 June 2018				
Financial Assets at fair value through profit or loss	772,500	-	-	**772,500**
	772,500	-	-	**772,500**
Consolidated 31 December 2017				
Financial Assets at fair value through profit or loss	637,500	-	-	637,500
	637,500	-	-	**637,500**

5. EXPLORATION & EVALUATION

	30 Jun 2018 $	31 Dec 2017 $
Balance as at 1 January	-	2,669,434
Capitalised exploration acquisition – Kanuka (refer note 6)	556,635	-
Capitalised exploration acquisition – Kitotolo (1)	6,068,758	-
Capitalised exploration expenditure – Kitotolo	1,132,288	-
Capitalised exploration expenditure	-	334,804
R&D Grant credit	-	(125,887)
Impairment expense	-	(2,878,351)
Balance as at end of period	**7,757,681**	**-**

(1) – Transferred from prepayments at 31 December 2017.

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the consolidated entity's rights to tenure of the areas of interest;
- the results of future exploration;
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale; and
- no significant changes in laws and regulations that greatly impact the company's ability to maintain tenure.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

6. ASSET ACQUISITION

Acquisition of a 51% interest in the Kanuka Lithium Production Project, DRC

On 27 March 2018, the Consolidated Entity executed a joint venture agreement relating to the acquisition of a 51% interest in the Kanuka Lithium Production Project, comprising granted Mining License (PE13082) and Exploration Licence (PR4100). Subsequently, on 25 May 2018, the joint venture company, Min Force SAS was incorporated, and the Consolidated Entity issued its shares. The acquisition was completed through the following:

	30 Jun 2018 $
Purchase consideration	
Cash payments	55,884
Equity consideration issued - First Tranche (2,000,000 shares at $0.057) – refer note 10	114,000
Equity consideration issued - Second Tranche (2,000,000 shares at $0.057) – refer note 10	114,000
	283,884
Net assets acquired	
Exploration costs capitalised	556,635
Less: Non-controlling interest	(272,751)
	283,884

Kanuka Lithium Production Project – Acquisition Terms

Pursuant to the Joint Venture Agreement (JV Agreement) executed with Kanuka Mining Company SPRL (Kanuka) and Mining Mineral Resources SPRL (MMR) whereunder Kanuka is a subsidiary of MMR and holds a 100% interest in the Kanuka Lithium Production Project dated 27 March 2018, Force agreed to pay the following consideration in relation to the acquisition of a 51% interest in the Kanuka Lithium Production Project:

Event	Consideration	Relevant Conditions (if any)
At Completion	2,000,000 Shares	Upon the completion of due diligence, election to proceed, execution of Formal Agreements, ministerial consent, government, regulatory and third party approvals, and the incorporation of the joint venture company.
With 3 months of Completion	2,000,000 Shares	With 3 months of Completion
Performance Milestone 1	8,000,000 Shares	Upon completion of a JORC compliant resource of up to 250,000 tonnes of contained lithium
Performance Milestone 2	12,000,000 Shares	Upon completion of a JORC compliant resource of over 250,000 tonnes and less than or equal to 500,000 tonnes of contained lithium
Performance Milestone 3	16,000,000 Shares	Upon completion of a JORC compliant resource of over 500,000 tonnes and less than or equal to 1,000,000 tonnes of contained lithium
Performance Milestone 4	20,000,000 Shares	Upon completion of a JORC compliant resource of in excess of 1,000,000 tonnes of contained lithium
Production Royalty	2.5%	On commercial production

On 25 May 2018, the Company and its DRC subsidiary, Force Commodities DRC SAU, together with MMR and Kanuka, executed the documentation that facilitated the establishment of a newly incorporated joint venture company – MIN Force SAS (51% Force Commodities DRC SAU / 49% Kanuka).

On 14 June 2018, the Company issued the First Tranche of Shares as set out in the JV Agreement being 2,000,000 shares to Kanuka's nominee.

