

8th July 2013

Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

West Eucla Project – Exploration Update Drilling Commences at the Bristol Target

Highlights

- *The positive results of the ground electromagnetic (EM) modelling has defined a basement conductor known as the Bristol target over a strike length of 1,200m.*
- *A reverse circulation and diamond drilling program will commence at the West Eucla Project on the 10th July 2013 to test the Bristol target. The program is designed to test the central (and best) part of the EM anomaly.*
- *The holes are designed as a first pass assessment of the target and will test the target to a depth of 300m.*
- *The Bristol EM anomaly is coincident with weakly anomalous nickel and copper surface geochemistry. The anomaly may be due to mineralised (nickel-copper) sulphides, however it should be noted that the anomaly may also be due to barren sulphides, such as pyrite and/or pyrrhotite, or graphitic schist.*
- *The EM anomaly source is blind to surface investigations, and drilling is required to ascertain the source of the anomaly.*

Due to the success of the recent ground EM survey results at the Eucla West project, the Board of Forge Resources Ltd (“Forge”, ASX:FRG) has committed to a first pass exploration and evaluation drilling program. The program will test the central (and best) part of the EM anomaly to a depth of 300m to assess if the conductor contains economically significant mineralisation. Should the program be successful, it will add significant upside to the project over and above the large heavy mineral sand Mineral Resource already defined at the project.

1. Exploration

Following the recent Sirius Resources Ni-Cu-Co-PGM sulphide mineral discovery, located within gabbroic rocks in the Fraser Range Complex, Forge commenced the process of evaluating the West Eucla project area (Figure 1) for basement-hosted sulphide mineralisation with the principal target being intrusive Ni-Cu-PGM sulphide mineralisation. While the West Eucla project is not located in the mafic dominated section of the Fraser Range, GSWA mapping (and subsequent mapping by

Forge) indicates that mafic igneous rocks exist within the Forge tenements, and therefore, the tenements may be prospective for Ni-Cu-PGM sulphide mineralisation.

