QUARTERLY REPORT
Quarter ended 31 March 2018

Australian Securities
Exchange Code: **FEL**

27 April 2018

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

Ordinary Shares:
370,877,963

Board of Directors:
Tony Sage
Non-Executive Chairman
Kenneth Keogh
Non-Executive Director
Nicholas Sage
Non-Executive Director

QUARTERLY REPORT – 31 March 2018

Please find attached the Quarterly Activities Report and Appendix 5B for the three month period ended 31 March 2018.

Yours faithfully
Fe Limited

Tony Sage
Non-Executive Chairman

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CORPORATE

Fe Limited (**ASX: FEL**) (**FEL** or **Company**) is an Australian company with interests in a portfolio of mineral projects at exploration stage located in Australia and the Democratic Republic of Congo (**DRC**).

Financial Position

Cash available to the Company at the end of the March 2018 quarter was $814,000.

Placement

On 4 January 2018, the Company completed a placement to sophisticated and professional investors of 33,333,334 fully paid ordinary shares at an issue price of $0.03 per share to raise up to $1 million (before costs) (**Placement**). Proceeds from the Placement will be used on exploration activities at the Kasombo Copper-Cobalt Project (**Kasombo Project**) in the Democratic Republic of Congo (**DRC**) and for working capital purposes.

Options exercised

During the quarter, the Company received received $281,250 in proceeds from the exercise of 9,375,000 unlisted options with an exercise price of $0.03 each on or before 30 November 2018.

Change in Company Secretary

On 1 February 2018 Ms Eloise von Puttkammer resigned as Company Secretary. Ms Catherine Grant-Edwards and Ms Melissa Chapman were appointed as Joint Company Secretary effective 1 February 2018.

Existing Business

The Company remains focused on its activities within the mineral exploration industry on its retained tenements and interests and is also investigating projects for future acquisition.

The Company has interests in several highly prospective projects in the Bryah Basin region of Western Australia with joint venture partners Auris Minerals Ltd (formerly RNI NL), Alchemy Resources Ltd, Independence Group NL, Westgold Resources Limited and Billabong Gold Pty Ltd, which are free-carried with no contributing responsibilities, until Decision to Mine.

PROJECTS

Kasombo Project - Democratic Republic of Congo

The Kasombo Project is held by Soludo Lambert Mining SAS (**Soludo Lambert**) and is located 25km from the DRC's second largest city, Lubumbashi, in the Katanga Copper Belt of the DRC. Soludo Lambert is a 50/50 joint venture company between Congolese entity Paragon Mining SARL and Cape Lambert Resources Limited. On 6 November 2017, the Company completed the acquisition of Cape Lambert's interests in the Kasombo Project, where-in Cape Lambert assigned all its rights and obligations in the Kasombo Project to the Company (full details of the assignment are described in the Notice of Annual General Meeting, refer ASX announcement dated 14 October 2017).

The Kasombo Project comprises three mineralized areas of approximately 600 hectares, Kasombo 5, 6 and 7, located within two granted mining licenses PE 481 and PE 4886 (**Licences**), refer Figure 1. The Licences are held by La Generale Des Carrieres Et Des Mines S.A. (**Gecamines**).

In January 2018, the Company reported that it had completed a preliminary RC drilling at the Kasombo Project, with Kasombo 5 drilled with two reverse circulation (**RC**) holes for a total depth of 149 m, and Kasombo 7 was drilled with four RC holes for a total depth of 190 m.

Assays from Kasombo 5 showed wide intersections of high grade copper mineralization, with copper and cobalt intercepts from the drilling at Kasombo 5:

- KSB001: 23 m @ 3.18% Cu from 54 m
- KSB003b: 24 m @ 3.50% Cu from 37 m
- KSB003b: 12 m @ 0.19% Co from 36 m
- KSB003: 10 m @ 0.22% Co from 11 m

RC drilling at Kasombo 7 returned shallow intercepts of cobalt mineralisation from depths of 8m and over intercepts of up to 11m:

- KSB004: 11 m @ 0.10% Co from 8 m
- KSB006: 3 m @ 0.13% Co from 10 m

For more detailed information on the drilling results, refer to FEL announcement dated 14 March 2018.

During the quarter, Soludo Lambert undertook a tender process for a step out drilling programme at the Kasombo area, with site visits conducted with the drilling companies on 10 and 11 March 2018. Proposals were received from nine drilling companies, with four shortlisted for more detailed discussions. Final proposals from the shortlisted companies were received and assessed, with the selection and appointment of the drilling contractor pending confirmation by the Board of Soludo Lambert .

Western Australia

The Company holds, or has rights or interests in various tenements prospective for iron, nickel, copper and gold located in Western Australia.

The Company and its child entities have not carried out any exploration, development or mining production activities during the quarter ended 31 March 2018. Beneficial interest in three tenements held by the Company were included in a farm-in agreement during the quarter ended 31 March 2018. No such beneficial interests were acquired or disposed of during the quarter ended 31 March 2018.

Bryah Basin Joint Venture Projects ("Bryah Basin") (FEL 20% rights)

FEL, via its wholly owned subsidiary, Jackson Minerals Pty Ltd (**Jackson Minerals**), has a 20% interest in twelve tenements covering an area of 802 km² in the highly prospective Bryah Basin area, including tenements proximal to Sandfire Resources NL (ASX: **SFR**) Doolgunna Project and DeGrussa copper gold mine and several gold and copper prospects.

