

30 April 2013

**QUARTERLY ACTIVITIES REPORT FOR THE PERIOD
1 JANUARY TO 31 MARCH 2013**

HIGHLIGHTS

- The Western Australian Environmental Protection Authority (EPA) has determined that the level of assessment for the Balla Balla trans-shipment proposal be set at Assessment on Proponent Information (API).
- An application for a Jetty License and Sea Bed Lease within the Balla Balla Port Area was submitted to the Department of Transport at the end of the quarter.
- Further base metal basement exploration work on the Company's West Eucla tenement has been completed within the Fraser Range region confirming presence of mafic rock in the vicinity of the Bristol anomaly, lending support that drill testing is warranted.
- An application has been submitted to the Department of Mines and Petroleum for track clearance to enable a ground-based Electro-Magnetic (EM) survey to confirm the location, tenor and geometry of the Bristol anomaly prior to drill testing.
- Forge Resources Limited and Ironbark Zinc Limited announce that several zones of mineralisation have been intercepted at the Jerangle Prospect.

1. CORPORATE

The corporate management focus during the first quarter of 2013 has been advancing the Balla Balla Vanadium – Titanium – Magnetite project as well as the Fraser Range West Eucla project.

The Balla Balla Vanadium – Titanium – Magnetite project has progressed well. The Western Australian Environmental Protection Authority determined the level of assessment for the Balla Balla trans-shipment proposal has been set at Assessment on Proponent Information (API). This is a positive result and the required project approvals for the trans-shipment export path remain on schedule. An application for a Jetty License and Sea Bed Lease within the Balla Balla Port Area was submitted to the Department of Transport at the end of the quarter.

The Definitive Feasibility Study (DFS) work is nearing completion with operational and capital costs being finalised and the final report being compiled.

Marketing activities continue in China, and additional potential customers have been identified this quarter. A further trip is scheduled next quarter for follow-up, as well as a visit to Laiwu Iron and Steel for a review of the test work being undertaken at Laiwu.

Progress has also been achieved on the Fraser Range West Eucla tenement exploration. Further base metal basement exploration work on the tenements confirmed the presence of mafic rock in the vicinity of the Bristol anomaly. This result confirms earlier interpretation of the air-borne electro-magnetic (“EM”) results and review of historical data and lends support that drill testing of the Bristol anomaly is warranted.

2. BALLA BALLA DEFINITIVE FEASIBILITY STUDY ACTIVITIES

Trans-shipment Update

The Western Australian Environmental Protection Authority (EPA) determined during the quarter that the level of assessment for the Balla Balla trans-shipment proposal be set at Assessment on Proponent Information (API).

The Balla Balla project is approximately 10km from the Pilbara coastline and adjacent to the Balla Balla Port Area established in May 2009 by the Western Australia Department of Transport. As announced in the previous quarterly report, following a detailed analysis of environmental, local stakeholder, known heritage and engineering constraints, Forge identified the preferred location for the trans-shipment export path. This includes a small stockyard and jetty-based barge loader operation on the coast which will enable the magnetite concentrate to be loaded from the onshore stockyards into a self-propelled barge which will sail out to a trans-shipment anchorage point for transfer to Cape-size ocean going vessels (OGV).

