FORSYS METALS LETTERHEAD

PRIVATE AND CONFIDENTIAL

October 2011

Etherlin Management Corp
c/o Credit Prive de Placement et d'Intermediation SA
Via Luganetto, 3 - 6962 Lugano Viganello
Switzerland

Dear Sirs:

Offer to Purchase 100% of the Issued and Outstanding Common Shares in the Capital of Gold Enterprises Limited

It is the purpose of this letter agreement to outline the terms and conditions for the purchase by Forsys Metals Corp, a company incorporated under the laws of the Province of Ontario and having its head office at Suite 902, 20 Adelaide Street East, Toronto, Ontario M5C 2T6 (the "**Purchaser**"), from Etherlin Management Corp, a company incorporated in the Republic with its main office at Panama c/o Credit Prive de Placement et d'Intermediation S.A., Via Luganetto, 3-6962 Lugano Viganello (the "**Seller**"), of 100% of the issued and outstanding common shares (the "**Gold Shares**") of Gold Enterprises Limited, a company incorporated with limited liability under the laws of the Seychelles with registration number 033480 and having its principal place of business at Room 2206, Kinwick Centre, 32 Hollywood Road, Central, Hong Kong ("**Gold**").

Gold is the registered legal and beneficial owner of 30% of the issued and outstanding common shares of Dunefield Mining Company (Pty) Limited (the "**Dunefield Shares**"), a company duly incorporated and registered in accordance with the laws of the Republic of Namibia ("**Dunefield**").

1. Subject to the terms and conditions set out herein, the Seller agrees to sell and the Purchaser agrees to purchase 100% of the issued and outstanding Dunefield Shares in exchange for the issuance on the Closing Date (as hereinafter defined) to the Seller of:

    (a) 13,000,000 common shares (the "**Payment Shares**") In the capital of the Purchaser from treasury; and

    (b) 2,000,000 common share purchase warrants (the "**Payment Warrants**"), each such warrant entitling the Seller to acquire 1 common share in the capital of the Purchaser at a price of C$1.10 per common share for a period of 2 years from the date of issuance.

    For purposes of this letter agreement, the "**Closing Date**" shall be the date the conditions precedent specified in paragraph 5 of this letter agreement have been satisfied.

2. The Payment Shares and the Payment Warrants shall be subject to a statutory resale restriction for a period of four months and one day from the date of issuance. The Payment Shares and the Payment Warrants shall be freely transferable, subject only to applicable securities laws.

3. The Seller represents and warrants on behalf of itself and Gold:

(a) the Seller is duly and validly formed and organized and validly subsists under the laws of the Republic of Panama;

(b) Gold is duly and validly formed and organized and validly subsists under the laws of the Seychelles;

(c) the Seller has the authority to sell the Gold Shares in compliance with all applicable laws and regulations and there are no agreements in force which call for the issue of any share or loan capital of Gold (including, without limitation, conversion rights);

(d) the Gold Shares and the Dunefield Shares are:

(i) free from all liens and encumbrances;

(ii) the only class of issued and outstanding securities in the respective capital of Gold and Dunefield; and

(iii) are validly issued, fully paid up and owned by respectively, the Seller and Gold;

(e) Gold is and nor has it been engaged in any manner whatsoever in the carrying on of any trade or business and, accordingly it:

(i) has no indebtedness, mortgages, charges, debentures, guarantees or other commitments or liabilities, present or contingent, outstanding;

(ii) is not a party to any contract whatsoever other than this letter agreement;

(iii) has not given any power of attorney which is still valid;

(iv) is not a party to any litigation or arbitration and so far as the Seller is aware; none is threatened or pending; and

(v) has no assets whatsoever other than cash subscribed for its issued share capital and its beneficial ownership of the Dunefield Shares;

(f) the Seller has no knowledge of any material information which has not been disclosed and reported to the Purchaser and any applicable regulatory authorities nor any knowledge of any material adverse information which may affect its ability to maintain, sell or transfer the Gold Shares to the Purchaser;

(g) neither Gold nor any of its officers has done or omitted to do any act or thing the commission or omission of which is or could be in contravention of any statute, order, regulation or the like giving rise to any fine or other penalty;

(h) the register of members and other statutory books of Gold have been properly kept and contain true, accurate and complete records of all ratters required by law to be entered therein;

(i) the Seller has the corporate power to enter into and perform and has or will take all necessary corporate action to authorize the entry into, performance and delivery of the Gold Shares under and as contemplated by this letter agreement;

(j) the entry into and performance by the Seller of the transactions contemplated by this letter agreement will not:

  (i) conflict with any laws binding on the Seller or Gold;

  (ii) conflict with the constitutional documents of the Seller or Gold; or

  (iii) conflict with or result in default under any document which is binding upon the Seller, Gold or any of its assets;

(k) the Seller is not a party to any litigation, arbitration or administrative proceedings and, so far as it is aware, none are pending or threatened against it which, if adversely determined, would affect the Seller's ability to perform its obligations under and as contemplated by this letter agreement; and

(l) the Seller is not acquiring the Payment Shares or the Payment Warrants for or for the benefit of a "U.S. Person" (as such term is defined in Regulation S of the United States Securities Act of 1933).