The Bryah Basin Project tenements are subject to joint ventures and farm-ins Westgold Resources Limited (ASX: **WGX**), Independence Group Ltd (ASX: **IGO**), Billabong Gold Pty Ltd, Alchemy Resources (Three Rivers) Ltd (ASX: **ALY**), Auris Minerals Ltd (ASX:**AUR**) and recently Sandfire Resources NL (ASX: **SFR**).

The Bryah Basin is emerging as a highly prospective and largely under-explored mineral field with potential for further discovery of gold and base metals.

Auris Projects - Auris Minerals Ltd (AUR) 80% in all minerals (except gold for E52/1659 and E52/1671) and FEL 20% in all minerals

FEL, via its subsidiary, Jackson Minerals, holds a 20% interest in all minerals to a Decision to Mine in five exploration licences and three prospecting licences (E52/1659 and E52/1671 and P52/1484-1486 within AUR's "**Forrest Project**" and E51/1033, E52/1613, E52/1672 at AUR's "**Morcks Well Project**") covering a total of 607km².

Metals X Ltd (ASX: **MLX**) acquired AUR's interest in the gold assets with regard to E52/1659 and E52/1671 (within the AUR Forrest Project). MLX transferred their 80% gold rights interest in these tenements to Westgold Resources Limited (ASX:**WGX**) and FEL's 20% interest in all minerals for E52/1659 and E52/1671 is now free carried until Decision to Mine by WGX.. FEL has not received any reports of work completed on the tenements by WGX during the Quarter.

AUR and FEL have entered into a farm-in and Joint Venture with Sandfire Resources NL (**SFR**) where SFR can earn an interest in the Morck's Well Project tenements E51/1033, E52/1613, E52/1672 by completing a minimum spend of $2.0m on exploration over 2 years (see ASX:AUR announcement 27 February 2018 for details).

Forrest Project: Forrest (E52/1671), Wodger (E52/1659), Big Billy Prospects (E52/1659)

The "Forrest", "Wodger" and "Big Billy" Prospects are located along a 12km mineralized Cu+-Au trend which hosts multiple targets for volcanic-hosted massive sulfide ("VHMS") style mineralization.

The Wodger and Forrest prospects are confirmed as priority prospect in AUR's Bryah Basin exploration portfolio.

On 24 January 2018 AUR announced in an "Exploration Update – Wodger and Forrest Prospects" that two deep diamond holes were completed at the Wodger and Forrest Prospects to test EM anomalies. Further broad zones of anomalous copper (72m @ 0.21% Cu) were intersected at Wodger and the potential for higher-grade mineralisation remains open. Planning is underway for detailed IP & EM surveys to target higher-grade mineralised zones and a systematic aircore drilling programme is planned along the prospective Forrest trend (refer to ASX:AUR 24Jan2018 and 30Jan2018)

Morck's Well Project (E51/1033, E52/1613, E52/1672)

The Morck's Well Prospect is located in the eastern part of the Bryah Basin and contains approximately 40km of strike length of the highly prospective Narracoota Volcanic Formation. The northern boundary of Morck's Well is adjacent to Sandfire Resources NL's DeGrussa-Doolgunna exploration tenements.

A "Regional Exploration Update – Bryah Basin" issued by AUR on 30th January reports on air core drilling at the Mork's Well Project. Two lines of aircore drilling completed at the Feathercap Prospect returned 11 metres @ 0.23g/t Au from 92 metres to EOH (FCAC016) and a single line of aircore drilling completed at the Mork's Well South prospect produced positive results. Follow-up drilling at the Citra V-Ti Prospect, to delineate the strike of mineralization, also produced positive results as the mineralisation was mapped for 460 metres and remains open along strike and at depth (refer to ASX:AUR 30Jan2018).

On 27th March 2018 AUR/SFR announced that "Sandfire Commence Major VTEM Survey Across Mork'sWell East JV Project" and on 17 April 2018 AUR announced that "Sandfire Identify Preliminary VTEM Anomalies Within The Mork's Well East JV Project". Preliminary results from initial VTEM surveys completed by SFR have indicated a number of robust VTEM anomalies across the tenement survey areas. (refer to ASX:AUR 27Mar2018 and 17Apr2018).

Alchemy Projects - ALY 80% in all minerals (see below for details of other companies farming-into this interest) and FEL 20% (in all minerals) free carried to Decision to Mine

FEL, via its wholly owned subsidiary Jackson Minerals, holds a 20% interest in all minerals free carried to Decision to Mine in four exploration licenses (E52/1668 ("Reefer" and "Flamel" prospects), E52/1678 ("Troy" prospect), E52/1722 ("Neptune" prospect), E52/1730 ("Henry" prospect) jointly known as the **Jackson Tenements**. Additionally, Jackson Minerals has 20% beneficial interest in all minerals in part of E52/1852 previously held under P52/1167 and P52/1168, held in trust for Jackson Minerals by ALY/Billabong – Jackson Minerals/FEL has no registered interest in E52/1852.

The project covers approximately 45km strike of the prospective Narracoota Volcanic Formation sequence in the Bryah Basin and is proximal to Sandfire's Doolgunna Project and the recently discovered Monty Prospect.

Base Metals Rights – ALY/IGO/JAK E52/1668, E52/1678, E52/1722 and E52/1730

Alchemy has entered into a farm-in and joint venture with Independence Group NL (base metals, see ALY announcement 5 November 2014). Diversified mining company, Independence Group NL (ASX: IGO) is earning up to 70% interest in base metals rights, excluding iron ore rights, in relation to whole area of E52/1722 and parts of E52/1668, E52/1678 and E52/1730 (in regard to the Jackson Tenements).

FEL has not received any updates from ALY or IGO regarding this project.

Please refer to the ALY Half Yearly Report to December 2016 (ALY:ASX 7Mar2017) for relevant information and diagrams.

