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ASX ANNOUNCEMENT
29 JULY 2014

ENCOURAGING RESULTS AT JOHNNYCAKE

Highlights

- **The Sledgehammer Prospect has produced high grade rock chip assays from an outcrop of silicified hydrothermal breccia including a single sample yielding 47g/t gold and 38g/t silver**
- **This outcrop sits central to, and is consistent with, a broader gold and silver in soil anomaly**
- **The prospectivity of Sledgehammer is underpinned by a series of co-incident geophysical anomalies which bear the hallmarks of a hydrothermal system overprint**
- **The Szarbs Prospect consists of a silicified pyritic hydrothermal breccia within an advanced argillic alteration zone defined by anomalous to significant outcropping silver mineralisation in a number of samples, with the highest assay returning 9.03g/t silver**

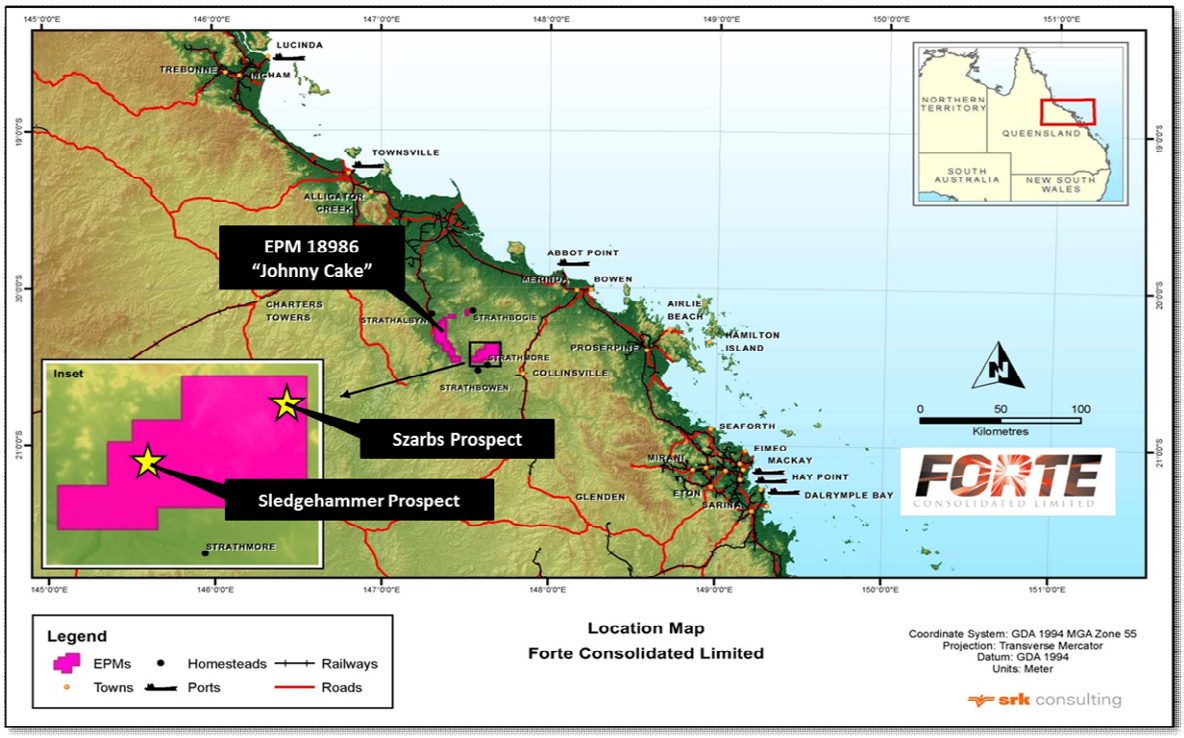

Figure 1: Location map for Sledgehammer and Szarbs Prospects

Review of work since March 2014 Quarter

Since the close of the March 2014 quarter, Forte has received the results of the high resolution airborne magnetic and radiometric survey commenced at the end of that quarter. A number of anomalies were highlighted and, on the strength of this, SRK Consulting (Australasia) Pty Ltd ("SRK") undertook tenement scale mapping which identified evidence of a hydrothermal system at Sledgehammer (informally re-named from West Rocky Creek), in addition to the already identified system at Szarbs (informally re-named from Hill 345).

