
FORCE COMMODITIES LIMITED

ACN 145 184 667

NOTICE OF GENERAL MEETING

TIME: 11:00am (WST)

DATE: Tuesday 10 October 2017

PLACE: GTT Ventures Pty Ltd, 22 Townshend Road, Subiaco, Western Australia
6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Company Secretary on (+61 8) 9328 9368.

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CONTENTS

Business of the Meeting (setting out the proposed resolutions)	2
Explanatory Statement (explaining the proposed resolutions)	9
Glossary	29
Proxy Form	attached

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (WST) on Tuesday 10 October 2017 at GTT Ventures Pty Ltd, 22 Townshend Road, Subiaco, Western Australia 6008.

Your vote is important

The business of the General Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders by 11:00am on 8 October 2017.

Voting in person

To vote in person, attend the General Meeting on the date and at the place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company's share registry, Computershare Investor Services Pty Ltd, by:

- (a) **post** to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria, 3001; or
- (b) **facsimile** on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside of Australia),

so that it is received not less than 48 hours prior to commencement of the General Meeting.

Proxy Forms received later than this time will be invalid.

BUSINESS OF THE MEETING

Notice is hereby given that the General Meeting of Shareholders will be held at 11:00am (WST) on Tuesday 10 October 2017 at:

GTT Ventures Pty Ltd
22 Townshend Road
Subiaco, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

BUSINESS

RESOLUTION 1 – RE-ELECTION OF DIRECTOR – MR DAVID SANDERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Rule 49.1 of the Constitution and for all other purposes, Mr David Sanders, a director of the Company who was appointed on 6 June 2017, retires and, being eligible, is re-elected as a director of the Company.”

Short Explanation: Pursuant to Rule 49.1 of the Constitution, a director who is appointed by the Directors must retire at the next meeting of Shareholders. A director who retires in accordance with Rule 49.1 of the Constitution is eligible for re-election at that meeting.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JASON BREWER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Rule 49.1 of the Constitution and for all other purposes, Mr Jason Brewer, a director of the Company who was appointed on 6 June 2017, retires and, being eligible, is re-elected as a director of the Company.”

Short Explanation: Pursuant to Rule 49.1 of the Constitution, a director who is appointed by the Directors must retire at the next meeting of Shareholders. A director who retires in accordance with Rule 49.1 of the Constitution is eligible for re-election at that meeting.

RESOLUTION 3 – RATIFICATION OF JULY 2017 PLACEMENT OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify:

- (a) 32,243,630 Shares under the Company's Listing Rule 7.1 15% capacity;*
and
- (b) 21,423,036 Shares under the Company's Listing Rule 7.1A 10% capacity,*

on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under ASX Listing Rule 7.1 and 7.1A provided that the issue did not breach ASX Listing Rule 7.1. The effect of such ratification is to restore the Company's maximum discretionary power to issue further securities up to the 15% limit imposed by ASX Listing Rule 7.1 and to restore the Company's maximum discretionary power to issue further securities up to the 10% limit imposed by ASX Listing Rule 7.1A.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who participated in the issue and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

RESOLUTION 4 – ISSUE OF ATTACHING OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 26,833,333 Options on the terms and conditions set out in the Explanatory Statement."

Short Explanation: ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 – HEADS OF AGREEMENT – ISSUE OF SHARES TO LITHIUM AGE PTY LTD AND LIBERTY MINING AND INVESTMENTS SPRL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue:

- (a) up to 127,500,000 Shares to Lithium Age Pty Ltd or its nominee(s); and*
- (b) up to 2,976,190 Shares to Liberty Mining and Investments SPRL or its nominee(s),*

on the terms and conditions set out in the Explanatory Statement.

Short Explanation: ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than

that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue (including Lithium Age Pty Ltd) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

RESOLUTION 6 – ISSUE OF DIRECTOR INCENTIVE OPTIONS TO MR DAVID SANDERS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of s208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 5,000,000 Director Incentive Options to Mr David Sanders or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Short Explanation: Pursuant to the Corporations Act and the ASX Listing Rules, approval of shareholders is required prior to the giving of a benefit to a related party of the Company, including where an entity issues, or agrees to issue, securities to a related party.

Voting Exclusion: the Company will disregard any votes cast on this resolution by Mr David Sanders and any of his associates. However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) It is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 7 – ISSUE OF DIRECTOR INCENTIVE OPTIONS TO MR JASON BREWER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of s208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue

5,000,000 Director Incentive Options to Mr Jason Brewer or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Short Explanation: Pursuant to the Corporations Act and the ASX Listing Rules, approval of shareholders is required prior to the giving of a benefit to a related party of the Company, including where an entity issues, or agrees to issue, securities to a related party.

Voting Exclusion: the Company will disregard any votes cast on this resolution by Mr Jason Brewer and any of his associates. However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) It is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 8 – ISSUE OF DIRECTOR INCENTIVE OPTIONS TO MR PATRICK GLOVAC

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of s208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 5,000,000 Director Incentive Options to Mr Patrick Glovac or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Short Explanation: Pursuant to the Corporations Act and the ASX Listing Rules, approval of shareholders is required prior to the giving of a benefit to a related party of the Company, including where an entity issues, or agrees to issue, securities to a related party.

Voting Exclusion: the Company will disregard any votes cast on this resolution by Mr Patrick Glovac and any of his associates. However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) It is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 9 – APPROVAL OF TERMINATION BENEFIT PAYABLE TO MR ALISTAIR STEPHENS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of sections 200B and 200E of the Corporations Act, ASX Listing Rule 10.19 and for all other purposes, approval is given for the Company or a related body corporate to pay and provide to Mr Alistair Stephens, the Company's former Executive Director, a termination benefit being cash in lieu of notice of \$202,666.67 in connection with Mr Stephens ceasing to be a director and ceasing to hold a managerial or executive office in the Company as set out in the Explanatory Statement.”

Short Explanation: Section 200B of the Corporations Act states that an entity must not give a person a benefit in connection with a person's retirement from an office, or position of employment, in a company or a related body corporate unless there is member approval under section 200E for the giving of a benefit.

Voting Exclusion: the Company will disregard any votes cast on this resolution by Mr Alistair Stephens and any of his associates. However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) It is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

RESOLUTION 10 – APPROVAL OF UNLISTED OPTIONS TO MR ALISTAIR STEPHENS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of s208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 5,000,000 unlisted Options to Mr Alistair Stephens or his nominee(s) on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: Pursuant to the Corporations Act and the ASX Listing Rules, approval of shareholders is required prior to the giving of a benefit to a related party of the Company, including where an entity issues, or agrees to issue, securities to a related party.

Voting Exclusion: the Company will disregard any votes cast on this resolution by Mr Alistair Stephens and any of his associates. However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) It is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

RESOLUTION 11 – APPROVAL OF PERFORMANCE RIGHTS TO MR ALISTAIR STEPHENS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of s208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 10,000,000 performance rights to Mr Alistair Stephens or his nominee(s) on the terms and conditions set out in the Explanatory Statement."

Short Explanation: Pursuant to the Corporations Act and the ASX Listing Rules, approval of shareholders is required prior to the giving of a benefit to a related party of the Company, including where an entity issues, or agrees to issue, securities to a related party.

Voting Exclusion: the Company will disregard any votes cast on this resolution by Mr Alistair Stephens and any of his associates. However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) It is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 12 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme entitled Employee Share Option Plan (**Plan**) and for the issue of securities under that Plan on the terms and conditions summarised in the accompanying Explanatory Statement."*

Short Explanation: ASX Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities. However, ASX Listing Rule 7.2 exception 9(b) provides that ASX Listing Rule 7.1 does not apply in relation to, among other things, an issue under an employee incentive scheme if within 3 years before the date of the issue the holders of the entity's ordinary securities approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

Voting Exclusion: the Company will disregard any votes cast on this Resolution by any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those Directors. However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form; or

- (b) It is cast by the Chair as proxy for another person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 13 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt the new constitution tabled at the meeting and signed by the Chairman of the Meeting for the purposes of identification, with effect from the close of the Meeting."

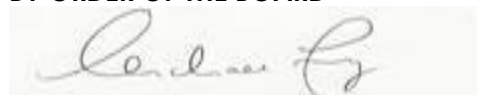
Short Explanation: The Company's existing Constitution has not been amended since it was adopted at the time of the Company's incorporation on 10 August 2010. The Directors are of the view that it is preferable to replace the existing Constitution rather than to amend a multitude of specific provisions to ensure that the Company's Constitution remains consistent with the current provisions of the Corporations Act and ASX Listing Rules.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

DATED: 29 AUGUST 2017

BY ORDER OF THE BOARD



**MICHAEL FRY
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions which are the subject of the business of the Meeting.

The Explanatory Statement should be read in conjunction with the Notice of Meeting.

Shareholders should read the Notice of Meeting and this Explanatory Statement carefully before deciding how to vote on the resolutions.

A Proxy Form is attached to the Notice of Meeting. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy will not preclude a Shareholder from attending and voting at the Meeting in person.

