

25 June 2019

ASX Announcements Office  
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## **HIGH-GRADE LEAD AND SILVER EXPLORATION ACTIVITIES COMMENCE IN MALAWI**

- *Phase 1 exploration and development activities to commence in Malawi at the high-grade lead and silver Tshipala Project, following completion of legal and technical due diligence and with execution of acquisition documentation expected shortly*
- *Highly experienced, South African-based geologist Mr Trevor Mashiloane appointed as the Company's Exploration Manager to oversee its in-country mine geology and broader exploration activities*
- *Initial exploration activities to comprise test pitting, trenching, sampling and detailed geological mapping and modelling as well as further ground electro-magnetic surveys focused initially on the areas of exposed high-grade lead and silver mineralisation in and around the Grand Canyon, Riverside and Small Canyon shallow open pits*
- *Work will follow up on previous geological mapping and ground EM surveys which have already identified multiple interpreted zones of parallel, shallow mineralisation and with individual strike lengths of up to 500m and in excess of 5km in aggregate*
- *2,500m of RC drilling is planned to be completed as part of the Phase 1 program to determine the ore locality from surface to sub surface, mineralization and its extent, grade and the stratigraphy allowing the Company to delineate an initial JORC compliant resource*
- *Trenching at the Grand Canyon, Riverside and Small Canyon Prospects is planned to expose the shallow, high-grade lead and silver mineralisation, which will be then extracted, with a further bulk sample of approx. 1,000 tonnes proposed to be sent for further assaying and metallurgical test work*
- *Negotiations have advanced over the past month with two Swiss-based global commodity trading groups for the purchase of the bulk sample and sale to their Asian based smelter customers as part of the Company's plans to establish a long-term offtake agreement*

Force Commodities Ltd (**Force** or the **Company**) (ASX Code: **4CE**) is pleased to announce the commencement of the Company's exploration activities in Malawi at the high-grade lead and silver Tshipala Project.

Having recently completed legal and technical due diligence to acquire an initial indirect 51% majority interest in the Tshimpala Project, and the advancement of formal documentation to complete the acquisition (refer to ASX announcement dated 18 June 2019), the Company is now focused on accelerating its planned Phase 1 exploration programs at the Tshimpala Project, with work to be initially centred on the Grand Canyon, Riverside and Small Canyon Prospects.

#### **APPOINTMENT OF EXPLORATION MANAGER**

To oversee the Company's exploration activities in Malawi, Force is pleased to confirm that it has appointed highly experienced, South African-based senior geologist, Mr Trevor Mashiloane to the role of Exploration Manager.

Mr Mashiloane is graduate of University of Fort Hare in South Africa with a Bachelor of Science in Geology, and a member of the Geological Society of South Africa (GSSA) and South Africa Council of National Scientific Professionals (SACNASP). He brings over 20 years of industry experience in Africa to the role, having previously managed exploration programs for both major and mid-tier mining companies including De Beers, the world's leading producer and distributor of diamonds, where he assisted in the production, development and execution of exploration programs at key projects in Africa. In addition, Mr Mashiloane has experience throughout southern and central Africa across a wide range of commodities, including iron ore, copper, lead, zinc and tin, cobalt, graphite and lithium and diamonds and phosphate.

#### **Commenting on the appointment, Force Managing Director Mr Jason Brewer said:**

*"This is a key appointment for Force as we seek to rapidly accelerate our exploration and development activities at the Tshimpala Project and build a strong team in Malawi."*

*"I've spent time with Trevor in South Africa recently, discussing the project and our wider development plans with him. He has spent several weeks already on site, he knows the ground and our local-partners, he has seen the high grade mineralisation and was involved in the trial mining that was completed at the Grand Canyon, Riverside and Small Canyon Prospects in November 2018 and from where a +100t bulk sample of an average 60.48% lead grade and 735g/t silver grade was assayed."*

*"He's prepared a very thorough Phase 1 Exploration Plan for the Tshimpala Project, which we will now look to commence and complete over the coming months. I'm excited with the prospect of commencing the planned exploration activities and even more with the proposed drilling of these high-grade prospects."*