Subsequent prospect scale mapping was completed at Sledgehammer and Szarbs with the aim of refining these prospects into 'drill ready' targets. Rock chip and PIMA sampling at each prospect has enhanced this objective, with surface rock chip results at Sledgehammer including **47g/t Au** and **38g/t Ag**, 1.52g/t Au and 6.2g/t Ag, 3.79g/t Au and **32.3g/t Ag**, while results at Szarbs included a number of strongly geochemically anomalous silver results with a highest assay of 9.35g/t Ag. The rock chip results at each prospect are

supported by a number of co-incident geophysical anomalies and broad halos of hydrothermal alteration consistent with the target style of epithermal mineralisation. The full characteristics of each prospect are defined in more detail below.

Sledgehammer Prospect

The Sledgehammer Prospect (Figure 2) is located within a volcaniclastic sequence, inferred to overlie locally present trachyte and andesite at depth.

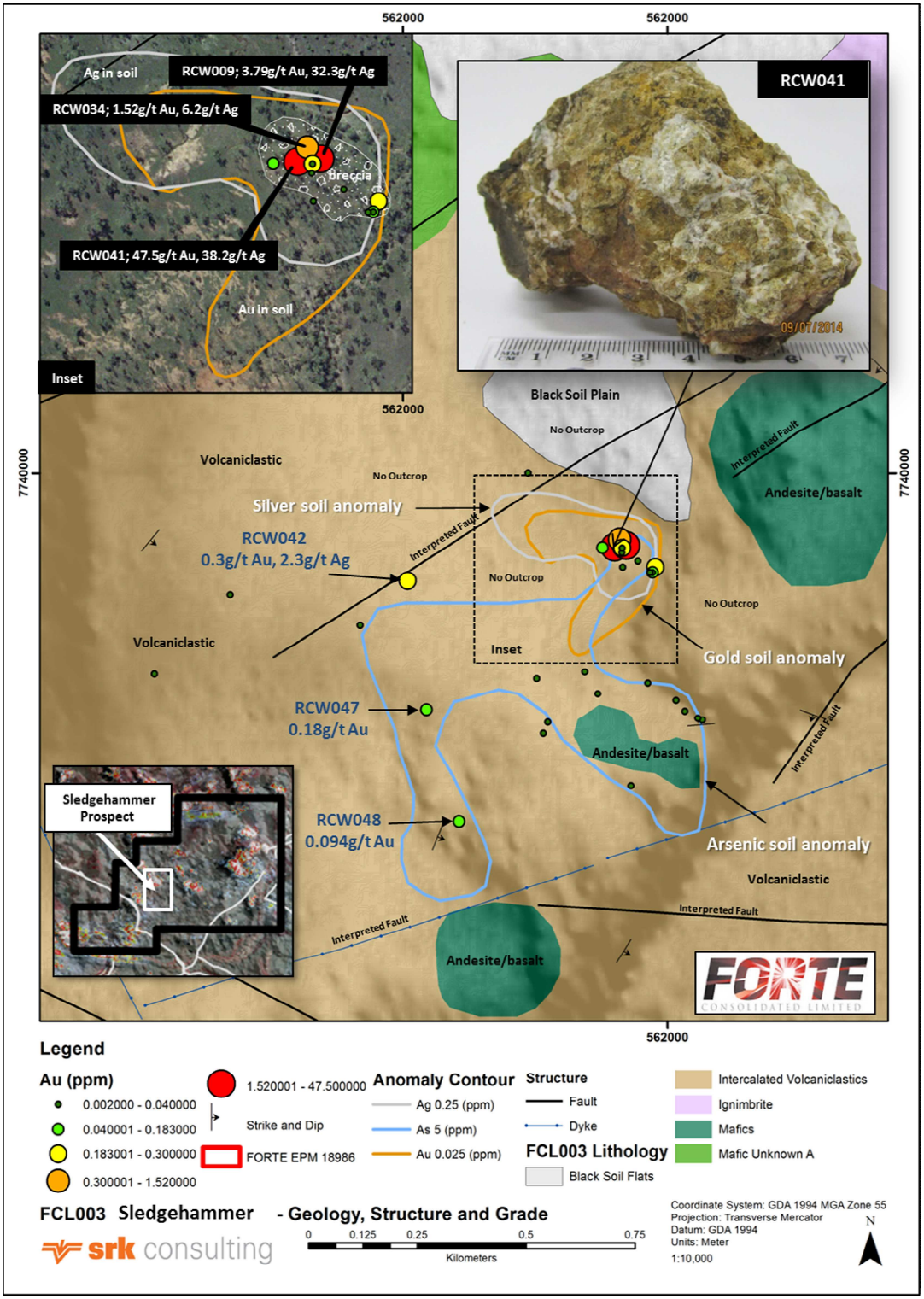

Figure 2: Sledgehammer Prospect showing Geology, Structure and Grade

The prospectivity is underpinned by a series of co-incident geophysical anomalies which bear the hallmarks of a hydrothermal system overprint. These are:

- The prospect is linked to a deep seated structure in the form of a major basement break interpreted from the gravity and supported by the magnetic datasets. This feature is considered regionally significant and has a high potential to provide a favourable pathway for hydrothermal fluids. Another prominent feature of the gravity dataset is a broad dense gravity feature (anomaly) which sits below the prospect and potentially links to the major basement break. This feature could either reflect an intrusive source or dense mineralised body;

- Coincident with this gravity anomaly is a broad zone of demagnetisation. The favoured interpretation of this zone is that the destruction of primary magnetite signature resulting in the broad anomaly is due to the hydrothermal overprint associated with phyllic and propylitic alteration; and