1. RESOLUTION 1 – RE-ELECTION OF DIRECTOR - MR DAVID SANDERS

Rule 48.2 of the Constitution allows the Directors to appoint any person as a director of the Company, but only where the total number of Directors does not exceed the maximum number of 10 specified by the Constitution.

Pursuant to Rule 49.1 of the Constitution, any person so appointed holds office as a director of the Company only until the next meeting of Shareholders at which time he or she must retire but is then eligible for re-election.

Mr Sanders, who was appointed as a director of the Company on 6 June 2017, will retire in accordance with Rule 49.1 of the Constitution and, being eligible, seeks re-election.

1.1 Qualifications and other material directorships

Mr Sanders (BJuris, LLB (Hons), BComm, Grad Dip Applied Finance) is a Principal of the West Australian based corporate and commercial legal firm Bennett + Co. Mr Sanders has more than 20 years' experience advising numerous entities, including ASX-listed and private companies on capital raisings, mergers and acquisitions, Corporations Act and ASX Listing Rules compliance and corporate governance, as well as commercial transactions across a range of industries and jurisdictions. Mr Sanders is a highly experienced company director and is currently the Chairman of Murlpirrmarra Connection Limited, and a non-executive director of Marenica Energy Ltd, Pura Vida NL and International Raw Materials Pty Ltd.

1.2 Independence

Mr Sanders has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the entity and its security holders generally.

If elected the Board considers Mr Sanders will be an independent director.

1.3 Board recommendation

The Board supports the re-election of Mr Sanders and recommends that Shareholders vote in favour of resolution 1.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR - MR JASON BREWER

Rule 48.2 of the Constitution allows the Directors to appoint any person as a director of the Company, but only where the total number of Directors does not exceed the maximum number of 10 specified by the Constitution.

Pursuant to Rule 49.1 of the Constitution, any person so appointed holds office as a director of the Company only until the next meeting of Shareholders at which time he or she must retire but is then eligible for re-election.

Mr Brewer, who was appointed as a director of the Company on 6 June 2017, will retire in accordance with Rule 49.1 of the Constitution and, being eligible, seeks re-election.

2.1 Qualifications and other material directorships

Mr Brewer (M.Eng (ARSM) Hons) has 18 years in mining, equity investment, corporate and project financing, capital raising, investment advising and evaluation of resource companies. Mr Brewer has experience in a variety of commodities having worked in underground and open-cast mining operations in the UK, Australia, Canada and South Africa. In addition, Mr Brewer has worked for a number of major global investment banks including Dresdner Kleinwort Benson, NM Rothschild & Sons (Australia) Limited and Investec Bank (Australia) Limited in London, Sydney and Perth where he had responsibility for structuring and arranging corporate and project financing facilities for mining companies operating in Asia and Africa. Mr Brewer is currently a non-executive director of Cape Lambert Resources Ltd.

2.2 Independence

If elected the Board considers Mr Brewer will be an independent director.

2.3 Board recommendation

The Board supports the re-election of Mr Brewer and recommends that Shareholders vote in favour of resolution 2.

3. RESOLUTION 3 – RATIFICATION OF JULY 2017 PLACEMENT OF SHARES

4.1 General

On 24 July 2017, the Company issued a total of 53,666,666 Shares (**Placement Shares**), which raised \$805,000 pursuant to a share placement to sophisticated and professional investors ("**July 2017 Placement**"). The July 2017 Placement also provided for the issue of one (1) free attaching Option for every two (2) Shares subscribed for under the July 2017 Placement (**Attaching Options**). The issue of the Attaching Options is subject to Shareholder approval being obtained under resolution 4.

4.2 Listing Rules Chapter 7

The 53,666,666 Shares under the July 2017 Placement were issued as follows:

- (a) 32,243,630 Shares under the Company's Listing Rule 7.1 15% capacity; and
- (b) 21,423,036 Shares under the Company's Listing Rule 7.1A 10% capacity.

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company in a 12 month period, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1) and 10% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1A) during that 12 month period. The Company is an eligible company which sought and received shareholder approval for an additional 10% capacity under Listing Rule 7.1A at its annual general meeting held on 31 May 2017. The Shareholder approval for the additional 10% capacity under Listing Rule 7.1A is valid for 12 months from the date of the annual general meeting.

Listing Rule 7.2 sets out the exceptions to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and/or Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 or 7.1A (as the case may be).

By ratifying the issue of the Shares the subject of resolution 3, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set

out in Listing Rule 7.1, and the 10% placement capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

4.3 Technical information required by ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to resolution 3:

- (a) 53,666,666 Placement Shares were issued;
- (b) the Placement Shares were issued and allotted on 24 July 2017;
- (c) the issue price was \$0.015 per Placement Share, raising a total of \$805,000 (before costs);
- (d) the Placement Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (e) the Placement Shares were issued to sophisticated and professional investors. None of these subscribers are related parties of the Company; and
- (f) the funds raised from the July 2017 Placement were principally to fund the search for new project opportunities and for general working capital.

5. RESOLUTION 4 – ISSUE OF ATTACHING OPTIONS

5.1 General

As detailed in Section 3 of this Explanatory Statement, the Company undertook a Placement in July 2017 which raised \$805,000 (before costs).

Resolution 4 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of up to 26,833,333 Attaching Options.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary shares on issue at the commencement of that 12 month period.

The effect of resolution 4 will be to allow the Company to issue the Attaching Options pursuant to the Placement during the 3 months after the date of the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to resolution 3:

- (a) 26,833,333 Attaching Options are to be issued;
- (b) the Attaching Options will be issued no later than 3 months after the after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price of the Attaching Options will be nil as they will be issued free attaching to the Shares issued pursuant to the Placement on the basis of one (1) Option for every two (2) Shares issued;
- (d) the Attaching Options will be issued to the subscribers for Shares under the Placement, all of whom are unrelated to the Company;
- (e) the Attaching Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Attaching Options as the Attaching Options will be issued for nil cash consideration on a free attaching basis.

6. BACKGROUND TO PROPOSED ACQUISITION OF KIAMBI AND KITOTOLO PROJECTS

6.1 General

As announced on 7 August 2017, the Company has entered into a Heads of Agreement (**HOA**) with Lithium Age Pty Ltd (**LAPL**) to acquire, subject to certain conditions, LAPL's rights to certain mining and exploration interests in the Democratic Republic of Congo (**DRC**) which are described as the Kiambi Project and Kitotolo Project (**Acquisition**).

Pursuant to the terms of the HOA, the Company has the right to acquire:

- (i) a 70% interest in the Kiambi Lithium Project under a new joint venture to be formed with DRC private company Liberty Mining and Investments SPRL (**Liberty**). The joint venture will hold granted mining licence PE 8251 covering an area of ~34 km² (~2,975 hectares) which has been the subject of historical small scale mining for cassiterite and columbite-tantalite (**Kiambi Project**), and
- (ii) a 70% interest in a joint venture to be formed with Cominiere SA. The joint venture will hold Exploration Licence PR 12453 which is prospective for lithium, tin and tantalum (**Kitotolo Project**).

6.2 Heads of Agreement

Upon satisfaction of all the conditions precedent set out in the HOA, the Company has agreed to assume all, and comply with, LAPL's obligations to Liberty and Cominiere SA.

The principal terms of the Acquisition are as follows:

- (a) the Acquisition is subject to the following conditions precedent which must be satisfied or waived by 16 October 2017, or such later date as agreed:
 - (i) payment of the deposit referred to at (b)(i) below;
 - (ii) the Company completing its due diligence review of LAPL and the Kiambi and Kitotolo Projects to its satisfaction;
 - (iii) execution of formal agreements (if any) required to document the Acquisition;
 - (iv) the Company obtaining all necessary ministerial consents, government, regulatory and third party approvals in respect of the Kiambi and Kitotolo Projects and the Acquisition; and
 - (v) receipt of waivers of any pre-emption or similar rights with respect to the Kiambi and Kitotolo Projects to facilitate the Acquisition.
- (b) the Company will pay to Liberty a total of US\$80,000 plus A\$260,000 in cash as follows:
 - (i) US\$50,000 upon execution of the HOA (this payment has been completed);
 - (ii) US\$30,000 by 16 October 2017 for reimbursement for the cost of the regulatory PAIZ Environmental Report;
 - (iii) A\$150,000 upon transfer of the Mining Licence PE 8251 to the new joint venture company, in which the Company will hold 70% (**First Instalment**); and
 - (iv) A\$110,000 to Liberty within 12 months of the date of the First Instalment.
- (c) the Company will pay a total of US\$112,000 in cash as follows:
 - (i) US\$50,000 to be reimbursed to LAPL by 16 October 2017; and
 - (ii) US\$62,000 to Cominiere SA upon formal joint venture documents being entered into between the Company and Cominiere SA.
- (d) the Company will issue to LAPL (or its nominees) up to 127,500,000 Shares as follows:
 - (i) 67,500,000 Shares upon the completion of due diligence, election to proceed, sign-off on agreed work program and budget, and transfer of licences (**Acquisition Shares**);
 - (ii) 30,000,000 Shares upon issuance of an additional exploration licence prospective for Lithium mineralisation being transferred into the joint venture with Cominiere SA (**Performance Milestone 1**); and

- (iii) 30,000,000 Shares upon delineation of a Mineral Resource of 15 Million tonnes at a grade of greater than or equal to 1% Li₂O, determined in accordance with JORC Guidelines or NI 43-101 (**Performance Milestone 2**).
- (e) additionally, the Company is required to issue to Liberty within 90 days of the date of the First Instalment US\$100,000 worth of Shares.
- (f) the Company will pay to Liberty a 1.5% NSR royalty in relation to PE 8251.
- (g) The Company will pay to African Royalty Pty Ltd a 0.5% NSR royalty in relation to PE 8251.
- (h) Liberty have the right to appoint an on ground (in the DRC) technical team on a monthly management fee of circa US\$5,000 per month covering an office, local regulatory compliance, and the provision of a technical and logistics team.
- (i) Cominiere SA's 30% ownership interest in the joint venture to be formed is to be interest finance carried.