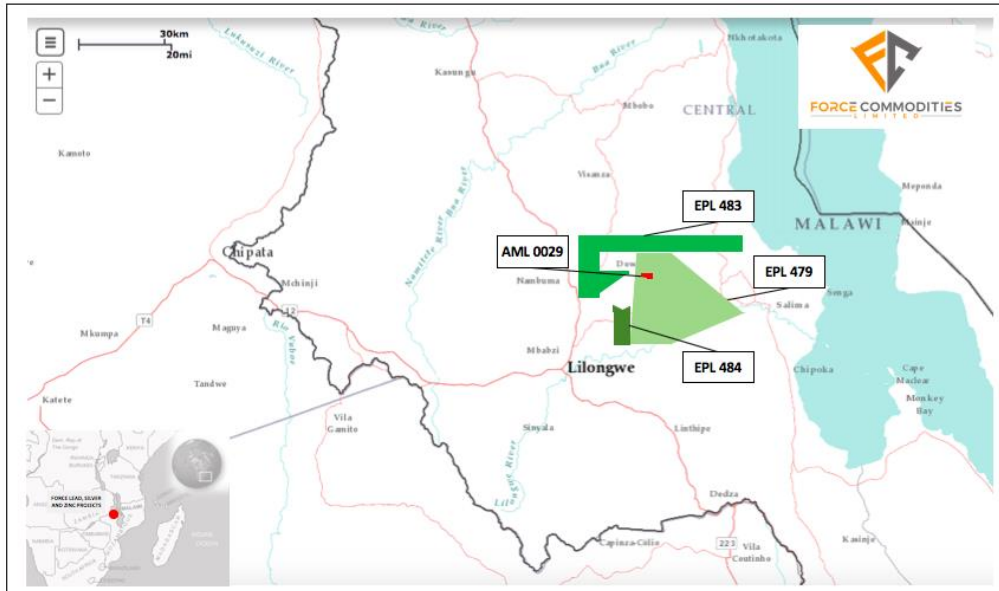
In addition to the appointment of Mr Mashiloane, Force will also be shortly appointing a number of Malawian geologists to assist the Company in its activities.

#### **PHASE ONE EXPLORATION PROGRAM**

The Company is near to finalising the share sale and purchase agreements to acquire a majority 51% indirect interest in Galena Mining Limited (**GML**), a Malawian incorporate company.

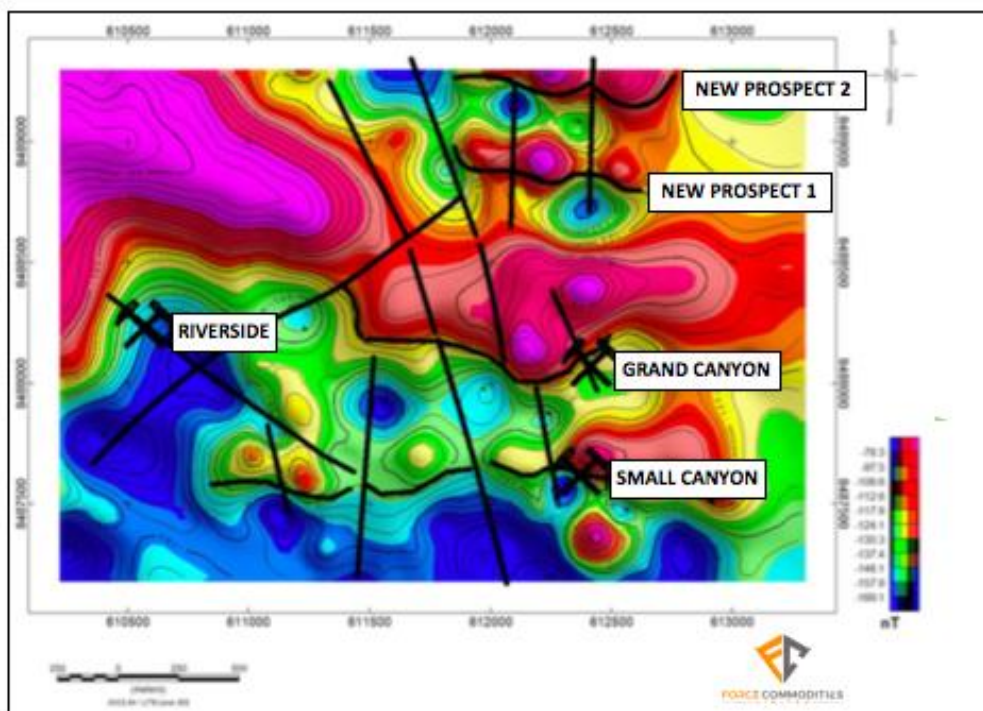
GML has the contractual rights to exclusively explore for lead, silver and zinc on Exploration Licenses EPL479, EPL483 and EPL484. In addition, GML has also secured the rights to develop and mine on Mining License AML 0029, which is currently under application.

