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ASX Announcements Office
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Australia

BINDING HEADS OF AGREEMENT EXECUTED TO ACQUIRE 70% INTEREST IN HIGHLY PROSPECTIVE LITHIUM, TIN AND TANTALUM LICENSES

- *Force Commodities Limited has executed a binding HOA to acquire majority interests in the Kitotolo and Kiambi Lithium Projects in the DRC; considered highly prospective for lithium, tin and tantalum.*
- *The Kitotolo Lithium Project is located approx. 30km south west of AVZ Minerals Limited's Manono Project (ASX: AVZ) and overlays a large portion of the 'world-class' Manono-Kitotolo Pegmatite.*
- *The Manono-Kitotolo Pegmatite is considered one of the world's largest mineralised rare metal pegmatites, with a large potential for lithium as spodumene, cassiterite and columbite–tantalite*
- *The Kitotolo Lithium Project comprises Exploration Licence PR 12453 and extends over 400km² and is to be explored in joint venture (Force: 70%) with DRC state-owned mining company La Congolaise d'Exploitation Miniere (Cominiere SA).*
- *The Kiambi Lithium Project is located approx. 80km east of the Kitotolo Lithium Project and extends over 34km² and is to be explored in joint venture (Force 70%) with private Congolese company Liberty Mining and Investments SARL (Liberty).*
- *The Kiambi Lithium Project comprises Mining License PE 8251 which is valid for 30 years from April 2015 and has been the subject of historical small scale mining which continues today.*
- *The Kiambi Lithium Project has reported outcrops of pegmatites, however no testing of the lithium content of the spodumene has been undertaken given the focus to date has been on the mining and sale of cassiterite and columbite–tantalite.*
- *The HOA remains subject to finalisation of legal and technical due diligence (which has commenced) and receipt of regulatory and shareholder approvals*

Force Commodities Ltd (**Force** or the **Company**) (ASX Code: 4CE) is pleased to announce that it has formally executed a Heads of Agreement (**HOA**) to acquire majority interests in the Kitotolo and Kiambi Lithium Projects.

The Projects are located in Tanganyika Province in the south east of the Democratic Republic of Congo (**DRC**) approx. 500km north of the town of Lubumbashi; accessible by road and air.

