

# ASX Announcement

22 March 2011

Australian Securities  
Exchange Code: **FEL**

**Ordinary Shares:**

115,521,575

**Unlisted Options:**

18,000,000 (\$0.12 exp. 31 Dec 2012)

375,000 (\$0.15 exp. 23 Mar 2014)

**Board of Directors:**

Tony Sage

*Non-Executive Chairman*

Kim Bischoff

*Managing Director*

Mark Gwynne

*Executive Director*

Paul Kelly

*Non-Executive Director*

Eloise von Puttkammer

*Company Secretary*

**Key Projects & Interests:**

Mt Ida Iron Project

Mt Elvire Iron Project

Crossroads, Bardoc and Grafters  
Gold Projects

Kalgoorlie Regional Gold Project

Kalgoorlie Regional Nickel Project

**Fe Limited Contact:**

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*Managing Director*

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Fe Limited is an Australian  
domiciled mineral resources  
exploration and development  
company.

## FE LIMITED ACQUIRES EXCITING IRON PROJECT AT MT IDA AND APPOINTS NEW MANAGING DIRECTOR

### Highlights

- **Fe Limited enters into agreement to acquire the rights to explore and mine iron ore on 371km<sup>2</sup> of licences at Mt Ida (Mt Ida Iron Project).**
- **The Mt Ida Iron Project covers 9.5km of strike of banded iron formation (BIF) which is highly prospective for hematite and magnetite iron ore.**
- **Initial exploration to commence immediately at Mt Ida Iron Project to define potential and design drilling.**
- **Further drilling planned at Mount Elvire Iron Project.**
- **Mr Kim Bischoff appointed as Managing Director further strengthening the board's skill sets.**

Australian mineral resources explorer, Fe Limited (ASX: FEL) ("Fe" or the "Company"), is pleased to announce it has entered into an agreement for the acquisition of iron rights covering 9.5km of strike of banded iron formation at Mt Ida in the emerging Yilgarn Iron Province of Western Australia (refer Figure 1) ("Agreement").

### Mt Ida Iron Project

Pursuant to the terms of the Agreement, Fe will acquire the iron rights to an area of 371km<sup>2</sup> (herein referred to as the Mt Ida Iron Project) from Dempsey Resources Pty Ltd, a wholly owned subsidiary of Cape Lambert Resources Limited (ASX: CFE).

Consideration for the acquisition of the iron ore rights at the Mt Ida Iron Project is \$50,000 and a production royalty of \$1/tonne of iron ore (DSO and concentrates) payable to Dempsey Resources Pty Ltd. Completion of the Agreement is subject to the execution of a split commodity agreement on terms acceptable to the Company, which is expected to occur in the coming weeks.

The Mt Ida Iron Project comprises the rights to explore and mine iron ore on a group of licences located approximately 180km northwest of Kalgoorlie in the Yilgarn Iron Province of Western Australia. Two of the licences cover approximately 9.5km of strike of the eastern unit of the Mt Ida – Mt Bevan banded iron formation (BIF) units, which strike over 25km northwest from Mt Ida in the south (refer Figure 2).



The Mt Ida Iron Project is located approximately 80km northwest of Menzies and is proximal to established infrastructure including sealed road, gas pipeline and rail, which offers access to operational port facilities at Esperance and Kwinana. Esperance port is expanding facilities in the near future to increase iron ore capacity from the current 11.5Mtpa to approximately 32Mtpa. The Mt Ida Iron Project is also located close to a proposed rail extension planned to service nearby iron ore projects.

The Mt Ida Iron Project is adjacent to Jupiter Mines' Mt Ida Magnetite and Mt Mason DSO Hematite Projects and to Legacy Iron Ore's Mt Bevan Project located on the Mt Ida – Mt Bevan BIF.

Jupiter Mines Limited ("Jupiter") has recently announced a total Inferred Mineral Resource for the Central Zone of their Mt Ida Magnetite Project of 530 million tonnes at 32% Fe<sup>1</sup>. This resource represents 2.2km of 7.5km of strike of the western BIF unit and is part of the exploration target size of 1.1-1.3 billion tonnes of magnetite BIF previously estimated by Jupiter<sup>2</sup>. Jupiter has also reported a total Inferred Mineral Resource of 5.75 million tonnes at 59.9% Fe of hematite at Mt Mason<sup>3</sup>.

