FORCE COMMODITIES LIMITED

and its Controlled Entities

ABN 12 145 184 667

Half Year Financial Report

30 JUNE 2019

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES CORPORATE INFORMATION

DIRECTORS

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

COMPANY SECRETARY
Mr Michael Pitcher

REGISTERED AND PRINCIPAL OFFICE
Ground Floor, 20 Kings Park Road
West Perth WA 6005
Telephone (08) 6462 1421
Website www.forcecommodities.com.au

POSTAL ADDRESS
PO Box 1024
West Leederville WA 6007

AUDITORS
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

SHARE REGISTER
Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne, VIC 3001
Telephone 1300 850 505
(outside Australia) +61 3 9415 4000

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

TABLE OF CONTENTS

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 half year ended 30 June 2019.

1. BOARD COMPOSITION

The names and details of the directors of Force Commodities Limited in office during the half year and until the date of this report are set out below. Each director was in office for this entire period unless stated otherwise.

The names of Directors who are in office at the date of this report:

Mr Jess Oram	Chairperson
Mr Jason Brewer	Managing Director
Mr Gedeon Pelesa	Non-Executive Director
Mr Simon Grant-Rennick	Non-executive Director (appointed 1 August 2019)

Company Secretary:

Mr Michael Pitcher

2. RESULTS

The result for the half year ended 30 June 2019 attributable to members of the Company was a net loss after tax of $348,680 (half year ended 30 June 2018 loss: $609,450).

3. REVIEW OF OPERATIONS

Tshimpala Lead and Silver Project, Malawi

In May 2019, the Group announced that it had entered into a Heads of Agreement to acquire an initial 51% majority interest in the lead, silver and zinc rights that extend over 3 granted exploration licenses and one mining license (under application), together referred as the Tshimpala Project, and located in central Malawi and approx. 45km from the capital city of Lilongwe (the **Project**).

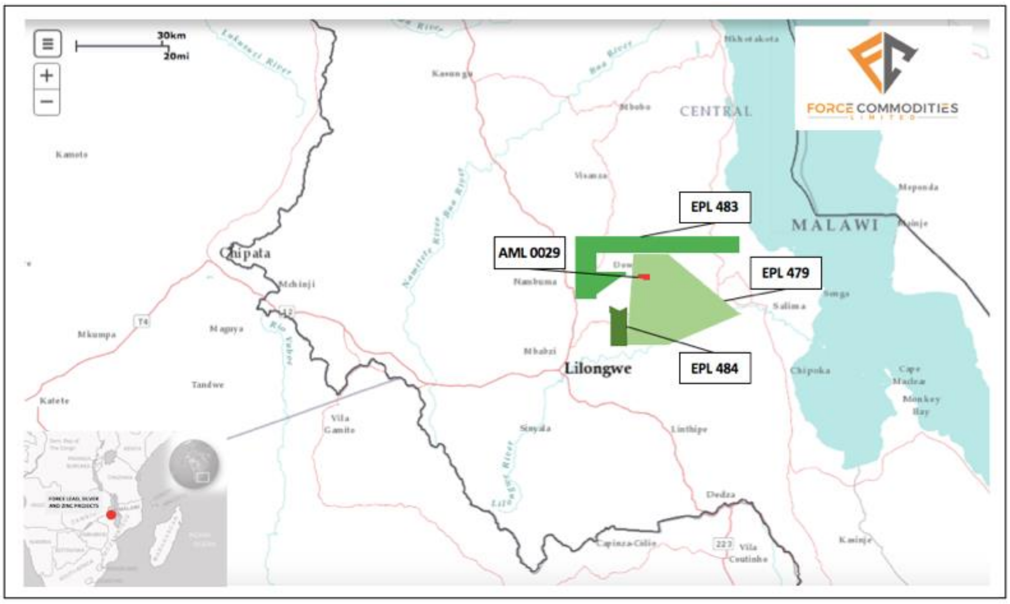

Figure 1: Location map of Tshimpala Project licences

Subsequently in June 2019 the Group announced that it had completed its due diligence investigations and in early July 2019 it executed a Share Sale and Purchase agreement, giving legal effect to its ownership interest in the Project.

The project extends over 1,414km^2 and covers areas of historic and current small-scale galena mining activities and areas of exploration and feasibility study work for graphite mineralisation.

Detailed exploration work targeting high grade lead and silver mineralisation was undertaken in late 2018 and focused primarily on areas within EPL479. Work completed included geological mapping, reconnaissance work and sampling.

The work completed was successful in identifying over 25 areas of artisanal workings and a substantial number of anomalous areas considered highly prospective for high grade lead and silver mineralisation. In addition, exploration work in areas of exposed galena mineralisation in shallow open pits at the Grand Canyon, Riverside and Small Canyon prospects identified multiple interpreted zones of parallel, shallow mineralisation (down to 20m below surface) and with strike lengths of up to 500m.