- Broadly co-incident with these two anomalies is evidence of anomalous conductivity within the 100-150m conductivity depth slice which SRK recommended should be investigated for the possibility of conductivity associated with hydrothermal alteration. SRK reports that elevated conductivity is consistent with clay alteration zones and provides more weight of evidence for the presence of a sizeable hydrothermal system preserved at Sledgehammer.

At surface, the zone interpreted as hydrothermally overprinted based on geophysical data, exhibits intense and laterally extensive alteration in outcrop (supported by thin section and PIMA analysis) characterised by propylitic and phyllic alteration assemblages. This alteration zone is co-incident with elevated geochemistry. Geochemically the prospect has been sampled by both soil (historic, see Appendix: JORC Code Compliance Tables) and rock chip (this phase of work) and is characterised by:

- A broader halo of anomalous As hosting strong Au and Ag anomalism, weakly elevated Cu (± elevated Pb, Te and B) consistent with an epithermal system; and

- A corresponding zone of anomalous gold and silver in rock chip samples, including one exposure in the north of the prospect hosting brecciated and intensively altered volcaniclastics with significant mineralisation at surface (up to 47g/t Au).

A total of 27 rock samples were collected from the Sledgehammer prospect during the tenement- and prospect-scale mapping programs. 1-2 kg samples were collected from exposed outcrop and transported to either ALS Laboratories in Townsville or Brisbane for preparation and assay. The samples were assayed using conventional ME-ICP41 (aqua regia ICPMS) for a 51 element analytical suite (Ag, Al, As, Au, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, Hg, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, Zr). The samples were then assayed using Fire assay fusion ICP-AES finish for Au (0.001).

