and its Controlled Entities

ABN 12 145 184 667

Annual Report

For the Year Ended 31 December 2018

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CORPORATE INFORMATION

DIRECTORS

Mr Jess Oram	Chairman
Mr Jason Brewer	Managing Director
Mr Gedeon Pelesa	Non-executive Director

COMPANY SECRETARY

Mr Michael Pitcher

REGISTERED AND PRINCIPAL OFFICE

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Telephone (08) 6462 1421
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AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
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SHARE REGISTER

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GPO Box 2975
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Force Commodities Limited shares are listed on the Australian Securities Exchange (ASX)

ASX Code 4CE

ACN 145 184 667

ABN 12 145 184 667

In this report, the following definitions apply:

"Board" means the Board of Directors of Force Commodities Limited

"Force" or the **"Company"** means Force Commodities Limited ABN 12 145 184 667

"Group" means Force Commodities and its controlled entities

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
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The directors of Force Commodities Limited ('Force' or the 'Company') submit the financial report of the Company and its controlled entities (the 'Group') for the year ended 31 December 2018.

DIRECTORS

The names and particulars of directors who are in office at the date of this report:

Mr Jess Oram	Chairperson (appointed 5 February 2019)
Mr Jason Brewer	Managing Director (appointed 19 February 2018)
Mr Gedeon Pelesa	Non-Executive Director

The names and particulars of directors who are not in office at the date of this report but who held office during the financial year:

Mr David Sanders	Chairperson (resigned 5 February 2019)

Directors have held office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Mr Michael Pitcher (appointed 5 February 2019)

Mr Michael Fry (resigned as Company Secretary 5 February 2019)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration and development. There were no significant changes in the nature of the Group's principal activity during the financial year.

RESULTS

The result for the year ended 31 December 2018 attributable to members of the Company was a net loss after tax of $8,897,779 (year ended 31 December 2017 loss: $4,630,597).

DIVIDENDS

No amounts have been paid or declared by way of dividend during or since the end of the financial year.

REVIEW OF OPERATIONS

During the year ending 31 December 2018, the Group's main operational focus was on the advancement of its Democratic Republic of Congo (DRC) lithium projects - Kitotolo Lithium Project and Kanuka Lithium Production Project. The Board and Management have assessed the carrying value of the Exploration and Evaluation Expenditure in relation to the Kitotolo Lithium Project and the Kanuka Lithium Production Project and in light of the prevailing lithium market conditions has determined that they are impaired. Refer Note 13 for movements in the exploration and expenditure balance.

A brief overview of each of these projects and the work conducted during the course of the year and up to the date of this report is as follows:

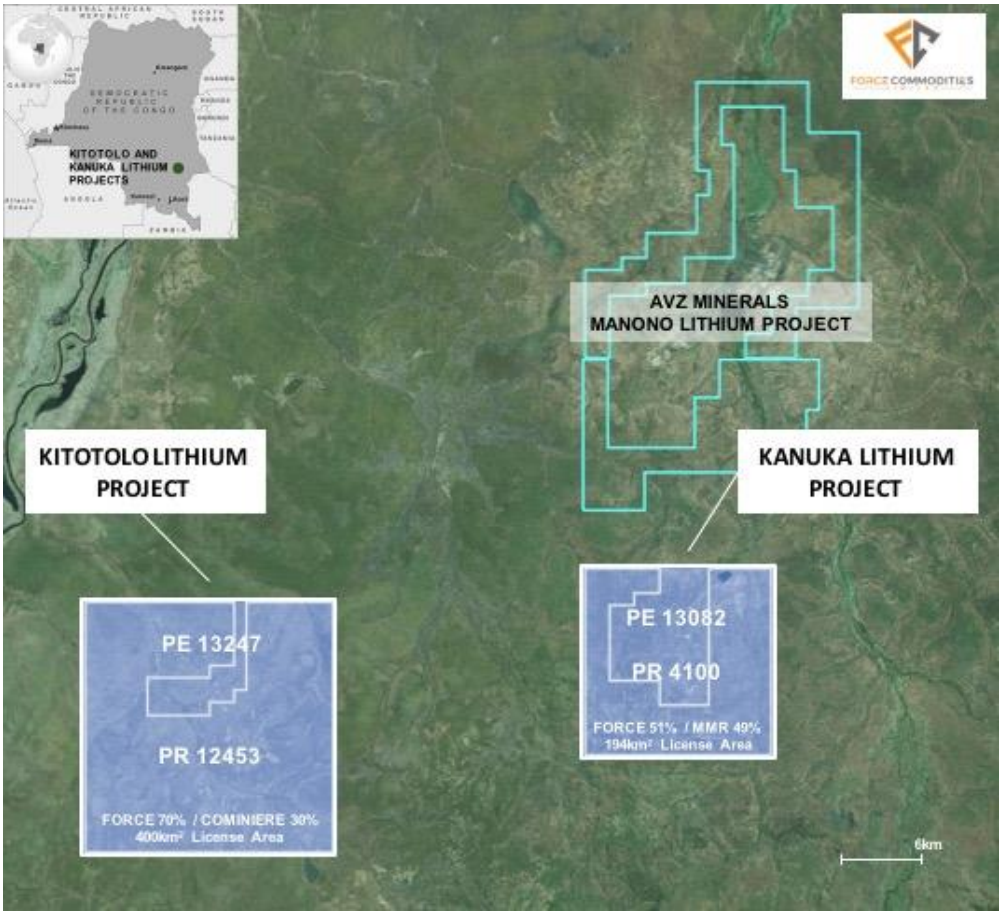

Figure 1: Location Map – DRC lithium projects

Kitotolo Lithium Project

The Company acquired a 70% interest in a new Joint Venture company incorporated on 28 December 2017 together with DRC sate-owned mining company La Congolaise d'Exploitation Minière (30%) for the purpose of exploring in joint venture the Kitotolo Project.

The Kitotolo Project is prospective for lithium, tin and tantalum mineralisation, with the Joint Venture's main focus being on the lithium mineralisation. At the time of entering into the Joint Venture, there was very limited historical exploration activity at Kitotolo, and the Company together with its joint venture partner aimed to undertake aggressive exploration programs to quickly identify the extent of the pegmatite and to target the lithium mineralisation.

The Kitotolo Project comprises Exploration License PR 12453 and Mining License PE 13247, and extends over an area of approx. 400Km^2.

It is located 30km south west of ASX listed AVZ Minerals' Manono Project. AVZ's Manono Project is considered to be potentially one of the largest lithium-rich LCT (lithium, caesium, tantalum) pegmatite deposits in the world. Work performed to date by AVZ has demonstrated that the pegmatites extend for a strike length of 13km+ and is more than 200m wide and more than 240m thick in places.

On-the-ground technical due diligence activities were undertaken over a 4-week period in September 2017 and identified numerous artisanal workings within the Kitotolo Lithium Project license area, typically alluvial in nature and focused on cassiterite and columbite-tantalite mining including in the north of the Kitotolo Lithium Project area, a large artisanal pit measuring approximately 120m long by 50m wide, referred to as the 'Katamba Pit', where visible spodumene, lepidolite and other associated micas were identified. Further numerous artisanal workings were identified around the perimeter of the pit.

In addition, numerous pegmatite inclusions were mapped in the lateritic cover several hundred metres from the large pit's workings suggesting that the pegmatite lies below the lateritic cover or in close proximity and extends over a significant range.

Initial geological and structural mapping and visual inspection of samples taken by the Company's technical consultants highlighted the potential for economic mineralisation on the Kitotolo Lithium Project. Furthermore, the potential for significant additional discoveries and further in situ hard rock pegmatites hosting spodumene and related lithium mineralisation was considered extremely high during the Company's initial independent technical due diligence work.

A geochemistry sampling program consisting of 20 in-situ channel and rock chip samples were also collected from one of the main artisanal pit areas. In addition, a channel sample of 6m was sampled from the surface down through weathered in-situ pegmatite, providing a shallow representative portion of the pegmatite.

The assay results confirmed the presence of high grade lithium mineralisation (of up to 2.15% Li_20) in pegmatites.

The decision was made to undertake a test-pitting and trenching program aimed at gaining an understanding of the strike and width extent of the lithium bearing pegmatite observed at the site of the Katamba Pit.

In the period to end December 2017, 43 test pits were completed along with 586 line metres of trenching across 9 trenches.

A total of 185 samples were collected for assay, 42 from test-pits and 143 from trenches.

A total of 4 of the 9 trenches intersected shallow and highly weathered pegmatite and zones of lithium mineralisation beneath approx. 6m of lateritic cover. The total strike extent defined by trenching and test pitting is in excess of 1km. Test pitting in the furthermost NE corner of the initial Phase 1 Lithium Exploration Program area, successfully identified pegmatite lithologies in test pit 040 – located approx. 1km NE of the Katamba Pit and which is interpreted to add a continuous strike along the NE/SW orientation and supporting the regional pegmatite orientation interpretation.

Trenches 001, 002, 003 and 008 in particular were observed to contain significant quantities of fresh and partially weathered spodumene mineralisation.

Significant assays returned from the trench sampling included the following intersections:

- Trench 001: 10m @ 0.25% Li_20

  (incl. 1m @ 0.53% Li_2O)
- Trench 002: 20m @ 0.21% Li_2O

  (incl. 1m @ 0.67% Li_2O)
  (incl. 1m @ 0.52% Li_2O)
  (incl. 1m @ 0.50% Li_2O)
- Trench 008: 21m @ 0.26 % Li_2O

  (incl. 4m @ 0.50% Li_2O)
  (incl. 4m @ 0.34% Li_2O)
  (incl. 3m @ 0.27% Li_2O)

Buoyed by the success of the test-pitting and trenching program a decision was made to proceed to drilling.

The Phase One RC Drill Program commenced in September 2018 and was completed during the December 2018 quarter. In total, 98 RC holes for 4,272m. The program was designed to comprise shallow (40-60m) drilling to rapidly target near surface lithium mineralisation, extending 1km NE from the large artisanal Katamba Pit located in the north-eastern quadrant of the Project area.

1,170 assays were collected for assaying. Results as at the date of this report remain pending.

Kanuka Lithium Production Project

In December 2017, the Company entered into a heads of agreement to explore for lithium mineralisation at the Kanuka Lithium Project. In March 2018, a formal joint venture agreement was executed and on 25 May 2018 a Joint Venture company was incorporated, 51% Force and 49% MMR (Mining Mineral Resources SPRL).

The Kanuka Project comprises two contiguous licenses: granted Mining License PE13082 and Exploration License PR4100.

These licenses cover an area of approx. 194km^2 and are located 20km east of the Company's other lithium project - the Kitotolo Lithium Project. The Kanuka licenses are also located on the licenses immediately south (approx. 4km from the license boundaries) of AVZ's Manono Project.

The Company's joint venture partner, MMR, is an established tin, tantalum and tungsten mining company that was incorporated in 2008 and which operates a series of exploration, mining and processing operations throughout the DRC.

MMR is part of the VinMetals Group, a diversified mining, metals and trading group that has operated successfully in the DRC since 1997, with existing copper cathode and copper, cobalt, tantalum, tin and tungsten concentrate production from several mines and processing plants.

Conventional open pit mining operations are ongoing on the license areas, with the alluvial sand layers that host the cassiterite and columbite (minerals that are typically coincidental with lithium mineralisation) mined by truck and shovel methods.

Current and historic mining in the license areas had exposed a number of pegmatites, with one identified in the current main mining area being in excess of 5kms long and open along strike on a NE-SW trend, typical of other pegmatites identified in the region.

The Company completed a detailed Technical Due Diligence investigation on the Kanuka Lithium Project in September 2017. As part of Technical Due Diligence, 25 random grab samples were taken from pegmatites outcropping in the license areas. Assay results were received with a number of samples returning high grade lithium mineralization. In total, five grab samples returned assays better than 0.4% Li2O as detailed below:

Tenement	Sample No	UTM_E	UTM_N	Locality	Sample Type	Orientation	Lithology	ME-MS61 (Li2O %)
PR4100/PE13082	A2501	541257	9165944	Kanuka	Rockchip	Random	Pegmatite	**0.45**
PR4100/PE13082	A2502	541269	9165833	Kanuka	Rockchip	Random	Pegmatite	**1.62**
PR4100/PE13082	A2504	540959	9165840	Kanuka	Rockchip	Random	Pegmatite	**1.86**
PR4100/PE13082	A2505	541850	9166122	Kanuka	Rockchip	Random	Pegmatite	**1.93**
PR4100/PE13082	A2519	543387	9165359	Kanuka	Rockchip	Random	Pegmatite	**2.12**

Table 1: Select assay results for rock chip samples at the Kanuka Lithium Project Joint Venture

The assay results are considered entirely consistent with weathered pegmatites and are indicative of a well mineralised lithium system.

The detailed mapping and sampling work undertaken as part of the Technical Due Diligence also identified a number of major additional pegmatites lying parallel to the Main Kania Pegmatite body.

A decision was made to proceed to drilling.

An auger drilling program was undertaken in mid 2018 and was aimed at extending the better defining the pegmatites in areas of soil cover so as to better target RC drilling.