These licenses are located approx. 45km from the capital city of Lilongwe and extend over 1,414km<sup>2</sup> - an area of known historic and current small-scale mining activities and previous areas of exploration and feasibility study work for graphite mineralisation.



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

Geological mapping and ground EM surveys completed in 2018 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.



**Figure 2:** Total Magnetic Intensity Map and Interpreted Contacts

With the acquisition documentation well advanced, the Company has now elected to accelerate its Phase 1 exploration and development activities at the Tshimpala Project.

These exploration activities will initially be conducted across three sites – the Grand Canyon, Riverside and Small Canyon prospects - with the aim of completing resource definition work and further bulk sampling of the mineralisation.

The Company’s initial exploration activities will comprise test pitting, trenching, sampling and further detailed geological mapping and modelling. Further ground electro-magnetic (EM) surveys are proposed to be completed on a further 50ha at the Grand Canyon and Small Canyon Prospects.

Work will follow up on previous geological mapping and ground EM surveys, which have already identified multiple interpreted zones of parallel, shallow mineralisation and with individual strike lengths of up to 500m and in excess of 5km in aggregate.

A 2,500m program of RC drilling is also proposed to be undertaken, with the first drill hole locations identified and with the Company’s management team in Malawi now in advanced discussions with in-country drilling contractors to mobilise to site.

### 1. Grand Canyon Prospect

Grand Canyon lies within EPL 479 and on AML 0029 (under application). It is on the contact of a defined magnetic anomaly to the north and a low magnetic zone to the south, which is synonymous to other identified prospects in the region including Small Canyon.

