

17 July 2017

ASX Announcements Office  
ASX  
152–158 St Georges Terrace  
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Australia

## Capital Raising and Corporate Update

- ***Over-subscribed capital raising to fund search for new project opportunities***
- ***Global search underway for advanced, near-term production assets***
- ***Initial focus is in Cobalt, Lithium, Copper and Gold***
- ***Company to explore opportunities to enhance existing assets***

Force Commodities Ltd (**Force** or the **Company**) (ASX Code: 4CE) is pleased to announce a share placement to professional and sophisticated investors (under section 708 of the Corporations Act, 2001) utilising the Company's 15% placement capacity (under ASX Listing Rule 7.1) and 10% enhanced placement capacity (under ASX Listing Rule 7.1A) (**Placement**).

In total, 53,666,667 new shares are to be issued at \$0.015 (1.5 cents) each to raise \$805,000 (before costs).

Subject to shareholder approval, participants in the Placement will be issued free attaching options, exercisable on or before 30 June 2019, at an exercise price of \$0.032 (3.2 cents) (**Options**). The Options will be issued on a 1 Option for every 2 new shares subscribed basis under the Placement.

The Company has received firm commitments exceeding the \$805,000.00 sought, and the process of allocation and allotment is expected to be completed in coming days.

The Company will pay a fee of 6% on funds raised to licensed AFSL holders and authorised representatives.

The funds will be used to seek out new project opportunities. To this end, the Company has initiated a global search to identify advanced, near-term production project opportunities.

The initial focus will be in the areas of cobalt, lithium, copper and gold and span Africa, Canada and USA.

The Company may broaden the search to include other commodities and countries if suitable project opportunities are not forthcoming or other viable opportunities are presented.

The Company will update shareholders of any material developments as they occur.

### **Strategic Review**

In its announcement of 6 June 2017, the Company advised shareholders that it was undertaking a whole of business strategic review, with an objective of, amongst other things, analysing and evaluating the plans and prospects for the Company's existing projects being the Mt Adrah Gold Project and the Halls Peak Base Metals Project.

This review has identified that the Mt Adrah Gold Project and the Halls Peak Base Metals Project remain highly prospective project opportunities and are valuable assets for the Company. Given that each require significant funding to advance, and given that the Company has limited financial resources at present, the Company has decided to seek out earn-in, joint venture or sale opportunities to further advance the projects.

To this end, the Company will prepare detailed information memoranda on each project and invite interested parties to review all available data.

Whilst this process is ongoing, the Company will continue to maintain the tenements in good standing and regularly review available options for project advancement to ensure that that values are maximised.

### **Placement Details**

In total, 53,666,667 new shares are to be issued. In addition, it is proposed that up to 26,833,333 Options are to be issued, subject to shareholder approval.

The new shares will rank equally with all existing fully paid ordinary shares on issue.

Of the 53,666,667 new shares being issued, 32,243,630 shares are to be issued under the Company's 15% placement capacity (under AS listing Rule 7.1), and 21,423,037 are to be issued under the Company's 10% enhanced placement capacity (under ASX Listing Rule 7.1A).

#### Information Disclosure under ASX Listing Rule 3.10.5A and 7.1A.4(b)

- a) existing holders of the Company's securities will be diluted by 7.98% following the issue under ASX Listing Rule 7.1A.
- b) the Company initially proposed an issue under ASX Listing Rule 7.1 however demand was such that the Company extended the offer to include the capacity available under ASX Listing Rule 7.1A. The Company will consider a pro-rata issue to existing holders of ordinary securities in due course.
- c) the Placement is not underwritten.
- d) a fee of 6% or \$19,280.73 will be paid on the funds raised in relation to the shares being issued under ASX Listing Rule 7.1A.

We welcome inquiries for further information. Please contact Michael Fry (Company Secretary) on +61 8 9328 9368.