

9 May 2019

ASX Announcements Office
152–158 St Georges Terrace
Perth WA 6000
Australia

BINDING HEADS OF AGREEMENT TO ACQUIRE AN INITIAL 51% INTEREST IN HIGHLY PROSPECTIVE LEAD, SILVER AND ZINC PROJECTS

- *Force Commodities Limited has executed a binding HOA to acquire majority interests in the lead, silver and zinc rights over three granted exploration licenses and one mining license (under application) located in the Central Region of the Republic of Malawi*
- *The licenses are 45km from the capital city of Lilongwe and extend over 1,414km² and cover areas of known historic and current small-scale galena mining activities and previous areas of exploration and feasibility study work for graphite mineralisation*
- *Recent geological mapping and ground EM surveys have identified over 25 artisanal areas of workings and a substantial number of anomalous areas considered highly prospective for high grade lead and silver mineralisation*
- *Mining license application extends over 5km² and includes areas of exposed galena mineralisation in the Grand Canyon, Riverside and Small Canyon shallow open pits*
- *Recent exploration work around these open pits has further identified multiple interpreted zones of parallel, shallow mineralisation (down to 20m below surface) and with strike lengths of up to 500m*
- *Trial mining was completed at the Grand Canyon, Riverside and Small Canyon Prospects in November 2018, with a +100t bulk sample trucked to ALS Laboratories in South Africa*
- *Certificate of Quality received from ALS confirmed an exceptionally high grade product that reported an average 60.48% lead grade and 735g/t silver grade*
- *A further 2.3kg sample of the exposed mineralisation from the Grand Canyon open pit was taken for Semi-Quantitative X-Ray Diffraction analyses to determine mineral composition and further chemical assay work and reported an average 85% lead grade*
- *Sale of 100t of bulk sample being finalised with a number of international commodity trading groups with indicative offers valuing the sample at US\$1,400/t of product*
- *Force's management have already completed a site visit and preliminary review of available technical information. Meetings with senior management and the major shareholders as well as government representatives have been held in Malawi and London. In addition, legal consultants have already been appointed and are finalising*

- *a due diligence report on the licenses and GML and GAL*
- *Force will secure its 51% interest through expenditure of US\$900,000 over the next 18 months, with funds to be applied under an agreed exploration and development budget*
- *Firm commitments received for a A\$0.35 million Capital Raising to fund due diligence work and proposed initial exploration activities in Malawi.*
- *Key activities over the next 3 to 6 months include detailed geological mapping and sampling, additional trial mining (and sale) of material and the commencement of JORC resource definition drilling program and completion of mining and beneficiation studies*
- *Force has also secured a 90-day exclusive option over the graphite rights of the exploration licenses, where historical work, including diamond drilling and feasibility study work has been completed. The Project is adjacent to Sovereign Metals Limited (ASX:SVM) and the Company will look to approach various strategic partners on the graphite whilst it advances its lead and silver exploration and development activities.*

Force Commodities Ltd (**Force** or the **Company**) (ASX Code: 4CE) is pleased to announce that it has formally executed a Heads of Agreement (**HOA**) to acquire an initial 51% majority interest in lead, silver and zinc rights that extend over three granted exploration licenses and one mining license (under application) located in the Central Region of the Republic of Malawi and approx. 45km from the capital city of Lilongwe (the **Project**).

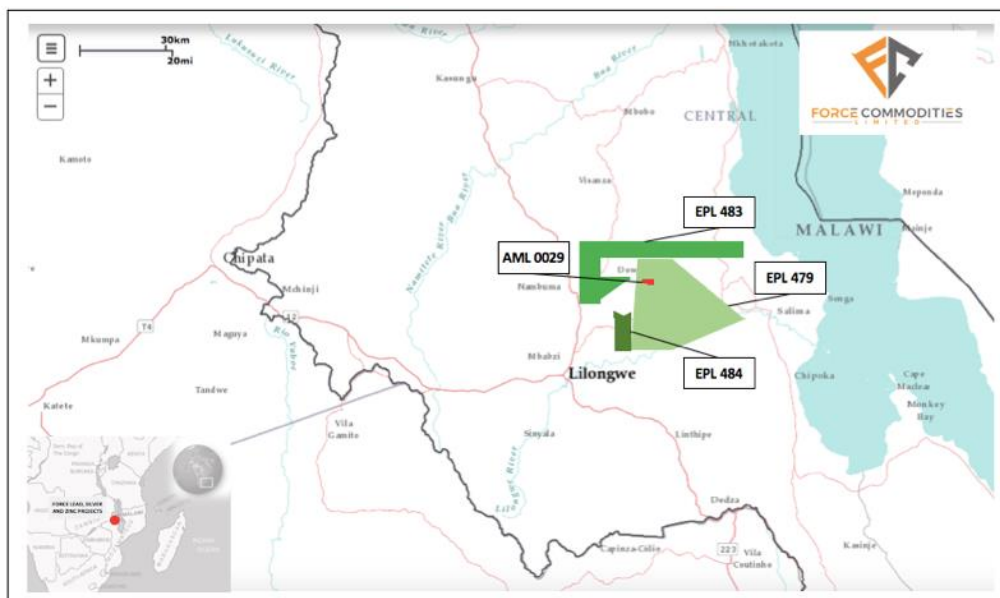


Figure 1: Location map of the 3 granted exploration licenses and one mining license (under application)

Under the terms of the HOA, Force has secured the right to acquire a majority 51% indirect interest in Galena Mining Limited (**GML**), a Malawian incorporate company. GML has the rights to exclusively explore for lead, silver and zinc on Exploration Licenses EPL479, EPL483 and EPL484. These licenses were issued in on 10 November 2017 and are valid until November 2020.

GML has also secured the rights to develop and mine on Mining License AML 0029, which is currently under application, and upon payment of all applicable fees and duties to the applicable regulatory authorities in the Republic of Malawi is to be granted to GML for an initial term of 5 years.

Historically, the Project has been subject to a number of exploration programs primarily targeting graphite mineralisation. This has included various early stage sampling and mapping work and more advanced diamond drilling programs as well as feasibility study work completed in the 1980s and through to the early 2000's.