In total 143 auger holes were completed with a total of 51 geochemical samples sent for assay. 50 of the 51 samples returned lithium mineralisation, confirming the mineralisation at Kanuka has a strong Lithium-Cesium-Tantalum (LCT) pegmatite) affinity.

The Company then proceeded to undertake its first phase of RC drilling. In total, 45 holes were drilled for ~2,700m during the period July 2018 to September 2018; and were designed to target near surface lithium mineralisation.

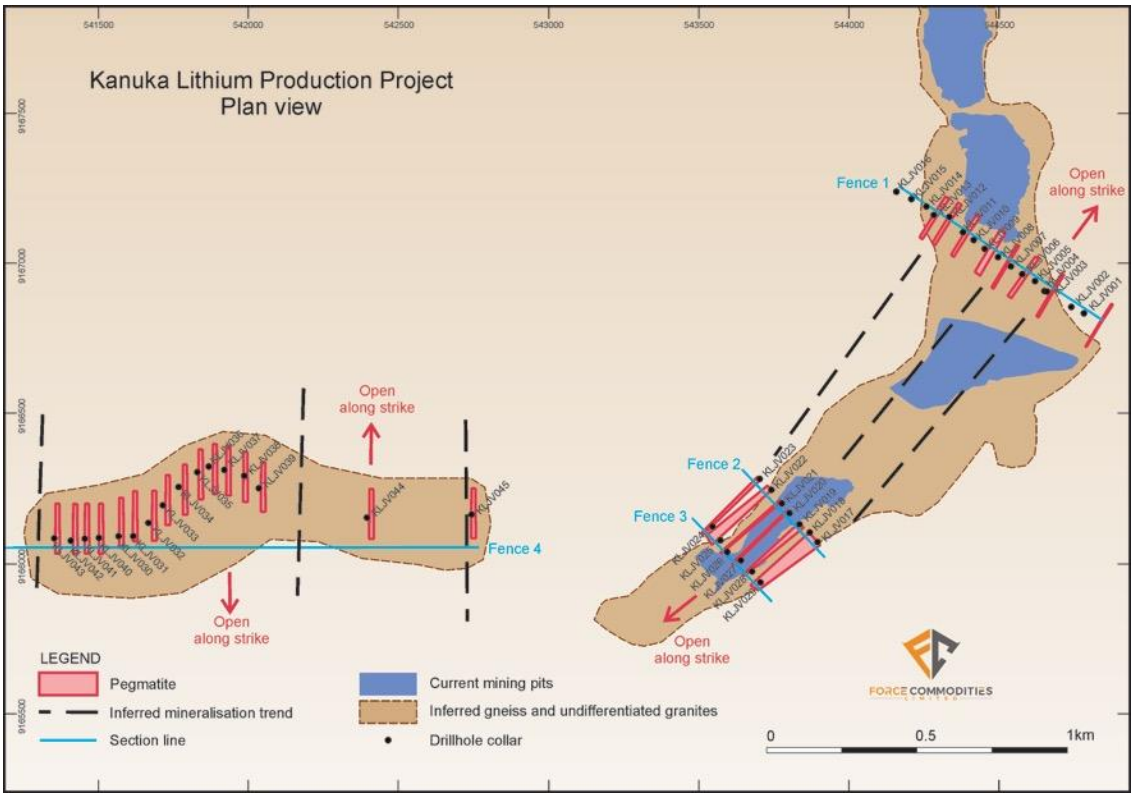

Figure 2: Schematic plan view highlighting geology and completed Phase 1 drilling program

A total of 2,621 RC samples were taken from all 45 RC drill holes. Samples were dispatched to ALS in Lubumbashi for sample preparation and on-forwarded by ALS to its Johannesburg laboratory for multi-element analytical determinations (ME-MS61 48 element four acid digest).

Assay results subsequently confirmed that the drilling program had successfully intersected multiple and stacked lithium bearing pegmatite veins over an initial inferred strike of 1.3km at the Kania Main Pegmatite located inside the main open pit mining operation and over a width of up to 300m.

Significant assay results from the Phase 1 RC drilling program included:

Kalombo Mushwima Prospect

- 7m at 1.28% Li_2O from 52m, including 1m at 2.13% Li_2O ending in mineralisation from drill hole KLJV036
- 10m at 0.79% Li_2O from 10m, including 6m at 1.13% Li_2O and 4m at 0.88% Li_2O from 26m from drill hole KLJV038
- 2m at 1.11% Li_2O from 18m from drill hole KLJV042
- 3m at 1.10% Li_2O from 1m, 5m at 1.15% Li_2O from 12m and 2m at 0.99% Li_2O from 58m and ending in mineralisation from hole KLJV044
- 3m at 1.04% Li_2O from 8m from drill hole KLJV045

Kania Main Pegmatite:

- 10m at 1.16% Li_2O from 24m, including 7m at 1.38% Li_2O from hole KJV006
- 6m at 1.00% Li_2O from 48m and 9m at 0.97% Li_2O from 52m and ending in mineralisation from hole KLJV019
- 23m at 0.89% Li_2O from 30m, including 3m at 1.82% Li_2O from hole KLJV018
- 5m at 1.07% Li_2O from 5m from hole KLJV011
- 6m at 1.09% Li_2O from 24m and 6m at 1.18% Li_2O from 34m from hole KLJV017
- 4m at 0.93% Li_2O from 18m and 7m at 1.37% Li_2O from 39m from hole KLJV007
- 2m at 1.17% Li_2O from 37m from hole KLJV023
- 3m at 1.16% Li_2O from 41m from hole KLJV026
- 2m at 1.29% Li_2O from 39m from hole KLJV027

NSW Projects

In addition, to its DRC lithium projects Force owns three projects in New South Wales that are prospective for base metals and gold mineralisation.

Due to the focus on the DRC Projects, the Company took the decision during 2017 to seek out partners to joint venture, earn-in or acquire the NSW projects.

During the year, the Company entered into sale agreements to dispose of its Mt Adrah Gold Project and its Halls Peak Base Metals Project which are the subject of conditions precedent.

The Company is working with the acquirer of the Halls Peak Base Metals Project. Completion is not assured.

In addition, Force retains the Rocky River – Uralla Gold Project. During the year, work on the Rocky River – Uralla Gold Project was limited to administrative filings and a review of historical data.

Mineral Tenement Schedule

Project	Country	Status	Tenement	Interest Held by Force
Mt Adrah (1)	Australia	Granted	EL8606	99.5%
Mt Adrah (1)	Australia	Granted	EL6372	99.5%
Mt Adrah (1)	Australia	Granted	EL7844	99.5%
Halls Peak (1)	Australia	Granted	EL4474	100%
Halls Peak (1)	Australia	Granted	EL7679	59.5%
Rocky River / Uralla	Australia	Granted	EL7491	59.5%
Rocky River / Uralla	Australia	Granted	EL6483	59.5%
Kitotolo Lithium Project (2)	DRC	Granted	PR12453	70.0%
Kitotolo Lithium Project (2)	DRC	Granted	PE13247	70.0%
Kanuka Lithium Production Project (3)	DRC	Granted	PR4100	51.0%
Kanuka Lithium Production Project (3)	DRC	Granted	PE13082	51.0%

EL – Exploration License, PR – Research Permit (equivalent of an Exploration License), PE – Exploitation Permit (equivalent of a Mining License)

(1) - subject to a sale agreement
(2) - tenements are in the process of being transferred into COMFORCE DRC SAU in which Force has a 70% joint venture interest
(3) - tenements are held by joint venture partner, with Force having a 51% joint venture interest in the lithium rights only

Qualifying Statements

The information in this report that relates to Exploration Information is based on information compiled by Mr James Sullivan who is a member of The Australasian Institute of Geoscientists and reported in various market announcements. Mr Sullivan is a qualified geologist and was a full-time employee of Force Commodities Limited at the time of performing the activity.

Mr Sullivan has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources.

The Company is not aware of any new information or data that materially effects the information reported in the original market announcements from which the information in this report has been taken. The Company confirms that that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

Corporate

The following timeline of events summarises the major corporate activities and initiatives during the past financial year:

- on 15 January 2018, the Company confirmed that it had completed technical and legal due diligence in relation to the Kanuka Lithium Project and had decided to proceed;
- on 16 January 2018, the Company issued 7,541,666 fully paid ordinary shares arising from the conversion of unlisted options;
- on 22 January 2018, the Company issued 2,520,833 fully paid ordinary shares arising from the conversion of unlisted options;
- on 15 February 2018, the Company issued 67,500,000 fully paid ordinary shares arising from the satisfaction of conditions pertaining to the Kitotolo Lithium Project;
- also on 15 February 2018, the Company issued 1,000,000 fully paid ordinary shares arising from the conversion of unlisted options;
- on 16 February 2018, the Company announced the appointment of Jason Brewer as Managing Director effective 19 February 2018;
- on 26 February 2018, the Company issued 1,000,000 fully paid ordinary shares arising from the conversion of unlisted options;
- on 16 March 2018, the Company announced the sale of the Mt Adrah Gold Project, subject to satisfaction of various conditions precedent;
- on 23 March 2018, the Company announced relocation of its registered office and principal administration office to Ground Floor, 20 Kings Park Road, West Perth, Western Australia.
- on 27 March 2018, the Company confirmed that it had executed a joint venture in relation to the Kanuka Lithium Project;
- on 16 April 2018, the Company announced that it had entered into a heads of agreement for the Kitotolo West Lithium Project, a project located immediately west and contiguous to the Company's Kitotolo Lithium Project;
- on 23 April 2018, the Company announced that it had entered into a heads of agreement for the Kanuka South Lithium Project, a project located immediately south of the Company's Kanuka Lithium Project;
- on 25 May 2018, the Company held its annual general meeting with all resolutions being approved;
- on 1 June 2018, the Company announced the sale of the Halls Peak Base Metals Project, subject to satisfaction of various conditions precedent;
- on 13 June 2018, the Company issued 2,000,000 fully paid ordinary shares pursuant to the terms of the Joint Venture and Development Agreement for the Kanuka Lithium Project;
- also on 13 June 2018, the Company issued 2,500,000 options exercisable at $0.10 on or before 30 June 2020 to Mr Gedeon Pelesa, a director of the Company, and 1,800,000 Performance Rights to Mr Jason Brewer, a director of the Company, as approved by Shareholders at the Company's annual general meeting; and
- on 14 September 2018, the Company issued 2,000,000 fully paid ordinary shares pursuant to the terms of the Joint Venture and Development Agreement for the Kanuka Lithium Project.

INFORMATION ON DIRECTORS

David Sanders	**Non-Executive Chairperson *(resigned 5 February 2019)***
Qualifications	B.Juris, BCom, LLB (Hons)
Experience	Mr Sanders is a principal of the legal firm Bennett + Co and has practised as a lawyer for over 25 years principally in the areas of corporate and commercial law. Mr Sanders has extensive board experience having served as a director numerous public and private companies.
Special Responsibilities	Nil
Interest in Shares and Options	5,000,000 options (directly)
Current Directorships of other ASX Listed Companies	Pura Vida Energy NL
Former Directorships of other ASX Listed Companies in the Last Three Years	Tungsten Mining Ltd (resigned 31 March 2015) Quickflix Limited (resigned 31 March 2016) Marencia Energy Ltd (retired 23 November 2017) World Titanium Resources Limited (delisted 30 January 2017)

Jason Brewer	**Managing Director (*appointed 19 February 2018*)**
Qualifications	M.Eng (Hons) ARSM
Experience	Mr Brewer has over 20 years' international experience in the natural resources sector and in investment banking. He has extensive experience in delivery of African projects and has significant experience as an ASX company director.
Special Responsibilities	Nil
Interest in Shares and Options	1,800,000 performance rights
Current Directorships of other ASX Listed Companies	MetalSearch Limited Winmar Resources Limited Tao Commodities Limited Global Vanadium Limited
Former Directorships of other ASX Listed Companies in the Last Three Years	Cape Lambert Resources Ltd International Goldfields Ltd (resigned September 2016) Black Mountain Resources Limited (resigned 31 January 2017) Kupang Resources Limited (resigned 14 December 2016) Vector Resources Limited (resigned 8 February 2019)

Gedeon Pelesa	**Non-Executive Director (*appointed 17 October 2017*)**
Qualifications	M.Eng (Mining) Lubumbashi University
Experience	Mr Pelesa is a mining engineer with over 10 years' experience in mineral exploration projects including senior roles with Xstrata and Glencore in the DRC.
Special Responsibilities	Nil
Interest in Shares and Options	2,500,000 options (directly)
Current Directorships of other ASX Listed Companies	Winmar Resources Limited
Former Directorships of other ASX Listed Companies in the Last Three Years	Nil

Jess Oram	**Non-Executive Chairman (*appointed 5 February 2019*)**
Qualifications	BSc, AIG member
Experience	Mr Oram has over 25 years' experience in mineral exploration in a wide variety of geological terrains and resource commodities with an accomplished track record in establishing and leading the exploration function of several companies. Mr Oram was Chief Exploration Geologist for Healthgate Resources Pty Ltd where he was involved in mining feasibility studies of the Four Mine Uranium deposits and 'team leader' of a group of geoscientists involved in the discovery of the Pepegoona Uranium, Pannikan Uranium and Pannikan West Uranium deposits. Mr Oram has a Bachelor of Science (Bsc), Geology major from the University of Queensland and is a member of the Australian Institute of Geoscientists (AIG).
Special Responsibilities	Nil
Interest in Shares and Options	Nil
Current Directorships of other ASX Listed Companies	Cauldron Energy Limited
Former Directorships of other ASX Listed Companies in the Last Three Years	Nil

MEETINGS OF DIRECTORS

The number of Directors' Meetings and the number of meetings attended by each of the Directors of the Company during the financial year were:

	Directors Meetings	
Directors	**Held Whilst in Office**	**Attended**
David Sanders	5	5
Jason Brewer	5	5
Gedeon Pelesa	5	4

REMUNERATION REPORT - AUDITED

This remuneration report outlines the remuneration arrangements of the Group for the year ended 31 December 2018 in accordance with the requirements of Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by Section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent.

