

16 December 2011

Australian Securities Exchange  
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## **Eucla West Heavy Mineral Sand Project Update**

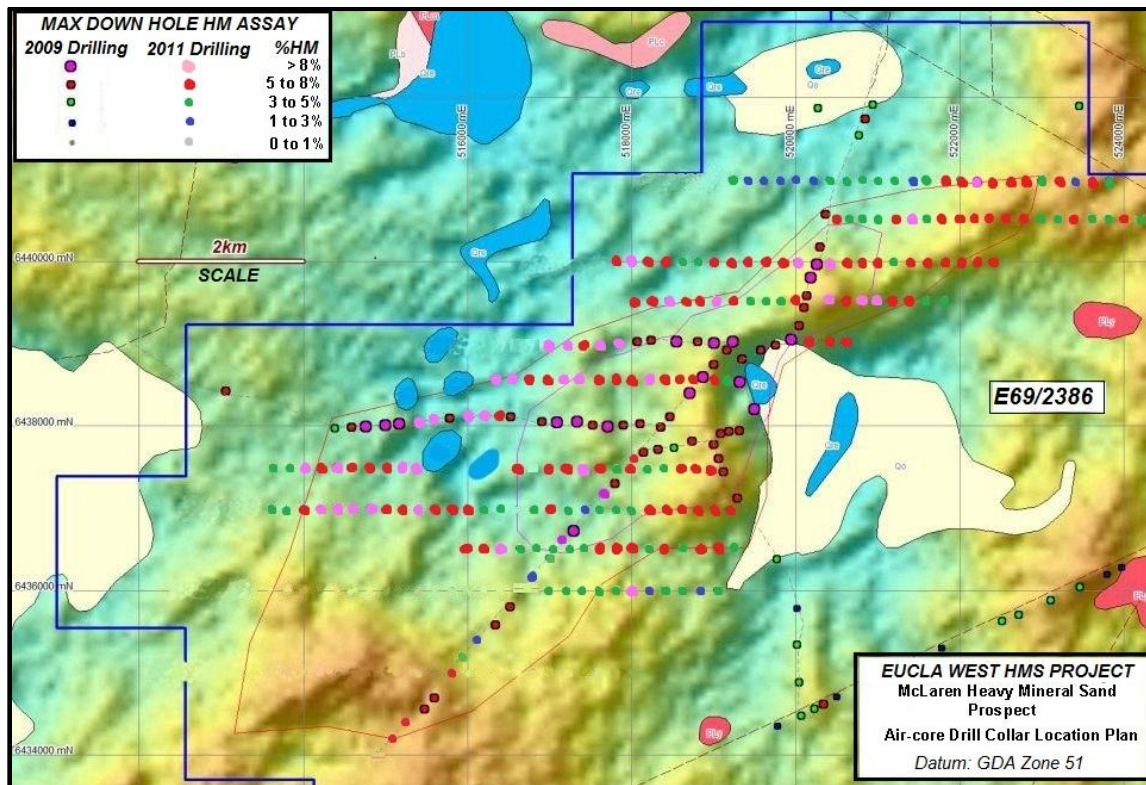
Forge Resources limited (ASX: FRG) is very pleased to announce the results of the latest aircore drill campaign at the newly discovered McLaren Heavy Mineral Sand (HMS) Deposit in the Eucla Basin of Western Australia. The drilling which totals 212 NQ air core drill holes (2086 meters) aims to test the depth and extent of heavy mineral bearing sands and provide the required data to enable a JORC compliant heavy mineral resource estimation.

These very pleasing results confirm the depth and continuity of grade from the previous drilling and show the deposit to be at or near surface, with depths up to 24 meters (>5% HM) over a strike length of approximately 5 kilometers. The deposit is now defined at a 500 meter by 200 meter drill spacing and significantly the mineralisation remains open to the north. A detailed analysis of all the data is underway including 3D geological modeling, mineralogy, ore characterisation and mineral sand test work to determine potential ore processing options.

The top 20 drill holes with significant assay results using a 5% HM cutoff grade and intercepts over 4.5 meters are tabulated below.