Detailed exploration work targeting high grade lead and silver mineralisation only commenced on the Project in late 2018 by GML and to date has focused primarily on areas within EPL479.

Work completed by GML has included geological mapping, reconnaissance work and sampling. GML has also completed a detailed review and assessment of previous aeromagnetic and radiometric survey and follow up ground electro-magnetic surveys. Trial mining was completed in late 2018, which produce a very high grade bulk sample for mineralogical analyses and chemical assay.

Over 25 areas of shallow, small scale artisanal workings with exposed galena mineralisation - the natural occurring form of lead sulphide mineralisation - have been identified, primarily through mapping and reconnaissance work on EPL479.

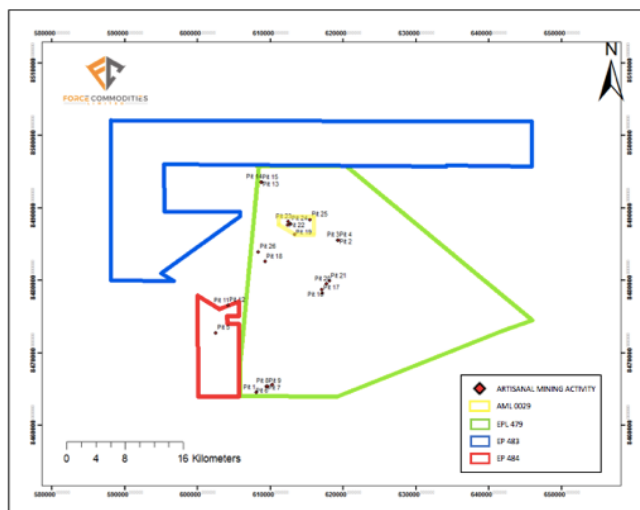


Figure 2: Location of small scale artisanal mining areas



Figure 3 and 4: Material from artisanal mining areas

HISTORIC AND CURRENT EXPLORATION ACTIVITIES

In 2015, a detailed 250m line spacing aeromagnetic and radiometric survey was completed over the Project area.

In 2018, GML completed a review of this work and engaged geological consultants to process and interpret the data focusing on galena mineralization.

The focus of the geophysical interpretation was to generate further exploration and mining targets based on integration with other geological and exploration work completed by GML,

including mapping, reconnaissance work and the known areas of artisanal mining activities and shallow and exposed galena mineralisation.

Based on the results of this work GML then completed a further follow-up very low frequency (VLF) ground survey on the selected targets.

This work was completed by GML to map the fractures systems and contact zones that may host galena mineralisation. The data was collected along a traverse and the traverse was perpendicular to the strike. The survey line spacing was maintained at 50m with a 5m along line sampling interval.

This VLF ground electromagnetic survey was focussed around the Grand Canyon, Riverside and Small Canyon Prospects.

REGIONAL GEOLOGICAL SETTING OF THE PROJECT

The Project lies within the Basement Complex in Malawi.

The Basement Complex is mainly made up of gneisses and granulites. It occupies some 85% of the land area of Malawi and is host to a variety of metamorphic deposits that include marble, kyanite, graphite and iron ore, and pegmatites containing micas, uranium minerals, galena, gold, molybdenum, zircon (titanium) and corundum.

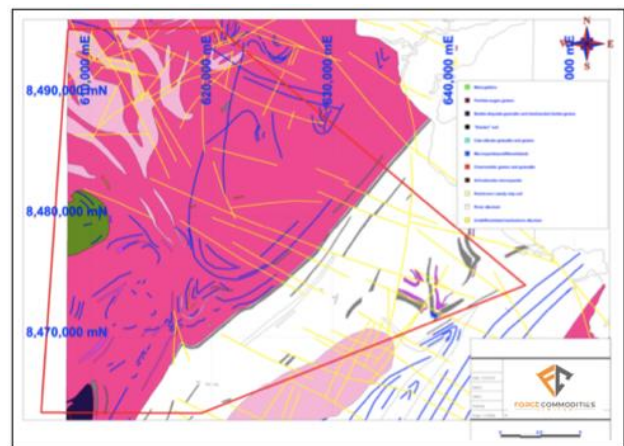


Figure 5: Regional geology over EPL 479

The Basement Complex constitutes the Malawi province of the Mozambican orogenic belt and is divided into a northern and the southern sub province separated by the Chimalizo Dislocation Zone on the southern edge of the Champhira dome.

A major unit in the southern sub province of the basement complex is a chernockitic suite composed of orthopyroxene bearing granulites and gneisses and intruded by syenite and granite igneous complexes. Biotite and hornblende gneisses dominate the northern sub province with minor granulites being intruded granitic, pegmatitic and ultramafic rocks.

Biotite and hornblende bearing gneisses are the most commonly encountered rock types in Malawi. The biotite is typically well formed, also common in the basement complex are quartz – feldspar gneisses and granulites which form bands and lenses in both the amphibolites and granulite facies rocks.

Galena - lead sulphide - is the primary ore of lead and is a bluish, grey or black mineral of metallic appearance and has been identified on the Exploration Licenses as being associated with graphitic gneisses and graphitic schists.

GRAND CANYON, RIVERSIDE AND SMALL CANYON LEAD SILVER PROSPECTS

The area around the Grand Canyon, Riverside and Small Canyon Prospects is composed of a fairly strong magnetic feature with an E-W trend lying north of a low magnetic anomaly.

The low magnetic anomaly is interpreted as the gneiss, graphitic in some positions and is the basement rock. It is also elevated in radioelement values, indicating the presents of feldspars, giving rise to high potassium and monazite, contributing to elevated thorium. The magnetic feature is interpreted as the amphibolitic gneiss/schist - containing hornblende mineralisation.

The mineralisation has been exposed by an excavator and at Small Canyon, as a massive and more competent unit lying on the hanging-wall of the galena mineralization. The contact of the magnetic anomaly and the low magnetic feature marks the galena mineralization.

At Small Canyon, the magnetic anomaly lies north of artisanal mining activities, being amphibolitic gneiss associated with a low radioelement signature. Small Canyon lies on the contact, the mineralized seam being E-W in strike and dipping north beneath the magnetic anomaly. The measured dip is 60° to the north. The contact has been mapped towards the west of the pit, being associated with a less magnetic feature to the north and a low magnetic feature to the south.