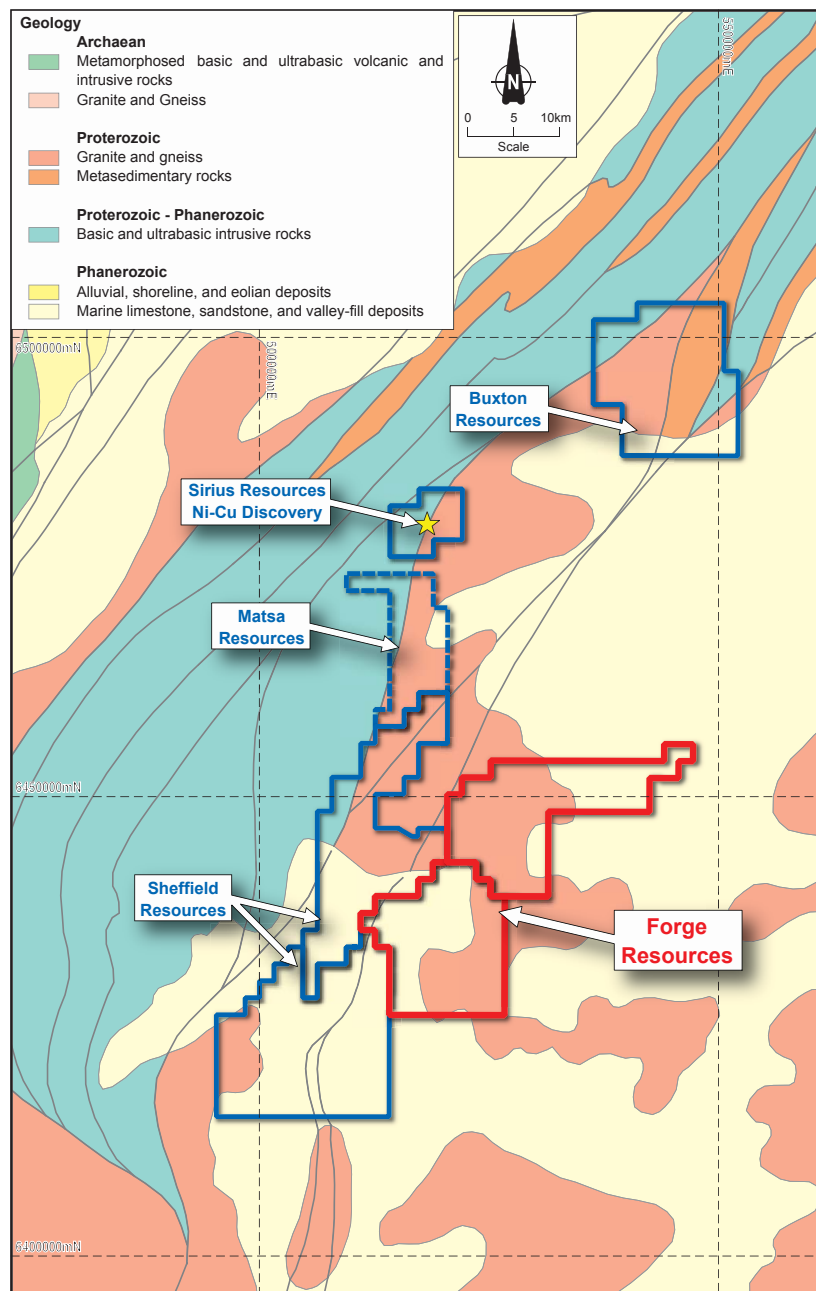


Figure 1 West Eucla tenements in relation to Fraser Range projects.

Forge has completed a series of exploration and evaluation programs targeting base metal mineralisation in the basement rocks. This has included a TEMPEST airborne EM survey over the entire tenement, geological reconnaissance mapping of the key TEMPEST bedrock anomalies, surface geochemical sampling and a ground EM surveying (as outlined in the Forge ASX announcement of 24/06/13).

The results of this exploration work have focused in on the Bristol target area. This area was highlighted as the best anomaly in the TEMPEST survey, and subsequent geological reconnaissance mapping delineated an area of mafic rocks coincident with anomalous surface geochemistry in nickel, copper, iron and sulphur. Due to the favourable setting and geochemistry, a moving loop

ground EM survey was completed over the target and has confirmed a strong EM conductor is present in the basement rocks.

2. Results of the Ground EM Survey Modelling

Detailed modelling of the EM survey data has provided a greater understanding of the geometry and location of the bedrock EM conductor. Modelling suggests the conductor has a strike length of approximately 1,200m trending north-north-east (008°) and dips to west at approximately 65°. The central part of the EM anomaly (grey area showing a modelled conductor 'plate' in Figure 2) has the strongest conductance and coincides with a small offset, thought to be a fault offset or a small fold. This central area will be the initial target of drilling.

