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Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

West Eucla Project – Exploration Update.
Ground EM survey defines significant basement conductor

Highlights

- *A ground EM survey in the vicinity of the EM1 anomaly, defined by the earlier TEMPEST airborne survey, has confirmed the presence of a significant basement conductor (named the Bristol anomaly).*
- *The Bristol EM anomaly is present over a strike length of 1200m with a more highly conductive core of extending over 550 metres strike, and the depth to the top is estimated to be 50 - 100m.*
- *Infill EM lines have confirmed there is a jog or fault along the conductive trend, and this may be important for defining a dilatational zone through which hydrothermal fluids could have transported mineralisation.*
- *The Bristol 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 sulphide bearing black/carbonaceous shales.*
- *The anomaly is blind to surface and drilling is required to ascertain the source of the anomaly.*
- *Modeling of the ground EM data is in progress to define drill hole locations for the next phase of exploration and evaluation.*

The Board of Forge Resources Ltd ("Forge", ASX:FRG) is pleased to announce that the recently completed ground EM survey undertaken in the area of the Bristol TEMPEST EM anomaly has confirmed the presence of a strong conductor in the basement rocks at the West Eucla project. The conductor, named Bristol, will be tested by drilling to determine if the conductor contains economically significant mineralisation as soon as practical after detailed modelling of the conductor is complete. This highly encouraging result that confirms the prospective nature of the project beyond the large JORC compliant mineral sand Mineral Resource already defined.

1. Background

Following the recent Sirius Resources Ni-Cu-Co-PGM discovery, located within gabbroic rocks in the Fraser Range, Forge commenced the process of evaluating the West Eucla project area (Figure 1) for basement-hosted mineralisation with the principal target being Ni-Cu-PGM 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) indicated that mafic rocks exist within the Forge tenements and therefore the tenements may be prospective for Ni-Cu-PGM mineralisation.