This led to trial mining being conducted at the Grand Canyon, Riverside and Small Canyon Prospects in November 2018, with a 100t bulk sample collected for mineralogical analyses and chemical assay.

A Certificate of Quality received from ALS Laboratories of South Africa upon analysis of the bulk sample confirmed an exceptionally high-grade product that averaged 60.48% lead and 735g/t silver.

A further 2.3kg sample of the exposed mineralisation collected from the Grand Canyon open pit was taken for Semi-Quantitative X-Ray Diffraction analyses to determine mineral composition and further chemical assay work and returned an average grade of 85% lead.

Subsequent to year end the Group announced that it had executed an offtake agreement with Transamine Trading SA (Transamine), a global commodities trading group headquartered in Geneva and specialising in non-ferrous raw materials, under which Transamine will purchase lead and silver production from the Project under a multi-year contract. In addition, the Group also announced that it had appointed Akatswiri Mineral Resourcess Limited to provide geological, geotechnical, mining and environmental consultancy support services and finalised an agreement with Bollore Transport and Logistics for transportation and logistical support for export of lead and silver production and involving loading, transporting, export clearance, port clearance and handling necessary to transport the ore from site to either of the ports of Beira or Ncala in Mozambique and obtaining of all necessary clearances for export.

Regional Geological Setting of the Tshimpala Project

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

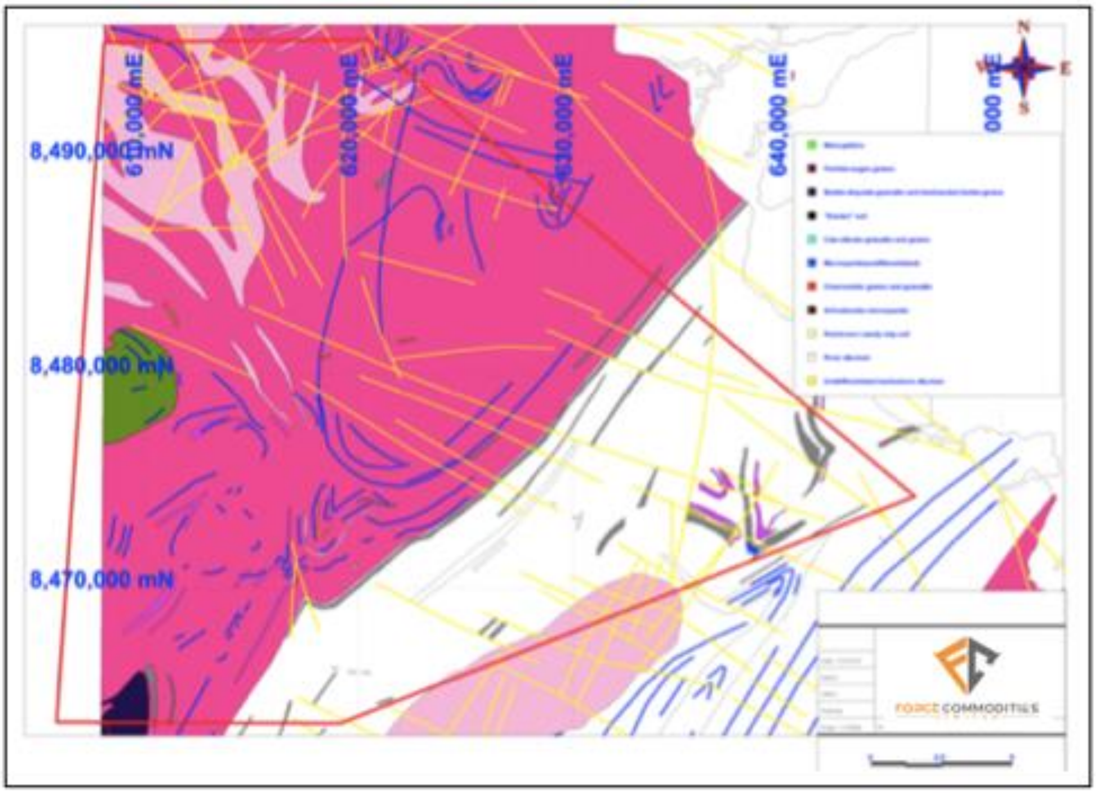

Figure 2: Regional geology over EPL 479

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

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

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

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

Grand Canyon, Riverside and Small Canyon Lead Silver Prospects

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

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

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

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

to the north. The contact has been mapped towards the west of the pit, being associated with a less magnetic feature to the north and a low magnetic feature to the south.

