

19 September 2019

Madeline Green
Senior Adviser, Listings Compliance (Perth)
152–158 St Georges Terrace
Perth WA 6000
Australia

Dear Ms Green

Force Commodities (**Force** or the **Company**) (**ASX Code: 4CE**) provides the following responses to your letter dated 16 September 2019 “Force Commodities Limited (‘4CE’): Queries regarding Accounts and Exploration Results”.

1. *Is 4CE able to confirm that in the Directors’ Opinion the Half Year Accounts:*
 1. *(a) comply with the relevant Accounting Standards; and*
 2. *(b) give a true and fair view of 4CE’s financial performance and position?*

The Company refers to the Directors’ Declaration dated 12 September 2019 contained on page 25 of the Half Year Accounts.

This declaration was resolved unanimously by the Board and confirms the Directors’ view that the Half Year Accounts comply with the relevant accounting standards and give a true and fair view of the Company’s financial performance and position.

2. *Please explain the basis for and the factors considered by the Directors to satisfy themselves that exploration and evaluation expenditure in relation to 4CE’s projects located in Africa as disclosed in the statement of Profit or Loss and Other Comprehensive Income in the Half Year Accounts is in accordance with accounting standards.*

In addition to the declarations provided by both the Company’s Managing Director and Chief Financial Officer, the Company notes the following:

- (a) The Audit Committee, which consists of all Directors, met to discuss the financial statements on 12 September 2019. The minutes of this meetings record that they considered and discussed the financial statements, including the notes and summary findings included in the Half Year Accounts.

This included, among other matters:

- i. the basis for qualified conclusion;
- ii. the going concern assumption, and the internal forecasts on which it was based ; and

- iii. the impact of the commencement of production at the Tshimpala Project and internal cashflow assumptions and effect on the financial position of the Company.
- (b) The Directors were also able to review all the supporting documentation in respect to the advances made by the Company to meet the exploration and evaluation expenditure incurred in relation to its lithium exploration projects located in the Democratic Republic of Congo (**DRC**) during the period under review in the Half Year Accounts.
- (c) Taking all of the above into consideration, the Directors were able to satisfy themselves that exploration and evaluation expenditure in relation to its projects located in the DRC as disclosed in the statement of Profit or Loss and Other Comprehensive Income in the Half Year Accounts was in accordance with accounting standards.

3. *What steps has 4CE taken since the release of the Half Year Accounts to obtain an unqualified opinion with regards to its future financial statements?*

The qualification relates to financial records to support \$166,099 of exploration and evaluation expenditure incurred and paid for by the Company's subsidiaries in the DRC and in relation to its lithium exploration projects located there.

This expenditure was made based on contractual obligations and legally binding documentation entered into by the Company and its subsidiaries in the DRC with various employees, consultants, service providers and suppliers.

Advances were made by the Company to its subsidiary bank accounts in the DRC, based on validly submitted and approved cash calls by the Finance Manager of the Company's subsidiaries based in the DRC.

These advances were all approved in accordance with the Company's established procedures and policies, by the Company's Managing Director and Chairman, and then processed by the Company's Financial Controller and subsequently authorised by the Company's Chief Financial Officer.

The Company will if required seek to obtain any further financial records that are deemed necessary by the Company's auditors to be able to obtain an unqualified opinion with regards to its future financial statements.

The Company notes that as per its ASX Announcement dated 23 August 2019, the Company has elected to "hold back on further exploration expenditure at its lithium projects in the DRC until a marked improvement in the lithium sector has occurred or until the Company is able to attract additional parties to assist in funding progress at the Kitotolo-Katamba and Kanuka Lithium Projects".

The Company believes that these actions taken since the release of the Half Year Accounts will be sufficient to obtain an unqualified opinion with regards to its future financial statements.

4. *What steps does 4CE intend to take to obtain an unqualified audit opinion with regards to its future financial statements?*

While the Company cannot prejudge the future opinion of its auditors, we believe that the actions referred to in 3 (above) would be sufficient to ensure an unqualified audit opinion in regards to its future financial statements.

In addition, the Company has appointed BDO Audit, Tax & Assurance Services (Malawi) as its auditors in Malawi to assist the Company in the establishment and implementation of “best practice” risk management and internal control systems in regards to the planned exploration and development and production activities at the Company’s recently acquired Tshipala Project in Malawi.