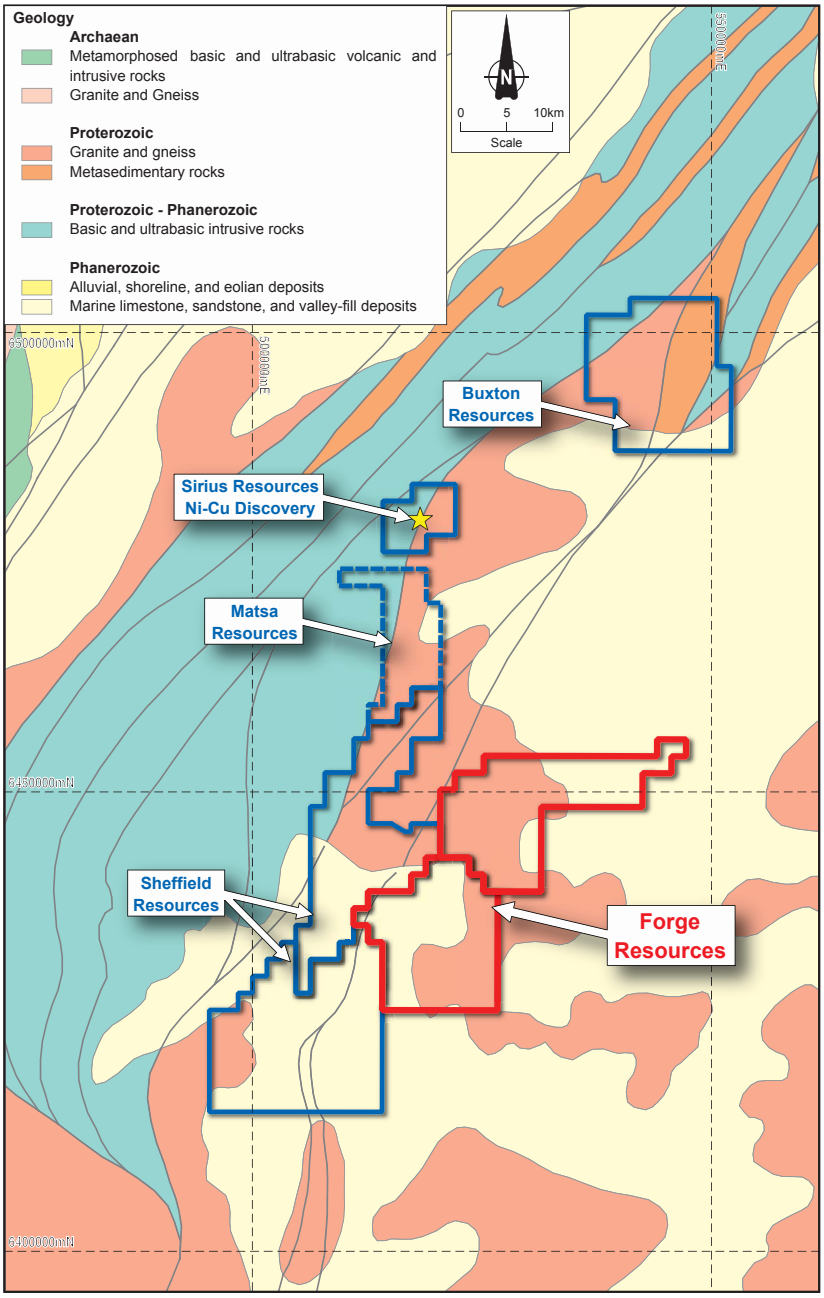

Figure 1 West Eucla tenements in relation to Fraser Range projects

As part of the initial push to investigate the basement rocks at the project Forge commissioned Fugro Airborne Ltd to complete an airborne TEMPEST electromagnetic ("EM") survey over the West Eucla tenements in 2012. TEMPEST data was acquired along 400m spaced flight lines. The data was initially processed and EM anomalies selected by Fugro. Subsequently, Forge commissioned CSA

Global Pty Ltd ("CSA") to manage an independent review of the project data and to manage and conduct ongoing exploration and evaluation work.

As an initial step in the review process CSA commissioned Resource Potentials Pty Ltd (Resource Potentials') to review the TEMPEST data and select and rank any EM anomalies present in the TEMPEST data. Resource Potentials' review confirmed the presence of one high priority EM anomaly (EM1), five second tier EM anomalies and six third tier EM anomalies (Figure 2).

