

FORCE COMMODITIES LIMITED
ACN 145 184 667

CLEANSING PROSPECTUS

For an offer of up to 20,000 Shares at an issue price of \$0.018 per Share to raise up to \$360 (before expenses) (**Offer**).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

Jess Oram
Non-Executive Chairman

Jason Brewer
Managing Director

Gedeon Pelesa
Non-Executive Director

Simon Grant-Rennick
Non-Executive Director

Company Secretary

Michael Pitcher

ASX Code

4CE

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Registered Office

Ground Floor, 20 Kings Park Road
WEST PERTH WA 6005

Telephone: + 61 8 6462 1421
Website:
www.forcecommodities.com.au

Share Registry*

Computershare Investor Services
GPO Box 2975
Melbourne VIC 3001

Telephone: +61 1300 850 505

Auditors*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 Indicative Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	14 October 2019
Opening Date	14 October 2019
Closing Date*	5.00pm (WST) 14 October 2019
Expected date for quotation of Shares issued under the Offer on ASX*	15 October 2019

*The Directors reserve the right to extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 14 October 2019 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

2.4 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Disclaimer

No person is authorised to give information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

2.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.8 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.forcecommodities.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person

may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

3. DETAILS OF THE OFFER

3.1 The Offer

Pursuant to this Prospectus, the Company invites investors identified by the Directors to apply for up to 20,000 Shares at an issue price of \$0.018 per Share, to raise up to \$360 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 5.

3.2 Minimum subscription

There is no minimum subscription.

3.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

3.4 Objective

As set out in Section 7.1, the Company is making an application to the Federal Court of Australia seeking declaratory relief and ancillary orders relating to prior trading in Shares, so that on-sales of the some of its Shares issued prior to the issue of this Prospectus will be validated and will not attract any civil liability.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus). Accordingly, the Company is seeking to raise only a nominal amount under this Prospectus as the purpose of this Prospectus is not to raise capital.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.5 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.018 per Share.

Completed Application Forms and accompanying cheques, made payable to "**Force Commodities Limited**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

3.6 Not underwritten

The Offer is not underwritten.

3.7 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.8 Issue

The issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

3.9 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the

Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

3.10 Applicants outside Australia

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.11 Enquiries

Any questions concerning the Offer should be directed to Mr Michael Pitcher, Company Secretary, on +61 8 6462 1421.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date, (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$360 (before expenses) may be raised. All of the funds raised (if any) from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.8 for further details relating to the estimated expenses of the Offer.

4.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue	507,654,757
Shares offered pursuant to the Offer	20,000
Total Shares on issue on completion of the Offer¹	507,674,757

Notes:

1. This assumes the Offer is fully subscribed and no other securities are issued or convertible securities exercised.

Options

	Number
Options on issue as at the date of this Prospectus	
Unlisted Options (exercisable at \$0.02 expiring 30 June 2020)	34,444,445
Unlisted Options (exercisable at \$0.10 expiring 30 June 2020)	2,500,000
Unlisted Options (exercisable at \$0.06 expiring 1 July 2020)	2,000,000
Unlisted Options (exercisable at \$0.06 expiring 1 July 2020)	2,000,000
Total	40,944,445
Options offered pursuant to the Offer	Nil
Total Options on issue after completion of the Offer	40,944,445

Performance Rights

	Number
Performance Rights as at the date of this Prospectus	
Performance Rights (vesting date 19 February 2020)	600,000
Performance Rights (vesting date 19 February 2021)	600,000
Total	1,200,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	1,200,000

4.3 Financial effect of the Offer

After paying for the expenses of the Offer of approximately \$5,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$360) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$360 less expenses of the Offer of \$5,000.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

5.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

5.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

5.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

5.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the key specific risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) Exploration and development risk

The future profitability of the Company and the value of its Securities are directly related to the results of exploration and any subsequent project development.

Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. The degree of risk increases substantially when a company's properties are in the exploration phase as opposed to the development, construction and operational phase. There is no assurance that commercial quantities of ore will be discovered at the Company's Tshipala Project in Malawi. There is also no assurance that, even if commercial quantities of ore are discovered, the Tshipala Project will be brought into commercial production.

The discovery of mineral deposits is dependent upon a number of factors including, the technical skill of the exploration personnel involved.

The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade, metallurgy and proximity to infrastructure, metal prices and government regulations, including the availability of required authorisations, permits and licences and regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Successful development is also subject to a number of operational and other risks, including unexpected geological formations, conditions involved in the drilling and removal of material (which could result in damage and/or destruction to plant and equipment, loss of life or property, environmental damage and possible legal liability), obtaining governmental and stakeholder approvals, changes in reserves, commodity prices, exchange rates, construction costs, design requirements, delays in construction and expansion plans.

In addition, assuming discovery of a commercial ore body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced.

(b) **Going concern**

The Company's interim financial report for the half-year ended 30 June 2019 includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

The Directors will continue to review sources of funding for the coming 12-month period including debt/equity instruments.

The following actions (either singularly or in combination) have been considered by the Board as potential ways to derive further funding for the Company:

- (i) an agreement with institutional brokers for raising additional capital to fund the Company's ongoing exploration and development program whilst also providing working capital requirements;
- (ii) the successful commercial exploitation of the Group's mineral interests;
- (iii) a rights issue to Shareholders; and/or
- (iv) alliance with a cornerstone investor.

- (c) The Board believes that maintaining strong communication with cornerstone investors, recognised global companies and institutional brokers and reviewing current projects will have a positive impact on the Company's Share price. Therefore, subject to prevailing equity market conditions, the Company will obtain sufficient funding to enable it to continue as a going concern. In the event that the Company is unable to secure sources of funding, the Company may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in this Prospectus.

(d) **Security of tenure**

All of the tenements comprising the Tshimpala Project are subject to renewal conditions, which will be at the discretion of the relevant Ministries in Malawi. The maintenance of tenements, or obtaining renewals often depends on the Company being successful in obtaining required statutory approvals for proposed activities. While the Company anticipates that subsequent renewals will be given as and when sought, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

(e) **Government regulations**

The Company's activities are predominantly in Africa and are subject to extensive laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment and upon interests of native and/or

indigenous peoples. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of the Tshimpala Project, the extent of which cannot be predicted.

The Company's ability to explore and develop the Tshimpala Project and its other activities are also subject to obtaining necessary authorisation, permits and licences from relevant authorities. Such authorisations, permits and licences may not be granted in a timely manner or at all, or may be granted on conditions which impose significant additional cost on the Company and/or other participants in its joint ventures or which causes the Company and/or such other participants in its joint ventures to become unwilling to proceed with the relevant development or operations.

While it is possible that costs and delays associated with compliance with such laws, regulations and permits could become such that the Company will not proceed with the exploration or development of the Tshimpala Project, the Company is not aware of any material environmental constraint affecting its proposed exploration or development activities that would preclude the development or operation of the Tshimpala Project.

(f) **Foreign operations**

The Company's operations are predominantly in Africa and are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties vary from country to country and include, but are not limited to, currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange; changing political conditions; currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or otherwise benefit residents of that country or region.

Changes, if any, in mining or investment policies or shifts in political attitude in any of the countries in which it operates may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, black economic empowerment or similar policies, employment, contractor selection and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to

mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements.

The occurrence of these various factors adds uncertainties which cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

(g) **Currency risk**

To the best of the Company's knowledge, its exploration and development activities in Africa predominantly incur expenditures in United States dollars. As a result of the use of these different currencies, the Company is subject to foreign currency fluctuations which may materially affect its financial position.

(h) **Commodity price volatility risk**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(i) **Environmental and social risks and regulations**

The Company's projects are subject to laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed. The Company has received environmental approval for its projects.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the conditions attaching to the tenements.

