Fe Limited

Annual Report

2013

CORPORATE DIRECTORY

Australian Business Number	31 112 731 638	
Country of Incorporation	Australia	
Board of Directors	Antony Sage Mark Gwynne Paul Kelly	Non-Executive Chairman Executive Director Non-Executive Director
Company Secretary	Eloise von Puttkammer	
Principal Administrative Office and Registered Office	32 Harrogate Street West Leederville, WA 6007	
	Telephone: Facsimile:	+61 (0)8 6181 9793 +61 (0)8 9380 9666
Share Registry	Link Market Services Level 12, 680 St Georges Tce Sydney, NSW 2000	
	Telephone:	1300 554 474 (in Australia) +61 (2) 9280 7111 (outside Australia)
	Website:	www.linkmarketservices.com.au
Auditors	Ernst & Young 11 Mounts Bay Road Perth, WA 6000	
ASX	Fe Limited's fully paid ordinary shares are quoted on the Official List of ASX. The ASX code is FEL.	

CONTENTS

DIRECTORS' REPORT

The directors of Fe Limited ("FEL" or the "Company") present their report and the financial statements comprising FEL and its controlled entities (together the "Consolidated Entity") for the year ended 30 September 2013.

Directors

The names and details of the Company's directors in office during the year and until the date of this report are as follows. All directors were in office for the entire year unless stated otherwise.

***Antony Sage**, (B com, FCPA, CA, FTIA) Non-Executive Chairman*

Mr Sage has in excess of 25 years' experience in the fields of corporate advisory services, funds management and capital raising. For the last 15 years Mr Sage has been involved in the management and financing of listed exploration mining companies all over the world. Mr Sage currently is, or has been a director of the following listed entities in the three years immediately before the end of the current financial year:

- Cape Lambert Resources Limited (December 2000 to Present);
- International Petroleum Limited* (January 2006 to Present);
- Cauldron Energy Limited (June 2009 to Present);
- Kupang Resources Limited (formerly Chameleon Mining NL) (September 2010 to Present);
- Matrix Metals Limited (December 2010 to Present);
- Global Strategic Metals NL (June 2012 to Present);
- African Petroleum Corporation Limited* (October 2007 to June 2013);
- International Goldfields Limited (February 2009 to May 2013); and
- African Iron Limited (January 2011 to March 2012).

  * Listed on National Stock Exchange of Australia

***Mark Gwynne**, Executive Director*

Mr Gwynne has been involved in gold exploration and mining for over 18 years, predominantly in Western Australia. Mr Gwynne has held management positions on mine sites and in the private sector of the mining industry, including general manager of an exploration consultancy company. Mr Gwynne is currently a director or has been a director of the following listed companies in the three years immediately before the end of the current financial year:

- Kupang Resources Limited (previously Chameleon Mining NL) (January 2013 to August 2013)
- International Petroleum Limited* (April 2009 to March 2012); and
- Orca Energy Limited (previously Monitor Energy Limited) (April 2006 to August 2011);
- International Goldfields Limited (January 2013 to May 2013)

  * Listed on National Stock Exchange of Australia

***Paul Kelly**, Non-Executive Director*

Mr Kelly has more than 20 years of experience in the fields of finance, investment and banking. Mr Kelly was previously National Manager of Advertising and Sponsorship for Members Equity Bank and has held a number of senior roles with the bank over a 15 year period. Mr Kelly is a director of the following listed entities.

- Kupang Resources Limited (formerly Chameleon Mining NL) (May 2010 to January 2013);
- International Goldfields Limited (November 2009 to January 2013)
- Eclipse Metals Limited (formerly Eclipse Uranium Limited) (March 2011 to November 2011); and
- Orca Energy Limited (previously Monitor Energy Limited) (February 2011 to August 2011).

Company Secretary

Eloise von Puttkammer

Ms von Puttkammer has many years of experience in the finance and investment industry. Over the past ten years she has held administration, compliance, and company secretarial roles within both private and public companies. She has also had experience in the provision of governance and secretarial advice to ASX and AIM listed companies.

Interests in the Shares and Options of the Company

As at the date of this Report, the interests of the directors in the Company's Shares and Options are as follows:

Directors	Interest	Ordinary Shares	Options
Antony Sage	Indirect	2,071,699	-
Mark Gwynne	-	-	-
Paul Kelly	-	-	-

Dividends and Distributions

No dividends or distributions were paid to members during the year and none were recommended or declared for payment.

Principal Activities

The principal activity of the Consolidated Entity during the year was the management of iron ore, precious and base metal tenements in Western Australia.

Operating Results

The consolidated loss after providing for income tax amounted to $2,367,976 (2012: $1,838,118).

Review of Corporate Activities

Divestment of Gympie Eldorado Gold Operations

As previously announced, FEL advised that it had signed a conditional binding term sheet for the sale of its wholly owned subsidiary, Gympie Eldorado Mining Pty Ltd ("GEM")to a private Singapore registered Mining and Metals trading group company ("Purchaser"). In accordance with the conditions of the term sheet, the parties have now entered into a full form, share shale agreement to the sale of GEM. The Purchaser has also advised FEL that it has lodged the required Foreign Investment Review Board application for approval. The terms of the GEM Sale include:

- Payment of $50,000 deposit under execution of term sheet (received by FEL)
- Payment of a further $200,000 upon completion of the GEM Sale
- Refund of $2,264,984 in respect of environmental performance bonds
- 3% Net Smelter Return from gold derived from the Gympie Eldorado Mine
- 10% of any profits from any future sale of freehold land which comprises the Gympie Eldorado Gold Mine Tailings Site.

Funding

In June 2011, FEL secured a $2,000,000 standby loan facility ("Facility") entered into with cornerstone shareholder Cape Lambert Resources Limited (ASX: CFE) ("Cape Lambert"), which currently holds a 19.9% interest in FEL. At 30 September 2013, $2,000,000 had been drawn down under the facility. During the current period, the Company renegotiated a deferral of its repayment obligation to 31 December 2013. In addition, the Company secured an additional short-term facility with Cape Lambert capped at $1,000,000, to enable it to meet its obligations as and when they fall due. At 30 September 2013, $1,000,000 had been drawn down under the facility, which is also repayable by 31 December 2013. Interest is payable on the amounts drawn down at the cash rate plus 3% per annum. Furthermore, it has been negotiated with Cape Lambert that subject to receipt of necessary shareholder approvals by the Company that Cape Lambert may convert the outstanding monies into fully paid ordinary shares in the Company. FEL has entered into discussions with CFE for an extension to the loan agreement and securing bridging finance until the GEM Sale is completed. In addition, FEL is currently in negotiations with Cape Lambert to obtain a deferral of its repayment obligation, and to finalise an arrangement for settlement of the existing loans.

Sale of Non-Core Assets

On 15 November 2013, FEL completed the sale of 100% of its interests in:

(a) Grafters and Bardoc Tenements consisting of 13 prospecting licences for $149,500 cash; and
(b) Vettersburg Tenements consisting of 2 mining leases for $13,000 cash.

Review of Operations

The Company holds, or has rights or interests in tenements prospective for iron ore, nickel, copper and gold located mostly in Western Australia. This total includes 77 interests and rights in the 3 iron ore-focused projects at Mt Ida, Mt Elvire and Robinson Range, which are the Company's core projects.

Mt Ida Iron Ore Project ("Mt Ida") (85-100% Fe rights)

Mt Ida is approximately 80km northwest of the operational railway at Menzies, which offers access to existing port facilities at Esperance. Esperance port is proposing an upgrade of facilities to increase capacity by approximately 10MTPA by mid-2015.

The Project comprises the rights to explore and mine for iron ore on a group of 71 licences covering approximately 370km^2 in the emerging Yilgarn Iron Province. The principal targets are located on licences E29/561 and E29/644 where the Company holds 100% and 85% respectively of the rights to explore for and mine iron ore. These tenements are prospective for detrital and in-situ DSO iron mineralisation, especially in the hanging-wall and at cross fault / BIF unit intersections, and for large magnetite BIF deposits.

The Project area covers part of the Mt Ida - Mt Bevan BIF, which is currently being explored and evaluated by Jupiter Mines Limited ("Jupiter") and Legacy Iron Ore ("Legacy").

The Company has completed planning for field studies including reverse circulation drilling programs to test hematite targets.

Mt Elvire Iron Ore Project ("Mt Elvire") (100%)

Mt Elvire comprises a granted exploration license (60km^2) and 1 application located 230km northwest of Kalgoorlie in the Yilgarn Iron Province of Western Australia. The project is located 150km west of the railway at Menzies and 140km north of the railway at Koolyanobbing.

The Mt Elvire license is prospective for magnetite BIF and small overlying Direct Shipping Iron Ore ("DSO") deposits.

Robinson Range Iron Ore Project (20%)

PepinNini Minerals Ltd ("PepinNini") (50% iron ore rights) is the operator of the Robinson Range Iron Ore Project.

FEL, via its subsidiary Jackson Minerals Pty Ltd, holds 20% free carried interest to Decision to Mine in four exploration licenses (E51/1033, E52/1613, E52/1670, E52/1672) in the Robinson Range Project (refer Map 1).

PepinNini has previously announced mineral resource estimates for iron ore mineralisation at the Robinson Range Project, please refer to their web site for further information.

Peak Hill Projects ("Peak Hill") (20% rights, free carried to decision to mine)

Via its wholly owned subsidiary, Jackson Minerals Pty Ltd, FEL has a 20% free carried interest in 21 tenements in the Peak Hill Gold Field, including tenements proximal to Sandfire Resources NL Doolgunna Project and DeGrussa copper gold mine (14.33Mt @ 4.6%Cu and 1.6g/t Au) and several gold and copper prospects. The region remains underexplored for copper and gold potential. The Peak Hill Project tenements have been the subject to sales to Alchemy Resources Ltd (ASX: ALY), Resource and Investment NL (ASX: RNI) and PepinNini Minerals Ltd (ASX: PNN).

Grosvenor Gold Project (RNI 80%, FEL20% free carried to Decision to Mine)

FEL, via its subsidiary, Jackson Minerals Pty Ltd, holds a 20% free carried interest to Decision to Mine in eight exploration licenses (E51/1033, E51/1060, E52/1613, E52/1655, E52/1659, E52/1670, E52/1671, E52/1672) and five prospecting licenses (P52/1169, P52/1170, P52/1171, P52/1172, P52/1194) (refer Figure 2: Grosvenor Gold / Bryah Basin Map).

The tenements hold favourable geological settings hosting the DeGrussa VMS discovery.

Bryah Basin Copper Project (ALY 80%, FEL 20% free carried to Decision to Mine)

FEL, via its wholly owned subsidiary Jackson Minerals Pty Ltd holds a 20% free carried interest to Decision to Mine in four exploration licenses (E52/1668, E52/1678, E52/1722, E52/1730) and four prospecting licenses (P52/1167, P52/1168, P52/1196) (refer Figure 2: Grosvenor Gold / Bryah Basin Map).

Grafters / Bardoc / Vettersburg Project

On 15 November 2013, the Company sold its interest in 15 tenements within this project, totalling an area of 18km^2 for total consideration of $162,500 cash.

