FE Limited
ABN 31 112 731 638

AND CONTROLLED ENTITIES

ANNUAL REPORT 2014

For the nine months ended 30 June 2014

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 4 Central Park 152 St Georges Terrace Perth WA 6000	
	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.	

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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 nine months ended 30 June 2014 ("period").

Directors

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

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

Mr Sage has in excess of 30 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining and exploration companies for the last 18 years. Mr Sage has operated in Argentina, Brazil, Peru, Romania, Russia, Sierra Leone, Guinea, Cote d'Ivoire, Congo, South Africa, Indonesia, China and Australia. Mr Sage is currently chairman of listed ASX-listed companies, Cape Lambert Resources Ltd (which was AIM Company of the year in 2008), Cauldron Energy Ltd and Fe Ltd. Mr Sage is also a Non-Executive Director of the following ASX-listed companies, Kupang Resources Ltd, Caeneus Minerals Ltd; and National Stock Exchange of Australia ("NSX") listed International Petroleum Ltd. Mr Sage is also the sole owner of A League football club Perth Glory that plays in the National competition in Australia. 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);
- Caeneus Metals Limited (formerly Matrix Metals Limited) (December 2010 to Present);
- Global Strategic Metals Limited (formerly 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);
- Orca Energy Limited (previously Monitor Energy Limited) (April 2006 to August 2011);
- International Goldfields Limited (January 2013 to May 2013); and
- Iron Mountain Mining Limited (May 2014 to Present).

  * 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 period and none were recommended or declared for payment.

Principal Activities

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

Operating Results

The consolidated profit after providing for income tax for the nine months ended 30 June 2014 amounted to $941,477 (twelve months ended 30 September 2013: loss of $2,367,976).

Review of Corporate Activities

Funding

As previously disclosed and detailed in the Company's Notice of Annual General Meeting, the Company entered into a settlement and converting loan agreement ("Settlement and Converting Loan Agreement") with Cape Lambert Resources Limited ("Cape Lambert") for the settlement of existing loans.

Shareholder approval was received at the Company's Annual General Meeting to settle the existing loans with Cape Lambert as follows (1) Repayment of $1M cash; and (2) the issue of 104,193,055 ordinary shares to Dempsey Resources Pty Ltd, a wholly owned subsidiary of Cape Lambert (being conversion of the balance and accrued interest into shares). The settlement shares were issued to Cape Lambert on or about 26 February 2014.

FEL repaid the final $1,000,000 loan to Cape Lambert Resources Limited on 15 April 2014.

Cape Lambert currently holds a 57.89% interest in FEL.

For full details regarding the Settlement and Converting Loan Agreement, refer to the Company's Notice of Annual General Meeting which is available for review or download from the Company's website www.felimited.com.au.

Annual General Meeting

The Company's Annual General Meeting was held on 21 February 2014 at 9:30am. All resolutions put to the meeting were passed on a show of hands.

The Company changed its financial year end to 30 June 2014 to synchronise the Company's financial year end with that of its parent entity in accordance with section 323D(2A) of the *Corporations Act 2001 (Cth)*.

The Company's previous financial reporting period was 1 October 2012 to 30 September 2013. The current reporting period is the nine months ended 30 June 2014.

Gympie Eldorado Mining Pty Ltd Sale

As announced on 12 February 2014, the Company completed 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") ("Transaction").

The following was received during the year:
- $200,000 consideration had been received;
- $803,584 environmental performance bond deposited directly with the Department of Employment, Economic Development and Innovation ("DEEDI") had been refunded; and
- Final payment of $1,445,000, being refund of environmental bonds was received on 15 April 2014.

FEL retains a 3% Net Smelter Return royalty from gold derived from the Gympie Eldorado Mine (including any processing tailings) plus 10% of any profits from any future sale of freehold land, which comprises the Gympie Eldorado Gold Mine Tailings Site. The potential value of the freehold land has increased over the past 18 months with rezoning approval from Rural to High Impact Industrial. The site has several advantages in that it is above flood level heights and is adjacent to the proposed realignment of the Bruce Highway, the main arterial access from Brisbane to the north of Queensland.

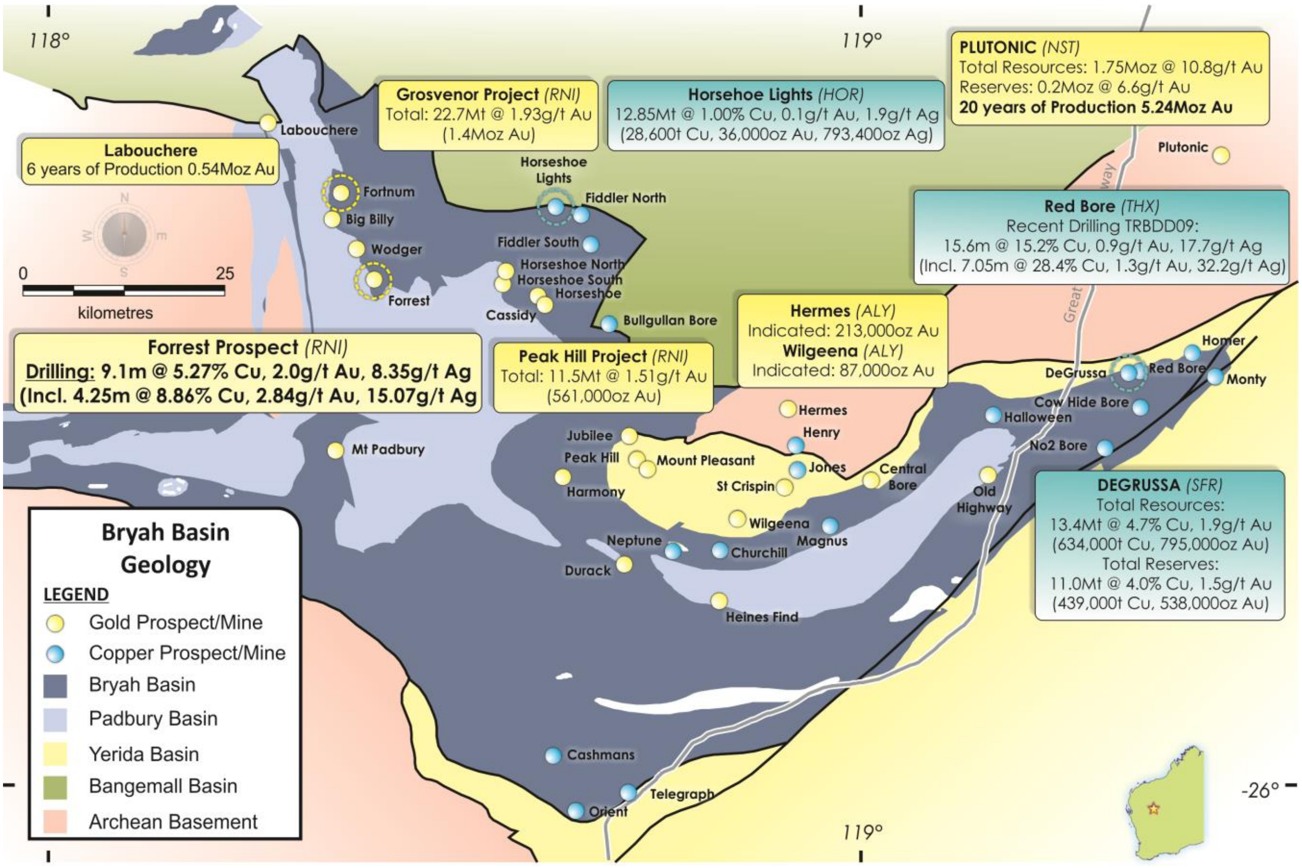
FEL also completed a sale agreement with New Gympie Gold Pty Ltd for exploration rights to remaining tenements which included responsibility to rehabilitate the Lewis Decline. FEL received a cash payment of $10,000 and a 1% Net Smelter Return on any gold mined, accessed or derived from the Gympie Goldfield.

