

16 April 2018

ASX Announcements Office
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Australia

FORCE CONSOLIDATES POSITION IN WORLD-CLASS KITOTOLO-MANONO LITHIUM REGION WITH FURTHER STRATEGIC ACQUISITION

- ***Binding Heads of Agreement executed to acquire up to a 75% interest in the Kitotolo West Lithium Project;***
- ***The Kitotolo West Lithium Project is located immediately west and contiguous to the Company's Kitotolo Lithium Project (Force: 70%);***
- ***The Kitotolo West Lithium Project comprises granted Exploration License PR 4295, which is in the process of being converted into a Mining License;***
- ***Exploration license PR 4295 is contiguous and strategically located immediately adjacent to and just west of the recently identified Kitotolo Pegmatite (see ASX Announcements of 10 January 2018 and 20 February 2018) and along strike to and south-west of the Katamba Open Pit located on the Company's Kitotolo Lithium Project;***
- ***The Kitotolo West Lithium Project Joint Venture allows Force the opportunity to further consolidate its presence in a world-class lithium region, with the Company's joint venture interests to comprise granted Mining and Exploration Licenses extending over approx. 1,000km² of proven lithium bearing pegmatites in the world-class Kitotolo-Manono Lithium Region;***
- ***Acquisition paves the way for Force to established itself as one of the major lithium explorers in Tanganyika Province, in the world-class Kitotolo-Manono Lithium Region;***
- ***The Kitotolo West Lithium Project represents a compelling exploration opportunity for the Company as well as allowing for a systematic assessment of a >25km long Kitotolo Pegmatite Corridor Trend, where it has already committed to a 16,000m AirCore-RC and diamond drilling program; and***
- ***Technical and legal due diligence already advanced and to be completed over a 60-day exclusive due diligence period.***

Force Commodities Ltd (**Force** or the **Company**) (ASX Code: 4CE) is pleased to announce that it has further consolidated its strategic position in the highly prospective and world class Kitotolo-Manono Lithium Region after executing a Binding Heads of Agreement with Walni Mineral Company SARL (**WAMICO**) to acquire a majority interest in the Kitotolo West Lithium Project.

The Kitotolo West Lithium Project Joint Venture, to be held initially 65% by Force (option to increase to 75%) and 35% by WAMICO, will focus on granted Exploration License PR 4295.

The Kitotolo West Lithium Project is located immediately west and contiguous to the Company's Kitotolo Lithium Project (Force: 70% and Cominiere 30%).

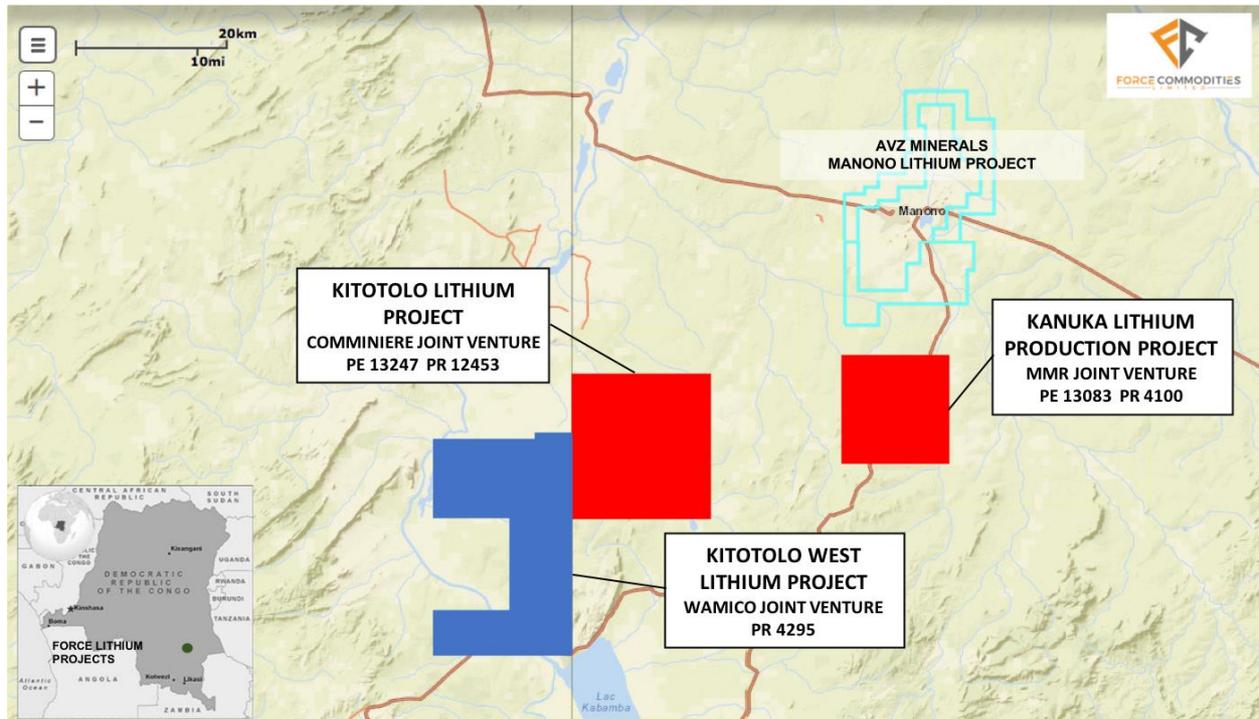


Figure 1. Location Map: Kitotolo West Lithium Project highlighted in blue, immediately west and contiguous to the Company's Kitotolo Lithium Project.