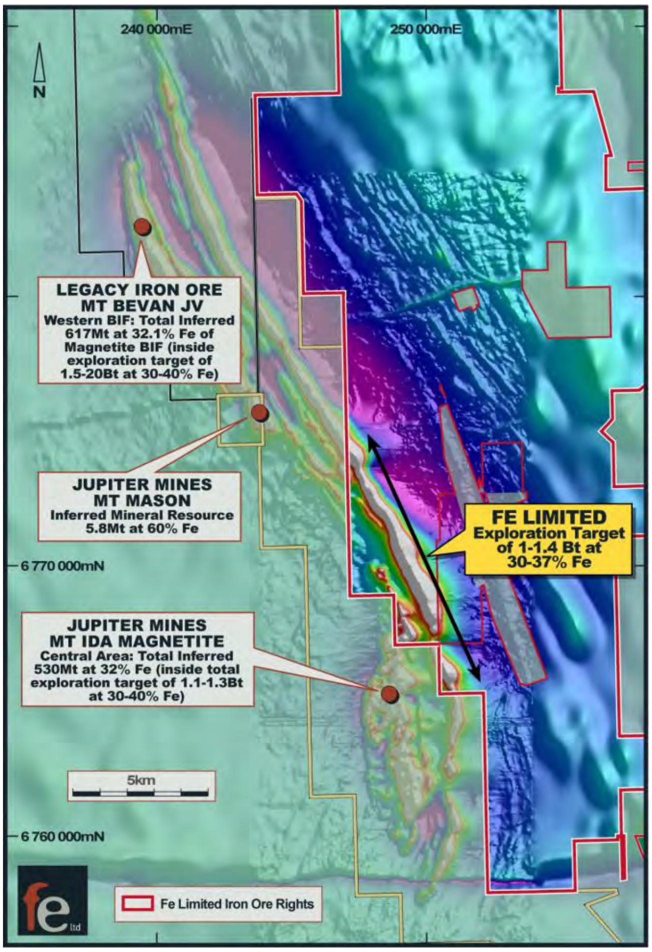

Figure 1: Mt Ida District (on TMI geophysics)

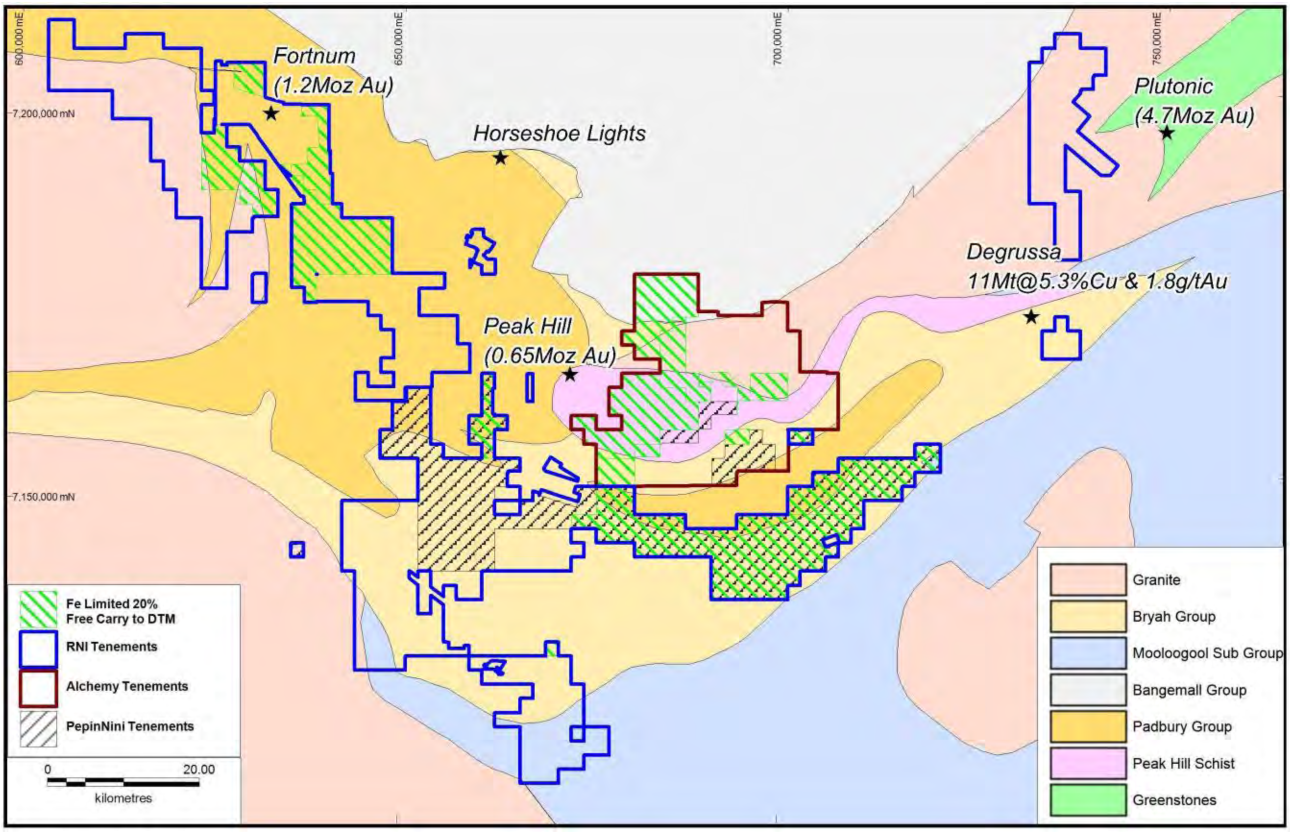

Figure 2: Grosvenor Gold / Bryah Basin Map

Competent Person Statement
The contents of this Report relating to Exploration Results are based on information compiled by Dennis Kruger, a Member of the Australasian Institute of Mining and Metallurgy. Mr Kruger is a consultant to Fe and has sufficient experience relevant to the style of mineralisation and the deposit under consideration and to the activity he is undertaking 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 Kruger consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

Competent Person Statement
The contents of this Report relating to Mineral Resources and Ore Reserves are based on information compiled by Olaf Frederickson, a Member of the Australasian Institute of Mining and Metallurgy. Mr Frederickson is a consultant to Fe and has sufficient experience relevant to the style of mineralisation and the deposit under consideration and to the activity he is undertaking 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 Frederickson consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

Significant Changes in the State Of Affairs

There have been no changes in the state of affairs of the Consolidated Entity other than those disclosed in the review of operations.

Significant Events Subsequent to Reporting Date

On 15 November 2013, FEL completed the sale of 100% of its interests in:

(a) Grafters and Bardoc Tenements consisting of 13 prospecting licences for $149,500 cash; and

(b) Vettersburg Tenements consisting of 2 mining leases for $13,000 cash.

On 29 November 2013, FEL announced that it had signed a full form share sale agreement for the sale of Gympie Eldorado Mining Pty Ltd ("GEM") to a private Singapore registered Mining and Metals trading group company ("Purchaser"). In accordance with the conditions of the term sheet, the parties have now entered into a full form, share shale agreement to the sale of GEM. The Purchaser has also advised FEL that it has lodged the required Foreign Investment Review Board application for approval. The terms of the GEM Sale include:

- Payment of $50,000 deposit under execution of term sheet (received by FEL)

- Payment of a further $200,000 upon completion of the GEM Sale
- Refund of $2,264,984 in respect of environmental performance bonds
- 3% Net Smelter Return from gold derived from the Gympie Eldorado Mine
- 10% of any profits from any future sale of freehold land which comprises the Gympie Eldorado Gold Mine Tailings Site.

Other than detailed above there are no events subsequent to 30 September 2013 and up to the date of this report that would materially affect the operations of the consolidated entity or its state of affairs which have not otherwise been disclosed in this financial report.

Environment Regulation and Performance

The Consolidated Entity continues to meet all environmental obligations across its tenements. No reportable incidents occurred during the year. Environmental regulations applicable to the Consolidated Entity include the Environmental Protection Act 1994.

Options

During the year and to the date of this Directors' Report, the Company has not issued any options.

As at the date of this Report, the Company has on issue:

- 375,000 unlisted options exercisable at $0.15 each and expiring on 23 March 2014.

There were no ordinary shares issued during the year on conversion of options.

Option holders do not have any right, by virtue of the option, to participate in new issues of Shares offered to Shareholders.

Indemnification and Insurance of Directors and Officers

The Company has entered into a Deed of Access, Insurance and Indemnity with each of the directors. Under the terms of these Deeds, the Company has undertaken, subject to restrictions in the Corporations Act, to:

- indemnify each director in certain circumstances;
- advance money to a director for the payment of any legal costs incurred by a director in defending legal proceedings before the outcome of those proceedings is known (subject to an obligation by the director to repay any money advanced if a court determines that the director was not entitled to it);
- maintain directors' and officers' insurance cover in favour of each director whilst they remain a director of Fe Limited and for a run out year after ceasing to be such a director; and
- provide each director with access to Board papers and other documents provided or available to the director as an officer of Fe Limited.

During the year, the Company had in place and paid premiums for insurance policies indemnifying directors and officers of the Company against certain liabilities incurred in the conduct of business or in the discharge of their duties as directors or officers. The contracts of insurance contain confidentiality provisions that preclude disclosure of the premium paid, the nature of the liability covered by the policies, the limit of liability and the name of the insurer.

Likely Developments and Future results

The Consolidated Entity intends to continue its focus on the exploration for iron ore and precious and base metals at its core projects. Following a strategic review of the Company's non-core projects, the directors will continue to compile the necessary commercial and technical information and seek expressions of interest in the non-core projects.

Directors' attendance at Meetings

The number of meetings of the Company's Board of directors held during the year and the number of meetings attended by each director was as follows:

Directors	Meetings of Directors	
	Eligible to attend	Attended
Antony Sage	2	2
Mark Gwynne	2	2
Paul Kelly	2	2

REMUNERATION REPORT (AUDITED)

This Report outlines the remuneration arrangements in place for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning and directing the major activities of the Company and the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the executives in the parent and the subsidiary companies.

Details of Key Management Personnel

Directors

A Sage	Director (Non-Executive chairman)
M Gwynne	Director (Executive)
P Kelly	Director (Non-Executive)

Executives

E von Puttkammer	Company Secretary
C Grant	Chief Financial Officer (appointed 1 June 2013)

Remuneration Philosophy

The performance of the Consolidated Entity depends on the quality of its directors, executives and employees. Consequently, the Consolidated Entity must attract, motivate and retain appropriately qualified industry personnel.

The following principles are embodied in the remuneration framework:
- provide competitive rewards to attract and retain high calibre executives, directors and employees; and
- link executive rewards to shareholder value.

Remuneration Policy

During the year, the Company did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the executive and non-executive directors and the Chairman. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a yearly basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from retention of a high quality board. The directors are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The remuneration of executive and non-executive directors is not dependent on the satisfaction of performance conditions. Remuneration and share based payments are issued to align directors' interests with that of shareholders.

The Consolidated Entity has a policy which restricts executives and directors entering into contracts to hedge their exposure to options granted as part of their remuneration package.

Performance and shareholder wealth

Below is a table summarising key performance and shareholder wealth statistics for the Consolidated Entity over the last five financial years.

Financial year	Profit / (Loss) after tax '000s	Loss per share (Cents)	Share Price (Cents)
30 September 2009	(1,766)	(2.47)	7.00
30 September 2010	(1,064)	(1.17)	14.50
30 September 2011	(4,605)	(3.99)	8.50
30 September 2012	(1,838)	(1.59)	3.10
30 September 2013	(2,368)	(2.05)	2.40

Executive Directors' Remuneration

The Board seeks to set remuneration of the executive directors at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Executive Director Mr Gwynne is entitled to receive $175,000 per annum. In addition he is entitled to reimbursement of reasonable expenses for attendance at meetings. There is no employment contract between the Company and Mr Gwynne.

Details of remuneration paid to executive directors are provided in the table below.

Non-Executive Director Remuneration

The Board seeks to set remuneration of non-executive directors at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Mr Kelly is entitled to receive $60,000 per annum. There is currently no employment contract between the Company and Mr Kelly.

Total remuneration paid to non-executive directors is capped at $350,000.

Summary details of remuneration for non-executive directors are given in the table below.

Chairman's Remuneration

The Company aims to reward the Chairman with a level and mix of remuneration commensurate with his position and responsibilities within the Company to:

- align the interests of the Chairman with those of shareholders;
- ensure that total remuneration is competitive by market standards.

Mr Sage is entitled to receive $120,000 per annum. There is currently no employment contract between the Company and Mr Sage.