5. *Does 4CE consider that its level of operations is sufficient to warrant continued quotation of its securities on ASX as required under listing rule 12.1? In answering this question, please explain the basis for this conclusion. In answering this question, please comment on the nature of the 4CE’s current business activities.*

The Company considers that its level of operations is sufficient to warrant continued quotation of its securities on ASX as required under listing rule 12.1.

The Company refers to the announcements made to the ASX in recent months and in particular in respect to the Company’s current highly intensive level of business activities at the high-grade lead and silver Tshipala Project in Malawi.

These announcements include amongst others:

- (a) Heads of Agreement Executed - Highly Prospective Malawi Base Metals Project - 9 May 2019;
- (b) Malawi Project - Due Diligence Update - 14 May 2019
- (c) Malawi High-Grade Lead Silver Project Acquisition Overview - 16 May 2019
- (d) Appointment of Metals Trading and Marketing Specialist - 22 May 2019
- (e) Malawi Project Update - Acquisition Due Diligence Completed - 18 June 2019
- (f) High Grade Lead Silver Exploration Commencing in Malawi - 25 June 2019
- (g) Acquisition of High-Grade Tshipala Lead and Silver Project Completed - 5 July 2019
- (h) Offtake Agreement with Transamine for Tshipala Project - 17 July 2019
- (i) Transportation Study Results - 17 July 2019
- (j) Malawian Consultants Appointed for Tshipala Project - 18 July 2019
- (k) Transportation and Logistics Contract Executed - Tshipala Project - 19 July 2019
- (l) Force Strengthens Management Team in Malawi - 30 July 2019
- (m) Shareholder and Investor Briefing Presentation - 8 August 2019
- (n) Drilling Contract Executed for Tshipala Lead Silver Project - 21 August 2019

(o) Acquisition of Mobile Plant - Tshipala Lead Silver Project - 23 August 2019

(p) High-Grade Silver Returned in Galena Grab Sample - 5 September 2019

(q) Tshipala Project Update Civils Contract Executed - 10 September 2019

The Company is actively progressing its current exploration and development activities at the Tshipala Project and has achieved over the past 3 months a number of material milestones.

These milestones include amongst others:

- (a) The strengthening of the Company's Board and executive management team in Malawi and appointment of consultants in Malawi in July 2019 to advance the Tshipala Project.
- (b) The execution of a 150-hole, 2,500m resource definition reverse circulation drilling contract for the Tshipala Project in August 2019.
- (c) Agreement to acquire mobile crushing and screening equipment to be used to process material to be mined at the Tshipala Project.
- (d) Execution of an agreement with Shire Construction Limited for completion of civil engineering and construction works for site offices and camp establishment, infrastructure up-grades and improvements to access bridges and roads, exploration trenching work and drill pad preparations, at the Tshipala Project.

The Company has further demonstrated an ability to attract major industry partners to support its exploration and development activities in Malawi, as well as its planned strategy to develop the Tshipala Project.

These include amongst others:

- (a) Transamine Trading SA (**Transamine**), an independent and privately held global commodities trading company specialising in non-ferrous raw materials. Transamine is headquartered in Geneva, Switzerland, and has offices throughout key commodity markets including Australia, South Africa, India, the United States and China.

In July 2019, the Company executed a binding offtake agreement with Transamine for all production of lead and silver ore produced from the Tshipala Project.

- (b) Bolloré Transport and Logistics (**Bolloré**), a subsidiary of the Bolloré Group, which is listed on the Paris Stock Exchange and is one of the 500 largest companies in the world, with activities in 107 countries on five continents.

Bolloré is the largest logistics company in Africa with 250 operating subsidiaries, and almost 24,000 employees in 55 countries, including 46 in Africa.

In July 2019, the Company signed an agreement with Bolloré for the transportation and logistical support for the export of 100% of lead and silver production from the Tshipala Project.

6. *Does 4CE consider that the financial condition of 4CE is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2? In answering this question, please also explain the basis for this conclusion.*

The Directors consider that the financial condition of the Company is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2.

In making this determination, the Directors have considered the following factors:

- (a) the Company completed a share placement to professional and sophisticated investors in May 2019 with gross proceeds of A\$350,000 raised to undertake due diligence activities on, and to advance the Tshipala Project.
- (b) the Company completed a sale of its non-core shareholding in ASX-listed Marquee Resources Limited in June 2019 for gross proceeds of A\$225,000, with the funds realised from the sale to be used to advance the commencement of exploration and development activities at the Tshipala Project.
- (c) the Company completed the sale of the non-core asset, Mt Adrah Gold Project, to Wildcat Gold Pty Ltd in June 2019 for net cash consideration of A\$250,000 and with the reimbursement of a further A\$30,000 of environmental performance bonds. Additional share consideration of A\$50,000 is also scheduled to be received if Wildcat completes an IPO on the ASX or a transaction onto the ASX is finalised.