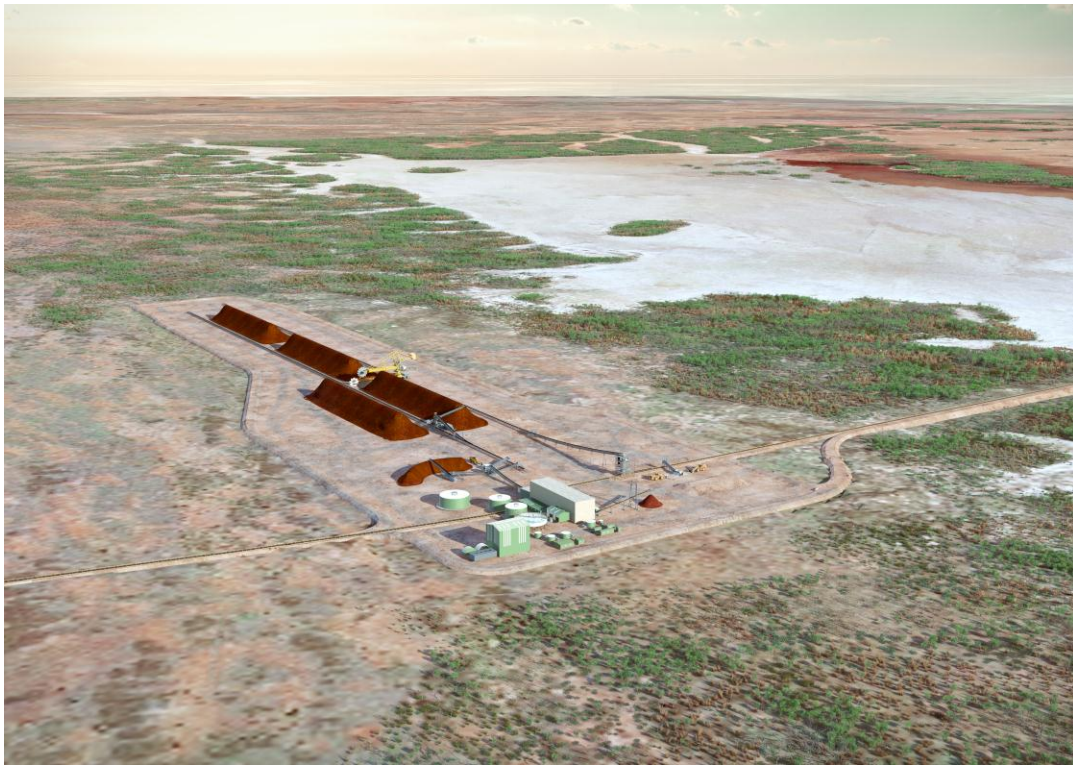


Figure 1: Schematic of proposed filter plant and stockyard for Balla Balla trans-shipment export path



Figure 2: Proposed stockyard conveyors and main conveyor to jetty for Balla Balla trans-shipment export path

While the plant and mine received Environmental Approvals in April 2009, the trans-shipment concept is a change to the received project approvals. A significant amount of trans-shipment related studies have now been completed, which formed the basis of the Referral documentation presented to the EPA in early February.

The EPA considers that it has sufficient information to commence the assessment of the proposal and proceed towards an assessment report and recommendations to the Minister for the Environment in accordance with section 44 of the Environmental Protection Act 1986 (EP Act). Forge anticipates the recommendation to the Minister may occur in mid-2013.

In addition discussions are well progressed with the Western Australia Department of Transport (DoT) regarding jetty construction and barging operations within the Balla Balla Port Area. An application for Jetty License and Sea Bed Lease was submitted to the DoT at the end of the quarter.

Definitive Feasibility Study Optimisation

During the quarter the revised equipment lists and power draw for the optimised processing plant were finalised and layout completed. The stockyard layout and conveyor arrangements were finalised for the trans-shipment export path allowing Expressions of Interest for stockyard and conveyor requirements to be sent to potential suppliers.

The revised power draw has seen power requirements for the project drop by over twenty percent when compared to the last DFS with the output remaining at 6 million tonnes of magnetite concentrate per annum. The main factors contributing to this power drop are the increased grind size of P80 at 120 micron and the removal of the 120km slurry pipeline pumping requirements. As a gas pipeline passes within a few kilometers of the project, proposals have been received from independent power providers for a gas fired power station to be located at Balla Balla. Discussions are also underway with gas suppliers and for provision of the required lateral extension from the main pipeline to the proposed site for the power plant.

The engineering groups are finalising operating and capital costs and compiling the various sections of the optimised DFS, which is anticipated to be completed next quarter. A significant amount of engineering work has been required during the quarter to supply supporting data for the environmental approvals process.

The initial work on contracting strategy and potential procurement packages has begun.

3. EXPLORATION ACTIVITIES

3.1 West Eucla Heavy Mineral (HM) Resource Development

The Board approved further base metal basement exploration work on the Company's West Eucla tenement within the Fraser Range region during the quarter.

Following the identification of a number of electro-magnetic (EM) anomalies from the TEMPEST survey, announced 7 January 2013, Forge engaged CSA Global (CSA), a leading geological and mining consulting company, to manage further exploration work at the West Eucla project within the Fraser Range region.