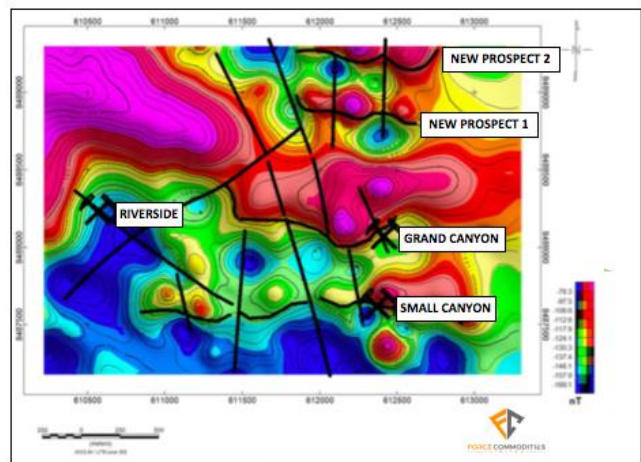


Figure 6: Total Magnetic Intensity Map and Interpreted Contacts

The measured strike length is 2.1km and further follow up trenching and future drilling is proposed. The contact is curvilinear along its strike, dictated by the pinching and swelling along strike of magnetic feature. As the magnetic anomaly pinches and swells along strike, it is cut by northwest-southeast oriented structures. These are regional to localised structures, occasionally cutting across the entire interpretation area or localised to a singular east-west striking magnetic/radiometric anomaly.

Grand Canyon lies directly north of Small Canyon and lies on the contact of the magnetic anomaly to the north and the low magnetic zone to the south, synonymous to Small Canyon. The contact is also curvilinear and is in general, east west, changing direction as the magnetic anomaly pinches and swells. The contact is some 1.65km in strike and cut by a north-south to north-east south-west structures that have been interpreted as faults.

Riverside is the westerly pit, lying on the contact of the magnetic low anomaly and an intermediary high magnetic anomaly. It has a near east west strike with a northerly dip of 60°. Two further nearby prospects to the north of Grand Canyon have been identified with similar characteristics to the Riverside and Small Canyon contacts and which is interpreted to be a follow-up zone for galena mineralization.

The exploration work completed by GML has identified multiple interpreted zones of parallel, shallow galena mineralisation (down to 20m below surface) and with strike lengths of up to 500m.

As part of the Company's proposed initial exploration activities at the Project, it is proposing to complete further trenching, pitting and sampling work to be undertaken prior to commencement of a maiden shallow drilling program to test the mineralisation.

TRIAL MINING AND BULK SAMPLING AT GRAND CANYON, RIVERSIDE AND SMALL CANYON

In November 2018, GML commenced a trial mining exercise as part of its exploration activities to obtain a bulk sample of the galena mineralisation.

Mining was by a bulldozer removing the shallow overburden and free-digging of the material by an excavator. Material was then crushed and bagged for transportation.



Figure 7, 8 and 9: Trial mining activities at the Grand Canyon, Riverside and Small Canyon Prospects in November 2018



Figure 10 and 11: Exposed galena mineralisation at the Grand Canyon Prospect

GML mined an approx. 100 tonne bulk sample of material from the three prospects all of which are located on AML0029.

The material was transported to Johannesburg by sealed road by Bollore Africa Logistics, the largest transport and logistics operator in Africa, to ALS laboratories.

BULK SAMPLING ASSAY AND CERTIFICATION

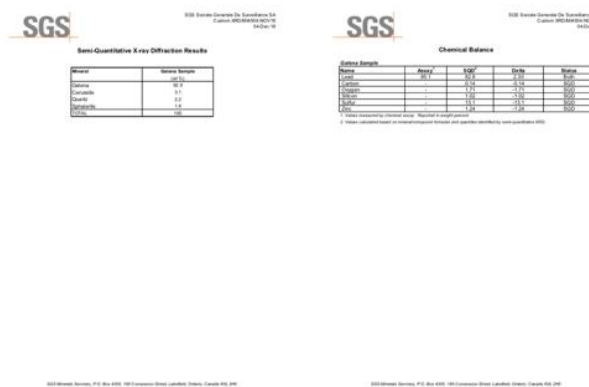
ALS issued a Certificate of Quality in January 2019 for the bulk sample (refer Appendix 1).

ALS certified that the material mined was a high-grade product, with an average 60.48% lead grade and 735g/t silver grade reported.



Figure 12 and 13: ALS Certificate of Quality and and Addendum to Sampling Report

GML took a further 2.3kg sample of the exposed mineralisation from the Grand Canyon Prospect (refer Appendix 2). This sample was sent to Switzerland for Semi-Quantitative X-Ray Diffraction analyses by SGS to determine its mineral composition and for further chemical assaying.



The 2.3kg sample was determined to comprise galena (92.9%), cerussite (3.1%), quartz (2.2%) and sphalerite (1.9%).

The average lead grades from chemical assay were reported as 85.1% and by Semi-Quantitative X-Ray Diffraction analyses as 82.8%.

Figure 14: SGS Semi-Quantitative X-Ray Diffraction Analyses Report

NEXT PHASE OF EXPLORATION AND GALENA MINERALISATION TARGETS

1. Grand Canyon Prospect

Six primary targets at Grand Canyon have been mapped with an East West strike and with lengths of up to 500m.

The Main Target is 500m in strike cutting across the highly magnetic zone to its west. Target 3 is synonymous to the Main Target, striking East West and dipping to the south at 60° on average.

Only Target 6, to the south has a southerly dip of 70°

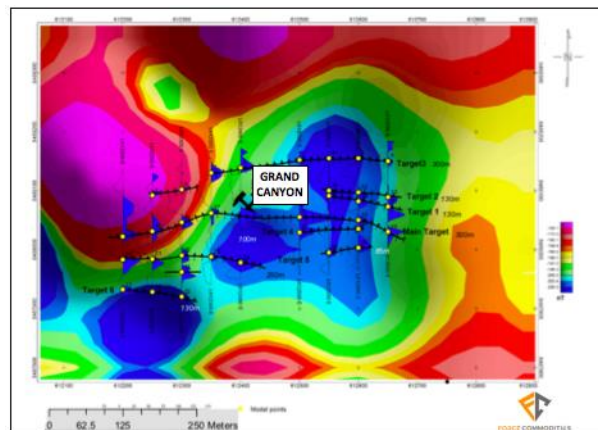


Figure 15: Total Magnetic Intensity Map and Interpreted Contacts

2. Riverside Prospect

The anomalies associated with the Riverside Prospect are numerous and are East West trending.