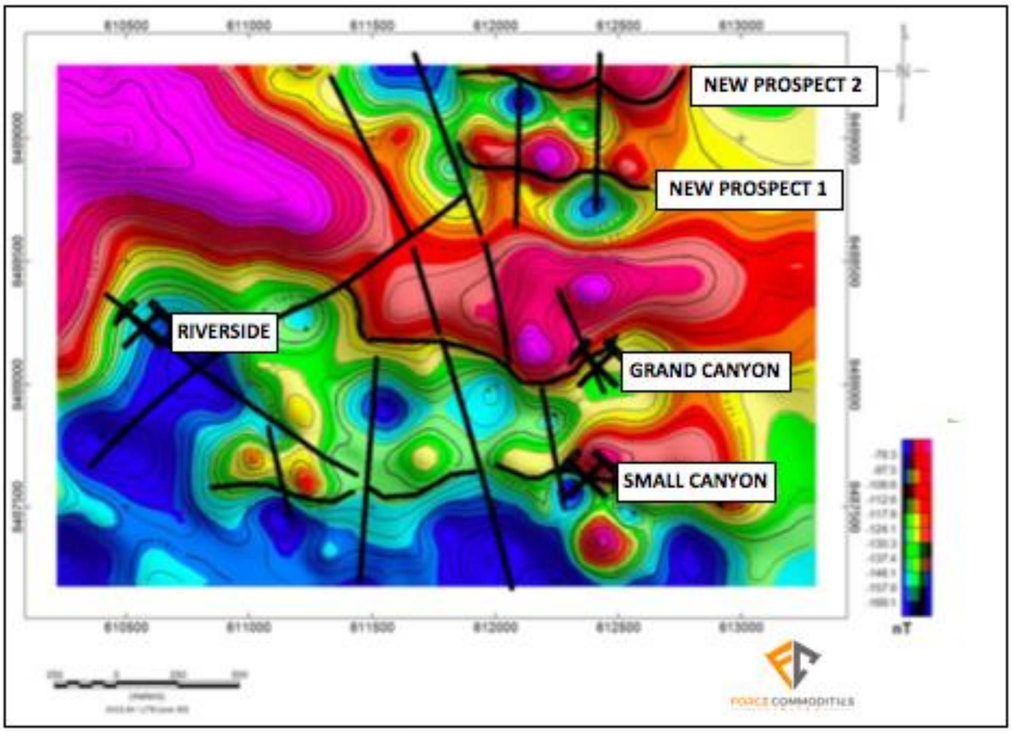

Figure 3: Total Magnetic Intensity Map and Interpreted Contacts

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

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

Riverside is the westerly pit, lying on the contact of the magnetic low anomaly and an intermediary high magnetic anomaly. It has a near east west strike with a northerly dip of 60°.

Two further nearby prospects to the north of Grand Canyon have been identified with similar characteristics to the Riverside and Small Canyon contacts and which is interpreted to be a follow-up zone for galena mineralisation.

Exploration Plans

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

In August 2019, the Group announced it had executed a contract to undertake an initial 150-hole drill program for 2,000 metres of RC drilling, and can be expected to target the Grand Canyon, Riverside and Small Canyon Prospects. Also in August 2019, the Group announced that it had acquired mobile crushing and screening equipment.

Kitotolo and Kanuka Lithium Projects, DRC

In addition the Group holds interests in two lithium projects, the Kitotolo Lithium Project and the Kanuka Lithium Production Project, located in Tanganyika Province in the south east of the Democratic Republic of Congo (**DRC**).