Rock chip results are shown geographically in Figure 2. Sampling from the small outcrop of silicified hydrothermal breccia zone in the north of the prospect defined significant outcropping gold and silver mineralisation in most samples, including one assay (RCW041) returning 47g/t Au and 38g/t Ag. A number of 'significant' sample assays are presented in Table 1. More distal quartz-pyrite altered volcaniclastics (e.g., RCW047, RCW042) show significant anomalism in Au (up to 0.3 g/t) and Ag defining a broader area.

Table 1: Rock chip sampling details and summary of significant assay results

Sample ID	Rock Type	Easting	Northing	Au g/t	Ag g/t
RCW041	Volcaniclastic breccia	561879	7739828	**47.5**	**38.2**
RCW047	Volcaniclastic	561446	7739454	**0.18**	**0.18**
RCW042	Volcaniclastic breccia	561403	7739751	**0.3**	**2.3**
RCW034	Volcaniclastic breccia	561890	7739845	**1.52**	**6.2**
RCW009	Volcaniclastic breccia	561905	7739832	**3.79**	**32.3**
RCW036	Volcaniclastic breccia	561897	7739782	**0.23**	**0.71**

This outcrop sits central to, and is consistent with, the broader Au and Ag in soil anomaly.

The anomalous rock chip results within the breccia zone, in conjunction with the adjacent broader Au anomalism in soil and more distal Au anomalism in rock chip results throughout the broader prospect highlight the potential of the area to host economic Au ± Ag mineralisation.

Sledgehammer bears all the hallmark features of a significant and highly prospective epithermal system and is exhibiting attributes to date that warrant significant follow-up exploration work. A pole-dipole induced

polarisation survey has commenced at the Sledgehammer Prospect under the direction of a highly experienced consultant geophysicist which is aimed at assisting in the definition of future drill targets.

Szarbs Prospect

The Szarbs prospect (Figure 3) is located within a prospective trachyte host unit interpreted to be part of the Mt Toussaint Trachyte which hosts the Mt Carlton series of deposits approximately 20kms to the north.