For the purposes of this report, the term "executive" includes the Managing Director (MD), executive directors (where applicable) and senior executives of the Group.

A. Remuneration Governance

The Board of Directors is responsible for the remuneration practices of the Group.

The Board of Directors has determined that a separate Remuneration Committee is not necessary at this time due to the size of the Group and the scale and nature of its operations.

B. Remuneration Policy

The remuneration policy of the Group has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific incentives, from time to time, that are based on share price and key performance areas affecting the Group's financial results.

The Board of Directors of Force believes the remuneration policy is appropriate and effective in its ability to attract, retain and motivate suitably qualified and experienced Directors and executives to run and manage the Group, as well as create goal congruence between the Directors, executives and the Company's shareholders.

C. Remuneration Arrangements

All executives receive a base salary or allowance (which is based on factors such as length of service and experience). Executive remuneration may also incorporate a component of performance based remuneration.

The Board reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Non-executive directors are remunerated at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $300,000)

The Board of Directors may exercise discretion in relation to approving incentives, bonuses and options.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are independently valued by corporate advisers using the Black-Scholes method.

D. Performance Based Remuneration

The Company believes that linking the remuneration of Directors and executives with performance will be effective in increasing shareholder wealth.

From time to time, the Board of Directors may establish performance targets and a bonus system for the purposes of providing directors and executives with short-term and long-term performance incentives. Such incentives are offered to increase goal congruence between shareholders and directors and executives.

During the financial year the Group issued Performance Rights to Mr Jason Brewer in February 2018 and Options to Mr Gedeon Pelesa in May 2018, pursuant to shareholder approval. The options granted to Mr Gedeon Pelesa do not have performance conditions.

E. Performance Summary

The tables below set out summary information about Force's earnings and movements in shareholder wealth for the five years to 31 December 2018:

	2018 $'000	2017 $'000	2016 $'000	2015 $'000	2014 $'000
Other Income	50	304	1,040	100	165
Comprehensive loss before tax	(10,917)	(4,651)	(1,690)	(6,735)	(17,063)
Comprehensive loss after tax	(10,917)	(4,651)	(1,690)	(6,735)	(17,063)

	2018	2017	2016	2015	2014
Share price at start of year	$0.080	$0.030	$0.022	$0.052	$1.26
Share price at end of year	$0.015	$0.080	$0.030	$0.022	$0.052
Dividend	-	-	-	-	-
Basic (loss) per share	($0.022)	($0.019)	($0.010)	($0.011)	($0.089)
Diluted /(loss) per share	($0.022)	($0.019)	($0.010)	($0.011)	($0.089)

F. No Hedging Contracts

The Company does not permit executives to enter into contracts to hedge their exposure to options or performance rights to shares granted as part of their remuneration package.

G. Securities Trading Policy

The Board has in place a Securities Trading Policy to ensure that:

- any dealings in securities by the Directors, employees and contractors comply with legal and regulatory obligations (including the prohibition against insider trading); and
- the Company maintains market confidence in the integrity of dealings in its securities.

H. Details of Remuneration

Compensation of key management personnel for the year ended 31 December 2018

2018	SHORT-TERM BENEFITS			POST EMPLOY-MENT	SHARE-BASED PAYMENT	TOTAL $	SHARE-BASED PAYMENT as a % of TOTAL
	Salary & Fees	Termination Payment	Other	Super-annuation	Options		
Directors							
David Sanders – Chairman (i)	45,660	-	-	3,904	-	49,564	0.0%
Jason Brewer – Managing Director (ii)	163,571	-	-	-	76,950	240,521	32.0%
Gedeon Pelesa – Non-Executive Director	40,000	-	-	-	83,000	123,000	67.5%
Total remuneration directors 2018	**249,231**	**-**	**-**	**3,904**	**159,950**	**413,085**	**38.7%**

2018	SHORT-TERM BENEFITS			POST EMPLOY-MENT	SHARE-BASED PAYMENT	TOTAL $	SHARE-BASED PAYMENT as a % of TOTAL
	Salary & Fees	Termination Payment	Other	Super-annuation	Options		
Michael Fry – CFO & Company Secretary	85,000	-	-	-	-	85,000	0.0%
James Sullivan – Head of Exploration (iii)	184,594	-	-	-	-	184,594	0.0%
Total remuneration specified executives 2018	**269,594**	**-**	**-**	**-**	**-**	**269,594**	**0.0%**
Total key management personnel 2018	**518,825**	**-**	**-**	**3,904**	**159,950**	**682,679**	**23.4%**

(i) Resigned 5 February 2019
(ii) Appointed as a Non-Executive Director on 6 June 2017 and was re-appointed as Managing Director effective 19 February 2018
(iii) Resigned 31 December 2018

Compensation of key management personnel for the year ended 31 December 2017

2017	SHORT-TERM BENEFITS			POST EMPLOY-MENT	SHARE-BASED PAYMENT	TOTAL $	SHARE-BASED PAYMENT as a % of TOTAL
	Salary & Fees	Termination Payment	Other	Super-annuation	Options		
Directors							
David Sanders – Chairman (i)	31,962	-	-	3036	114,550	149,548	76.6%
Jason Brewer – Managing Director (ii)	27,000	-	-	-	114,550	141,550	80.9%
Gedeon Pelesa – Non-Executive Director (iii)	10,000	-	-	-	-	10,000	0.0%
Patrick Glovac – Non-Executive Director (iv)	130,076	-	-	5,423	114,550	250,049	45.8%
Mark Darras – Chairman (v)	21,723	-	-	-	-	21,723	0.0%
Alistair Stephens – Executive Director (vi)	49,002	-	-	-	-	49,002	0.0%
Peter Smith – Non-Executive Director (vii)	5,000	-	-	-	-	5,000	0.0%
Rocco Tassone – Executive Director (viii)	93,109	91,324[1]	-	17,468	-	201,900	0.0%
Charles Thomas – Non Executive Director (ix)	22,831	34,247[2]	-	5,422	-	62,500	0.0%
Total remuneration directors 2017	**390,702**	**125,571**	**-**	**31,350**	**343,650**	**891,273**	**38.6%**
Specified Executives							
Michael Fry – CFO & Company Secretary (x)	150,000	-	-	-	89,900	239,900	37.5%
James Sullivan – Head of Exploration (xi)	36,978	-	-	-	89,900	126,878	70.9%
Henry Kinstlinger – Company Secretary (xii)	27,000	-	-	-	-	27,000	0.0%
Total remuneration specified executives 2017	**213,978**	**-**	**-**	**-**	**179,800**	**393,778**	**45.7%**
Total key management personnel 2017	**604,680**	**125,571**	**-**	**31,350**	**523,450**	**1,285,051**	**40.7%**

(i) Appointed 6 June 2017
(ii) Appointed as a Non-Executive Director on 6 June 2017 and was re-appointed as Managing Director effective 19 February 2018
(iii) Appointed 17 October 2017
(iv) Resigned 17 October 2017
(v) Appointed 28 February 2017; resigned 31 May 2017
(vi) Appointed 28 February 2017; retired 31 May 2017
(vii) Appointed 27 March 2017; resigned 31 May 2017
(viii) Resigned 27 March 2017
(ix) Resigned 28 February 2017
(x) Appointed 3 April 2017
(xi) Appointed 17 October 2017
(xii) Resigned 31 August 2017
(1) Under the term of the service agreement with Mr Tassone was entitled to 12 month's termination or an amount of $191,625. Through negotiation the parties agreed to settle for $100,000 inclusive of superannuation.
(2) Under the terms of the service agreement with Mr Thomas, Mr Thomas was entitled to 3 months' fees in lieu of notice being an amount of $37,500 inclusive of superannuation.

Compensation options granted to key management personnel during the year ended 31 December 2018

During the year, the Company issued the following options to key management personnel:

	Number of Options issued	Black & Scholes Value (i)
Directors		
Gedeon Pelesa - Non-Executive Director	2,500,000	$83,000
Total key management personnel	**2,500,000**	**$83,000**

Notes:

(i) The options were valued using the Black & Scholes method. Refer to Note 27 for inputs to determine fair value.

On 25 May 2018 shareholders approved, amongst other matters the issue of a total of 2,500,000 options to Mr Gedeon Pelesa a Non-executive Director of the Company as part of his remuneration during the year. The options were issued on 13 June 2018.

Compensation performance rights granted to key management personnel during the year ended 31 December 2018

During the year, the Company issued the following performance rights to key management personnel:

	Vesting Date	Number of Performance Rights issued	Fair Value
Directors			
Jason Brewer – Managing Director	19/02/2019	600,000	$34,200
Jason Brewer – Managing Director	19/02/2020	600,000	$34,200
Jason Brewer – Managing Director	19/02/2021	600,000	$34,200
Total key management personnel		**1,800,000**	**$102,600**

Performance Rights held by Directors and Key Management Personnel as at 31 December 2018

2018	Year Granted	Balance at Beginning	Granted during the year	Vested	Forfeited	Balance at end
Directors						
David Sanders – Non-executive Chairman (i)	2018	-	-	-	-	-
Jason Brewer – Managing Director (ii)	2018	-	1,800,000	-	-	1,800,000
Gedeon Pelesa – Non-Executive Director	2018	-	-	-	-	-
Total directors		**-**	1,800,000	-	**-**	**1,800,000**
Specified Executives						
Michael Fry – Chief Financial Officer	2018	-	-	-	-	-
James Sullivan – Head of Exploration (iii)	2018	-	-	-	-	-
Total specified executives		**-**	**-**	**-**	**-**	**-**
Total key management personnel		**-**	**1,800,000**	**-**	**-**	**1,800,000**

(i) Resigned 5 February 2019
(ii) Appointed as a Non-Executive Director on 6 June 2017 and was re-appointed as Managing Director effective 19 February 2018
(iii) Resigned 31 December 2018

On 25 May 2018 shareholder approved, amongst other matters the issue of a total of 1,800,000 Performance Rights to Mr Jason Brewer the Managing Director of the Company. The Performance Rights were issued on 13 June 2018 with a share price value of $0.057. The Performance Rights are subject to Mr Brewer remaining in employment on each of the vesting dates. An amount of $76,950 was recognised within the Consolidated Statement of Profit or Loss and Other Comprehensive Income representing the probability of performance rights vesting at reporting date.

Option Holdings of Directors and Key Management Personnel as at 31 December 2018

The numbers of options over ordinary shares in the company granted under the executive short term incentive scheme that were held during the financial year by each director and the key management personnel of the Group, including their personally related parties, are set out below.

2018	Balance at beginning	Granted as Remuneration	Exercised	Disposed	Holding on Resignation	Balance at 31 December 2018	Exercisable	Not Exercisable
Directors								
David Sanders (i)	5,000,000	-	-	-	-	5,000,000	5,000,000	-
Jason Brewer (ii)	-	-	-	-	-	-	-	
Gedeon Pelesa	-	2,500,000	-	-	-	2,500,000	2,500,000	-
Specified Executives								
Michael Fry	2,000,000	-	-	-	-	2,000,000	2,000,000	-
James Sullivan (iii)	2,000,000	-	-	-	-	2,000,000	2,000,000	-
Total	**9,000,000**	**2,500,000**	**-**	**-**	**-**	**11,500,000**	**11,500,000**	**-**

(i) Resigned 5 February 2019
(ii) Appointed as a Non-Executive Director on 6 June 2017 and was re-appointed as Managing Director effective 19 February 2018
(iii) Resigned 31 December 2018

Shareholdings of Directors and Key Management Personnel as at 31 December 2018

2018	Balance at Beginning	Acquired	Disposed	Holding on Resignation	Balance at end
Directors					
David Sanders – Non-executive Chairman (i)	-	-	-	-	-
Jason Brewer – Managing Director (ii)	-	-	-	-	-
Gedeon Pelesa – Non-Executive Director	-	-	-	-	-
Total directors	**-**	-	-	**-**	**-**
Specified Executives					
Michael Fry – Chief Financial Officer	1,750,000	-	-	-	1,750,000
James Sullivan – Head of Exploration (iii)	-	-	-	-	-
Total specified executives	**1,750,000**	**-**	**-**	**-**	**1,750,000**
Total key management personnel	**1,750,000**	**-**	**-**	**-**	**1,750,000**

(iv) Resigned 5 February 2019
(v) Appointed as a Non-Executive Director on 6 June 2017 and was re-appointed as Managing Director effective 19 February 2018
(vi) Resigned 31 December 2018

All equity transactions with key management have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

I. Service Agreements

David Sanders - Chairman (appointed 6 June 2017; resigned 5 February 2019)
The key terms of Mr Sanders' service contract were:

- Non-Executive Director fee of $60,000 per annum.
- No notice period.
- No termination benefit entitlement.