Review of Operations

The Company holds, or has rights or interst in several tenements prospective for iron, nickel, copper and gold located mostly in Western Australia. This total includes interests and rights in the 3 iron-focused projects at Mt Ida, Mt Elvire and Robinson Range, referred to as core projects. The Company has completed a successful divestment program of non-core assets over the past year to allow full focus on its key projects.

Bryah Basin Projects (formerly known as the Peak Hill Projects) ("Bryah Basin") (20% rights, free carried to decision to mine)

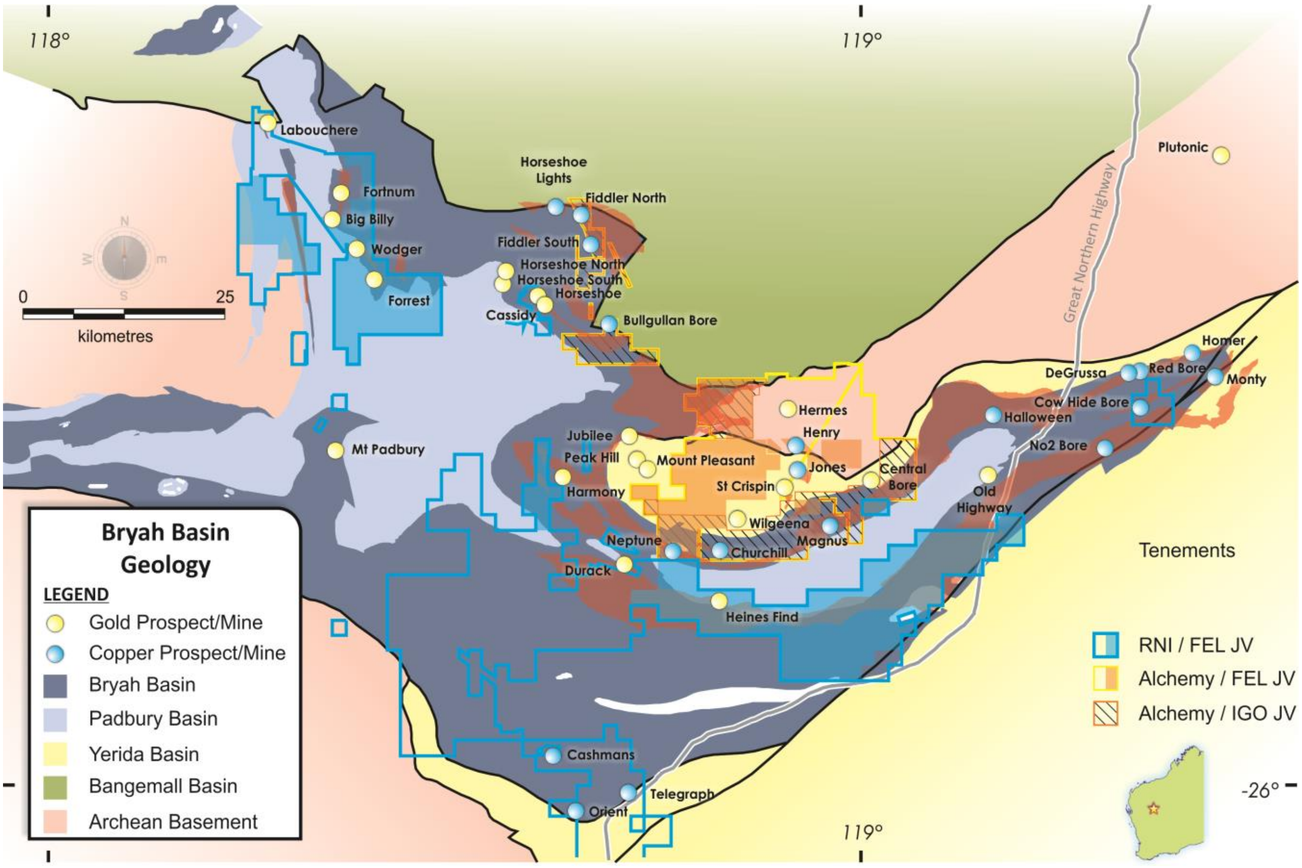
Via its wholly owned subsidiary, Jackson Minerals Pty Ltd, FEL has a 20% free carried interest in 17 tenements covering an area of 835km² in the Bryah Basin, including tenements proximal to Sandfire Resources NL Doolgunna Project and DeGrussa copper gold mine (14.33Mt @ 4.6%Cu and 1.6g/t Au) and several gold and copper prospects.



Map 1: Map showing Bryah Basin endowment and prospects.

Note: all exploration results, resources and production data obtained from published company announcements and WA Dept of Mines and Petroleum database.

The Bryah Basin 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).



Map 2: Map showing FEL tenement interests.

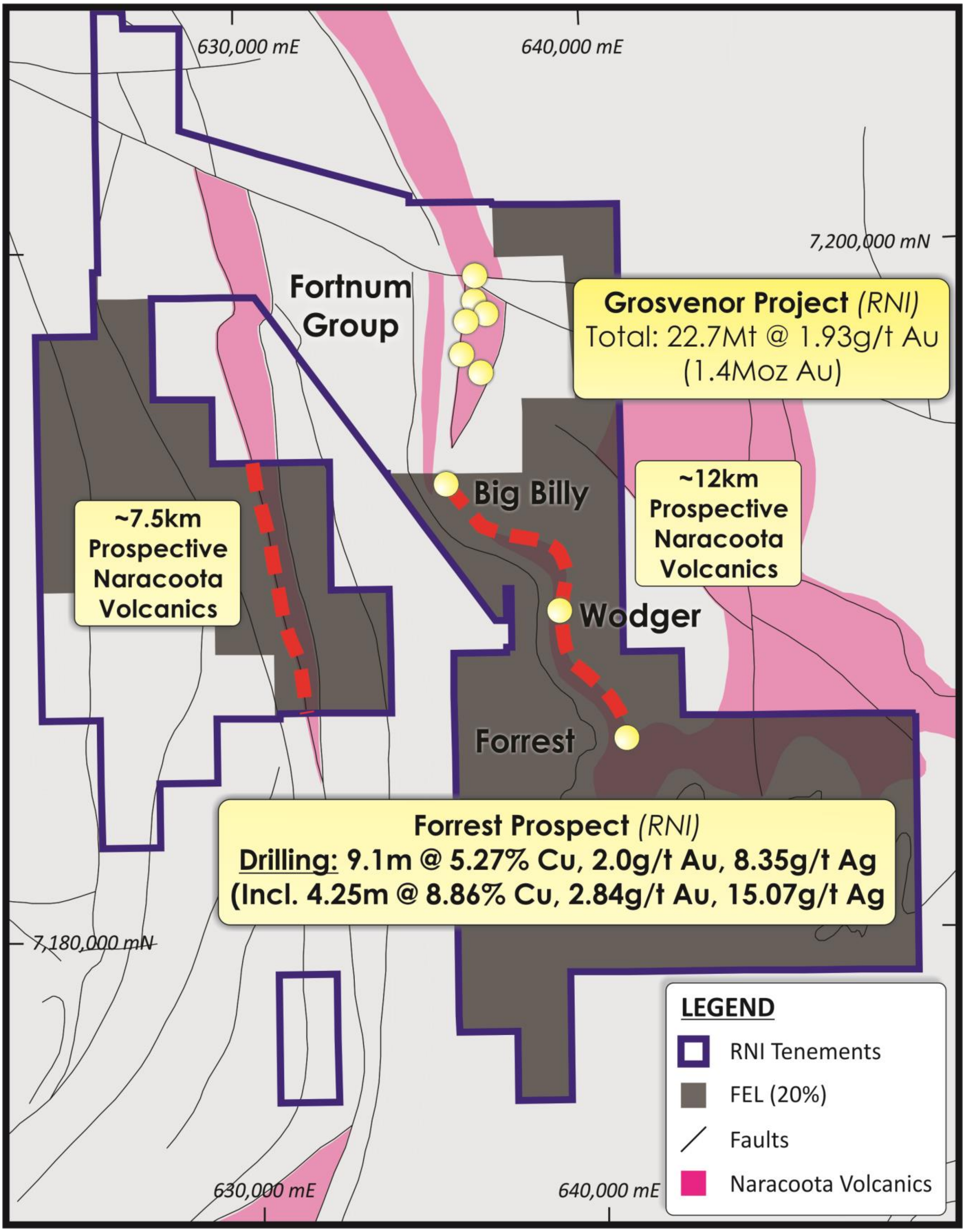
Grosvenor Project - Resource and Investment NL 80%, FEL 20% free carried to Decision to Mine