Compensation of Key Management Personnel

Consolidated 30 September 2013	Short-Term Salary & Fees $	Post-Employment Superannuation $	Share-based Payment Share Options $	Total $	% Performance Based	% Comprising Options
Directors						
A Sage (i)	120,000	-	-	120,000	-	-
M Gwynne (ii)	175,000	-	-	175,000	-	-
P Kelly (iii)	60,000	-	-	60,000	-	-
	355,000	-	-	355,000	-	-
Executives						
E von Puttkammer	-	-	-	-	-	-
C Grant (iv)	-	-	-	-	-	-
	-	-	-	-	-	-

For the year ended 30 September 2013:

(i) $120,000 was paid or payable to Okewood Pty Ltd a company that Mr Sage is a director of.

(ii) $175,000 was paid or payable to Silverwest Corporation Pty Ltd a company that Mr Gwynne is a director of.

(iii) $60,000 was paid or payable to PAFK Enterprises Pty Ltd a company which Mr Kelly is a director of.

(iv) C Grant is an employee of Cauldron Energy Ltd ("Cauldron"). A Sage is a director of Cauldron. During the year $11,608 was paid or payable to Cauldron for consulting fees.

Consolidated 30 September 2012	Short-Term Salary & Fees $	Post-Employment Superannuation $	Share-based Payment Share Options $	Total $	% Performance Based	% Comprising Options
Directors						
A Sage (i)	120,000	-	-	120,000	-	-
M Gwynne (ii)	175,000	-	-	175,000	-	-
P Kelly (iii)	60,000	-	-	60,000	-	-
K Bischoff (iv)	1,200	-	-	1,200	-	-
	356,200	-	-	356,200	-	-
Executives						
E von Puttkammer	-	-	-	-	-	-
	-	-	-	-	-	-

For the year ended 30 September 2012:

(i) $120,000 was paid or payable to Okewood Pty Ltd a company that Mr Sage is a director of.

(ii) $175,000 was paid or payable to Silverwest Corporation Pty Ltd a company that Mr Gwynne is a director of.

(iii) $60,000 was paid to PAFK Enterprises Pty Ltd a company which Mr Kelly is a director of.

(iv) $1,200 was paid or payable to Paniki Services Pty Ltd a company that Mr Bischoff is a director of. Mr Bischoff was appointed on 21 March 2011, and resigned on 28 November 2011.

Options Granted as Part of Remuneration

Options are granted to certain executives, employees and consultants of the Consolidated Entity in the form of share-based payments. There is currently no formal employee share plan. There were no options granted during the current year. The purpose of the grant of options to selected employees in previous years was to:

- recognise the ongoing ability of the employees of the Consolidated Entity and their expected efforts and contribution in the long term to the performance and success of the Company; and

- provide an incentive to the employees of the Consolidated Entity to remain in their employment in the long term.

Director and Executive Options Awarded and Vested

There were no options granted to directors and executives during the year ended 30 September 2013.

There were no shares issued on exercise of options during the year.

Options Lapsed without Exercise

30 September 2013	Balance at 1 October 2012	Acquired /granted during year	Lapsed during Year	Balance at 30 September 2013	Exercisable	Not Exercisable
Directors						
A Sage	2,500,000	-	(2,500,000)	-	-	-
M Gwynne	1,500,000	-	(1,500,000)	-	-	-
P Kelly	-	-	-	-	-	-
Executives						
E Von Puttkammer	250,000	-	(250,000)	-	-	-
C Grant	-	-	-	-	-	-
	4,250,000	-	(4,250,000)	-	-	-

30 September 2012	Balance at 1 October 2011	Acquired /granted during year	Lapsed during Year	Balance at 30 September 2012	Exercisable	Not Exercisable
Directors						
A Sage	2,500,000	-	-	2,500,000	2,500,000	-
M Gwynne	1,500,000	-	-	1,500,000	1,500,000	-
P Kelly	-	-	-	-	-	-
K Bischoff (i)	-	-	-	-	-	-
Executives						
E Von Puttkammer	250,000	-	-	250,000	250,000	-
	4,250,000	-	-	4,250,000	4,250,000	-

(i) Resigned 28 November 2011

End of Remuneration Report

Auditors' Independence Declaration

Section 307C of the Corporations Act 2001 (Cth) requires the Company's auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration for the year is set out on page 13 and forms part of this Directors' Report. The Directors are satisfied with the independence of the auditors.

Non-Audit Services

No non-audit services were provided to the Consolidated Entity by the auditor, Ernst & Young, during the year.

This report is signed in accordance with a resolution of the Board of Directors.

Mark Gwynne
Executive Director

18 December 2013

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Auditor's Independence Declaration to the Directors of Fe Limited

In relation to our audit of the financial report of Fe Limited for the financial year ended 30 September 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

G H Meyerowitz
Partner
18 December 2013

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Fe Limited (**FEL**) is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council's (**CGC**) Corporate Governance Principles and Recommendations (**Recommendations**) and CGC published guidelines.

In accordance with ASX Listing Rule 4.10.3, this corporate governance statement discloses the extent to which the Company has followed the Recommendations by detailing the Recommendations that have not been adopted by the Company and the reasons why they have not been adopted. The Company is pleased to advise that the Company's practices are largely consistent with CGC guidelines, however, in areas where they do not correlate, the Company is working toward compliance or does not consider that the practices are appropriate for the current size and scale of operations.

FEL corporate governance practices were in place throughout the year ended 30 September 2013. The current corporate governance policy is posted in a dedicated corporate governance information section of the Company's website at www.felimited.com.au.

Adherence to the Guide on Best Practice Recommendations

	Recommendation	*Comply Yes / No*
Principal 1 – Lay solid foundations for management and oversight		
1.1	Formalise and disclose the functions reserved to the Board and those delegated to management.	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	Yes
1.3	Provide the information indicated in the guide to reporting on Principle 1.	Yes
Principal 2 – Structure the Board to add value		
2.1	A majority of the Board should be independent directors.	No
2.2	The chairperson should be an independent director.	No
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Yes
2.4	The Board should establish a nomination committee.	No
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	Yes
2.6	Provide the information indicated in the guide to reporting on Principle 2.	Yes
Principal 3 – Promote ethical and responsible decision-making		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: 3.1.1 The practices necessary to maintain confidence in the Company's integrity. 3.1.2 The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders. 3.1.3 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes
3.2	Establish and disclose the policy concerning trading in Company securities by directors, senior executives and employees.	Yes
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	No
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes
3.5	Provide the information indicated in the guide to reporting on Principle 3.	Yes
Principal 4 – Safeguard integrity in financial reporting		
4.1	The Board should establish an audit committee.	No
4.2	The audit committee should be structured so that it: ▪ consists only of non-executive directors; ▪ consists of a majority of independent directors; ▪ is chaired by an independent chairperson, who is not chairperson of the Board; and ▪ has at least three members.	No
4.3	The audit committee should have a formal charter	No
4.4	Provide the information indicated in the guide to reporting on Principle 4.	No

Principal 5 – Make timely and balanced disclosure		
5.1	Companies should established written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
5.2	Provide the information indicated in the guide to reporting on Principle 5.	Yes
Principal 6 – Respect the rights of shareholders		
6.1	Companies should design a communication policy for promoting effective communication with shareholders and encourage their participation at general meetings and disclose their policy or a summary of that policy.	Yes
6.2	Provide the information indicated in the guide to reporting on Principle 6.	Yes
Principal 7 – Recognise and manage risk		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes
7.3	The Board should disclose whether it has received assurances from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes
7.4	Provide the information indicated in the guide to reporting on Principle 7.	Yes
Principal 8 – Remunerate fairly and responsibly		
8.1	The Board should establish a remuneration committee.	No
8.2	The remuneration committee should be structured so that it: 8.2.1 Consists of a majority of independent directors; 8.2.2 Is chaired by an independent chair; and 8.2.3 Has at least three members.	No
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes
8.4	Provide the information indicated in the guide to reporting on Principle 8.	Yes

Functions of the Board

The Board is responsible for the corporate governance of the Company. In carrying out its governance role, the Board's primary responsibility is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

It is the role management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. The Board ensures that management is appropriately qualified and experienced to discharge their responsibilities. The Board has the final responsibility for the successful operations of the Company.

The Board has adopted a formal charter that details the functions and responsibilities of the Board. The Board Charter can be viewed on the Company's website. The Board of FEL is responsible for:

- oversight of the Company, including its control and accountability systems;
- appointment or removal of the Company Secretary;
- input into and final approval of management's development of corporate strategy and performance objectives;
- identification of significant areas of potential business and legal risk;
- monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;

- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors, key executives and employees in the performance of their roles. The Code of Conduct addresses the minimum standard expected by the Company to maintain the Company's integrity, legal obligations and expectations of shareholders, responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour.

Structure of the Board

The names, term of office, skills, experience and expertise of the Directors in office at the date of this Annual Report are set out at the beginning of the Directors' Report. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgement skills.

The Board has been formed so that is has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations.

Directors of FEL are considered to be independent when they are a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. In accordance with this definition, Mr A.W.P. Sage is not considered to be independent when applying the definition of independence by virtue of the fact that he is an executive officer of a major shareholder of the Company. The Board believes his experience and knowledge of the Company makes him the most appropriate person to lead the Board.

Mr M. Gwynne is currently the Executive Director of the Company and by virtue of his role is not considered independent. The Board considers relevant industry experience and specific expertise important in providing strategic guidance and oversight of the Company, and it believes, Mr M. Gwynne remains the most appropriate person to fulfil this role.

Mr P. Kelly is considered an independent Non-Executive Director.

The Board is conscious of the need for independence and ensures that Directors who have interests in specific transactions or potential transactions do not receive Board papers related to those transactions or potential transactions, do not participate in any part of a Board meeting which considers those transactions or potential transactions and do not discuss those transactions or potential transactions with other Directors.

The retirement by rotation of Directors is governed by the Company's constitution, the Corporations Act and the ASX Listing Rules. According to clause 5.1 of the Company's constitution, at each annual general meeting of the Company one third of the Directors or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one third, retire from office but no Director may retain office for more than three years without submitting himself or herself for re-election even though the submission results in more than one third of the directors retiring from office. The Directors to retire by rotation at an annual general meeting are those who have been longest in office since their election. According to clause 5.7 of the Company's constitution a Managing Director is not subject to retirement by rotation and is not taken into account in determining the rotation of retirement of directors.

For the purposes of the proper performance of their duties, Directors are entitled to seek independent professional advice at FEL expense in certain circumstances.

The Company's constitution states that subject to the Corporations Act and the ASX Listing Rules, the Directors may, with the approval of the Company in general meeting, pay a director of the Company who has ceased to hold office a lump sum in respect of his or her past services as a director.

Review of Performance

The performance of the Non-Executive Chairman is monitored by the Non-Executive Director(s). A formal performance review of the Non-Executive Chairman did not occur during the year. The performance of the Executive Director of the Company is monitored by the remainder of the Board, no formal performance appraisal of the Executive Director occurred during the year.

The performance of senior management is monitored by the Executive Director.

There is currently no formal process for performance evaluation of the Board or individual Directors. No formal performance evaluation of the Board, the Audit Committee or individual Directors took place during the year.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continued professional development.

Audit Committee

The Company has a formal Audit Committee Charter that forms part of the Corporate Governance Charter. The charter states that where the Board comprises only three members the Audit Committee will consist of two non-executive Directors.

The Audit Committee's primary responsibilities are to:

- oversee the existence and maintenance of internal controls and accounting systems;
- oversee the management of risk within the Company;
- oversee the financial reporting process to ensure compliance with statutory and accounting standards;
- review the annual and half-year financial reports and recommend them for approval by the Board;
- review and make recommendations to the Board regarding the appointment or dismissal of external auditors;
- review the performance of the external auditors and existing audit arrangements;
- oversee the processes used by management to ensure compliance with laws, regulations and other statutory or professional requirements; and
- review annually the requirement for an internal audit function.