Jess Oram - Chairman (appointed 5 February 2019)
The key terms of Mr Orams' service contract are:

- Non-Executive Director fee of $48,000 per annum.
- No notice period.
- No termination benefit entitlement.

Jason Brewer – Managing Director (appointed 19 February 2018)
The key terms of Mr. Brewer's service contract are:

- Managing Director fee of $180,000 per annum.
- Short-term incentive: up to 50% of annual fee subject to achievement of agreed KPIs.
- Long-term benefit: 1.8m shares over 3 years (approved by shareholders).
- Notice period of 6 months.
- No termination benefit entitlement.

Gedeon Pelesa – Non-Executive Director (appointed 17 October 2017)
The key employment terms of Mr Pelesa's service contract are:

- Non-Executive Director fee of $48,000 per annum.
- No notice period.
- No termination benefit entitlement.

Michael Fry – CFO / Company Secretary (appointed 3 April 2017; resigned 5 February 2019)
The key terms of Mr Fry's service contract were:

- Annual fee of $120,000 per annum
- Expiry date of 31 October 2018
- 3 months notice period.
- No termination benefit entitlement.

Michael Pitcher – CFO / Company Secretary (appointed 5 February 2019)
The key terms of Mr Pitcher's service contract are:

- Annual fee of $62,500 per annum
- 3 months notice period.
- No termination benefit entitlement.

James Sullivan – Head of Exploration (appointed 17 October 2017; resigned 31 December 2018)
The key terms of Mr Sullivan's service contract were:

- Annual fee of US$165,000 per annum
- 4 weeks notice period.
- No termination benefit entitlement.

J. Other transactions with key management personnel

A director, Mr David Sanders, is a partner in the firm Bennett & Co, Solicitors, Bennett & Co has provided legal services to Force Commodities Limited and certain of its subsidiaries on normal commercial terms and conditions. The total amount charged for the year was $101,416 (2017: $187,594).

A director, Mr Jason Brewer, is a director of Winmar Resources Limited who incurred a debt with Force Commodities Limited for expenses which were paid by Force Commodities Limited on their behalf for the value of $64,082 (2017: nil).

A director, Mr Jason Brewer, who was a director of Vector Resources Limited during the reporting year who incurred a debt with Force Commodities Limited for expenses which were paid by Force Commodities Limited on their behalf for the value of $13,919 (2017: nil)

Mr Michael Fry, was the CFO/Company Secretary made the following related party transactions with XS Resources Limited which Mr Michael Fry is an Executive Director:

- On the 29 May 2018 the Company entered into an option agreement with XS Resources Limited for the sale of all the issued share capital of SOC1 Pty Ltd, the holder of exploration licence EL4474 which forms part of the Halls Peak Project.
- On the 29 May 2018 the Company entered into an option agreement with XS Resources Limited for the sale of exploration licence EL7679 held by SUGEC Resources Pty Ltd which forms part of the Halls Peak Project.

End of audited remuneration report

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group proposes to continue its exploration activities across its various mineral industry interests. Other than the information disclosed in this report, further information in relation to likely developments and the impact on the operations of the Group has not been included.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Class	Date options granted	Expiry Date	Exercise Price	No. of options
Options	31 May 2016	30 June 2019	$0.032	6,250,000
Options	12 October 2017	30 June 2019	$0.032	20,166,662
Options	12 October 2017	30 June 2019	$0.035	10,000,000
Options	5 August 2016	5 August 2019	$0.048	937,500
Options	14 November 2017	1 July 2020	$0.060	2,000,000
Options	14 November 2017	1 July 2020	$0.080	2,000,000
Options	25 May 2018	1 July 2020	$0.080	2,500,000
				43,854,162

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, apart from:

On 5 February 2019 Mr David Sanders resigned as Non-Executive Chairman and Mr Jess Oran was appointed as Non-Executive Chairman.

On 5 February 2019 Mr Michael Fry resigned as CFO/Company Secretary and Mr Michael Pitcher was appointed as CFO/Company Secretary.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

ENVIRONMENTAL REGULATIONS

The Group is subject to significant environmental regulation in respect of its exploration activities as follows:

- The Company's operations in the State of New South Wales involve exploration activities. These operations are governed by the *Environment Planning and Assessment Act 1979*.
- The Company operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers.
- The Company aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are mindful of the regulatory regime in relation to the impact of the Company's activities on the environment.

- To the best of the directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

Environmental code of practice for mineral exploration

The Company is committed to conducting its exploration programs by following industry best practice in accordance with published government guidelines and codes.

The following policy is specific to gold exploration on the Company's exploration projects.

Access to land

Prior to the commencement of any work, the Company makes contact with landholders/leaseholders and discusses the general aims and types of work likely to be conducted.

Discussion with landowners, leaseholders and Native Title Claimants is ongoing. It commences prior to any work being conducted and continues throughout the program and beyond the cessation of exploration work.

The Company establishes conditions of access with landholders and where practicable, signs a written access agreement that sets out conditions and includes a schedule of agreed compensation payments.

The Company endeavours to provide landholders with ample warning prior to commencing any work and landholders are kept informed upon commencement, during and upon completion of an exploration program.

Type of land

The type of land is determined and its inhabitants are assessed to identify areas of particular environmental concern including identification of sensitive areas or areas prone to erosion, water catchment, heritage sites, and areas home to vulnerable and endangered species.

Land use is taken into consideration and land under cultivation is not disturbed without the express consent of the landholder.

Mineral exploration programs

Access

The Company utilises existing tracks for access where possible.

Climatic conditions are considered when assessing areas to avoid access during extreme conditions such as during bush fire risk during hot, windy conditions and damage to tracks after heavy rain.

Surface disturbances are kept to a minimum.

Drilling

Drilling programs include rehabilitation and where possible holes are positioned in areas requiring little or no clearing. Small, manoeuvrable drill rigs are used to minimise the need for track clearing and to reduce ground compaction. Where required, topsoil is removed and stored separately so that it can be replaced during rehabilitation of the site. Ground sheets are used where required to avoid oil/fuel spills contaminating the soil.

Rehabilitation

Drill sites are rehabilitated as soon as practicable and drill holes are filled and capped where necessary. Landholders are asked to confirm at the end of each program that exploration has been conducted to their satisfaction and that sites have been rehabilitated.

INDEMNIFYING OFFICERS OR AUDITOR

The Group has agreed to indemnify all the directors and executive officers for any costs or expenses that may be incurred in defending civil and criminal proceedings that may be brought against them in their capacity as directors and officers for which they may be held personally liable.

A confidentiality clause in the insurance contract prohibits disclosure of the amount of the premium and the nature of insured liabilities.

The Company has not entered into any agreement to indemnify BDO Audit (WA) Pty Ltd against any claims by third parties arising from their report on the annual financial report.

AUDITOR

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Details of the amounts paid or payable to the auditor BDO Audit (WA) Pty Ltd and related entities for audit and non-audit services provided during the year are set out in Note 7 to the financial Statements.

CORPORATE GOVERNANCE STATEMENT

Force Commodities Limited and its controlled entities (the Group) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders.

The Directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period. The Company has disclosed this information on its website at https://forcecommodities.com.au/corporategovernance. The Corporate Governance Statement is current as at 31 December 2018, and has been approved by Directors.

The Company website at www.forcecommodities.com.au contains a corporate governance section that includes copes of the Company's corporate governance charters and policies.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 20 for the year ended 31 December 2018.

This report is made in accordance with a resolution of directors.

Mr Jason Brewer
Managing Director
Perth, Western Australia
29 March 2019

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Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF FORCE COMMODITIES LIMITED

As lead auditor of Force Commodities Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Force Commodities Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 29 March 2019

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 $	2017 $
Continuing Operations			
Interest income	5	**21,331**	**16,602**
Other income	5	**28,526**	**287,338**
Administrative expenses	6a	(557,591)	(834,669)
Consulting and staff costs	6a	(624,871)	(707,835)
Depreciation	6a	(44,940)	(3,976)
Share based payments	6a	(159,950)	(523,450)
Change in fair value of investments		(517,500)	-
Impairment	13	(9,059,547)	(2,878,351)
Finance costs	6b	(2,464)	(6,973)
Loss before income tax expense		**(10,917,006)**	**(4,651,314)**
Income tax expense		-	-
Loss for the year		**(10,917,006)**	**(4,651,314)**
Total comprehensive loss for the year is attributed to:			
Loss attributable to owners		**(8,897,779)**	**(4,630,597)**
Non-controlling interests		**(2,019,227)**	**(20,717)**
Total comprehensive loss for the year		**(10,917,006)**	**(4,651,314)**
Loss per share			
Basic and diluted loss per share (cents per share)		**(2.16)**	(1.94)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	2018 $	2017 $
ASSETS			
Current assets			
Cash and cash equivalents	9	399,151	3,524,376
Trade and other receivables	10	213,684	308,302
Financial assets	11	120,000	637,500
Total current assets		**732,835**	**4,470,178**
Non-current assets			
Prepayments	12	-	6,068,758
Exploration and evaluation	13	-	-
Plant and equipment	15	253,186	7,893
Security Deposits		56,538	-
Total non-current assets		**309,724**	**6,076,651**
Total assets		**1,042,559**	**10,546,829**
LIABILITIES			
Current liabilities			
Trade and other payables	16	516,520	119,756
Employee benefits provision	17	-	35,729
Total current liabilities		**516,520**	**155,485**
Total liabilities		**516,520**	**155,485**
Net (liabilities)/assets		**526,039**	**10,391,344**
Equity			
Issued capital	18	39,262,831	34,796,331
Reserves	20	4,365,161	8,052,711
Accumulated losses		(43,080,800)	(34,183,021)
		547,192	8,666,021
Non-Controlling interest	21	(21,153)	1,725,323
Total equity		**526,039**	**10,391,344**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 $	2017 $
Cash flows from operating activities			
Interest received		21,331	16,602
Other income		25,001	18,351
Payments to suppliers and employees		(808,757)	(1,912,388)
Interest paid		(2,404)	(5,746)
GST refunds		85,413	-
R&D grant (net of costs)		-	88,987
Net cash flows used in operating activities		**(679,416)**	**(1,794,194)**
Cash flows from investing activities			
Proceeds from sale of investments		-	125,000
Payments for exploration and evaluation		(2,490,038)	(868,709)
R&D Grant offset against exploration and evaluation		-	125,887
Proceeds from sale of plant and equipment		-	13,636
Purchase of plant and equipment		(290,233)	(3,248)
Redemption of performance bonds		-	77,000
Redemption/(payment) for term deposit		(56,538)	90,000
Payments for equity investments		-	(7,500)
Net cash flows used in investing activities		**(2,836,809)**	**(447,934)**
Cash flows from financing activities			
Proceeds from issue of shares		391,000	5,170,453
Share issuing costs		-	(80,427)
Net cash flows from financing activities		**391,000**	**5,090,026**
Net (decrease)/increase in cash and cash equivalents		(3,125,225)	2,847,898
Cash and cash equivalents at beginning of year		3,524,376	676,478
Cash and cash equivalents at year end	9	**399,151**	**3,524,376**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total Equity
	$	$	$		$
Balance at 1 January 2018	**34,796,331**	**8,052,711**	**(34,183,021)**	**1,725,323**	**10,391,344**
Comprehensive loss for the year	-	-	(8,897,779)	(2,019,227)	(10,917,006)
Total comprehensive loss for the year	-	-	(8,897,779)	(2,019,227)	(10,917,006)
Transactions with owners in their capacity as owners					
Non-controlling interests on acquisition of subsidiary	-	-	-	272,751	272,751
Share options exercised	391,000	-	-	-	391,000
Issue of shares as consideration for asset acquisition	4,075,500	(3,847,500)	-	-	228,000
Share based payments	-	159,950	-	-	159,950
Balance at 31 December 2018	**39,262,831**	**4,365,161**	**(43,080,800)**	**(21,153)**	**526,039**
Balance at 1 January 2017	**29,706,305**	**3,681,761**	**(29,552,424)**	**(770)**	**3,834,872**
Comprehensive loss for the year	-	-	(4,630,597)	(20,717)	(4,651,314)
Total comprehensive loss for the year	-	-	(4,630,597)	(20,717)	(4,651,314)
Transactions with owners in their capacity as owners					
Non-controlling interests on acquisition of subsidiary	-	-	-	1,746,810	1,746,810
Issue of securities	5,170,453	-	-	-	5,170,453
Security issue costs	(80,427)	-	-	-	(80,427)
Issue of Shares as consideration for Asset Acquisition	-	3,847,500	-	-	3,847,500
Share based payments	-	523,450	-	-	523,450
Balance at 31 December 2017	**34,796,331**	**8,052,711**	**(34,183,021)**	**1,725,323**	**10,391,344**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONTENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

(i) Statement of Compliance

This financial report complies with Australian Accounting Standards which include International Financial Reporting Standards as adopted in Australia. Compliance with these standards ensures that the consolidated financial statements and notes as presented comply with the International Financial Reporting Standards (**IFRS**).