FEL, via its subsidiary, Jackson Minerals Pty Ltd, holds a 20% free carried interest to Decision to Mine in six exploration licenses (E51/1033, E52/1613, E52/1659, E52/1670, E52/1671, E52/1672) and three prospecting licenses (P52/1170, P52/1171, P52/1172) (refer Map 1).

RNI owns the Grosvenor Gold Project including existing gold plant, camp and mining infrastructure. The Project has a total gold resource inventory of ~1.4M oz and intends to commence mining operations in the near term.

The tenements contain a favourable geological setting analogous to geology hosting the DeGrussa VHMS discovery and mining operations (Sandfire Resources NL) as well as significant gold potential.

During the reporting period, RNI has announced exciting exploration results with drilling identifying zones of high grade copper/gold mineralisation at the Forrest and Wodger prospects.



Map 3: Map showing extensive Naracoota Volcanics at Forrest, Wodger, Big Billy prospects.

Forrest Prospect

The Forrest Prospect is located at the southern end of a 12km VHMS mineralised trend associated with and defined by the fold axis of the Narracoota Volcanic Formation, which also hosts the Big Billy and Wodger Prospects. RNI undertook both diamond and Reverse Circulation drilling programs at the Forrest Prospect which identified high grade zones of copper/gold mineralisation below a gold rich cap. Please refer to RNI announcements for further information.

Results include:

FGDD001: 9.1 metres @ 5.27% copper, 2.0g/t gold and 8.35g/t silver from 142.95m, including

4.25 metres @ 8.86% copper, 2.84 g/t gold and 15.07g/t silver.

FGDD002: 5.15 metres @ 4.0% copper from 152m, and 2.5 metres @ 1.12g/t gold.

FGDD003: 16.2 metres @ 1.8% copper from 198.4m including 9.6m @ 2.6% copper and 7.9m @ 0.91g/t gold and 1.9g/t silver.

FPRC006: 4 metres @2.11% copper from 158m,

FPRC: 25 metres @ 1.25% copper from 153m including 9m @ 2.52%, 1m @ 10.4% copper and 1m @ 23.5g/t silver.

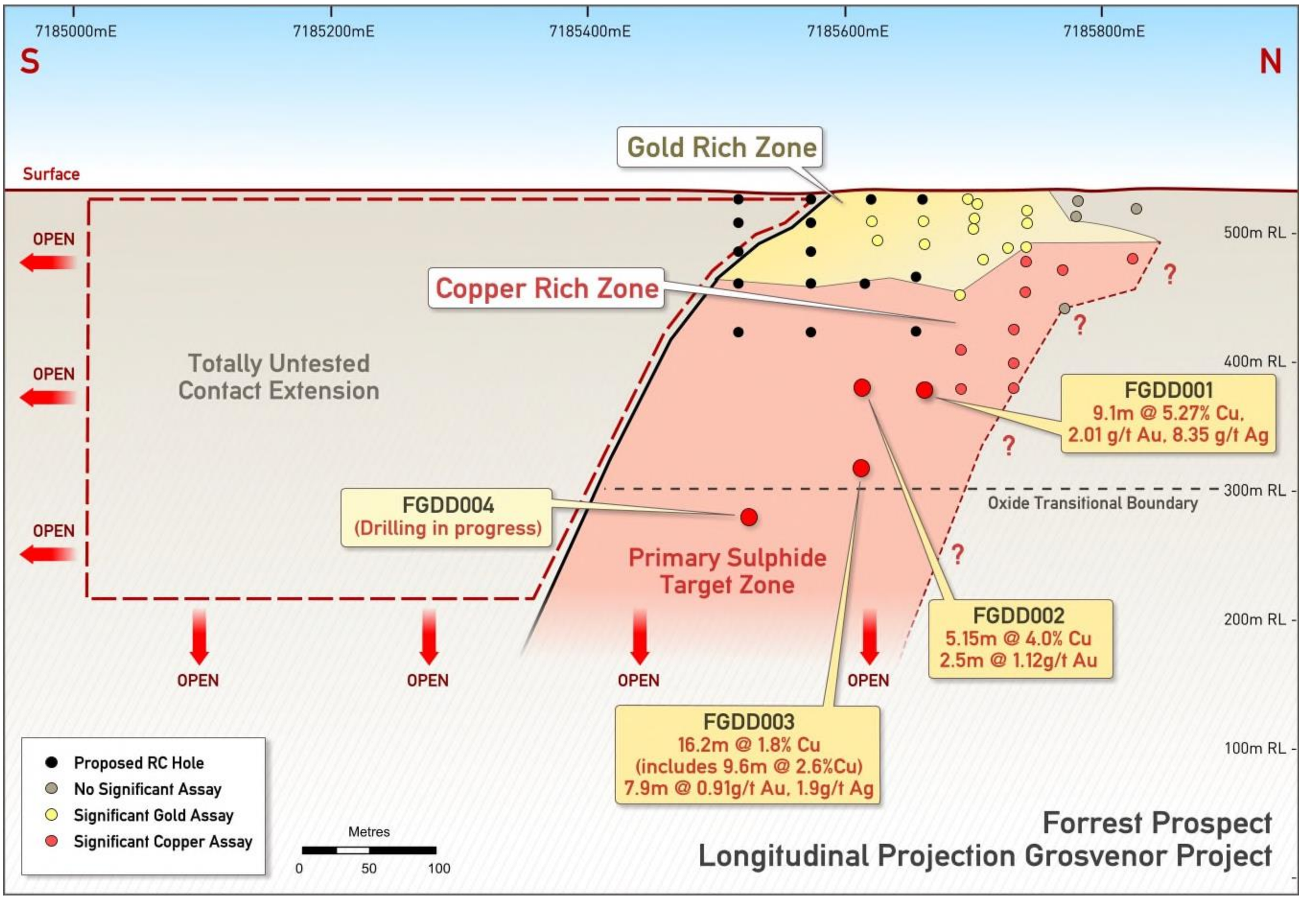


Image courtesy of RNI

Wodger Prospect

RNI has undertaken a program of re-logging and re-sampling of Historic RC and RAB drilling at the Wodger Prospect, approximately 2.4km north of the Forrest Prospect.. Given the historic nature and the limited amount of samples retained in the field, recovered samples were considered equivalent to rock chips and the results treated accordingly as an indication of a strongly mineralised copper / gold system. Some high grade results from the grab samples were 13.8% Cu, 5.71% Cu, and 3.97% Cu as analysed using portable XRF.

Significantly, the Wodger Prospect lies between and along strike from the Forrest and Big Billy Prospects providing an indication of a strongly mineralised zone extending over 12km in length (refer Figure XX).The trend is defined by the fold axis of the Narracoota Volcanic Formation and most of the historic drilling has not been drilled across the prospective mineralised corridor nor assayed for base metals. This entire zone from the Big Billy Prospect in the north to the Forrest Prospect in the south represents a priority exploration target going forward.