On 5 October 2010 Legacy Iron Ore Ltd ("Legacy") entered into a joint venture with Hawthorn Resources Ltd to explore the northern section of the Mt Ida – Mt Bevan BIF (referred to as the Mt Bevan Iron Ore Project). Legacy has estimated an exploration target size at the Mt Bevan Iron Ore Project of 1.0 – 1.5 billion tonnes at 30 – 40% Fe of magnetite BIF<sup>4</sup>.

Fe will immediately commence initial exploration including geophysical and geological surveys, with the objective of defining the potential of the BIF at the Mt Ida Iron Project and to design a drilling program to commence later in 2011, subject to obtaining the necessary regulatory and land owner approvals.

## **Mount Elvire Iron Project update**

The Mt Elvire Iron Project (Fe Limited 100%) is located 50km north of the Mt Jackson and Windarling iron ore mines operated by Cliffs Natural Resources, and 30km west northwest of Macarthur Minerals' Lake Giles Project, in the Yilgarn Iron Province of Western Australia. Macarthur Minerals recently announced a total Inferred Mineral Resource for their Lake Giles project of 1.12 billion tonnes at 28.7% Fe<sup>5</sup>.

The Company has previously announced an Exploration Target<sup>6</sup> of 515Mt – 675Mt at 26-46% Fe (including 15Mt – 25Mt at 56-62% Fe of potential DSO style mineralisation) for the Mt Elvire Iron Project. This estimate is based on information from drilling completed in 2010 plus interpretation of geophysical survey and geological mapping data.

The Company is currently planning further drilling at Mt Elvire and will announce the details of this program, once planning is completed and a drilling rig secured.

## **Appointment of Managing Director**

The Company is also pleased to announce the appointment of Mr Kim Bischoff as Managing Director, effective 21 March 2011.

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<sup>1</sup> Refer ASX release 19 January 2011 by Jupiter Mines Limited (ASX: JMS)

<sup>2</sup> Refer ASX release 10 December 2009 by Jupiter Mines Limited (ASX: JMS).

<sup>3</sup> Refer Jupiter Mines Limited Annual Report 2009.

<sup>4</sup> Refer ASX release 25 November 2010 by Legacy Iron Ore Ltd (ASX: LCY).

<sup>5</sup> Macarthur Minerals News Release 15 December 2010 refer <http://www.macarthurminerals.com>

<sup>6</sup> The estimates of exploration target sizes mentioned in this release should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.



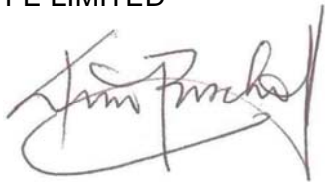
Mr Bischoff has significant experience in advancing early stage iron ore assets and his appointment is opportune with the expansion of the Company's portfolio by the addition of the highly prospective Mt Ida Iron Project.

Mr Bischoff has an Honors degree in Geology from the University of Tasmania and is a member of the Australian Institute of Mining and Metallurgy, and the Australian Institute of Company Directors. Kim is a highly experienced geologist and executive with more than 28 years in the mineral industry. Kim has worked as a professional geologist in technical, line management and general management roles covering mineral exploration, development and production throughout Australia, Africa and Southeast Asia for several listed companies covering gold, copper and iron ore projects.

More recently Mr Bischoff was a Non-executive Director of DMC Mining Limited and General Manager of Exploration for Cape Lambert Resources Limited and in these roles was active in building a pipeline of projects and progressing several early stage assets towards development.

Managing Director Kim Bischoff commented on the acquisition "the iron ore rights to the Mt Ida Iron Project further strengthens the Company's portfolio of iron ore projects in the emerging Yilgarn Iron Ore Province of Western Australia, one of the most exciting new iron regions in Australia. The Mt Ida Iron Project benefits from existing infrastructure and the potential for near term development aligned with the Company's objective to increase shareholder value".