All Mineral Rights - ALY/Billabong/JAK E52/1668, E52/1678, and E52/1730

Leading Australian gold producer Northern Star Resources Ltd (ASX: **NST**) entered into a Farm-In and Joint Venture agreement with ALY (refer ALY announcement 24 February 2015), in regard to parts of E52/1668, E52/1678 and E52/1730 (excluding those parts being farmed into by IGO) and also to earn an 80% interest in the whole of E52/1852 (within which ALY holds a 20% interest in the area previously held under P52/1167-68 for Jackson Minerals). NST assigned its interest in these tenements and the Farm-in and Joint Venture to Billabong Gold Pty Ltd (**Billabong**) via a Deed of Consent, Assignment and Assumption dated 11 October 2016, pursuant to "Sale and Purchase Agreement Plutonic Gold Operations" between NST and Billabong dated 12 August 2016 (see NST announcements of 15 August 2016 and 12 October 2016). FEL retains its 20% free carried interests in all minerals in all of the aforementioned tenements, via wholly owned subsidiary Jackson Minerals.

FEL has not received any updates from ALY or Billabong regarding this project.

Mt Ida Gold - FEL, Mt Ida Iron Ore Project

Mt Ida is approximately 80km northwest of the operational railway at Menzies, which offers access to existing port facilities at Esperance.

The Mt Ida Iron Ore Project (**Mt Ida Iron Project**) provides FEL the rights to explore and mine for iron ore on two exploration licenses (E29/640 and E29/641) and 3 mining leases (M29/2, M29/165 and M29/422), held by Mt Ida Gold Pty Ltd, covering approximately 120km^2 in the emerging Yilgarn Iron Province. The rights give provision for FEL to retain revenue from any iron ore product it mines from the tenure. FEL has no registered interest in these tenements.

The Mt Ida Project area covers part of the Mt Ida - Mt Bevan banded iron formation, which is currently being explored and evaluated by Jupiter Mines Limited and Legacy Iron Ore Limited.

FEL has not received any updates from Mt Ida Gold Pty Ltd regarding this project,

Evanston Iron Ore Royalty (Cliffs Asia Pacific Iron Ore Pty Ltd, a subsidiary of Cliffs Natural Resources Inc (**Cliffs**))

FEL holds a 1.5% Dry Metric Tonne, FOB Royalty over two tenements (E77/1322 and M77/1259) within the Evanston Project, registered to Black Oak Minerals Limited (ASX: **BOK**). Cliffs Asia Pacific Iron Ore Pty Ltd (**Cliffs**) previously held these tenements but sold them to BOK and provided a Deed of Assignment and Assumption pursuant to the Evanston Iron Ore Rights Deed to FEL assigning the obligation to pay the associated royalty from Cliffs to BOK. The tenements are approximately 20kms north of the Windarling mine. The Evanston Iron Ore Project is located in the Southern Yilgarn Iron Province of Western Australia and covers an area of 167km^2, of which E77/1322 and M77/1259 cover a combined area of 76.92km^2.

FEL has not received any updates from the holders that mining has commenced at either of the Evanston Royalty tenements.

For further information please contact:

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Important Notice

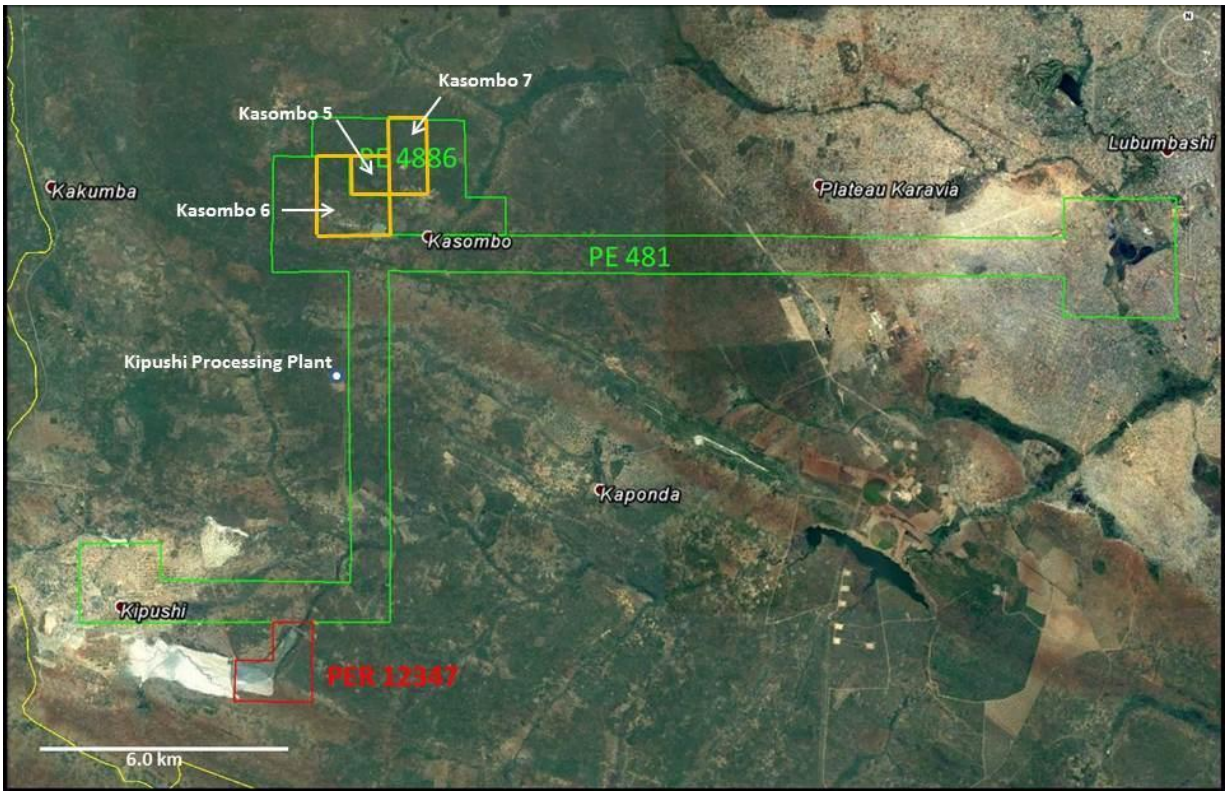
Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Company operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities in the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this announcement, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.