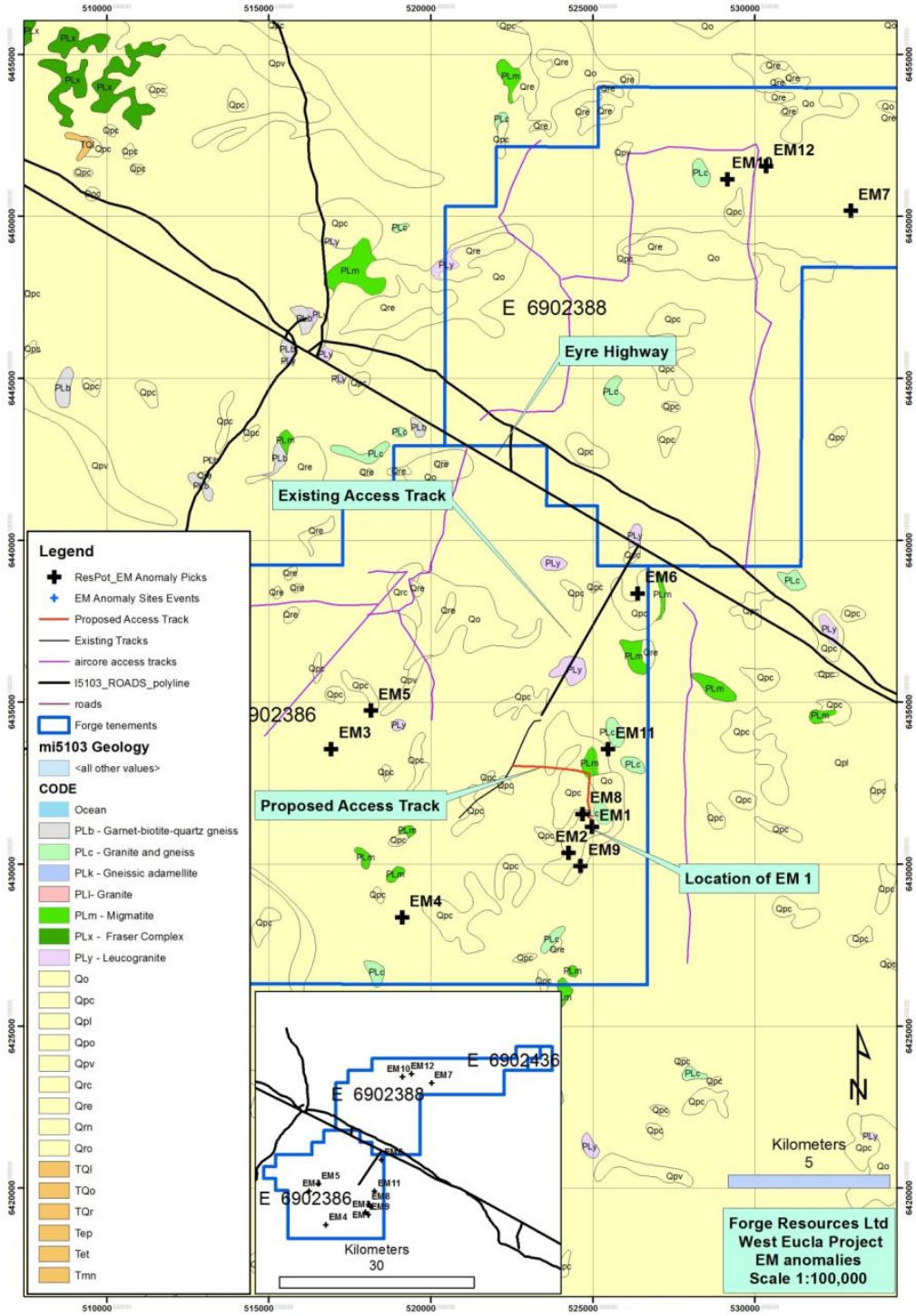

Figure 2. West Eucla tenements showing the location of the TEMPEST EM anomalies

CSA carried out an office based geological appraisal of the Forge tenements, which indicated a suite of mafic rocks may be present in the area of the TEMPEST anomaly EM1. During late March, CSA conducted a field trip to the West Eucla project area with the objective of visiting the higher priority TEMPEST EM anomalies selected by Resource Potentials to:

1. Ensure the EM anomalies were not due to cultural artefacts.
2. Review the local geological environment, if exposed, to see if any obvious source for the EM anomaly could be ascertained.
3. If applicable, collect samples for geochemical analysis to add support to the target concepts.

The field program undertaken to ground check the most promising TEMPEST anomaly located augite and pyroxene bearing mafic rocks and 'mafic' amphibolite in the general vicinity of the EM 1 (named the Bristol anomaly) indicating that the Bristol anomaly is a 'bona fide' EM anomaly which warranted follow-up ground EM to confirm the presence, location, tenor and geometry of this anomaly prior to drill testing. A limited set (10) of surface geochemistry samples (soil and rock chips) in the vicinity of the anomaly reported elevated nickel, chrome and copper results up to maximum values of 160, 156 and 222ppm respectively.

The anomaly area is also coincident with areas of secondary iron enrichment with iron values between 27% and 56% Fe and elevated sulphur values up to 951ppm. The surface geochemistry samples are summarised in Table 1 and Figure 3.