Six primary targets have been mapped. The Main Target and Target 2 are the more continuous ones with a strike length in excess of 400m. Targets 4 and 6 are some 200m in strike while Target 5 is discontinuous along its strike. The Main Target anomaly dips some 60° to the north.

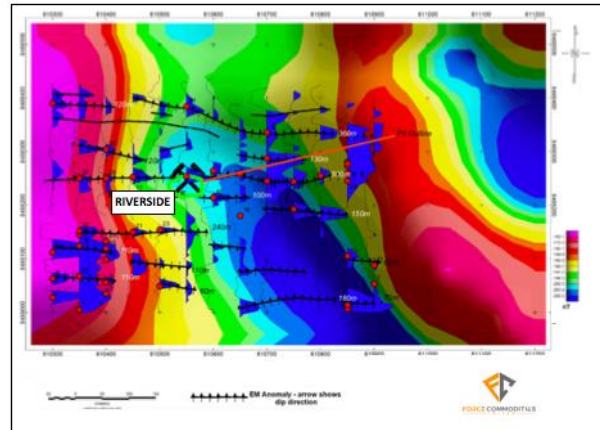


Figure 16: Total Magnetic Intensity Map and Interpreted Contacts

3. Small Canyon Prospect

Five main targets have been identified, with the East West striking zone associated with the artisanal activity cut by a northeast-southwest structure to its east.

Three other structures to the north have been mapped, the main target having a strike of 470m.

A single anomaly is mapped south of the pit lying within the low magnetic horizon.

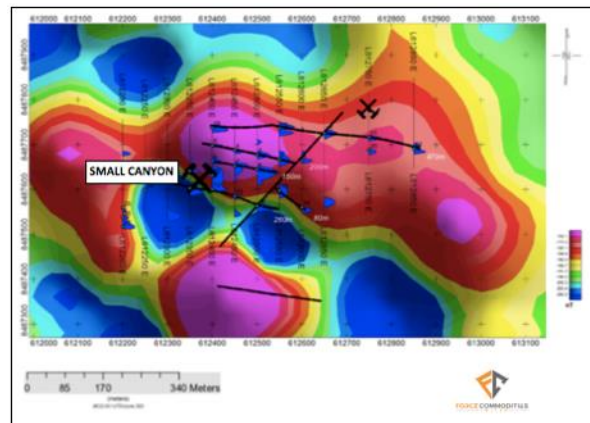


Figure 17: Total Magnetic Intensity Map and Interpreted Contacts

ACQUISITION TERMS AND STRUCTURE

The Company has executed a binding HOA with Swiss based, TerraCare AG (**TCA**) and with Malawi based GML and Graphite Africa Limited (**GAL**).

Force will acquire a 63.75% shareholding in TCA. TCA has an 80% shareholding in GML, with the 20% balance held by local Malawi shareholders.

GML has an agreement with GAL, under which it has secured the rights to explore and develop the galena rights - lead, silver and zinc rights - over three granted Exploration Licenses (EPL479, EPL483 and EPL484) which GAL holds 100%.

GAL has further made an application for a Mining License (AML0029) which upon payment of the fees will be issued in the name of GML.

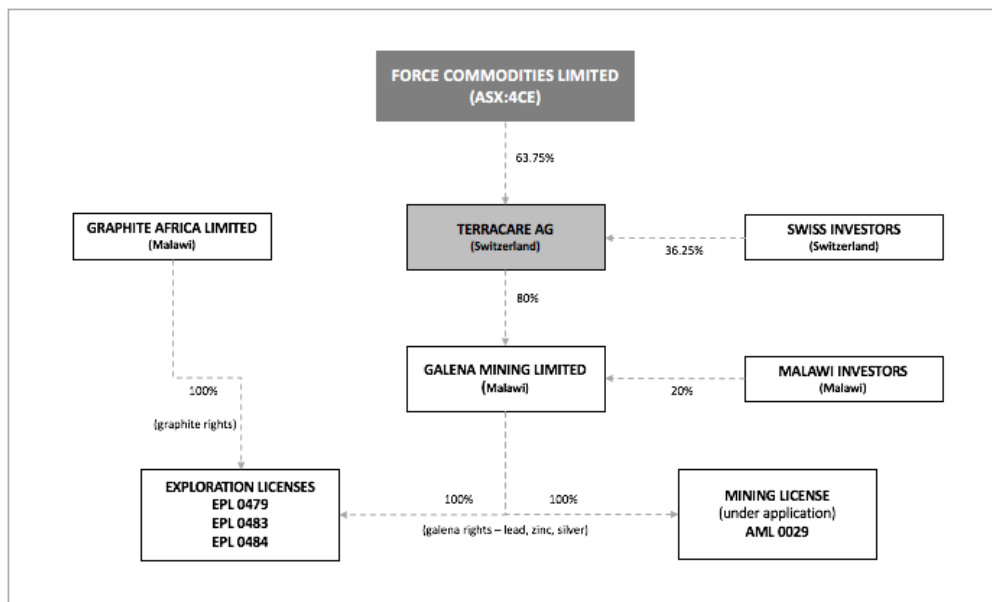


Figure 18: Acquisition Structure of the Malawi Galena - Lead, Silver and Zinc - Projects

Under the terms of the HOA, and acquisition of its interest in TCA, the Company will have a resulting indirect 51% interest in GML and will be the manager and operator of GML and will be responsible for the funding of its activities and the marketing and sale of all mineral production of lead, silver and zinc ore.

The HOA is subject to a number of conditions which must be satisfied or waived, including:

- completion of satisfactory technical, legal and financial due diligence by the Company;
- execution of formal joint venture agreements as may be necessary to formalise and define the final and agreed terms between the parties;
- receipt of any government, regulatory and third-party approval and consents, if required;
- the Company obtaining any necessary ASX, shareholder, regulatory or Board approvals or consents, if required.