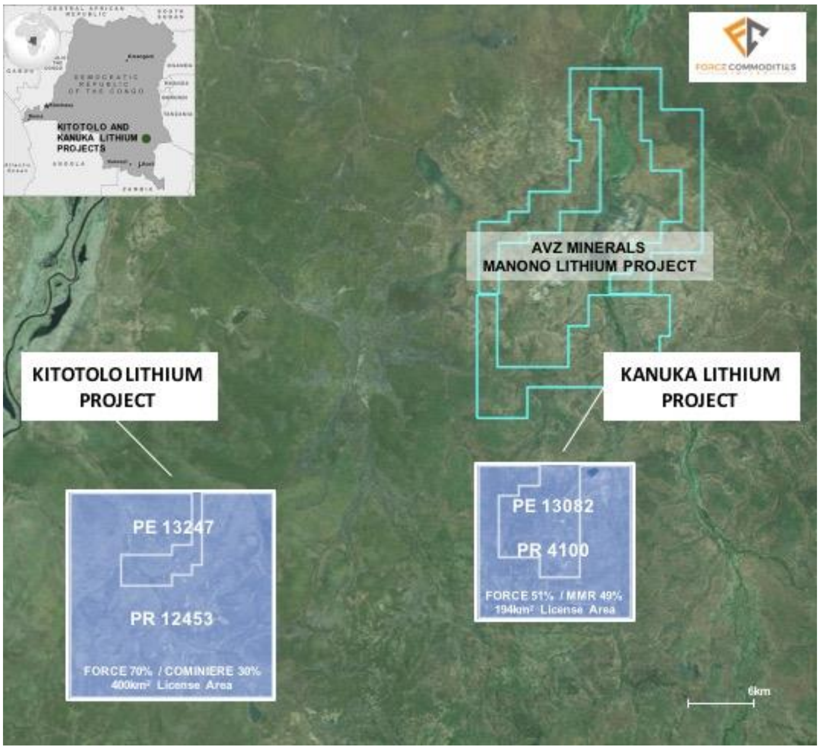

Figure 4: Location Map – DRC lithium projects

Limited exploration activities have been conducted at either project during the half-year 2019 however, due to the significant deterioration in the demand for spodumene concentrate and a fall in lithium prices, and as a result the Company's focus shifted to advancing its exploration and development activities at the high-grade lead and silver Tshimpala Project in Malawi.

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 mineralization.

In 2017 to seek out partners to joint venture, earn-in or acquire the NSW projects; culminating in it entering into sale agreements for each of its Mt Adrah Gold Project and its Halls Peak Base Metals Project.

During the half year, the Company has finalised the disposal of the Mt Adrah Gold Project generating sales proceeds of $250,000 and reimbursement of a further $30,000 in environmental performance bonds.

However, the sale of the Halls Peak Base Metals Project did not proceed due to the failure on the part of the acquirer to satisfy the conditions precedent and ultimately the agreement was terminated.

In light of this, the Group has decided to retain the Halls Peak Base Metals Project, which was renewed for six years during the half, and has commenced planning of next exploration program.

Force retains the Rocky River – Uralla Gold Project. During the half 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
Halls Peak	Australia	Granted	EL4474	100%
Halls Peak	Australia	Granted	EL7679	59.5%
Rocky River / Uralla	Australia	Granted	EL7491	59.5%
Rocky River / Uralla	Australia	Granted	EL6483	59.5%
Kitotolo Lithium Project (1)	DRC	Granted	PR12453	70.0%
Kitotolo Lithium Project (1)	DRC	Granted	PE13247	70.0%
Kanuka Lithium Production Project (2)	DRC	Granted	PR4100	51.0%
Kanuka Lithium Production Project (2)	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) - tenements are in the process of being transferred into COMFORCE DRC SAU in which Force has a 70% joint venture interest
(2) - 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 Jess Oram who is a member of The Australasian Institute of Geoscientists. Mr Oram is a qualified geologist and is a full-time employee of Force Commodities Limited.

Mr Oram has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking 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. Mr Oram consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

4. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The following significant events have arisen since the end of the half-year which 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:

On the 5 July 2019 the Company announced it had completed its acquisition of an initial 51% majority share in the high-grade lead and silver Tshimpala Project located in the Republic of Malawi.

All acquisition documentation, including the Share Sale and Purchase Agreement, has been executed by the Company and by the shareholder of Switzerland-based TerraCare AG **(TCA)**. This follows completion by Force of its legal and technical due diligence in June 2019 and negotiation on final legal documentation.

Following execution of the acquisition documentation, the Company has become the majority 64% shareholder of TCA. TCA's principal investment is an 80% shareholding in Galena Mining Limited **(GML)**, a Malawian incorporated company, which has the rights to exclusively explore for lead, silver and zinc on Exploration Licenses EPL479, EPL483 and EPL484 and has also secured the rights to develop and mine on Mining License AML 0029, which is currently under application.

In accordance with the terms of the acquisition, the Company will reimburse an agreed amount of historical costs incurred by TCA on the Tshimpala Project and will fund further exploration and development expenditure over the next 18 months in accordance with and agreed budget, including payment of fees associated with issuance of the Mining Licence AML0029.

In accordance with the Share Sale and Purchase Agreement, Force is required to issue 40 million fully paid ordinary shares in the Company upon execution of formal agreements to TCA and its nominees. On the 23 July 2019 the Company issued 28.5 million of the 40 million shares under the Company's 15% existing placement capacity under ASX Listing Rule 7.1. On the 3 September 2019 the balance of 11.5 million shares were issued following a General Meeting of Shareholders held on 16 August 2019. A further 40 million fully paid ordinary shares in Force are also to be issued once GML has completed the sale of 5000 tonnes of contained lead from the Tshimpala Project.

On 17 July 2019 the Company entered into a binding offtake agreement with independent and privately held global commodities trading group Transamine Trading SA for all high-grade lead and silver ore produced from its Tshimpala Project located in the Republic of Malawi.

Under the terms of the Offtake Agreement, Transamine has the right to purchase all high-grade lead and silver produced from the Tshimpala Project on an 'evergreen' basis.

Pricing under the Offtake Agreement is to be based on the prevailing LME benchmark price for lead and the LBMA price for silver for material transported in sealed containers from the mine site to a designated warehouse at the Port of Beira in Mozambique and through to agreed major ports in Asia.