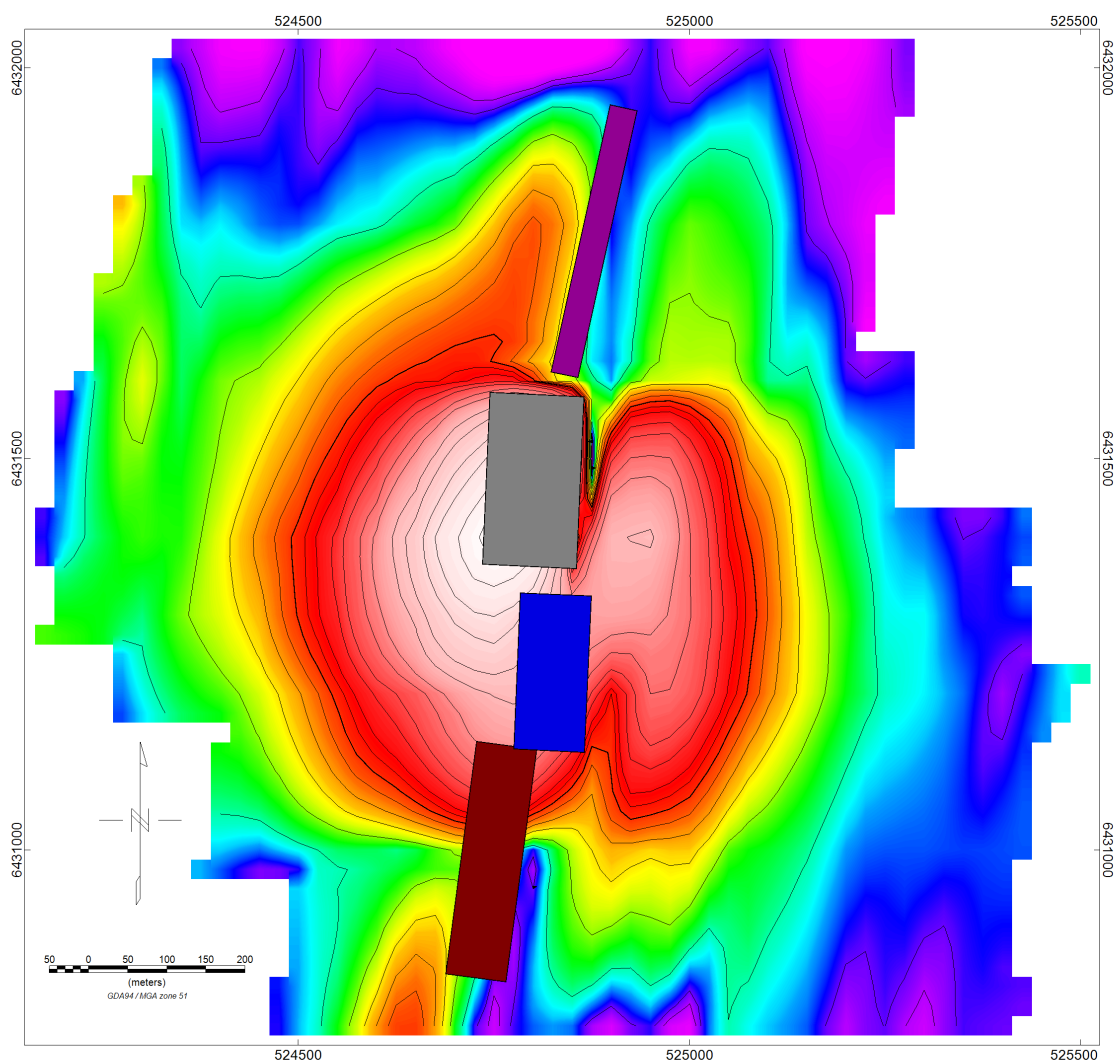


Figure 2. Close up of the preliminary image shown in Figure 4, showing MLEM B-field mid-late time (decay channel 24) amplitude with preliminary EM plate models overlain. The grey plate is the primary conductor with a conductance of 1600 Siemens while the other plates range from 100 to 400 Siemens.

3. Drilling Program

The detailed EM modelling indicates the top of the central conductor occurs 35m below surface and extends to depth of 375m (Figure 3). To test this area, a four-hole reverse circulation and diamond drilling program has been planned with depths ranging from 200-300m.

The holes will be drilled on 100m x 80m grid angled at -60° to intersect the conductor at depths from 100-250m below surface. Should these holes be successful, additional holes will be completed to better define the mineralisation and test other parts of the EM anomaly.