The Company has already received confirmation from ASX that listing rule 11.1.2 and 11.1.3 does not apply to the proposed acquisition.

CONSIDERATION TERMS

The Company has secured the right to acquire its initial 51% interest on the following key commercial terms:

- reimbursement of US\$50,000 of historical costs incurred by TCA on the Project areas;
- funding a further US\$850,000 of exploration and development expenditure over 18 months in accordance with an agreed budget included fees associated with issuance of the Mining Licence AML0029 and historical exploration and mining activities and further bulk sampling to be mined and delivered to South Africa for assaying and sale.

c. issuing to TCA or its nominees the following securities:

- i. 40 million fully paid ordinary shares in the Company upon execution of formal joint venture agreements; and
- ii. 40 million fully paid ordinary shares in the Company upon the sale of 500 tonnes of contained lead.

The Company has been given a 60 day exclusivity period to complete its legal and technical due diligence. In the event that the conditions precedent are not satisfied within that period or such later date as agreed between the Company and TCA and GAL, the HOA may be terminated by either party.

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

In addition, Force has secured a further 90-day option over the graphite rights of the three Exploration Licenses held by GAL. Force intends to complete this due diligence review and evaluation of the historical exploration work, including diamond drilling and feasibility study work, once it has finalised the acquisition of its interest in TCA.

FUNDING

The Company has executed a mandate with Perth-based Sixty Two Capital Pty Limited, under which it has secured firm commitments for an A\$0.35 million placement by way of the issue of 38,888,889 new shares in the Company (**Capital Raising**).

The Capital Raising, in conjunction with the A\$280,000 cash proceeds due from the sale of its non-core interest in the Mt Adrah Gold Project in New South Wales, will ensure that Force is funded to undertake its planned due diligence work and initial exploration activities at the Project.

The Capital Raising is to be completed to professional and sophisticated investors at a price of A\$0.009 per share and with one free attaching option for every two shares issued. The attaching options are proposed to have an exercise price of \$0.02 each and will expire 30 June 2021.

Sixty Two Capital Pty Limited will receive a 6% on gross proceeds from the Capital Raising and will be issued with 15,000,000 options on the same terms as above.

When issued the new shares will rank equally with all existing fully paid ordinary shares on issue.

Of the new shares to be issued, all 38,888,889 shares are to be issued under the Company's 15% placement capacity (under ASX listing Rule 7.1).

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

1. existing holders of the Company's securities will be diluted by 9.16% following the issue under ASX Listing Rule 7.1.

2. the Placement is not underwritten.
3. a 6% on gross proceeds from the Capital Raising is payable in relation to the shares being issued under ASX Listing Rule 7.1.
4. Shares will be issued to participants in the Capital Raising when funds are cleared, which is expected to be by 15 May 2019.

NEXT STEPS

The Company has already commenced its legal and technical due diligence and has already met with representatives of TCA, GML and GLA.

Force's management have already completed a site visit and preliminary review of all available technical information. Meetings with senior management and the major shareholders as well as government representatives have been held in Malawi and London.

The legal due diligence review is expected to be completed later this week.

Upon completing its technical due diligence review, the Company will look to commence its on-site exploration work and appoint in-country consultants and management to support its activities.

As previously announced, the Company is waiting to receive final assays from its Phase 1 Exploration Program at its Kitotolo-Katamba Lithium Project in the DRC and once received and reviewed by the Company's technical management, it will discuss the next phase of lithium exploration activities in the DRC.

The Company will update shareholders on these results and planned activities.

END

Contact:

Jason Brewer

Managing Director

Force Commodities Limited

Tel: +61 (0) 8 6462 1421

Competent Person Statement

The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets, Mineral Resources or Ore Reserves has been compiled by Jess Oram who is a member of the Australasian Institute of Geoscientists and a Member of the Geological Society of Australia. Mr Oram is engaged by Force Commodities as a non-executive Chairman.

Mr Oram has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves

Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Oram consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Forward looking statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

APPENDIX 1 – ALS CERTIFICATION



ALS INSPECTION SOUTH AFRICA (PTY) LTD
53 Angus Crescent, Long Meadow Business Park,
East Entrance, Edenvale, 1610
PostNet Suite #471, Private Bag X10010,
Edenvale, 1610, South Africa
Tel: +27 11 032 5000
Fax: +27 11 740 0626
www.alsglobal.com

CERTIFICATE OF QUALITY

CLIENT : CLES FONCTIONNEL INC.
OUR REF : S037527
COMMODITY : Lead/ Silver Ore
VESSEL : MSC Mars
BOOKING REFERENCE : 031 DBL1824210
NUMBER OF CONTAINERS : 5 x 20FT Containers
NET WEIGHT : 127.282 WMT
PACKING : 130 x 1m³ woven polypropylene Bulk Bags
SAMPLING DETAILS : Sampled by ALS Inspection South Africa (Pty) Ltd from bags
LOCATION OF SAMPLING : Bridge 1 & 4, Johannesburg
SAMPLING COMMENCED : 13 December 2018
SAMPLING COMPLETED : 20 December 2018
CERTIFICATE NO : 40 809
DATE ISSUED : 23 January 2019

LAB NO	ANALYSIS PERFORMED	RESULTS
153905	Moisture %	0.24
	On a dry basis:	
	PN 088 Lead (Pb) %	60.48
	Silica (SiO ₂) %	16.95
	Sulphur (S) %	5.71
	Magnesium Oxide (Mg) %	0.07
	Arsenic (As) %	0.07
	Mercury (Hg) ppm	<1
	Cadmium (Cd) %	<0.01
	Silver (Ag) g/1000kg	735
	SIZE	
	<20 mm	39.23
	>20 mm	58.53
	This certificate must be read in conjunction with our sampling report of the same reference. Sampling was conducted from bags	

CERTIFICATE OF ANALYSIS AT LOAD PORT ISSUED BY ALS

For ALS Inspection South Africa (Pty) Ltd

COPY
ALS INSPECTION

REGISTERED NO. 1998/000602/07 Part of the ALS Laboratory Group An ALS Limited Company