The execution of the Offtake Agreement represents the first major agreement to be entered into by the Company since it completed the purchase of an initial 51% interest in the high-grade lead and silver Tshimpala Project.

On the 23 July 2019 the Company issued 4,250,000 shares to staff and consultants under the Company's Employee Share Scheme in recognition of their past and future service, and in particular the role they will play in the advancement of the Tshimpala Project.

On 1 August 2019 Mr Simon Grant-Rennick was appointed as Non-Executive Director.

5. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 9 for the half year ended 30 June 2019.

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

Mr Jason Brewer
Managing Director
Perth, Western Australia
12 September 2019

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

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

As lead auditor for the review of Force Commodities Limited for the half-year ended 30 June 2019, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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, 13 September 2019

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2019

	Notes	30 Jun 2019 $	30 Jun 2018 $
Continuing Operations			
Interest income	3	**1,087**	**15,827**
Other income	3	**380,091**	**163,526**
Administrative expenses		(249,109)	(348,105)
Consulting and staff costs		(119,494)	(274,332)
Depreciation		(93,775)	(2,258)
Share based payments		-	(159,950)
Kitotola and Kanuka project expenditure		(258,078)	-
Finance costs		(10,566)	(1,808)
Loss before income tax expense		**(349,844)**	**(607,100)**
Income tax expense		-	-
Loss for the period		**(349,844)**	**(607,100)**
Total comprehensive loss for the period is attributed to:			
Loss attributable to owners		**(348,680)**	**(609,450)**
Non-controlling interests		**(1,164)**	**2,350**
Total comprehensive loss for the period		**(349,844)**	**(607,100)**
Loss per share			
Basic loss per share (cents per share)		**(0.08)**	(0.15)
Diluted loss per share (cents per share)		**(0.08)**	(0.15)

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 30 JUNE 2019

	Notes	30 Jun 2019 $	31 Dec 2018 $
ASSETS			
Current assets			
Cash and cash equivalents		559,539	399,151
Trade and other receivables	4	147,829	213,684
Financial assets		-	120,000
Total current assets		**707,368**	**732,835**
Non-current assets			
Right of use asset	5	182,347	-
Plant and equipment		214,116	253,186
Security Deposits		56,538	56,538
Total non-current assets		**453,001**	**309,724**
Total assets		**1,160,369**	**1,042,559**
LIABILITIES			
Current liabilities			
Trade and other payables	8	467,753	516,520
Lease liability	5	108,233	-
Total current liabilities		**575,986**	**516,520**
Non-current liabilities			
Lease liability	5	79,188	-
Total non-current liabilities		**79,188**	**-**
Total liabilities		**655,174**	**516,520**
Net (liabilities)/assets		**505,195**	**526,039**
Equity			
Issued capital	9	39,531,831	39,262,831
Reserves		4,425,161	4,365,161
Accumulated losses		(43,429,480)	(43,080,800)
		527,512	547,192
Non-Controlling interest		(22,317)	(21,153)
Total equity		**505,195**	**526,039**

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 HALF YEAR ENDED 30 JUNE 2019

	30 Jun 2019 $	30 Jun 2018 $
Cash flows from operating activities		
Interest received	1,087	15,827
Other income	41	21,336
Payments to suppliers and employees	(639,611)	(611,370)
Interest paid	(674)	(1,144)
GST refunds	30,018	34,752
Net cash flows used in operating activities	**(609,139)**	**(540,599)**
Cash flows from investing activities		
Proceeds from sale of investments	220,050	-
Payments for exploration and evaluation	-	(1,278,537)
R&D Grant offset against exploration and evaluation	-	-
Purchase of plant and equipment	-	(70,066)
Redemption/(payment) for term deposit	-	(56,538)
Net proceeds from sale of tenements	280,000	-
Net cash flows from/(used in) investing activities	**500,050**	**(1,405,141)**
Cash flows from financing activities		
Proceeds from issue of shares	350,000	391,000
Repayment of lease liability	(59,523)	-
Share issuing costs	(21,000)	-
Net cash flows from financing activities	**269,477**	**391,000**
Net increase/(decrease) in cash and cash equivalents	160,388	(1,554,740)
Cash and cash equivalents at beginning of period	399,151	3,524,376
Cash and cash equivalents at end of period	**559,539**	**1,969,636**

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 HALF YEAR ENDED 30 JUNE 2019