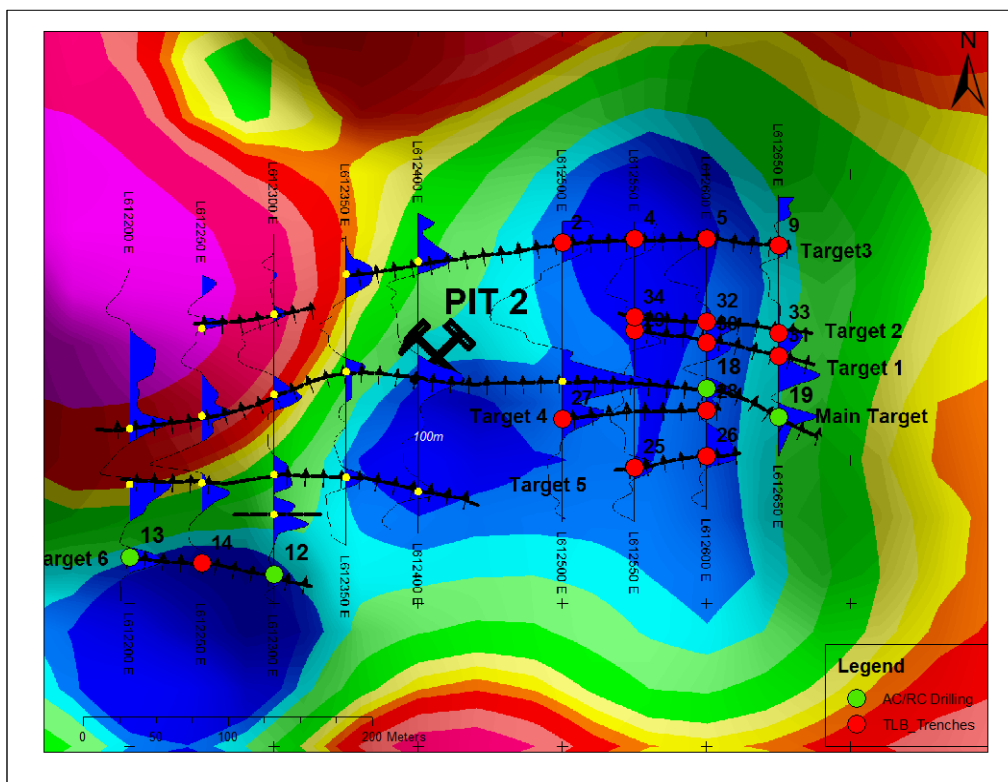


Figure 3: EM image indicates the Grand Canyon VLF intensity profiles

The contact at Grand Canyon 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 length and cut by north south to north-east south-west structures that have been interpreted as faults.

Six primary targets have already been identified at Grand Canyon and which will be the subject of focus of the Phase 1 exploration activities. These targets have been mapped with an east west strike and with lengths of up to 500m.

The Main Target is 500m in strike length 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°.

A series of pitting and trenching work will be undertaken at Grand Canyon, This will be completed at an initial fifteen (15) positions along the strikes, indicated in red in Figure 3. An initial 550m of trenching will be completed at Grand Canyon, with further work to be added to the west as the trenching work on the five targets to the east are completed.

Sample_id	X_Long	Y_Lat	Dip (deg)	Azimuth (deg)	Depth(m)	Target	Activity
29	612550	8488091	65	North	6	1	TLB Trench
30	612600	8488082	63	North	6	1	TLB Trench
31	612650	8488073	63	North	7	1	TLB Trench
32	612600	8488097	65	North	7	2	TLB Trench
33	612650	8488089	64	North	6.5	2	TLB Trench
34	612550	8488100	64	North	7	2	TLB Trench
2	612500	8488152	60	North	5	3	TLB Trench
4	612550	8488155	61	North	5	3	TLB Trench
9	612650	8488150	62	North	8	3	TLB Trench
5	612600	8488155	60	North	7	3	TLB Trench
27	612500	8488029	63	North	5	4	TLB Trench
28	612600	8488035	63	North	7	4	TLB Trench
25	612550	8487995	65	North	7	5	TLB Trench
26	612600	8488003	63	North	6	5	TLB Trench
14	612250	8487928	65	South	8	6	TLB Trench

**Figure 4:** Trenching coordinates at Grand Canyon

In addition, as part of the broader first phase of RC drilling at the Tshimpala Project, four drill hole locations (indicated in green in Figure 3) have been identified.

Sample_id	X_Long	Y_Lat	Dip (deg)	Azimuth (deg)	Depth(m)	Target	Activity
12	612300	8487920	70	South	9	6	Drill
13	612200	8487932	66	South	9	6	Drill
18	612600	8488050	62	South	9	Main	Drill
19	612650	8488030	60	South	8.5	Main	Drill

**Figure 5:** Grand Canyon RC drill position coordinates

The RC drilling eastern most portion of the Main Target and also at the extents of Target 6. Drilling at the additional Targets 1, 2, 3, 4 and 5 will be undertaken after review of the planned trenching work to be completed on these targets,

A further EM survey is also proposed to be conducted north-east and east of Grand Canyon and covering an estimated area of 23 hectares. This is to identify additional structures which will then be subject to pitting and trenching work.

## 2. Small Canyon Prospect

At Small Canyon, the magnetic anomaly lies north of previous small-scale artisanal mining activities, being amphibolitic gneiss associated with a low radioelement signature.