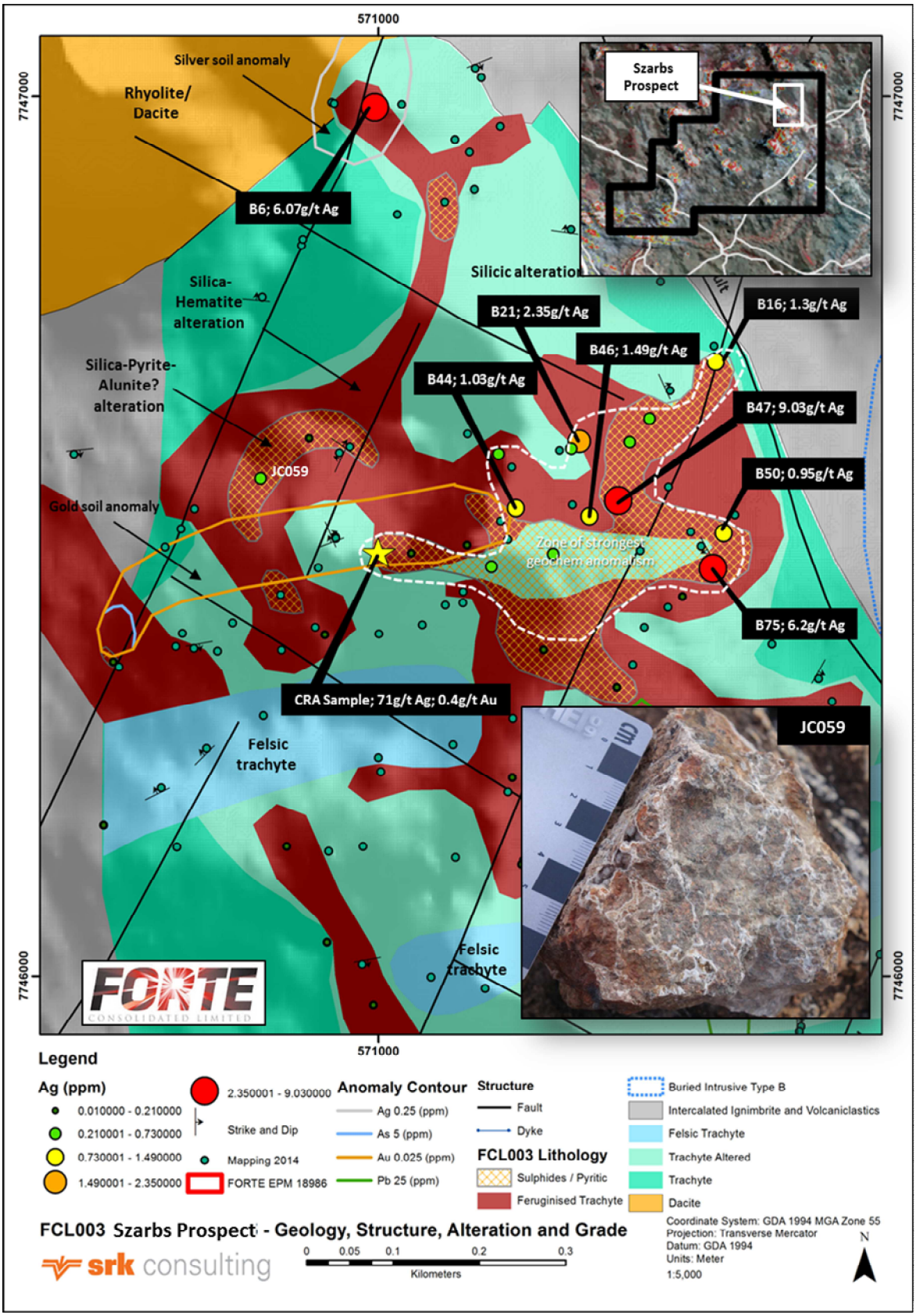

Figure 3: Szarbs Prospect Geology, Structure, Alteration and Grade

Geophysically, the prospect is located over a zone of demagnetisation that is interpreted to reflect the effects of propyllitic and phyllic alteration associated with a hydrothermal system. At surface, SRK notes the presence of an alteration overprint in outcrop. The alteration is characteristic of an argillic and phyllic alteration classification extending to silicic alteration around the margins of the system. Geochemically the prospect has been sampled by both soil (historically (see Appendix: JORC Code Compliance Tables)) and rock chip (this phase of work) and is characterised by:

- A broader halo of anomalous As hosting patchy Ag (strong anomaly) and Au (weak anomaly) soil anomalism central to the alteration zone;
- A series of elemental associations, i.e., elevated As, Ag, Au, Pb, Te and Bi consistent with an epithermal system; and
- A corresponding zone of anomalous silver in rock chip samples (up to 10g/t Ag (this program) and up to 71g/t Ag historical sample (see Figure 3 and Appendix: JORC Code Compliance Tables) supporting that the system has the potential to host economic Ag (±Au) mineralisation.

The combined demagnetisation associated with classic high-sulphidation alteration assemblages and a geochemistry which supports the deposit style (i.e., the relevant indicator element and metallogenic assemblages) provides strong evidence of a shallow high-sulphidation epithermal system at Szarbs. Importantly, the core of the system (i.e., the potentially mineralising zone) does not appear to be exposed, and is, therefore, expectantly preserved at shallow depth.

A total of 41 rock samples were collected from the Szarbs Prospect during the tenement and prospect scale mapping programs . 1-2 kg samples were collected from exposed outcrop and transported to either ALS Laboratories in Townsville or Brisbane for preparation and assay. The samples were assayed using conventional ME-ICP41 (aqua regia ICPMS) for a 51 element analytical suite (Ag, Al, As, Au, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, Hg, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, Zr). The samples were then assayed using Fire assay fusion ICP-AES finish for Au (0.001).