The Directors have further reviewed the progress being made towards the establishment of mining operations by management at the Tshipala Project and in particular the contracts that have been entered into in respect of:

- (a) the Offtake Agreement with Transamine for the sale of all production of lead and silver ore produced from the Tshipala Project.
- (b) the agreement with Bolloré for the transportation and logistical support for the export of 100% of lead and silver ore production from the Tshipala Project.
- (c) the agreement with Shire Civils Limited, for the acquisition of mobile crushing and screening equipment comprising a Metso Locotrack LT 106 Mobile Jaw Crusher, LT106, a Metso Locotrack LT 1213 Mobile Rotary Crusher and a Metso Locotrack ST 4.8 Mobile Screen that is capable of throughput of up to 250 tonnes per hour and producing four different sized products through the triple deck screens.
- (d) the agreement with Shire Construction Limited for completion of civil engineering and construction works for site offices and camp establishment, infrastructure up-grades and improvements to access bridges and roads, exploration trenching work and drill pad preparations, at the Tshipala Project.

The Directors have further reviewed the internal cashflow forecasts and budgets prepared for the remainder of the 2019 calendar year and 2020 financial year by the Company's executive management and consultants in Malawi.

In addition, the Company has further received indicative and non-binding offers of debt funding. The Directors are reviewing the debt funding terms, which are proposed to be made available to the Company to accelerate the development and scale of the Tshimpala Project. Whilst these discussions are still incomplete, the Company is expecting to finalise the terms and documentation of the debt funding with these groups shortly and will then immediately update its shareholders.

Taking all of the above into consideration, the Directors consider that the financial condition of the Company is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2.

7. *If the answer to either questions 5 or 6 is 'no' please explain what steps 4CE has taken, or proposes to take, to warrant continued listing on ASX under the requirements of Listing Rules 12.1 and 12.2.*

Not applicable

8. *In relation to the Half Year Accounts, did the Board receive the CFO and CEO declaration, as described in section 4.2 of 4CE's Corporate Governance Disclosure, that in the opinion of the CFO and CEO, the financial records of 4CE have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of 4CE and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively?*

The Board received signed declarations from the Managing Director and CFO, as described in section 4.2 of 4CE's Corporate Governance Disclosure.

The declarations confirmed that in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively

9. *If the answer to Question 8 is 'no', why did the Board not receive the CEO and CFO declaration as described in section 4.2 of 4CE's Corporate Governance Disclosure?*

Not applicable.

10. *What enquiries did the Board make of management to satisfy itself that the financial records of 4CE have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of 4CE?*

In addition to the declarations provided by both the Company's Managing Director and Chief Financial Officer, the Company notes the following:

- (a) The Audit Committee, which consists of all the Board, met to discuss the financial statements on 12 September 2019.

The minutes of this meetings record that they considered and discussed the financial statements, including the notes and summary findings included in the Half Year Accounts.

This included, among other matters:

- i. the basis for qualified conclusion;
- ii. the going concern assumption, and the internal forecasts on which it was based ; and
- iii. the impact of the commencement of production at the Tshipala Project and internal cashflow assumptions and effect on the financial position of the Company.

- (b) The Directors were also able to review all the supporting documentation and financial records of the Company during the period under review in the Half Year Accounts.

- (c) Taking all of the above into consideration, the Board were able to satisfy themselves that the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Company.

11. Commenting specifically on the Qualified Opinion, does the board consider that 4CE has a sound system of risk management and internal control which is operating effectively?

The Board considers that the Company has a sound system of risk management and internal control, which is operating effectively.

The Qualified Opinion relates solely to financial records to support \$166,099 of exploration and evaluation expenditure incurred in relation to its lithium exploration projects located in the DRC.

The Company's systems of risk management and internal control were able to identify that this expenditure was made based on contractual obligations and legally binding documentation entered into by the Company. Furthermore, the advances that were made to meet the expenditure were done so in accordance with the Company's established procedures and policies as set out in the Company's systems of risk management and internal control.

The Company is of the opinion that its systems of risk management and internal control are appropriate to an entity of the Company's current size and nature.