As at the date of this report, the Second Tranche of Shares as set out in the JV Agreement being 2,000,000 shares is due but have not been issued.

For the purposes of assessing fair value of the asset acquisition, fair value of the Acquisition Shares is based on the date the joint venture was incorporated , being a deemed price of $0.057.

The consideration due under Performance Milestone 1, Performance Milestone 2, Performance Milestone 3, Performance Milestone 4 and the Production Royalty are not due nor is it probable as at 30 June 2018. For this reason, they are recognised as a Contingent Liability – refer Note 15.

7. NON-CONTROLLING INTEREST

	30 Jun 2018 $	31 Dec 2017 $
Balance as at 1 January	1,725,323	(770)
Asset Acquisition – Kitotolo Lithium Project	-	1,746,810
Asset Acquisition – Kanuka Lithium Production Project – refer note 6	272,751	-
Total comprehensive loss attributed to Non-Controlling Interests	2,350	(20,717)
Balance at end of period	**2,000,424**	**1,725,323**

8. TRADE AND OTHER PAYABLES

	30 Jun 2018 $	31 Dec 2017 $
Trade payables	77,301	88,756
Employee related payables	22,596	-
Other payables	31,000	31,000
Total trade and other payables	**130,897**	**119,756**

9. EMPLOYEE BENEFITS PROVISIONS

	30 Jun 2018 $	31 Dec 2017 $
Current		
Provision for employee benefits	-	35,729
Total current employee provisions	**-**	**35,729**

10. ISSUED CAPITAL

	30 Jun 2018 $	31 Dec 2017 $
a) Issued and paid up capital		
Ordinary shares fully paid	39,262,831	34,796,331
	Number of Shares	**Number of Shares**
Ordinary shares fully paid	423,915,868	340,353,369

b) Movement in shares on issue

	Issue Date	Number of Shares	$
Balance at 1 January 2017		**177,032,738**	**29,706,305**
Share placement	16/01/2017	37,924,800	948,120
Share placement	24/07/2017	53,666,666	805,000
Shares - in lieu of payment	15/11/2017	2,750,000	110,000
Exercise of options	20/11/2017	1,833,333	58,667
Exercise of options	27/11/2017	250,000	8,000
Exercise of options	11/12/2017	250,000	8,000
Exercise of options	11/12/2017	5,000,000	175,000
Exercise of options	11/12/2017	312,500	15,000
Share placement	18/12/2017	60,000,000	3,000,000
Exercise of options	19/12/2017	1,333,332	42,667
Capital raising costs		-	(80,427)
Balance at 31 December 2017		**340,353,369**	**34,796,332**
Balance at 1 January 2018		**340,353,369**	**34,796,331**
Exercise of options	16/01/2018	7,541,666	241,333
Exercise of options	22/01/2018	312,500	15,000
Exercise of options	22/01/2018	2,208,333	70,667
Exercise of options	15/02/2018	1,000,000	32,000
Share issue – acquisition consideration 70% interest in Kitotolo Lithium Project	15/02/2018	67,500,000	3,847,500
Exercise of options	26/02/2018	1,000,000	32,000
Share issue – acquisition consideration 51% interest in Kanuka Lithium Production Project	14/06/2018	2,000,000	114,000
Share to be issued in part consideration of Kanuka Project acquisition – refer note 6		2,000,000	114,000
Capital raising costs		-	-
Balance at 30 June 2018		**423,915,868**	**39,262,831**

11. RELATED PARTY INFORMATION

(a) Parent entity

The parent entity of the Group is Force Commodities Limited.