CSA completed a review of base metal prospectivity in the basement rocks using publicly available geology and geophysical data, and the recently acquired TEMPEST airborne electromagnetic survey data. The review work highlighted the Bristol Anomaly as the most prospective basement EM anomaly in the TEMPEST survey data.

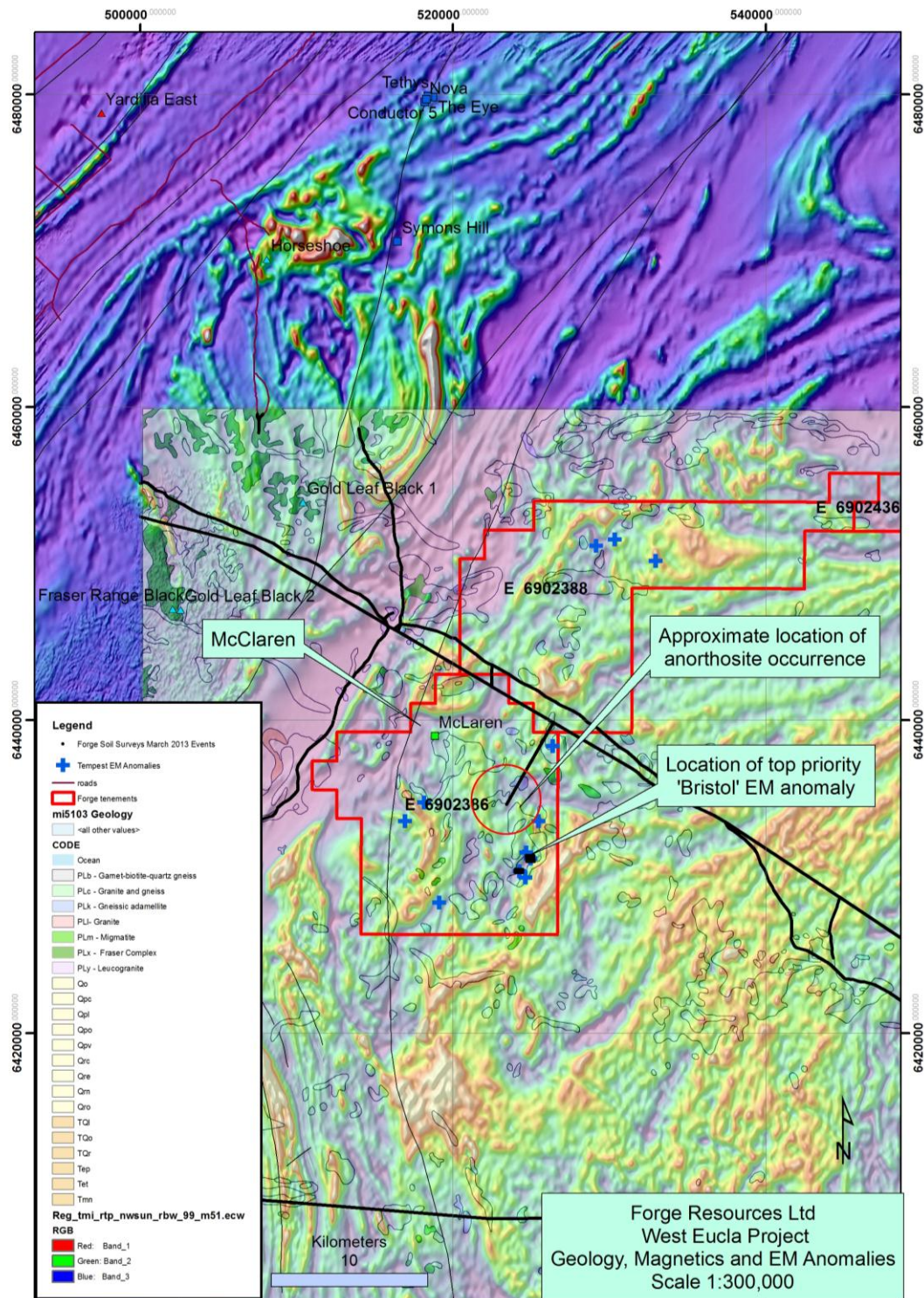


Figure 3: Regional Airmag with Bristol Anomaly and location of Anorthosite

During late March CSA conducted a geological reconnaissance and sampling field trip to the West Eucla project area with the objective of visiting the higher priority Tempest EM targets selected by Resource Potential to:

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

The field trip outcome was positive and confirmed the Bristol Anomaly target as valid. Portable XRF results indicated augite and pyroxene bearing mafic rocks and 'mafic' amphibolite in the vicinity of the anomaly. In addition, approximately 20 samples were submitted for geochemical analysis for measurement of the rock geochemistry, which confirmed the presence of mafic rocks. This lends support to Bristol being an anomaly which warrants follow up ground EM to confirm the presence, location, tenor and geometry of this anomaly prior to drill testing.