(ii) Historical cost convention

These financial statements have been prepared on an accruals basis and are based on the historical cost convention except where noted in these accounting policies.

(iii) Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

During the year the Group incurred a net loss of $10,917,006 (2017: $4,651,314) and incurred net cash outflows from operating activities of $679,416 (2017: $1,794,194). The Group had a net working capital surplus of $96,315 (2017: $3,677,193) and trade and other payables of $516,520 (2017: $119,756) at reporting date.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe that as at the date of this report there are reasonable grounds to believe that the Group will continue as a going concern for the following reasons:

- The Group is cutting costs across the board and is monitoring expenditure closely;
- The Group is considering the disposal of non-core assets to raise funds;
- The Group has a proven history of successfully raising capital as required; and
- The Group also has the ability to reduce its expenditure to conserve cash.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and liabilities that might be necessary should the entity not continue as a going concern.

The Group has cash reserves of $0.4 million at 31 December 2018 and has prepared a budget that demonstrates that it has sufficient cash reserves to funds its planned exploration programs over the course of the next fifteen months. If required, the Group has the ability to raise further capital and/or to defer additional exploration expenditure or divest assets in the event that the terms of an equity raising are not considered suitable to the Group.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Force Commodities Limited (the **parent entity**) as at reporting date and the results of all subsidiaries for the year then ended. Force Commodities Limited and its subsidiaries together are referred to in this financial report as the **Group**.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities generally accompanying a shareholding of more than one-half of the voting rights. The existence and

effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The financial performance of those activities is included only for the period of the year that they were controlled.

The acquisition method of accounting is used to account for business combinations by the Group (refer (ii) below).

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.
All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(iii) Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(a) the consideration transferred;

(b) any non-controlling interest; and

(c) the acquisition date fair value of any previously held equity interests over the acquisition date fair value of net assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity holdings shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The purchase method of accounting is used to account for the acquisitions of subsidiaries by the Group.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(c) Share-based Payment Transactions for the acquisition of goods and services

Share-based payment arrangements in which the Group receives goods or services as in exchange for its own equity instruments are accounted for as equity-settled share-based payment transactions. The Group measures the value of equity instruments granted at the fair value of the goods and services received, unless that fair value cannot be measured reliably.

If the fair value of the goods or services cannot be measured reliably, the transaction is measured by reference to the fair value of the instruments granted.

The calculation of fair value of equity instruments at the date at which they are granted is determined using a Black-Scholes option pricing model, calculation of the fair value involves estimations of the relevant inputs to the pricing model.

(d) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost. Financial liabilities in the former category include contingent consideration payable on business combinations, financial liabilities in the latter category include trade payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Fair value is determined based on the value of the entity's equity instruments when the related business combination takes place.

Subsequent measurement

The measurement of financial liabilities depends on the classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are subsequently measured, at each reporting date, at the fair value of the amount estimated to settle the liability. The increase or decrease in the value of the liability, other than the movements in the value of the liability which arise through part settlement of the liability is recognised in the profit or loss.

Financial liabilities at amortised cost

Trade and other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the entity. Trade accounts payable are normally settled within 60 days.

(e) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. Reporting to management by segments is on this basis.

(f) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer. Revenue is recognised for the major business activities as follows:

Interest Revenue

Interest revenue is recognised as it accrues taking into account the effective yield on the financial asset.

Other Income

Income from other sources is recognised when proceeds or the fee in respect of other products or service provided is receivable. All revenue is stated net of the amount of goods and services tax (GST).

Research & Development (R&D) incentives refundable

Companies within the Group may be entitled to claim R&D refundable tax offsets for the investment in qualifying assets. R&D tax incentives are only recognised by the Group when all conditions attached to the R&D incentive have been complied with and the grant will be received. The Group accounts for R&D refundable tax incentives by offsetting the refund against the original expenditure or capitalised evaluation and exploration asset.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is

able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Company and its wholly owned entities are part of a tax-consolidated group under Australian taxation law. Force Commodities C Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

The amounts receivable/payable under tax funding arrangements are due upon notification by the entity which is issued soon after the end of each financial year. Interim funding notices may also be issued by the head entity to its wholly owned subsidiary. These amounts are recognised as current intercompany receivables or payables.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.
- the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis except for the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting period. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and in at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months, net of bank overdrafts.

(k) Financial assets

Classification

From January 1, 2018, the Group classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments: Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

These include trade and other receivables and financial assets at amortised cost

- Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains or losses. Impairment losses are presented as separate line items in the statement of profit or loss.

- FVPL:

Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments: The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal

of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value

Impairment

From 1 January 2018, the Group assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(l) Property, plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and other Comprehensive Income during the financial period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight line, over their estimated useful lives, as follows:

- Plant and equipment 5 – 15 years (depreciation rate 6.7% to 20%)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Tenement exploration, valuation and development costs

Costs incurred in the exploration for, and evaluation of, tenements for suitable resources are carried forward as assets provided that one of the following conditions is met:

- the carrying values are expected to be justified through successful development and exploitation of the area of interest; or
- exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable mineral resources, and active and significant operations in relation to the area are continuing.

Expenses failing to meet at least one of the aforementioned conditions expensed as incurred.

Costs associated with the commercial development of resources are deferred to future periods, provided they are, beyond any reasonable doubt, expected to be recoverable. These costs are amortised from the commencement of commercial production of the product to which they relate on a straight-line basis over the period of the expected benefit. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(o) Contributed equity

Ordinary shares are classified as equity.

(p) Share based payments

Ownership-based remuneration is provided to employees via an employee share option plan. Share-based compensation is recognised as an expense in respect of the services received, measured on a fair value basis.

The fair value of the options at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(q) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for costs of servicing equity (other than dividends), the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Parent Entity Financial Information

The financial information for the parent entity, Force Commodities Limited, has been prepared on the same basis.

(s) Accounting policy choice for non-controlling entities

The Group recognises non-controlling interest in an acquired entity either at a fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on an acquisition-by-acquisition basis.

(t) Foreign currency translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using average exchange rates for the period, or where possible, the exchange rates prevailing at the date of the

transaction. Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate.

Group companies

The functional currency of the overseas subsidiaries is US dollars. The Board of Directors assesses the appropriate functional currency of these entities on an ongoing basis.

(u) Changes in Accounting Policies and Accounting Standards

In the current reporting year, the Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the current reporting period. The adoption of the following new and revised Standards and Interpretations which became effective on 1 January 2018 has not resulted in a significant or material change to the Group's accounting policies, except for *AASB 9 Financial Instruments*.

***AASB 15 Revenue from Contracts with Customers*.**

The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company, being in exploration and evaluation of mining properties has not derived any revenue, and the adoption of this standard has no material impact on the financial statements of the Company.

AASB 9 Financial Instruments – Accounting policies applied from January 1, 2018

The following explains the impact of the adoption of *AASB 9 Financial Instruments* on the Company's financial statement and discloses the new accounting policies that have been applied from January 1, 2018, where they are different to these applied in prior reporting periods.

As a result of the changes in the Company's accounting policies, there was no material impact on the balance sheet as at 31 December 2018.

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Refer to note 1(k) for revised accounting principles.

(v) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 31 December 2018. At this time the following standards and interpretations may have an impact, but the extent of this is not expected to be material:

- *AASB 16 Leases.*
  AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.
  The accounting for lessors will not significantly change.
  The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The group does not intend to adopt the standard before its effective date.

At this time the following interpretation may have an impact, but the extent of this has not been determined:

- *IFRIC 23 Uncertainty over Income Tax Treatments*.

  The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 Income Taxes when there is uncertainty over income tax treatments. Effective for annual periods beginning on or after 1 January 2019. New Accounting Policies and Accounting Standards and Interpretations issued, but some not yet applicable at 31 December 2018.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of deferred exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of interest is current. These costs are carried forward in respect of an area which has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The Board and Management have assessed the carrying value of the Exploration and Evaluation Expenditure in relation to the Kitotolo Lithium Project and the Kanuka Lithium Production Project and has determined that they are impaired. Refer Note 13 for movements in the exploration and expenditure balance.

(b) Share based payment transactions

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date which they are granted. The fair value is determined by an internal valuation using a Black-Scholes pricing model.

(c) Tax in foreign jurisdictions

The Consolidated Entity operates in overseas jurisdictions and accordingly is required to comply with the taxation requirements of those relevant countries. This results in the consolidated entity making estimates in relation to taxes including but not limited to income tax, goods and services tax, withholding tax and employee income tax. The consolidated entity estimates its tax liabilities based on the consolidated entity's understanding of the tax law. Where the final outcome of these matters is different from the amounts initially recorded, such differences will impact profit or loss in the period in which they are settled.

(d) Asset Acquisition

The Consolidated Entity has determined that the acquisition of a controlling interest in the Kanuka Lithium Production Project is not deemed a business acquisition. The transaction has been accounted for as an asset acquisition. In assessing the requirements of AASB 3 *Business Combinations*, the Consolidated Entity has determined that the assets acquired do not constitute a business.

The principal assets acquired consist of the right to explore granted Exploration License PR 4100 and Mining Licence PE 13082 in the DRC.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transactions costs of the acquisition are included in the capitalised cost of the asset.

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

The consolidated entity's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the consolidated entity. The consolidated entity also has other financial instruments such as other receivables and creditors which arise directly from its operations. For the year under review, it has been the consolidated entity's policy not to trade financial instruments. The main risks arising from the consolidated entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated	**Weighted Average Interest Rate**	**Floating Interest Rate**	**Fixed Interest**	**Non-Interest Bearing**	**Total**
2018	**%**	**$**	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	0.42%	**399,151**	-	-	**399,151**
		399,151	-	-	**399,151**

Consolidated	**Weighted Average Interest Rate**	**Floating Interest Rate**	**Fixed Interest**	**Non-Interest Bearing**	**Total**
2017	**%**	**$**	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	0.48%	**3,524,376**	-	-	**3,524,376**
		3,524,376	-	-	**3,524,376**

The maturity date for cash included in the above tables is less than one year from the reporting date.

(i) Sensitivity Analysis

The Group's main interest rate risk arises from cash and cash equivalents with various variable interest rates. At 31 December 2018 and 31 December 2017, the Group's exposure to interest rates risk is not deemed material.

(b) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. All cash is held with financial institutions with a credit rating of -AA or above.

The maximum exposure to credit risk at reporting date is as follows:

	2018 $	2017 $
Cash and cash equivalents (note 9)	399,151	3,524,376
Trade and other receivables (note 10)	213,684	308,302
Financial and other assets (note 11)	120,000	637,500
Balance at the end of the year	**732,835**	**4,470,178**

(c) Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from exploration commitments in currencies other than the Group's presentational currency (Australian dollars).

The group operates internationally and is exposed to foreign currency exchange risk from currency exposure to the US Dollar (USD). The Group has not yet formalized a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements and retains the right to withdraw from foreign currency commitments.

(d) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments that is, borrowing repayments. There is no bank borrowing at the reporting date. The Group manages liquidity risk continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of underlying businesses, the Group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. The current trade and other payables are due and payable within 60 days.

Maturity Analysis of Financial Liabilities	**Carrying Amount** $	**< 6 Months** $	**6-12 Months** $	**1-3 Years** $	**Contractual Cash Flows** $
Balance at 31 December 2018					
Financial Liabilities					
Current					
Trade and other payables (note 16)	485,520	485,520	-	-	485,520
Accrued payable (note 16)	31,000	31,000	-	-	31,000
Total financial liabilities	**516,520**	**516,520**	**-**	**-**	**516,520**
Balance at 31 December 2017					
Financial liabilities					
Current					
Trade and other payables (note 16)	88,756	88,756	-	-	88,756
Employee provisions (note 17)	35,729	35,729	-	-	35,729
Accrued payable (note 16)	31,000	31,000	-	-	31,000
Total financial liabilities	**155,485**	**155,485**	**-**	**-**	**155,485**

(e) Capital risk management

The Group considers its capital to comprise its ordinary share capital and reserves. In managing its capital, the Group's primary objectives are to pay dividends and maintain liquidity. These objectives dictate any adjustments to capital structure. Rather than set policies, advice is taken from professional advisors as to how to achieve these objectives. There has been no change in either these objectives, or what is considered capital in the year.