The Company's activities in Africa face greater inherent risks relating to security, enforcement of obligations, fraud, bribery and corruption than in Australia. Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits, reputational issues, increased licence conditions and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Increased costs associated with

regulatory compliance and/or with litigation could have a material and adverse effect on the Company's financial performance.

(j) **Litigation risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation however it is involved in the legal proceedings disclosed in Section 7.1.

(k) **Political stability**

The Company's exploration and development activities are predominantly in Africa, and may be subject to the effect of political changes, war and civil conflict, terrorist attacks, changes in government policy, lack of law enforcement, labour unrest and the creation of new laws. These changes (which may include new or modified taxes or other government levies as well as other legislation) may impact on the profitability and viability of its properties.

6.3 General Risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(d) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(e) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

6.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As announced on 7 and 14 October 2019, the Company has become aware that a number of Share issues made by the Company were, inadvertently, not validly cleansed so as to permit their immediate trading (**Prior Share Issues**). Among other reasons set out in Section 3.4, the Company is lodging this Prospectus under section 708A(11) of the Corporations Act to cleanse the Prior Share Issues so that subsequent trading is not subject to secondary trading restrictions under the Corporations Act. The Company will shortly file an application with the Federal Court of Australia seeking declaratory relief and ancillary orders relating to prior trading in these Prior Share Issues, so that on-sales prior to the issue of this Prospectus (if any) will be validated and will not attract any civil liability. The Company will keep the market updated accordingly.

As at the date of this Prospectus, the Company is not otherwise involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before deciding whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
14 October 2019	Company Update
8 October 2019	Further High-Grade Lead and Silver Assays at Tshimpala
7 October 2019	Suspension from Official Quotation
4 October 2019	Change in Substantial Holding
3 October 2019	Trading Halt
3 October 2019	Pause in Trading
19 September 2019	Response to ASX Query
19 September 2019	Appointment of Specialist Commodity Risk Management Advisors
13 September 2019	Half Year Accounts
10 September 2019	Tshimapala Project Update Civils Contract Executed
5 September 2019	High Grade Silver Returned in Gelena Grab Sample
3 September 2019	Appendix 3B
23 August 2019	Update & Assays for DRC Lithium JV Projects

Date	Description of Announcement
23 August 2019	Acquisition of Mobile Plant - Tshimpala Lead/Silver Project
21 August 2019	Drilling Contract Executed for Tshimpala Lead & Silver Projects
16 August 2019	Results of General Meeting
8 August 2019	Shareholder and Investor Briefing Presentation
7 August 2019	Options Expiry
6 August 2019	Shareholder and Investor Briefings
31 July 2019	Quarterly Report
30 July 2019	Force Strengthens Management Team in Malawi
23 July 2019	Appendix 3B
23 July 2019	Initial Director's Interest Notice
23 July 2019	Appointment of Non-Executive Director
19 July 2019	Transport & Logistics Contract Executed – Tshimpala Project
18 July 2019	Malawian Consultants Appointed for Tshimpala Project
17 July 2019	Transportation Study Results
17 July 2019	Becoming a substantial shareholder
17 July 2019	Offtake Agreement with Transamine for Tshimpala
15 July 2019	Notice of General Meeting/Proxy Form
5 July 2019	Acquisition of High-grade Tshimpala Lead & Silver Completed
3 July 2019	Expiry of Unlicensed Options
1 July 2019	High-Grade Halls Peak Licenses Renewed for 6 Years
28 June 2019	Settlement of Sale of Non-Core Gold Project Completed
25 June 2019	Sale of Non-Core Shareholding in Marquee Resources Ltd (MQR)
25 June 2019	High Grade Lead/Silver Exploration Commencing in Malawi
18 June 2019	Malawi Project Update – Acquisition Due Diligence Completed
22 May 2019	Capital Raising Successfully Completed
22 May 2019	Proceedings Lodged to Strike Out Former Claim by Former Dire
22 May 2019	Appointment of Metals Trading and Marketing Specialist
17 May 2019	AGM Results
16 May 2019	Malawi High Grade Lead Silver Project Acquisition Overview
14 May 2019	Malawi Project – Due Diligence Update
10 May 2019	Reinstatement to Official Quotation