Small Canyon lies on the contact, the mineralized seam being east west 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.

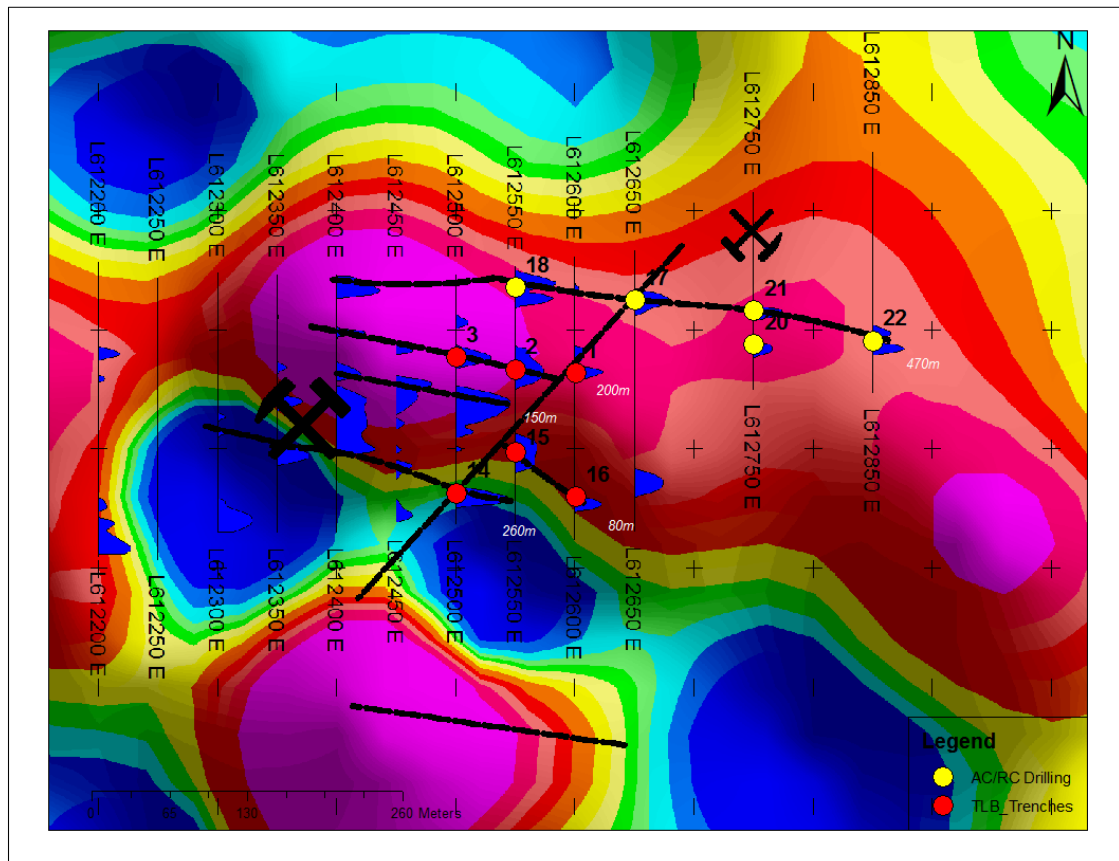


Figure 6: EM image indicates the Small Canyon VLF (Very Low Frequency) Intensities Profiles

An initial six trenches are proposed to be completed on some of the secondary targets at Small Canyon, indicated in red in Figure 6. 250m of work is anticipated in the first phase of work.

Sample_id	X_Long	Y_Lat	Dip (deg)	Azimuth	Depth (m)	Activity
1	612600	8487664	63	North	6	TLB Trench
2	612550	8487667	63	North	7	TLB Trench
14	612500	8487563	60	North	8	TLB Trench
15	612550	8487597	60	North	8	TLB Trench
16	612600	8487560	61	North	8	TLB Trench
3	612500	8487677	63	North	7	TLB Trench

Figure 7: Trench locations at Small Canyon

In addition to the trenching and pitting at Small Canyon, five initial RC drill hole locations have been determined, indicated on Figure 6 in yellow.