RIGHT SOLUTIONS | RIGHT PARTNER



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CERTIFICATE OF WEIGHT

CLIENT : CLES FONCTIONNEL INC.
OUR REF : S037527
COMMODITY : Lead/ Silver Ore
VESSEL : MSC Mars
BOOKING REFERENCE : 031 DBL1824210
NUMBER OF CONTAINERS : 5 x 20FT Containers
NET CARGO WEIGHT : 127.282 WMT
PACKING : 130 x 1m³ woven polypropylene Bulk Bags
SAMPLING DETAILS : Sampled by ALS Inspection South Africa (Pty) Ltd from bags
LOCATION OF SAMPLING : Bridge 1 & 4, Johannesburg
SAMPLING COMMENCED : 13/12/2018
SAMPLING COMPLETED : 20/12/2018
DATE ISSUED : 23/01/2019

DATE	CONTAINER NO.	GROSS CARGO WEIGHT (MTS)	BAG TARE WEIGHT (MTS)	NET CARGO WEIGHT (MTS)	ALS SEAL	LINER SEALS
2012/02/18	MSDU4320863	25.600	0.052	25.548	0183035	15-1334190
2012/02/18	MSDU4320872	24.810	0.050	24.760	0183066	15-1334187
2012/02/18	TCP40649316	25.744	0.052	25.692	00190138	17-1819331
2012/02/18	MSDU40672149	25.982	0.052	25.930	0182783	17-1819320
2012/02/18	MSDU40624805	25.722	0.054	25.667	00190059	17-1819346
		127.542	0.260	127.282		
Total Material Loaded				127.282	Mts	

ISSUED AT LOAD PORT IN SOUTH AFRICA

for ALS Inspection South Africa (Pty) Ltd

ORIGINAL
ALS INSPECTION

REGISTERED NO. 1998/000602/07 Part of the ALS Laboratory Group An ALS Limited Company

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CERTIFICATE OF WEIGHT

CLIENT CLES FONCTIONNEL INC.
OUR REF SO37527
COMMODITY Lead/Silver Ore
VESSEL MSC Bari
BOOKING REFERENCE 0310611824210
NUMBER OF CONTAINERS 5 x 20FT Containers
NET CARGO WEIGHT 127.282 WMT
PACKING 130 x 100 woven polypropylene Bulk Bags
SAMPLING DETAILS Sampled by ALS Inspection South Africa (Pty) Ltd from bags
LOCATION OF SAMPLING Bridge 1 & 4, Johannesburg
SAMPLING COMMENCED 13/12/2018
SAMPLING COMPLETED 20/12/2018
DATE ISSUED 23/01/2019

DATE WEIGHED	CONTAINER NO.	GROSS CARGO WEIGHT(MTS)	BAG TARE WEIGHT (MTS)	NET CARGO WEIGHT (MTS)	ALS SEAL	LINER SEALS
20/12/2018	MECU6325963	25.600	0.052	25.548	0183676	15-1334190
20/12/2018	MECU6370373	24.810	0.050	24.760	0183694	15-1334187
20/12/2018	TGHU0649316	25.744	0.052	25.692	00190138	17-1819321
20/12/2018	MECU0670149	25.661	0.050	25.610	0183763	17-1819330
20/12/2018	MSCU6824605	25.727	0.054	25.673	00190939	17-1819446
		127.542	0.260	127.282		
Total Material Loaded				127.282	MTs	

ISSUED AT LOAD PORT IN SOUTH AFRICA

for ALS Inspection South Africa (Pty) Ltd

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Supervision Report

Cles Fonctionnel
2 Carlton Street, Suite 1718
Toronto, Canada

ALS Local Reference: SO37527
Client Reference: CLES001, 002, 003, 004
Date: 23 January 2019

We give below details of a material described as "Lead/Silver Ore" which was inspected, sampled and loaded in the presence of our representative.

Client: Cles Fonctionnel
Net Weight: 127.282 WMT in 130 x 100 woven polypropylene Bulk Bags
Inspection Location: Bridge Warehouse, Johannesburg
Inspection Commenced: December 13, 2018
Inspection Completed: December 20, 2018

Cargo Storage Condition

Upon arrival at Bridge warehouse the inspectors found that the material was stored in 1m³ woven polypropylene bulk bags on a concrete floor. The facility was in a clean condition.

Material Description

The material was found to consist of grey, green, and brown particles with traces of white and silver heterogeneous particles with an estimated top size of approximately 50mm mixed with fines and material was found to be in a dry condition.

Marking

The bags were marked with black permanent markers, showing the client reference, bag number and received weight.

Weight Verification

Weight verification was conducted on bags after sampling and sealing in the presence of our inspectors, after which the bags were loaded into 5 x 20FT containers.

Scale Details

Scale Model: PS Plus
Scale Serial Number: 285020187
Maximum Capacity: 4000 Kg
Calibration Date: 11/12/2017
Calibration Expiry Date: 31/08/2020

Scale Model: PS Plus
Scale Serial Number: 285100233
Maximum Capacity: 6000 Kg
Calibration Date: 28/11/2017
Calibration Expiry Date: 16/05/2020

Sampling Procedure

The sampling operation was performed by a motorized Auger to draw sample increment. One increment per bag, was drawn from the 1m³ woven polypropylene bag, a bulk sample was collected in this manner.

This bulk sample collected weighed approximately 80kg per lot, which was duly closed, sealed and dispatched to our laboratory for further preparation and analysis.

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Sizing

Size Distribution Results

Upon receipt at the sample preparation section, bulk samples were subjected to a particle size distribution test, ISO sizing screens were stacked and used to screen the received sample and a mobile electronic platform scale was used to weigh each resultant sample per screen.

Aperture	Weight Retained (g)	% Retention
+30	9.11	17.63
+25	8.31	15.98
+20	13.07	24.92
+15	9.29	17.74
+10	6.31	12.00
+5	0.54	1.12
+4	0.07	0.14
+3	0.00	0.00
+2	0.04	0.09
+1	0.02	0.05
-1	5.46	10.33
Total	52.23	100

Final Sample Preparation and Moisture Determination

The received sub-lots were crushed to less than 20mm using a jaw crusher, reduced and mixed to approximately 50kg portion by means of a riffle splitter, from which the moisture samples were also drawn. The sample was further crushed to less than 2mm and riffle split.