7. RESOLUTIONS 5 – HEADS OF AGREEMENT – ISSUE OF SHARES TO LITHIUM AGE PTY LTD AND LIBERTY MINING AND INVESTMENTS SPRL

7.1 General

Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the following Shares in connection with the Acquisition:

- (a) up to 127,500,000 Shares at a deemed issue price of \$0.02 per Share for nil cash consideration to LAPL (or its nominee(s)); and
- (b) up to 2,976,190 Shares to Liberty (or its nominee(s)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of resolution 5 will be to allow the Company to issue an aggregate of up to 130,476,190 Shares in connection with the Acquisition.

The Shares to be issued to LAPL (or its nominee) are to be issued in three tranches:

- (a) the Acquisition Shares are to be issued to LAPL (or its nominee) upon the completion of due diligence, election to proceed, sign-off on agreed work program and budget, and transfer of licences; the timing of which is expected to be in the 3 months after the Meeting;
- (b) the Shares subject to Performance Milestone 1 are to be issued to LAPL (or its nominee) upon an additional exploration licence prospective for Lithium mineralisation being transferred into the joint venture with Cominiere SA; the timing of which is uncertain but will likely occur (if at all) later than 3 months after the Meeting; and
- (c) the Shares subject to Performance Milestone 2 are to be issued to LAPL (or its nominee) upon delineation of a Mineral Resource of 15 Million tonnes at a grade of greater than or equal to 1% Li₂O, determined in accordance with JORC Guidelines or NI 43-101; the timing of which is uncertain but will likely occur (if at all) later than 3 months after the Meeting.

The Shares to Liberty are to be issued within 90 days of the First Instalment.

The Acquisition Shares and the Shares subject to Performance Milestone 1 and Performance Milestone 2 and the Shares to be issued to Liberty will be issued or may be issued more than 3 months after the Meeting. As a result, the Company has been granted a waiver by ASX of ASX Listing Rule 7.3.2 to allow the Company to issue those Shares beyond the three month

time limit provided by Listing Rule 7.3.2. The waiver provides that the Shares may be issued on a date which is more than 3 months after the Meeting but no later than 4 October 2019.

7.2 Technical information required by ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Shares to be issued to Liberty (or its nominee(s)) and to LAPL (or its nominee(s)):

- (a) the maximum number of Shares to be issued to Liberty (or its nominee(s)) is 2,976,190. Shares are to be issued to the value of US\$100,000. Based on an exchange rate of A\$1 = US\$0.80 and a Share price of A\$0.042 (the closing price on the day this Explanatory Statement was lodged with ASX and ASIC for review) the number of Shares to be issued would be 2,976,190 Shares. Based on the Share price of A\$0.063 as at the date of the Notice of Meeting the number of Shares to be issued would be 1,984,127. It is expected that the Shares will be issued later than 3 months after the date of the Meeting and as such the Company has been granted a waiver of the ASX Listing Rules to permit their issue on a date which is later than 3 months after the Meeting but no later than 4 October 2019;
- (b) the maximum number of Shares to be issued to LAPL (or its nominee(s)) is 127,500,000;
- (c) 67,500,000 Shares will be issued to LAPL on the date of completion of the due diligence, election to proceed, sign-off on agreed work program and budget, and transfer of licences and it is intended that the Shares will be issued no later than 3 months after the date of the Meeting. However, the Shares may need to be issued later than 3 months after the date of the Meeting and as such the Company has been granted a waiver of the Listing Rules to permit their issue on a date which is later than 3 months after the Meeting but no later than 4 October 2019;
- (d) a further 30,000,000 Shares will be issued to LAPL (or its nominee) in the event that an additional exploration licence prospective for Lithium mineralisation is transferred into the joint venture with Cominiere SA by Cominiere SA in accordance with the terms of the Acquisition. It is expected that the Shares (if any) will be issued later than 3 months after the date of the Meeting and as such the Company has been granted a waiver of the ASX Listing Rules to permit their issue on a date which is later than 3 months after the Meeting but no later than 4 October 2019;
- (e) a further 30,000,000 Shares will be issued to LAPL (or its nominee) in the event that a Mineral Resource of 15 Million tonnes at a grade of greater than or equal to 1% Li₂O is delineated in accordance with JORC Guidelines or NI 43-101. It is expected that the Shares (if any) will be issued later than 3 months after the date of the Meeting and as such the Company has been granted a waiver of the ASX Listing Rules to permit their issue on a date which is later than 3 months after the Meeting but no later than 4 October 2019;
- (f) the Shares to LAPL (or its nominee) (referred to in 7.2(c), (d) and (e) above) will be issued for nil cash consideration at a deemed issue price of \$0.02 per Share in connection with the Acquisition;
- (g) the Shares to Liberty (referred to in 7.2(b) above) will be issued for nil cash consideration at a deemed issue price of the market price of Shares at the time they are issued;
- (h) the Shares will be issued to LAPL (or its nominee(s)) and to Liberty, neither of which is a related party of the Company and LAPL will ensure that its nominee(s) (if any) will not be a related party of the Company;
- (i) the Shares will be fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (j) no funds will be raised from the issue of the Shares as they will be issued for nil cash consideration in connection with the Acquisition; and
- (k) a voting exclusion statement has been included in the Notice in connection with this resolution.

8. RESOLUTIONS 6, 7 AND 8 – ISSUE OF DIRECTOR INCENTIVE OPTIONS TO DIRECTORS

8.1 General

Resolutions 6 to 8 seek the approval of Shareholders for the issue of 5,000,000 Director Incentive Options to each of Mr Sanders, Mr Brewer and Mr Glovac for a total of 15,000,000 Director Incentive Options (**Director Incentive Options**) in accordance with section 208 of the Corporations Act and Listing Rule 10.11.

The Company proposes to issue the Director Incentive Options as follows:

Director	Number	Exercise price	Expiry date
David Sanders	5,000,000	\$0.035	30 June 2019
Jason Brewer	5,000,000	\$0.035	30 June 2019
Patrick Glovac	5,000,000	\$0.035	30 June 2019

The Director Incentive Options will be exercisable at \$0.35 (**Exercise Price**) on or before 30 June 2019. \$0.35 was chosen as an exercise price representing an approximately 36% premium to the trading price on 1 August 2017 when the grant of the Director Incentive Options was considered and approved, subject to shareholder approval, by the Board. The subsequent increase in the trading price of the Company's shares on ASX has occurred since that date.

The benefit from the Director Incentive Options will only be received if the Company's Share Price exceeds the exercise price of the Director Incentive Options at the time of the exercise.

8.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party of that public company unless one of a number of exceptions applies.

A "financial benefit" is defined in the Corporations Act in broad terms and includes the issue of securities. For the purpose of the General Meeting, a related party includes a director of the Company.

For the purposes of Chapter 2E of the Corporations Act, Messrs Sanders, Brewer and Glovac are related parties of the Company by virtue of the fact that they are Directors of the Company.

Section 208 of the Corporations Act provides that for a public company, or an entity that a public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

For the avoidance of doubt, the Company is seeking the approval of Shareholders for the purposes of Chapter 2E of the Corporations Act in respect of the Director Options proposed to be issued to Messrs Sanders, Brewer and Glovac.

