

TORONTO, ONTARIO--(Marketwired - Aug 15, 2016) - [Forsys Metals Corp.](#) (TSX:FSY)(FRANKFURT:F2T)(NAMIBIAN:FSY) ("Forsys" or the "Company") is pleased to announce that it has received commitments to raise \$540,000 in gross proceeds and that excellent progress has been made in further reducing the fixed cost base across the organisation.

Non-Brokered Private Placement

The Company has received commitments to raise C\$540,000 in gross proceeds by way of a non-brokered private placement of 10.8m units ("the Units") in the Company at a subscription price of \$0.05 per Unit.

Each Unit will consist of one Class A Common Share ("Common Share") and one half of one Common Share purchase warrant that entitles the holder to acquire a new Common Share in Forsys at a price of \$0.07 for a period of two years from the date of issue.

Proceeds from the private placement will be used to fund the Norasa Uranium project in Namibia, as well as for general working capital purposes.

Forsys has received a firm commitment from Leonardo Global Trading Ltd ("Leo"), the Company's largest shareholder, whereby Leo will subscribe for 8.8m Units. The Offering is expected to close on or about August 31, 2016. All securities issued through the private placement will be subject to a four-month and one-day hold period from the date of the closing. Completion of the private placement is subject to customary approvals and conditions. Finders' fees may be payable on all or a portion of the non-brokered placement.

Cost Reduction Targets

The actual and projected cash costs from 2014 to end of 2017 are summarised in the following table:

Company Cash Flows - Actual and Estimates

	2014	2015	2016	2017		
CAD\$M	Actual	Actual	Actual /Estimated	Estimated		
General and Administration	\$ 1.3	\$ 1.3	\$ 0.9	\$ 0.5		
Namibia Overhead	\$ 1.1	\$ 0.7	\$ 0.2	\$ 0.1		
	\$ 2.4	\$ 2.0	\$ 1.1	\$ 0.6		
Percentage Reduction from 2014		-15 %	-52	%	-76	%

Marcel Hilmer, Chief Executive Officer of Forsys commented, "The drawn-out recessed uranium market has necessitated significant cost reductions. However, the Company remains confident that the long term fundamentals remain in place for global nuclear power that will result in a material recovery in the price of uranium."

"All directors, senior management and staff have accepted substantial reductions in the cash component of salaries. The average cash outgoings for wages and salaries will be reduced by 87% from Q4 2016. The reductions in cash outgoings will be accrued and settled in shares pending customary approvals and conditions. These efforts will achieve a low burn rate, with less than \$50,000 in outgoings per month from next quarter."

About Forsys Metals Corp.

[Forsys Metals Corp.](#) is an emerging uranium producer with 100% ownership of the Norasa project that comprises the fully permitted Valencia uranium project and the Namibplaas uranium project in Namibia, Africa a politically stable and mining friendly jurisdiction. Information regarding current National Instrument 43-101 compliant Resource and Reserves at Valencia and Namibplaas are available on the Company website. The Ondundu Gold project is 70% owned by Forsys.

Shares outstanding: 134.9m

On behalf of the Board of Directors of [Forsys Metals Corp.](#),

Marcel Hilmer, Chief Executive Officer

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 Annual Information Form available on the Company's profile on the SEDAR website at 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 circumstance 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.

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