These initial five drill holes are proposed to be completed along the approx. 470m strike length of the Main Target. Further RC drilling on the additional targets at Small Canyon is planned to be completed after a review of the trenching work that is also to be completed on these targets.

Sample_id	X_Long	Y_Lat	Dip (deg)	Azimuth (Deg)	Depth (m)	Activity
17	612650	8487725	70	North	9	Drill
18	612550	8487736	70	North	9	Drill
20	612750	8487688	83	South	9	Drill
21	612750	8487716	90	North	9	Drill
22	612850	8487691	60	North	9	Drill

Figure 8: Small Canyon RC drill position coordinates

The RC drilling will be focused on the Main Target that has been identified from the previous EM surveys and which has a strike length of approx 450m.

The Company will also complete an additional EM survey over an estimated 27 hectares to the east of Small Canyon.

### 3. Riverside Prospect

The Riverside Prospect is the westerly pit on AML0029. It lies on the contact of the magnetic low anomaly and an intermediary high magnetic anomaly.

There are numerous anomalies and targets associated with the Riverside Prospect, all of which are east west trending structures.

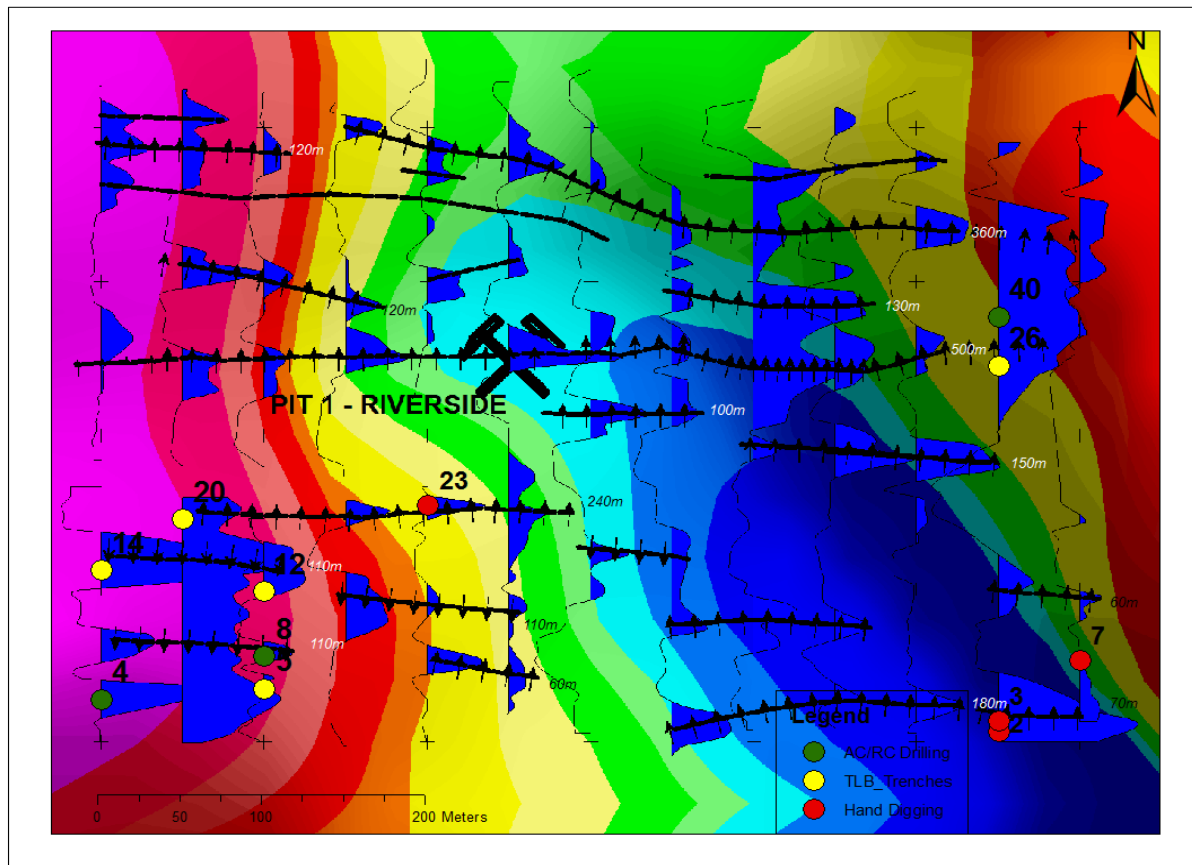


Figure 9: EM image indicating Very Low Frequency (VLF) Intensities Profiles.