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Options to Directors:

- (a) the related parties are Messrs Sanders, Brewer and Glovac and they are Related Parties by virtue of their being Directors of the Company;
- (b) the maximum number of Options (being the nature of the financial benefit being provided) to be allocated to the Related Parties is:

- (i) 5,000,000 Director Incentive Options to Mr Sanders, or his nominee(s);
 - (ii) 5,000,000 Director Incentive Options to Mr Brewer, or his nominee(s); and
 - (iii) 5,000,000 Director Incentive Options to Mr Glovac, or his nominee(s);
- (c) the Director Incentive Options will be granted to the Directors no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Incentive Options will be allocated on one date;
- (d) the Director Incentive Options will be issued for nil cash consideration and accordingly no funds will be raised;
- (e) the Director Incentive Options will be issued on the terms set out in Schedule 2;
- (f) the relevant interests of the Directors in securities of the Company are:

Related Party	Shares	Options
David Sanders	-	-
Jason Brewer	-	-
Patrick Glovac	6,287,324	4,375,000

- (g) the remuneration from the Company to the Directors and their associates (for their roles as Directors and also consultancy arrangements with the Company) for the prior financial year and the proposed remuneration for the current financial year are set out below (inclusive of superannuation):

Related Party	Current Financial Year (ending 31-Dec-2017)	Prior Financial Year (ending 31-Dec-2016)
David Sanders (i)	60,000	-
Jason Brewer (ii)	48,000	-
Patrick Glovac	36,000	248,300 (iii)

(i) appointed 6 June 2017

(ii) appointed 6 June 2017

(iii) includes value of options approved at the 2016 AGM

- (h) if the Director Incentive Options granted to the Directors are exercised, a total of 15,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 268,624,204 to 283,624,204 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing shareholders would be diluted by an aggregate of 5.29%.

The market price of Shares during the term of the Director Incentive Options would normally determine whether or not the Director Incentive Options are exercised. If, at any time any of the Director Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Incentive Options, there may be a perceived cost to the Company;

- (i) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.068	21 August 2017
Lowest	\$0.016	8 December 2016
Last	\$0.063	28 August 2017

- (j) If Messrs Sanders, Brewer and Glovac exercise all Director Incentive Options the subject of resolutions 6, 7 and 8 and no other Shares were issued by the Company, they would hold 1.76%, 1.76% and 3.98% respectively of the issued capital of the Company, on an undiluted basis;
- (k) in respect of Resolutions 6 to 8:
 - (i) the primary purpose of the grant of the Director Incentive Options is to reward the Directors and to provide cost effective consideration to the Directors for their ongoing commitment and contribution to the Company in their respective roles as Directors, whilst allowing the Company to maintain cash reserves for acquisitions and operations. In addition, the Board considers the grant of the Director Incentive Options to the Directors to be reasonable, given the necessity to attract high calibre professionals to the Company whilst maintaining the Company's cash reserves;
 - (ii) the Board (other than in respect of the relevant Resolution that they have an interest in) considered the extensive experience and reputation of the relevant persons within the industry, the current market price of Shares and current market practices when determining the number and exercise price of the Director Incentive Options to be issued to the Directors. Relevantly, the exercise price of the Director Incentive Options is the price that is twenty-three per cent (23%) higher than the price of the Shares on ASX on the date when the consideration of the grant of the Director Incentive Options was decided by the Board and further it is consistent with the exercise price of the Placement Options to be issued pursuant to Resolution 4; and
 - (iii) the Board does not consider there are any significant opportunity costs to the Company in issuing the Director Incentive Options to the Directors.
- (l) commentary relating to ASX Corporate Governance Principles and Recommendation Policy 8.2 states (inter alia) that non-executive directors should normally be remunerated by way of fees in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity and should not receive options or bonus payments (and the issue of Director Options to Messrs Sanders, Brewer and Glovac may be considered a bonus payment). Accordingly, the Board acknowledges the issue of Directors Incentive Options to Messrs Sanders, Brewer and Glovac is contrary to this recommendation. However, the Board considers the issue of Director Options to those parties is an effective method available to Shareholders to consider in remunerating these Directors as opposed to a cash payment, given the historical and proposed business model which requires that the Company preserves its cash for exploration and development, for future acquisitions of assets and distributions to Shareholders. Shareholders should consider the above matters carefully before deciding how to vote on these Resolutions; and
- (m) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

8.3 ASX Listing Rule 10.11

Resolutions 6, 7 and 8 are required to be approved by Shareholders in accordance with ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a company obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Director Options to the Directors.

The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the persons to whom the Director Incentive Options are to be issued to are Messrs Sanders, Brewer and Glovac and they are all Directors of the Company;
- (b) the maximum number of Director Incentive Options to be issued by the Company is 15,000,000 Director Options in the following proportions:
 - (i) 5,000,000 Director Incentive Options to Mr Sanders, or his nominee(s);
 - (ii) 5,000,000 Director Incentive Options to Mr Brewer, or his nominee(s); and
 - (iii) 5,000,000 Director Incentive Options to Mr Glovac, or his nominee(s).
- (c) the Director Incentive Options will be issued for nil cash consideration and accordingly no funds will be raised; and
- (d) the Director Incentive Options will be issued on the terms set out in Schedule 2.

Shareholder approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Incentive Options to the Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Director Incentive Options to the Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Trading Price of Shares

In the last 12 months before the date of this Notice of Meeting, the highest, lowest and latest trading price of Shares on ASX were:

	Price	Date
Highest	\$0.068	21 August 2017
Lowest	\$0.016	8 December 2016
Last	\$0.063	28 August 2017

Black Scholes Valuation

It is a requirement that a dollar value be placed on the Director Incentive Options which are proposed to be issued. ASIC has indicated that the Black-Scholes option price calculation is acceptable. This method is designed to value listed options that are freely tradeable. Values for the Director Incentive Options the subject of Resolutions 6, 7 and 8 have been estimated using the Black-Scholes method. The valuation of the Director Incentive Options has been conducted by BDO Advisory (WA) Pty Ltd.

In determining these values, the following assumptions have been made:

- (a) The market price per Share as at the valuation date of 10 August 2017 is \$0.044.
- (b) The exercise price of the Director Incentive Options is \$0.035.
- (c) The Director Incentive Options will expire on 30 June 2019.
- (d) The price volatility of the Shares is approximately 145%.
- (e) The current average risk-free interest rate is 1.76%.
- (f) A dividend is unlikely to be paid by the Company during the life of the Director Incentive Options.

On the basis of an exercise price of \$0.035, the "implied value" of Director Incentive Options being received by the Directors is as follows:

Exercise Price	Implied Value Price
\$0.035	\$0.0317 per Option

The total value of the 15,000,000 Director Incentive Options proposed to be issued to the Directors is therefore calculated as being \$475,500.

9. BACKGROUND TO RESOLUTIONS 9, 10 AND 11

9.1 General

Mr Alistair Stephens was appointed as a director of the Company on 28 February 2017.

A services agreement was entered into between the Company, Fletcher Tailleur Australia and Mr Stephens dated 28 February 2017 (**Services Agreement**). The Company agreed to provide the following remuneration:

(a) Service Fee

A monthly fee as follows:

Period	Rate	Total charges excl GST (incl superannuation)
From 1 March to 30 June 2017	A\$10,000 per month	Total A\$40,000
From 1 July to 31 December 2017	A\$15,000 per month	Total A\$90,000
From 1 January to 31 December 2018	A\$20,000 per month	Total A\$240,000

(b) Options and Performance Rights

Unlisted options and performance rights, subject to the Company obtaining the necessary regulatory and shareholder approval, as follows:

- (a) 5,000,000 unlisted options expiring on 1 December 2015 - the exercise price of the options to be determined by an agreed daily trading average of the Company's ordinary shares plus an escalation (of no more than 30%) calculated prior to the date of the AGM;
- (b) Performance rights that will not vest and the underlying Shares will not be issued unless the following performance conditions have been satisfied:
 - (i) 5,000,000 performance rights, converting into 5,000,000 ordinary shares, upon the Board resolving on either a decision to mine the Mt Adrah project or an agreement for the divestment of the Mt Adrah project; and
 - (ii) 5,000,000 performance rights, converting into 5,000,000 ordinary shares, upon the Board resolving on either a decision to mine the Halls Peak project or an agreement for the divestment of the Halls Peak project.

Mr Stephens appointment as a Director of the Company was made under Rule 48.2 of the Company's Constitution, which states "The Directors may appoint a Director".

Pursuant to Rule 49.1 of the Company's Constitution, any person appointed to hold office as a director of the Company under Rule 48.2 holds office until the next meeting of Shareholders at which time he or she must retire but is then eligible for re-election.

In accordance with Rule 48.2 of the Constitution, Mr Stephens retired and sought re-election as a Director at the Company's Annual General Meeting held on 31 May 2017 being the first general meeting of the Company since Mr Stephens appointment on 28 February 2017. However, Shareholders did not support Mr Stephens re-election as a Director and the resolution was not carried. The votes cast by Shareholders were:

- (i) 6,461,255 votes in favour of the resolution;
- (ii) 51,249,541 votes against the resolution;
- (iii) 275,000 votes at the Chairperson's discretion;
- (iv) 37,500 votes at the proxy's discretion; and
- (v) 59,375 abstentions.

As a consequence of Shareholders not supporting the resolution for Mr Stephens re-election as a director of the Company, Mr Stephens' role as a Director ceased at the conclusion of the Company's Annual General Meeting on 31 May 2017.