Sample_ID	MGA_E	MGA_N	Description	Cr_ppm	Cu_ppm	Fe_%	Mg_ppm	Ni_ppm	S_ppm	V_ppm	Zn_ppm
DETECTION				5	1	0.01	20	1	50	1	1
FRK0001	524815	6431510	Secondary iron and manganese	46	33	47.81	1874	36	610	53	113
FRK0002	524820	6431350	Secondary iron, spec hematite	124	77	>50.00	2343	160	511	233	701
FRK0003	524826	6431267	Secondary iron and manganese	156	222	47.26	1999	95	686	203	351
FRK0004	524857	6431460	Secondary goethite and hematite	11	13	>50.00	1623	36	271	16	167
FRK0005	524848	6431472	Secondary iron and manganese	9	54	>50.00	6701	44	471	52	167
FRK0006	524833	6431478	Secondary iron and manganese	86	32	42.74	1856	16	831	141	64
FRK0007	524868	6431542	Secondary iron and manganese	30	62	38.16	2427	54	482	63	120
FRK0008	524887	6431629	Qtz and secondary iron	39	98	26.95	2309	35	951	25	89
FRK0009	524898	6432472	Secondary iron, qtz, pyx and red garnet	121	22	34.04	7159	7	1381	177	61
FRK0010	525088	6432754	qtz-magnetite-green garnet, Layered rock- migmatite	14	<1	38.18	19031	7	<50	11	31
FRK0011	524882	6431493	weathered mafic with garnet	104	31	18.24	29863	20	422	103	150
FRK0012	524825	6431303	Secondary iron with gossan text, qtz vein, mafic?	78	145	29.49	3001	56	571	101	297
FRK0013	524857	6431460	Secondary iron with fine net text gossan	29	20	>50.00	2517	61	381	57	207
FRK0014	524877	6431484	Green augite-pyroxene-garnet mafic rock	<5	3	9.28	65418	6	<50	12	69
FRK0015	524965	6431411	Weath, 14 with glassy zones- not assayed								
FRK0016	525147	6431178	mafic granulite (qtz-pyx-hbl)	271	14	7.34	35473	62	879	190	68
FRK0017	517827	6434597	mafic granulite (qtz plg-hbl)	114	41	8.15	72138	155	<50	120	62