The Audit Committee did not hold a full meeting during the year.

Risk Management

The Board is ultimately responsible for identifying and managing areas of significant business risk and ensuring that arrangements are in place to adequately manage these risks.

Recognised areas of risk include financial, legal, reputation, operation and strategic risks.

Management has reported to the Board as to the effectiveness of the Company's management of its material business risks.

Controls for the management of risk have been determined and the following are some examples of these controls. i) Use of independent accountants for the monitoring and preparation of financial reports, ii) open access for all directors to senior management, and iii) regular mine site attendance and review of operating and exploration plans by the Board.

The Board has received assurance from the Executive Director and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 7.1 states that the Company should establish policies for the oversight and management of material business risks and disclose a summary of those policies. The Board have established a formal risk management program further details regarding the program can be found in the Corporate Governance Statement available on the Company's website.

Remuneration and Nomination Committee

During the year FEL did not have a separately established remuneration and nomination committee. The collective Board serves as a remuneration and nomination committee to undertake the duties and responsibilities typically delegated to such a committee. The Board have in place formal procedures for the selection and appointment of directors. It is the Company's objective to retain high quality Board and senior management by remunerating fairly and appropriately with reference to relevant employment market conditions. For full disclosure of Director and executive remuneration for the period, please refer to the Remuneration Report, which is contained within the Directors' Report. Given the Company's size the Board does not believe that any marked efficiencies or benefit would be achieved by the creation of a separate remuneration and nomination committee.

Remuneration Policy

Directors' remuneration is approved by resolution of the Board when a Director is appointed to the Company, and a resolution of Shareholders when the remuneration of Non-Executive Directors increases.

Non-Executive Directors are to be paid their fees out of the maximum aggregate amount approved by Shareholders for the remuneration of Non-Executive Directors.

Full details regarding the remuneration of Directors is included in the Directors' Report.

Senior executives are remunerated in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Senior executive remuneration may be comprised of the following:

- fixed fee that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in any share/option scheme with thresholds approved by shareholders; and
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance.

The value of shares and options were they to be granted to senior executives would be calculated using the Black-Scholes option pricing model.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with relevant industry experience. In addition, Directors should have the relevant blend of personal experience in accounting and financial management and Director-level business experience.

Diversity Policy

The Company recognises that a talented and diverse workforce is a key competitive advantage and that an important contributor to the Company's success is the quality, diversity and skills of its people.

Under the Company's Code of Conduct, employees must not harass, discriminate or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender. Such harassment or discrimination may constitute an offence under legislation.

The Company has adopted a diversity policy which provides a framework for the Company to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviors for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Board is primarily responsible for setting achievable objectives on gender diversity and monitoring the progress of the Company towards them on an annual basis. Due to the size and scale of operations of the Company, the Board has determined that a long term gender diversity objective is more appropriate.

The following table shows the representation of women in the Company as at 30 September 2013:

	Total Number	Women	%Women
Whole organisation	7	4	57%
Permanent technical staff (excl. senior exec)	-	-	-
Permanent admin staff (excl. senior exec)	2	2	100%
Senior exec (excl. executive Director)	2	2	100%
Senior exec (incl. executive Director)	5	2	40%
Board members	3	-	0%

Securities Dealing Policy

Under the Company's Securities Dealing Policy, a Director, executive or other employee must not trade in any securities of the Company at any time when they are in possession of unpublished, price-sensitive information in relation to those securities.

As a matter of course trading in securities of the Company are restricted in the following periods:

- within the period of 1 month prior to the release of the Company's annual and half yearly results to ASX; and
- there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.

Before commencing to trade, a Director, executive or other employee must notify the Chairman or Company Secretary of their intention to do so.

As is required by the ASX Listing Rules, the Company notifies the ASX of any transaction conducted by a Director in the securities of the Company.

Continuous Disclosure

The Board has adopted a continuous disclosure policy to ensure that the Company complies with the disclosure requirements of the ASX Listing Rules which is available on the Company's website. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The Company's Continuous Disclosure Policy is located on its website: www.felimited.com.au.

Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company and encourages shareholders to visit the Company's website for information. The Company's Shareholder Communication Policy is available on the Company's website: www.felimited.com.au.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	Consolidated	
		2013 $	2012 $
Revenue from continuing operations			
Interest income	3(a)	42,522	63,804
Other income	3(b)	52,600	248,889
		95,122	312,693
Employee benefits expense and directors remuneration	3(c)	(381,343)	(461,731)
Impairment of exploration assets		(983,618)	(546,319)
Impairment of available-for-sale financial assets		(8,000)	(2,750)
Impairment of receivables		(2,750)	(12,755)
Accounting and audit fees		(86,748)	(83,675)
Legal fees		-	(1,051)
Consultants costs		(8,947)	(3,009)
Compliance costs		(43,485)	(35,571)
Travel costs		(32,792)	(53,265)
Finance costs		(167,193)	(87,402)
Other expenses	3(d)	(187,280)	(230,661)
Loss from continuing operations before income tax		(1,807,034)	(1,205,496)
Income tax expense	5	-	-
Loss from continuing operations after income tax		(1,807,034)	(1,205,496)
Loss from discontinued operations after tax	4(c)	(560,942)	(632,622)
Net loss for the year		(2,367,976)	(1,838,118)
Other comprehensive income to be reclassified to Profit and Loss in subsequent periods			
Net fair value gain/(loss) on available-for-sale financial assets		(8,000)	241,012
Transfer realised gain on sale of available-for-sale financial assets to other income		-	(243,762)
Transfer of impairment loss to Profit and Loss		8,000	2,750
Total comprehensive loss for the year		(2,367,976)	(1,838,118)
Loss per share (cents per share) from continuing operations attributable to ordinary equity holders of the Company			
Items that may be reclassified subsequently to profit or loss:			
- basic loss per share	6	(1.56)	(1.04)
- diluted loss per share	6	(1.56)	(1.04)
Loss per share (cents per share) attributable to ordinary equity holders of the Company			
- basic loss per share	6	(2.05)	(1.59)
- diluted loss per share	6	(2.05)	(1.59)

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

	Notes	Consolidated	
		2013	2012
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	7	9,136	147,111
Trade and other receivables	8	36,225	41,531
Other receivables	12	2,267,562	-
Other assets		19,502	21,857
		2,332,425	210,499
Non-current assets held for sale	4(a)	461,450	553,454
Total Current Assets		2,793,875	763,953
Non-Current Assets			
Exploration and evaluation expenditure	9	1,306,522	2,068,189
Plant and equipment	10	28,180	40,257
Available-for-sale financial assets	11	1,750	9,750
Other receivables	12	800	2,268,362
Total Non-Current Assets		1,337,252	4,386,558
TOTAL ASSETS		4,131,127	5,150,511
LIABILITIES			
Current Liabilities			
Trade and other payables	13	375,739	362,332
Provisions	14	-	7,009
Interest-bearing loans and borrowings	15	3,260,248	1,918,054
		3,635,987	2,287,395
Liabilities associated with non-current assets held for sale	4(a)	2,248,984	2,248,984
Total Current Liabilities		5,884,971	4,536,379
Non-Current Liabilities			
Provisions	14	16,000	16,000
Total Non-Current Liabilities		16,000	16,000
TOTAL LIABILITIES		5,900,971	4,552,379
NET ASSETS / (LIABILITIES)		(1,769,844)	598,132
EQUITY			
Contributed equity	16	33,957,000	33,957,000
Accumulated losses	17	(37,445,625)	(35,077,649)
Reserves	18	1,718,781	1,718,781
TOTAL EQUITY / (NET DEFICIENCY)		(1,769,844)	598,132

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED TO 30 SEPTEMBER 2013

	Contributed equity	Accumulated losses	Share based payments reserve	Total
Consolidated	**$**	**$**	**$**	**$**
Balance at 1 October 2012	33,957,000	(35,077,649)	1,718,781	598,132
Loss for the year	-	(2,367,976)	-	(2,367,976)
Other comprehensive income	-	-	-	-
	-	(2,367,976)	-	(2,367,976)
Transactions with owners in their capacity as owners	-	-	-	-
Balance at 30 September 2013	33,957,000	(37,445,625)	1,718,781	(1,769,844)
Balance at 1 October 2011	33,957,000	(33,239,531)	1,718,781	2,436,250
Loss for the year	-	(1,838,118)	-	(1,838,118)
Other comprehensive income	-	-	-	-
	-	(1,838,118)	-	(1,838,118)
Transactions with owners in their capacity as owners	-	-	-	-
Balance at 30 September 2012	33,957,000	(35,077,649)	1,718,781	598,132

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	Consolidated 2013 $	Consolidated 2012 $
Cash flows from operating activities			
Receipts from customers		65,565	50,475
Payments to suppliers and employees		(1,246,145)	(1,538,662)
Interest received		43,409	65,211
Net cash flows used in operating activities	7(a)	(1,137,171)	(1,422,976)
Cash flows from investing activities			
Payments for exploration and evaluation costs		(225,804)	(250,659)
Proceeds from sale of available-for-sale financial assets		-	390,019
Advance from purchaser of GEM (refer note 13(c))		50,000	50,000
Net cash flows (used in)/from investing activities		(175,804)	189,360
Cash flows from financing activities			
Proceeds from loans		1,175,000	1,315,000
Net cash flows from financing activities		1,175,000	1,315,000
Net (decrease)/increase in cash and cash equivalents		(137,975)	81,384
Cash and cash equivalents at beginning of year		147,111	65,727
Cash and cash equivalents at end of year	7	9,136	147,111

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The financial report of Fe Limited ("FEL" or "the Company") and the financial statements comprising FEL and its controlled entities (together the "Consolidated Entity") for the year ended 30 September 2013 was authorised for issue in accordance with a resolution of the directors on 18 December 2013.

FEL is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except for assets held for sale which are carried at the lower of cost and fair value less costs to sell, and available-for-sale financial assets at fair value. The financial report is presented in Australian dollars unless otherwise stated.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the year ended 30 September 2013, the Consolidated Entity incurred net losses after tax attributable to the members of $2,367,976 (2012: $1,838,118) and had a net cash outflow of $137,975 (2012: $81,384 inflow). At balance date the Consolidated Entity had a net working capital deficit of $3,091,096 (2012: $3,772,426). As detailed in note 28, subsequent to year end, FEL completed the sale of 100% of its interests in Grafters and Bardoc Tenements for $149,500 cash and Vettersburg Tenements for $13,000 cash.

The ability of the Consolidated Entity to continue its planned exploration and evaluation activities is dependent on the Consolidated Entity completing the sale of its 100% interest in Gympie Eldorado Mining Pty Ltd ("GEM") as detailed in note 4(b). At the date of this report, the directors are satisfied there are reasonable grounds to believe that the sale will complete and are actively working towards a successful completion of the GEM sale. In the event that the sale does not complete, the directors are confident that the Consolidated Entity will be able to raise additional capital, to enable it to meets its obligations as and when they fall due.

As detailed in note 15, the Consolidated Entity has utilised its existing $2,000,000 facility with Cape Lambert Resources Limited ("Cape Lambert") via a loan facility agreement. The directors have renegotiated a deferral of its repayment obligation of this loan to 31 December 2013. In addition, the Consolidated Entity has secured and utilised an additional short-term facility with Cape Lambert for $1,000,000 which is also repayable by 31 December 2013. Interest is payable on the amounts drawn down at the cash rate plus 3% per annum. Furthermore, it has been negotiated with Cape Lambert that subject to receipt of necessary shareholder approvals by the Company that Cape Lambert may convert the outstanding monies into fully paid ordinary shares in the Company. The Company is currently in negotiations with Cape Lambert to secure a short-term loan to fund the Company's operations until such time as the GEM sale is completed. In addition, FEL is currently in negotiations with Cape Lambert to obtain a deferral of its repayment obligation, and to finalise an arrangement for settlement of the existing loans.