The moisture content was determined by weighing and drying approximately 2 x 1,000g portions of the samples in duplicate in a drying oven at 105°C for a minimum of 8 hours or until constant weight was obtained.

The final moisture content was calculated based on the loss in weight.

Moisture Results
0.24%

After determining the materials moisture content, the 2 x 1,000g sub lot portions were combined and reduced to 1000g using a riffle splitter and milled. The milled sample was screened and re-milled if necessary until all passed through a 75 micron screen.

The sample was thereafter thoroughly mixed and split using a rotary splitter into 2 equal portions. The samples were distributed as follows:

- 1 set sent to the UK laboratory for analysis
- 1 sets kept as reserve for 3 months.

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The above report reflects our findings at the time and place of inspection only and does not refer to any other matters. This report is issued by the Company under its "Terms and conditions of Business" which are available on request. The report does not relieve seller/suppliers from their contractual responsibility with regard to quality/quantity of this delivery nor does it prejudice the buyer's right of claim toward the seller/supplier for compensation for any apparent and/or hidden defects during our inspection or occurring thereafter.

A weighted average composite sample of the five lots was prepared and sent for analysis as requested by the client.

All of the equipment used during the sampling and sample preparation process was in a clean and satisfactory condition. This inspection has been performed to the best of our knowledge and ability within the scope of the instructions that we have received and in accordance with accepted international standards.

N.V.

For ALS Inspection South Africa (Pty) Ltd

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Addendum to Sampling Report SO37527
Dated 23 January 2019
PHOTOGRAPHS



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APPENDIX 2 – SGS CERTIFICATION



Semi-Quantitative X-Ray Diffraction

Report Prepared for: SGS Societe Generale De Surveillance SA

Project Number/ LIMS No. Custom XRD/M4504-NOV18

Sample Receipt: November 7, 2018

Sample Analysis: November 13, 2018

Reporting Date: December 4, 2018

Instrument: BRUKER AXS D8 Advance Diffractometer

Test Conditions: Co radiation, 40 kV, 35 mA
Regular Scanning: Step: 0.02°, Step time: 0.2s, 2θ range: 3-70°

Interpretations: PDF2/PDF4 powder diffraction databases issued by the International Center for Diffraction Data (ICDD), DiffracPlus Eva software.

Detection Limit: 0.5-2%, Strongly dependent on crystallinity.

Contents:

- 1) Method Summary
- 2) Summary of Mineral Assemblages
- 3) Semi-Quantitative XRD Results
- 4) Chemical Balance(s)
- 5) XRD Pattern(s)

Kim Gibbs, H.B.Sc., P. Geo.
Senior Mineralogist

Huiyun Zhou, Ph.D., P. Geo.
Senior Mineralogist

ACCREDITATION: SGS Minerals Services Lakefield is accredited to the requirements of ISO/IEC 17025 for specific tests as listed on our scope of accreditation, including geochemical, mineralogical and trace mineral tests. To view a list of the accredited methods, please visit the following website and search SGS Canada - Minerals Services - Lakefield: <http://portal.sgs.ca/Search/SGS/SearchForm.do>

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Method Summary

The Semi-Quantitative Mineral Identification by XRD (ME-LR-MIN-MET-MN-D03) method used by SGS Minerals Services is accredited to the requirements of ISO/IEC 17025.

Mineral Identification and Interpretation:

Mineral identification and interpretation involve matching the diffraction pattern of a test sample material to patterns of single-phase reference materials. The reference patterns are compiled by the Joint Committee on Powder Diffraction Standards - International Center for Diffraction Data (JCPDS-ICDD) and released on software as a database of Powder Diffraction Files (PDF).

Interpretations do not reflect the presence of non-crystalline and/or amorphous compounds. Mineral proportions are based on relative peak heights and may be strongly influenced by crystallinity, structural group or preferred orientations. Interpretations and relative proportions should be accompanied by supporting petrographic and geochemical data (Whole Rock Analysis, Inductively Coupled Plasma - Optical Emission Spectroscopy, etc.).

Semi-Quantitative Analysis:

The Semi-Quantitative analysis (RIR method) is performed based on each mineral's relative peak heights and of their respective I_{001} values, which are available from the PDF database. Mineral abundances for the bulk sample (in weight %) are generated by Bruker-EVA Software. These data are reconciled with a bulk chemistry (e.g. whole rock analysis including SiO_2 , Al_2O_3 , Na_2O , K_2O , CaO , MgO , Fe_2O_3 , Cr_2O_3 , MnO , TiO_2 , P_2O_5 , V_2O_5 or other chemical data). A chemical balance table shows the difference between the assay results and elemental concentrations determined by XRD.

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WARNING: The sample(s) to which the findings recorded herein (the "Findings") relate was/were drawn and / or provided by the Client or by a third party acting at the Client's direction. The Findings constitute no warranty of the sample's representativeness of any goods and strictly relate to the sample(s). The Company accepts no liability with regard to the origin or source from which the sample(s) is/are said to be extracted.

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Custom XRD/M4504-NOV18
04-Dec-18

Summary of Semi-Quantitative X-Ray Diffraction Results

Crystalline Mineral Assemblage (relative proportions based on peak height)

Sample	Major (>30% Wt)	Moderate (10%-30% Wt)	Minor (2% -10% Wt)	Trace (<2% Wt)
(f) Galena Sample	galena	-	cerussite, quartz	*sphalerite

*relative identification due to low concentrations, diffraction line overlap or poor crystallinity

Mineral	Composition
Cerussite	$PbCO_3$
Galena	PbS
Quartz	SiO_2
Sphalerite	ZnS

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Custom XRD MH504-NOV18
04-Dec-18

Semi-Quantitative X-ray Diffraction Results

Mineral	Galena Sample (wt %)
Galena	92.9
Cerussite	3.1
Quartz	2.2
Sphalerite	1.9
TOTAL	100

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Custom XRD MH504-NOV18
04-Dec-18

Chemical Balance

Galena Sample

Name	Assay ¹	SQD ²	Delta	Status
Lead	85.1	82.8	2.30	Both
Carbon	-	0.14	-0.14	SQD
Oxygen	-	1.71	-1.71	SQD
Silicon	-	1.02	-1.02	SQD
Sulfur	-	13.1	-13.1	SQD
Zinc	-	1.24	-1.24	SQD