For further information, please refer to RNI website: http://rninl.com.au/.

Bryah Basin Project (ALY 80%, FEL 20% free carried to Decision to Mine, IGO earning up to 70%)

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, P52/1195, P52/1196) totalling 221.6km² (refer Map 1).

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

Joint venture partner ALY, announced on the 30th January that nickel and gold miner, Independence Group (ASX: IGO), has farmed into its Bryah Basin Project. FEL holds 20% free carried equity in 4 exploration licenses totalling 216.5km². IGO may earn 70% interest in base metals rights on these tenements via sole funding $6.5M on exploration over 6 years. FEL welcomes the involvement of IGO given its proven success in mining and exploration. For further details, please refer to ALY announcement. ALY retains gold rights.

During the reporting period, IGO commenced a ground Moving Loop Electromagnetic Survey over the Neptune and Churchill Prospects within the JV area. Interpretation of the results of the survey will be integrated with existing data by IGO to identify potential priority exploration targets along the prospective Narracoota Volcanic Formation. IGO is planning an initial air core drilling program to test a number of geochemical and geophysical targets, once access approvals are in place. For further information, please refer to ALY announcement dated 11 July, 2014.

For further information, please refer to Alchemy website: http://www.alchemyresources.com.au/

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 website for further information.

Mt Ida Iron Ore Project

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

The 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. This land holding is currently being reviewed to reduce the total area to better reflect iron ore potential.

In May this year, the Western Australian government announced a preferred proponent for the ~10MTPA Esperance port, rail and infrastructure upgrade to a consortium including port operator Asciano, McConnell Dowell and Japan's Marubeni. This expansion of transport infrastructure allows for development of iron ore projects throughout the Yilgarn region.

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").

During this reporting period, the Company carried out desk top studies on geology and potential infrastructure developments to allow planning for further exploration field work for the forthcoming year.

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

FEL holds a 1.5% Dry Metric Tonne, FOB Royalty over the Evanston Iron Ore Project. Cliffs is the operator of the Koolyanobbing Iron Ore mining operation which includes the Windarling and Mt Jackson mines.

The Evanston Iron Ore Project is located in the Southern Yilgarn Iron Province of Western Australia and covers an area of 167km^2.

FEL understands that Cliffs has undertaken drilling programs at the Deception Prospect, located approximately 20kms north of the Windarling mine. Drilling has identified extensive hematite mineralisation consistent with Direct Shipping Ore (DSO) grades. At this time, FEL has not been formally notified by Cliffs of a mineable reserve or intention to mine.

Competent Person Statement

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

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

There have been no events subsequent to 30 June 2014 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 period 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 no share options on issue.

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

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 period, 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 period and the number of meetings attended by each director was as follows:

Directors	Meetings of Directors	
	Eligible to attend	Attended
Antony Sage	1	1
Mark Gwynne	1	1
Paul Kelly	1	1

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

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 period, 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.

Remuneration report at 2013 AGM

The 2013 remuneration report received positive shareholder support at the 2013 AGM whereby of the proxies received 99.30% voted in favour of the adoption of the remuneration report.

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	Profit / (Loss) per share (Cents)	Share Price (Cents)
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
Nine months ended 30 June 2014	941	0.57	4.50

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 Nine months ended 30 June 2014	Short-Term Salary & Fees $	Post-Employment Superannuation $	Share-based Payment Share Options $	Total $	% Performance Based	% Comprising Options
Directors						
A Sage (i)	90,000	-	-	90,000	-	-
M Gwynne (ii)	131,248	-	-	131,248	-	-
P Kelly (iii)	45,000	-	-	45,000	-	-
	266,248	-	-	266,248	-	-
Executives						
E von Puttkammer	9,600	-	-	9,600	-	-
C Grant (iv)	33,721	-	-	33,721	-	-
	43,321	-	-	43,321	-	-
	309,569	-	-	309,569	-	-

For the nine months ended 30 June 2014:

(i) $90,000 was paid or payable to Okewood Pty Ltd a company that Mr Sage is a director of.

(ii) $131,248 was paid or payable to Silverwest Corporation Pty Ltd a company that Mr Gwynne is a director of.

(iii) $45,000 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 $33,721 was paid or payable to Cauldron for consulting fees.

Consolidated Twelve months ended 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)	11,608	-	-	11,608	-	-
	11,608	-	-	11,608	-	-
	366,608	-	-	366,608	-	-

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.

Shareholdings of Key Management Personnel

30 June 2014	Balance at 1 October 2013	Granted as remuneration	Net change other	Balance at 30 June 2014
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

*Indirect interest

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

*Indirect interest

Option holdings of Key Management Personnel

30 June 2014	Balance at 1 October 2013	Acquired /granted during year	Lapsed during Year	Balance at 30 June 2014	Exercisable	Not Exercisable
Directors						
A Sage	-	-	-	-	-	-
M Gwynne	-	-	-	-	-	-
P Kelly	-	-	-	-	-	-
Executives						
E Von Puttkammer	-	-	-	-	-	-
C Grant	-	-	-	-	-	-
	-	-	-	-	-	-

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)	-	-	-

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.

Transactions with directors, director related entities and other related parties

During the nine months ended 30 June 2014, an aggregate amount of $75,043 (Twelve months ended 30 September 2013: $54,929) was paid to Cape Lambert Resources Ltd ("Cape Lambert") for reimbursement of rent and consultancy costs. Mr Sage is a director of Cape Lambert. At 30 June 2014, $1,238 was payable to Cape Lambert (30 September 2013: $38,409).

During the nine months ended 30 June 2014, the Consolidated Entity paid an aggregate amount of $33,721 net (Twelve months ended 30 September 2013: nil) to Cauldron Energy Limited ("Cauldron") for the reimbursement of employee costs. Mr Sage is a director of Cauldron. At 30 June 2014 nil (30 September 2013: nil) was payable to Cauldron.

During the nine months ended 30 June 2014, the Consolidated Entity received nil (Twelve months ended 30 September 2013: $29,677) from Cauldron for reimbursement of employee costs. At 30 June 2014 nil (30 September 2013: nil) was receivable from Cauldron.

During the nine months ended 30 June 2014, the Consolidated Entity received nil (Twelve months ended 30 September 2013: $37,811) from Kupang Resources Limited ("Kupang") for the reimbursement of employee costs. Mr Sage is a director of Kupang. At 30 June 2014, nil was receivable from Kupang (30 September 2013: nil).

During the nine months ended 30 June 2014, an aggregate amount of $90,000 (Twelve months ended 30 September 2013: $120,000) was paid or payable to Okewood Pty Ltd (“Okewood”) for director fees. During the nine months ended 30 June 2014, an aggregate amount of $30,495 (Twelve months ended 30 September 2013: nil) was paid or payable to Okewood Pty Ltd (“Okewood”) for sponsorship of the Perth Glory Football Club. Mr Sage is a director of Okewood. At 30 June 2014, nil was payable to Okewood (30 September 2013: nil).

During the nine months ended 30 June 2014, an aggregate amount of $145,830 (Twelve months ended 30 September 2013: $175,000) was paid or payable to Silverwest Corporation Pty Ltd (“Silverwest”) for director fees. Mr Gwynne is a director of Silverwest. At 30 June 2014, nil was payable to Silverwest (30 September 2013: $16,042).

During the nine months ended 30 June 2014, an aggregate amount of $50,000 (Twelve months ended 30 September 2013: $60,000) was paid or payable to PAFK Enterprises Pty Ltd (“PAFK”) for director fees. Mr Kelly is a director of PAFK. At 30 June 2014, nil was payable to PAFK (30 September 2013: nil).