4. The Purchaser represents and warrants that:

(a) it is a corporation incorporated and validly existing under the laws of the Province of Ontario and its common shares are admitted to trading on the Toronto Stock Exchange;

(b) it has the financial ability and corporate power to enter into and deliver this letter agreement and to perform and complete the transactions to be completed by it as contemplated thereby, and has taken all necessary corporate action to authorize the entry into, performance and delivery of the Payment Shares and the Payment Warrants under and as contemplated by this letter agreement;

(c) the entry into and performance by the Purchaser of the transactions contemplated by this letter agreement will not

  (i) conflict with any laws binding on the Purchaser;

  (ii) conflict with the constitutional documents of the Purchaser; or

  (iii) conflict with or result in default under any document which is binding upon the Purchaser or any of its assets; and

(d) it is not a party to any litigation, arbitration or administrative proceedings and, so far as it is aware, none are pending or threatened against it which, if adversely determined, would affect the Purchaser's ability to perform its obligations under and as contemplated by this letter agreement.

5. Completion of the transactions contemplated by this letter agreement is subject to the following conditions having been satisfied at or prior to the Closing Date:

   (a) payment by or on behalf of Gold within 5 business days of the date of this letter agreement of the sum C$1,030,000 to the account of the Purchaser **[REDACTED: Banking information has been redacted.]**;

   (b) all representations and warranties contained in this letter agreement of the Seller and the Purchaser shall be true and correct in all material terms at the Closing Date;

   (c) approval of the transactions contemplated by this letter agreement by the board of directors of each of the Seller and the Purchaser; and

   (d) all necessary third party, regulatory or tax approvals required by the Purchaser and Seller shall have been received on terms satisfactory to the Purchaser and the Seller so to permit the transactions contemplated by this letter agreement.

   The conditions set forth above are the for the benefit of the Purchaser and the Seller and may be waived in respect of each party by either the Purchaser or Seller, as the case may be, respectively in whole or in part on or before the Closing Date.

6. The Seller acknowledges that the Payment Shares will be issued in reliance on certain exemptions from prospectus and registration requirements under applicable securities laws and policy and that the certificates representing the Payment Shares will bear a legend providing notice of a restriction on trading such securities.

7. The Purchaser shall within 10 days after the issuance of the Payment Shares, at its own expense, file such forms and pay such fees as may be required under securities legislation in connection with such issue.

8. This letter agreement may be terminated:

   (a) by the Purchaser in the event that the Seller fails to satisfy any of the conditions set forth in paragraph 5 of this letter agreement by October 31, 2011 (the "**Long Stop Date**"); or

   (b) by the Seller in the event that the Purchaser fails to satisfy any of the conditions set forth in paragraph 7 of this letter agreement by the Long Stop Date.

9. The Purchaser and the Seller will each be solely responsible for their respective costs and expenses related to this letter agreement and the transactions contemplated hereby, including legal costs and expenses.

10. This letter agreement shall constitute the entire agreement between the parties hereto with respect to all of the matters herein. This letter agreement may not be amended except in writing signed by the parties hereto.

11. Subject to the requirements of applicable law, including, without limitation, any ministerial or regulatory requirements and further subject to the right of any party hereto to file timely disclosure reports, whether confidential or not, with any regulatory authority

having jurisdiction over it, the parties hereto hereby agree to keep this letter agreement and all other information and documentation exchanged, confidential until completion, unless there is mutual agreement in writing to each specific disclosure or that it can be shown to be already in the public domain, and neither party shall reveal the existence or contents herein or any information revealed to the other party in connection with this transaction to anyone other than employees or representatives of the Purchaser or Seller that have a need to know such information.

12. This letter agreement, when executed and delivered (and for which facsimile or other electronic transmission will be deemed to be valid execution and delivery), will set forth the parties' mutual understanding with respect to the proposed transaction and the basis on which the parties will proceed forward to completion as soon as possible in good faith.

13. This letter agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario. Any legal suit, action or proceeding arising out of or relating to this letter agreement may be instituted in the courts of Ontario. The parties waive any objection to the venue any suit, action or proceeding and the right to assert that such forum is not a convenient forum, and irrevocably consents to the jurisdiction of the courts of Ontario in any such suit, action or proceeding.

14. Each of the parties hereto agrees to take all such actions as may be within its power as may be necessary or desirable to implement and give effect to the provisions of this letter agreement.

15. No party may assign this letter agreement to any other person, firm or corporation without the prior written consent of the other party hereto.

16. This letter agreement may be executed in counterparts and when so executed will constitute one document, notwithstanding that the parties are not signatories to the same counterpart.

The proposal contained herein will terminate at 5:00 p.m. (London time) on Monday, October 3, 2011, unless the enclosed counterpart hereof is countersigned and delivered by the Seller to the Purchaser prior to such time or unless such time is extended in writing by the Purchaser.

If the above terms are satisfactory to you, please indicate by signing below in the space indicated and return to the undersigned so that we may proceed with the preparation of the formal documentation. This letter supercedes and replaces any prior communications, discussions, or understandings.

Yours faithfully

FORSYS METAL CORP.

Per: "*Marcel Hilmer*"
Marcel Hilmer
Chief Executive Officer

We acknowledge having read this letter agreement and hereby accept the terms and conditions herein this 20th day of October, 2011.

ETHERLIN MANAGEMENT CORP

Per: "*Francesco Marotta*"
Name: Francesco Marotta
Title: Director