Competent Person Statement

The information in this report is compiled and collected by Mr Jess Oram, Exploration Manager of Cauldron Energy a company related to FE Limited through similar board members, who is a Member of the Australasian Institute of Geoscientists. Oram has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012). Oram consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.



Figuer 1: Location of Kasombo Project and nearby Kipushi Processing Plant

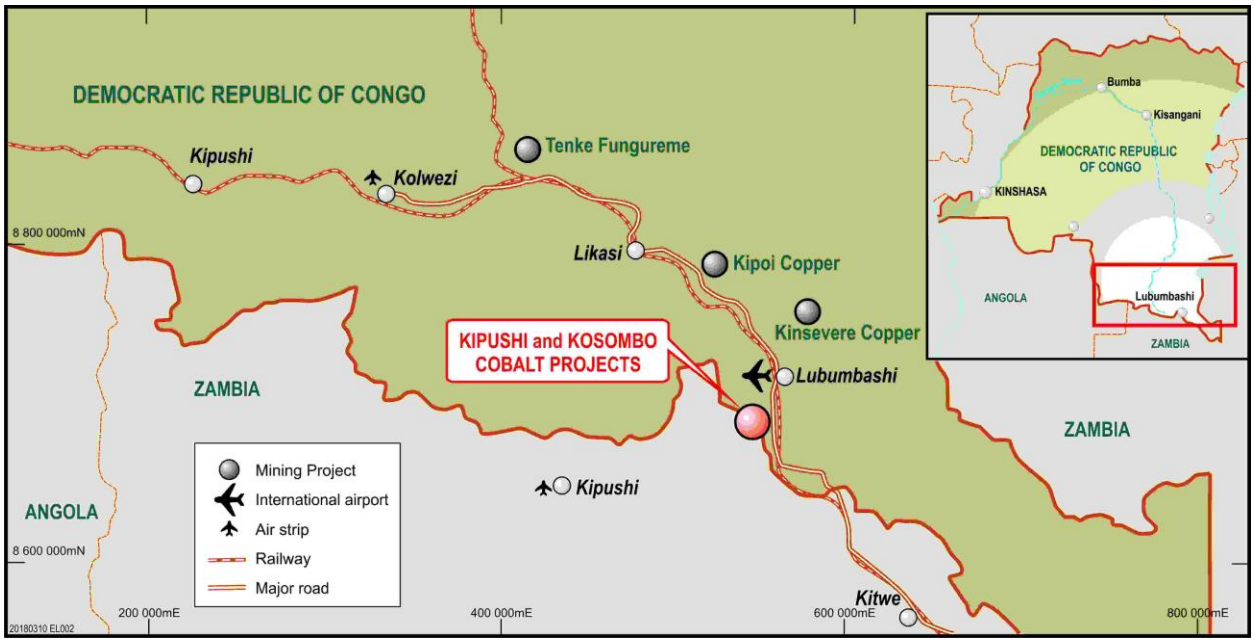


Figure 2: Kasombo Location Map

Schedule of tenement interests of the Company and its subsidiary entities as at 31 March 2018 (including details of tenements acquired and disposed of during the quarter)

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter	Notes
E52/1659	Forrest (Milgun) - Western Australia	-	-	20%	1, 2, 3
E52/1668	Peak Hill - Western Australia	-	-	20%	4
E52/1671	Forrest (Milgun) - Western Australia	-	-	20%	1, 2, 3
E52/1678	Peak Hill - Western Australia	-	-	20%	4
E52/1722	Peak Hill - Western Australia	-	-	20%	5
E52/1730	Peak Hill - Western Australia	-	-	20%	4
P52/1494	Forrest (Milgun) - Western Australia	-	-	20%	1
P52/1495	Forrest (Milgun) - Western Australia	-	-	20%	1
P52/1496	Forrest (Milgun) - Western Australia	-	-	20%	1
PE4886	Kasombo 5 & 7 – DRC	-	-	50%	6
PE481	Kasombo 6 – DRC	-	-	50%	6

NOTES:	
1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (Auris - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and Jackson Minerals Pty Ltd 20% in all minerals free carried to decision to mine.
2	Westgold Resources Limited owns 80% gold rights, Auris Exploration Pty Ltd (Auris)(previously known as Grosvenor Gold Pty Ltd) (Operator) holds 80% interest in all minerals other than gold and Jackson Minerals Pty Ltd holds 20% in all minerals free carried to decision to mine.
3	Westgold Resources Limited has first right of refusal over disposal of RNI/Auris 80% interest.
4	Alchemy 80% reducing to 10% in all minerals once Independence Group NL (IGO) and Billabong Gold Pty Ltd (Billabong) (Operator) earn in under respective JV agreements with Alchemy Resources Ltd (ALY). Billabong earning 70% interest in all minerals in part of this tenement and IGO earning 70% in base metals only (excluding Iron Ore) in the remaining tenement area. Jackson Minerals holds 20% in all minerals in the whole of the tenements free carried to decision to mine.
5	Alchemy 80% reducing to 10% in all minerals once IGO (Operator) earn in under JV agreement with ALY. IGO earning 70% in base metals only (excluding iron ore) in the whole of tenement area by sole funding exploration expenditure. Jackson Minerals holds 20% in all minerals free carried to decision to mine.
6	FEL holds no direct interest in the licences, but has an indirect 50% interest from the acquisition of Cape Lambert's rights and obligations. Full details of the assignment are described in the Notice of Annual General Meeting, refer ASX announcement dated 14 October 2017.