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 17 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 period.

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

Mark Gwynne
Executive Director

19 August 2014

Building a better
working world

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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 period ended 30 June 2014, 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
19 August 2014

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 9 months from 1 October 2013 to 30 June 2014. The current corporate governance policy is posted in a dedicated corporate governance information section of the Company's website at www.felimited.com.au.

This statement outlines the corporate governance framework and practices of FEL in the form of a report against the ASX Corporate Governance Principles and Recommendations (2nd Edition) (**ASX Principles**). FEL will report against the 3rd Edition ASX Principles in the next financial year.

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	No

	the Board; and ▪ has at least three members.	
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 June 2014:

	Total Number	Women	%Women
Whole organisation	8	5	62%
Permanent technical staff (excl. senior exec)	-	-	-
Permanent admin staff (excl. senior exec)	3	3	100%
Senior exec (excl. executive Director)	2	2	100%
Senior exec (incl. executive Director)	3	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 NINE MONTHS ENDED 30 JUNE 2014

	Notes	Consolidated	
		Nine months ended 30 June 2014	**Twelve months ended 30 September 2013**
		$	**$**
Interest revenue	3(a)	20,662	42,522
Other income	3(b)	2,156,947	52,600
		2,177,609	95,122
Employee benefits expense and directors remuneration	3(c)	(266,248)	(381,343)
Impairment of exploration assets	3(d)	(597,824)	(983,618)
Impairment of available-for-sale financial assets		(1,000)	(8,000)
Impairment of receivables		-	(2,750)
Accounting and audit fees		(89,066)	(86,748)
Legal fees		(1,063)	-
Consultants costs		(14,141)	(8,947)
Compliance costs		(33,813)	(43,485)
Travel costs		(14,803)	(32,792)
Finance costs		(34,357)	(167,193)
Other expenses	3(e)	(230,972)	(187,280)
Profit/(loss) from continuing operations before income tax		894,322	(1,807,034)
Income tax expense	5	-	-
Profit/(loss) from continuing operations after income tax		894,322	(1,807,034)
Profit/(loss) from discontinued operations after tax	4(b)	47,155	(560,942)
Net Profit/(loss) for the period		941,477	(2,367,976)
Other comprehensive income items that may be reclassified subsequently to profit or loss			
Net fair value loss on available-for-sale financial assets		(1,000)	(8,000)
Transfer of impairment loss to Profit and Loss		1,000	8,000
Total comprehensive income/(loss) for the period		941,477	(2,367,976)
Earnings/(loss) per share (cents per share) from continuing operations attributable to ordinary equity holders of the Company			
- basic earnings/(loss) per share	6	0.54	(1.56)
- diluted earnings/(loss) per share	6	0.54	(1.56)
Earnings/(loss) per share (cents per share) attributable to ordinary equity holders of the Company			
- basic earnings/(loss) per share	6	0.57	(2.05)
- diluted earnings/(loss) per share	6	0.57	(2.05)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	Consolidated	
		30 June 2014	30 September 2013
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	7	766,709	9,136
Trade and other receivables	8	23,518	36,225
Other receivables	12	-	2,267,562
Other assets		17,162	19,502
		807,389	2,332,425
Non-current assets held for sale	4(a)	-	461,450
Total Current Assets		807,389	2,793,875
Non-Current Assets			
Exploration and evaluation expenditure	9	735,232	1,306,522
Plant and equipment	10	25,094	28,180
Available-for-sale financial assets	11	750	1,750
Other receivables	12	-	800
Total Non-Current Assets		761,076	1,337,252
TOTAL ASSETS		1,568,465	4,131,127
LIABILITIES			
Current Liabilities			
Trade and other payables	13	102,228	375,739
Interest-bearing loans and borrowings	15	-	3,260,248
		102,228	3,635,987
Liabilities associated with non-current assets held for sale	4(a)	-	2,248,984
Total Current Liabilities		102,228	5,884,971
Non-Current Liabilities			
Provisions	14	-	16,000
Total Non-Current Liabilities		-	16,000
TOTAL LIABILITIES		102,228	5,900,971
NET ASSETS / (LIABILITIES)		1,466,237	(1,769,844)
EQUITY			
Contributed equity	16	36,251,604	33,957,000
Accumulated losses	17	(36,504,148)	(37,445,625)
Reserves	18	1,718,781	1,718,781
TOTAL EQUITY / (NET DEFICIENCY)		1,466,237	(1,769,844)

STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 JUNE 2014

	Contributed equity	Accumulated losses	Share based payments reserve	Total
Consolidated	**$**	**$**	**$**	**$**
Balance at 1 October 2013	33,957,000	(37,445,625)	1,718,781	(1,769,844)
Loss for the nine months ended 30 June 2014	-	941,477	-	941,477
Other comprehensive income	-	-	-	-
	-	941,477	-	941,477
Transactions with owners in their capacity as owners	2,294,604	-	-	2,294,604
Balance at 30 June 2014	36,251,604	(36,504,148)	1,718,781	1,466,237
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)

STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 JUNE 2014

	Notes	Consolidated	
		Nine months ended 30 June 2014	Twelve months ended 30 September 2013
		$	$
Cash flows from operating activities			
Receipts from customers		4,483	65,565
Payments to suppliers and employees		(846,684)	(1,246,145)
Interest received		21,705	43,409
Net cash flows used in operating activities	7(a)	(820,496)	(1,137,171)
Cash flows from investing activities			
Purchase of plant & equipment		(3,530)	-
Payments for exploration and evaluation costs		(61,615)	(225,804)
Proceeds from sale of exploration assets		205,681	-
Proceeds from sale of controlled entity	4	86,058	50,000
Proceeds from sale of land		106,746	-
Release of restricted cash		2,268,362	-
Cash balance disposed upon sale of controlled entity		(23,633)	-
Net cash flows from / (used in) investing activities		2,578,069	(175,804)
Cash flows from financing activities			
Proceeds from loans		-	1,175,000
Repayment of loans		(1,000,000)	-
Net cash flows (used in) / from financing activities		(1,000,000)	1,175,000
Net increase / (decrease) in cash and cash equivalents		757,573	(137,975)
Cash and cash equivalents at beginning of period		9,136	147,111
Cash and cash equivalents at end of period	7	766,709	9,136

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 nine months ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 19 August 2014.

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

The Company changed its financial year end to 30 June 2014 to synchronise the Company's financial year end with that of its parent entity in accordance with section 323D(2A) of the *Corporations Act 2001 (Cth).*

Cape Lambert Resources Limited ("Cape Lambert") is the ultimate parent entity pursuant to the issue of 104,193,055 ordinary shares to Dempsey Resources Pty Ltd, a wholly owned subsidiary of Cape Lambert on or about 26 February 2014. Cape Lambert currently holds a 57.89% interest in FEL.

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 (Cth)*, 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 available-for-sale financial assets which are carried 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.

At balance date the Consolidated Entity had cash and cash equivalents of $766,709 (30 September 2013: $9,136) and a net working capital surplus of $687,999 (30 September 2013: $3,091,096 deficit).

Whilst sufficient cash is available to meet general and administrative requirements, additional funding may be necessary for the Consolidated Entity to fulfil its proposed exploration program in the next 12 months.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Consolidated Entity will be able to continue its planned exploration and evaluation activities and the Consolidated Entity will be able to meet its obligations as and when they fall due because the directors are confident that the Consolidated Entity will be able to raise additional capital if required.

Should the Group not achieve the matter set out above, there is uncertainty whether the Group 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 report. The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification 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 2013, the Consolidated Entity has adopted all the standards and interpretations mandatory for annual periods beginning on or after 1 October 2013. 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.

The following standards and interpretations would have been applied for the first time for entities with period ending 30 June 2014:

Reference	Title
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.
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 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. Amendments made by the IASB in May 2014 add guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business.
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.
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.