Date	Description of Announcement
10 May 2019	Quarterly Cashflow Report
10 May 2019	Quarterly Activities Report
9 May 2019	HOA EXECUTED – HIGHLY PROSPECTUS MALAWI BASE METALS PROJECT
1 May 2019	Suspension from Official Quotation
30 April 2019	Trading Halt
30 April 2019	Pause in Trading

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at <http://www.forcecommodities.com.au/>.

7.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market closing prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	0.035	17 July 2019
Lowest	0.007	11 April 2019
Last ¹	0.018	2 October 2019

Notes:

The Company's securities have been in a trading halt since 3 October 2019 and suspended from trading since 7 October 2019.

7.4 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial Holder	Shares	Voting Power (%)*
Mr Jihad Malaeb	27,969,673	5.51%
JGM Property Investments Pty Ltd	27,000,000	5.32%

* This voting power is based on 507,674,757 Shares on issue. See Section 4.2 for further details.

7.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Performance Rights	Options
Jason Brewer	1,950,000	1,200,000 ¹	Nil
Makonga Pelesa	Nil	Nil	2,500,000 ²
Jess Oram	Nil	Nil	Nil
Simon Rennick	Nil	Nil	Nil
TOTAL	1,950,000	1,200,000	2,500,000

Notes:

1. Comprising of the following:
 - (a) 600,000 Performance Rights (19 February 2020 vesting date); and
 - (b) 600,000 Performance Rights (19 February 2021 vesting date).
2. Exercisable at \$0.10 on or before 30 June 2020.

No Director or any of their associates intend to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The

total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors for the past financial years and the proposed remuneration for financial year ended 31 December 2019.

Director	2019 Proposed Remuneration	2018 Remuneration	2017 Remuneration
Jason Brewer	180,000	240,521	141,550
Makonga Pelesa	48,000	123,000	10,000
Jess Oram ¹	44,000	Nil	Nil
Simon Rennick ²	20,000	Nil	Nil

Notes:

1. Appointed on 5 February 2019.
2. Appointed on 1 August 2019.

Jason Brewer Disclosure

Mr Brewer was also a director of Kupang Resources Limited and its subsidiary Chalceus Pty Ltd. Kupang Resources Limited was involved in significant litigation with Murchison Metals Limited and subsequently with the litigation funder for that action. The litigation funder appointed receivers and managers on 7 August 2014 and, while the company challenged this, ultimately a voluntary administrator was appointed on 29 July 2015. Kupang Resources Limited's insolvency was primarily due to unfavourable court decisions.

Further, Mr Brewer was a director of Scooby Holdings Pty Ltd, the trustee of Mr Brewer's family trust. An application for winding up of Scooby Holdings Pty Ltd was commenced by the Deputy Commissioner of Taxation on 4 December 2014 in respect of outstanding income tax payments. External administrators were appointed to the company on 18 February 2015.

7.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
 - (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (i) the formation or promotion of the Company; or
- (ii) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus

other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$5,000 (excluding GST) and are expected to comprise legal fees, printing and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on (+61 8) 6462 1421 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to

assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



**Mr Jason Brewer
Managing Director
For and on behalf of
FORCE COMMODITIES LIMITED**

9. GLOSSARY

\$ means an Australian dollar.

Applicant means an investor that applies for Shares under the Offer using an Application Form pursuant to this Prospectus.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX Listing Rules means the official listing rules of ASX.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors as constituted from time to time.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Section 2.1 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means Force Commodities Limited (ACN 145 184 667).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Offer means the offer of Shares referred to in Section 3.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in the Section 2.1.

Option means an option to acquire a Share.

Prior Share Issues means as defined in Section 7.1.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

WST means western standard time as observed in Perth, Western Australia.