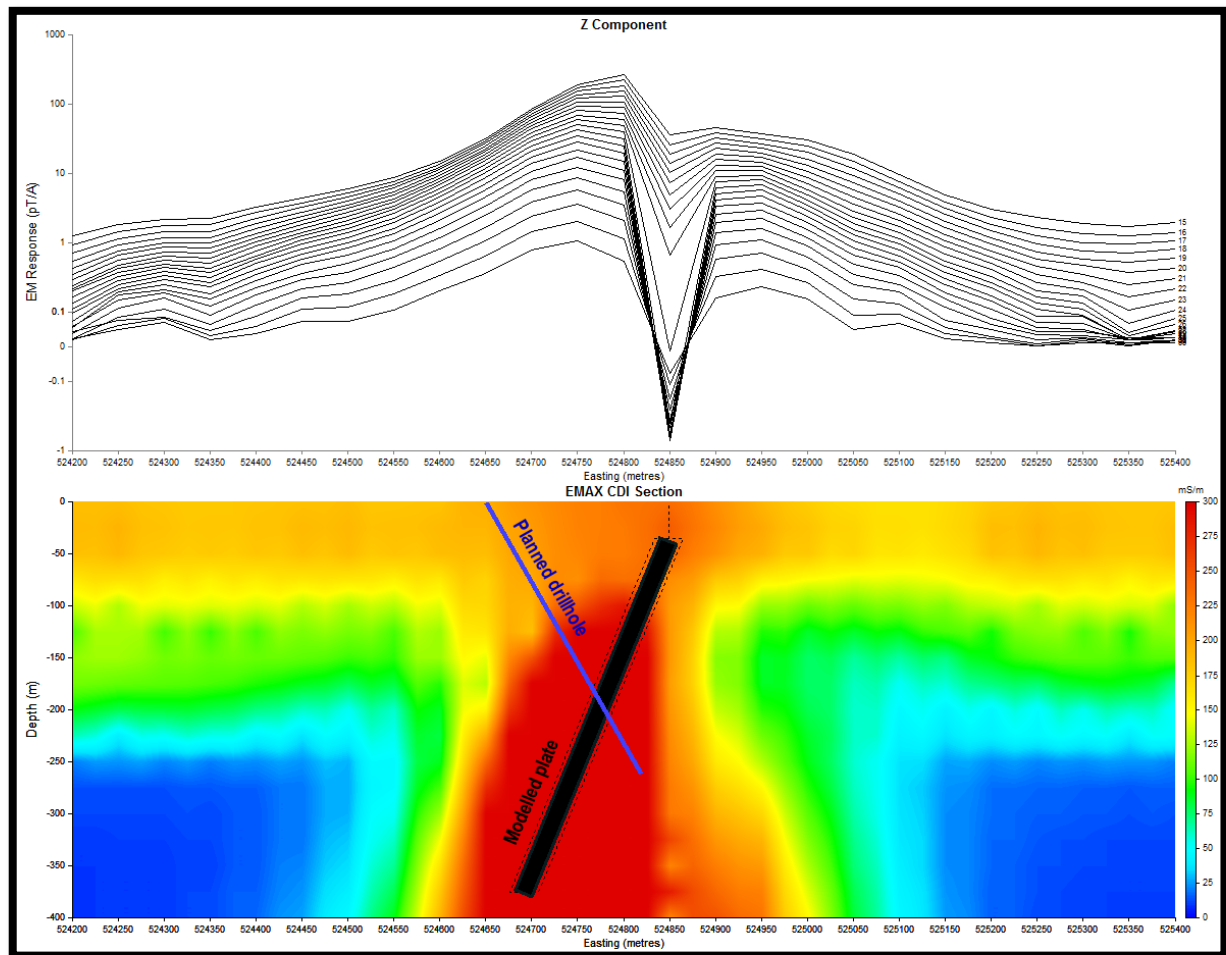


Figure 3. Cross section through central anomaly area showing ground EM profile response (top), and the orientation of conductor and planned drill hole (bottom).