PR 4295 covers an area of approx. 400km² and in addition to be immediately contiguous to the Company's existing Kitotolo Lithium Project, it is located approx. 35km west of the Company's Kanuka Lithium Production Project which is a joint venture with Mining Mineral Resources SPRL (MMR).

The license is a granted Exploration License, which is in the process of being converted into a Mining License.

The tenement is contiguous and strategically located immediately adjacent to and just west of the recently identified Kitotolo pegmatite (see ASX Announcement - 10 January 2018 and 20 February 2018) and along strike to the south-west of the Katamba Open Pit at the Kitotolo Project (see Figure 1).

The acquisition of a majority interest in the Kitotolo West Lithium Project is considered by the Company to be an important strategic addition to Force's landholding package at the Kitotolo Lithium Project, further consolidating its position in the world-class Manono Lithium region and potentially strengthening its pipeline of exploration opportunities in this exciting emerging district. It further expands the combined Kitotolo-Kitotolo West ground position to over 739km² of proven and highly prospective lithium bearing pegmatites.

Force's Head of Exploration, Mr James Sullivan, said:

"The Company is extremely pleased to have executed this HOA and potential strategic acquisition of another 400km² of a highly prospective lithium exploration license. This will further strengthen our position in the exciting and world-class Kitotolo-Manono Lithium Region.

"This is an important addition to our ground-holding and, importantly, will allow us to adopt a more holistic view of the exploration potential of the area and formulate an exploration approach which is geared to unlocking the potential of the entire Kitotolo trend and potential parallel structures."

"With this HOA on PR 4295 - the Kitotolo West Lithium Project - we are now focused on preparing for the 16,000m Phase 1 drilling campaign at the newly identified Kitotolo Pegmatite on the neighbouring Kitotolo Lithium Project which, as outlined recently, represents a compelling exploration opportunity for the Company, as well as a systematic assessment of a >25km long Kitotolo-Manono Corridor Trend, which can now be extended along strike onto this larger license area."

The Company believes the acquisition to be strategically important given the Phase 1 exploration results at the Kitotolo Lithium Project. Assay results from exploration at the Kitotolo Lithium Project confirmed the presence of widespread near surface lithium mineralisation in extremely weathered pegmatite exposures over 1km in strike length and which remained open in all directions. These results further confirmed the continuous strike interpretations along the NE/SW orientation and have reinforced the regional pegmatite orientation across the Kitotolo Mining and Exploration licences which lie 40km south-west and along strike of AVZ Minerals Limited's Manono Lithium Project.

With the Kitotolo West Lithium Project license immediately west and extending southwest of the Kitotolo Lithium Project and along strike to the identified Kitotolo Pegmatite and south-west of the Katamba Open Pit, the Company is extremely pleased to have executed this Heads Of Agreement, which increases the Company's joint venture interests in the region now comprising granted Mining and Exploration Licenses extending over approx. 1,000km² of proven lithium bearing pegmatites.

Key Commercial Terms

The Company has executed a binding Heads Of Agreement with WAMICO pursuant to which a new joint venture will be established with Force holding an initial 65% interest and WAMICO the remaining 35% balance.

Force will be the operator and manager of the new joint venture which will undertake exploration activities aimed at the discovery, location and delineation of economic lithium mineralisation with a view to establishing a commercial lithium mining operation.

Force will be responsible for keeping the tenement in good standing and for all costs up to reaching a decision to mine. WAMICO will be free carried to a decision to mine.

Completion of the Kitotolo West Lithium Joint Venture remains subject to finalisation of legal and technical due diligence to be completed over a 60-day period, execution of formal joint venture documentation and receipt of any regulatory approvals.

Under the HOA, Force will fund a minimum US\$1.0m of exploration expenditure over the next 12 months, and further annual exploration expenditures of US\$1.0m for the subsequent two years.

Force will be required to pay the following cash and share based consideration to WAMICO as vendor and African Arch Capital (Mauritius) Ltd (**AAC**) who have relinquished their previous rights over the license area:

- a) US\$150,000 to WAMICO on execution of binding HOA;
- b) US\$100,000 to WAMICO on completion of the technical and legal due diligence and election to proceed with the Kitotolo West Lithium Project Joint Venture, to be settled in cash or shares in Force at WAMICO's option;
- c) issue A\$400,000 of ordinary shares in Force to AAC after election to proceed and on execution of all relevant Joint Venture documentation and associated agreements and obtaining all necessary regulatory approvals;
- d) issue A\$600,000 of ordinary shares in Force to AAC on completion by Force of its initial exploration program confirming, amongst other things, the presence of lithium bearing mineralisation within the fresh pegmatites and the formal approval by the Force Board to commit to further exploration activities and resource definition drilling on the Kitotolo West Lithium Project.

In addition, Force may elect to increase its interest in the Kitotolo West Lithium Project from 65% to 75% by issuing to WAMICO a further US\$500,000 of ordinary shares in Force, at any time prior to a decision to mine.

END

Contact:

Michael Fry

Company Secretary

Force Commodities Limited

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.