The combined geochemical results are shown geographically in Figure 3. Sampling from the silicified pyritic hydrothermal breccia zone within the advanced argillic alteration in the north of the prospect defined anomalous to significant outcropping silver mineralisation in a number samples, with the highest assay returning 9.03g/t Ag. All samples returned only weakly anomalous Au. The most 'significant' sample assays are presented in Table 2.

More distal quartz-hematite and silicic altered zones show insignificant anomalism in Ag and Au over a broad area.

Table 2: Rock chip sampling details and summary of significant assay results

SampleID	Rock Type	Easting	Northing	Au g/t	Ag g/t
B6	Argillic altered trachyte	570996	7746992	**0.003**	**6.07**
B21	Argillic altered trachyte	571232	7746608	**0.022**	**2.35**
B44	Argillic altered trachyte	571159	7746532	**0.007**	**1.03**
B46	Argillic altered trachyte	571244	7746523	**0.034**	**1.49**
B16	Argillic altered trachyte	571390	7746698	**0.002**	**1.3**
B50	Argillic altered trachyte	571400	7746503	**0.007**	**0.95**
B75	Argillic altered trachyte	571387	7746463	**0.008**	**6.2**
B47	Argillic altered trachyte	561446	7739454	**0.054**	**9.03**

Forte has decided that a pole-dipole induced polarisation survey will be undertaken at the Szarbs Prospect under the direction of a highly experienced consultant geophysicist which is aimed at assisting in the definition of future drill targets.

The information in this report that relates to Exploration Results is based on information compiled by Mr James Pratt. Mr Pratt is the Exploration Manager for Forte Consolidated limited He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, is a Member of the Australasian Institute of Geoscientists and, as such, is a Competent Person for the Reporting of Exploration Results, Mineral Resources and Ore Reserves under the JORC Code (2012).

Mr Pratt consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.

Appendix: JORC Code compliance tables

Section 1: Sampling Techniques and Data for work detailed in this report

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td>Sampling techniques</td><td>

Forte Consolidated (Forte) is reporting a new airborne magnetic and radiometric survey completed in April 2014. Forte contracted Thomson Aviation Pty. Ltd to acquire the survey data. A total of 3,597 line kilometers of survey data was collected across the eastern portion of the EPM. Equipment and sampling technique employed in the survey are listed as follows:

Summary of key flight specifications
<table>
<tr><td>Aircraft</td><td>Fixed-wing PAC750</td></tr>
<tr><td>Magnetometer</td><td>Geometrics G822A</td></tr>
<tr><td>Spectrometer</td><td>Radiation Solutions RS 500</td></tr>
<tr><td>Flight line direction</td><td>East-west</td></tr>
<tr><td>Flight line spacing</td><td>50 m</td></tr>
<tr><td>Tie line direction</td><td>North-south</td></tr>
<tr><td>Tie line spacing</td><td>500 m</td></tr>
<tr><td>Sensor mean terrain clearance</td><td>40 m</td></tr>
<tr><td>Time base – magnetics</td><td>0.05 sec</td></tr>
<tr><td>Time base – radiometrics</td><td>1 sec</td></tr>
<tr><td>Total traverse kilometres</td><td>3,257</td></tr>
<tr><td>Total tie kilometres</td><td>339.4</td></tr>
<tr><td>Total line kilometres</td><td>3,597</td></tr>
</table>