Yours faithfully  
FE LIMITED



Kim Bischoff  
**Managing Director**

**Competent Person**

*The information in this report that relates to Exploration Results is based on information compiled by Mr. T. Deane who is a Member of the Australasian Institute of Mining & Metallurgy. Mr. Deane is employed as Exploration Manager by Fe Limited, and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Deane consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*



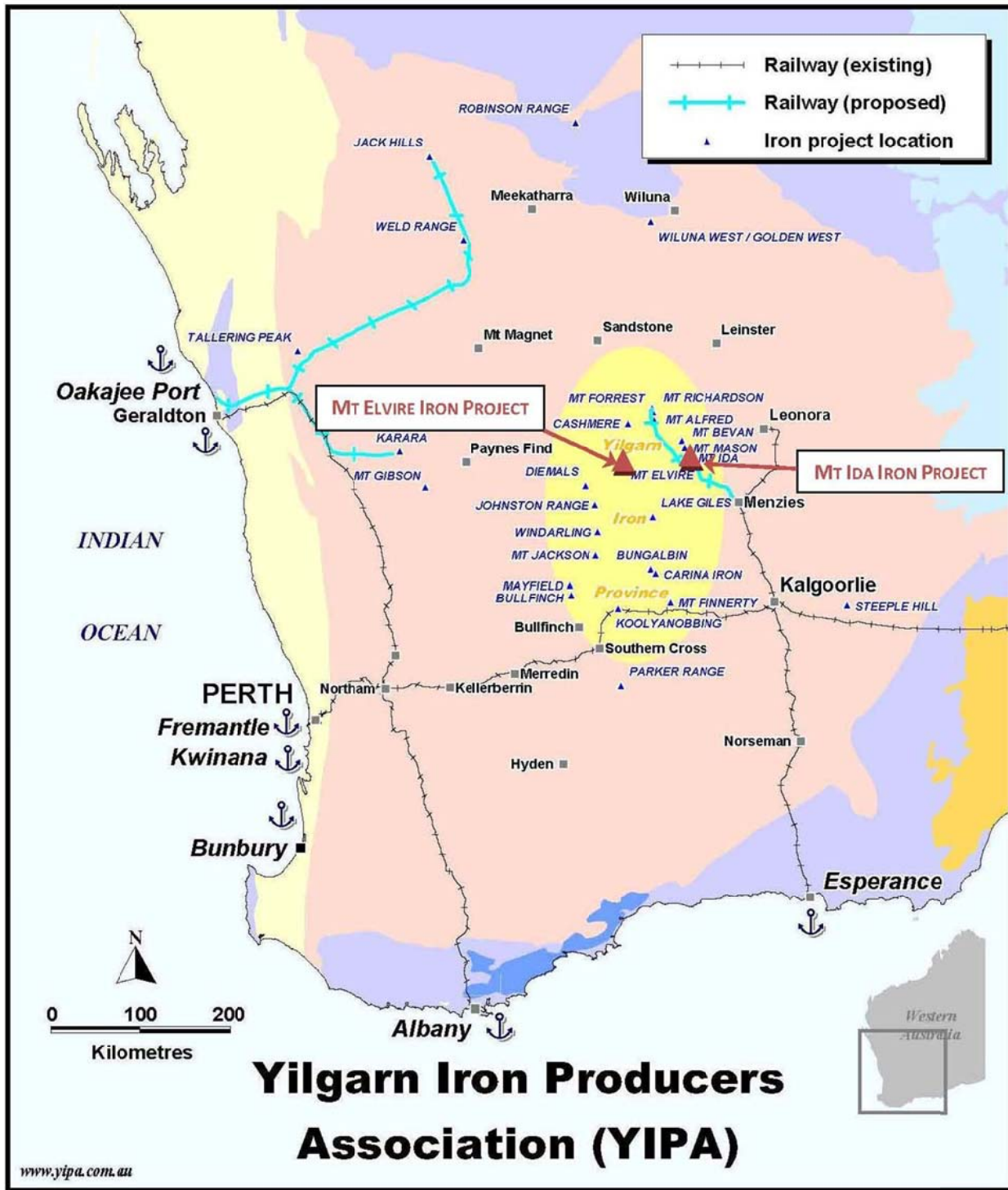


Figure 1: Mt Ida Iron Project - Location and Infrastructure  
(Base map courtesy of YIPA)