	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total Equity
	$	$	$		$
Balance at 1 January 2019	**39,262,831**	**4,365,161**	**(43,080,800)**	**(21,153)**	**526,039**
Comprehensive loss for the period	-	-	(348,680)	(1,164)	(349,844)
Total comprehensive loss for the period	-	-	(348,680)	(1,164)	(349,844)
Transactions with owners in their capacity as owners					
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-
Share options exercised	-	-	-	-	-
Issue of shares from capital raising	350,000	-	-	-	350,000
Share issue costs	(81,000)	60,000	-	-	(21,000)
Balance at 30 June 2019	**39,531,831**	**4,425,161**	**(43,429,480)**	**(22,317)**	**505,195**
Balance at 1 January 2018	**34,796,331**	**8,052,711**	**(34,183,021)**	**1,725,323**	**10,391,344**
Comprehensive loss for the period	-	-	(609,450)	2,350	(607,100)
Total comprehensive loss for the period	-	-	(609,450)	2,350	(607,100)
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
Shares issued during the period	4,075,500	(3,847,500)	-	-	228,000
Security issue costs	-	159,950	-	-	159,950
Balance at 30 June 2018	**39,262,831**	**4,365,161**	**(34,792,471)**	**2,000,424**	**10,835,945**

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

This consolidated interim financial report for the half-year reporting period ended 30 June 2019 has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporation Act 2001.*

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 with the International Reporting Standards **(IFRS)**.

(b) New accounting standard and interpretations

Adoption of new and amended accounting standards

As a result of the changes in the Company's accounting policies, IFRS 16 was adopted without restating comparative information. The reclassifications and adjustments arising from the new rule are therefore not reflected in the balance sheet as at 31 December 2018 but are recognised in the opening balance sheet on 1 January 2019.

IFRS 16 Leases - Impact of adoption and accounting policies applied from 1 January 2019

IFRS 16 replaces the provisions of IAS 17 that relate to the recognition, classification and measurement of leases.

The adoption of IFRS 16 Leases from 1 January 2019 resulted in changes in the accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out below. Comparative figures have not been restated in accordance with transitional provisions.

On 1 January 2019, the Company held one lease, for the office based in West Perth. The Company assessed which business model applied to the lease and classified its lease into the appropriate IFRS 16 category.

Reclassification from administration expense to a lease liability and right of use (ROU) asset

The office lease was reclassified from an operating lease which was recorded as an administrative expense in the consolidated statement of profit or loss, as payments were made each month under the previous IAS 17, to recognising a lease liability and a ROU asset in its balance sheet under the new IFRS 16. See note 5 for further details

Initial recognition

The Company elected to value the ROU asset using the modified retrospective approach, without restating prior year comparatives. This results in the cumulative impact of adoption being recorded as an adjustment to equity at the beginning of the accounting period in which the standard is first applied 1 January 2019. The liability was measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate of 10.0% as at 1 January 2019. The initial amount recognised for each asset and liability is the same and uses the current borrowing rate.

Subsequent recognition

Force Commodities Limited will recognise a lease liability based on the discounted payments required under the lease.

The lease liability is to be measured with reference to an estimate of the lease term, including optional lease periods if Force Commodities Limited is reasonably certain to exercise an option to extend the lease.

Force Commodities Limited will use the cost model to recognise the ROU asset and amortise it over the remaining 1 year and 9 months of its term.

(c) Going Concern

For the half year ended 30 June 2019 the entity recorded a loss of $348,680 and had net cash outflows from operating activities of $668,662.

The ability of the entity to continue as a going concern is dependent on securing additional funding through the exercise of share options in existence or the placement of additional shares to the public or to strategic investors to continue to fund its operational and exploration activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity'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 there are sufficient funds to meet the entity's working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business as the directors are confident that the Group will raise funds through capital raising events or joint venture projects as and when required.

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 amount that differ from those stated in the financial statements and that the financial report does not include any adjustments to the recoverability and classification of recorded assets amounts or liabilities that might be necessary should the entity not continue as a going concern.

(d) Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparation the interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at the year ended 31 December 2018.

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, after impairment indicators are identified, the recoverable amount has been assessed by reference to the higher of "fair value less costs to sell" and, if applicable, "value in use".

2. 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) in the previous 6 months.

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 which was divested in June 2019
- Halls Peak Base Metals Project in New South Wales
- Rocky River – Uralla Gold Project in New South Wales

The following table presents the revenue and results information for the half year ended 30 June 2019 and selected balance sheet information as at 30 June 2019 for the Group's reportable segments.

	Exploration Australia $	Exploration DRC $	Corporate $	Total $
Segment performance				
Segment revenue	250,000	**-**	**131,178**	381,178
Segment result	**243,822**	**(293,082)**	**(300,584)**	**(349,844)**
Segment assets				
Cash	5,606	268	553,665	559,539
Exploration and evaluation	-	-	-	-
Other assets	55,761	257,458	287,611	600,830
Total segment assets	**61,367**	**257,726**	**841,276**	**1,160,369**
Segment liabilities				
Trade payables	17,259	30,072	420,422	467,753
Employee benefits provision	-	-	-	-
Other liabilities	-	-	187,421	187,421
Total segment liabilities	**17,259**	**30,072**	**607,843**	**655,174**

The following table presents the revenue and results information for the half year ended 30 June 2018 and selected balance sheet information as at 31 December 2018 for the Group's reportable segments.

