

MATERIAL CHANGE REPORT
Form 51-102F3

Section 7.1 of National Instrument 51-102

Item 1. Name and Address of Company

FORSYS METALS CORP. ("Forsys")
20 Adelaide Street East, Suite 902
Toronto, ON M5C 2T6

Telephone: (416) 367-4242
Facsimile: (416) 367-0598

Item 2. Date of Material Change

October 5, 2011

Item 3. News Release (including date and method of dissemination)

A new release was released through the facilities of Marketwire on October 5, 2011 and subsequently filed on SEDAR.

Item 4. Summary of Material Change

Recognizing the need for additional capital, on October 3, 2011, the board of directors of Forsys (the "Board") met to consider its financing options including an investment by Leo Fund Managers Limited (the "Manager"), for and on behalf of certain subscribers, for up to C\$8 million. The Board unanimously approved proceeding with a non-brokered larger private placement of new Class A common shares (the "Common Shares") for gross proceeds of up to a maximum amount of C\$10 million. Such proceeds will provide Forsys with additional working capital to continue its advanced exploration program at the Namibplaas Project, advance its heap leach process testing at its Valencia Project, continue work on the optimization and project consolidation assessment for the Valencia Project and complete an updated Definitive Feasibility Study in 2012, and for general corporate purposes.

On October 5, 2011 Forsys announced that it had entered into a share subscription agreement to raise C\$8,000,000 with the Manager (the "Subscription Agreement"). A copy of the Subscription Agreement is available on www.sedar.com under the corporate profile of Forsys.

Currently, the Manager, for and on behalf of certain subscribers, owns 15,325,000 Common Shares, representing a 19.12% ownership interest in the issued and outstanding Common Shares. Immediately after the completion of the Private Placement, assuming a purchase price per Common Share of C\$0.59 and gross proceeds of C\$10,000,000, Forsys will have 97,079,383 Common Shares issued and outstanding of which the Manager will own 30.17%.

Due to the participation of the Manager in the private placement (the "Private Placement"), such transaction constitutes a "related party transaction" for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Forsys is relying on exemptions from both the formal valuation and minority approval requirements of MI 61-101 based on the exemption for

the fair market value of the Private Placement being not more than 25% of the market capitalization of Forsys at the time the Subscription Agreement was entered into.

Pursuant to applicable Canadian securities laws, the Manager is an “insider” of Forsys. As the Private Placement will: (i) provide for the issuance of Common Shares to the Manager of greater than 10% of the issued and outstanding Common Shares; (ii) materially affect control of Forsys; and (iii) potentially cause Common Shares to be issued in an amount that exceeds 25% of the issued and outstanding Common Shares at less than market price, the rules of the Toronto Stock Exchange (the “TSX”) require that, unless exemptions are available, Forsys obtain approval of the Private Placement from the holders of a majority of the Common Shares, excluding the votes attached to the Common Shares held by the Manager, an existing insider. In this regard, a special meeting of holders of the Common Shares will be held on November 18, 2011 to approve the Private Placement.

Forsys has applied to the TSX to list the Common Shares issuable under the Private Placement.

Item 5. Full Description of Material Change

The material change is further described in the press release issued on October 5, 2011 attached hereto as Schedule “A”.

Item 6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

Inquiries in respect of the material change referred to herein may be made to:

Jorge Estepa, Corporate Secretary
(416) 866-2200.

Item 9. Date of Report

This report is dated as of the 14th day of October, 2011.