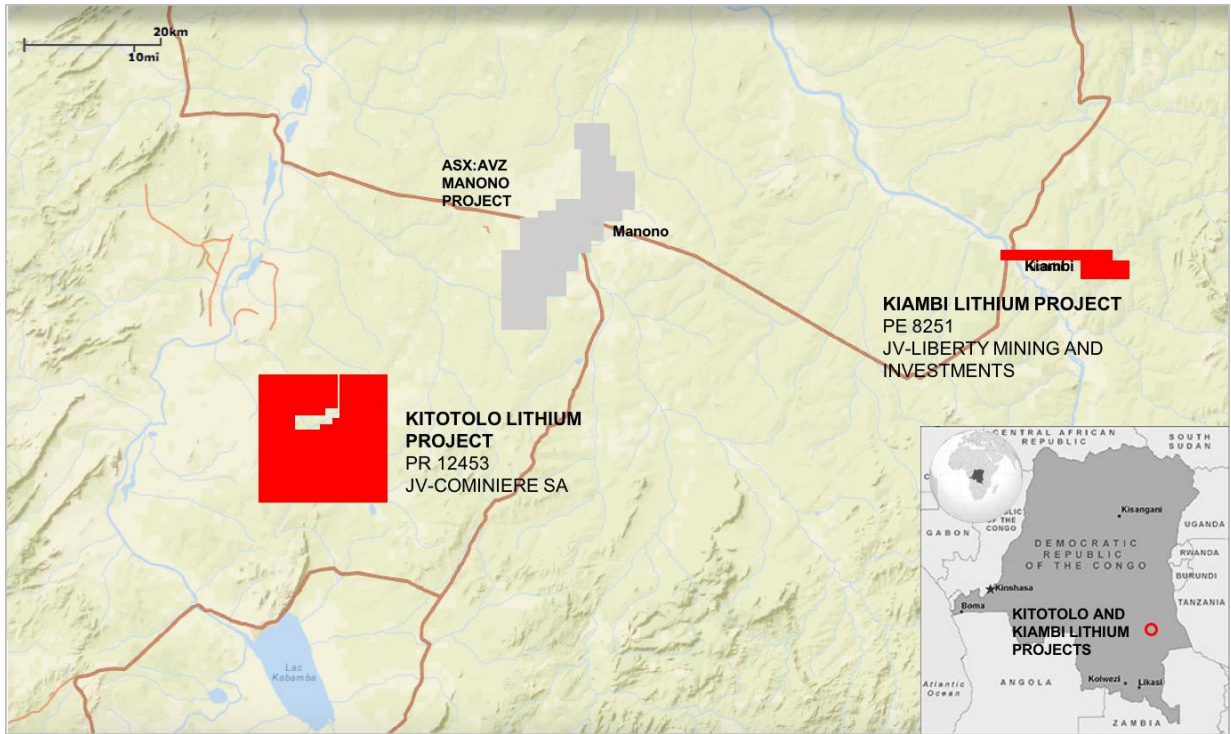


Figure 1 – Location map of the Kiambi and Kitotolo Lithium Projects

The Projects comprise a granted Mining License and an Exploration License which overlays a large portion of the ‘world class’ Manono-Kitotolo Pegmatite.



Figure 2 – Outcropping Pegmatites at the Kiambi Lithium Project PE 8251 (Source - Liberty Mining)

The Manono-Kitotolo Pegmatite is considered one of the world's largest mineralised rare metal pegmatites, with a large potential for lithium as spodumene, cassiterite and columbite–tantalite (coltan). It has been identified to be the largest pegmatitic deposit of

spodumene, cassiterite and columbite–tantalite ever mined (Bassot and Morio, 1989; Landa et al., 1950; Thoreau, 1950).

The Projects lay within the highly prospective mid-Proterozoic Kibaran Belt – an intracratonic domain, stretching for over 1,000 km through Katanga and into southwest Uganda representing a world scale crustal feature. The belt strikes predominantly SW-NE and is truncated by the N-S to NNW-SSE trending Western Rift system.



Figure 3 – Pegmatites at the Kiambi Lithium Project PE 8251 (Source - Liberty Mining)

Kitotolo Lithium Project

Tenure

The Kitotolo Lithium Project comprises Exploration Licence PR 12453, which covers an area of approximately 400km².

The licence is currently the subject of renewal, and is expected to be renewed for a period of 5 years in accordance with the DRC's Mining Code.

Local Geology

The geology of the region is poorly documented and no reliable maps of local geology are available. Limited historical reporting states that the pegmatites in the region are hosted by a series of quartz mica schists of the Lower Kibaran and are associated with volcanic and intrusive rocks of mainly doleritic composition.

The schists observed in the vicinity of the Manono Mine located to the northeast are generally steeply dipping in contrast to the sub-horizontal altitude of the pegmatite intrusion.

Historically, the pegmatite was mined for its tin content between 1919 and 1980, mainly from eluvial and weathered pegmatite during which time a total of 185,000 tonnes of cassiterite concentrate were produced.

The pegmatite intrusion is exposed in two areas, Manono in the northeast, and Kitotolo in the southwest. These are separated by a 2.5km unexposed section centred on Lake Lukushi and the surrounding alluvial plain.

Project Potential

The Project area overlays a large portion of the Kitotolo sector of the ‘world-class’ Manono-Kitotolo Pegmatite and lies approx. 30kms southwest of AVZ Minerals Limited’s Manono Project.

Recent trenching and drilling results reported by AVZ Minerals Limited has confirmed the presence of high grade lithium mineralisation along strike for more than 13kms, and demonstrates the potential for the yet to be drill tested Kitotolo Lithium Project.



Figure 4 – Outcropping Pegmatites and Historical Trenching at the Kiambi Lithium Project PE8251 (Source - Liberty Mining)

Kiambi Lithium Project

Tenure, Location and Access

The Kiambi Project comprises Mining License PE 8251; covering an area of approx. 34km².

PE 8251 is valid for 30 years from April 2015 and can be renewed for 15 years at a time in accordance with the DRC’s Mining Code.

The Project is located in the locality of Kiambi, which lies approximately 50kms due east of the township of Manono.

Logistically, the project is well located, near to the Mpiana Mwanga hydro electrical power plant which is located approx. 20km to the north, and near to access roads.

Historical Exploration and Mining Activities

The Kiambi Project area was mined historically for cassiterite by the Belgians, with mining reported to have ceased in 1953.