In light of the result of the Annual General Meeting, the Company considered the terms of the Services Agreement and on 8 June 2017 informed Mr Stephens in writing as follows:

"Dear Alistair,

*We refer to the Annual General Meeting of Force Commodities Limited (**Force or the Company**) on 31 May 2017 (**AGM**). As you know at the AGM, pursuant to Resolution 4, the Company's shareholders voted against your re-election as a Director, at which point you ceased being a Director of the Company.*

*As you are also aware the Company entered into a services agreement with Fletcher Tailleir Australia (which is not a legal entity registered in Australia) and yourself dated 28 February 2017 (**Services Agreement**) for the purpose of engaging you to fulfil the role of Executive Director. Further, the Services Agreement reinforces this specifically:*

- 1. Item 2 of the Schedule in the Services Agreement: "Management services are required by the Company to fulfil the role of Executive Director ..."; and*
- 2. Item 3 of the Schedule in the Services Agreement: "The Company shall engage the Principle initially as Executive Director and subsequently with Board approval, Managing Director".*

Accordingly, the purpose of the Services Agreement was to engage you to provide services for the role of Executive Director of the Company, which required you being involved in the decision making and stewardship of the Board of Directors.

As a result of the AGM, you are no longer a director and the Company considers that it is either impossible for you to complete the role specified in the Services Agreement or is materially different from that which the parties to the Services Agreement contracted you to be able to fulfil and provide. Accordingly, the Company considers your removal as a director by the shareholders as an event of frustration and hereby gives notice that the Services Agreement is frustrated and that the parties are discharged from any further obligations under the Services Agreement from the event of frustration, namely on and from 31 May 2017.

Please let us know by reply no later than 5.00pm (WST) on Monday 12th of 2017 whether you disagree with the Company's position in respect of the Services Agreement. If not reply is received by the specified time frame, it will be deemed that you are in agreement with the Company's position outlined above.

Although it is the Company's position that the parties obligations under Services Agreement have been discharged by way of the event of frustration (outlined above) as at 31 May 2017, in the event this is found to be incorrect, the Company hereby gives notice of its election to terminate the Services Agreement as at 8 June 2017. If the Services Agreement is terminated by this notice, the Company confirms that:

- (a) The maximum payment that you may be entitled to is \$47,041.09 based on the statutory limit calculated under section 200F of the Corporations Act; and*
- (b) Any termination payment above this maximum amount would require the Company to obtain shareholder approval at a shareholder meeting for the entire termination payment to be made.*

The Company wishes you all the best with your future endeavours."

Mr Stephens responded to the Company stating that he did not agree with the Company's position and that he considered either the Services Agreement remained on foot or that the Company was liable to pay him a termination benefit in lieu of notice equal to 12 months remuneration, being an amount of \$202,666.67.

Payments in lieu of notice are deemed to be a termination benefit and as such are subject to the Corporations Act, which states that an entity must not give a person a benefit in connection with a person's retirement from an office, or position of employment, in a company or a related body corporate above the statutory limit unless there is shareholder approval under section 200E for the giving of a benefit. As the Company stated in its letter to

Mr Stephens on 8 June 2017 (above) the statutory maximum that the Company can pay (if a termination benefit is payable, which the Company refutes) to Mr Stephens in accordance with the Corporations Act is \$47,041.09.

Although the Company maintains the Services Agreement has ended due to frustration and is not liable to pay Mr Stephens any termination benefits, in light of the disagreement with Mr Stephens and his continuing claim, the Company has elected to seek shareholder approval regarding any payment of a termination benefit to Mr Stephens in the amount of \$202,666.67.

Additionally, pursuant to the terms of the Services Agreement, the Company agreed to issue, subject to Shareholder approval, Options and Performance Rights to Mr Stephens. In light of the disagreement with Mr Stephens and his continuing claim, the Company has elected to seek shareholder approval to do so (see resolutions 10 and 11).

10. RESOLUTION 10 – APPROVAL OF ISSUE OF UNLISTED OPTIONS TO ALISTAIR STEPHENS

10.1 General

Pursuant to the contractual commitments under the Services Agreement, the Company is seeking the approval of Shareholders for the issue 5,000,000 unlisted Options expiring 1 December 2025 (**Stephens Options**) in accordance with section 208 of the Corporations Act and Listing Rule 10.11.

Under the Services Agreement, shareholder approval for the Stephens Options was to be obtained at the Annual General Meeting, which did not happen. Accordingly, the Company is seeking shareholder approval to issue the Stephens Options to Mr Stephens.

The benefit from the Stephens Options will only be received by Mr Stephens if the Company's Share Price exceeds the exercise price of the Stephens Options at the time of the exercise.

The Stephens Options will vest immediately on issue.

10.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party of that public company unless one of a number of exceptions applies.

A "financial benefit" is defined in the Corporations Act in broad terms and includes the issue of securities. For the purpose of the General Meeting, a related party includes a director of the Company.

For the purposes of Chapter 2E of the Corporations Act, Mr Stephens is a related party of the Company by virtue of the fact that he was a Director of the Company in the previous six months.

Section 208 of the Corporations Act provides that for a public company, or an entity that a public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

For the avoidance of doubt, the Company is seeking the approval of Shareholders for the purposes of Chapter 2E of the Corporations Act in respect of the Stephens Options proposed to be issued to Mr Stephens.

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Options to Directors:

- (a) the related party is Mr Stephens and he is related parties by virtue of his being a Director of the Company;
- (b) the maximum number of Options (being the nature of the financial benefit being provided) to be allocated to Mr Stephens is 5,000,0000;
- (c) the Stephens Options will be granted to Mr Stephens no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Stephens Options will be allocated on one date;
- (d) the Stephens Options will be issued for nil cash consideration and accordingly no funds will be raised;
- (e) the Stephens Options will be issued on the terms set out in Schedule 3;
- (f) the relevant interests of Mr Stephens in securities of the Company is nil;
- (g) the remuneration from the Company to Mr Stephens and his associates (for his role as Director and also consultancy arrangements with the Company) for the prior financial year and the proposed remuneration for the current financial year are set out below (inclusive of superannuation):

Related Party	Current Financial Year (ending 31-Dec-2017)	Prior Financial Year (ending 31-Dec-2016)
Alistair Stephens	42,667 (i)	-

(i) appointed 28 February 2017; terminated 8 June 2017

- (h) if the Stephens Options are exercised, a total of 5,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 268,624,204 to 273,624,204 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing shareholders would be diluted by an aggregate of 1.83%.

The market price of Shares during the term of the Stephens Options would normally determine whether or not the Stephens Options are exercised. If, at any time any of the Stephens Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Stephens Options, there may be a perceived cost to the Company;

- (i) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.068	21 August 2017
Lowest	\$0.016	8 December 2016
Last	\$0.063	28 August 2017

- (j) If Mr Stephens was to exercise all Stephens Options the subject of resolutions 10 and no other Shares were issued by the Company, Mr Stephens would hold 1.83% of the issued capital of the Company, on an undiluted basis;
- (k) in respect of resolution 10 the primary purpose of the grant of the Stephens Options is to comply with a contractual commitment under the Services Agreement;
- (l) commentary relating to ASX Corporate Governance Principles and Recommendation Policy 8.2 states (inter alia) that non-executive directors should normally be remunerated by way of fees in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity and should not receive options or bonus payments (and the issue of the Stephens Options to Mr Stephens may be considered a bonus payment). Accordingly, the Board acknowledges the issue of the Stephens Options to Mr Stephens is contrary to this recommendation. However, the Board considers the issue of Director Options to those parties is an effective method available to Shareholders to consider in remunerating these Directors as opposed to a

cash payment, given the historical and proposed business model which requires that the Company preserves its cash for exploration and development, for future acquisitions of assets and distributions to Shareholders. Shareholders should consider the above matters carefully before deciding how to vote on these resolutions; and

- (m) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the resolution.

10.3 ASX Listing Rule 10.11

Resolution 10 is required to be approved by Shareholders in accordance with ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a company obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Stephens Options to Mr Stephens.

The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the person to whom the Stephens Options are to be issued is Mr Stephens, a former Director of the Company;
- (b) the maximum number of Stephens Options to be issued by the Company is 5,000,000.
- (c) the Stephens Options will be issued for nil cash consideration and accordingly no funds will be raised; and
- (d) the Stephens Options will be issued on the terms set out in Schedule 2.

Shareholder Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Stephens Options to the Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Stephens Options to Mr Stephens will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Trading Price of Shares

In the last 12 months before the date of this Notice of Meeting, the highest, lowest and latest trading price of Shares on ASX were:

	Price	Date
Highest	\$0.068	21 August 2017
Lowest	\$0.016	8 December 2016
Last	\$0.063	28 August 2017

Black Scholes Valuation

It is a requirement that a dollar value be placed on the Stephens Options which are proposed to be issued. ASIC has indicated that the Black-Scholes option price calculation is acceptable. This method is designed to value listed options that are freely tradeable. Values for the Stephens Options the subject of resolution 10 have been estimated using the Black-Scholes method. The valuation of the Stephens Options has been conducted by BDO Advisory (WA) Pty Ltd.