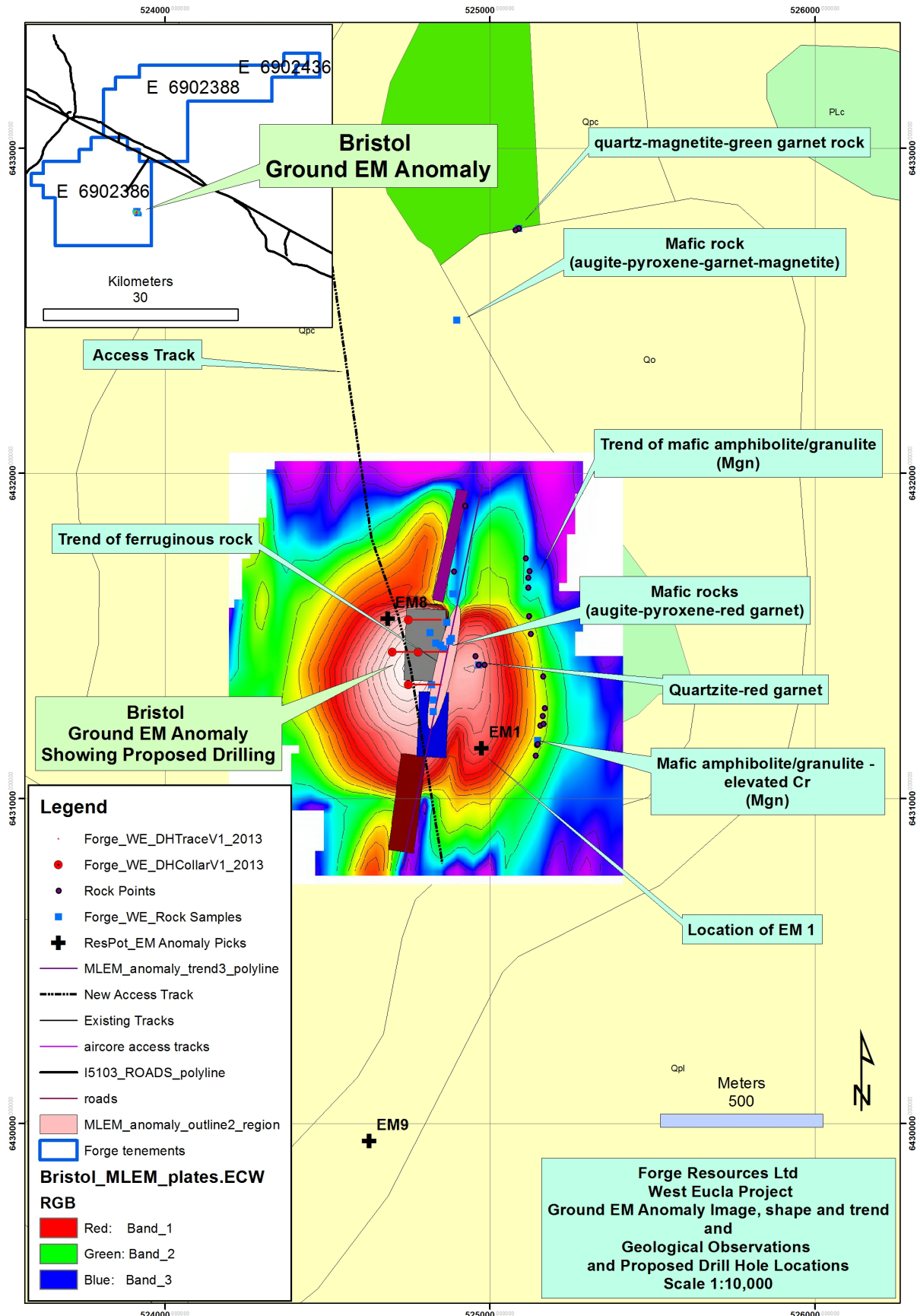


Figure 4. Bristol ground EM anomaly image and geological observations.

4. Background

As previously announced (ASX announcement 29 September 2011) Forge has entered into a Farm-in agreement whereby Forge has the right to earn 50.1% of the West Eucla tenements by spending \$2.0 million within two years, and the Company is on track to meet this obligation. Forge may either elect to earn a further 28.9% (total 80%) by spending a further \$4.0 million over a further three-year period, or acquire the project outright with a payment of \$7.5 million and the grant of a 1.5% gross sales royalty. Should Forge earn-in to 80%, Forge then has the right to acquire the project outright for a payment of \$5 million and the grant of a 1.0% gross sales royalty."

Further to the announcement of 4th July 2013 outlining a funding package of \$8.5M (\$7M relating to the Balla Balla project and \$1.5M relating to the West Eucla Project to be provided by Todd Corporation ("Todd"), Forge confirms that, subject to reaching final agreement with Todd and obtaining shareholder and other approvals, Todd shall acquire or earn 50% of the farm-in rights (to the West Eucla tenements) held by Forge Resources Crown Pty Ltd (which is the wholly-owned subsidiary of Forge that holds the rights). It is contemplated that Todd would acquire or earn such rights either directly, or indirectly as a new shareholder in Forge Resources Crown Pty Ltd.

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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 acquired by Forge from Atlas Iron Ltd in May 2012. Balla Balla is located on granted mining tenements near the Pilbara coastline where Forge is planning a trans-shipment export route. A revised DFS is nearing completion. In addition Forge is currently farming-in to an exploration project within the Fraser Range region. Forge in conjunction with its Joint Venture partners are also 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

Competent Person Statement

The information in this report that relates to Geological Exploration Results is based on information compiled by Mr Ralph Porter who is a member of the Australian Institute of Geoscientists. Mr Porter is a consultant to Forge Resources Limited and is employed by CSA Global Pty Ltd. Mr Porter 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 as a competent person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration results, Mineral Resources and Ore Reserves". Mr Porter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this release that relates to Geophysical Exploration Results is based on information compiled by Dr Jayson Meyers who is a Fellow of the Australian Institute of Geoscientists and consultant to Forge Resources Limited. Dr Meyers is employed by Resource Potentials Pty Ltd and 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 as a competent person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration results, Mineral Resources and Ore Reserves". Dr Meyers consents to the inclusion in the report of the matters based on the information provided by him in the form and context in which it appears.

Disclaimer

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.