Hole ID	MGA_E	MGA_N	RL (m)	From (m)	To (m)	Thickness (m)	Grade %HM
EWAC449	519985	6440016	232	4.5	13.5	9.0	8.26%
EWAC429	520797	6439505	242	1.5	13.5	12.0	7.81%
EWAC427	520398	6439504	250	0.0	6.0	6.0	7.61%
				9.0	16.5	7.5	8.63%
EWAC418	518397	6439499	219	0.0	6.0	6.0	5.43%
				7.5	12.0	4.5	10.26%
EWAC421	519000	6439490	224	4.5	9.0	4.5	8.93%
EWAC406	517001	6439043	218	0.0	9.0	9.0	8.95%
EWAC495	517517	6439041	230	0.0	18.0	18.0	7.55%
EWAC410	517803	6439039	224	3.0	9.0	6.0	7.59%
EWAC409	517605	6439036	229	0.0	16.5	16.5	7.60%
EWAC390	516600	6438503	216	0.0	4.5	4.5	7.94%
EWAC393	517201	6438501	227	0.0	12.0	12.0	8.67%
EWAC377	516200	6438136	218	0.0	7.5	7.5	7.34%
EWAC376	516001	6438148	217	0.0	4.5	4.5	7.52%
EWAC375	515599	6438024	218	0.0	4.5	4.5	7.57%
EWAC354	515397	6437502	225	4.5	9.0	4.5	10.17%
EWAC493	517694	6437200	228	6.0	10.5	4.5	7.26%
				12.0	18.0	6.0	10.45%
EWAC321	514603	6437011	227	3.0	10.5	7.5	7.36%
EWAC319	514191	6437005	231	1.5	12.0	10.5	7.88%
EWAC320	514395	6437002	231	1.5	12.0	10.5	8.64%
EWAC325	515400	6436994	228	3.0	12.0	9.0	8.16%

**Table 1.** Table of top 20 air core drill holes with significant assay results using a 5% HM cutoff grade and intercepts over 4.5 meters. All air core drill hole are drill vertical and sampled using 1.5m composites. All holes are actual surveyed coordinates. Datum: GDA Zone 51.



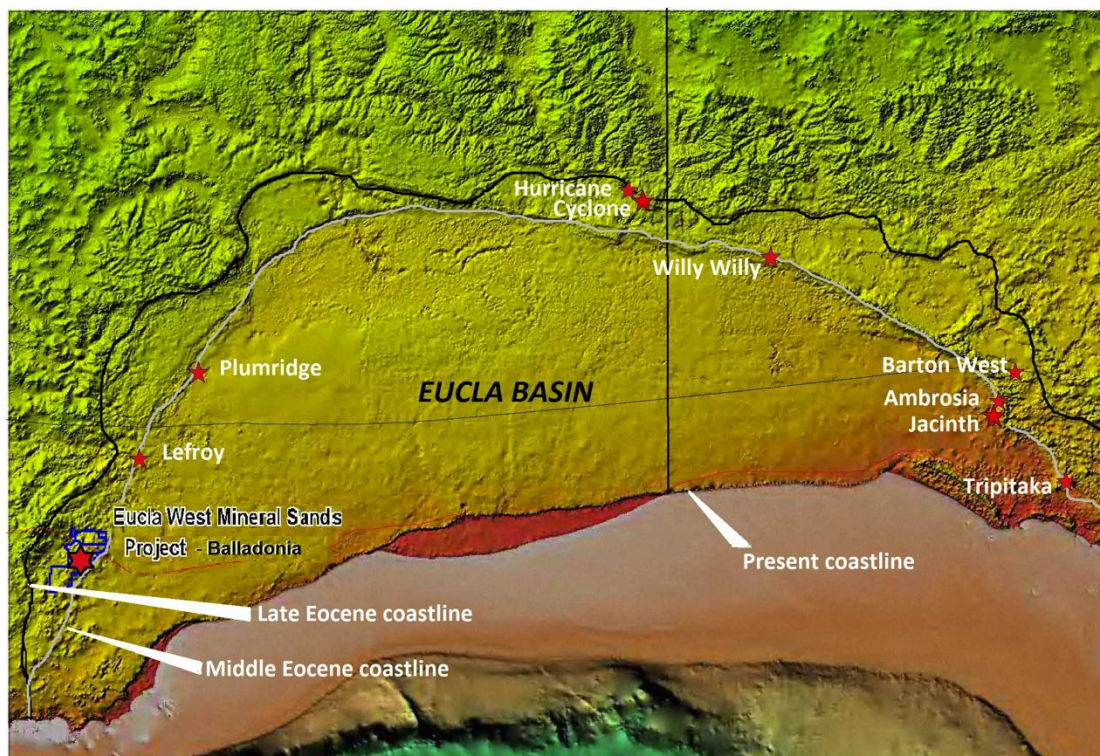
**Figure 1.** Aircore drill collar plan over a regional magnetic DTM image of the McLaren Prospect showing assayed maximum down-hole HM%

## Background

The West Eucla Mineral Sands Project is located approximately 45km west of the Balladonia roadhouse, on the Eyre Highway in Western Australia. The tenements (E69/2386, E69/2388 and E69/2436) cover an area of approximately 218 square kilometers on the western margin of the Eucla Basin. The Eucla Basin extends 2000 km from west to east and adjoins the Yilgarn and Gawler cratons, Albany Fraser Province, and the Officer Basin. Numerous paleovalleys drained these regions and discharged sediment into the basin. At the Eucla West Project heavy mineral bearing sediments have been deposited east of a paleoshoreline consisting of north-south oriented cliffs of the crystalline (granitic) basement. Periods of significant heavy mineral deposition are interpreted to correspond to at least three phases of shoreline formation resulting from multiple sea-level changes. Thin aeolian dune and sand plain sediments have subsequently covered the mineralised sands and shoreline sediments, which have also undergone periods of reworking and erosion.