There is presently numerous artisanal mining operations active within the Project area, primarily focussed on extraction of cassiterite and columbite–tantalite. A large number of artisanal mining activities have also been observed on the adjacent licenses at Kiato, Kifinga and Mwika.

Local Geology

The geology of the region is poorly documented and no reliable maps of local geology are available. Historical studies and reports have identified the presence of pegmatites in the Project area which are considered highly prospective for the potential of lithium, cassiterite, tantalite, gold, and wolframite mineralisation.

In the Project area, there is evidence of historical trenching and outcropping pegmatites. To date all work has been focused on the extraction of cassiterite and columbite–tantalite with no study work carried out to date to determine the content of lithium in the spodumene.

Initial Technical Work Planned

Force plans to complete a geological mapping and sampling program at both Projects during the exclusive due diligence period to confirm the presence of lithium, tin and tantalum mineralisation.

The Company is in the process of engaging a technical consultant to complete the due diligence work on behalf of the Company and who has appropriate in country experience in the due diligence studies and drilling programs across the Manono-Kitotolo Pegmatite.

Following completion of this technical due diligence initial work, and on the assumption that it is favourable, the Company would propose to aggressively advance further trenching and drilling programs across both Project areas to identify the extent of the mineralisation and its commercial viability through metallurgical test-work. It is the Company's intent to progress the Projects through to project feasibilities as soon as possible thereafter.

The Kiambi Lithium Project is located on a granted Mining Licenses that is valid until 2045, which allows for the potential fast-tracking of any initial small scale mining activities required to provide bulk samples to potential offtake and end users.

Acquisition Terms and Structure

The Company has executed a HOA with Lithium Age Pty Ltd (**LAPL**), underwhich it has secured the exclusive rights to acquire LAPL's rights to the Kitotolo Lithium Project and the Kiambi Lithium Project.

Under the terms of the HOA, the Company has the rights to acquire:

- a. A 70% interest in the Kitotolo Lithium Project under a new joint venture to be formed with the DRC state-owned entity Cominiere SA.

The joint venture will hold Exploration Licence PR 12453, which is considered highly prospective for Lithium, Tin and Tantalum.

Further Exploration Licences are to be granted to the joint venture by its partner subject to certain exploration expenditures being met.

- b. A 70% interest in the Kiambi Lithium Project under a new joint venture to be formed with DRC private company Liberty Mining and Investments SARL.

The joint venture will hold granted Mining Licence PE 8251, which has been the subject to historical and current small scale mining of cassiterite and columbite–tantalite.

Under the terms of the HOA, the acquisition of the 70% interests in the Kiambi and Kitotolo Lithium Projects are subject to satisfaction of amongst other things, completion of legal and technical due diligence, receipt of any shareholder and regulatory approvals and certain other conditions.