- The mining tenements with beneficial interest held in farm-in/farm-out agreements at the end of each quarter, acquired and disposed of during the quarter and their location.

Farm-in/out Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter	Notes
Sandfire Farm-in E51/1033-I	Morcks Well (Heines Find) - Western Australia	-	-	20%	1, 2, 3
Sandfire Farm-in E52/1613-I	Morcks Well (Heines Find) - Western Australia	-	-	20%	1, 2, 3
Sandfire Farm-in E52/1672-I	Morcks Well (Heines Find) - Western Australia	-	-	20%	1, 2, 3

NOTES:	
1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (Auris - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and Jackson Minerals Pty Ltd 20% in all minerals.
2	Jackson Iron Ore Royalty: Auris Exploration Pty Ltd (Auris)(previously known as Grosvenor Gold Pty Ltd) (Operator) to pay PepinNini Robinson Range Pty Ltd (PRR) a 0.8% gross revenue royalty from the sale or disposal of iron ore. Jackson Minerals Pty Ltd holds 20% in all minerals.
3	Sandfire Farm-in: Subject to a Farm-in Letter Agreement between SFR, AUR and FEL. If SFR makes a Discovery on the tenements and a JV is formed then the interests in the tenements will be 70% SFR, 24% AUR and 6% FEL. Full details of the agreement are described in the Auris ASX announcement dated 27 February 2018.

Table 1; Kasombo Project - rock chip sample location and assay

AREA	LOCATION				PREFERRED ASSAY				ME-MS61	ME-MS61	ME-MS61
Prospect	Easting	Northing	Datum	SampleID	Cu_ppm	Cu_meth	Co_ppm	Co_meth	Fe_%	Mn_ppm	Pb_ppm
KAS_7	533970	8710214	wgs84_z35	A2901	366	ME-MS61	4220	ME-MS61	1.54	3150	6.9
KAS_7	533970	8710223	wgs84_z35	A2902	463	ME-MS61	3570	ME-MS61	4.26	2480	14.9
KAS_7	533990	8710240	wgs84_z35	A2903	318	ME-MS61	3020	ME-MS61	2.43	1120	12.7
KAS_7	533990	8710240	wgs84_z35	A2904	371	ME-MS61	8430	ME-MS61	7.83	1880	5.4
KAS_7	534012	8710233	wgs84_z35	A2905	590	ME-MS61	2030	ME-MS61	4.08	4040	7.9
KAS_7	533994	8710260	wgs84_z35	A2906	812	ME-MS61	8760	ME-MS61	48.1	5140	46
KAS_7	534065	8710227	wgs84_z35	A2907	241	ME-MS61	608	ME-MS61	3.84	944	4.5
KAS_7	534073	8710230	wgs84_z35	A2908	2210	ME-MS61	7750	ME-MS61	7.4	18800	15.9
KAS_7	533997	8710212	wgs84_z35	A2909	256	ME-MS61	1250	ME-MS61	2.66	1920	5.2
KAS_7	534010	8710223	wgs84_z35	A2910	855	ME-MS61	3600	ME-MS61	8.04	5190	14.1
KAS_7	534022	8710244	wgs84_z35	A2911	406	ME-MS61	2610	ME-MS61	5.19	4650	2.7
KAS_7	533994	8710273	wgs84_z35	A2912	1010	ME-MS61	6960	ME-MS61	6.53	5930	7.7
KAS_7	533991	8710269	wgs84_z35	A2913	925	ME-MS61	7120	ME-MS61	6.69	6670	7.4
KAS_7	533972	8710223	wgs84_z35	A2914	5140	ME-MS61	69900	OG62	13.75	22300	21.2
KAS_7	533980	8710204	wgs84_z35	A2915	1110	ME-MS61	5650	ME-MS61	2.85	15000	14.3
KAS_7	533973	8710218	wgs84_z35	A2916	965	ME-MS61	15650	OG62	5.93	5620	10.7
KAS_8-9	533647	8709774	wgs84_z35	A2917	83.9	ME-MS61	110.5	ME-MS61	1.71	329	15.6
KAS_8-9	533614	8709772	wgs84_z35	A2918	64.6	ME-MS61	101.5	ME-MS61	0.98	173	4.7
KAS_8-9	533835	8709648	wgs84_z35	A2919	103.5	ME-MS61	197	ME-MS61	1.44	925	2.5
KAS_6	532871	8709420	wgs84_z35	A2920	644	ME-MS61	17	ME-MS61	1.73	59	6.9

KEY:
KAS_7 is Kasombo 7 prospect,
KAS_8-9 is area near Kasombo8 and Kasombo 9 prospects;
KAS_6 is Kasombo 6 prospect;
10,000 ppm is 1%;
ALS analysis using a three acid digest with ICP-MS and ICP-AES finish is ME-MS61; ALS method OG62 is over-range grade re-assay of ME-MS62.