The Board notes that as a result of its current and planned increased level of exploration and development activities in Malawi and planned development of the Tshipala Project into a producing lead and silver mine, it will likely need to strengthen its systems of risk management and internal control as it transitions from being a predominantly exploration focused company into mining company with sales to be made under its Offtake Agreement with Transamine and transported and exported under its agreement with Bolloré.

In this regard, the Company has also appointed independent risk advisory group Noahs Rule Pty Ltd (**Noahs Rule**) (refer ASX Announcement dated 19 September 2019) to provide market risk advisory services to the Board and its executive management and implement appropriate hedging strategies and contracts in respect to commodity and currency risk associated with the Company's sales under the Offtake Agreement with Transamine.

Noahs Rule will assist the Company in providing a comprehensive approach to monitoring and managing commodity and currency risk exposures through policies, processes and hedging activities.

In addition, the Company is in the process of appointing BDO Risk Advisory (Perth) to assist the Company in this transition and to advise and assist the Company on the implementation of "best practice" risk management and internal control systems as it looks to achieve its planned strategy of commencing production activities at the Company's Tshimpala Project.

12. Is the Qualified Opinion related to the Assay Results?

The Qualified Opinion does not relate to exploration and evaluation expenditure in regards to the assay results from the Kitotolo-Katamba Lithium Project as reported in the Company's ASX Announcement dated 23 August 2019 (**Assay Results**).

The Qualified Opinion relates solely to financial records to support \$166,099 of exploration and evaluation expenditure incurred in relation payments made in the DRC in respect to its lithium exploration projects located there.

This amount relates to contractual payment obligations and legally binding and documented payments made in the DRC to various employees, consultants, service providers and suppliers.

Payments made in respect to the Assay Results were made directly by the Company from its Perth Office.

13. Please explain why there was a 10 month delay in releasing the Assay Results?

The Assay Results relate to a Phase One drilling program that was completed by the Company in late November 2018. A total of 1,170 samples were taken from the 4,272m of drilling completed and these samples were initially stored at the Company's Exploration Camp in Manono.

The samples were transported, as scheduled by road, from Manono in the December 2018 and March 2019 quarters to Lubumbashi for third party sample preparation.

Over this period, the Company's activities were impacted by the seasonal holidays, the impact of the wet season on logistics and transportation and by the Presidential Elections in the DRC. During this time, the Company reduced its exploration activities in-country as planned, and whilst the planned analyses of the samples were to be completed.

Samples prepared in Lubumbashi were then transported to Johannesburg for routine ME- MS61 48 element four acid digest sample analysis. Transportation of the samples was completed to Johannesburg late in the March 2019 quarter and early in the June 2019 quarter.

The Company had no control over the sample preparation nor the timing of the transportation of the samples to Johannesburg, which was completed by third parties and overseen by the sample assay laboratory.

It was anticipated that the first of the Assay Results from the samples from the Phase One drilling program at Kitotolo-Katamba were to be received by the Company in May 2019.

This was advised to shareholders in the Company's Quarterly Activities Report lodged with ASX on 10 May 2019:

"All the samples are at the ALS laboratory in Johannesburg for routine (ME- MS61 48 element four acid digest) preparation and assay and the results are awaited. It is expected that these assay results will be received by the Company in May 2019."

It is therefore incorrect to refer to a "10 month delay in releasing the Assay Results".

Late in the June 2019 quarter and early in the September 2019 quarter, the Company's Senior Geologist, Prince Kalumba, and the Company's administrative staff in Perth, sought clarification from the assay laboratory in regards to the actual samples that were being processed, which drill hole locations they were in respect to and the estimated timing of completion of the assays.

This clarification was required by the Company, given that the sample identification numbers used by the assay laboratory were different to the sample identification numbers used by the Company's in-country geological team for the drill holes and associated samples. The Company further wanted to ensure that funds that were allocated to meet the costs associated with the initial assaying of the samples, were being applied on drill hole samples that were considered to have the highest potential for high-grade lithium results at the Kitotolo-Katamba Project. This was considered important by the Board given the significant deterioration in the demand for spodumene concentrate and a fall in lithium prices that was prevalent in the market and that the Company was already accelerating its activities in Malawi at the high-grade lead and silver Tshimpala Project.

In the Quarterly Activities Report lodged with ASX on 31 July 2019, the Company advised shareholders that:

"A total of 1,170 samples from were taken for sample preparation and assaying. All the samples are at the ALS laboratory in Johannesburg for routine (ME- MS61 48 element four acid digest) preparation and assay and the results are still outstanding."

