

16th December 2011
ASX
Exchange Centre
20 Bridge Street
Sydney NSW 2000
Dear Sir / Madam,

Finalisation of Tranche 2 of Placement; and

Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth)

Forge Resources Ltd (ASX: FRG, "Company" or "Forge") advises that the remaining \$1,900,000 of the \$2,500,000 share placement announced on 13th September 2011 has now been completed. Placement funds have been received and 3,800,000 new fully paid ordinary shares (Shares) will be issued and allotted. An Appendix 3B seeking quotation of the Shares has been lodged and Forge expects holding statements to be dispatched 19th December 2011.

Secondary Trading Exemption Notice

The Corporations Act 2001 ("Act") restricts the on-sale of securities without disclosure, unless the sale is exempt under Section 708 or 708A of the Act. By Forge giving this notice, on sale of shares issued under the Placement will fall within the exemption offered by Section 708A (5) of the Act.

Forge hereby notifies the ASX (as the operator of the prescribed financial market on which the Shares are to be quoted) under Section 708A(5)(e) of the Act that:

- (a) Forge issued the Shares without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this notice Forge has complied with the provisions of Chapter 2M of the Act as they apply to Forge and with Section 674 of the Act; and
- (c) As at the date of this notice there is no information:
 - i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules;
 - ii. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - a. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - b. the rights and liabilities attaching to the Shares.

Should you require further information, please do not hesitate to contact me directly.

Yours faithfully,
Shane Hartwig
Company Secretary