Should the Consolidated Entity not achieve the matters set out above, there is significant uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statement do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Consolidated Entity not be able to continue as a going concern.

(d) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year. From 1 October 2012, the Consolidated Entity has adopted all the standards and interpretations mandatory for annual periods beginning on or after 1 October 2012. Adoption of these standards and interpretations did not have any effect on the statements of financial position or performance of the Consolidated Entity. The Consolidated Entity has not elected to early adopt any new standards or amendments.

New accounting standards and interpretations issued but yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Consolidated Entity for the year ended 30 September 2013.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 10	*Consolidated Financial Statements*	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation - Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.	1 January 2013	1 October 2013
AASB 11	*Joint Arrangements*	AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly- controlled Entities - Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right	1 January 2013	1 October 2013

Reference	Title	Summary	Application date of standard*	Application date for Group*
		to the net assets is accounted for using the equity method. Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128.		
AASB 12	*Disclosure of Interests in Other Entities*	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.	1 January 2013	1 October 2013
AASB 13	*Fair Value Measurement*	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	1 October 2013
AASB 119	*Employee Benefits*	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	1 October 2013
Interpretation	*Stripping Costs in*	This interpretation applies to stripping costs	1 January	1

Reference	Title	Summary	Application date of standard*	Application date for Group*
20	*the Production Phase of a Surface Mine*	incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset". The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate. Consequential amendments were also made to other standards via AASB 2011-12.	2013	October 2013
AASB 2012-2	Amendments to Australian Accounting Standards - *Disclosures - Offsetting Financial Assets and Financial Liabilities*	AASB 2012-2 principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position, when all the offsetting criteria of AASB 132 are not met.	1 January 2013	1 October 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following: ► Repeat application of AASB 1 is permitted (AASB 1) ► Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 *Presentation of Financial Statements*).	1 January 2013	1 October 2013
AASB 2011-4	Amendments to Australian Accounting Standards to *Remove Individual Key Management Personnel Disclosure Requirements* [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.	1 July 2013	1 October 2013
AASB 1053	*Application of Tiers of Australian Accounting Standards*	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements	1 July 2013	1 October 2013

Reference	Title	Summary	Application date of standard*	Application date for Group*
		Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this standard) (b) The Australian Government and State, Territory and Local governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities (c) Public sector entities other than the Australian Government and State, Territory and Local governments. Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.		
AASB 2012-3	Amendments to Australian Accounting Standards - *Offsetting Financial Assets and Financial Liabilities*	AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 October 2014
Interpretation 21	*Levies*	This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	1 October 2014
AASB 9	*Financial Instruments*	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash	1 January 2015	1 October 2015

Reference	Title	Summary	Application date of standard*	Application date for Group*
		flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.		
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*	AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 October 2014

* Designates the beginning of the applicable annual reporting period unless otherwise stated

The Consolidated Entity is in the process of determining the impact of the above on its financial statements. The Consolidated Entity has not elected to early adopt any new Standards or Interpretations. At the date of this report, management does not anticipate significant impact from adopting the new standards and interpretations.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Fe Limited and its subsidiaries as at and for the year ended 30 September 2013.

Subsidiaries are all those entities over which Fe Limited has the power to govern the financial operating policies so as to obtain benefits from their activities.

The financial statements of the Company's subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Consolidated Entity and cease to be consolidated from the date on which control is transferred out of the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the date of acquisition. Any difference between the fair value of the consideration and the fair values of the identifiable net assets acquired is recognised as goodwill or a gain on bargain purchase.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(f) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(g) Trade and other receivables

Trade receivables, which generally have 5-day term for gold sales and 14-day term for others, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Consolidated Entity will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of the estimated future cash flows, discounted at the original effective interest rate.

(h) Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Consolidated Entity is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
b) exploration and/or evaluation activities in the area have not yet reached a stage which permits a

reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in respect of areas of interest are written off in the statement of comprehensive income when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount.

(i) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land is measured at cost.

Depreciation is calculated on a combination of a straight-line and reducing balance basis over the estimated useful life of the asset as follows:

Plant and equipment – 3 to 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(j) Impairment of assets

At each reporting date, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Consolidated Entity makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(k) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services.

(l) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of loans and borrowings.

Borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(m) Provisions and employee leave benefits

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Consolidated Entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to the reporting date.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(n) Share-based payments

The Consolidated Entity provides benefits to certain executives, consultants and employees of the Consolidated Entity in the form of share-based payments, usually through the award of options.

Options are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability and exercise restrictions.

The fair value is determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of shares that will eventually vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 6), unless a loss result has been reported.

(o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

(q) Income tax and other taxes

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(r) Available-for-sale financial assets

All available-for-sale investments are initially recognised at fair value plus directly attributable transaction costs.

Available-for-sale investments are those non-derivative financial assets, principally equity securities that are designated as available-for-sale. Investments are designated as available for sale if they do not have fixed maturities and fixed and determinable payments and management intends to hold them for the medium to long term.

After initial recognition, available-for-sale investments are measured at fair value. Gains or losses are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income.

(s) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the Company, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after tax effect of dividends and interest associated with the dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Where a loss has been reported the dilutive effects of options are not adjusted for, in accordance with AASB 133 *Earnings per share.*

(t) Rehabilitation

Rehabilitation costs are provided for when exploration and evaluation activities give rise to the need for rehabilitation. The estimate of the rehabilitation obligations are based on anticipated technology and legal requirements and future costs. Any changes in the estimates are adjusted on a prospective basis. In determining the rehabilitation obligations, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to rehabilitation of such mines in the future.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(u) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the board of directors.

(v) Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction instead of use. They are not depreciated or amortised. For an asset or disposal group to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of comprehensive income and the assets and liabilities are presented separately on the face of the statement of financial position.

(w) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are:

Capitalised Exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the group decides to exploit the related lease itself or, if not whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Rehabilitation provision

The Consolidated Entity assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes and cost increases. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

3 REVENUE, INCOME AND EXPENSES

	2013 $	2012 $
(a) Revenue		
Interest	42,522	63,804
(b) Other income		
Gain on sale of available-for-sale financial assets	-	243,762
Other	52,600	5,127
	52,600	248,889
(c) Employment benefits and directors remuneration		
Directors fees	(355,000)	(356,200)
Wages and salaries	(26,343)	(97,486)
Other employee benefits expenses	-	(8,045)
	(381,343)	(461,731)
(d) Other expenses		
Tenement administration fees	(45,943)	(100,478)
Media and printing expenses	(19,165)	(27,605)
Depreciation expense	(12,077)	(17,320)
Other expenses	(110,095)	(85,258)
	(187,280)	(230,661)

4 DISCONTINUED OPERATIONS

(a) Assets and liabilities of held for sale assets and operations

	2013 $	2012 $
Assets		
Property, plant and equipment (Land) (i)	428,454	428,454
Exploration and evaluation expenditure (ii)	32,996	125,000
	461,450	553,454
Liabilities		
Provision for rehabilitation (i)	(2,248,984)	(2,248,984)
Net liabilities attributable to discontinued operations	(1,787,534)	(1,695,530)

(i) Assets and liabilities of Gympie Eldorado Mining Pty Ltd ("GEM"). Refer to notes 4(b) for further details.
(ii) Exploration assets in Western Australia, classified as held for sale.

(b) Details of operations held for sale – Gympie Eldorado Mining Pty Ltd ("GEM")

As previously announced, FEL advised that it had signed a conditional binding term sheet for the sale of its wholly owned subsidiary, Gympie Eldorado Mining Pty Ltd ("GEM")to a private Singapore registered Mining and Metals trading group company ("Purchaser"). In accordance with the conditions of the term sheet, the parties have now entered into a full form, share shale agreement to the sale of GEM, subject to certain conditions precedent. The Purchaser has also advised FEL that it has lodged the required Foreign Investment Review Board application for approval. The terms of the GEM Sale include:

- Payment of $50,000 deposit under execution of term sheet (received by FEL)
- Payment of a further $200,000 upon completion of the GEM Sale
- Refund of $2,264,984 in respect of environmental performance bonds
- 3% Net Smelter Return from gold derived from the Gympie Eldorado Mine
- 10% of any profits from any future sale of freehold land which comprises the Gympie Eldorado Gold Mine Tailings Site.

(c) Financial performance of held for sale operations and assets

	2013 $	2012 $
Other income from sale of property, plant and equipment	12,965	-
Employee benefits expense	(307,760)	(315,786)
Site operation costs	(193,260)	(267,242)
Administration and other expenses	(92,896)	(94,948)
Other income	20,009	45,354
Loss from discontinued operations before tax	(560,942)	(632,622)
Income tax	-	-
Loss from discontinued operations after tax	(560,942)	(632,622)

(d) Loss per share of discontinued operations

	2013 Cents	2012 Cents
Loss per share (cents per share)		
- Basic	(0.49)	(0.55)
- Diluted	(0.49)	(0.55)

(e) Net cash flows

Net operating cash outflows for operating activities of discontinued operations for the current year is $502,050 (2012: $704,696). There is no cash in/out flows for investing or financing activities relating to discontinued operations in the current period (2012: nil).

5 INCOME TAX

	2013 $	2012 $
(a) Income tax expense		
The major components of income tax expense are:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of comprehensive income	-	-

(b) Reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory tax rate

	2013	2012
Loss from continuing operations	(1,807,034)	(1,205,496)
Profit/(loss) from discontinued operations	(560,942)	(632,622)
Accounting loss before tax	(2,367,976)	(1,838,118)
Tax at the statutory income tax rate of 30%	(710,392)	(551,435)
Tax effect of permanent differences	303,410	163,895
Unrecognised tax losses and temporary differences	406,982	387,540
Income tax expense reported in statement of comprehensive income	-	-

(c) Deferred Tax Liabilities

	2013	2012
Exploration Expenditure	401,855	657,957
Accrued income	313	579
	402,168	658,536
Less offset by Deferred Tax Asset	(402,168)	(658,536)
Deferred Tax Liabilities	-	-

(d) Deferred Tax Assets	2013 $	2012 $
Provisions	679,495	681,598
Accrued expenditure	89,474	42,235
Loss on financial assets	11,850	9,450
Tax losses (revenue)	7,910,742	7,870,082
Unrealised capital tax losses	264,204	392,439
	8,955,765	8,995,804
Less offset against deferred tax liabilities	(402,168)	(658,536)
Deferred tax assets not recognised	8,553,597	8,337,268

The Consolidated Entity has not formed a tax consolidated group.

6 EARNINGS PER SHARE

	2013 Cents	2012 Cents
Basic loss per share (cents)		
Continuing operations	(1.56)	(1.04)
Discontinued operations	(0.49)	(0.55)
	(2.05)	(1.59)

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of shares on issue during the year.

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of shares on issue during the year (adjusted for the effects of dilutive options). Where a loss has been reported the dilutive effects of options are not adjusted for, in accordance with AASB 133 *Earnings per share*.

The following reflects the income and share data used in the basic and diluted earnings/(loss) per share computations:

	2013 $	2012 $
For basic loss per share		
Net loss from continuing operations attributable to equity holders of the parent	(1,807,034)	(1,205,496)
Loss attributable to discontinued continuing operations	(560,942)	(632,622)
Net loss attributable to ordinary equity holders of the parent	(2,367,976)	(1,838,118)
For diluted loss per share		
Net loss attributable to Shareholders for diluted earnings per Share	(1,807,034)	(1,205,496)
Loss attributable to discontinued operations	(560,942)	(632,622)
Net loss attributable to ordinary equity holders of the parent	(2,367,976)	(1,838,118)

	2013 No.	2012 No.
Weighted average number of ordinary shares for basic earnings per share	115,521,575	115,521,575
Effect of dilution:		
- Share options	-	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	115,521,575	115,521,575

There are 375,000 (2012: 18,875,000) share options excluded from the calculation of diluted earnings per share (that could potentially dilute basic earnings per share in the future) because they are anti-dilutive for each of the periods presented.

