

ASX Release

4 July 2013

Forge Secures an \$8.5 million Funding Package from JV Partner – Todd Corporation

Highlights

- *Forge Resources has secured an \$8.5 million funding package through a part sell down of its interest in its Balla Balla VTi Magnetite Project and a commitment to assist Forge with its funding requirements for its West Ulca Fraser Range Project;*
- *Forge's Balla Balla Joint Venture Partner – Todd Corporation has agreed to provide the funding package on terms which Forge considers are value accretive to the Company;*
- *The part sell down to Todd Corporation is subject to Forge shareholder and other approvals;*
- *Shareholder documentation is being prepared for a proposed shareholder meeting to be held in August 2013.*

The Board of Forge Resources ("Forge", ASX:FRG) is pleased to announce that it has agreed terms with Todd Corporation ("Todd") whereby Todd have agreed to provide Forge with an \$8.5 million funding package on the following basis:

- i. Forge has agreed to sell down 7% of its interest in the Balla Balla VTi Magnetite Project for a consideration of \$7 million (taking Todd's share to 32% and Forge's share to 68% of Balla Balla); and
- ii. Todd has agreed to provide Forge with a funding commitment of \$1.5 million to be applied towards working capital and expenditure commitments on its West Ulca Project tenements, located in the Fraser Range region, Western Australia.

Forge Managing Director Dr. Matthew James said "We are extremely pleased with the outcome of this funding package, particularly as it provides the Company with sufficient funding to meet the budget for the Company to progress the Balla Balla Balla VTi Magnetite Project through to Final Investment Decision ("FID"). In addition the funds allow the Company to continue the exploration and development being undertaken at its West Ulca Project in the Fraser Range region as well as general working capital". Dr James commented further, "Forge has developed a strong relationship with Todd over the past twelve months as the two groups have continued the development of Balla Balla. The provision of this funding package re-iterates and supports both Forge's and Todd's view of the quality nature and commercial upside that is represented by the Balla Balla Project"



The acquisition by Todd of an additional 7% in the Balla Balla VTi Magnetite Project is subject to shareholder and regulatory approvals which the two companies are working on to obtain. Forge expects to distribute shareholder meeting documentation in July 2013 with an anticipated general meeting of shareholders to consider the transaction in August 2013.

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For further information please contact Dr. Matthew James, Managing Director, on +61 2 9259 4400.

About Forge Resources:

The Company's primary project is its 75% interest in the advanced Balla Balla Vanadium – Titanium – Magnetite (VTi Magnetite) project that was recently acquired by Forge from Atlas Iron Ltd. Balla Balla is located on granted mining tenements near the Pilbara coastline where Forge is planning a transshipment export route. A revised DFS is nearing completion. In addition Forge is currently farming-in to a base metal and mineral sands exploration project within the Fraser Ranges. Forge in conjunction with its Joint Venture partners are advancing the exploration of prospective tungsten, molybdenum, gold and base metal projects located in New South Wales, Australia and in accordance with its charter will also seek to acquire or participate in additional resource and energy projects in Australia and overseas.

ASX Codes: FRG, FRGO	Directors
Issued Capital: Ordinary Shares: 80,577,667 Options (Exp 7/14, Ex \$0.20): 19,855,905 Options (Exp 6/15, Ex \$0.67): 900,000 Options (Exp 12/15, Ex \$0.54): 4,500,000 Options (Exp 5/14, Ex \$0.50): 6,500,000 Options (Exp 5/15, Ex \$0.50): 1,000,000	Mr Nicholas Curtis: Chairman Dr. Matthew James: Managing Director Mr Emmanuel Correia: Non Exec Director Mr Harold Wang: Non Exec Director Mr Michael Wolley: Non Exec Director
Principal Place of Business Level 24, 56 Pitt Street Sydney NSW www.forgeresources.com.au	Company Secretary Mr Shane Hartwig