(b) Subsidiaries

The entities in the Group are:

Name of Entity	Class of Shares	Equity Holding (%)		Country of Incorporation
		30 Jun 2018	31 Dec 2017	
Biacil Holdings Pty Ltd	Ordinary	**100.0**	**100.0**	Australia
SOC1 Pty Ltd *	Ordinary	**100.0**	**100.0**	Australia
Hudson SPC Pty Ltd	Ordinary	**79.0**	**79.0**	Australia
SUGEC Resources Pty Ltd * (formerly SUGEC Resources Limited)	Ordinary	**55.3**	**55.3**	Australia
Mount Adrah Gold Limited *	Ordinary	**99.5**	**99.5**	Australia
Tasman Goldfields NSW Pty Ltd	Ordinary	**99.5**	**99.5**	Australia
Nevlith Pty Ltd	Ordinary	**100.0**	**100.0**	Australia
Force Commodities DRC SAU	Ordinary	**100.0**	**100.0**	DRC
Comforce DRC SAU	Ordinary	**70.0**	**70**	DRC
Minforce SAS	Ordinary	**51.0**	**-**	DRC

** subject to a sale agreement*

(c) Key Management Personnel

The following persons were Directors of the Company during the half year:

David Sanders	Non-Executive Chairperson	appointed 6 Jun 2017
Jason Brewer	Managing Director	appointed 6 Jun 2017
Gedeon Pelesa	Non-Executive Director	appointed 16 October 2017

The following persons were other key management personnel of the Company during the half year:

- Michael Fry, CFO and Company Secretary (appointed 1 April 2017)
- James Sullivan, Head of Exploration

(d) Transactions with Related Parties

The Company made the following related party transactions with XS Resources Limited which Mr Michael Fry is an Executive Director:

- On the 29 May 2018 the Company entered into an option agreement with XS Resources Limited for the sale of all the issued share capital of SOC1 Pty Ltd, the holder of exploration licence EL4474 which forms part of the Halls Peak Project.
- On the 29 May 2018 the Company entered into an option agreement with XS Resources Limited for the sale of exploration licence EL7679 held by SUGEC Resources Pty Ltd which forms part of the Halls Peak Project.

(e) Options and performance rights

The Company issued 1,800,000 performance rights to Mr Jason Brewer and 2,500,000 director incentive options to Mr Gedeon Pelesa during the 6 months to 30 June 2018 (refer note 13).

12. COMMITMENTS

	30 Jun 2018 $	31 Dec 2017 $
a) Exploration expenditure commitments		
Minimum tenement exploration expenditure	3,386,200	155,280
Total exploration expenditure commitments	**3,386,200**	**155,280**

The minimum exploration expenditure commitments and lease payments on the Company's exploration tenements total $3,386,200 (December 2017: $155,280) over the remaining term of the tenements. The expenditure commitments as at 30 June 2018 includes commitments for the Kitotolo Lithium Project of $1,000,000 and the Kanuka Lithium Production Project of $2,000,000 payable over the next 12 months.

b) Lease expenditure commitments		
No later than one year	130,356	155,280
Longer than one year, but not longer than 5 years	241,337	-
Later than 5 years	-	-
Total exploration expenditure commitments	**371,693**	**155,280**

Operating lease commitments as at 30 June 2018 relate to the lease of office premises for the Company's corporate head office located at 20 Kings Park Road, West Perth.

13. SHARE BASED PAYMENTS

a) Performance Rights

On 25 May 2018 shareholders approved, amongst other matters the issue of a total of 1,800,000 Performance Rights to Mr Jason Brewer the Managing Director of the Company. The Performance Rights were issued on 13 June 2018 and the proportionate value of these Performance Rights applicable to the half-year ended 30 June 2018 has been recorded as Share Based Payments in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The terms and conditions of the Performance Rights are summarised below:

	Number of Shares	Share Price ($)	Vesting Date	Fair Value
Mr Jason Brewer	600,000	0.057	19/02/2019	34,200
Mr Jason Brewer	600,000	0.057	19/02/2020	34,200
Mr Jason Brewer	600,000	0.057	19/02/2021	34,200

The Performance Rights are subject to Mr Brewer remaining in employment on each of the vesting dates. The amount of $76,950 recognised within the Consolidated Statement of Profit or Loss and Other Comprehensive Income represents the probability of performance rights vesting at reporting date.

b) Director Incentive Options

On 25 May 2018 shareholders approved, amongst other matters the issue of a total of 2,500,000 options to Mr Gedeon Pelesa a Non-executive Director of the Company as part of his remuneration during the year. The options were issued on 13 June 2018 and the proportionate value of these Share Options applicable to the half-year ended 30 June 2018 has been recorded as Share Based Payments in the Consolidated Statement of Comprehensive Income. The options have an exercise price of $0.10 (i.e. 10 cents) and expire on 30 June 2020.