Historic systematic soil sampling completed in 2008/2009 by Conquest Mining Limited was undertaken on a 100m grid sampling pattern. Soil samples were assayed on an ~80 mesh fraction. These results were reported in the Conquest (2010) Partial Relinquishment Report for EPM 14783.
Historic rock chip sampling at the Szarbs Prospect was undertaken by CRA Exploration Pty Ltd in 1988-89 and was reported in the Exploration Report for the second year of tenure, 18/11/1988 to 18/11/1989, for Blue Valley A to P 5070M.
All samples taken during the field mapping campaign were taken from surface from outcrop. Each sample comprises rock material between 1-3 kg in weight. The sampling is selectively collected from specific geological features of interest. Samples were bagged in cloth sample bags and subsequently delivered direct from the field to ALS Laboratory in Townsville.
PIMA samples were acquired more systematically from outcrop to provide an adequate distribution of data. Each sample comprises a small (100-200 gm) amount of fresh rock. Samples were bagged in cloth sample bags and couriered to SRK Newcastle Office for further analysis. Mulitple analysis (x3) was carried out on each sample using SCiAps Navigator Spectrometer at the SRK Newcastle Office.

</td></tr>
<tr><td>Drilling techniques</td><td>No drilling undertaken during the quarter</td></tr>
<tr><td>Drill sample recovery</td><td>No drilling undertaken during the quarter</td></tr>
</table>

Logging	• **Surface samples correspond with mapping observation points and have been described in as much detail as possible and place within an interpreted geological context, but no resource can be estimated from the surface work done so far. All samples are photographed to illustrate the sample collected.**
Sub-sampling techniques and sample preparation	• **The sample preparation of rock samples follows industry best practice, involving oven drying, crushing and pulverising. All samples weighed less than 3 kg so no sub-sampling occurred. No samples were duplicated in the field, therefore each sample in its entirety was crushed and split. ALS retains the coarse reject of material not pulverised.**
Quality of assay data and laboratory tests	• **Rock chip samples were assayed using conventional ME-ICP41 (aqua regia ICPMS) for a 51 element analytical suite. The samples were then assayed using Fire assay fusion ICP-AES finish for Au (0.001). ALS is an internationally recognized, certified laboratory (certified to ISO 9001:2008 with Brisbane laboratory being NATA accredited to ISO 17025:2005) who exercise best practices in their sample preparation and assay methods including providing duplicate assays periodically. No external laboratory checks were done.** • **Quality assurance and quality control (QAQC) procedures for historic sampling, assay data and laboratory tests is not reported in detail. However, Forte believes it is reasonable to assume that both Conquest Mining and CRA Exploration conducted sampling to reasonable industry standards in operation at that time and as such the results are relevant to current exploration at Johnnycake.**
Verification of sampling and assaying	• **Verification of airborne magnetics data had been initially conducted by Thomson Aviation Pty Ltd. SRK Consulting (Australasia) Pty Ltd carried out independent data QA/QC process (in line with contract specifications) periodically during the data acquisition and at completion of the survey;** • **Internal reviews were done by independent consultants (SRK). Rock chip sample descriptions were entered into an Excel spreadsheet where they were then combined and cross-checked with assay results once those results were provided by the lab. The distribution of those results were further cross-checked in a GIS platform.** • **The PIMA data was independently verified (and interpreted) using The Spectral Geologist software by Spectral Geoscience Pty Ltd. Thin section work on selected samples was used to verify alteration mineralogy.**
Location of data points	• **All data used in this report are in:** **Datum: Geodetic Datum of Australia 94 (GDA94)Projection: Map Grid of Australia (MGA)** **Zone: Zone 55** • **Airborne magnetic and radiometric survey were located with GPS navigational system: mobile Novatel OEMV-1 VBS Receiver** • **Rock chip and PIMA sample locations were determined with a hand held GPS instrument, with an accuracy of ±5m which is considered appropriate for this stage of exploration.**

<table>
<tr><td>Data spacing and distribution</td><td>Airborne magnetic and radiometric survey had been conducted as follows:

