



“FSY” TSX “F2T” Frankfurt “FSY” NSX

Shares Outstanding: 79,035,231

## **FORSYS ANNOUNCES NEW MINE PLAN BASED ON IMPROVED RESOURCE, RESERVES AND GRADE AT VALENCIA**

FOR IMMEDIATE RELEASE: DECEMBER 14, 2009

- **18% increase in Reserves to 60.5 Mlbs U<sub>3</sub>O<sub>8</sub>, grading 156 ppm with a 67 ppm cut-off including reserves of 49.8 Mlbs, grading 194 ppm with a 100 ppm cut-off**
- **Increased Measured and Indicated Resources of 77.2 Mlbs U<sub>3</sub>O<sub>8</sub> grading 146 ppm with a 60 ppm cut-off including 60.5 Mlbs U<sub>3</sub>O<sub>8</sub> grading 191 ppm with a 100 ppm cut-off**
- **Additional Inferred Resource of 9.5 Mlbs grading 144 ppm with a 60 ppm cut-off**
- **An increased life of mine to over 17 years at an average annual 8.4 Mtpa milling rate and U<sub>3</sub>O<sub>8</sub> production of approximately 3.5 Mlbs assuming a 67 ppm cut-off**

Forsys Metals Corp (“Forsys” or the “Company”) is pleased to announce new estimates for mineral resources and reserves at the Company’s wholly-owned Valencia Uranium Deposit (“Valencia”) located in Namibia, Africa. These new estimates incorporate 200 additional holes comprising 49,562 m of definition and expansion drilling and update the previous estimates published earlier in 2009.

Duane Parnham, President and CEO stated “The 2009 drilling results contributed to an 18% increase in reserves compared to our estimate published earlier this year, with the grade improving to slightly below 200 ppm at an increased 100 ppm cut-off. As a result, the planned Valencia mine life now exceeds 17 years. Accounting for uranium price forecast, reduced start-up and operating capital requirements and mining production schedules, the economic value of the new plan is expected to increase.”

### *Mineral Resource Update*

The mineral resources summarized in Tables 1 and 2 below are reported in a manner consistent with the guidelines of the JORC code, which is a recognized foreign code under National Instrument 43-101 (“NI 43-101”) including the CIM Definition Standards (CIM, 2005).

The resource has been constrained to a maximum depth of 380 m below surface and limited to geological modeling of the alaskite, which was conditionally simulated in blocks of 5 m x 5 m x 5 m. These blocks were re-blocked to 20 m x 20 m x 5 m and then estimated by ordinary Kriging. Only mineralization associated with the alaskite has been estimated and reported. The resource has been reported at a cut-off grade of both 60 ppm and 100 ppm U<sub>3</sub>O<sub>8</sub>.

The simulation at the Selective Mining Unit (“SMU”) scale indicates the potential that exists through selective mining and effective grade control of the resource.

**Table 1 –Summary of Valencia Uranium Mineral Resources as at November 2009**

Category	Cut-off U <sub>3</sub> O <sub>8</sub> (ppm)	Tonnes (M)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> Metal (Mlbs)
Measured	60	24.3	151	8.1
Indicated	60	245.9	124	67.4
<b>Total Measured and Indicated</b>	<b>60</b>	<b>270.3</b>	<b>127</b>	<b>75.5</b>
Inferred	60	32.0	126	8.4
Measured	100	18.6	172	7
Indicated	100	140.2	158	48.9
<b>Total Measured and Indicated</b>	<b>100</b>	<b>158.8</b>	<b>160</b>	<b>55.9</b>
Inferred	100	15.3	163	5.5

The global mineral resource (as shown above) was also re-assessed through the use of simulations (SMU of 10 m x 10 m x 5 m blocks). A total of 100 conditional simulations were run, and the 50th percentile simulation based on metal content at a 60 ppm cut-off is tabulated below in Table 2. The 100 ppm U<sub>3</sub>O<sub>8</sub> cut-off is also shown in Table 2. This model was used to determine the ore reserves below in Table 3.