In determining these values, the following assumptions have been made:

- (a) The market price per Share as at the valuation date of 10 August 2017 is \$0.044.
- (b) The exercise price of the Stephens Options is \$0.032.
- (c) The Stephens Options will expire on 1 December 2025.

- (d) The price volatility of the Shares is approximately 145%.
- (e) The current average risk-free interest rate is 2.59%.
- (f) A dividend is unlikely to be paid by the Company during the life of the Director Options.

On the basis of an exercise price of \$0.032, the "implied value" of Stephens Options being received Mr Stephens is as follows:

Exercise Price	Implied Value Price
\$0.032	\$0.0428 per Option

The total value of the 5,000,000 Stephens Options proposed to be issued to Mr Stephens is therefore calculated as being \$214,000.

11. RESOLUTION 11 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO ALISTAIR STEPHENS

11.1 General

Pursuant to the contractual commitments under Mr Stephens Services Agreement, the Company is seeking the approval of Shareholders for the issue of 10,000,000 performance rights to Mr Stephens, or his nominee(s) comprising 5,000,000 Class A Performance Rights and 5,000,000 Class B Performance Rights (**Stephens Performance Rights**).

Shareholder approval is sought in accordance with section 208 of the Corporations Act and Listing Rule 10.11.

The terms and conditions relating to the Class A Performance Rights are set out in Schedule 4.

The terms and conditions relating to the Class B Performance Rights are set out in Schedule 5.

Each Class A Performance Right and Class B Performance Right will convert into 1 Share subject to vesting conditions being met.

The vesting conditions pertaining to the Class A Performance Rights relate to the Board resolving either a decision to mine the Mt Adrah Gold Project or the divestment of the Mt Adrah Gold Project.

The vesting conditions pertaining to the Class B Performance Rights relate to the Board resolving either a decision to mine the Halls Peak Base Metals Project or the divestment of the Halls Peak Base Metals Project.

11.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party of that public company unless one of a number of exceptions applies.

A "financial benefit" is defined in the Corporations Act in broad terms and includes the issue of securities. For the purpose of the General Meeting, a related party includes a director of the Company.

For the purposes of Chapter 2E of the Corporations Act, Mr Stephens is a related party of the Company by virtue of the fact that he was a Directors of the Company during the past six months

For the avoidance of doubt, the Company is seeking the approval of Shareholders for the purposes of Chapter 2E of the Corporations Act in respect of the Performance Rights proposed to be issued to Mr Stephens.

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Performance Rights to Mr Stephens:

- (a) the related party is Mr Stephens and he is a related party by virtue of him being a Director of the Company during the past six months;
- (b) the maximum number of Performance Rights (being the nature of the financial benefit being provided) to be allocated to the related party is 5,000,000 Class A Performance Rights and 5,000,000 Class B Performance Rights to Mr Stephens, or his nominee(s);
- (c) the Performance Rights will be granted to Mr Stephens no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be allocated on one date;
- (d) the Performance Rights will be issued for nil cash consideration and accordingly no funds will be raised;
- (e) the Class A Performance Rights will be issued on the terms set out in Schedule 4 and the Class B Performance Rights will be issued on the terms set out in Schedule 5;
- (f) the relevant interest of Mr Stephens in securities of the Company is nil.
- (g) the remuneration from the Company to Mr Stephens and his associates (for his role as a Director and also his consultancy arrangements with the Company) for the prior financial year and the proposed remuneration for the current financial year are set out below (inclusive of superannuation):

Related Party	Current Financial Year (ending 31-Dec-2017)	Prior Financial Year (ending 31-Dec-2017)
Alistair Stephens (i)	42,667 (i)	-

(i) appointed 28 February 2017; terminated 8 June 2017

- (h) if the Performance Rights granted to Mr Stephens satisfy the vesting conditions and are converted, a total of 10,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 268,624,204 to 278,624,204 (assuming that no other Performance Rights, or Options are exercised and no other Shares are issued) with the effect that the shareholding of existing shareholders would be diluted by an aggregate of 3.59%.
- (i) the achievement by the Company of its strategic objectives during the term of the Performance Rights would normally determine whether or not the Performance Rights vesting conditions are satisfied. If, at any time any of the Performance Rights are converted into Shares, there will be a perceived cost to the Company;
- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.068	21 August 2017
Lowest	\$0.016	8 December 2016
Last	\$0.063	28 August 2017

- (k) If the Performance Rights vesting conditions are satisfied Mr Stephens will convert all Performance Rights the subject of resolution 11 and no other Shares were issued by the Company, Mr Stephens would hold 3.59% of the issued capital of the Company, on an undiluted basis;
- (l) in respect of resolution 11, the primary purpose of the grant of the Performance Rights is to fulfil contractual commitments; and
- (m) the Board does not consider there are any significant opportunity costs to the Company in issuing the Performance Rights to the Director.
- (n) commentary relating to ASX Corporate Governance Principles and Recommendation Policy 8.2 states (inter alia) that non-executive directors should normally be

remunerated by way of fees in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity and should not receive options or bonus payments (and the issue of Performance Rights to Mr Stephens may be considered a bonus payment). Accordingly, the Board acknowledges the issue of Performance Rights to Mr Stephens is contrary to this recommendation. However, the Board considers the issue of Performance Rights to directors generally is an effective method available to Shareholders to consider as opposed to a cash payment, given the historical and proposed business model which requires that the Company preserves its cash for exploration and development, for future acquisitions of assets and distributions to Shareholders. Shareholders should consider the above matters carefully before deciding how to vote on these resolutions; and

- (o) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass this resolution.

11.3 ASX Listing Rule 10.11

Resolution 112 is required to be approved by Shareholders in accordance with ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a company obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Performance Rights to Mr Stephens.

The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the person to whom the Stephens Performance Rights are to be issued to is Mr Stephens;
- (b) the maximum number of Stephens Performance Rights to be issued by the Company is 10,000,000 comprising 5,000,000 Class A Performance Rights and 5,000,000 Class B Performance Rights to Mr Stephens, or his nominee(s);
- (c) the Stephens Performance Rights will be issued for nil cash consideration and accordingly no funds will be raised;
- (d) the Class A Performance Rights will be issued on the terms set out in Schedule 4; and
- (e) the Class B Performance Rights will be issued on the terms set out in Schedule 5.

Shareholder Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Stephens Performance Rights to Mr Stephens as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Performance Rights to the Mr Stephens will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Trading Price of Shares

In the last 12 months before the date of this Notice of Meeting, the highest, lowest and latest trading price of Shares on ASX were:

	Price	Date
Highest	\$0.068	21 August 2017
Lowest	\$0.016	8 December 2016
Last	\$0.063	28 August 2017

Black Scholes Valuation

It is a requirement that a dollar value be placed on the Stephens Performance Rights which are proposed to be issued. Due to the Stephens Performance rights having non-market based vesting conditions, the Company is advised that the Black Scholes method is the appropriate valuation methodology. This method is designed to value listed options that are freely tradeable. Values for the Performance Rights the subject of resolution 11 have been estimated using the Black-Scholes method. The valuation of the Stephens Performance Rights has been conducted by BDO Advisory (WA) Pty Ltd.

In determining these values, the following assumptions have been made:

- (a) The market price per Share as at the valuation date of 10 August 2017 is \$0.044.
- (b) The exercise price of the Stephens Performance Rights is nil.
- (c) The Stephens Performance Rights will expire within 5 years from date of issue.
- (d) The price volatility of the Shares is approximately 145%.
- (e) The current average risk-free interest rate is 2.18%.
- (f) A dividend is unlikely to be paid by the Company during the life of the Performance Rights.

On this basis the "implied value" of the Stephens Performance Rights being received by Mr Stephens is as follows:

Exercise Price	Implied Value Price
\$Nil	\$0.044 per Performance Rights

The total value of the 10,000,000 Stephens Performance Rights proposed to be issued to Mr Stephens is therefore calculated as being \$440,000.

12. RESOLUTION 12 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN (ESOP)

Resolution 12 seeks Shareholder approval for the adoption of the Company's Employee Share Option Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9(b)) which provides that issues under an employee incentive scheme are exempt from the date on which shareholders approve the issue of securities under the scheme. If the Plan is approved by shareholders, issues under the Plan over the next 3 years will fall under that Listing Rule exception.

If resolution 12 is passed, the Company will be able to issue securities under the Plan without impacting on the Company's ability to raise up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no securities have previously been issued under the Plan.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of securities under the Plan to a related party (for example, Directors and their associates) will require additional approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the terms and conditions of the Plan is set out in Schedule 6. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary.

13. RESOLUTION 13 – REPLACEMENT OF CONSTITUTION

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 13 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act.

The Proposed Constitution will incorporate amendments to the Corporations Act since the current Constitution was adopted in 2010.

The Directors are of the view that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature. For example,

- changing the name of the company from Sovereign Gold Company Limited to Force Commodities Limited to reflect the change of name of the Company; and
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Limited, and SCH Business Rules).

The Directors are of the view that the proposed amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all the changes to the Constitution in detail in this Explanatory Statement.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9328 9368). Shareholders are invited to contact the Company if they have any queries or concerns.