7 CASH AND CASH EQUIVALENTS

	2013 $	2012 $
Cash at bank and on hand	9,136	147,111

Cash at bank and on hand earns interest at the floating rates based on daily bank deposit rates.

(a) Reconciliation of net loss after tax to net cash flows from operations

	2013 $	2012 $
Net loss for the year	(2,367,976)	(1,838,118)
Adjustments for:		
Depreciation	12,077	17,320
Profit on sale of available-for-sale financial assets	-	(243,762)
Impairment of exploration assets	1,008,618	546,319
Impairment of available-for-sale financial assets	8,000	2,750
Impairment of receivables	2,750	12,755
Interest capitalised to loan facility balance	167,193	87,402
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(5,306)	13,440
(Increase)/decrease in prepayments	(2,355)	(811)
(Decrease)/increase in trade and other payables	46,837	(17,189)
(Decrease)/increase in provisions	(7,009)	(3,082)
Net cash from/(used) in operating activities	(1,137,171)	(1,422,976)

8 TRADE AND OTHER RECEIVABLES

	2013 $	2012 $
Current		
Trade receivables	22,433	48,725
Impairment allowance	(15,505)	(12,755)
Other receivables	29,297	5,561
	36,225	41,531

Trade receivables are non-interest bearing and are generally on 14 day terms. An allowance for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment expense of $2,750 has been recognised in the current year (2012: $12,755).

At 30 September the ageing analysis of trade receivables were as follows:

		Total $	Current $	Past due and impaired $
2013	Consolidated	22,433	6,928	15,505
2012	Consolidated	48,725	35,970	12,755

Other receivables are amounts which generally arise from transactions outside the usual operating activities of the Consolidated Entity and are non-interest bearing with no fixed terms. Other receivables do not contain impaired assets, are not past due date and are expected to be received in full.

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. It is not the Consolidated Entity's policy to transfer (on-sell) receivables to special purpose entities.

9 EXPLORATION AND EVALUATION EXPENDITURE

	2013 $	2012 $
Exploration and evaluation expenditure	1,306,522	2,068,189
Movements in exploration and evaluation expenditure		
Carrying value at the beginning of the year	2,068,189	2,422,568
Exploration expenditure incurred	254,977	316,940
Impairment (a)	(983,618)	(546,319)
Transferred to assets held-for-sale (refer note 4(a))	(32,996)	(125,000)
Carrying value at end of year	1,306,522	2,068,189

Exploration and evaluation expenditures are carried forward in accordance with the policy set out in note 2(h).

The ultimate recoupment of the capitalised exploration and evaluation costs relating to areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest and the Consolidated Entity's ability to continue to meet its financial obligations to maintain the area of interest.

a) The Consolidated Entity has assessed the carrying amount of the exploration and evaluation expenditure in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* and has recognised an impairment expense of $983,618 during the current year (2012: $546,319). Part of this impairment expense relates to the write-down of exploration assets held for sale. The remaining amount of the impairment expense relates to the discontinuance of exploration activities on certain tenements in Western Australia. The impairment expense is shown as a separate line item in the Statement of Comprehensive Income.

10 PLANT AND EQUIPMENT

	2013 $	2012 $
At cost	89,708	89,708
Accumulated depreciation	(61,528)	(49,451)
	28,180	40,257
Movements in plant and equipment		
Carrying value at beginning of year	40,257	57,577
Additions	-	-
Depreciation charge for the year	(12,077)	(17,320)
Carrying value at end of year	28,180	40,257

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2013 $	2012 $
Shares – Australian listed	1,750	9,750
Movements in available-for-sale financial assets		
Carrying value at beginning of year	9,750	158,757
Shares disposed	-	(146,257)
Impairment expense recognised through profit and loss	(8,000)	(2,750)
Carrying value at end of year	1,750	9,750

12 OTHER RECEIVABLES

	2013 $	2012 $
Current		
Term deposits (a)	1,463,978	-
Cash deposits – deposited with DEEDI (b)	803,584	-
	2,267,562	-
Non-Current		
Term deposits (a)	-	1,463,978
Cash deposits – deposited with DEEDI (b)	-	803,584
Cash deposits – other	800	800
	800	2,268,362

The following term deposit and cash deposit provide security for the Consolidated Entity's rehabilitation obligations in relation to the tenements held by Gympie Eldorado Mining Pty Ltd:

(a) Term deposits have been pledged as security for a bank guarantee.

(b) Cash has been deposited directly with the Department of Employment, Economic Development and Innovation ("DEEDI"), pledged as security for an environmental performance bond.

13 TRADE AND OTHER PAYABLES

	2013 $	2012 $
Trade payables (a)	248,711	150,017
Other payables (b)	77,028	162,315
Advance from purchaser of GEM (c)	50,000	50,000
	375,739	362,332

(a) Trade payables are non-interest bearing and are normally settled on 30-day terms.
(b) Other payables are non-interest bearing and have varying terms.
(c) The balance represents initial consideration paid by purchaser in relation to GEM Sale (refer note 4(b) for further details).

14 PROVISIONS

	2013 $	2012 $
Current		
Employee benefits	-	7,009
	-	7,009
Liability associated with assets held for sale		
Provision for rehabilitation (a)	2,248,984	2,248,984
Non-current		
Provision for rehabilitation (b)	16,000	16,000
	16,000	16,000

	Rehabilitation $
Movements in rehabilitation	
Carrying value at beginning of year	2,264,984
Arising during the year	-
Expensed during the year	-
Carrying value at end of year	2,264,984

(a) Provision for rehabilitation is recognised for the expected costs associated with the rehabilitation of the mine site area, which is expected to be incurred as a result of the Company's decision to cease mining operations at the Monkland Mine in Gympie Queensland. The provision is based on the best estimate of the direct expenditures to be incurred. Refer to note 4(a)(i). The Company has provided a bank guarantee and cash deposit amounting to $2,267,562 (2012: $2,267,562) to cover potential rehabilitation costs in respect of the Consolidated Entity's mining operations (refer note 12(a) and 12(b)).

(b) Provision for rehabilitation is recognised for the expected costs associated with the rehabilitation of the Mt Elvire project in Western Australia. The provision is based on the best estimate of the direct expenditures to be incurred.

15 INTEREST-BEARING LOANS AND BORROWINGS

	2013 $	2012 $
Current		
Unsecured loan from related party (a)		
- Principal	3,000,000	1,825,000
- Interest	260,248	93,054
	3,260,248	1,918,054

(a) In June 2011, FEL secured a $2,000,000 standby loan facility ("Facility") entered into with cornerstone shareholder Cape Lambert Resources Limited (ASX: CFE) ("Cape Lambert"), which currently holds a 19.9% interest in FEL. At 30 September 2013, $2,000,000 had been drawn down under the facility. Subsequently the Company renegotiated a deferral of its repayment obligation to 31 December 2013. In addition, the Company secured an additional short-term facility with Cape Lambert capped at $1,000,000, to enable it to meet its obligations as and when they fall due. At 30 September 2013, $1,000,000 had been drawn down under the facility. Interest is payable on the amounts drawn down at the cash rate plus 3% per annum. Furthermore, it has been negotiated with Cape Lambert that subject to receipt of necessary shareholder approvals by the Company that Cape Lambert may convert the outstanding monies into fully paid ordinary shares in the Company at a conversion price per share of 80% of the 10-day VWAP of shares on ASX prior to conversion date. FEL has entered into discussions with CFE for an extension to the loan agreement and securing bridging finance until the GEM Sale is completed. In addition, FEL is currently in negotiations with Cape Lambert to obtain a deferral of its repayment obligation, and to finalise an arrangement for settlement of the existing loans.

16 CONTRIBUTED EQUITY

	2013 $	2012 $
Ordinary shares		
Issued and fully paid (a)	33,957,000	33,957,000

	2013 No. of shares	2013 $
Movements in ordinary shares on issue		
Balance at beginning of year	115,521,575	33,957,000
Balance at end of year	115,521,575	33,957,000

	2012 No. of shares	2012 $
Movements in ordinary shares on issue		
Balance at beginning of year	115,521,575	33,957,000
Balance at end of year	115,521,575	33,957,000

(a) Fully paid ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held. Ordinary shares carry one vote per share, either in person or by proxy, at a meeting of the Company.

17 ACCUMULATED LOSSES

	2013 $	2012 $
Accumulated losses	(37,445,625)	(35,077,649)
Movements in accumulated losses		
Balance at beginning of year	(35,077,649)	(33,239,531)
Net Loss for the year	(2,367,976)	(1,838,118)
Balance at end of year	(37,445,625)	(35,077,649)

18 RESERVES

	2013 $	2012 $
Share based payments reserve (a)	1,718,781	1,718,781
Net unrealised gains reserve (b)	-	-
	1,718,781	1,718,781

(a) Share based payments reserve

Movements in reserve		
Balance at beginning of year	1,718,781	1,718,781
Share-based payments made during the year	-	-
Balance at end of year	1,718,781	1,718,781

	2013 No. of options	2013 $
Movements in options on issue		
Balance at beginning of year	18,875,000	1,718,781
Options expired during the year	(18,500,000)	-
Balance at end of year	375,000	1,718,781

	2012 No. of options	2012 $
Movements in options on issue		
Balance at beginning of year	18,875,000	1,718,781
Balance at end of year	18,875,000	1,718,781

Nature and purpose of reserve

This reserve is used to record the value of share based payments made to directors, consultants and employees, as well as share based payments awarded as consideration for the acquisition of assets.

During the year ended 30 September 2013 the following options expired:

i) 500,000 unlisted consultant options with an exercise price of 12 cents per option expired 31 December 2012.

ii) 5,000,000 unlisted consultant options with an exercise price of 12 cents per option expired 31 December 2012.

iii) 12,500,000 unlisted vendor options issued to existing shareholders of Mooloogool Limited. The options have an exercise price of 12 cents per option and expired 31 December 2012.

iv) 500,000 unlisted employee options with an exercise price of 12 cents per option and expired 31 December 2012.

At the reporting date the following options were outstanding:

i) 375,000 unlisted employee options with an exercise price of 15 cents per option and are exercisable any time up until 23 March 2014.

(b) Net unrealised gains reserve

	2013 $	2012 $
Movements in reserve		
Balance at beginning of year	-	-
Net fair value on available-for-sale financial assets	(8,000)	241,012
Transfer realised gain on sale of available-for-sale financial asset to profit and loss	-	(243,762)
Transfer of impairment loss to profit and loss	8,000	2,750
Balance at end of year	-	-

Nature and purpose of reserve

This reserve records the movements in the fair value of available-for-sale investments.

19 SEGMENT INFORMATION

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and in determining the allocation of resources. The Consolidated Entity has only one operating segment, being mineral exploration and all of these activities are conducted in Australia.

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Consolidated Entity's objective with regard to financial risk management is to ensure the effective management of business risks crucial to the financial integrity of the business without affecting the ability of the Consolidated Entity to operate efficiently or execute its business plans and strategies.

The Board has overall responsibility for the determination of the Consolidated Entity's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective management of all significant financial risks to the business. The Board may delegate specific responsibilities as appropriate.

Capital risk management

The Consolidated Entity's capital base comprises its ordinary shareholders equity, which was a deficit of $1,769,844 at 30 September 2013 (2012: $598,132 surplus). The Consolidated Entity manages its capital to ensure that the entities in the group will be able to continue to meet its working capital requirements and operate as a going concern while seeking to maximise the return to stakeholders.

In making its decisions to adjust its capital structure, either through new share issues or consideration of debt, the Consolidated Entity considers not only its short-term working capital needs but also its long-term operational and strategic objectives. The Board continually monitors the capital requirements of the Consolidated Entity.

The Consolidated Entity is not subject to any externally imposed capital requirements.