**Table 2 – Summary of Valencia Uranium Deposit Mineral Resources, estimated at the anticipated SMU scale as at November 2009**

Category*	Cut-off U <sub>3</sub> O <sub>8</sub> (ppm)	Tonnes (M)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> Metal (Mlbs)
Measured	60	21.0	161	7.4
Indicated	60	219.6	144	69.8
<b>Total Measured and Indicated</b>	<b>60</b>	<b>240.7</b>	<b>146</b>	<b>77.2</b>
Inferred	60	30.0	144	9.5
Measured	100	13.8	203	6.2
Indicated	100	130.0	190	54.3
<b>Total Measured and Indicated</b>	<b>100</b>	<b>143.8</b>	<b>191</b>	<b>60.5</b>
Inferred	100	17.6	190	7.4

\* 50<sup>th</sup> percentile of 100 simulations based on metal content

## Mineral Reserve Update

The November 2009 updated summary of the Valencia uranium reserves using cut-off grades of both 67 ppm and 100 ppm U<sub>3</sub>O<sub>8</sub> are shown in Table 3 below.

**Table 3 – Summary of Valencia Uranium Deposit Reserves, with cut-off grades of 67 ppm and 100 ppm as at November 2009**

Category	Cut-off U <sub>3</sub> O <sub>8</sub> (ppm)	Ore (Mt)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> Metal (Mlbs)
Proven	67	19.6	168	7.2
Probable	67	156.1	155	53.3
<b>Total</b>	<b>67</b>	<b>175.7</b>	<b>156</b>	<b>60.5</b>
Proven	100	13.8	203	6.2
Probable	100	103.0	192	43.6
<b>Total</b>	<b>100</b>	<b>116.8</b>	<b>194</b>	<b>49.8</b>

### Reserve Estimation Process

The ore reserve has been estimated from the mineral resource (measured and indicated) as shown in Table 2 using the SMU scale of 10 m x 10 m x 5 m. The pit shell for the reserves was generated using only measured and indicated material. Dr. Roger Laine, the Company's Chief Geologist, applied the CIM definition standard to re-classify the inferred resource within the pit shell into the indicated category, therefore incorporating that material into the reserves as presented in Table 3.

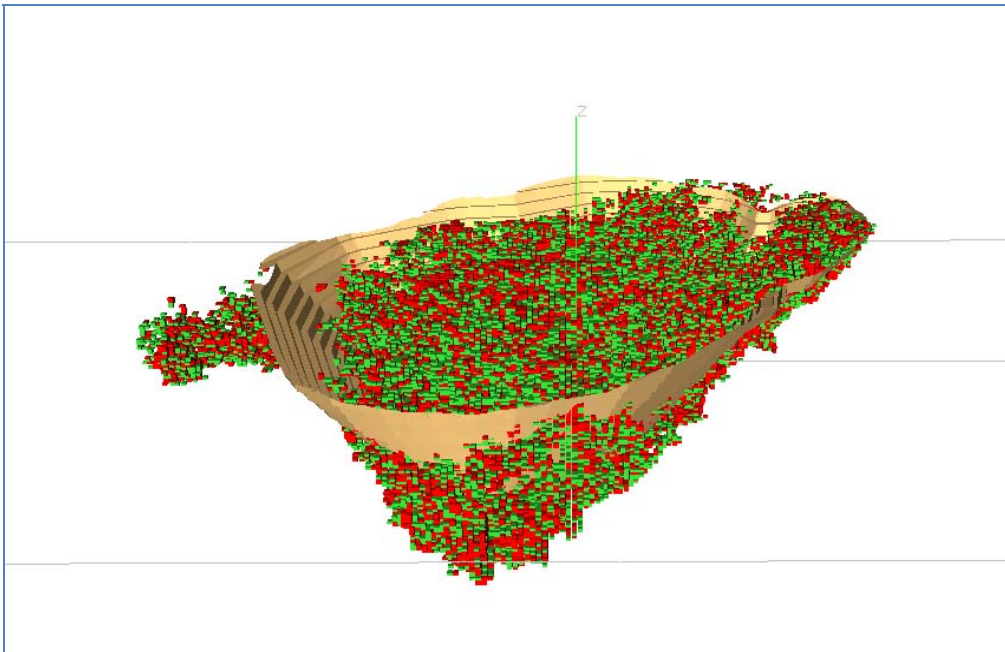
The ore reserve estimate is based on pit optimizations using the updated November 2009 resource model summarized in Tables 1 and 2 and by applying modifying factors (such as costs, mining and metallurgical factors) deemed appropriate for the deposit and anticipated scale of operation.