On 21 August 2019, the Company's Senior Geologist, Prince Kalumba, received the assay results from the first batch of samples processed from the Phase One drilling program at Kitotolo-Katamba.

The results were reviewed and assessed by the Company's Senior Geologist, Prince Kalumba and by the Company's Chairman and Competent Person, Jess Oram.

A report including detailed table of the results and JORC Code 2012 Table 1 Report and draft ASX Announcement was submitted to the Managing Director and Board by Prince Kalumba and Jess Oram for approval on 23 August 2019.

The ASX Announcement was approved by the Board and was lodged with ASX on 23 August 2019.

14. Please explain why the reason for the delay (being the answer to Question 13) was not disclosed to the market in either 4CE's Quarterly Reports or as a standalone announcement?

The delays associated with the receipt of the Assay Results were administrative in nature and were not considered material.

The Company continued to advise its shareholders over the period in question, of the status of the assaying of the samples in its announcements to the ASX and which specifically were included in its Quarterly Activities Reports released on 10 January 2019, 9 May 2019 and 31 July 2019 and also in a standalone announcement dated 23 August 2019.

15. Please confirm that 4CE is complying with the Listing Rules and, in particular, Listing Rule 3.1.

We confirm that the Company is in compliance with the Listing Rules and in particular Listing Rule 3.1.

16. Please confirm that 4CE's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of 4CE with delegated authority from the board to respond to ASX on disclosure matters.

We confirm that the Company's responses to the questions above have been authorised and approved under its published continuous disclosure policy and have been approved by the Board.

For and on behalf of the Board

Jason Brewer
Managing Director
Force Commodities Limited



16 September 2019

Reference: 07220

Mr Michael Pitcher
Company Secretary
Force Commodities Limited

By email:

Dear Mr Pitcher

Force Commodities Limited ('4CE'): Queries regarding Accounts and Exploration Results

ASX refers to:

Half Year Accounts

A. 4CE's Half Year Accounts year accounts for the Half Year Accounts year ended 30 June 2019 lodged with ASX Market Announcements Platform ('MAP') and released on 13 September 2019 ('Half Year Accounts Year Accounts').

B. ASX notes that the Independent Auditor's Report attached to the Half Year Accounts ('Auditor's Report') contains an qualified opinion:

"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."

('Qualified Opinion').

C. 4CE's Corporate Governance Statement for 2018 lodged on the ASX Market Announcements Platform on 8 April 2019 which provides confirmation that 4CE complies with recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations which states:

"The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively."

D. Listing Rule 12.1 which states:

12.1 The level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued +quotation of the entity's +securities and its continued listing.

E. Listing Rule 12.2 which states:

12.2 An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued +quotation of its +securities and its continued listing.

F. Listing Rule 19.11A which states:

19.11A *If a listing rule requires an entity to give ASX +accounts, the following rules apply.*

- (a) *If the entity controls an entity within the meaning of section 50AA of the Corporations Act or is the holding company of an entity, required by any law, regulation, rule or accounting standard, or if ASX requires, the +accounts must be consolidated +accounts.*
- (b) *The +accounts must be prepared to Australian accounting standards. If the entity is a +foreign entity the +accounts may be prepared to other standards agreed by ASX.*
- (c) *If the listing rule requires audited +accounts, the audit must be conducted in accordance with Australian auditing standards by a registered company auditor. If the entity is a +foreign entity, the audit may be conducted in accordance with other standards agreed by ASX and may be conducted by an overseas equivalent of a registered company auditor.*
- (d) *If the listing rule requires +accounts to be reviewed, the review must be conducted in accordance with Australian auditing standards. If the entity is a +foreign entity, the review may be conducted in accordance with other standards agreed by ASX. Unless the listing rule says an independent accountant may conduct the review, it must be conducted by a registered company auditor (or, if the entity is a +foreign entity, an overseas equivalent of a registered company auditor).*
- (e) *If there is a +directors' declaration that relates to the +accounts, the +directors' declaration must be given to ASX with the +accounts.*
- (f) *If there is a +directors' report that relates to the period covered by the +accounts, the +directors' report must be given to ASX with the +accounts.*

