



21st February 2012

Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

FORGE RESOURCES BALLA BALLA MAGNETITE, VANADIUM AND TITANIUM PROJECT UPDATE

On 16 December 2011, Forge Resources Ltd announced that it had signed binding documentation with Atlas Iron Limited (ASX:AGO) for the acquisition of the Balla Balla Magnetite, Vanadium and Titanium Project for \$17.5 million by the end of February 2012 and a further \$22.5 million one year later plus a capped royalty payment structure based on tonnage sold.

Forge confirms that negotiations are well advanced with certain financing parties to secure the necessary funding to complete the entire Balla Balla Project purchase in a single payment by combining the two cash payments outlined above. Further, Forge has agreed terms with Atlas whereby they have agreed to extend the deadline for satisfying the conditions precedent to completion of the acquisition from 24 February 2012 to 30 April 2012, subject to Forge paying Atlas in full together with a non-refundable deposit of \$500,000. Further, completion of the acquisition will now also be subject to Forge obtaining FIRB approval (to account for the possibility that Forge is deemed to become a 'foreign person' arising from the possible issue of shares to foreign investors under a financing transaction) and on Ministerial consent for the transfers of the Balla Balla tenements.

Forge notes that it is seeking shareholder approval (at an extraordinary general meeting to be held on 21 March 2012) for a share placement facility which would authorise the Directors to issue up to 35,000,000 shares at issue prices of not less than 80% of the average market price of Forge shares (calculated over the 5 days on which sales of shares were recorded before the day on which the relevant issue is made). The share placement facility will assist in the transaction funding process.

Forge had obtained shareholder approval at its 2011 Annual General Meeting for such a share placement facility, however this will expire, unused, on 24 February 2012. The Directors believe that it is prudent for the company to have a share placement facility available so that additional equity funds can be raised.

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

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

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 is currently farming-in to a mineral sands exploration project within the Eucla Basin. In addition, 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.

ASX Codes: FRG, FRGO	Directors
Issued Capital: Ordinary Shares: 31,577,667 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
Principal Place of Business Level 24, 56 Pitt Street Sydney NSW www.forgeresources.com.au	Company Secretary Mr Shane Hartwig