Table 2; Location of Drilling

Project	Hole_Id	East	North	RL	DipColl	AzimColl	EOH	Details
Kas5	KSB001	532880	8710343	1290	-60	240	79	Hole extended to intersect RAT
Kas5	KSB002	532905	8710313	1288	-60	241	63	Hole abandoned at 63m - collar blow out
Kas5	KSB003	533023	8710134	1284	-57	240	51	Hole abandoned at 51 m - workings
Kas5	KSB003b	532924	8710222	1286	-90	000	70	redrill of KSB003
Kas7	KSB005	533896	8710176	1288	-60	125	42	
Kas7	KSB004	533977	8710283	1292	-59	124	59	
Kas7	KSB006	534078	8710197	1257	-60	335	59	
Kas7	KSB007	534017	8710181	1255	-80	340	30	

KEY:
Datum: wgs84, zone 35 south
DipColl: Dip of hole at collar
AzimColl: Azimuth of hole at collar
EOH: end of hole depth

Table 3; Kasombo Project – Copper - Summary of assay for entire drilling

Prospect	Hole_Id	From	To	Length [m]	Grade [ppm]	Description
Kas5	KSB001	25.00	35.00	10.00	13980	KSB001: 10 m @ 1.40% Cu from 25 m
Kas5	KSB001	42.00	45.00	3.00	11240	KSB001: 3 m @ 1.12% Cu from 42 m
Kas5	KSB001	54.00	77.00	23.00	31787	KSB001: 23 m @ 3.18% Cu from 54 m
Kas5	KSB002					abandoned above target
Kas5	KSB003					abandoned above target
Kas5	KSB003b	37.00	61.00	24.00	34971	KSB003b: 24 m @ 3.50% Cu from 37 m
Kas5	KSB003b	64.00	69.00	5.00	31110	KSB003b: 5 m @ 3.11% Cu from 64 m
Kas7	KSB004					assay below cutoff
Kas7	KSB005					assay below cutoff
Kas7	KSB006					assay below cutoff
Kas7	KSB007					assay below cutoff

Table 4; Kasombo Project – Cobalt - Summary of assay for entire drilling

Prospect	Hole_Id	From	To	Length [m]	Grade [ppm]	Description
Kas5	KSB001	16.00	19.00	3.00	2140	KSB001: 3 m @ 0.21% Co from 16 m
Kas5	KSB001	34.00	40.00	6.00	2348	KSB001: 6 m @ 0.23% Co from 34 m
Kas5	KSB001	52.00	56.00	4.00	2044	KSB001: 4 m @ 0.20% Co from 52 m
Kas5	KSB002	17.00	32.00	15.00	1670	KSB002: 15 m @ 0.17% Co from 17 m; ABD
Kas5	KSB003	11.00	21.00	10.00	2223	KSB003: 10 m @ 0.22% Co from 11 m; ABD
Kas5	KSB003b	36.00	48.00	12.00	1911	KSB003b: 12 m @ 0.19% Co from 36 m
Kas5	KSB003b	55.00	57.00	2.00	2270	KSB003b: 2 m @ 0.23% Co from 55 m
Kas7	KSB004	8.00	19.00	11.00	1038	KSB004: 11 m @ 0.10% Co from 8 m
Kas7	KSB005					assay below cutoff
Kas7	KSB006	10.00	13.00	3.00	1311	KSB006: 3 m @ 0.13% Co from 10 m
Kas7	KSB007					assay below cutoff

KEY:
Kas5 is Kasombo 5 prospect
Kas7 is Kasombo 7 prospect
ABD: abandoned above target
An assay of 10,000 ppm is equivalent to 1%; to convert units of concentration, divide ppm by 10000 to obtain units of %
Criteria used to aggregate copper assay in Table2: cutoff grade: 1%; minimum width: 4 m; maximum internal dilution: 2 m.
Criteria used to aggregate cobalt assay in Table 3: cutoff grade: 0.1% minimum width: 3 m; maximum internal dilution: 2 m.

