

ASX ANNOUNCEMENT

31 July 2020

About Force

Force Commodities Limited is a Perth based exploration and development company listed on the Australian Stock Exchange (ASX Code: 4CE) and focused on advanced African-based mining and metals opportunities.

Project Summary

Tshipala Project (lead-silver) - Malawi.
51% interest.

Halls Peak-Gibson Project (lead-zinc-copper-gold-silver) - Australia.
100% and 55% interest

Kitotolo-Katamba Project (lithium) - DRC.
70% interest.

Kanuka Project (lithium) - DRC.
51% interest

Directors and Management

Mr Jess Oram - Chairperson

Mr Gedeon Pelesa - Director

Mr Jihad Malaeb - Director

Mr Henry Kinstlinger – Company Sec

Capital Structure

Shares on Issue:

557,654,757 fully paid ordinary

Options on Issue:

34,444,445 exercisable @\$0.02; expiring
30 June 2021

40,000,000 exercisable @\$0.02 expiring
31 October 2021

JUNE 2020 QUARTER REVIEW OF OPERATIONS

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 2020

Force Commodities Limited (ASX Code: 4CE) (“**Force**” or the “**Company**”) provides its activities report for the quarter ended 30 June 2020.

Summary

Tshipala Project - Malawi

- The company completed no field work at the Tshipala Project during the quarter.

Halls Peak-Gibson Project - Australia

- Preliminary data review was completed on the Halls Peak Project during the quarter.
- The Halls Peak-Gibson Project Licenses are considered highly prospective

Kanuka Project - Democratic Republic of Congo

- No work was completed on the Kanuka Project during the quarter.

Kitotolo-Katamba Project - Democratic Republic of Congo

- No work was completed on the Kitotolo Project during the quarter.

Project Generation

- Investigation completed into several advanced copper and gold exploration and development opportunities suitable for acquisition
- Given the quantity and type of projects available, it is likely that a suitable project for Force will be identified soon.

Corporate and Finance

- Cash at bank as at 30 June 2020 of \$57,188
- Resignation of Non-Executive Director, Mr Simon Grant-Rennick, on 27 May 2020
- Appointment of Chief Executive Officer, Mr Simon Pooley, on 21 July 2020
- \$50,000 was raised in convertible notes (completed on 6/7/2020) from three shareholders of the Company. The funds will be used for general working capital.

Exploration

The Company holds a majority interest in the Tshipala Project in Malawi.

The Company also holds a majority interest in the highly prospective Halls Peak-Gibson Project located in the New England area of northern New South Wales.

The Company has interests in the Kitotolo-Katamba and Kanuka Projects, both located in the Tanganyika Province of the Democratic Republic of Congo (**DRC**).

No work was completed on the Company's projects during the June quarter.

1. TSHIPALA PROJECT – MALAWI

During the Quarter, the Company completed no field work at the Tshipala Project. The Company completed all the work required for a restart at the project, including discussing terms with vendors and creditors of the project, reviewing a revised plan of operations for the Grand Canyon prospect.

One of the contractual obligations of the project acquisition was to make a cash payment to the vendor of US\$41,350 and €160,605 (together equivalent to approximately A\$320,880) by no later than 31 December 2019. As at 31 December 2019, the cash payment to Terra Care had not been made. Under the terms of the share sale and purchase agreement, failure to meet these cash payments allowed the vendor the possibility to buy-back the project in its entirety for US\$100. The Company is working through the issue with the Vendor.

2. HALLS PEAK-GIBSON PROJECT – AUSTRALIA

The Halls Peak-Gibson Project comprises granted Exploration Licenses EL 4474 and EL 7679, located in north-eastern NSW and covering an area of about 84km².

The Halls Peak-Gibson Project area contains several known occurrences of base metals rich in zinc and lead with varying associated levels of copper, silver and gold.

A summary of the project is adequately covered in ASX Announcements dated 15 and 29 December 2016.

The Company completed some preliminary data review at the Halls Peak Project during the quarter with intention to develop plans for renewed field activity.

3. KITOTOLO-KATAMBA PROJECT – DEMOCRATIC REPUBLIC OF CONGO

The Kitotolo-Katamba Lithium Project comprises exploration license PR 12453 and mining lease PE 13247, and extends over an area of about 400 km², for which the Company owns a 70% interest in a joint venture company with DRC state-owned mining company La Congolaise d'Exploitation Minière.

No work was completed on the project during the reporting period. The Company will continue discussion with its joint venture partner and determine how best to now advance the project.

4. KANUKA PROJECT – DEMOCRATIC REPUBLIC OF CONGO

The Kanuka Project area comprises two contiguous licenses granted mining lease PE13082 and exploration license PR4100. These licenses cover an area of about 194 km² and are located 20 km east of the Company's existing Kitotolo Lithium Project. The licenses are immediately south (about 4 km from the license boundaries) of AVZ's Manono Project.