The following factors and variables were involved in the design process of the Valencia open pit:

- Whittle 4X was used to run pit optimizations and the resulting pit shells were used as a guide for pit designs
- Pit slope angles of 41 to 52 degrees were determined from the 2008 detailed geotechnical program including oriented core drilling and rock strength testing
- Economic cut-off grade of 67 ppm was determined using the following economic factors:
  - *mining costs averaging US\$2.48/t mined (ore and waste)*
  - *processing cost of US\$7.20/t milled*
  - *overheads & other US\$1.66/t milled*
  - *revenue rate based on US\$70.00/lb*
  - *mineral royalty of 3.0% on revenue*
- Process plant recovery of 85.7% was established from metallurgical test work

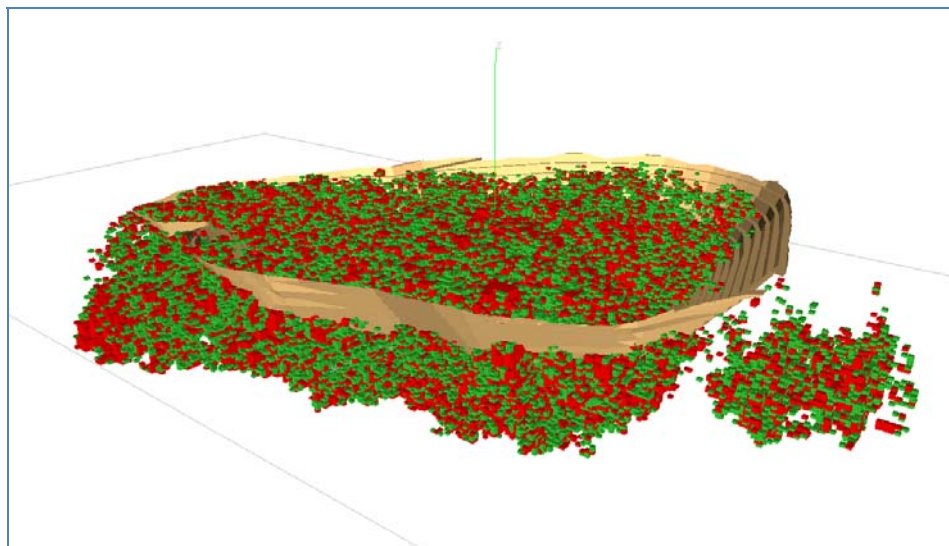
The resulting designed Valencia pit is 1,500 m long (on strike), 1,000 m wide and 375 m deep (to a depth of 350 m above mean sea level) as shown in Figure 1 and Figure 2 below. The current limits of the pit are not defined by the orebody or by mineralization. However, the limits of the pit are confined by the extent of drilling that defines the current understanding of the deposit.

**Figure 1 – Designed Pit Illustrating Mineralization (Viewed from South to North)**



Legend: red: high grade; green: low grade

**Figure 2 – Designed Pit Illustrating Mineralization (Viewed from Northwest to Southeast)**



Legend: red: high grade; green: low grade

Potential exists for further expansion of the Valencia pit based on the following:

- Additional drilling is planned for 2010 within areas still currently classed as Inferred
- Planned definition drilling will investigate areas where the orebody remains open to the north and north-east
- Mineralization is known to continue at depth but the current resource model is limited in depth by the drilling with the pit bottom currently sized at 250 m by 350 m. Eventually this area can be drilled to investigate whether or not the pit can be deepened
- Planned drilling will investigate the potential for additional resources within the current mining licence at the Joly Zone

The Company is in the process of completing an addendum to the Technical Report issued in June 2009 to reflect the increased reserves and changes to parameters including Capex and Opex. This report will be completed in Q1 2010 and is expected to result in an increased economic value.