(f) *Market risk*

Sensitivity

The table below summarises the impact of increases/decreases of these two indexes on the Group's equity and post-tax profit for the period. The analysis is based on the assumption that the equity indexes had increased by 9% and 7% respectively or decreased by 6% and 5% with all other variables held constant, and that all the group's equity instruments moved in line with the indexes

	Impact on profit	
	2018	**2017**
	$	**$**
Australian Stock Exchange 200 – increase 9% (2017 – 7.5%)	10,800	47,812
Australian Stock Exchange 200 – decrease 6% (2017 - 4%)	(7,200)	(25,500)

Post-tax profit for the period would increase/decrease as a result of gains/losses on equity securities classified as at FVPL. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as at FVOCI.

Amounts recognised in profit or loss and other comprehensive income

The amounts recognised in profit or loss and other comprehensive income in relation to the various investments held by the group are disclosed in note 11.

4. SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on geographical location, with the consolidated entity having operated in two locations: Australia and the Democratic Republic of Congo (DRC).

Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Activity by segment

Exploration DRC

The Exploration DRC segment includes the following exploration projects:

- Kitotolo Lithium Project in DRC; and
- Kanuka Lithium Production Project in DRC

Exploration Australia

The Exploration Australia segment includes the following exploration projects:

- Mt Adrah Gold Project in New South Wales
- Halls Peak Base Metals Project in New South Wales
- Rocky River – Uralla Gold Project in New South Wales

The following table presents the revenue, profit and selected balance sheet information for the Group's reportable segments for the year ended 31 December 2018.

2018	**Exploration Australia $**	**Exploration DRC $**	**Corporate $**	**Total $**
Segment performance				
Segment revenue	-	**-**	**49,857**	49,857
Segment result	**(39,559)**	**(9,098,094)**	**(1,779,353)**	**(10,917,006)**
Segment assets				
Cash	5,607	268	393,276	399,151
Other assets	85,759	319,167	238,482	643,408
Total segment assets	**91,366**	**319,435**	**631,758**	**1,042,559**
Segment liabilities				
Trade payables	706	-	441,519	442,225
Employee benefits provision	-	-	-	-
Other liabilities	16,553	30,482	27,260	74,295
Total segment liabilities	**17,259**	**30,482**	**468,779**	**516,520**

The following table presents the revenue, profit and selected balance sheet information for the Group's reportable segments for the year ended 31 December 2017.

2017	Exploration Australia	Exploration DRC $	Exploration US $	Corporate $	Total $
Segment performance					
Segment revenue	134,623	-	-	169,317	**303,940**
Segment result	**(2,877,862)**	**-**	**(37,934)**	**(1,735,518)**	**(4,651,314)**
Segment assets					
Cash	4,348		-	3,520,028	**3,524,376**
Exploration and evaluation		6,068,758	-	-	**6,068,758**
Other assets	84,761	133,807	-	735,127	**953,695**
Total segment assets	**89,109**	**6,202,565**	**-**	**4,255,155**	**10,546,829**
Segment liabilities					
Trade payables	706		-	88,050	**88,756**
Employee benefits provision	10,553	-	-	25,176	**35,729**
Other liabilities	6,000		-	25,000	**31,000**
Total segment liabilities	**17,259**	**-**	**-**	**138,226**	**155,485**

5. OTHER INCOME

	2018 $	2017 $
Other income		
Interest income	21,331	16,602
Change in fair value of assets	-	114,364
R&D (previous held subsidiary and tenements)	-	88,987
Other refunds	-	32,000
Sundry income	28,526	38,351
Proceeds on disposal of plant	-	13,636
Total other income	**49,857**	**303,940**

6. EXPENSES

	2018 $	2017 $
Loss/(profit) before income tax includes the following specific expenses:		
a) Administration and exploration expenses		
Directors fees and related on-costs	249,231	547,623
Consulting and professional fees	478,979	663,509
Exploration expenses not capitalised	-	59,459
Depreciation and amortisation	44,940	3,976
Share based payment	159,950	523,450
Other administrative expenses	454,252	271,914
Total Administration and exploration expenses	**1,387,352**	**2,069,930**
b) Finance expenses		
Interest	1,146	-
Other expenses	1,318	6,973
Total finance expenses	**2,464**	**6,973**

7. REMUNERATION OF AUDITORS

Auditing or reviewing the financial statements:		
BDO Audit (WA) Pty Ltd	47,460	63,493
Non assurance services	-	23,235
Total auditor's remuneration	**47,460**	**86,728**

	2018 $	2017 $
8. INCOME TAX		
a) The components of tax expense comprise:		
Current income tax:		
Income tax expense on adjustments in respect of current income tax of previous years	-	-
Deferred income tax:		
Relating to origination & reversal of temporary differences	-	-
Prior year tax losses no longer recognised	-	-
Adjustments in respect of deferred income tax of previous years	-	-
Income tax expense reported in the statement of comprehensive income	**-**	**-**
b) Numerical reconciliation between aggregate tax expense recognised in the income statement and the tax expense calculated in the statutory income tax return		
Accounting loss before tax	(10,917,006)	(4,651,314)
Total accounting loss before tax	**(10,917,006)**	**(4,651,314)**
Prima facie income tax expense @ 27.5%	(3,002,177)	(1,279,111)
Tax effect of:		
Permanent differences	186,299	126,640
Timing differences not brought to account	9,949,225	7,981,631
Other non-allowable items	-	-
Tax losses not brought to account	(7,133,347)	(6,829,160)
Aggregate income tax expense	**-**	**-**
c) Unrecognised deferred tax assets and liabilities		
Deferred tax assets and liabilities that have not been recognised in respect of the following items:		
Provisions and accruals	8,525	18,350
Capital raising costs recognised directly in equity	-	22,118
Deferred tax liability in respect of exploration activities not recognised to the extent of unrecognised deferred tax asset	2,491,375	569,003
Revenue loss	3,558,715	3,481,550
Capital loss	3,890,610	3,890,610
	9,949,225	**7,981,631**

The deferred tax asset on the unused cumulative 2018 tax loss of $12,940,783 (2017: $12,660,183) has not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if the conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit. The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise these benefits.

9. CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank and in hand	399,151	3,524,376
Cash and cash equivalents	**399,151**	**3,524,376**

(a) Cash at bank and in hand

Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.0% and 0.5% (2017: 0.0% and 0.5%). Refer to Note 3 for the Group's exposure to interest rate and credit risk.

10. TRADE AND OTHER RECEIVABLES

CURRENT		
Receivables - other parties	89,329	1,180
Receivables - tenement deposits	83,000	83,000
Receivables - GST	3,701	50,315
Prepayments	10,949	40,000
Other - monies held in trust	26,705	133,807
Total current trade and other receivables	**213,684**	**308,302**

(a) Impaired receivables and receivables past due

None of the current receivables are impaired or past due but not impaired.

(b) Receivable – tenement deposit

Largely relates to tenement deposits held with Department of Industry NSW.

(c) Interest rate risk

Refer to Note 3 for information about the Group's exposure to interest rate risk in relation to trade and other receivables.

(d) Fair value and credit risk

Current trade and other receivables

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

Non-current trade and other receivables

There were no non-current trade and other receivables.

	2018 $	2017 $
11. FINANCIAL AND OTHER ASSETS AND FAIR VALUE MEASUREMENT		
CURRENT		
Investments in listed securities at fair value	120,000	637,500
Total financial and other assets	**120,000**	**637,500**

Fair value measurement

Fair value hierarchy

The following table details the consolidated entity's assets measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Unobservable inputs for the asset or liability.

	Level 1 $	Level 2 $	Level 3 $	Total $
Consolidated 31 December 2018				
Financial Assets at fair value through profit or loss	120,000	-	-	**120,000**
	120,000	-	-	**120,000**
Consolidated 31 December 2017				
Financial Assets at fair value through profit or loss	637,500	-	-	637,500
	637,500	-	-	**637,500**

	2018 $	2017 $
12. PREPAYMENTS		
NON-CURRENT		
Prepayment - Project exploration costs	-	246,058
Prepayment - Project acquisition costs	-	5,822,700
Total prepayments	**-**	**6,068,758**

Prepayment – Kitotolo Lithium Project Acquisition Costs

The transfer of licences underlying the Kitotolo Lithium Project from Cominiere SA to the COMFORCE SA joint venture were not recorded in the DRC Mines Department at 31 December 2017.

As a consequence, the acquisition costs and other costs incurred by the company were recognised as a prepayment. Upon the licences being formally recognised under the ownership of COMFORCE SA

joint venture the costs were transferred to exploration and evaluation expenditure. Refer Note 13 for further details.

13. EXPLORATION & EVALUATION	2018 $	2017 $
Balance as at 1 January	-	2,669,434
Capitalised exploration acquisition – Kanuka (Refer Note 14)	556,635	-
Capitalised exploration acquisition - Kitotolo	5,822,700	-
Capitalised exploration expenditure - Kitotolo	1,660,814	-
Capitalised exploration expenditure - Kanuka	1,019,398	-
Capitalised exploration expenditure	-	334,804
R&D Grant credit	-	(125,887)
Impairment expense (1)	(9,059,547)	(2,878,351)
Balance as at end of year	**-**	**-**

1) Impairment indicators in AASB 6 are considered on a project by project basis as at 31 December 2018. Due to the stage at which the Company's exploration projects are at and in the absence of any exploration plans and budget for its DRC projects (Kitotolo Lithium Project and Kanuka Lithium Production Project) it was necessary for the Company to undertake an impairment test.

In the absence of an offer to purchase from a third party and because the assets are not traded in an active market there is no basis for making a reliable estimate of the amount obtainable from the sale of any the projects in an arm's length transaction between knowledgeable and willing parties, the fair value of the exploration projects under Australian Accounting Standards is deemed nil, As a consequence, an impairment expense of $9,059,547 has been recognised.

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the consolidated entity's rights to tenure of the areas of interest;
- the results of future exploration;
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale; and
- no significant changes in laws and regulations that greatly impact the company's ability to maintain tenure.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

14. ASSET ACQUISITION

Acquisition of a 51% interest in the Kanuka Lithium Production Project, DRC

On 27 March 2018, the Consolidated Entity executed a joint venture agreement relating to the acquisition of a 51% interest in the Kanuka Lithium Production Project, comprising granted Mining License (PE13082) and Exploration Licence (PR4100). Subsequently, on 25 May 2018, the joint venture company, Min Force SAS was incorporated, and the Consolidated Entity issued its shares. The acquisition was completed through the following:

	2018 $
Purchase consideration	
Cash payments	55,884
Equity consideration issued - First Tranche (2,000,000 shares at $0.057) – refer note 18	114,000
Equity consideration issued - Second Tranche (2,000,000 shares at $0.057) – refer note 18	114,000
	283,884
Net assets acquired	
Exploration costs capitalised	556,635
Less: Non-controlling interest	(272,751)
	283,884

Kanuka Lithium Production Project – Acquisition Terms

Pursuant to the Joint Venture Agreement (JV Agreement) executed with Kanuka Mining Company SPRL (Kanuka) and Mining Mineral Resources SPRL (MMR) whereunder Kanuka is a subsidiary of MMR and holds a 100% interest in the Kanuka Lithium Production Project dated 27 March 2018, Force agreed to pay the following consideration in relation to the acquisition of a 51% interest in the Kanuka Lithium Production Project:

Event	Consideration	Relevant Conditions (if any)
At Completion	2,000,000 Shares	Upon the completion of due diligence, election to proceed, execution of Formal Agreements, ministerial consent, government, regulatory and third party approvals, and the incorporation of the joint venture company.
With 3 months of Completion	2,000,000 Shares	With 3 months of Completion
Performance Milestone 1	8,000,000 Shares	Upon completion of a JORC compliant resource of up to 250,000 tonnes of contained lithium
Performance Milestone 2	12,000,000 Shares	Upon completion of a JORC compliant resource of over 250,000 tonnes and less than or equal to 500,000 tonnes of contained lithium
Performance Milestone 3	16,000,000 Shares	Upon completion of a JORC compliant resource of over 500,000 tonnes and less than or equal to 1,000,000 tonnes of contained lithium
Performance Milestone 4	20,000,000 Shares	Upon completion of a JORC compliant resource of in excess of 1,000,000 tonnes of contained lithium
Production Royalty	2.5%	On commercial production

On 25 May 2018, the Company and its DRC subsidiary, Force Commodities DRC SAU, together with MMR and Kanuka, executed the documentation that facilitated the establishment of a newly incorporated joint venture company – MIN Force SAS (51% Force Commodities DRC SAU / 49% Kanuka).

On 14 June 2018, the Company issued the First Tranche of Shares as set out in the JV Agreement being 2,000,000 shares to Kanuka's nominee.

On 14 September 2018, the Company issued the Second Tranche of Shares as set out in the JV Agreement being 2,000,000 shares to Kanuka's nominee.

For the purposes of assessing fair value of the asset acquisition, fair value of the Acquisition Shares is based on the date the joint venture was incorporated, being a deemed price of $0.057.

The consideration due under Performance Milestone 1, Performance Milestone 2, Performance Milestone 3, Performance Milestone 4 and the Production Royalty are not due nor is it probable as at 31 December 2018. For this reason, they are recognised as a Contingent Liability – refer Note 29.