No work was completed on the project during the reporting period.

5. PROJECT GENERATION

Force is seeking high value advanced exploration projects capable of rapid improvement in value because of the specific quality of the project. This improvement in value will be realised with judicious exploration activity aimed at moving the project towards commencing mining operations.

Project generation continues to advance, with several new project opportunities in copper, gold and base metals reviewed during the quarter. The Company remains confident of identifying a suitable project for Force in the near term.

Shareholders will be updated of material developments as and when they occur.

6. CORPORATE AND FINANCE

6.1 Cash at Bank

The Company's cash at bank as at 30 June 2020 was \$57,188.

6.2 Debt Funding

Subsequent to 30 June 2020, in July, the Company raised \$50,000 through the issue of three convertible notes to shareholders of the Company. The terms of the convertible notes are:

- Face value: \$1.00 per note
- Conversion: The notes shall convert into shares at the sole election of the noteholder at the conversion price at any time on or before 6 September 2020
- Conversion price: \$0.01 per note
- Interest: 10% per annum, paid monthly in arrears
- Fee: 500,000 shares to be issued to the noteholder in lieu of fees

6.3 Shares on Issue

As at 31 March 2020 the shares on issue totalled 557,654,757 fully paid ordinary. No shares were issued by the Company during this quarter reporting period.

6.4 Options on Issue

As at 30 June 2020, options on issue comprised of:

- 34,444,445 exercisable at \$0.02; expiring 30 June 2021
- 40,000,000 exercisable at \$0.02; expiring 31 October 2021

6.5 Voluntary Suspension of Company's Securities

The Company requested a voluntary suspension of trading in its securities on the 13 January 2020 (*Refer ASX Release of 13 January 2020*) for the purpose of completing a change of management. During the quarter, this organisational restructuring work was completed.

On the 28 January 2020 (*Refer ASX Release of 28 January 2020*) the Company extended voluntary suspension for the purpose of raising new capital to continue the operations. The Company remains in suspension at the end of the quarter, and advice from the ASX remains the Company needs to complete its financial reporting compliance and the Company needs a \$1.5m working capital position prior to the Company's securities being reinstated. The Company is currently working on meeting these requirements.

6.6 Management Changes

- Appointment of Company Secretary, Mr Henry Kinstlinger on 9 April 2020 (*Refer to ASX Release of 9 April 2020*)
- Appointment of Chief Executive Officer, Mr Simon Pooley on 21 July 2020 (*Refer to ASX Release of 21 July 2020*)

7. SCHEDULE OF MINERAL TENEMENTS AS AT 30 JUNE 2020

Licence No.	Project / Location	Acquired Interest during Quarter	Disposed interest during Quarter	Interest at end of Quarter
EL 4474	Halls Peak, NSW	-	-	100%
EL 7679	Halls Peak, NSW	-	-	100%
PE 13247 ⁽¹⁾	Kitotolo, DRC	-	-	70%
PR 12453 ⁽¹⁾	Kitotolo, DRC	-	-	70%
PE 13082 ⁽²⁾	Kanuka, DRC	-	-	51%
PR 4100 ⁽²⁾	Kanuka, DRC	-	-	51%
EPL 479	Tshimpala, Malawi	-	-	51% ⁽³⁾
EPL 483	Tshimpala, Malawi	-	-	51% ⁽³⁾
EPL 484	Tshimpala, Malawi	-	-	51% ⁽³⁾
AML 0029	Tshimpala, Malawi	-	-	51% ⁽³⁾

- (1) legal transfer of the tenements has been affected; official recording of tenements in DRC Mines Department system has not yet occurred
- (2) tenements are held by joint venture partner, with Force having a 51% joint venture interest in the Lithium rights only
- (3) tenement at risk of vendor take-back under the terms of share sale and purchase agreement

END

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 in relation to the Tshimpala Project, Kitotolo-Katamba Project and the Kanuka Project has been compiled by Mr Jess Oram is a member of the Australasian Institute of Geoscientists and a Member of Geological Society of Australia. Mr Oram is engaged by Force Commodities as its non-executive Chairman.

Mr Oram 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 Oram consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this report that relates to Exploration Results in relation to the Halls Peak-Gibson Project is extracted from ASX Announcements dated 15 December 2016 and 29 December 2016 (see ASX Announcement – 15 December 2016 “102m Intercept from Surface – High Grade Zinc, Lead and Silver” and 29 December 2016, (see ASX Announcement – 29 December 2016 “Final Assay results Confirm Extensive High Grade Zinc and lead Mineralisation – Up to 46% Zinc and 27% Lead”, www.forcecommodities.com.au and www.asx.com.au).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Exploration Results in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

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.