Financial instrument risk exposure and management

The Consolidated Entity's principal financial instruments comprise cash and short-term deposits, receivables, payables and interest-bearing loans and borrowings. The main risks arising from the Consolidated Entity's financial instruments are interest rate and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Interest rate risk

The Consolidated Entity's exposure to changes in market interest rates relates primarily to the Consolidated Entity's cash and short-term deposits with a floating interest rate. In addition, the Consolidated Entity's interest-bearing liabilities are subject to floating interest rates and are therefore exposed to changes in market interest rates.

At the reporting date, the Consolidated Entity had the following financial assets and liabilities exposed to variable interest rate risk:

	Note	2013 $	2012 $
Financial assets			
Cash and cash equivalents	7	9,136	147,111
Other receivables (term deposits)	12	1,463,978	1,463,978
		1,473,114	1,611,089
Financial liabilities			
Interest-bearing loans and borrowings	15	(3,260,248)	(1,918,054)
Net exposure		(1,787,134)	(306,965)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date and based on judgements of reasonably possible movements:

	Post Tax Loss (Higher)/Lower		Equity Higher/(Lower)	
	2013 $	2012 $	2013 $	2012 $
Consolidated				
+1% (100 basis points)	(17,871)	(3,070)	-	-
-0.5% (50 basis points)	8,936	1,535	-	-

A sensitivity analysis is derived from a review of historical movements and management's judgment of future trends. The analysis was performed on the same basis as 2012.

Credit risk

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents and trade and other receivables. The Consolidated Entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

The Consolidated Entity trades only with recognised and creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Consolidated Entity's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Consolidated Entity.

Liquidity risk

Liquidity risk arises from the Consolidated Entity's management of working capital. It is the risk that the Consolidated Entity will encounter difficulty in meeting its financial obligations as they fall due. The Consolidated Entity's objective is to ensure that it will always have sufficient liquidity to meet its liabilities through ensuring it has sufficient cash reserves to meet its ongoing working capital and long-term operational and strategic objectives. The Consolidated Entity manages liquidity risk by maintaining adequate borrowing facilities and monitoring forecast and actual cash flows on an ongoing basis.

The following table summarises the maturity profile of the Consolidated Entity's liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Consolidated	Less than 6 months $	6 months to 1 year $	1 year to 5 years $	Total $
2013				
Trade and other payables	375,739	-	-	375,739
Interest-bearing loans and borrowings	3,260,248	-	-	3,260,248
	3,635,987	-	-	3,635,987

2012				
Trade and other payables	362,332	-	-	362,332
Interest-bearing loans and borrowings	1,950,554	-	-	1,950,554
	2,312,886	-	-	2,312,886

The Consolidated Entity has determined that the carrying value of financial liabilities is approximately equal to its fair value.

Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values as the carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

2013	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Available-for-sale financial assets	1,750	-	-	1,750
2012				
Financial assets				
Available-for-sale financial assets	9,750	-	-	9,750

21 COMMITMENTS AND CONTINGENCIES

Exploration Expenditure Commitments

In order to maintain rights of tenure to mining tenements, the Consolidated Entity is required to fulfil various minimum expenditure requirements up until expiry of the mining tenement leases. These obligations are not provided for in the financial statements.

If the Consolidated Entity decides to relinquish certain tenement leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of their carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations. The expected expenditure commitments with respect to the exploration grounds in Western Australia are approximately $127,000 (2012: $892,000).

Office Rental Commitments

During 2012, the Consolidated Entity entered into a sub-lease with Cape Lambert Resources Ltd for office premises for a period of 5 years, terminating on 31 March 2017. The expenditure commitment with respect to rent payable under the sub-lease agreement is $128,066 (2012: $164,657):

	2013 $	2012 $
Within one year	36,590	36,590
After one year but less than five years	91,476	128,007
More than five years	-	-
	128,066	164,657

Contingencies

At 30 September 2013 there were no known contingent liabilities or contingent assets (2012: nil).

22 CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Fe Limited and the subsidiaries listed in the following table.

Subsidiary	Country of Incorporation	Equity interest % 2013	Equity interest % 2012	Parent Entity Investment $ 2013	Parent Entity Investment $ 2012
Gympie Eldorado Mining Pty Ltd	Australia	100	100	4,341,350	4,341,350
- Impairment allowance				(4,341,350)	(4,341,350)
Jackson Minerals Ltd	Australia	100	100	731,211	731,211
Mooloogool Ltd	Australia	100	100	3,763,050	3,763,050
- Impairment allowance				(3,763,050)	(3,763,050)
Bulk Ventures Ltd	Australia	100	100	-	-
				731,211	731,211

23 AUDITORS' REMUNERATION

	2013 $	2012 $
Amounts received or due and receivable by Ernst & Young Australia for:		
An audit or review of the financial report of the entity and any other entity in the consolidated entity:		
Amounts paid relating to prior year audit	-	8,240
Amounts paid or payable relating to current year audit and half year review	58,600	59,630
	58,600	67,870

24 KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

Directors

A Sage	Director (Non-executive chairman)
M Gwynne	Director (Executive)
P Kelly	Director (Non-Executive)

Executives

E von Puttkammer	Company Secretary
C Grant	Chief Financial Officer (appointed 1 June 2013)

During the year, the Company had in place and paid premiums for insurance policies indemnifying directors and officers of the Company against certain liabilities incurred in the conduct of business or in the discharge of their duties as directors or officers. The contracts of insurance contain confidentiality provisions that preclude disclosure of the premium paid, the nature of the liability covered by the policies, the limit of liability and the name of the insurer.

(b) Compensation of key management personnel

	2013 $	2012 $
Short term employee benefits	355,000	356,200
Post employment benefits	-	-
Share based payments	-	-
	355,000	356,200

(c) Shareholdings of Key Management Personnel

30 September 2013	Balance at 1 October 2012	Granted as remuneration	Net change other	Balance at 30 September 2013
Directors				
A Sage*	2,071,699	-	-	2,071,699
M Gwynne	-	-	-	-
P Kelly	-	-	-	-
Executives				
E Von Puttkammer	83,333	-	-	83,333
C Grant	-	-	-	-
	2,155,032	-	-	2,155,032

30 September 2012	Balance at 1 October 2011	Granted as remuneration	Net change other	Balance at 30 September 2012
Directors				
A Sage*	2,071,699	-	-	2,071,699
M Gwynne	-	-	-	-
P Kelly	-	-	-	-
K Bischoff (i) *	375,000	-	(375,000)	-
Executives				
E Von Puttkammer	83,333	-	-	83,333
	2,530,032	-	(375,000)	2,155,032

*Indirect interest

(i) As at the date of his resignation on 28 November 2011, Mr Bischoff held 375,000 ordinary shares

(d) Option holdings of Key Management Personnel

30 September 2013	Balance at 1 October 2012	Acquired /granted during year	Lapsed during Year	Balance at 30 September 2013	Exercisable	Not Exercisable
Directors						
A Sage	2,500,000	-	(2,500,000)	-	-	-
M Gwynne	1,500,000	-	(1,500,000)	-	-	-
P Kelly	-	-	-	-	-	-
Executives						
E Von Puttkammer	250,000	-	(250,000)	-	-	-
C Grant	-	-	-	-	-	-
	4,250,000	-	(4,250,000)	-	-	-

30 September 2012	Balance at 1 October 2011	Acquired /granted during year	Lapsed during Year	Balance at 30 September 2012	Exercisable	Not Exercisable
Directors						
A Sage	2,500,000	-	-	2,500,000	2,500,000	-
M Gwynne	1,500,000	-	-	1,500,000	1,500,000	-
P Kelly	-	-	-	-	-	-
K Bischoff (i)	-	-	-	-	-	-
Executives						
E Von Puttkammer	250,000	-	-	250,000	250,000	-
	4,250,000	-	-	4,250,000	4,250,000	-

(ii) Resigned 28 November 2011

(e) Other transactions with Key Management Personnel

For details of other transactions with Key Management Personnel, refer to note 25.

25 RELATED PARTY INFORMATION

Transactions with directors, director related entities and other related parties.

(a) Payments to and from director related entities

An aggregate amount of $54,929 (2012: $51,553) was paid to Cape Lambert Resources Ltd ("Cape Lambert") during 2013 for reimbursement of rent and consultancy costs. Mr Sage is a director of Cape Lambert. At 30 September 2013 $38,409 was payable to Cape Lambert (2012: $25,000).

During the year, the Consolidated Entity received $29,677 net (2012: $45,311) from Cauldron Energy Limited ("Cauldron") for the reimbursement of employee costs. Mr Sage is a director of Cauldron. At 30 September 2013 $12,769 was receivable from Cauldron (2012: $11,990).

During the year, the Consolidated Entity received $37,811 (2012: $26,391) from Kupang Resources Limited ("Kupang") for the reimbursement of employee costs. Mr Sage is a director of Kupang. At 30 September 2013 nil was receivable from Kupang (2012: $11,990).
An aggregate amount of $120,000 (2012: $120,000) was paid or payable to Okewood Pty Ltd ("Okewood") for director fees. Mr Sage is a director of Okewood. At 30 September 2013 nil was payable to Okewood (2012: nil).

An aggregate amount of $175,000 (2012: $120,000) was paid or payable to Silverwest Corporation Pty Ltd ("Silverwest") for director fees. Mr Gwynne is a director of Silverwest. At 30 September 2013 $16,042 was payable to Silverwest (2012: $32,083).

An aggregate amount of $60,000 (2012: $60,000) was paid or payable to PAFK Enterprises Pty Ltd ("PAFK") for director fees. Mr Kelly is a director of PAFK. At 30 September 2013 nil was payable to PAFK (2012: nil).

(b) Related party loan

During the year, the Consolidated Entity drew down $1,175,000 (2012: $1,315,000) on its loan facilities from Cape Lambert (refer note 15). At 30 September 2013, the Consolidated Entity has accrued interest on the loans of $260,248 (2012: $93,054). Mr Sage is a Director of Cape Lambert.

(c) Financial Assets

At 30 September 2013, the Consolidated Entity held 250,000 shares in Eclipse Metals Limited (formerly Eclipse Uranium Limited) (ASX: EPM) with a market value of $1,750 (2012: $9,750). Mr Kelly was a director of EPM until November 2011.

During the year ended 30 September 2012, the Consolidated Entity sold its shares in African Iron Limited (ASX: AKI) for a net gain of $243,762. Mr Sage was a director of AKI until March 2012.

26 SHARE-BASED PAYMENTS

Total costs arising from share based payment transactions recognised during the year were as follows:

	2013 $	2012 $
Expense arising from equity-settled, directors, executives, consultant and employee share-based payment transactions (a)	-	-
	-	-

(a) Equity settled directors, executives, consultants and employee share based payment transactions

Options are granted to directors, executives, employees and consultants of the Consolidated Entity in the form of share-based payments. There is currently no formal employee share plan, however selected employees of the Consolidated Entity were granted options during the previous year. The purpose of the grant of options to selected employees was to:

- recognise the ongoing ability of the employees of the Consolidated Entity and their expected efforts and contribution in the long term to the performance and success of the Consolidated Entity; and
- provide an incentive to the employees of the Consolidated Entity to remain in their employment in the long term.

(b) Summary of options granted

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, options issued during the year:

	2013 No.	2013 WAEP	2012 No.	2012 WAEP
Outstanding at the beginning of the year	18,875,000	0.12	18,875,000	0.12
Granted during the year to executives and consultants	-	-	-	-
Options expired	(18,500,000)	0.12	-	-
Outstanding at the end of the year	375,000	0.15	18,875,000	0.12
Exercisable at the end of the year	375,000	0.15	18,875,000	0.12

The outstanding balance as at 30 September 2013 is represented by:

- 375,000 employee options exercisable at a price of $0.15 each before 23 March 2014.