	2018 $	2017 $
15. PLANT & EQUIPMENT		
Plant & equipment at cost	301,204	10,972
Accumulated depreciation	(48,018)	(3,079)
Total plant & equipment	**253,186**	**7,893**
Reconciliation of carrying amounts		
Plant and equipment		
Balance at beginning of period	7,893	8,622
Additions	290,233	3,247
Disposals	-	-
Impairment	-	-
Depreciation	(44,940)	(3,976)
Balance at end of period	**253,186**	**7,893**

16. TRADE AND OTHER PAYABLES		
Trade payables	472,704	88,756
Employee related payables	12,816	-
Other payables	31,000	31,000
Total trade and other payables	**516,520**	**119,756**

17. EMPLOYEE BENEFITS PROVISIONS		
Current		
Provision for employee benefits	-	35,729
Total current employee provisions	**-**	**35,729**

18. ISSUED CAPITAL

	2018 $	2017 $
a) Issued and paid up capital		
Ordinary shares fully paid	39,262,831	34,796,331
	Number of Shares	**Number of Shares**
Ordinary shares fully paid	423,915,868	340,353,369

b) Movement in shares on issue

	Issue Date	Number of Shares	$
Balance at 1 January 2017		**177,032,738**	**29,706,305**
Share placement	16/01/2017	37,924,800	948,120
Share placement	24/07/2017	53,666,666	805,000
Shares - in lieu of payment	15/11/2017	2,750,000	110,000
Exercise of options	20/11/2017	1,833,333	58,667
Exercise of options	27/11/2017	250,000	8,000
Exercise of options	11/12/2017	250,000	8,000
Exercise of options	11/12/2017	5,000,000	175,000
Exercise of options	11/12/2017	312,500	15,000
Share placement	18/12/2017	60,000,000	3,000,000
Exercise of options	19/12/2017	1,333,332	42,667
Capital raising costs		-	(80,427)
Balance at 31 December 2017		**340,353,369**	**34,796,332**
Balance at 1 January 2018		**340,353,369**	**34,796,331**
Exercise of options	16/01/2018	7,541,666	241,333
Exercise of options	22/01/2018	312,500	15,000
Exercise of options	22/01/2018	2,208,333	70,667
Exercise of options	15/02/2018	1,000,000	32,000
Share issue – acquisition consideration 70% interest in Kitotolo Lithium Project	15/02/2018	67,500,000	3,847,500
Exercise of options	26/02/2018	1,000,000	32,000
Share issue – acquisition consideration 51% interest in Kanuka Lithium Production Project – First Tranche	14/06/2018	2,000,000	114,000
Share issue – acquisition consideration 51% interest in Kanuka Lithium Production Project – Second Tranche	14/09/2018	2,000,000	114,000
Capital raising costs		-	-
Balance at 31 December 2018		**423,915,868**	**39,262,831**

19. OPTIONS

2018 share option details as follows:

Issue Date	Expiry Date	Exercise Price	Balance at start of year	Granted during year	Exercised during year	Lapsed during year	Consolidation Adjustment	Balance at end of year
12/10/2017	30/06/2019	3.2 cents	23,166,661	-	(2,999,999)	-	-	20,166,662
30/06/2016	30/06/2019	3.2 cents	15,000,000	-	(8,750,000)	-	-	6,250,000
12/10/2017	30/06/2019	3.5 cents	10,000,000	-	-	-	-	10,000,000
5/08/2016	5/08/2019	4.8 cents	1,250,000	-	(312,500)	-	-	937,500
14/11/2017	1/07/2020	6.0 cents	2,000,000	-	-	-	-	2,000,000
14/11/2017	1/07/2020	8.0 cents	2,000,000	-	-	-	-	2,000,000
25/05/2018	30/06/2020	10.0 cents	-	2,500,000	-	-	-	2,500,000
25/05/2018	19/02/2019	5.7 cents	-	600,000	-	-	-	600,000
25/05/2018	19/02/2020	5.7 cents	-	600,000	-	-	-	600,000
25/05/2018	19/02/2021	5.7 cents	-	600,000	-	-	-	600,000
			53,416,661	**4,300,000**	**(12,062,499)**	**-**	**-**	**45,654,162**

2017 share option details as follows:

Issue Date	Expiry Date	Exercise Price	Balance at start of year	Granted during year	Exercised during year	Lapsed during year	Consolidation Adjustment	Balance at end of year
12/10/2017	30/06/2019	3.2 cents	-	26,833,326	(3,666,665)	-	-	23,166,661
30/06/2016	30/06/2019	3.2 cents	15,000,000	-	-	-	-	15,000,000
12/10/2017	30/06/2019	3.5 cents	-	15,000,000	(5,000,000)	-	-	10,000,000
5/08/2016	5/08/2019	4.8 cents	1,562,500	-	(312,500)	-	-	1,250,000
14/11/2017	1/07/2020	6.0 cents	-	2,000,000	-	-	-	2,000,000
14/11/2017	1/07/2020	8.0 cents	-	2,000,000	-	-	-	2,000,000
			16,562,500	**45,833,326**	**(8,979,165)**	**-**	**-**	**53,416,661**

	2018 $	2017 $
20. RESERVES		
a) Equity payment reserve		
Balance at 1 January	5,510,782	1,139,832
Acquisition shares - Kitotolo Project	(3,847,500)	3,847,500
Share based payment	159,950	-
Equity based payment	-	523,450
Balance at 31 December	**1,823,232**	**5,510,782**
b) Acquisition reserve		
Balance at 1 January	2,541,929	2,541,929
Equity based payment	-	-
Balance at 31 December	**2,541,929**	**2,541,929**

21. NON-CONTROLLING INTEREST		
Balance as at 1 January	1,725,323	(770)
Asset Acquisition – Kitotolo Lithium Project	-	1,746,810
Asset Acquisition – Kanuka Lithium Production Project – refer note 14	272,751	-
Total comprehensive loss attributed to Non-Controlling Interests	(2,019,227)	(20,717)
Balance as at end of year	**(21,153)**	**1,725,323**

22. EARNINGS PER SHARE		
Basic and diluted loss per share (cents per share)	(2.16)	(1.94)
a) Loss used in calculating loss per share		
Net loss attributable to ordinary equity holders of the parent for basic earnings	**(8,897,779)**	(4,630,597)
b) Weighted average number of shares	**No.**	**No.**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**412,560,902**	239,992,306
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**412,560,902**	239,992,306

23. CASH FLOW INFORMATION

	2018 $	2017 $
Net loss after tax	(10,917,006)	(4,651,314)
Non-cash items:		
Depreciation and amortisation	44,940	3,976
Operating exploration expenditure	-	59,459
Change in investment fair value	517,500	(114,364)
Gain on disposal of shares and property plant and equipment	-	(13,636)
Exploration impairment	9,059,547	2,878,351
Provisions	-	17,836
Share based payments	159,950	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	94,618	(134,987)
Increase in other investments	-	(450,000)
Increase in other current assets	-	(47,889)
Decrease in available for sale assets	-	332,991
Increase/(Decrease) in trade and other creditors	396,764	(198,067)
Decrease in provisions	(35,729)	-
Increase in share based payments reserve	-	523,450
Net cash flows used in operating activities	**(679,416)**	**(1,794,194)**

24. SUBSIDIARIES AND NON-CONTROLLING ENTITIES

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in 1(b):

Name of Entity	Class of Shares	Equity Holding		Country of Incorporation
		2018 (%)	2017 (%)	
SOC1 Pty Ltd	Ordinary	100	100	Australia
Biacil Holdings Pty Ltd	Ordinary	100	100	Australia
Hudson SPC Pty Ltd	Ordinary	100	100	Australia
SUGEC Resources Limited	Ordinary	59.5	59.5	Australia
Mount Adrah Gold Limited	Ordinary	99.5	99.5	Australia
Tasman Goldfields NSW Pty Ltd	Ordinary	99.5	99.5	Australia
Mount Adrah Gold Mining Limited	Ordinary	99.5	99.5	Australia
Nevlith Pty Ltd	Ordinary	100	100	Australia
Force Commodities DRC SAU	Ordinary	100	100	DRC
COMFORCE SA	Ordinary	70	70	DRC
MINFORCE SA	Ordinary	51	-	DRC

(b) Non-controlled entities

The following table sets out the summarised financial information for each subsidiary that has non-controlling interests. Amounts disclosed are before intercompany eliminations (AASB 12.B11)

Summarised Statement of	Comforce SA		SUGEC Resources Ltd	
Financial Position	**2018**	**2017**	**2018**	**2017**
Current Assets	-	5,822,700	23,462	23,462
Non-Current Assets	-	-	-	-
Total Assets	**-**	**-**	**23,462**	**23,462**
Current Liabilities	1,889,205	-	706	771
Non-Current Liabilities	-	-	45,913	47,070
Total Liabilities	**1,889,205**	**-**	**46,619**	**47,841**
Net Assets	**(1,889,205)**	**5,822,700**	**(23,157)**	**(24,379)**
Accumulated NCI	**-**	**1,746,810**	**(9,379)**	**(9,873)**

Summarised Statement of	Mount Adrah		Minforce SA	
Financial Position	**2018**	**2017**	**2018**	**2017**
Current Assets	4,905	2,647	-	-
Non-Current Assets	32,000	32,000	-	-
Total Assets	**36,905**	**34,647**	**-**	**-**
Current Liabilities	16,553	16,553	1,075,282	-
Non-Current Liabilities	2,310,970	2,340,894	-	-
Total Liabilities	**2,327,523**	**2,357,447**	**1,075,282**	**-**
Net Assets	**(2,290,618)**	**(2,322,800)**	**(1,075,282)**	**-**
Accumulated NCI	**(11,774)**	**(11,614)**	**-**	**-**

25. RELATED PARTY INFORMATION

(a) Parent entity

The ultimate parent entity within the Group is Force Commodities Limited.

Force Commodities Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

The Company was incorporated as an unlisted public company on 10 August 2010 and successfully listed on the ASX on 3 December 2010.

(b) Subsidiaries

Interests in subsidiaries are disclosed in Note 24.

(c) Key Management Personnel

Key management personnel compensation information is as follows:

Summary remuneration	2018 $	2017 $
Short term employee benefits	518,825	604,680
Post-employment benefits	3,904	31,350
Termination benefits	-	125,571
Share based payments (See Note 27)	159,950	523,450
Total remuneration	**682,679**	**1,285,051**

Details of remuneration disclosures are provided within the audited remuneration report which can be found on pages 11 to 17.

(d) Other transactions with key management personnel

The following transactions occurred with Director related parties:

	2018 $	2017 $
Legal Fees – Bennett & Co[1]	101,416	187,594
Sub Lease – GTT Ventures Pty Ltd	-	19,122
Capital Raising Fees – GTT Ventures Pty Ltd	-	22,740
Total	**101,416**	**229,456**

(1) Mr David Sanders is a Principal of Bennett & Co who provided the Company with legal services during the financial year. All transactions are made on normal commercial terms.

The Company made the following related party transactions with XS Resources Limited which Mr Michael Fry is an Executive Director:

- On the 29 May 2018 the Company entered into an option agreement with XS Resources Limited for the sale of all the issued share capital of SOC1 Pty Ltd, the holder of exploration licence EL4474 which forms part of the Halls Peak Project.

- On the 29 May 2018 the Company entered into an option agreement with XS Resources Limited for the sale of exploration licence EL7679 held by SUGEC Resources Pty Ltd which forms part of the Halls Peak Project.

The Company made payments on behalf of entities that are controlled by Mr Jason Brewer, An Amount of $64,082 from Vector Resources Limited and $13,919 from Winmar Resources Limited are owed to the Company. These transactions are made on normal commercial terms.

(e) Employee Share Option Plan

The company has adopted an Employee Share Option Plan (**ESOP**) for its employees. A person is an employee of the company if that person is an Executive Director, Non-Executive Director or considered by the Board to be employed by the company or a related party of the company.

The purpose of the ESOP is to provide an opportunity for all eligible employees of the company to participate in the growth and development of the company through participation in the equity of Force Commodities Ltd.

Force Commodities Ltd believes it is important to provide incentives to employees in the form of options which provide the opportunity to participate in the share capital of Force Commodities Ltd. The company expects to apply the proceeds of exercise of the Options to working capital needs, asset or business acquisitions and general corporate purposes. All options to be issued must be consistent with any applicable Listing Rules and having regard to regulatory constraints under the *Corporations Act 2001*, ASIC policy or any other law applicable to Force Commodities Ltd.

(f) Options and performance rights

The Company issued 1,800,000 performance rights to Mr Jason Brewer and 2,500,000 director incentive options to Mr Gedeon Pelesa during the 12 months to 31 December 2018 (refer note 27).