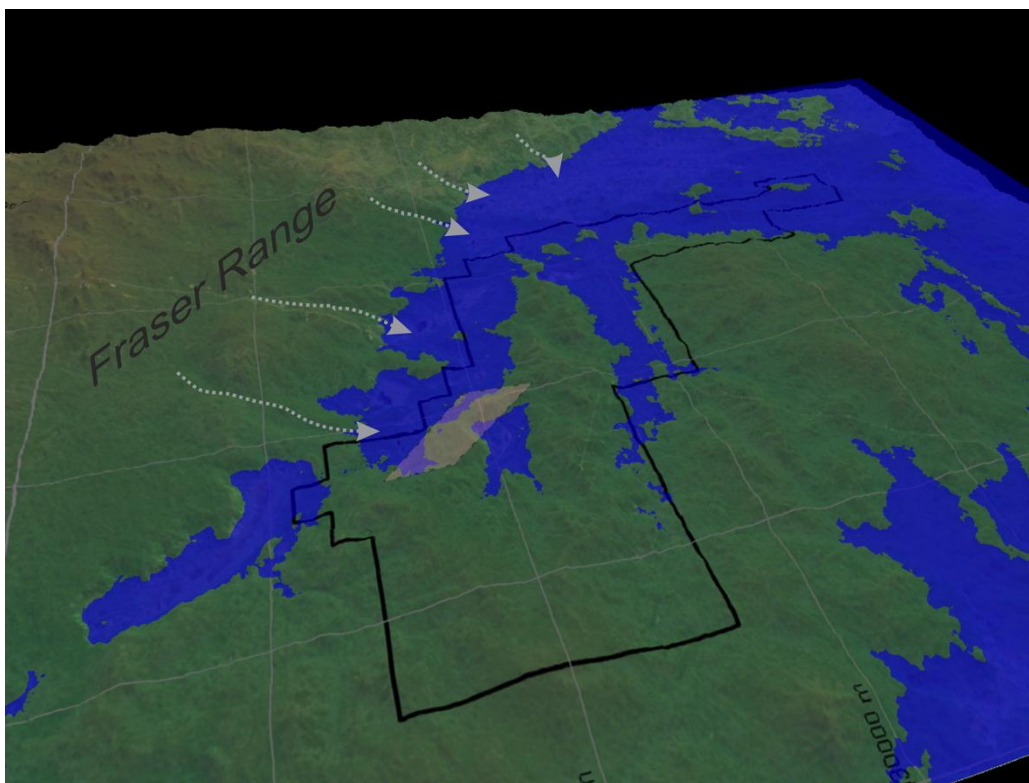
Preliminarily and limited mineralogy from the initial 2009 drilling at McLaren indicate the deposit to be ilmenite rich however significant zircon concentrations have been identified elsewhere in the region. Drilling at the Lefroy prospect to the north is reported to have return intervals of heavy mineral sands in which zircon is up to 42% of the heavy mineral suite.





**Figure 2.** The West Eucla Mineral Sands Project is located within the highly prospective Eucla Basin where a number of HMS deposits have been discovered. Also shown are the interpreted different age shorelines.

The remaining tenement area remains under explored and is highly prospective for additional new HMS discoveries. Newly acquired GIS data sets in combination with drilling and surface geochemistry has enabled the development of a geological model where a number of potential traps sites along an interpreted paleoshoreline and barrier islands have been identified. These targets will be drill tested in parallel to the development of the McLaren Deposit in the March 2012 Quarter.



**Figure 3.** Geological model showing the McLaren HMS prospect shaded pink, the paleo drainage from the Fraser Range and interpreted shoreline at the time of deposition.

**For further information please contact Mr. Nicholas Curtis, Chairman, or Dr. Matthew James, Managing Director, on +61 2 9259 4400.**

**For all media enquires please contact Michael Vaughan from FTI Consulting on +61 2 8298 6100.**

**Competent persons statement**

*The information in this announcement that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr. Paul Benson (B.Sc.) who is a Geological Consultant employed by Wild Side (WA) Pty Ltd and a member of the AusIMM. Mr. Benson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Benson consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.*

**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.

<b>ASX Codes: FRG, FRGO</b>	<b>Directors</b>
<b>Issued Capital:</b> Ordinary Shares: 27,777,667 Options (Exp 7/14, Ex \$0.20): 19,855,905 Options (Exp 6/15, Ex \$0.67): 600,000 Options (Exp 12/15, Ex \$0.54): 4,500,000 Performance Shares: 24,000,000	Mr Nicholas Curtis: Chairman Dr. Matthew James: Managing Director Mr Emmanuel Correia: Non Exec Director Mr Harold Wang: Non Exec Director
<b>Principal Place of Business</b> Level 24, 56 Pitt Street Sydney NSW <a href="http://www.forgeresources.com.au">www.forgeresources.com.au</a>	<b>Company Secretary</b> Mr Shane Hartwig