The assessed fair value of the options was determined using Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price grant date, and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate of the term of the option.

The inputs to the model were:

Dividend Yield	-
Expected volatility (%)	135
Risk-Free interest rate (%)	2.03
Expected life of option (years)	2.10
Option exercise price ($)	0.10
Grant Date	25 May 2018
Share price at grant date ($)	0.057
Value of option ($)	0.0332
Number issued	2,500,000
Total value of options issued ($)	83,000

	Number of Shares	**Expiry Date**	**Fair Value**
Mr Gedeon Pelesa	2,500,000	30/06/2020	83,000

14. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events subsequent to reporting date.

15. CONTINGENT ASSETS AND LIABILITIES

From time to time the Company may be party to claims from suppliers and service providers arising from operations in the ordinary course of business.

As at the date of this report there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate the company's financial position or results from operations, other than as set out below.

Kanuka Lithium Production Project Joint Venture – Deferred Consideration

Pursuant to the Joint Venture Agreement (JV Agreement) executed with Kanuka Mining Company SPRL (Kanuka) and Mining Mineral Resources SPRL (MMR) whereunder Kanuka is a subsidiary of MMR and holds a 100% interest in the Kanuka Lithium Production Project dated 27 March 2018, Force has the following deferred consideration obligations with respect to the acquisition of a 51% interest in the Kanuka Lithium Production Project:

Event	Consideration	Relevant Conditions (if any)
Performance Milestone 1	8,000,000 Shares	Upon completion of a JORC compliant resource of up to 250,000 tonnes of contained lithium
Performance Milestone 2	12,000,000 Shares	Upon completion of a JORC compliant resource of over 250,000 tonnes and less than or equal to 500,000 tonnes of contained lithium
Performance Milestone 3	16,000,000 Shares	Upon completion of a JORC compliant resource of over 500,000 tonnes and less than or equal to 1,000,000 tonnes of contained lithium
Performance Milestone 4	20,000,000 Shares	Upon completion of a JORC compliant resource of in excess of 1,000,000 tonnes of contained lithium
Production Royalty	2.5%	On commercial production

Kitotolo Lithium Project Joint Venture – Deferred Consideration

Pursuant to its binding Heads of Agreement (HOA) executed with Lithium Age Pty Ltd (LAPL) dated 2 August 2017, Force has the following deferred consideration obligations with respect to the Kitotolo Lithium Project Joint Venture:

Event	Consideration	Relevant Conditions (if any)
Performance Milestone 1	30,000,000 Shares	Upon issuance of an additional exploration licence prospective for Lithium mineralisation being transferred into the joint venture.
Performance Milestone 2	30,000,000 Shares	Upon delineation of a Mineral Resource of 15 Million tonnes at a grade of greater than or equal to 1% Li_2O, determined in accordance with JORC Guidelines or NI 43-101
Production Royalty	1%	On commercial production

The consideration will become due and payable in the event that the relevant conditions are met. As at the reporting date, the conditions in respect of each of the items have not been met and therefore the amounts are recognised as contingent liabilities.

16. DIVIDENDS

No dividends have been paid or provided for the period.

DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 30 JUNE 2018

In the directors' opinion:

(a) The financial statements set out on pages 8 to 25 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half year ended on that date, and

(b) there are reasonable grounds to believe that Force Commodities Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Mr David Sanders
Chairman
Perth, Western Australia
13 September 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Force Commodities Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Force Commodities Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 13 September 2018