



“FSY” TSX “F2T” Frankfurt “FSY” NSX

Shares Outstanding: 78,985,231

## FURTHER UPDATE TO TERMINATION OF GFI AGREEMENT

FOR IMMEDIATE RELEASE: SEPTEMBER 4, 2009

On August 25, 2009, Forsys Metals Corp ("Forsys" or the "Company") terminated the arrangement agreement (the "Agreement") with George Forrest International Afrique S.P.R.L. ("GFI") because GFI had failed on several occasions dating back to March of this year to transfer the funds necessary to complete the arrangement. Pursuant to the terms of the Agreement, the Company also demanded payment by GFI of the CAD\$20,000,000 reverse break fee (the "Reverse Break Fee").

As at the date of this announcement, GFI has not paid the Reverse Break Fee which was due to the Company on September 2, 2009. The following day (on September 3, 2009), the Company was served with a Statement of Claim that GFI had filed at the Superior Court of Justice (Ontario) (the "Claim") seeking damages of CAD\$150,000,000 and a declaration that the Reverse Break Fee is not payable by GFI to the Company.

The Company is strongly of the view that the Claim is vexatious and has no merit, and the Company will vigorously pursue the payment of the Reverse Break Fee from GFI and/or George Forrest, who provided a personal guarantee, which is subject to the laws of Ontario, for such fee on April 2, 2009.

Duane Parnham, President and CEO stated "When the original transaction was announced in November 2008, GFI confirmed to the Company that it would finance the acquisition with cash on hand and existing credit facilities. However, GFI was unable to pay by the due date under the Agreement of March 15, 2009 and sought an extension. Since then the Company has accommodated GFI's request for an extension to secure financing by granting them several further extensions.

GFI have failed consistently to fulfill their commitments and contractual obligations to each of these extensions. Most recently, on August 25, 2009, GFI was still unable to provide any satisfactory evidence that they had the funds available to complete the deal as per the terms of the last extension. The Board of Forsys terminated the Agreement after giving GFI proper notice of its intentions. We vigorously oppose GFI's claim and will pursue all avenues to recover the reverse break fee. It is important to note, however, that we are, in the meantime, proceeding proactively as a company by reviewing all strategic options in moving forward to maximize shareholder value.

In the event that GFI is able to produce evidence acceptable to the Forsys Board of Directors that it has all funds necessary to complete the terms of the Agreement, the Company would consider reopening discussions with GFI about completing the arrangement as agreed, subject to GFI obtaining required Industry Canada clearance."

## *About Forsys Metals Corp*

Forsys Metals Corp, having BEE sponsorship, is an emerging uranium producer with 100% ownership in the fully permitted Valencia Uranium Project. With an expanding reserve base, production is expected to commence in 2011 with a 15 year life of mine. Current NI 43-101 compliant reserves at Valencia are 51.4 Mlbs U<sub>3</sub>O<sub>8</sub> and current Measured and Indicated resources are 70 Mlbs U<sub>3</sub>O<sub>8</sub> with a further 11 Mlbs Inferred U<sub>3</sub>O<sub>8</sub>. Additional infill drilling is currently underway and is designed to bring the Inferred category resources into the Indicated category so they can be incorporated into a future reserve update. The Company also has an extensive portfolio of uranium exploration projects totaling over 252,000 ha located in Namibia, Africa, a politically stable and mining friendly jurisdiction.

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)  
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(09-18)

### **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 Corporation. These risks and uncertainties could cause actual results and the Corporation'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 Corporation 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.*