Table 1. Surface geochemical sample summary

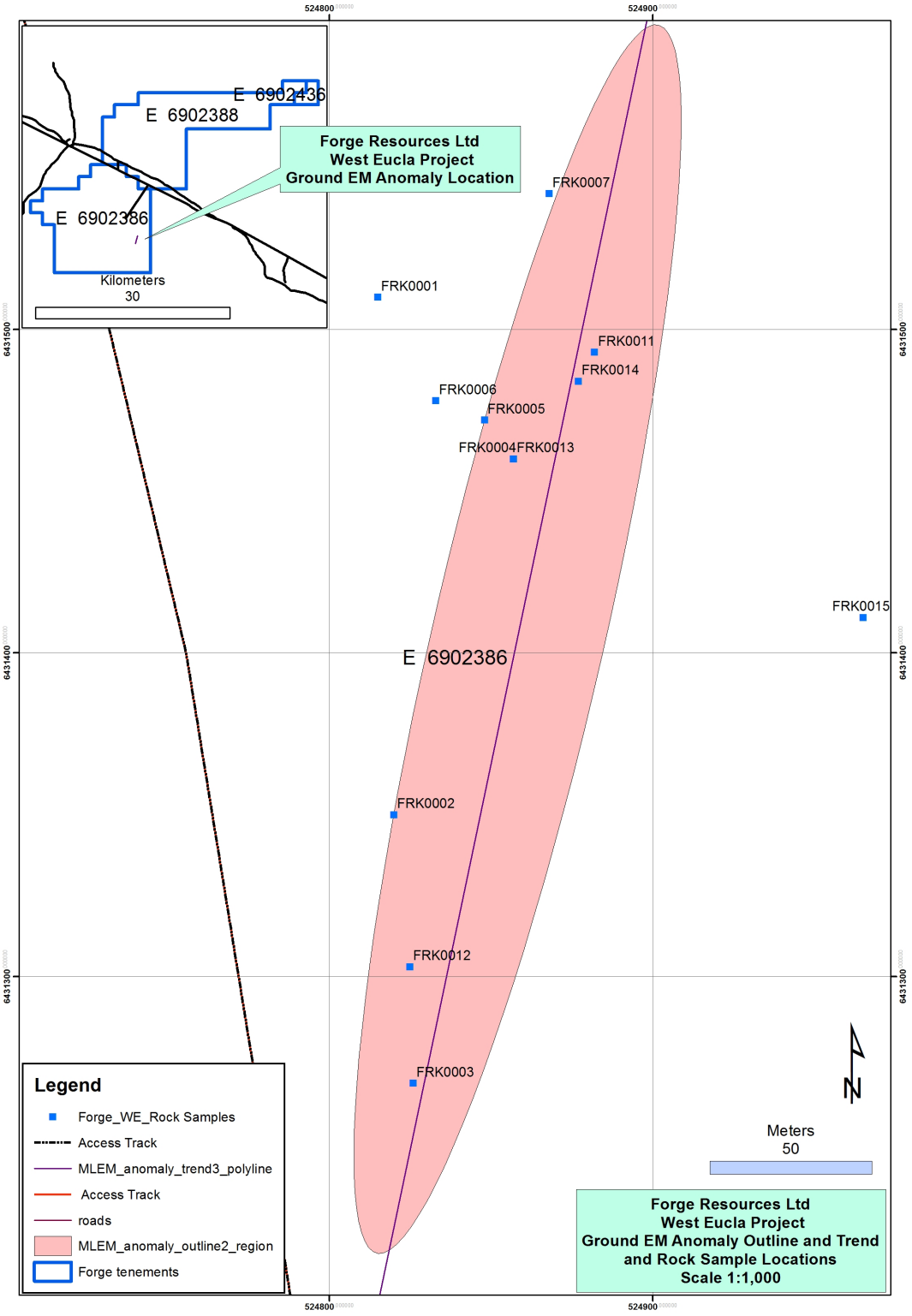

Figure 3. Rock sample location diagram
(the red shaded area is the ground EM central anomaly area discussed further below)

2. Results of the Ground EM Survey

The ground EM program confirmed the presence of a significant bedrock conductor in the vicinity of the Bristol TEMPEST anomaly. This release provides preliminary information on the ground EM survey results. Detailed modelling of the survey has commenced which will be used to define drill holes locations to test the anomaly. Figure 4 shows a preliminary image of the 'Bristol' ground EM anomaly overlain by the shape and trend of the anomaly and geological observations from the March field visit.