A track clearance and drill program application has been submitted to the Department of Mines and Petroleum (DMP) and shall commence, together with heritage clearance, upon receipt of DMP approval. The EM survey can then take place and analysis completed to identify drill targets.

In addition, CSA recommended a bulk sampling program for the mineral sands project to better define the product stream that could be generated from the known JORC compliant Resources. The results of this work would provide valuable insight as to how much additional work should be undertaken. If positive results flow from the product test work then additional drilling should be considered to improve confidence in the resource and target resource expansion to the north.

3.2 New South Wales Tenements Overview

Exploration during the reporting period saw the release of drilling results for the Jerangle Prospect, the completion of a four RC drill hole program at the Loaded Dog Project within the Mayfield North tenement, formulation of a further drilling program on the Mayfield tenement and the granting of the Wymah North tenement. Details on these and the other NSW projects are outlined in the following sections.

3.2.1 Wymah and Wymah North (Forge 100%)

The Wymah North exploration licence application EL 8059 was granted by the NSW Department of Trade and Investment during the reporting period. This paves the way for a program of soil sampling and mapping on both licences. Both licences are prospective for tin and tungsten and Intrusive Related Gold (IGR) deposits.

3.2.2 Captains Flat (Forge 49% reducing to 25%)

Diamond drill hole JRDD1201 was completed during the quarter resulting in the delineation of several broad zones of base metal mineralisation. This drilling program was based on the results of a previous diamond drill hole (JRDD 1101) and the results from fixed-loop Transient Electro Magnetic (TEM) and ground magnetic surveys. Highlights included:

- 2.6 metres at 10 g/t silver, 0.2% copper and 6.0% lead plus zinc
- 5.0 meters at 4.2 g/t silver, 0.13% copper and 4.6% lead plus zinc
- 9.9 metres @ 5.7 g/t silver and 0.45% copper
- Mineralisation remains open in every direction

Figure 3.2 shows part of a four metre zone of zinc mineralisation in drill hole JRDD1201 from approximately 524 metres down hole that consists of a beige coloured content sphalerite. This zone returned a higher grade core of 2.6 metres at 10 g/t silver, 0.2% copper and 6.0% lead plus zinc from 524.4 metres.



Figure 3.2: Zinc mineralisation (beige coloured low-iron sphalerite) from approximately 524 metres.

Other results include over eight metres of semi massive sulphides containing sphalerite, galena and chalcopyrite from approximately 617 metres depth in drill hold JRDD1201. This section returned a high grade of 5.0 meters at 4.2 g/t silver, 0.13% copper and 4.6% lead plus zinc from 620 metres.

Further broad zones of low-grade copper were also intercepted including 9.9 metres at 5.7 g/t silver and 0.45% copper from 633.1 metres down hole. The broad nature of the sulphide mineralisation is very encouraging as it indicates a large scale mineralised system.

These results are currently being reviewed and modeled to target higher-grade zones of mineralisation and to determine the relationship with historic areas of drilling that returned grades of up to +5% copper.

Ironbark (ASX: IBG) and NSW Base Metals (a Glencore Limited subsidiary) are jointly earning a 75% interest in the Captains Flat Project from Forge who currently holds a 49% non-contributing interest diluting to 25% subject to Ironbark and NSW Base Metals meeting agreed expenditure commitments

3.2.3 Mayfield North (Forge 100%)

Reverse Circulation (RC) drilling at the Loaded Dog was completed on EL 6691 during the quarter focusing on two chargeability anomalies (Anomalies 1 and 2 respectively) that were delineated by an IP survey during 2012. The positions of the two anomalies are illustrated in Figure 3.3.

