

ASX Release

24 January 2013

Forge Reports Positive Results on Balla Balla VTi Magnetite Test Program

Highlights

- *China's Laiwu Iron and Steel Group Co completes first round of downstream value-adding tests on Balla Balla VTi Magnetite.*
- *Initial results show good reduction qualities and production of acceptable products at laboratory scale.*
- *Testing to advance to pilot plant stage to test iron production, ferro-vanadium production, and high titanium slag production at a semi-industrial scale.*

Forge Resources ("Forge", ASX:FRG) is pleased to announce testing of its Balla Balla VTi Magnetite by China's Laiwu Iron and Steel Group Co. Limited ("Laiwu") is progressing well, with positive results from the initial round of testing.

Forge and Laiwu signed a Letter of Intent in October 2012, which included cooperation on testing processing options to extract additional value from Balla Balla VTi Magnetite concentrate beyond a standard blast furnace blending feed. The Balla Balla Vti Magnetite Project sits 120km west of Port Hedland in Western Australia, 10km from the coast, and is progressing a trans-shipment export path.

Laiwu – within one of the largest iron and steel conglomerates in China – has informed Forge that its test results indicate the Balla Balla VTi Magnetite has good reduction properties required for the processing options and can be used to produce acceptable products at laboratory scale. Laiwu has indicated the results support a decision to advance to the next stage of testing at a semi-industrial scale to understand the efficiency and equipment stability of larger scale operations. Forge and Laiwu will commence planning this pilot plant test work.

Laiwu's test work aims to apply processing technology to Balla Balla VTi Magnetite for iron production, ferro-vanadium production, and high titanium content slag production. This processing technology has the potential to significantly increase the value extracted from each tonne of concentrate product by creating credits from the materials beyond the iron content.

Forge Managing Director Dr. Matthew James said "The initial test work results are encouraging and we are pleased to now advance to the next stage at pilot plant scale. Forge and Laiwu shall continue to work towards the potential of unlocking significant additional value from the Balla Balla VTi Magnetite concentrate, beyond our base case of blast furnace feedstock."



The Balla Balla VTi Magnetite Project is an advanced stage, large-scale, JORC compliant iron – vanadium – titanium Resource approximately 120km west of Port Hedland, adjacent to the West Coastal Highway, the Pilbara Energy Gas pipeline and grid power, with an abundant local water supply and licence for 6.5GL p.a. Major approvals such as mining tenements, environmental, water access and conditional gas agreements are in place for the mine and processing plant for which a definitive feasibility study (DFS) was completed in 2010. Forge is currently updating this DFS, which includes a trans-shipment export pathway directly off the coast next to the mine site.

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For further information please contact Dr. Matthew James, Managing Director, on +61 2 9259 4400. For all media enquires please contact Mr. Alan Jury from FTI Consulting on +61 2 8298 6100

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 recently acquired by Forge from Atlas Iron Ltd. Balla Balla is located on granted mining tenements near the Pilbara coastline approximately 100km west of Anketell Point. A revised DFS is nearing completion. In addition Forge is currently farming-in to a base metal and mineral sands exploration project within the Fraser Ranges. Forge in conjunction with its Joint Venture partners are advancing the exploration and development 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 Options (Exp 7/14, Ex \$0.20): 19,855,905 Options (Exp 6/15, Ex \$0.67): 900,000 Options (Exp 12/15, Ex \$0.54): 4,500,000 Options (Exp 5/14, Ex \$0.50): 6,500,000 Options (Exp 5/15, Ex \$0.50): 1,000,000	Mr Nicholas Curtis: Chairman Dr. Matthew James: Managing Director Mr Emmanuel Correia: Non Exec Director Mr Harold Wang: Non Exec Director Mr Michael Wolley: Non Exec Director
Principal Place of Business Level 24, 56 Pitt Street Sydney NSW www.forgeresources.com.au	Company Secretary Mr Shane Hartwig