1. Values measured by chemical assay. Reported in weight percent.

2. Values calculated based on mineral/compound formulas and quantities identified by semi-quantitative XRD.

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APPENDIX 3 - JORC CODE, 2012 EDITION – TABLE 1 REPORT

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	127 wet metric ton of visibly high-grade ore material collected from four separate sites of the project area - Samples bagged in 130 polyweave bags of 1m3 size and all delivered to the assay laboratory in five 20 ft sea containers  - From these 130 polyweaves one sample composite was extracted for assay (detailed description in sub-sampling technique)
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	- Drilling was not used to collect the sample - Sample collected by mining activity of outcropping vein material
Drill sample	<i>Method of recording and assessing core and chip</i>	The sampling was not spatially controlled, therefore there is no method of determining

Criteria	JORC Code explanation	Commentary
recovery	sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	recoveries. - Further sampling is required to determine if the sample is representative of the entire vein system. - The nature of the sampling technique (selective mining of the exposed vein) pre-disposes this assay to a high-grade bias.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- Samples collected by visual inspection; but no logging completed - The sampling is not a quantitative representation of the grade of the entire vein, because the area of bulk sampling is restricted relative to the size of the exposed vein system and the sample is not spatially controlled. - The information obtained by collecting this sample and its assay will not be used to complete a Mineral Resource estimate because there is not sufficient information
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- From each polyweave bulker bag sample a motorised auger sub-sample was extracted to draw out one traverse increment  - An 80 kg composite sample was collected from all bulker bag auger sub-sampling - The single composite sample was crushed to 20 mm using a jaw crusher - A riffle splitter reduced the size of the crushed material to 50 kg; which was further crushed to 2 mm

Criteria	JORC Code explanation	Commentary
		- Two 1kg samples were split (by use of riffle splitter) from the 50 kg crushed sub-2mm material; and dried at 105degC until a constant weight was achieved (8 hours drying) - After drying, the two one-kilogram samples were combined and reduced to 1 kg and milled until 100% passing a 75 micron screen - The milled material was split in two equal portions; one for analysis and another to remain in storage
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	- The sampling and sub-sampling process used here provides the greatest level of uncertainty to the assay of the entire 127 wet metric ton sample; in particular the homogenization process is coarse given the size and number of the sample bags - No quality control used for the single assay; but given the tenor of assay (60.4% Pb) there is little requirement to use a standard. - There was no assay of any sub sampling material taken to test the compositing process - A duplicate split of the only assay exists for later verification purpose, if require.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	- The dataset here is not typical of, say, drilling information, (where a large volume of data produces a relatively small subset that defines the economic value of the project) which needs stringent data protocols. - No adjustment to assay data is used
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.	- The location of the samples was taken from the three locations (wgs84, utm zone 36s): - Small Canyon: 612390mE, 8487605mN - GrandCanyon: 612410mE, 8488055mN - Riverside: 610550mE, 8488250mN - The sample does not require topographic control, at this stage of investigation - One bulk sample was composited from these three sites, information was not collected to determine the relative proportions of material derived from each location
Data	Data spacing for reporting of Exploration Results.	The specific sites of sampling are chosen because of presence in outcrop and amenability for

Criteria	JORC Code explanation	Commentary
<i>spacing and distribution</i>	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	access - The data is not sufficient to allow for a Mineral Resource estimation - Sample compositing is applied and is at such levels that render only qualitative analysis of the single assay
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	- Sampling of vein is biased because of the method used to obtain the sample. - The program of mining the sample was for the purpose of sale of ore, as distinct to the purpose of obtaining a representative sample for assay purpose.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	The sample was dispatched in five sea containers closed with tamper visible locks 
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audit has been completed on the collection of the ore material

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- Title of Exploration License is held by Graphite Africa Limited (GAL) who have entered into an agreement with Galena Mining Limited (GML) granting them the right to explore for lead, silver and zinc on the Exploration License - Exploration Licence EPL479 - Application for Mining License, AML 009 has been made . The Mining License is to be issued to GML - Force Commodities has entered into a Binding Heads of Agreement to acquire an majority 51% interest in GML - A due diligence process is underway to confirm the security of tenure
<i>Exploration done by other parties</i>	Acknowledgment and appraisal of exploration by other parties.	2015: a 250 m line spacing aeromagnetic and radiometric survey was completed by by Sanders Geophysics 2018: GML commenced focus to investigate the galena mineralized vein system 2018: targeted ground EM (VLF) completed at Grand Canyon, Riverside and Small Canyon Prospects; completed by GML - Trial mining completed at Grand Canyon, Riverside and Small Canyon prospects - Bulk sample collected for sale; which was sub-sampled for assay purpose (GML)
<i>Geology</i>	Deposit type, geological setting and style of mineralisation.	The style of mineralisation is to be determined; but galena rich veins are evident in outcrop hosted by gneissic country rock
<i>Drill hole Information</i>	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not	- No drilling completed at the project site or in the licenses in respect to galena mineralisation - no understanding of the depth extent of mineralisation - no understanding of grade on the portion of the vein below vadose zone

Criteria	JORC Code explanation	Commentary
	<i>detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	
<i>Data aggregation methods</i>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	- No weighting of assay is applied. The information is not of a type that requires any weighting - There are no drilling intercepts that are able to be weighted
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	- There is no understanding of the size of the mineralisation seen in veining aside from the restricted area mined. - Drilling information does not exist - Some understanding of the size of vein is inferred from geophysics, but this is not sufficient for economic analysis of the vein system; it will, however, be used to define the follow-up drilling pattern required on the mineralized system
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Diagrams appear in the body of the announcement
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All information on the project has been presented in this report, there has been no selective reporting. There is no drilling, only mining on an outcropping vein, which has yielded one bulk sample used for qualitative purposes.
<i>Other substantive exploration</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey</i>	Shown in the textual body of this report

Criteria	JORC Code explanation	Commentary
<i>data</i>	<i>results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
<i>Further work</i>	• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	• Further work required: ○ Local scale mapping ○ scout drilling ○ step-out drilling