

11th May 2011

Companies Announcement Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX ANNOUNCEMENT
TERMINATION OF TRANSACTION FOR CROWN AND SWAN DEPOSITS

Forge has agreed to a request from Lynas Corporation Ltd (“Lynas”) to terminate the Agreements entered into with respect to the sub-leases incorporating the “Crown” and “Swan” deposits at Mt Weld (“the Transaction”).

Lynas has advised Forge that the Lynas Directors consulted extensively with major Lynas shareholders who expressed a strong desire for Lynas at this time to focus on its core strategy of delivering its Rare Earth project in Western Australia and Malaysia.

Given the uncertainty of Lynas shareholder support in relation to the Transaction, Forge directors felt that the fundamental component of the successful development of the Crown and Swan deposits, being a co-operative development relationship, based on mutual interdependence and benefit, would not be possible. Forge directors therefore assessed that further expenditure on the Transaction and these deposits would not be in the best interests of Forge shareholders and therefore agreed to Lynas’ request to terminate the Transaction.

Forge has entered into a deed of release regarding the Transaction. In consideration of entering the deed, Forge will receive a payment of \$600,000 in partial re-imbursement of the out-of-pocket third party costs Forge has incurred in relation to the proposed transaction.

Forge continues to pursue other opportunities in line with its original mandate from shareholders and will keep the market informed as to this progress.

About Forge Resources:

Forge was established in 2009 as a resource and energy exploration company. The Company's primary objective is to build a resource and energy company at a time when the global demand for resources and energy is high.

Forge in conjunction with its Joint Venture partners is advancing the exploration and development of its prospective gold and base metal projects located in New South Wales, Australia projects and in accordance with its charter will also seek to acquire or participate in additional resource and energy projects in Australia and overseas.

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