Reference	Title
	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.
AASB 119	**Employee Benefits** 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.
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.
AASB 2012-5	**Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle** ► 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*)
AASB 2012-9	**Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039**
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 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 2011-4	**Amendments to Australian Accounting Standards to *Remove Individual Key Management Personnel Disclosure Requirements* [AASB 124]**

Reference	Title
	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.

New accounting standards and interpretations issued but yet effective

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 30 June 2014.

Reference	Title	Summary	Application date of standard	Application date for Consolidated Entity
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 July 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 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:	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard	Application date for Consolidated Entity
		► 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. 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. The AASB issued a revised version of AASB 9 (AASB 2013-9) during December 2013. The revised standard incorporates three primary changes: 1. New hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures 2. Entities may elect to apply only the accounting for gains and losses from own credit risk without applying the other requirements of AASB 9 at the same time 3. In February 2014, the IASB tentatively decided that the mandatory effective date for AASB 9 will be 1 January 2018		
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 July 2014
Annual Improvements 2010–2012 Cycle^	Annual Improvements to IFRSs 2010–2012 Cycle	This standard sets out amendments to International Financial Reporting Standards (IFRS) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard: ► IFRS 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► IFRS 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all	1 July 2014	1 July 2014

Reference	Title	Summary	Application date of standard	Application date for Consolidated Entity
		references to IAS 37. ► IFRS 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ► IAS 16 & IAS 38 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ► IAS 24 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of IAS 24 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.		
Annual Improvements 2011–2013 Cycle^	Annual Improvements to IFRSs 2011–2013 Cycle	This standard sets out amendments to International Financial Reporting. Standards (IFRS) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard: ► IFRS 13 - Clarifies that the portfolio exception in paragraph 52 of IFRS 13 applies to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32. ► IAS 40 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of IFRS 3 that includes an investment property. That judgment is based on guidance in IFRS 3.	1 July 2014	1 July 2014
AASB 1031	*Materiality*	The revised AASB 1031 is an interim standard that cross-references to other Standards and the F*ramework (*issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.	1 January 2014	1 July 2014

Reference	Title	Summary	Application date of standard	Application date for Consolidated Entity
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.	^^	^^
IFRS 14	Interim standard on regulatory deferral accounts	This interim standard provides first-time adopters of IFRS with relief from derecognising rate-regulated assets and liabilities until a comprehensive project on accounting for such assets and liabilities is completed by the IASB. It is intended to encourage rate-regulated entities to adopt IFRS while bridging the gap with entities that already apply IFRS, but do not recognise regulatory deferral accounts.	1 January 2016	1 July 2016
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016
IFRS 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services) The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises	1 January 2017	1 July 2017

Reference	Title	Summary	Application date of standard	Application date for Consolidated Entity
		revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation **Early application of this standard is permitted.**		
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 July 2014

^ Not yet adopted by AASB.

^^ The application dates of AASB 2013-9 are as follows:
Part A – periods ending on or after 20 Dec 2013 / Application date for the Consolidated Entity: period ending 30 June 2014
Part B – periods beginning on or after 1 January 2014 / Application date for the Consolidated Entity: period beginning 1 July 2014
Part C – reporting periods beginning on or after 1 January 2015 / Application date for the Consolidated Entity: period beginning 1 July 2015

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.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Fe Limited and its subsidiaries as at and for the period ended 30 June 2014.

Subsidiaries are all those entities over which Fe Limited has control. Control is achieved when the Consolidated Entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Consolidated Entity controls an investee if and only if the Consolidated Entity has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

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 allowance 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 reducing balance basis over the estimated useful life of the asset as follows:

Plant and equipment – 3 to 5 years

(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

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.

(n) 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.

(o) 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).

(p) 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.

(p) Income tax and other taxes (continued)

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.

(q) 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.

(r) 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.*

(s) 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.

(t) 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.

(u) 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.

(v) Investment in joint arrangements

Joint arrangements are arrangements of which two or more parties have joint control. Joint Control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Join arrangements are classified as ether a joint operation or a joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the join arrangement provides the Consolidated Entity with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Consolidated Entity recognises its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly

To the extent the joint arrangement provides the Consolidated Entity with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method. Under the equity method, the cost of the investment is adjusted by the post-acquisition changes in the Consolidated Entity's share of the net assets of the venture.

(w) Comparatives

The comparative period presented in the consolidated financial statements is for the twelve months ended 30 September 2013.

(x) 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 Consolidated Entity 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.

3 REVENUE, INCOME AND EXPENSES

	Nine months ended 30 June 2014 $	Twelve months ended 30 September 2013 $
(a) Revenue		
Interest	20,662	42,522
(b) Other income		
Gain on sale of tenements	170,571	-
Gain on sale of controlled entity	1,970,376	-
Other	16,000	52,600
	2,156,947	52,600
(c) Employment benefits and directors remuneration		
Directors fees	(266,248)	(355,000)
Wages and salaries	-	(26,343)
	(266,248)	(381,343)
(d) Impairment of exploration assets		
Impairment of exploration assets	(597,824)	(983,618)
	(597,824)	(983,618)

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 $597,824 during the nine months ended 30 June 2014 (Twelve months ended 30 September 2013: $983,618). The impairment expense arose due to an independent valuation report undertaken during the year on the Mt Elvire Project in Western Australia. The impairment expense is shown as a separate line item on the Statement of Comprehensive Income.

	Nine months ended 30 June 2014 $	Twelve months ended 30 September 2013 $
(e) Other expenses		
Tenement administration fees	(83,257)	(45,943)
Media and printing expenses	(32,553)	(19,165)
Depreciation expense	(6,616)	(12,077)
Other expenses	(108,546)	(110,095)
	(230,972)	(187,280)

4 DISCONTINUED OPERATIONS

In 2013, 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 conditional term sheet, the parties entered into a full form, share sale agreement for the sale of GEM. The sale was completed on 13 February 2014. The terms of the GEM sale included:

- Payment of $50,000 deposit under execution of the term sheet (received by FEL in September 2012);
- Payment of a further $200,000 upon completion of the GEM sale (received in February 2014);
- Refund of $2,248,584 in respect of environmental performance bonds ($803,584 received on 10 March 2014; $1,445,000 received on 15 April 2014);
- 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; and
- Net proceeds of $86,058 were received on settlement of sale, being the deposit of $200,000 received on completion of the sale less $113,942 of transaction costs.

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

	30 June 2014 $	30 September 2013 $
Assets		
Property, plant and equipment (Land) (i)	-	428,454
Exploration and evaluation expenditure (ii)	-	32,996
	-	461,450
Liabilities		
Provision for rehabilitation (i)	-	(2,248,984)
Net liabilities attributable to discontinued operations	-	(1,787,534)

(i) Assets and liabilities of Gympie Eldorado Mining Pty Ltd.
(ii) Exploration assets in Western Australia.

(b) Financial performance of held for sale operations and assets:

	Nine months ended 30 June 2014 $	Twelve months ended 30 September 2013 $
Other income from sale of property, plant and equipment	160,000	12,965
Employee benefits expense	(69,889)	(307,760)
Site operation costs	(22,106)	(193,260)
Administration and other expenses	(25,333)	(92,896)
Other income	4,483	20,009
Gain/(loss) from discontinued operations before tax	47,155	(560,942)
Income tax	-	-
Gain/(loss) from discontinued operations after tax	47,155	(560,942)

(c) Earnings/(loss) per share of discontinued operations:

	2014 Cents	2013 Cents
Earnings/(loss) per share (cents per share)		
Basic earnings/(loss) for the period (cents per shares)	0.03	(0.49)
Diluted earnings/(loss) for the period (cents per shares)	0.03	(0.49)

4 DISCONTINUED OPERATIONS (continued)

(d) Net cash flows
Net operating cash outflows for operating activities of discontinued operations for the nine months to 30 June 2014 is $22,905 (year ended 30 September 2013: $502,050). There is no cash in/out flows for investing or financing activities relating to discontinued operations in the current period (2013: nil).