<table><tr><td>Flight line direction</td><td>East-west</td></tr><tr><td>Flight line spacing</td><td>50 m</td></tr><tr><td>Tie line direction</td><td>North-south</td></tr><tr><td>Tie line spacing</td><td>500 m</td></tr><tr><td>Sensor mean terrain clearance</td><td>40 m</td></tr><tr><td>Time base – magnetics</td><td>0.05 sec</td></tr><tr><td>Time base – radiometrics</td><td>1 sec</td></tr><tr><td>Total traverse kilometres</td><td>3,257</td></tr><tr><td>Total tie kilometres</td><td>339.4</td></tr><tr><td>Total line kilometres</td><td>3,597</td></tr></table>
• Surface rock samples were collected from locations where the rock being sampled appeared to be either altered or mineralised. Sample distribution was, in part, controlled by available outcrop. No systematic sampling has been done and the sampling done to date should be considered reconnaissance level.</td></tr>
<tr><td>Orientation of data in relation to geological structure</td><td>• Airborne magnetic and radiometric survey were flown perpendicular to the regional structure and stratigraphy with flight line direction: 090 – 270 degrees and tie line direction: 000 – 180 degrees.
• Rock chip and PIMA sampling is based on outcrop distribution. A link between outcrop distribution and geological structure has not been established at this stage</td></tr>
<tr><td>Sample security</td><td>• Sample submission forms are sent to the ALS facility in paper form accompanying the samples. Delivered samples are reconciled with the batch submission form prior to the commencement of any sample preparation. Samples were always held in the presence of company personnel or securely in company vehicles.</td></tr>
<tr><td>Audits or reviews</td><td>• ALS undertake standard QA/QC analysis of samples submitted to their facility. No irregularities were identified by reviews of the data by Forte Personnel.</td></tr>
<tr><td></td><td></td></tr>
</table>

Section 2: Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• **Forte has a 100% interest in EPM 18986 (Johnnycake). An Exploration Agreement has been signed with the relevant Native Title Claim Group.** • **The tenement is in good standing and there are no known impediments to exploration in the area.**

Exploration done by other parties	• **Past exploration work by different mineral exploration companies is summarized by historical tenements below:**
	  • **EL 5070 CRA Exploration (1987 to 1991).**
	  • **EL 14783 Conquest Mining (2006 to 2010).**
	• **The exploration activities performed by CRA on EL 5070 over the period 1987 to 1991 included:**
	  • **Airborne magnetic and radiometric survey (100m line space) of the eastern part of EPM18986; and**
	  • **Minimal and non-systematic rockchip sampling , including sample with 71g/t Ag and 0.4g/t Au (Figure 3)**
	• **During 2006 to 2010 exploration work was carried out by Conquest Mining in JV with Goldfields Australasia Pty Ltd and included:**
	  • **extensive and systematic soil sampling (454 samples)**
	  • **minor rock chip sampling, and**
	  • **a broad (400m line space) Electromagnetic survey which covers part EPM 18986.**

Geology	• **Detailed information on the geology of EPM18986 (Johnnycake) is provided in the text of this report**
Drill hole Information	• **No drilling was undertaken**
Data aggregation methods	• **Only 'significant' anomalous assay results have been presented here**
Relationship between mineralization widths and intercept lengths	• **No relevant program was undertaken**
Diagrams	• **Appropriate diagrams, Figures 2 and 3, show the spatial distribution in plan view of the results relevant to this report**
Balanced reporting	• **The competent person believes this report to be a balanced representation of exploration undertaken**
Other substantive exploration data	• **At Sledgehammer adjacent broader Au anomalism in soil and more distal Au anomalism in rock chip results throughout the broader prospect highlight the potential of the area to host economic Au ± Ag mineralisation. Surface mapping has revealed intense and laterally extensive alteration in outcrop (supported by thin section and PIMA analysis) characterised by propylitic and phyllic alteration assemblages.** • **At Szarbs, SRK mapping has revealed the presence of an alteration overprint in outcrop. The alteration is characteristic of an argillic and phyllic alteration classification extending to silicic alteration around the margins of the system**
Further work	• **A pole-dipole induced polarisation survey has commenced at the Sledgehammer and Szarbs prospects under the direction of a highly experienced consultant geophysicist which is aimed at assisting in the definition of future drill targets.**