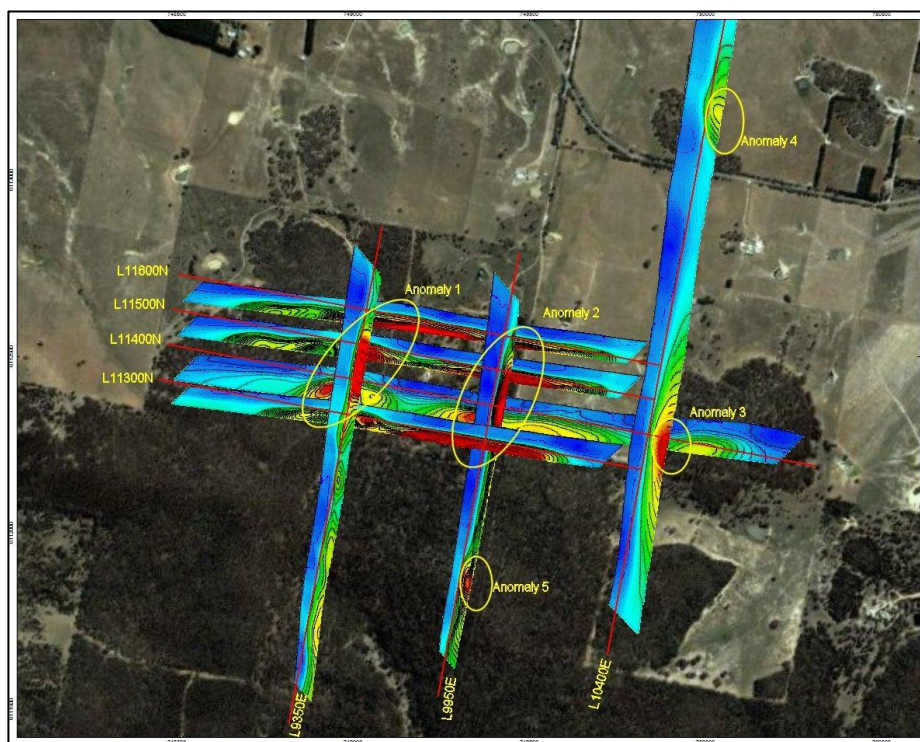


Figure 3.3: Chargeability anomalies identified along several east-west and north-south IP survey lines

Preliminary assessment of the RC chips by a hand held XRF analyser indicated the presence of low levels of base metal mineralisation in several holes, including:

- Drill Hole LDA 1 03 7 metres @ 0.34% Zn and 0.08% Pb from 97metres down-hole

A total of four vertical drill holes were completed aggregating 725 metres.

A detailed assessment of the drilling will be completed during the next quarter with the view to assessing the prospectivity of the project and on-going exploration focus.

3.2.4 Mayfield Project (Forge 46.55%)

Following on from the recent successful upgrading of the Mayfield Prospect, Capital Mining Limited (Capital) as operator of the Joint Venture, are planning to undertake a further drilling program on EL 6358 with the view to broadening the scale of the resource both at depth and along strike. Recent drilling boosted the resource, which is compliant with the JORC guidelines to:

Gold-copper dominant mineralisation:

- 4.0 million tonnes at a grade of 0.4% copper, 0.7 g/t gold, 8.8 g/t silver, 0.2% zinc and 25.4% iron; and

Zinc dominant mineralisation:

- 0.9 million tonnes at a grade of 2.36% zinc, 5.9 g/t silver and 0.1% copper.

The proposed program entails the completion of 3 inclined RC drill holes for a total of 860 metres. These holes have been targeted to intersect a mineralised zone that has already been well defined.

3.2.5 Michelago (Forge 100%)

No field work was recorded on EL 6376 during the reporting period as the Company assesses available options for the further exploration of the licence. A number of attractive base metal targets have been identified which are drill ready and the Company is considering funding options for the next stage of this project, including joint venture proposals.

Competent Persons Statement – Eucla West

The information in this report that relates to 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.

Competent Persons Statement – NSW Projects

The review of NSW exploration activities and results contained in this report is based on information compiled by Mr. M Rampe, a director of Harvest Exploration Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr. Rampe consents to the inclusion of this information in the form and context in which it appears in this report.

Disclaimer

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the author 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.