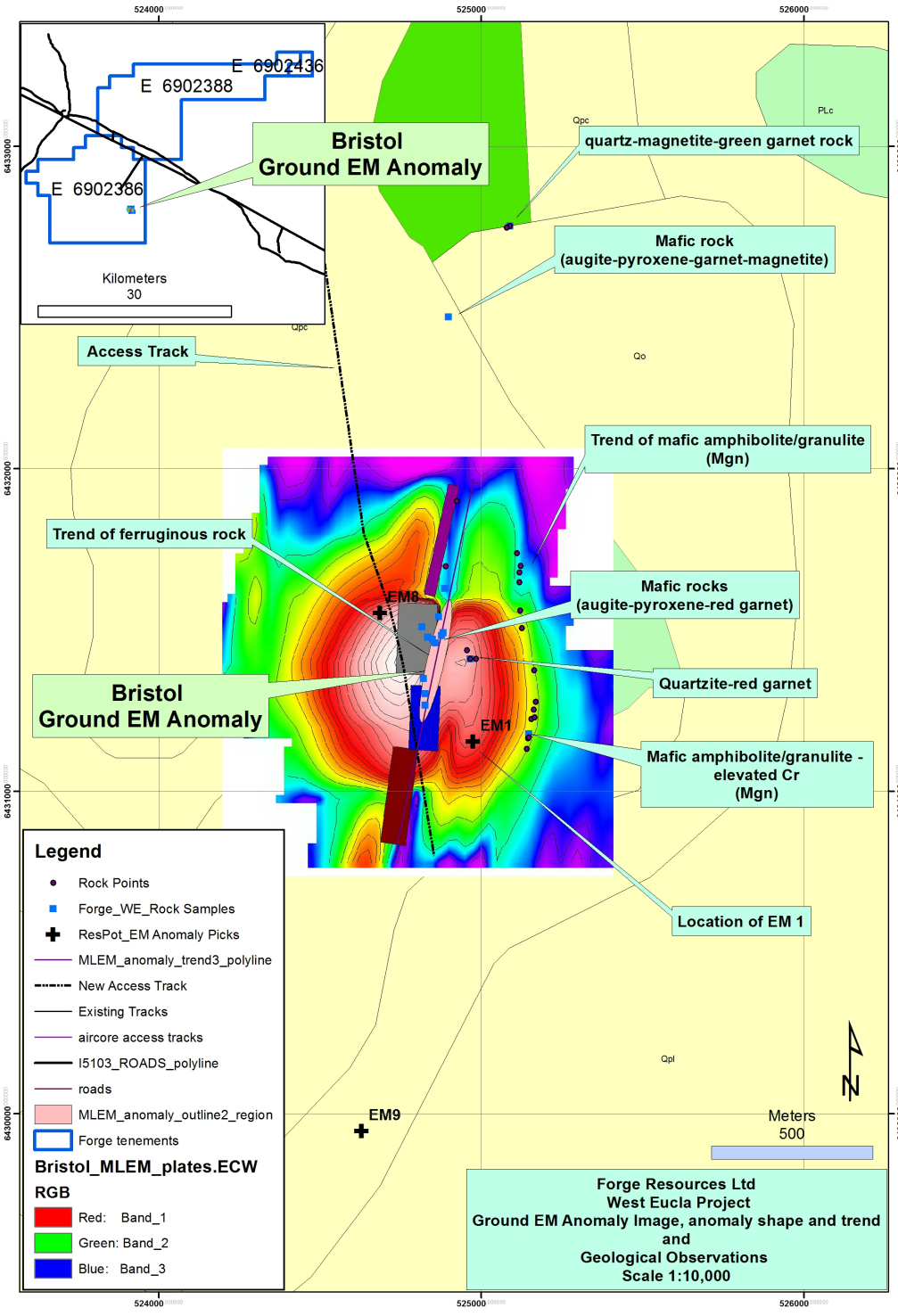

Figure 4. Bristol ground EM anomaly image and geological observations

The ground EM survey was completed by GEM Geophysics Ltd. The survey employed a Jessy Squid B-Field sensor in conjunction with a 200m x 200m, double-turn transmitter loop in a moving-loop configuration (MLEM) along E-W oriented survey lines spaced 200m apart. The MLEM transmitter frequency was 1Hz giving a recording time of approximately 200ms, which is significantly greater than the recording time 12ms afforded by the TEMPEST airborne EM survey. The increased transmit and recording time of the ground EM system has allowed much greater definition of the late time EM response of the conductor and the delineation of a very high amplitude portion of the target (Figure 5).

The high amplitude ground EM anomaly is present over a strike length of 1200m with a more highly conductive central portion over strike length 550m. The anomaly could be due to base metals sulphide accumulation or conductive carbonaceous lithologies.