(c) Weighted average remaining contractual life

The weighted average remaining contractual life for the options outstanding as at 30 September 2013 is 0.48 years (2012: 0.28 years).

(d) Range of exercise prices

The range of exercise prices for options outstanding at the end of the year was $0.15 - $0.15 (2012: $0.12 - $0.15).

(e) Weighted average fair value

No options were granted during 2013 (2012: nil).

(f) Option pricing model

The fair value of the equity-settled Options granted is estimated as at the date of grant using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

(g) Option granted

No options were granted during 2013 (2012: nil).

(h) Option expired

During the year ended 30 September 2013 the following options expired:

- 5,500,000 employee options exercisable at a price of $0.12 each expired 31 December 2012;
- 12,500,000 options issued to shareholders of Mooloogool Ltd exercisable at a price of $0.12 each expired 31 December 2012; and
- 500,000 employee options exercisable at a price of $0.12 each expired 31 December 2012.

27 PARENT ENTITY FINANCIAL INFORMATION

	2013 $	2012 $
Current Assets	1,677,483	327,245
Non-Current assets	1,136,164	2,434,901
Total Assets	2,813,647	2,762,146
Current Liabilities	3,562,502	2,253,405
Non-current liabilities	16,000	16,000
Total Liabilities	3,578,502	2,269,405
Net (liabilities)/assets	(764,855)	492,741
Issued Capital	33,957,000	33,957,000
Accumulated losses	(36,440,636)	(35,183,040)
Share Based Payment reserve	1,718,781	1,718,781
Total Shareholder's Equity	(764,855)	492,741
Loss for the year	(1,257,596)	(800,219)
Total comprehensive loss for the year	(1,257,596)	(800,219)

The parent entity has deposited $1,461,400 on term deposit which is pledged as security for a bank guarantee in the name of the parent entity in respect of GEM's environmental performance bond. There were no other guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

There were no contingent liabilities in the parent entity.

There were no contractual commitments by the parent entity for the acquisition of property plant and equipment. The parent entity has entered into a sub-lease agreement for office space. The Commitment under this agreement is $128,066. Refer note 21 for details.

28 EVENTS AFTER THE REPORTING DATE

On 15 November 2013, FEL completed the sale of 100% of its interests in:

(a) Grafters and Bardoc Tenements consisting of 13 prospecting licences for $149,500 cash; and

(b) Vettersburg Tenements consisting of 2 mining leases for $13,000 cash.

On 29 November 2013, FEL announced that it had signed a full form share sale agreement for the sale of Gympie Eldorado Mining Pty Ltd, subject to certain conditions precedent.

Other than detailed above there are no events subsequent to 30 September 2013 and up to the date of this report that would materially affect the operations of the consolidated entity or its state of affairs which have not otherwise been disclosed in this financial report.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Fe Limited, I state that:

1. In the opinion of the directors:

   a) the financial statements and notes of Fe Limited for the financial year ended 30 September 2013 are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2013 and its performance for the year ended on that date; and

      (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b);

   c) subject to the matters described in note 2(c), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 September 2013.

On behalf of the Board

Mark Gwynne
Executive Director

18 December 2013

Ernst & Young
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Perth WA 6000 Australia
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Independent auditor's report to the members of Fe Limited

Report on the financial report

We have audited the accompanying financial report of Fe Limited, which comprises the consolidated statement of financial position as at 30 September 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the directors’ report.

Opinion

In our opinion:

a. the financial report of Fe Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 September 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the remuneration report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the year ended 30 September 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Fe Limited for the year ended 30 September 2013, complies with section 300A of the *Corporations Act 2001*.

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 2(c) in the financial report. As a result of these matters, there is material uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Ernst & Young

G H Meyerowitz
Partner
Perth
18 December 2013

SCHEDULE OF TENEMENTS

Queensland

Tenement	Ownership	Entity	Status
ML 3772	100% GEM	GEM	Granted
ML 50114	100% GEM	GEM	Granted
ML 50160	100% GEM	GEM	Granted
EPM 16655	20% FEL	FEL	Granted
EPMA 16818	20% FEL	FEL	Granted
EPMA 16819	20% FEL	FEL	Granted
EPMA 16820	20% FEL	FEL	Granted
EPM 16822	20% FEL	FEL	Granted
EPMA 16823	20% FEL	FEL	Granted
EPM 16824	20% FEL	FEL	Granted
EPMA 16825	20% FEL	FEL	Granted

Western Australia

Tenement	Ownership	Entity	Status
E29/0806	100% FEL	FEL	Granted
E29/0807	100% FEL	FEL	Granted
E29/0818	100% FEL	FEL	Granted
E29/0847	100% FEL	FEL	Granted
E77/1269	100% FEL	FEL	Granted
E77/1754	100% FEL	FEL	Granted
E77/1841	100% FEL	FEL	Granted
E77/1842	100% FEL	FEL	Granted
E77/1843	100% FEL	FEL	Granted
E77/1881	100% FEL	FEL	Granted
P24/4500	100%	FEL	Granted
E24/0145	100%	JAK	Granted
E24/0151	80%	JAK	Granted
E27/0192	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
E27/0343	80%	JAK	Granted
E27/0360	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
E27/0362	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Pending
E27/0450	100%	FEL	Granted
E27/0465	100%	FEL	Granted
E51/1033	20%	JAK	Granted
E52/1613	20%	JAK	Granted
E52/1659	20%	JAK	Granted
E52/1668	20%	JAK	Granted
E52/1670	20%	JAK	Granted
E52/1671	20%	JAK	Granted
E52/1672	20%	JAK	Granted
E52/1678	20%	JAK	Granted
E52/1722	20%	JAK	Granted
E52/1730	20%	JAK	Granted
EPM 9869	25%	JAK	Granted
EPM 13848	25%	JAK	Granted
M24/0462	80% Ni	JAK	Granted
M24/0640	80%	JAK	Granted
M27/0092	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
M27/0202	90%	JAK	Granted
M27/0340	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P24/4017	100%	JAK	Granted
P24/4018	100%	JAK	Granted
P24/4019	100%	JAK	Granted

P24/4146	80%	JAK	Granted
P24/4149	80%	JAK	Granted
P24/4498	100%	FEL	Granted
P24/4499	100%	FEL	Granted
P24/4501	100%	FEL	Granted
P24/4502	100%	FEL	Granted
P24/4503	100%	FEL	Granted
P24/4538	100%	FEL	Granted
P26/3363	100%	JAK	Granted
P26/3364	100%	JAK	Granted
P26/3365	100%	JAK	Granted
P26/3366	100%	JAK	Granted
P26/3367	100%	JAK	Granted
P26/3368	100%	JAK	Granted
P26/3369	90%	JAK	Granted
P26/3766	80%	FEL	Granted
P26/3767	80%	FEL	Granted
P26/3768	80%	FEL	Granted
P26/3769	100%	FEL	Granted
P26/3770	100%	FEL	Pending
P26/3788	100%	FEL	Granted
P26/3801	80%	FEL	Granted
P26/3802	80%	FEL	Granted
P26/3875	100%	FEL	Granted
P26/3876	100%	FEL	Granted
P27/1682	90%	JAK	Granted
P27/1683	100%	JAK	Granted
P27/1684	100%	JAK	Granted
P27/1685	100%	JAK	Granted
P27/1686	90%	JAK	Granted
P27/1687	90%	JAK	Granted
P27/1688	90%	JAK	Granted
P27/1743	80%	JAK	Granted
P27/1865	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1866	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1867	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1868	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1869	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1870	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1871	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1872	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1873	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1878	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1880	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1881	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1882	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1893	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1894	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1895	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1898	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1899	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1900	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1901	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1903	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1904	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1905	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1906	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1907	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted

P27/1908	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1909	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1910	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1911	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1912	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1913	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1914	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1915	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1917	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/1918	100% Ni (and associated minerals - eg/ Colbalt)	JAK	Granted
P27/2024	100%	FEL	Granted
P27/2025	100%	FEL	Granted
P27/2026	100%	FEL	Granted
P27/2099	100%	FEL	Granted
P27/2100	100%	FEL	Granted
P27/2101	100%	FEL	Granted
P27/2102	100%	FEL	Granted
P52/1167	20%	JAK	Granted
P52/1168	20%	JAK	Granted
P52/1170	20%	JAK	Granted
P52/1171	20%	JAK	Granted
P52/1172	20%	JAK	Granted
P52/1195	20%	JAK	Granted
P52/1196	20%	JAK	Granted
E51/1186	100% Fe & Mn	MOOL	Granted
E51/1187	100% Fe & Mn	MOOL	Granted
E51/1213	100% Fe & Mn	MOOL	Granted
E51/1214	100% Fe & Mn	MOOL	Granted
E51/1215	100% Fe & Mn	MOOL	Granted
E51/1325	100% Fe & Mn	MOOL	Granted
E51/1341	100% Fe & Mn	MOOL	Granted
E51/1342	100% Fe & Mn	MOOL	Granted
E51/1367	100% Fe & Mn	MOOL	Granted
P24/4785	100%	JAK	Pending
P24/4786	100%	JAK	Pending
P26/3979	100%	JAK	Pending
P26/3980	100%	JAK	Pending
P26/3981	100%	JAK	Pending
P26/3982	100%	JAK	Pending
P26/3983	100%	JAK	Pending

ADDITIONAL SHAREHOLDER INFORMATION

Shares

The total number of Shares on issue as at 6 December 2013 was 115,521,575, held by 782 registered Shareholders. 461 shareholders hold less than a marketable parcel, based on the market price of a share as at 6 December 2013.

Each Share carries one vote per Share without restriction.

Quoted Options

The Company does not have any quoted Options on issue.

Unquoted Options

As at the date of this report the Company had on issue:

- 375,000 unquoted Options exercisable at $0.15 and expiring on 23 March 2014

No voting rights are attached to unquoted Options.

Twenty Largest Shareholders

As at 6 December 2013, the twenty largest Shareholders were as shown in the following table and held 67.94% of the Shares.

	Legal Holder	Holding	%
1	DEMPSEY RESOURCES PTY LTD	22,988,793	19.90%
2	CAULDRON ENERGY LIMITED	15,695,835	13.59%
3	CITICORP NOMINEES PTY LIMITED	6,074,798	5.26%
4	MR RUSSELL NEIL CREAGH	3,710,050	3.21%
5	MS CONCETTINA SCHIAVELLO	2,884,371	2.50%
6	MATTHEW PARRISH PTY LTD	2,595,449	2.25%
7	MRS LILIANA TEOFILOVA	2,327,890	2.02%
8	GRAND ENTERPRISES PTY LTD	2,181,862	1.89%
9	MR ANTONY WILLIAM SAGE	2,071,699	1.79%
10	ARCHFIELD HOLDINGS PTY LTD	2,048,000	1.77%
11	PEARL BLISS PTY LTD	2,000,000	1.73%
12	MR IANAKI SEMERDZIEV	1,939,000	1.68%
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,929,033	1.67%
14	IDRA HOLDINGS PTY LTD	1,863,991	1.61%
15	PT RADINKA ARTHAPRIMA	1,364,197	1.18%
15	C S T CORPORATION	1,364,197	1.18%
16	MR ANTHONY ROBERT RAMAGE	1,191,674	1.03%
17	GANBARU PTY LTD	1,170,000	1.01%
18	CLASSIC CATERERS PTY LTD	1,100,000	0.95%
19	LAKE MINA HOLDINGS PTY LTD	1,082,778	0.94%
20	EMILIO PIETRO DEL FANTE & SHERIDAN JANE DEL FANTE	900,000	0.78%
	Total	**78,483,617**	**67.94%**

Distribution Schedule

A distribution schedule of the number of Shareholders, by size of holding, as at 6 December 2013 is below:

Size of holdings	Number of Shareholders
1 – 1000	58
1,001 – 5,000	181
5,001 – 10,000	154
10,001 – 100,000	283
100,001 and over	106
Total	**782**

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