14. ENQUIRIES

Shareholders may contact Mr Michael Fry (Company Secretary) on (+ 61 8) 9328 9368 if they have any queries in respect of the matters set out in this document.

GLOSSARY

\$ means Australian dollars.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of directors of the Company as constituted from time to time.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.
- (b) a child of the member's spouse;

Company means Force Commodities Limited (ABN 12 145 184 667).

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

Directors means the directors of the Company from time to time.

Director Incentive Options means the options referred to at 8.1 of this Notice of Meeting.

Director Options means the Options referred to in resolutions 6, 7 and 8 (as applicable).

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the general meeting of the Company to be held on 10 October 2017.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Meeting means the meeting convened by the Notice of Meeting.

Mineral Resource has the meaning given under the JORC Code, 2012 edition.

Notice of Meeting means this notice of general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Performance Rights means the performance rights referred to in Resolution 11.

Proxy Form means the proxy form accompanying the Notice of Meeting.

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

Shareholder means a holder of a Share.

Stephens Options means the options referred to at 10.1 of this Notice of Meeting.

Stephens Performance Rights means the performance rights referred to at 11.1 of this Notice of Meeting.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF ATTACHING OPTIONS (UNLISTED)

- (a) Each Attaching Option carries the right to subscribe for one Share.
 - (b) Subject to paragraph (m), the exercise price of each Attaching Option is \$0.032 (**Exercise Price**).
 - (c) Attaching Options will expire at 5:00 pm (WST) on 30 June 2019 (**Expiry Date**).
 - (d) An Attaching Option not exercised before the Expiry Date will automatically lapse on the Expiry Date, and will cease to carry any rights or benefits.
 - (e) The Attaching Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
 - (f) The Attaching Options may be exercised during the Exercise Period by a holder delivering to the Company's registered office a notice (in a form prescribed by the Company from time to time) stating the number of Attaching Options to be exercised (**Notice of Exercise**) and a payment of the Exercise Price for each Attaching Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
 - (g) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Attaching Option being exercised in cleared funds (**Exercise Date**).
 - (h) Within 15 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, but in any case, no later than 20 Business Days after the Exercise Date, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Attaching Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Attaching Options.
- If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (i) Shares issued on exercise of the Attaching Options rank equally with the then issued shares of the Company.
 - (j) The Attaching Options can be transferred or assigned by the holder at any time prior to the Expiry Date, subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
 - (k) Attaching Options shall not be quoted on ASX.

- (l) An Attaching Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (m) If at any time the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Attaching Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (n) The holders of an Attaching Option may only participate in new issues of securities to holders of ordinary shares in the Company if the Attaching Option has been exercised and Shares issued in respect of the Option before the record date for determining entitlements to the issue.
- (o) There will be no change to the exercise price of the Attaching Option or the number of Shares over which an Attaching Option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).
- (p) If there is a bonus issue (**Bonus Issue**) to the holders of ordinary Shares in the Company, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class on issue as the date of issue of the Bonus Shares.

SCHEDULE 2 – TERMS AND CONDITIONS OF DIRECTOR INCENTIVE OPTIONS (UNLISTED)

- (a) No monies will be payable for the issue of the Director Incentive Options.
- (b) Each Director Incentive Option carries the right, subject to Shareholder approval required under the Corporations Act or the Listing Rules, to subscribe for one Share.
- (c) The Director Incentive Options are exercisable at any time after Shareholder approval until 5.00pm (WST) on 30 June 2019 (**Expiry Date**).
- (d) The exercise price of each Director Incentive Option is \$0.035 (**Exercise Price**).
- (e) Director Incentive Options may be exercised in whole or in part. An exercise of only some of the Director Incentive Options shall not affect the rights of the party holding the Option (**Director Incentive Option Holder**) to the balance of the Director Incentive Options held by the Director Incentive Option Holder.
- (f) A Director Incentive Option not exercised before the Expiry Date will automatically lapse on the Expiry Date, and will cease to carry any rights or benefits.
- (g) The Director Incentive Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (h) The Director Incentive Options may be exercised during the Exercise Period by a holder delivering to the Company's registered office a notice (in a form prescribed by the Company from time to time) stating that the number of Director Options to be exercised (**Notice of Exercise**) and a payment of the Exercise Price for each Director Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (i) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Director Incentive Option being exercised in cleared funds (**Exercise Date**).
- (j) Within 15 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,but in any case no later than 20 Business Days after the Exercise Date, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Director Options. If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (k) Director Incentive Options may be exercised into Shares to be held in the name of the Director Incentive Option Holder's nominees.

- (l) Shares issued on exercise of the Director Options rank equally with the then issued shares of the Company.
- (m) The Director Options shall not be transferred or assigned by the holder except with the prior written consent of the Company and subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- (n) Director Options shall not be quoted on ASX.
- (o) If at any time the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Director Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (p) The holders of a Director Option may only participate in new issues of securities to holders of ordinary shares in the Company if the Director Option has been exercised and Shares issued in respect of the Option before the record date for determining entitlements to the issue.
- (q) There will be no change to the exercise price of the Director Option or the number of Shares over which a Director Option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).
- (r) If there is a bonus issue (**Bonus Issue**) to the holders of ordinary Shares in the Company, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class on issue as the date of issue of the Bonus Shares.

SCHEDULE 3 – TERMS AND CONDITIONS OF STEPHENS OPTIONS (UNLISTED)

- (a) Each Stephens Option carries the right to subscribe for one Share.
- (b) The exercise price of each Stephens Option is \$0.032 (**Exercise Price**).
- (c) Stephens Options will expire at 5:00 pm (WST) on 1 December 2025 (**Expiry Date**).
- (d) A Stephens Option not exercised before the Expiry Date will automatically lapse on the Expiry Date, and will cease to carry any rights or benefits.
- (e) If a holder ceases to be a director of the Company for any reason (other than death or disability), the holder must exercise his/her options within one month from the date the holder ceases to be a director of the Company otherwise the Stephens Options will expire and cease to carry any rights or benefits.
- (f) The Stephens Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (g) The Stephens Options may be exercised during the Exercise Period by a holder delivering to the Company's registered office a notice (in a form prescribed by the Company from time to time) stating that the number of Director Options to be exercised (**Notice of Exercise**) and a payment of the Exercise Price for each Stephens Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (h) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Stephens Option being exercised in cleared funds (**Exercise Date**).
- (i) Within 15 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Director Options. If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (j) Shares issued on exercise of the Director Options rank equally with the then issued shares of the Company.
- (k) The Stephens Options shall not be transferred or assigned by the holder except with the prior written consent of the Company and subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- (l) Stephens Options shall not be quoted on ASX.
- (m) If at any time the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Stephens Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (n) The holders of a Stephens Option may only participate in new issues of securities to holders of ordinary shares in the Company if the Director Option has been exercised and Shares issued in respect of the Option before the record date for determining entitlements to the issue.
- (o) There will be no change to the exercise price of the Stephens Option or the number of Shares over which a Director Option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).
- (p) If there is a bonus issue (**Bonus Issue**) to the holders of ordinary Shares in the Company, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class on issue as the date of issue of the Bonus Shares.

SCHEDULE 4 – TERMS AND CONDITIONS OF CLASS A PERFORMANCE RIGHTS

- (a) Subject to the satisfaction of the Vesting Condition set out in item (d) each Performance Right, at the election of the holder, carries the right to convert into one Share.
- (b) If a Performance Right has not been converted into a Share prior to a date that is 5 years from the date of issue of the Performance Right, the Performance Right will automatically lapse.
- (c) The Performance Rights will vest upon satisfaction of the following milestones:
- (i) a decision by the Board to mine the Mt Adrah Gold Project and mining commencing (Milestone A); or
 - (ii) a decision by the Board to divest the Mt Adrah Gold Project and the receipt by the Company of consideration valued at or above AU\$5,000,000 from the divestment (Milestone B), (**Vesting Conditions**);
- (d) The Performance Rights will be issued as part of the contractual arrangements with the holder and no consideration will be payable upon the conversion of the Performance Rights into Shares.
- (e) The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of the Shares issued upon conversion of the Performance Rights within the period required by ASX.
- (f) Upon a Vesting Condition being met, the holder may elect to convert the Performance Rights (in whole or part), by delivering a written notice to the Company (**Conversion Notice**).
- (g) Subject to a Vesting Condition being met, within 15 Business Days after the date the Company receives a Conversion Notice, the Company will:
- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights exercised;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (i) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.
- If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) Shares issued on exercise of the Performance Rights rank equally with the then issued shares of the Company.
- (i) A Performance Right is not transferable (including encumbering the Performance Rights).
- (j) There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of securities to holders of ordinary shares in the Company during the term of the Performance Rights (including entitlement issues and bonus issues).
- (k) If at any time the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance

Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- (l) A performance Right does not confer upon the holder an entitlement to vote, receive dividends, or participate in the surplus profits or assets of the Company upon the winding up of the Company.