#### *Qualified Persons under National Instrument 43-101*

The engineering aspects of the reserve determination were supervised by Mr. Jeremy Peters, who is a member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and a full time employee of Snowden. Mr. Peters has sufficient experience relevant to the type of mining contemplated and to the activity he is undertaking to qualify as a Qualified Person ("QP") under National Instrument 43-101 ("NI 43-101"). Mr. Peters holds no interests in Forsys or its associated companies and has not visited the Valencia Uranium site. Mr. Peters recommends a Probable classification for the reserve. Economic and metallurgical data used in the preparation of the reserve were derived from the ongoing work on the Valencia Feasibility Study, conducted under the supervision of Mr. Kullmann. Mr. Peters has read and consents to the content of this news release.

The information in this report that relates to mineral resources is based on all information compiled by Mr. Michael Andrew who is a member of the AusIMM and a full time employee of Snowden; provided to him by Dr. Roger Laine (includes the results from the 2009 drilling). Mr. Andrew has sufficient experience which is relevant to the style of mineralization and type of deposit and to the activity he is undertaking to qualify as a QP under NI 43-101. Michael Andrew holds no interests in Forsys or its associated companies. As part of the data verification used in the estimate, Mr. Andrew visited the Valencia Uranium Deposit in December 2008. Michael Andrew's Technical Report prepared as at January 2009 is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Dr. Roger Laine, Ph.D., P.Geo., Chief Geologist for Forsys Metals Corp, is the designated QP responsible for the Company's exploration programs. Dr. Laine has verified the geological database which included review of geological description and interpretation, assays, and acquisition of radiometric data and Dr. Laine is familiar with the methods for Quality Assurance and Quality Control specifically applicable to uranium. Dr. Laine has sufficient experience which is relevant to the style and mineralization, type of deposit and the use of radiometrics in resource estimates as well as to the activity he is undertaking to qualify as a QP under NI 43-101. Dr. Laine has looked at the Inferred resources within the pit design boundaries and classified the Inferred material into Indicated category based on CIM Definition Standards.

Mr. Dag Kullmann, a Fellow of the Southern African Institute of Mining and Metallurgy (SAIMM), Engineering Manager for Forsys, is the designated QP responsible for the reporting of mineral reserves. Mr. Kullmann has sufficient experience in the assessment and application of modifying factors required for the determination of reserves for open pit operations to qualify as a QP under NI 43-101. Mr. Dag Kullmann retains responsibility for the validity of this data.

On Behalf of the Board of Directors  
of Forsys Metals Corp

Duane Parnham  
*President and CEO*

For further information visit our website at [www.forsysmetals.com](http://www.forsysmetals.com)  
Sedar Profile #00008536

**CONTACT INFORMATION:**

*Forsys Metals Corp*

Duane Parnham, President and CEO  
Telephone: (905) 844 4646  
Email: [info@forsysmetals.com](mailto:info@forsysmetals.com)

*Morgan Stanley*

Peter Bacchus, Managing Director  
Telephone: +44 77899-43482  
Email: [Peter.Bacchus@morganstanley.com](mailto:Peter.Bacchus@morganstanley.com)

Richard Allan, Executive Director  
Telephone: +44 78578-57287  
Email: [Richard.Allan@morganstanley.com](mailto:Richard.Allan@morganstanley.com)

(09-24)

**Forward-Looking Information**

*This news release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company. The following are important factors that could cause Forsys actual results to differ materially from those expressed or implied by such forward looking statements: fluctuations in uranium prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology; continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs; recovery rates, production estimates and estimated economic return; general market conditions; the uncertainty of future profitability; and the uncertainty of access to additional capital. Full description of these risks can be found in Forsys various statutory reports including the Annual Information Form available on the SEDAR website at [www.sedar.com](http://www.sedar.com). These risks and uncertainties could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward looking information. Actual results and future events could differ materially from anticipated in such information. These and all subsequent written and oral forward looking information are based on estimates and opinions of management on the dates they are made and expressed qualified in their entirety by this notice. The Company assumes no obligation to update forward looking information should circumstances or management's estimates or opinions change.*

*The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*