Six primary targets have been mapped at Riverside. 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.

The Company will complete initial pitting work at four locations, targeting the shallow mineralisation, which is projected to have only 1m to 2m of overburden and which is located to the south of the prospect.

Sample_id	X_Long	Y_Lat	Dip (deg)	Azimuth (Deg)	Depth (m)	Target	Activity
2	610850	8488007	61	North	1	7	Dig pilot Pit
3	610850	8488014	60	North	1	7	Dig pilot Pit
7	610900	8488053	55	South	2	6	Dig pilot Pit
23	610500	8488154	60	North	1	4	Dig pilot Pit

**Figure 10:** Pilot Pitting Positions and Activity at Riverside

A further five locations have been identified for trenching work to be completed at Riverside, to the south-west and north-east of the prospect area and indicated in yellow in Figure 9. An initial program of 350m of trenching is expected to be completed.

Sample_id	X_Long	Y_Lat	Dip (deg)	Azimuth (Deg)	Depth (m)	Target	Activity
5	610400	8488035	60	North	8	7	TLB Trench
12	610400	8488098	55	South	7	5	TLB Trench
14	610300	8488112	62	North	8	5	TLB Trench
20	610350	8488145	60	North	8	4	TLB Trench
26	610850	8488245	60	North	6	Main	TLB Trench

**Figure 11:** Indicates Riverside trenching positions

In addition, as part of the initial phase of RC drilling, an initial three drill hole positions have been determined, again in the south-west and north-east of the prospect area and indicated in green in Figure 9.

Sample_id	X_Long	Y_Lat	Dip (deg)	Azimuth (Deg)	Depth (m)	Target	Activity
4	610300	8488028	56	South	12	7	Drill
8	610400	8488056	56	South	10	6	Drill
40	610850	8488277	61	North	9	1	Drill

**Figure 12:** Indicates River drill position coordinates and activity.

## **TIMELINE AND NEXT STEPS – PHASE ONE EXPLORATION**

The Company's proposed Phase 1 Exploration Program has commenced, with planning work completed, the appointment of key staff and with site preparations to now commence.

The Phase 1 Exploration Program will continue throughout 2019, with additional trenching and RC drilling work to be added to the initial program, as further information and results are obtained from the on-site activities and assays of samples.

The immediate focus of the Phase 1 Exploration activities for the Company will be the Riverside, Small Canyon and Grand Canyon Prospects, where in addition to the planned exploration work, site establishment, offices and lay-down areas will be developed as the Company looks to build up its on-site presence.

In addition to the exploration activities, bulk sampling of the exposed mineralisation, from the trenching work at Riverside and Grand Canyon and from preliminary mining studies and activities, is proposed to be despatched to South Africa for further metallurgical analyses.

The Company has already commenced discussions with established logistics providers for the transportation of this material both in the short term and under a longer term arrangement and review and planning work is currently underway.

In addition, the Company's recently appointed metals trading consultant, Mr Simon Grant-Rennick, has advanced discussions with two Swiss based global commodity trading groups under which it is now proposed to deliver 1,000t of a bulk high-grade lead and silver sample (in lots of 250t or 500t) for processing through its Asian based smelters. These sales are expected to form part of the Company's long term offtake arrangements.

The Company expects to make further announcements in regard to its logistics and lead and silver offtake arrangements shortly.

**END**

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### **Competent Person Statement**

The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets, Mineral Resources or Ore Reserves has been compiled by 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