5 INCOME TAX

	30 June 2014 $	30 September 2013 $
(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		
Profit/(loss) from continuing operations	894,322	(1,807,034)
Profit/(loss) from discontinued operations	47,155	(560,942)
Accounting profit/(loss) before tax	941,477	(2,367,976)
Tax at the statutory income tax rate of 30%	282,443	(710,392)
Unrecognised temporary differences	(370,948)	303,410
Unrecognised tax losses and temporary differences	88,505	406,982
Income tax expense reported in statement of comprehensive income	-	-

	30 June 2014 $	30 September 2013 $
(c) Deferred tax liabilities		
Exploration expenditure	220,569	401,855
Accrued income	313	313
	220,882	402,168
Less offset by deferred tax asset	(220,882)	(402,168)
Deferred tax liabilities	-	-

	30 June 2014 $	30 September 2013 $
(d) Deferred tax assets		
Provisions	-	679,495
Accrued expenditure	9,000	89,474
Loss on financial assets	12,150	11,850
Tax losses	1,531,968	7,910,742
Unrealised capital tax losses	392,439	264,204
	1,945,557	8,955,765
Less offset against deferred tax liabilities	(220,882)	(402,168)
Deferred tax assets not recognised	1,724,675	8,553,597

The Consolidated Entity has not formed a tax consolidated group.

6 EARNINGS/(LOSS) PER SHARE

	Nine months ended 30 June 2014 Cents	Twelve months ended 30 September 2013 Cents
Basic profit/(loss) per share (cents)		
Continuing operations	0.54	(1.56)
Discontinued operations	0.03	(0.49)
	0.57	(2.05)

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

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 period (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:

	Nine months ended 30 June 2014 $	Twelve months ended 30 September 2013 $
For basic profit/(loss) per share		
Net profit/(loss) from continuing operations attributable to equity holders of the parent	894,322	(1,807,034)
Profit/(loss) attributable to discontinued continuing operations	47,155	(560,942)
Net profit/(loss) attributable to ordinary equity holders of the parent	941,477	(2,367,976)
For diluted profit/(loss) per share		
Net profit/(loss) attributable to Shareholders for diluted earnings per Share	894,322	(1,807,034)
Profit/(loss) attributable to discontinued operations	47,155	(560,942)
Net profit/(loss) attributable to ordinary equity holders of the parent	941,477	(2,367,976)

	30 June 2014 No.	30 September 2013 No.
Weighted average number of ordinary shares for basic earnings per share	164,936,664	115,521,575
Effect of dilution:		
Convertible note	-	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	164,936,664	115,521,575

The convertible note converted during the period was found to have an anti-dilutive effect on the calculation. Therefore, at 30 June 2014, the basic earnings per share is equal to the diluted earnings per share.

7 CASH AND CASH EQUIVALENTS

	30 June 2014 $	30 September 2013 $
Cash at bank and on hand	766,709	9,136

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

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

	30 June 2014 $	30 September 2013 $
Net profit / (loss) for the period	941,477	(2,367,976)
Adjustments for:		
Depreciation	6,616	12,077
Impairment of exploration assets	597,824	1,008,618
Gain on sale of controlled entity	(1,970,376)	-
Gain on sale of tenements	(170,571)	-
Gain on sale of land	(160,000)	-
Exploration expenditure included in other expenses	180,218	-
Interest capitalised to loan facility balance	34,357	167,193
Impairment of available-for-sale financial assets	1,000	8,000
Impairment of receivables	-	2,750
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	13,084	(5,306)
Decrease/(increase) in prepayments	2,340	(2,355)
(Decrease)/increase in trade and other payables	(280,465)	46,837
(Decrease)/increase in provisions	(16,000)	(7,009)
Net cash used in operating activities	(820,496)	(1,137,171)

8 TRADE AND OTHER RECEIVABLES

	30 June 2014 $	30 September 2013 $
Current		
Trade receivables	-	22,433
Impairment allowance	-	(15,505)
Other receivables	23,518	29,297
	23,518	36,225

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 nil has been recognised in the current period (2013: $2,750). The previously impaired amount has been determined unrecoverable in the current period.

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

	30 June 2014 $	30 September 2013 $
Exploration and evaluation expenditure	735,232	1,306,522
Movements in exploration and evaluation expenditure		
Carrying value at the beginning of the period	1,306,552	2,068,189
Exploration expenditure incurred	61,615	254,977
Exploration and evaluation expenditure sold during the period	(35,111)	-
Impairment (a)	(597,824)	(983,618)
Transferred to assets held-for-sale (refer note 4(a))	-	(32,996)
Carrying value at end of period	735,232	1,306,522

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 $597,824 during the current period (twelve months ended 30 September 2013: $983,618). 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

	30 June 2014 $	30 September 2013 $
At cost	93,239	89,708
Accumulated depreciation	(68,145)	(61,528)
	25,094	28,180
Movements in plant and equipment		
Carrying value at beginning of period	28,180	40,257
Additions	3,530	-
Depreciation charge for the period	(6,616)	(12,077)
Carrying value at end of period	25,094	28,180

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2014 $	30 September 2013 $
Shares – Australian listed	750	1,750
Movements in available-for-sale financial assets		
Carrying value at beginning of period	1,750	9,750
Impairment expense recognised through profit and loss	(1,000)	(8,000)
Carrying value at end of period	750	1,750

12 OTHER RECEIVABLES

	30 June 2014 $	30 September 2013 $
Current		
Term deposits (a)	-	1,463,978
Cash deposits – deposited with DEEDI (b)	-	803,584
	-	2,267,562
Non-Current		
Cash deposits – other	-	800
	-	800

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 ("Gympie"):

(a) Term deposits had been pledged as security for a bank guarantee for Gympie environmental bonds. Pursuant to the sale of Gympie, the environmental bond was refunded on 15 April 2014.

(b) Cash has been deposited directly with the Department of Employment, Economic Development and Innovation ("DEEDI"), pledged as security for an environmental performance bond. The funds were refunded to Fe Limited on 10 March 2014.

13 TRADE AND OTHER PAYABLES

	30 June 2014 $	30 September 2013 $
Trade payables (a)	72,998	248,711
Other payables (b)	29,230	77,028
Advance from purchaser of GEM (c)	-	50,000
	102,228	375,739

(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 for further details).

14 PROVISIONS

	30 June 2014 $	30 September 2013 $
Current		
Employee benefits	-	-
	-	-
Liability associated with assets held for sale		
Provision for rehabilitation (a)	-	2,248,984
Non-current		
Provision for rehabilitation (b)	-	16,000
	-	16,000

	30 June 2014 $	30 September 2013 $
Movements in rehabilitation provision		
Carrying value at beginning of period	2,264,984	2,264,984
Rehabilitation provision disposed	(2,264,984)	-
Carrying value at end of period	-	2,264,984

(a) A provision for rehabilitation was recognised for the expected costs associated with the rehabilitation of the mine site area, which was 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 was based on the best estimate of the direct expenditures to be incurred. The Consolidated Entity's rehabilitation obligation was discharged pursuant to the sale of Gympie Eldorado Mining Pty Ltd (refer to note 4).

(b) A provision for rehabilitation was previously recognised for the expected costs associated with the rehabilitation of the Mt Elvire project in Western Australia. The provision was based on the best estimate of the direct expenditures to be incurred. During the period this obligation was released as part of the Consolidated Entity's relinquishment of the related tenements.