(m) **Change in Control Event**

Change in Control Event means:

- (i) the occurrence of:
 - (A) the offeror under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (B) that takeover bid has become unconditional; or
- (ii) the announcement by the Company that:
 - (A) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 - (B) the Court, by order, approves the scheme of arrangement.

On the occurrence of a Change of Control Event, the Board may in its sole and absolute discretion determine that unvested Performance Rights will vest despite the non-satisfaction of any Vesting Conditions and become exercisable in accordance with clause (a), with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Holder is terminated or ceases in connection with the Change of Control Event.

Whether or not the Board determines to accelerate the vesting of any Performance Rights, the Company shall give written notice of any proposed Change of Control Event to the Holder. Upon the giving of any such notice the Participant shall be entitled to exercise, at any time within the 14-day period following the giving of such notice, all or a portion of those Performance Rights granted to the Holder which are then vested and exercisable in accordance with their terms, as well as any unvested Performance Rights which shall become vested and exercisable in connection with the completion of such Change of Control Event. Unless the Board determines otherwise (in its sole and absolute discretion), upon the expiration of such 14-day period, all rights of the Holder to exercise any outstanding Performance Rights, whether vested or unvested, shall terminate and all such Performance Rights shall immediately lapse, expire and cease to have any further force or effect, subject to the completion of the relevant Change of Control Event.

In any event, the maximum number of Performance Rights that can be converted into Shares and issued upon a Change of Control Event pursuant to this clause must not exceed 10% of the issued share capital of the Company (as at the date of the Change in Control event).

SCHEDULE 5 – TERMS AND CONDITIONS OF CLASS B PERFORMANCE RIGHTS

- (a) Subject to the satisfaction of the Vesting Condition set out in item (d) each Performance Right, at the election of the holder, carries the right to convert into one Share.
- (b) If a Performance Right has not been converted into a Share prior to a date that is 5 years from the date of issue of the Performance Right, the Performance Right will automatically lapse.
- (c) The Performance Rights will vest upon satisfaction of the following milestones:
 - (i) a decision by the Board to mine the Halls Peak Base Metals Project and mining commencing (Milestone A); or
 - (ii) a decision by the Board to divest the Halls Peak Base Metals Project and the receipt by the Company of consideration valued at or above AU\$5,000,000 from the divestment (Milestone B), (**Vesting Conditions**);
- (d) The Performance Rights will be issued as part of the contractual arrangements with the holder and no consideration will be payable upon the conversion of the Performance Rights into Shares.
- (e) The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of the Shares issued upon conversion of the Performance Rights within the period required by ASX.
- (f) Upon a Vesting Condition being met, the holder may elect to convert the Performance Rights (in whole or part), by delivering a written notice to the Company (**Conversion Notice**).
- (g) Subject to a Vesting Condition being met, within 15 Business Days after the date the Company receives a Conversion Notice, the Company will:
 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights exercised;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Performance Rights.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) Shares issued on exercise of the Performance Rights rank equally with the then issued shares of the Company.
- (i) A Performance Right is not transferable (including encumbering the Performance Rights).
- (j) There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of securities to holders of ordinary shares in the Company during the term of the Performance Rights (including entitlement issues and bonus issues).
- (k) If at any time the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance

Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- (l) A performance Right does not confer upon the holder an entitlement to vote, receive dividends, or participate in the surplus profits or assets of the Company upon the winding up of the Company.

(m) **Change in Control Event**

Change in Control Event means:

- (i) the occurrence of:
 - (A) the offeror under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (B) that takeover bid has become unconditional; or
- (ii) the announcement by the Company that:
 - (A) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 - (B) the Court, by order, approves the scheme of arrangement.

On the occurrence of a Change of Control Event, the Board may in its sole and absolute discretion determine that unvested Performance Rights will vest despite the non-satisfaction of any Vesting Conditions and become exercisable in accordance with clause (a), with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Holder is terminated or ceases in connection with the Change of Control Event.

Whether or not the Board determines to accelerate the vesting of any Performance Rights, the Company shall give written notice of any proposed Change of Control Event to the Holder. Upon the giving of any such notice the Participant shall be entitled to exercise, at any time within the 14-day period following the giving of such notice, all or a portion of those Performance Rights granted to the Holder which are then vested and exercisable in accordance with their terms, as well as any unvested Performance Rights which shall become vested and exercisable in connection with the completion of such Change of Control Event. Unless the Board determines otherwise (in its sole and absolute discretion), upon the expiration of such 14-day period, all rights of the Holder to exercise any outstanding Performance Rights, whether vested or unvested, shall terminate and all such Performance Rights shall immediately lapse, expire and cease to have any further force or effect, subject to the completion of the relevant Change of Control Event.

In any event, the maximum number of Performance Rights that can be converted into Shares and issued upon a Change of Control Event pursuant to this clause must not exceed 10% of the issued share capital of the Company (as at the date of the Change in Control event).

SCHEDULE 6 – TERMS AND CONDITIONS OF EMPLOYEE SHARE SCHEME

The key material terms of the Plan are as follows:

Eligibility	Participants must be a permanent, full-time, part-time employee, a Director (whether executive or non-executive) or a selected casual employee (Participant).
Administration	The Plan will be administered by the Board, who has absolute and unfettered discretion to act (or refrain from acting) in connection with the Plan, including the delegation of any of its powers.
Offer	The Board may, in its absolute discretion, make a written offer (pursuant to an Offer Document) to any Participant to apply for Options, upon the terms set out in the Plan and upon such terms and conditions as the Board determines.
Acceptance	A Participant may accept an Offer in whole or in part, by signing and returning an Acceptance Form to the Company. The Board may accept or reject any Acceptance Form in its absolute discretion.
Option	Each Option will be issued for no more than nominal consideration and entitles the Participant to subscribe for one Share in the Company (subject to adjustments for reconstructions of the capital of the Company) at an exercise price to be determined by the Board.
Grant	The Board has the discretion to set the terms and conditions for which it will offer and grant Options under the Plan, including the vesting conditions and any waiver of the terms and conditions. The vesting conditions will be specified in the Offer Document to the relevant Participant.
Exercise	Options that have vested are generally able to be exercised prior to their expiry date. On exercise the Participant must pay the relevant exercise price for those Options.
Shares	Shares issued on exercise of Options issued under the Plan will rank equally with the other issued Shares. Depending on the terms of issue, the Shares may be subject to disposal restrictions, which means that they may not be disposed or dealt with for a period of time, or may not be issued until the expiration of such restriction period. Shares allocated on vesting or exercise (subject to the Options' terms) carry the same rights and entitlements as other issued Shares, including dividend and voting rights.
Quotation	Options will not be quoted on the ASX. The Company will apply for Official Quotation of the Shares issued on exercise of Options, in accordance with the ASX Listing Rules.
Cessation of Eligibility	If a Participant ceases to be eligible as a Participant under the Plan, any unvested Options will not vest. However, the Board may elect to waive any vesting conditions on the vesting of any Options if a Participant has died, suffered total and permanent disablement or been made redundant.
Change of Control	On a change of control event, all option vesting conditions are deemed to be automatically waived, immediately vesting unvested Options in the Participant. In respect of vested, unexercised Options, subject to the Company's discretion, a Participant may be provided with shares of the company which

is acquiring control of the Company, in lieu of Shares in the Company, on substantially the same terms with appropriate adjustments.

Restrictions

Without the prior approval of the Board, or unless required by law, Options may not be sold, transferred, encumbered or otherwise dealt with.

Amendments

To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the Plan. No adjustment or variation of the terms of an Option will be made without the consent of the relevant Participant, unless such amendment is required by law, or to correct any manifest error or mistake.

Other Terms

The Plan also contains customary and usual terms for including (but not limited to) terms relating to administration, variation, suspension and termination of the Plan.

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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX

For your vote to be effective it must be received by 11:00am (WST) on Sunday, 8 October 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Force Commodities Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Force Commodities Limited to be held at GTT Ventures Pty Ltd, 22 Townshend Road, Subiaco, Western Australia 6008 on Tuesday, 10 October 2017 at 11:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 6, 7, 8, 9, 10, 11 and 12 (except where I/we have indicated a different voting intention below) even though Resolutions 6, 7, 8, 9, 10, 11 and 12 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 6, 7, 8, 9, 10, 11 and 12 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
1	Re-election of Director - Mr David Sanders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	Issue of Director Incentive Options to Mr Jason Brewer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director - Mr Jason Brewer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	Issue of Director Incentive Options to Mr Patrick Glovac	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a	Ratification of July 2017 Placement of Shares - 32,243,630 Shares under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	Approval of Termination Benefit payable to Mr Alistair Stephens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b	Ratification of July 2017 Placement of Shares - 21,423,036 Shares under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval of Unlisted Options to Mr Alistair Stephens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Issue of Attaching Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Approval of Performance Rights to Mr Alistair Stephens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5a	Heads of Agreement - Issue of Shares to Lithium Age Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5b	Heads of Agreement - Issue of Shares to Liberty Mining and Investments SPRL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Issue of Director Incentive Options to Mr David Sanders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolutions 9, 10 and 11 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

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