	Exploration Australia $	Exploration DRC $	Corporate $	Total $
Segment performance				
Segment revenue	-	**-**	**179,353**	179,353
Segment result	**-**	**-**	**(607,100)**	**(607,100)**
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**

3. INTEREST AND OTHER INCOME

	30 Jun 2019 $	30 Jun 2018 $
Other income		
Interest income	1,087	15,827
Change in fair value of assets	100,050	135,000
Rental income	30,000	-
Sundry income	41	28,526
Proceeds on disposal of tenements	250,000	-
Total other revenue	**381,178**	**179,353**

4. TRADE AND OTHER RECEIVABLES

	30 Jun 2019 $	31 Dec 2018 $
CURRENT		
Receivables - other parties	94,829	89,329
Receivables - tenement deposits	53,000	83,000
Receivables - GST	-	3,701
Prepayments	-	10,949
Other - monies held in trust	-	26,705
Total current trade and other receivables	**147,829**	**213,684**

5. NON-FINANCIAL ASSETS AND LIABILITIES

Leases		
(a) Amounts recognised in the balance sheet		
The balance sheet shows the following amounts relating to leases:		
Right-of-use asset		
Property		
Balance as at 1 January	237,051	-
Amortisation	(54,704)	-
Balance at 30 June	**182,347**	**-**
Lease liability		
Balance as at 1 January	237,051	-
Amortisation	(49,630)	-
Balance at 30 June	**187,421**	**-**
(b) Amount recognised in the consolidated statement of profit or loss		
The consolidated statement of profit or loss shows the following amounts relating to leases:		
Amortisation of right-of-use asset		
Property	9,893	-

(c) Force Commodities leasing activities and how these are accounted for

Force Commodities Ltd lease the office property at Suite 1, Ground Floor, 20 Kings Park Road, West Perth. The original lease of the property started on 12 March 2018 for a three year lease period to 11 March 2021. A further three-year lease extension option may be exercised by Force Commodities Limited.

Leases are recognised as a right-of-use and a corresponding liability at the date at which the leased asset is available for use by Force Commodities Limited. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities from a lease are initially measured on a present value basis. The lease liability includes the present value of the fixed payments (with a 3.25% set increase each year), and variable payments for outgoings (reconciled and adjusted for actual cost each year). The lease payments are discounted using the Group's incremental borrowing rate of 10.0%.

The right-of-use asset is measured at cost comprising of the initial measurement of the lease liability.

6. EXPLORATION & EVALUATION	**30 Jun 2019** **$**	**31 Dec 2018** **$**
Balance as at 1 January	-	-
Capitalised exploration acquisition - Kanuka	-	556,635
Capitalised exploration acquisition - Kitotolo	-	5,822,700
Capitalised exploration expenditure - Kitotolo	-	1,660,814
Capitalised exploration expenditure - Kanuka	-	1,019,398
Impairment expense	-	(9,059,547)
Balance as at end of period	**-**	**-**

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.

No expenditure met the criteria in paragraph AUS7.2 of AASB 6 because there was no active or significant operations in the areas of interest and as a result the company has not capitalised any balances relating to exploration and evaluation during the half-year.

	30 Jun 2019	31 Dec 2018
	$	$

7. NON-CONTROLLING INTEREST

Balance as at 1 January	(21,153)	1,725,323
Asset Acquisition – Kanuka Lithium Production Project – refer note 6	-	272,751
Total comprehensive loss attributed to Non-Controlling Interests	(1,164)	(2,019,227)
Balance as at end of period	**(22,317)**	**(21,153)**

8. TRADE AND OTHER PAYABLES

Trade payables	410,200	472,704
Employee related payables	10,553	12,816
Other payables	47,000	31,000
Total trade and other payables	**467,753**	**516,520**

9. ISSUED CAPITAL

a) Issued and paid up capital

Ordinary shares fully paid	39,591,831	39,262,831
	Number of Shares	**Number of Shares**
Ordinary shares fully paid	463,404,757	423,915,868

b) Movement in shares on issue

		Number of Shares	$
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	14/06/2018	2,000,000	114,000
Shares to be issued in part consideration of Kanuka Project acquisition	14/09/2018	2,000,000	114,000
Balance at 31 December 2018		**423,915,868**	**39,262,831**
Balance at 1 January 2019		**423,915,868**	**39,262,831**
Performance share issue	07/03/2019	600,000	-
Share issue from capital raising	20/05/2019	38,888,889	350,000
Capital raising costs		-	(81,000)
Balance at 30 June 2019		**463,404,757**	**39,531,831**

10. EVENTS SUBSEQUENT TO REPORTING DATE

The following significant events have arisen since the end of the half-year which 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:

On the 5 July 2019 the Company announced it had completed its acquisition of an initial 51% majority share in the high-grade lead and silver Tshimpala Project located in the Republic of Malawi.

