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**"FSY" TSX**

**Shares Outstanding: 50,377,450**

## **FORSYS METALS ANNOUNCES \$38 MILLION FINANCING**

**January 3, 2007, Toronto, Ontario:** Forsys Metals Corp. (*"Forsys" or the "Company"*) is pleased to announce that it has entered into an Engagement Letter with Salman Partners Inc. (*"Salman"*) by which Salman will act as Lead Agent in a financing syndicate including Paradigm Capital Inc., Canaccord Adams, Blackmont Capital Inc., and Laurentian Bank Securities Inc. for the placement of 8 million common shares in the capital of the Company at a price of \$4.75 per share with a overallotment option of an additional 2 million shares for gross proceeds up to \$47.5 million.

In connection with the financing the Company will pay a fee of 4% of the gross proceeds of the financing. In addition the Company will issue to independent third party consultants a total of 500,000 warrants at \$4.75 per share exercisable within 2 years from the date of issue. The financing, the payment of the fee, and the issuance of the warrants are all subject to regulatory approval.

Proceeds will be used by the Company to advance development of the Valencia Uranium Project (the *"Project"*) including advanced ordering of long lead time items and equipment required for the Project. In addition certain amounts of the proceeds will be used for general working capital purposes and the development of the Company's other uranium properties.

For further information, please contact Duane Parnham, Chairman of Forsys at +1-416-601-1286 in Toronto or visit [www.forsysmetals.com](http://www.forsysmetals.com).

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