Exploration Results

- G. 4CE's announcement entitled '*Kitotolo-Katamba Project Drill Update*' released on MAP on 19 October 2018 that disclosed, amongst other things, 3,200m of drilling had been completed to date at the Kitotolo-Katamba Project and that the first batch of samples were being prepared for dispatch for assay.
- H. 4CE's announcement entitled '*Kitotolo-Katamba Lithium Project Update*' released on MAP on 28 November 2018 that disclosed, amongst other things, that the initial stage of the phase 1 drilling program at the Kitotolo-Katamba Project was complete and ~1,000 samples had been delivered to Lubumbashi for sample preparation and on-forwarding to ALS Laboratories for assaying.
- I. 4CE's Quarterly Activities Report for the December 2018 quarter lodged on MAP on 10 January 2019, that disclosed, amongst other things, during the December 2018 quarter 4CE completed 98 RC shallow holes for 4,272m of planned Phase 1 program at the Kitotolo-Katamba Project and that the assays were pending.
- J. 4CE's Quarterly Activities Report for the March 2019 quarter lodged on MAP on 9 May 2019, that disclosed, amongst other things, the samples from the Kitotolo-Katamba Project were at the ALS Laboratory in Johannesburg for routine sample analysis and the assay results are awaited.
- K. 4CE's Quarterly Activities Report for the June 2019 quarter lodged on MAP on 31 July 2019 ('June Quarterly Report'). ASX notes that the June Quarterly Report did not provide any further updates regarding the assay results for the Kitotolo-Katamba Project.
- L. 4CE's announcement entitled '*Update & Assays for DRC Lithium JV Projects*' released on MAP on 23 August 2019 disclosing, amongst other things, the assay results from 2018 drilling program at the Kitotolo-Katamba Project ('Assay Results').

Request for Information

In light of the information above, please respond to each of the following questions:

Half Year Accounts

1. Is 4CE able to confirm that in the Directors' Opinion the Half Year Accounts:
 - (a) comply with the relevant Accounting Standards; and
 - (b) give a true and fair view of 4CE's financial performance and position?
2. Please explain the basis for and the factors considered by the Directors to satisfy themselves that exploration and evaluation expenditure in relation to 4CE's projects located in Africa as disclosed in the statement of Profit or Loss and Other Comprehensive Income in the Half Year Accounts is in accordance with accounting standards.
3. What steps has 4CE taken since the release of the Half Year Accounts to obtain an unqualified opinion with regards to its future financial statements?
4. What steps does 4CE intend to take to obtain an unqualified audit opinion with regards to its future financial statements?
5. Does 4CE consider that its level of operations is sufficient to warrant continued quotation of its securities on ASX as required under listing rule 12.1? In answering this question, please explain the basis for this conclusion. In answering this question, please comment on the nature of the 4CE's current business activities.
6. Does 4CE consider that the financial condition of 4CE is sufficient to warrant continued listing on ASX as required under Listing Rule 12.2? In answering this question, please also explain the basis for this conclusion.
7. If the answer to either questions 5 or 6 is 'no' please explain what steps 4CE has taken, or proposes to take, to warrant continued listing on ASX under the requirements of Listing Rules 12.1 and 12.2.
8. In relation to the Half Year Accounts, did the Board receive the CFO and CEO declaration, as described in section 4.2 of 4CE's Corporate Governance Disclosure, that in the opinion of the CFO and CEO, the financial records of 4CE have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of 4CE and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively?
9. If the answer to Question 8 is 'no', why did the Board not receive the CEO and CFO declaration as described in section 4.2 of 4CE's Corporate Governance Disclosure?
10. What enquiries did the Board make of management to satisfy itself that the financial records of 4CE have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of 4CE?
11. Commenting specifically on the Qualified Opinion, does the board consider that 4CE has a sound system of risk management and internal control which is operating effectively?

Exploration Results

12. Is the Qualified Opinion related to the Assay Results?
13. Please explain why there was a 10 month delay in releasing the Assay Results?
14. Please explain why the reason for the delay (being the answer to Question 13) was not disclosed to the market in either 4CE's Quarterly Reports or as a standalone announcement?

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15. Please confirm that 4CE is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 16. Please confirm that 4CE's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of 4CE with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

Please note that ASX reserves its right under Listing Rule 18.7A to release this letter and 4CE's response to the market. Accordingly, 4CE's response should address each question separately and be in a format suitable for release to the market.

Unless the information is required immediately under Listing Rule 3.1, a response is requested as soon as possible and, in any event by no later than **4:00 pm AWST Thursday, 19 September 2019**.

Any response should be sent to me by return email at ListingsCompliancePerth@asx.com.au. It should not be sent to the ASX Market Announcements Office.

Enquiries

If you have any queries regarding any of the above, please contact me.

Yours sincerely

Madeleine Green
Senior Adviser, Listings Compliance (Perth)