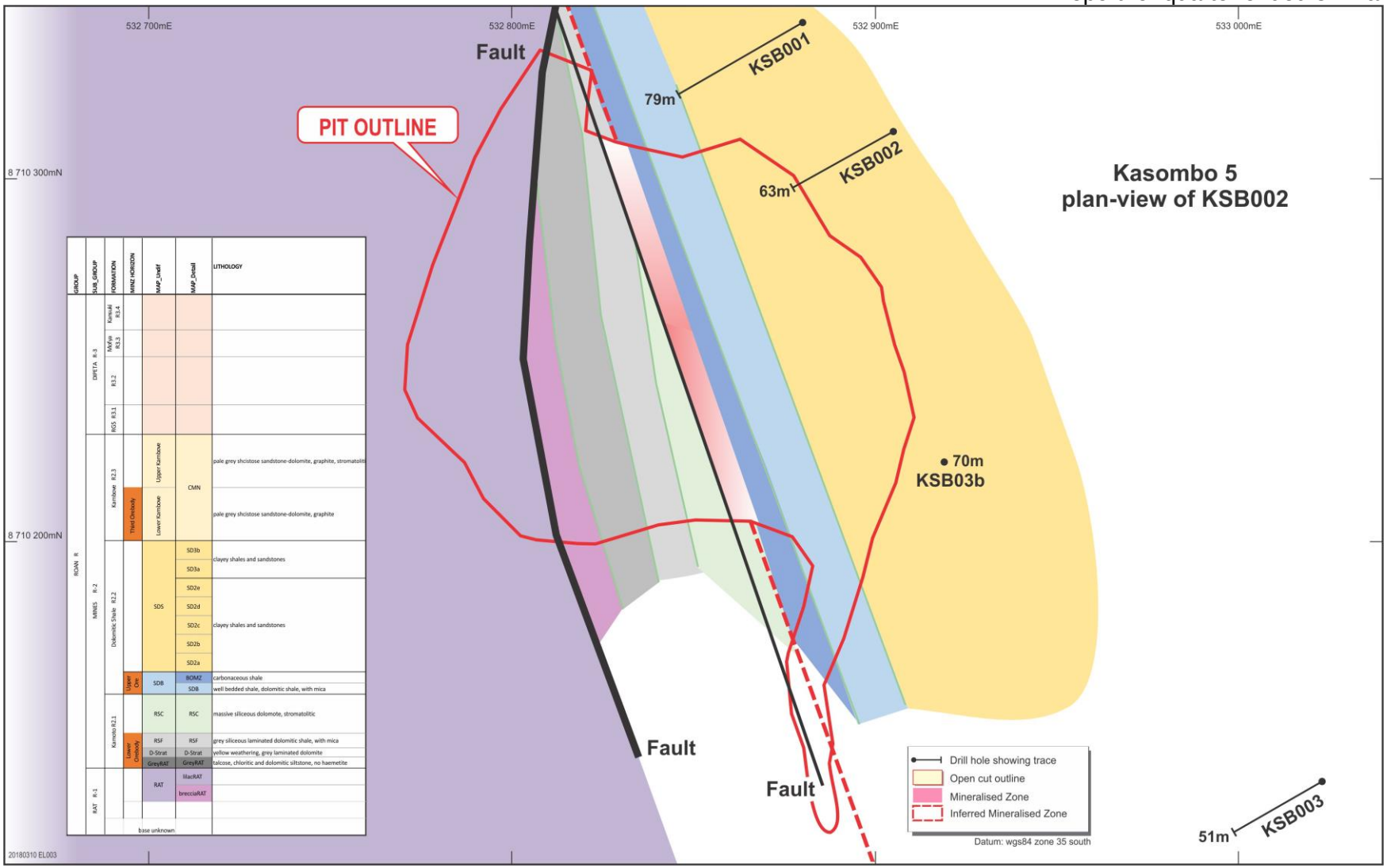


Figure 4; Kasombo 5 Geological map and drilling

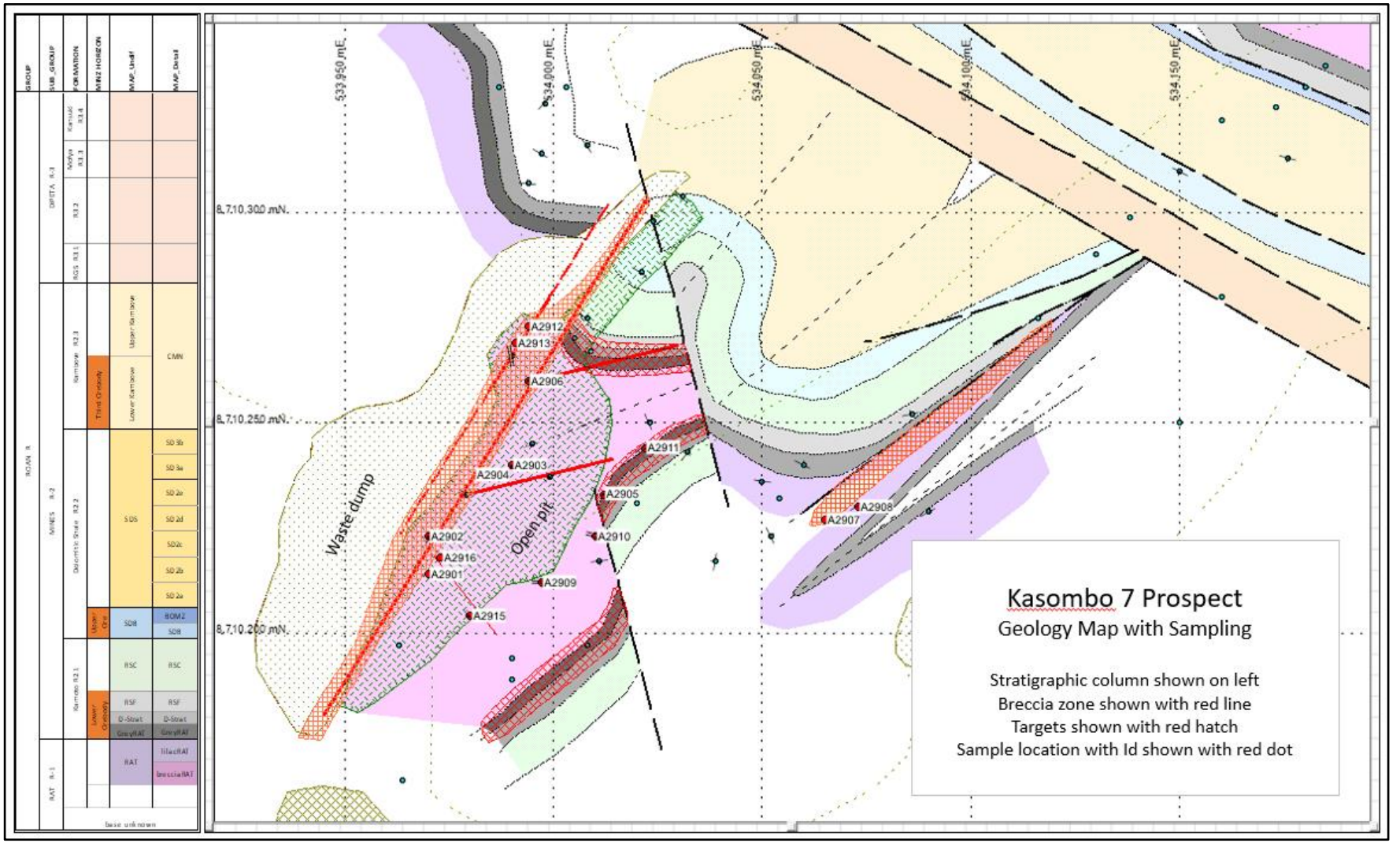


Figure 5; Kasombo 7 Geological map and sampling

JORC Code, 2012 Edition – Table 1 Kasombo Mapping and Sampling

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• RC chip samples were collected from each one metre downhole drill increments commencing from the collar to the end of hole • Samples collected plastic bags attached to cyclone • Calico bags used to take a 3 kg assay sample • We rely on ALS systems, a NATA certified laboratory, to ensure their ICP instruments are in calibration
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• 5.5" Reverse circulation; face sample hammer bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample mass was not measured • Visual inspection used to identify potential intervals containing contaminated sample
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Chip sample geologically logged and small specimen sample retained in chip trays • The entire drillhole was geologically logged • There is not enough drilling of sufficient drilling density to allow the estimation of a Mineral Resource.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Assay sample were sub-sampled from the large (about 30 kg) plastics using a spear • Four spear traverses were taken across the entire sample bag material • Duplicate sampling completed • Malachite mineralisation is fine grained and distributed on a scale smaller than the metre increments used in sample collection • Cobalt mineralisation is heterogenite and is fine grained
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples were prepared and analysed by ALS; with samples crushed and pulverised in ALS' Lubumbashi, DRC laboratory, and ICP-AES or ICP-MS finish in ALS' Johannesburg laboratory. • Preparation: crush and pulverise so that 80% of sample pass minus 80 micron • ALS method ME-MS61, having a low lower level of detection • Over-range assay re-analysed by ALS ore grade method OG-62 • Digest: four acid digest on a 0.25 g charge • Element Suite (with lower level of detection in brackets in ppm): Ag(0.01), Al(100), As(0.2), Ba(10), Be(0.05), Bi(0.01), Ca(100), Cd(0.02), Ce(0.01), Co(0.1), Cr(1), Cs(0.05), Cu(0.2), Fe(100), Ga(0,05), Ge(0,05), Hf(0.1), In(0.005), K(100), La(0.5), Li(0.2), Mg(100), Mn(5), Mo(0.05), Na(100), Nb(0.1), Ni(0.2), P(10), Pb(0.5), Rb(0.1), Re(0.002), S(100), Sb(0.05), Sc(0.1), Se(1), Sn(0.2), Sr(0.2), Ta(0.05), Te(0.05), Th(0.2), Ti(0.005), Tl(0.02), U(0.1), V(1), W(0.1), Y(0.1), Zn(2), Zr(0.5) • Certified Reference Material (CRM) where inserted in the sample stream at every 20th consecutive sample • Two CRM's used in the drill program (only one used for this first drillhole) – manufactured by Geostats Pty Ltd
Verification of sampling and	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• No verification work has been conducted • Only second hole of program, data stored in spreadsheets - no database developed as yet

Criteria	JORC Code explanation	Commentary
assaying	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No adjustment to assay – reported as is from ALS except with the addition of locational information (HoleID, DepthFrom and DepthTo)