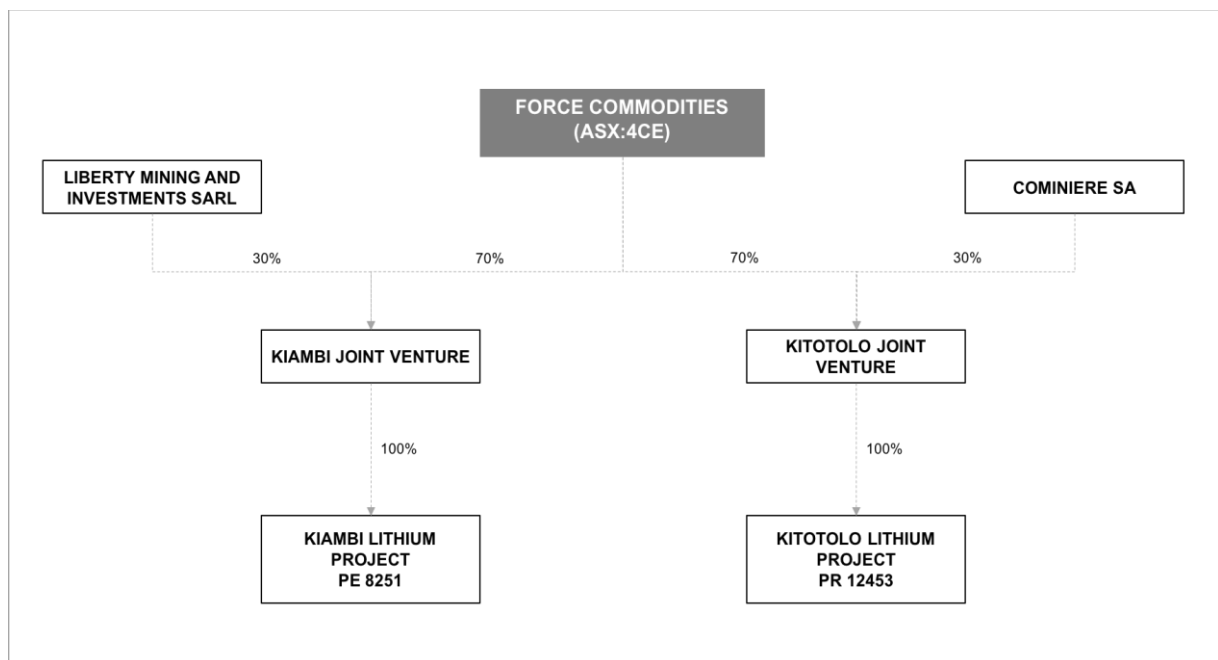


Figure 5 – Acquisition Structure of the Kiambi and Kitotolo Lithium Projects

Consideration Terms

The Company has secured the exclusive right to acquire LAPL's rights to the Kitotolo Lithium Project and the Kiambi Lithium Project on the following commercial terms:

- a. Payment of a non-refundable deposit of US\$50,000 which has been paid.
- b. Assuming all of LAPL's obligations in respect of the Kitotolo Lithium Project and the Kiambi Project (set out below).

- c. Issuing to LAPL or its nominees the following securities subject to shareholder approval:
 - i. 67.5 million fully paid ordinary shares in the Company upon completion of due diligence, election to proceed, sign off on an agreed work program and budget and transfer of the DRC licences.
 - ii. 30 million fully paid ordinary shares in the Company upon issuance of an additional Exploration Licence to the joint venture to be formed with Cominiere SA.
 - iii. 30 million fully paid ordinary shares in the Company upon delineation of a mineral resources in accordance with the JORC guidelines of 15 million tonnes at a grade of greater than or equal to 1% Li₂O.

Completion of the acquisition is subject to the following conditions precedent:

- a. Completion by the Company to its satisfaction at its sole discretion all necessary due diligence investigations.
- b. Execution of such formal agreements as may be necessary.
- c. Receipt of all necessary government regulatory and third party approvals in respect of the Kitotolo Lithium Project and the Kiambi Lithium Project.
- d. Receipt of all applicable waivers of any applicable pre-emption or similar rights in respect of the transfer of interests in the Kitotolo Lithium Project and the Kiambi Lithium Project.

The Company has been given a 45 day exclusivity period to complete its legal and technical due diligence. In the event that the conditions precedent are not satisfied within that period or such later date as agreed between the Company and LAPL, the HOA may be terminated by either party.

In the event that the Company elects to proceed with the acquisition following completion of due diligence Force will assume the obligations of LAPL to make the following payments:

- a. In relation to the Kiambi Lithium Project:
 - i. Payment to Liberty Mining of A\$150,000 in cash upon transfer of the licence to the new Joint Venture company.
 - ii. Issue to Liberty Mining of fully paid ordinary shares in the Company to the value of US\$100,000 no later than 90 days after the payment in 1.1 above.
 - iii. Payment to Liberty Mining of A\$110,000 in cash 12 months after the payment in (i) above.
 - iv. Paying the cost of the regulatory PIAZ environmental report of approximately US\$30,000 by no later than the 45 days from commencement of the due diligence period.

b. In relation to Kitotolo Lithium Project:

- i. Payment of US\$50,000 on or before 15 September 2017 to Cominiere SA.
- ii. Payment of US\$62,000 to Cominiere SA upon formal joint venture documents being entered into with Cominiere SA.

There is also a 1.5% net smelter royalty payable to Liberty Mining in relation to the Kiambi Lithium Project and a 0.5% net smelter royalty payable to LAPL or its nominee in relation to all tenements the subject of the Kitotolo Lithium Project.

The HOA of Agreement is legally binding as between the parties notwithstanding the intention that the HOA will be ultimately superseded by formal agreements.

END

Contact:

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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 who is a member of the Australian Institute of Geoscientists and a Member of the Geological Society of Australia. 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.