	2018 $	2017 $
26. COMMITMENTS		
a) Exploration expenditure commitments		
Minimum tenement exploration expenditure	2,183,703	155,280
Total exploration expenditure commitments	**2,183,703**	**155,280**

The minimum exploration expenditure commitments and lease payments on the Company's exploration tenements total $2,183,703 (December 2017: $155,280) over the remaining term of the tenements. The expenditure commitments as at 31 December 2018 includes commitments for the Kanuka Lithium Production Project of $1,797,503 payable over the next 12 months.

b) Lease expenditure commitments		
No later than one year	133,067	155,280
Longer than one year, but not longer than 5 years	160,580	-
Later than 5 years	-	-
Total exploration expenditure commitments	**293,647**	**155,280**

Operating lease commitments as at 31 December 2018 relate to the lease of office premises for the Company's corporate head office located at 20 Kings Park Road, West Perth.

27. SHARE BASED PAYMENTS

a) Performance Rights

On 25 May 2018 shareholders approved, amongst other matters the issue of a total of 1,800,000 Performance Rights to Mr Jason Brewer the Managing Director of the Company. The Performance Rights were issued on 13 June 2018 and the proportionate value of these Performance Rights applicable to the year ended 31 December 2018 has been recorded as Share Based Payments in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The terms and conditions of the Performance Rights are summarised below:

	Number of Shares	Share Price ($)	Vesting Date	Fair Value
Mr Jason Brewer	600,000	0.057	19/02/2019	34,200
Mr Jason Brewer	600,000	0.057	19/02/2020	34,200
Mr Jason Brewer	600,000	0.057	19/02/2021	34,200

The Performance Rights are subject to Mr Brewer remaining in employment on each of the vesting dates. The amount of $76,950 recognised within the Consolidated Statement of Profit or Loss and Other Comprehensive Income represents the probability of performance rights vesting at reporting date.

b) Director Incentive Options

On 25 May 2018 shareholders approved, amongst other matters the issue of a total of 2,500,000 options to Mr Gedeon Pelesa a Non-executive Director of the Company as part of his remuneration during the year. The options were issued on 13 June 2018 and the proportionate value of these Share Options applicable to the year ended 31 December 2018 has been recorded as Share Based Payments in the Consolidated Statement of Comprehensive Income. The options have an exercise price of $0.10 (i.e. 10 cents) and expire on 30 June 2020.

The assessed fair value of the options was determined using Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price grant date, and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate of the term of the option.

The inputs to the model were:

Dividend Yield	-
Expected volatility (%)	135
Risk-Free interest rate (%)	2.03
Expected life of option (years)	2.10
Option exercise price ($)	0.10
Grant Date	25 May 2018
Share price at grant date ($)	0.057
Value of option ($)	0.0332
Number issued	2,500,000
Total value of options issued ($)	83,000

	Number of Shares	Expiry Date	Fair Value
Mr Gedeon Pelesa	2,500,000	30/06/2020	83,000

28. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, apart from:

On 5 February 2019 Mr David Sanders resigned as Non-Executive Chairman and Mr Jess Oram was appointed as Non-Executive Chairman.

On 5 February 2019 Mr Michael Fry resigned as CFO/Company Secretary and Mr Michael Pitcher was appointed as CFO/Company Secretary.

29. CONTINGENT ASSETS AND LIABILITIES

From time to time the Company may be party to claims from suppliers and service providers arising from operations in the ordinary course of business.

As at the date of this report there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate the company's financial position or results from operations, other than as set out below.

Kanuka Lithium Production Project Joint Venture – Deferred Consideration

Pursuant to the Joint Venture Agreement (JV Agreement) executed with Kanuka Mining Company SPRL (Kanuka) and Mining Mineral Resources SPRL (MMR) whereunder Kanuka is a subsidiary of MMR and holds a 100% interest in the Kanuka Lithium Production Project dated 27 March 2018, Force has the following deferred consideration obligations with respect to the acquisition of a 51% interest in the Kanuka Lithium Production Project:

Event	Consideration	Relevant Conditions (if any)
Performance Milestone 1	8,000,000 Shares	Upon completion of a JORC compliant resource of up to 250,000 tonnes of contained lithium
Performance Milestone 2	12,000,000 Shares	Upon completion of a JORC compliant resource of over 250,000 tonnes and less than or equal to 500,000 tonnes of contained lithium
Performance Milestone 3	16,000,000 Shares	Upon completion of a JORC compliant resource of over 500,000 tonnes and less than or equal to 1,000,000 tonnes of contained lithium
Performance Milestone 4	20,000,000 Shares	Upon completion of a JORC compliant resource of in excess of 1,000,000 tonnes of contained lithium
Production Royalty	2.5%	On commercial production

Kitotolo Lithium Project Joint Venture – Deferred Consideration

Pursuant to its binding Heads of Agreement (HOA) executed with Lithium Age Pty Ltd (LAPL) dated 2 August 2017, Force has the following deferred consideration obligations with respect to the Kitotolo Lithium Project Joint Venture:

Event	Consideration	Relevant Conditions (if any)
Performance Milestone 1	30,000,000 Shares	Upon issuance of an additional exploration licence prospective for Lithium mineralisation being transferred into the joint venture.
Performance Milestone 2	30,000,000 Shares	Upon delineation of a Mineral Resource of 15 Million tonnes at a grade of greater than or equal to 1% Li_2O, determined in accordance with JORC Guidelines or NI 43-101
Production Royalty	1%	On commercial production

The consideration will become due and payable in the event that the relevant conditions are met. As at the reporting date, the conditions in respect of each of the items have not been met and therefore the amounts are recognised as contingent liabilities.

30. PARENT ENTITY DISCLOSURES

	2018 $	2017 $
Assets		
Current assets	532,791	4,381,070
Non-current assets	71,671	3,927,712
Total assets	604,462	8,308,782
Liabilities		
Current liabilities	465,077	138,226
Non-current liabilities	-	-
Total liabilities	465,077	138,226
Net assets	139,385	8,170,556
Equity		
Issued capital	35,187,331	34,796,331
Option reserve	1,539,665	1,379,715
Accumulated loss	(36,587,611)	(28,005,490)
Total equity	**139,385**	**8,170,556**
Loss of parent entity	(1,779,353)	(1,752,735)
Total comprehensive loss of the parent entity	**(1,779,353)**	**(1,752,735)**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Force Commodities Limited has not entered into any deed of cross guarantee with its wholly-owned subsidiaries during the year ended 31 December 2018 (2017: Nil).

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements:

   (a) comply with Accounting Standards which as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS) and;

   (b) give a true and fair view of the consolidated statement of financial position as at 31 December 2018 and of the performance for the year ended on that date of the consolidated entity.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 31 December 2018, comply with section 300A of the *Corporations Act 2001.*

4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporation Act 2001.*

5. This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

This declaration is made in accordance with a resolution of directors.

Mr Jason Brewer
Managing Director
Perth, Western Australia
29 March 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of Force Commodities Limited

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Force Commodities Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Qualified opinion

For the year ended 31 December 2018, the Group capitalised exploration and evaluation expenditure of $1,660,814 for the Kitotolo project and of $1,019,398 for the Kanuka project as disclosed in Note 13 to the financial report. The Directors were unable to provide us with the financial records to support this expenditure. As a result, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves of the existence, accuracy and validity of these expenses. Consequently, we are unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Asset

Key audit matter	How the matter was addressed in our audit
At 31 December 2018 the carrying value of the exploration and evaluation asset is disclosed in Note 13. The asset was impaired to nil during the year. The asset was required to be assessed for impairment indicators in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. A trigger for impairment testing was identified which resulted in the Group recognising an impairment charge as disclosed in Note 13. This area was deemed to be a key audit matter because the assessment to determine whether an impairment charge is necessary involves significant judgements by management in relation to the fair value of the exploration and evaluation asset. The Group's accounting policy with respect to Exploration and Evaluation assets is disclosed in Note 1(n) and Note 2(a).	Our procedures in respect of this area included, but were not limited to, the following: • Holding discussions with management to obtain an understanding of the process they undertook in determining a trigger for impairment was present; • Assessing the basis for determining the fair value of the exploration and evaluation assets; • Assessing the adequacy of the related disclosures in Note 1(n), Note 2(a) and Note 13 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_files/ar2.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included pages 11 to 17 of the directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of Force Commodities Limited, for the year ended 31 December 2018, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 29 March 2019

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

Additional information required by the ASX and not shown elsewhere in this report is as follows:

A. Shareholding as at 25 March 2019

Total fully paid ordinary shares on issue **424,515,868**

B. Substantial Holders as at 25 March 2019

There are no shareholders who have lodged notice advising substantial shareholding under the Corporations Act 2001.

C. Distribution of Equity Securities as at 28 February 2019

Range	Total Holders	Units	% of Issued Capital
1 - 1,000	85	11,874	0.00
1,001 - 5,000	252	665,959	0.16
5,001 - 10,000	328	2,645,152	0.62
10,001 - 100,000	1,310	53,441,513	12.61
100,001 – and above	570	367,151,370	86.61
Total	**2,545**	**424,515,868**	**100.00**

D. Unmarketable Parcels as at 28 February 2019

	Minimum Parcel size	Holders	Units
Minimum $ 500.00 parcel at $ 0.01 per unit	**50,000**	**1,545**	**24,932,8862**

E. Twenty Largest Shareholders as at 25 March 2019

The names of the twenty largest holders of quotes equity securities aggregated are listed below:

Rank	Name	Units	% of Issued Capital
1	Mr Jihad Malaeb	22,969,673	5.41
2	Mr Bilal Ahmad	14,370,000	3.39
3	Mr Sufian Ahmad	14,165,000	3.39
5	Threebee Investment Group Pty Ltd	11,000,000	2.59
6	Ms Claudine Louise Maynard	9,000,000	2.12
7	Mr Paul Frederick Townsend	8,300,000	1.96
7	JP Morgan Nominees Australia Limited	6,462,233	1.52
8	BAB Super Fund Pty Ltd <BAB Super Fund A/c>	5,670,000	1.34
9	Mr Jarryd Ramsamoojh	5,110,000	1.20
10	HSBC Custody Nominees (Australia) Limited	4,854,451	1.14
11	Mr Lufunga Mbayo Pelesa	4,250,000	1.00
12	Mrs Ilunga Nkulu Sylvie	4,250,000	1.00
13	Medek Investments Pty Ltd <Medek Super Fund A/c>	4,131,858	0.97
14	Attollo Investments Pty Ltd < Attollo Investment A/c>	4,079,928	0.96
15	Mr Hitesh Chag	4,000,000	0.94
16	Mr Poh Seng Tan	4,000,000	0.94
17	Davy Corp Pty Ltd <Davy Investment A/c>	3,900,000	0.92
18	Mr John Dixon	3,800,000	0.90
19	Citicorp Nominees Pty Limited	3,780,769	0.89
20	Chia Park Alpaca Pty Ltd	3,700,000	0.87
Total:	Top 20 holders of ordinary shares (Total)	**141,793,912**	**33.40**
	Total remaining holders balance	**282,721,956**	**66.60**

F. Unquoted Securities as at 25 March 2019

Class	Exercise Price	Expiry Date	No. of Securities	No. of Holders	Name (where holder holds more than 20%)	% held
Unlisted Options	$0.032	30/6/2019	26,416,662	17	N/A	N/A
Unlisted Options	$0.035	30/6/2019	10,000,000	2	David Sanders JBCM Consulting Pty Ltd	50% 50%
Unlisted Options	$0.048	5/08/2019	937,500	3	Crystamount Ltd Gabriel Hewitt Naley Pty Ltd	33% 33% 33%
Unlisted Options	$0.060	1/07/2020	2,000,000	2	Ann Fry James Sullivan	50% 50%
Unlisted Options	$0.080	1/07/2020	2,000,000	2	Ann Fry James Sullivan	50% 50%
Unlisted Options	$0.100	30/06/2020	2,500,000	1	Gedeon Pelesa	100%

G. Voting Rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

H. Tenement Schedule

Through its subsidiaries, Force Commodities Company Limited holds the tenement interests as described:

Licence No.	Location	Status	Expiry Date	Area Sq Kms
Biacil Holdings Pty Ltd (100%)				
EL 6483	Rocky River-Uralla	Granted	20-Nov-19	163
SOC1 Pty Ltd (100%)				
EL 4474	Halls Peak	Provisional approval	13-Jan-19	11
Mount Adrah Gold Limited (99.5%)				
EL 6372	Adelong	Granted	2-Feb-20	28
EL 7844	Adelong	Granted	20-Sep-18	28
EL 8606	Adelong	Granted	27-Jun-20	140
SUGEC Resources Limited (59.5%)				
EL 7679	Halls Peak	Granted	11-Jan-19	73
EL 7491	Uralla	Granted	29-Mar-20	44
COMFORCE JV (70%) (1)				
PE 13247*	Kitotolo	Granted	18-Feb-2048	28
PR 12453*	Kitotolo	Granted	18-Feb-2048	372
MINFORCE JV (51%) (2)				
PE 13082*	Kanuka			146
PR 4100*	Kanuka			48
			TOTAL	**1,081**

(1) legal transfer of the tenements has been affected; official recording of tenements in DRC Mines Department system has not yet occurred

(2) tenements are held by joint venture partner, with Force having a 51% joint venture interest in the Lithium rights only