All acquisition documentation, including the Share Sale and Purchase Agreement, has been executed by the Company and by the shareholder of Switzerland-based TerraCare AG **(TCA)**. This follows completion by Force of its legal and technical due diligence in June 2019 and negotiation on final legal documentation.

Following execution of the acquisition documentation, the Company has become the majority 64% shareholder of TCA. TCA's principal investment is an 80% shareholding in Galena Mining Limited **(GML)**, a Malawian incorporated company, which has the rights to exclusively explore for lead, silver and zinc on Exploration Licenses EPL479, EPL483 and EPL484 and has also secured the rights to develop and mine on Mining License AML 0029, which is currently under application.

In accordance with the terms of the acquisition, the Company will reimburse an agreed amount of historical costs incurred by TCA on the Tshimpala Project and will fund further exploration and development expenditure over the next 18 months in accordance with and agreed budget, including payment of fees associated with issuance of the Mining Licence AML0029.

In accordance with the Share Sale and Purchase Agreement, Force is required to issue 40 million fully paid ordinary shares in the Company upon execution of formal agreements to TCA and its nominees. On the 23 July 2019 the Company issued 28.5 million of the 40 million shares under the Company's 15% existing placement capacity under ASX Listing Rule 7.1. On the 3 September 2019 the balance of 11.5 million shares were issued following a General Meeting of Shareholders held on 16 August 2019. A further 40 million fully paid ordinary shares in Force are also to be issued once GML has completed the sale of 5000 tonnes of contained lead from the Tshimpala Project.

On 17 July 2019 the Company entered into a binding offtake agreement with independent and privately held global commodities trading group Transamine Tradiong SA for all high-grade lead and silver ore produced from its Tshimpala Project located in the Republic of Malawi.

Under the terms of the Offtake Agreement, Transamine has the right to purchase all high-grade lead and silver produced from the Tshimpala Project on an 'evergreen' basis.

Pricing under the Offtake Agreement is to be based on the prevailing LME benchmark price for lead and the LBMA price for silver for material transported in sealed containers from the mine site to a designated warehouse at the Port of Beira in Mozambique and through to agreed major ports in Asia.

The execution of the Offtake Agreement represents the first major agreement to be entered into by the Company since it completed the purchase of an initial 51% interest in the high-grade lead and silver Tshimpala Project.

On the 23 July 2019 the Company issued 4,250,000 shares to staff and consultants under the Company's Employee Share Scheme in recognition of their past and future service, and in particular the role they will play in the advancement of the Tshimpala Project.

On 1 August 2019 Mr Simon Grant-Rennick was appointed as Non-Executive Director.

11. 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.

Legal Claim

On the 22 May 2019 the Company announced to the ASX that it had lodged interlocutory applications in the District Court of Western Australia in respect of a claim against the Company by Fletcher Tailleur Associates Limited **(FTA)**, a Seychelles incorporated company associated with former director, Mr Alistair Stephens.

Mr Stephens was appointed, by the previous Board of Directors, on 28 February 2017, as an Executive Director of the Company.

At the Company's Annual General Meeting of Shareholders held on 31 May 2017, shareholders overwhelmingly voted against Mr Stephens re-election as a Director with 51,249,541 votes against his re-election and 6,461,255 votes in favour of his re-election.

The Company is defending the claim by FTA for an amount of $489,867.

Having considered the claim by FTA, and based on the legal advice received, the Company has made applications seeking:

1. Striking out of paragraphs of the FTA amended statement of claim;
2. Security for costs; and
3. Immediate taxation of costs thrown away arising from FTA's amended statement of claim.

12. DIVIDENDS

No dividends have been paid or provided for the period.

FORCE COMMODITIES LIMITED AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 30 JUNE 2019

In the directors' opinion:

(a) The financial statements set out on pages 10 to 24 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the half year ended on that date, and

(b) there are reasonable grounds to believe that Force Commodities Limited will be able to pay its debts as and when they become due and payable.

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

Mr Jason Brewer
Managing Director
Perth, Western Australia
12 September 2019

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Force Commodities Limited

Report on the Half-Year Financial Report

Qualified conclusion

We have reviewed the half-year financial report of Force Commodities Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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 half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, with the exception of the matter described in the Basis for qualified conclusion section, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for qualified conclusion

For the half-year ended 30 June 2019, the Group incurred exploration and evaluation expenditure in relation to its projects located in Africa as disclosed in the statement of Profit or loss and other comprehensive income in the financial report. The Directors were unable to provide us with the financial records to support $166,099 of 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.

Our audit opinion for the year ended 31 December 2018 was also qualified in respect of this matter.

We conducted our review in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Assurance practitioner's Responsibility 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 review 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 review report.

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

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1(c) 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 conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 13 September 2019