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Samples were located with handheld GPS, having an accuracy of plus or minus 10 m. • No downhole surveys were taken to measure drillhole deviation • Collar location described in datum WGS84 Zone 35south
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Results from only one drillhole taken to the north of the mineralized structure • The data is not suitable for Mineral Resource estimation; much more drilling is required • No sample compositing
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• All drillholes except one (shown in figure 4) were set up with an azimuth orthogonal to strike and a dip of 60 degrees dip at the collar – azimuth WSW; mineralisation contained in bedding mapped in pit exposures was dipping 40 ENE; but the orientation of the cobalt zone is different to that mapped in the pit and remains to be verified with follow-up drilling
Sample security	• *The measures taken to ensure sample security.*	• Samples kept under supervision of geological/sampling crew and transported to ALS laboratory by drill crew
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been completed

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The licence is held by state owned company Gecamines and is the subject of a rights agreement between Gecamines and Paragon SARL. Paragon has a joint venture with Cape Lambert Resources and Cape Lambert Resources has entered in to an agreement with Fe Limited to assign its rights to the Kasombo Project to Fe Limited.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Gecamines mapping completed in 1990's.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Cu-Co mineralisation of the Katangan style; where stratabound mineralisation is located in the Lower Roan Supergroup • Breccia style cross-cutting Cu-Co mineralisation in vertically dipping structures

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Location of all drilling shown in Table 1 of text

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such*	• No length weighted averaging applied as lengths all same width • No mass weighted averaging • Copper aggregate intercepts: cutoff: 1%; minimum width: 4m, maximum internal dilution: 2 m • Cobalt aggregate intercepts: cutoff: 0.1; minimum width: 3m, maximum internal dilution: 2 m

Criteria	JORC Code explanation	Commentary
	aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Except for one hole, the drillholes were set up with an azimuth orthogonal to strike and a dip of 60 degrees dip at the collar – azimuth WSW; mineralisation contained in bedding mapped in pit exposures was dipping 40 ENE; but orientation of cobalt mineralisation reported here is unknown until further drilling is completed, so it is unknown if length of intercept is representative of thickness if mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Presented in the body of the report
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Full reporting of results presented here
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Proof of concept stage drilling only, further data to be collected on next phase of drilling – if appropriate
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further assays from initial drill-test are awaited • Step-out drilling and infill drilling required