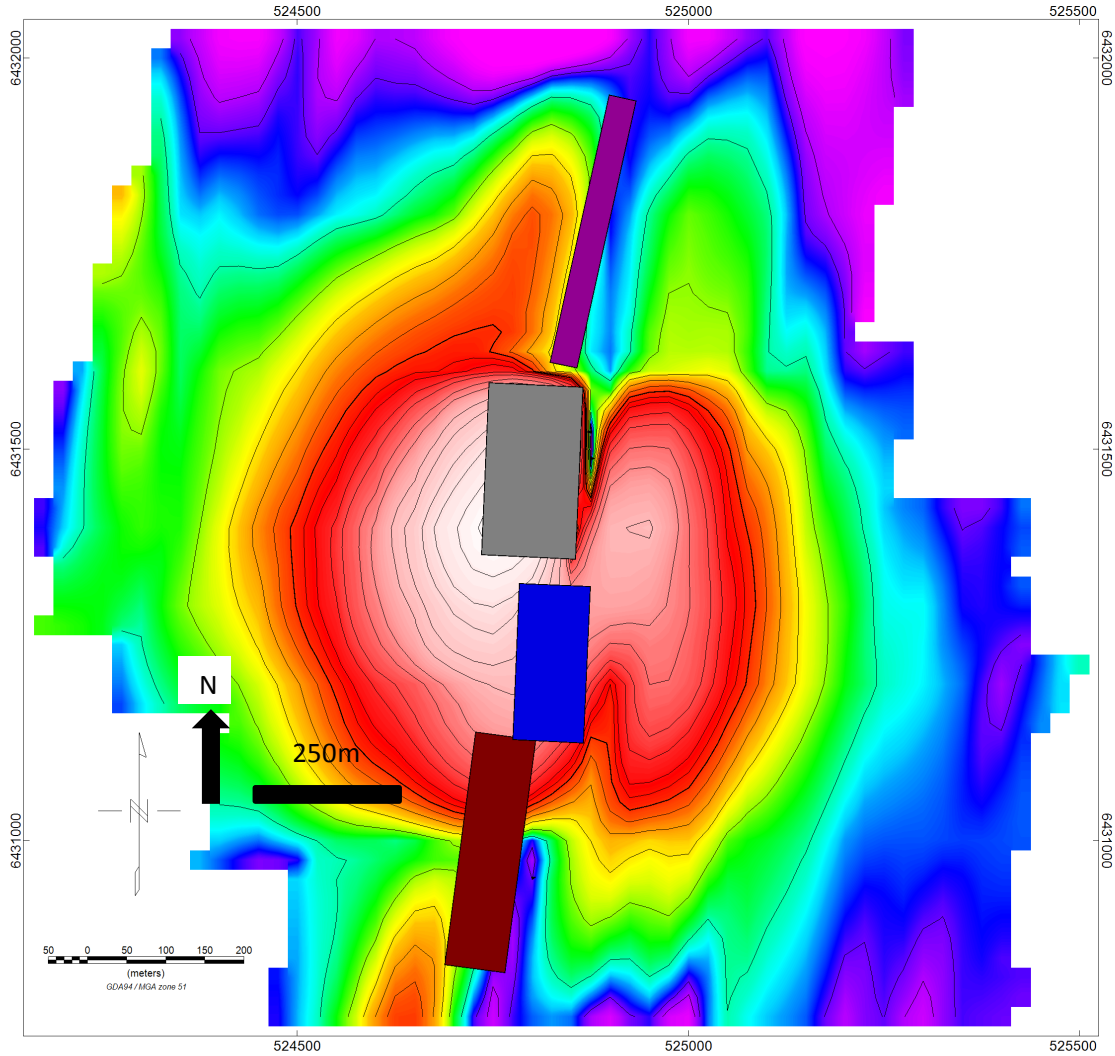

Figure 5. Close up of the preliminary image shown in Figure 4 showing MLEM B-field mid-late time (channel 24) amplitude with preliminary plate models overlain. The grey plate is the primary conductor with a conductance of 1600 Siemens while the other plates range from 100 to 400 Siemens.

Two infill lines at 100m line-spacing over the more conductive central portion of the target were arranged once the significance of the high amplitude late time EM anomaly became apparent. The infill EM lines have confirmed that there is a jog or fault along the conductive trend, and this may be

important for defining a dilatational zone through which hydrothermal fluids could have transported massive sulphide mineralisation.

The data is currently being modelled to determine the depth and orientation of the conductive source for drill targeting – preliminary model plates are shown in Figure 5; the grey plate is the primary conductor with a conductance of 1600 Siemens while the other plates range from 100 to 400 Siemens. Early indications are that the top of the conductive source is located within 50 - 100m of the surface and dips steeply to the west.

3. Next Steps

The completed ground EM survey will now undergo detailed modelling to better define the orientation of the conductive body. The EM models will be used to define a four-hole exploration and evaluation drilling program. The holes will be completed using a mixture of RC and diamond core and will test the anomaly down to 250-300m below surface. While on site more detailed investigation of the second tier EM anomalies will be completed.

It is expected drill testing of the Bristol EM anomaly will commence in mid-July. Should these drill holes intersect base metal mineralisation additional drilling is likely to follow immediately.

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.

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

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.