15 INTEREST-BEARING LOANS AND BORROWINGS

	30 June 2014 $	30 September 2013 $
Current		
Unsecured loan from related party (a)		
- Principal	-	3,000,000
- Interest	-	260,248
	-	3,260,248

(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"). 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. As 30 September 2013, $1,000,000 has been drawn down under the facility. Interest is payable on the amounts drawn down at the cash rate plus 3% per annum. The Company entered into a settlement and converting loan agreement with Cape Lambert for the settlement of existing loans as follows:

- $1m to be settled in cash; and
- $2m balance plus accrued interest on the loans to be settled via the issue of share in FEL (with the number of share to issued calculated at a conversion price per share of 80% of the 10-day VWAP of shares on ASX prior to conversion date subject to the receipt of necessary shareholder approvals.

Shareholder approval was received at the Company's Annual General Meeting to settle the existing loans with Cape Lambert. The issue of 104,193,055 ordinary shares to Dempsey Resources Pty Ltd, a wholly owned subsidiary of Cape Lambert (being conversion of the balance and accrued interest into shares), took place on or about 26 February 2014 and repayment of $1,000,000 in cash took place on 15 April 2014.

16 CONTRIBUTED EQUITY

	30 June 2014 $	30 September 2013 $
Ordinary shares		
Issued and fully paid (a)	36,251,604	33,957,000

	2014 No. of shares	2014 $
Movements in ordinary shares on issue		
Balance at beginning of period	115,521,575	33,957,000
Issued shares (a)	104,193,055	2,294,604
Balance at end of period	219,714,630	36,251,604

(a) Shares issued to Cape Lambert (as approved by Shareholders in settlement of existing loans (refer note 15 (a) for further details).

	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

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

	30 June 2014 $	30 September 2013 $
Accumulated losses	(36,504,148)	(37,445,625)
Movements in accumulated losses		
Balance at beginning of period	(37,445,625)	(35,077,649)
Net Profit/(loss) for the period	941,477	(2,367,976)
Balance at end of period	(36,504,148)	(37,445,625)

18 RESERVES

	30 June 2014 $	30 September 2013 $
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

	30 June 2014 $	30 September 2013 $
Movements in reserve		
Balance at beginning of period	1,718,781	1,718,781
Share-based payments made during the period	-	-
Balance at end of period	1,718,781	1,718,781

	2014 No. of options	2014 $	2013 No. of options	2013 $
Movements in options on issue				
Balance at beginning of period	375,000	1,718,781	18,875,000	1,718,781
Options expired during the period	(375,000)	-	(18,500,000)	-
Balance at end of period	-	1,718,781	375,000	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 nine months ended 30 June 2014 the following options expired:

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

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.

18 RESERVES (continued)

At the reporting date, no share options were outstanding.

(b) Net unrealised gains reserve

	30 June 2014 $	30 September 2013 $
Movements in reserve		
Balance at beginning of period	-	-
Net fair value loss on available-for-sale financial assets	(1,000)	(8,000)
Transfer of impairment loss to profit and loss	1,000	8,000
Balance at end of period	-	-

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 surplus of $1,466,237 at 30 June 2014 (30 September 2013: $1,769,844 deficit). 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.

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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	30 June 2014 $	30 September 2013 $
Financial assets			
Cash and cash equivalents	7	766,709	9,136
Other receivables (term deposits)	12	-	1,463,978
		766,709	1,473,114
Financial liabilities			
Interest-bearing loans and borrowings	15	-	(3,260,248)
Net exposure		766,709	(1,787,134)

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)	
	2014	2013	2014	2013
Consolidated	$	$	$	$
+1% (100 basis points)	7,667	(17,871)	-	-
-0.5% (50 basis points)	(3,834)	8,936	-	-

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 2013.

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 $
30 June 2014				
Trade and other payables	102,229	-	-	102,229
Interest-bearing loans and borrowings	-	-	-	-
	102,229	-	-	102,229
30 September 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

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).

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2014				
Financial assets				
Available-for-sale financial assets	750	-	-	750
30 September 2013				
Financial assets				
Available-for-sale financial assets	1,750	-	-	1,750

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 Statement of Financial Position 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 $715,298 (2013: $127,000). These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	30 June 2014 $	**30 September 2013 $**
Within one year	267,015	127,000
Between one and five years	448,284	-
Longer than five years	-	-
	715,298	127,000

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 $100,984 (2013: $128,066):

	30 June 2014 $	**30 September 2013 $**
Within one year	36,074	36,590
After one year but less than five years	64,910	91,476
More than five years	-	-
	100,984	128,066

Contingencies

At 30 June 2014 there were no known contingent liabilities or contingent assets (30 September 2013: 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 % 30 June 2014	Equity interest % 30 Sept 2013	Parent Entity Investment $ 30 June 2014	Parent Entity Investment $ 30 Sept 2013
Gympie Eldorado Mining Pty Ltd	Australia	-	100	-	4,341,350
- Impairment allowance				-	(4,341,350)
Jackson Minerals Ltd	Australia	100	100	731,211	731,211
- Impairment allowance				(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

	2014 $	2013 $
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 or payable relating to audit of a subsidiary entity	3,605	-
Amounts paid or payable relating to current period audit and half year review	50,600	58,600
	54,205	58,600

24 RELATED PARTY DISCLOSURES

Note 22 provides the information about the Consolidated Entity's structure including the details of the subsidiaries and the holding company.

Transactions with directors, director related entities and other related parties

During the nine months ended 30 June 2014, an aggregate amount of $75,043 (Twelve months ended 30 September 2013: $54,929) was paid to Cape Lambert Resources Ltd ("Cape Lambert") for reimbursement of rent and consultancy costs. Mr Sage is a director of Cape Lambert. At 30 June 2014, $1,238 was payable to Cape Lambert (30 September 2013: $38,409).

During the nine months ended 30 June 2014, the Consolidated Entity paid an aggregate amount of $33,721 net (Twelve months ended 30 September 2013: nil) to Cauldron Energy Limited ("Cauldron") for the reimbursement of employee costs. Mr Sage is a director of Cauldron. At 30 June 2014 nil (30 September 2013: nil) was payable to Cauldron.

During the nine months ended 30 June 2014, the Consolidated Entity received nil (Twelve months ended 30 September 2013: $29,677) from Cauldron for reimbursement of employee costs. At 30 June 2014 nil (30 September 2013: nil) was receivable from Cauldron.

During the nine months ended 30 June 2014, the Consolidated Entity received nil (Twelve months ended 30 September 2013: $37,811) from Kupang Resources Limited ("Kupang") for the reimbursement of employee costs. Mr Sage is a director of Kupang. At 30 June 2014, nil was receivable from Kupang (30 September 2013: nil).

During the nine months ended 30 June 2014, an aggregate amount of $90,000 (Twelve months ended 30 September 2013: $120,000) was paid or payable to Okewood Pty Ltd ("Okewood") for director fees. During the nine months ended 30 June 2014, an aggregate amount of $30,495 (Twelve months ended 30 September 2013: nil) was paid or payable to Okewood Pty Ltd ("Okewood") for sponsorship of the Perth Glory Football Club. Mr Sage is a director of Okewood. At 30 June 2014, nil was payable to Okewood (30 September 2013: nil).

During the nine months ended 30 June 2014, an aggregate amount of $145,830 (Twelve months ended 30 September 2013: $175,000) was paid or payable to Silverwest Corporation Pty Ltd ("Silverwest") for director fees. Mr Gwynne is a director of Silverwest. At 30 June 2014, nil was payable to Silverwest (30 September 2013: $16,042).

During the nine months ended 30 June 2014, an aggregate amount of $50,000 (Twelve months ended 30 September 2013: $60,000) was paid or payable to PAFK Enterprises Pty Ltd ("PAFK") for director fees. Mr Kelly is a director of PAFK. At 30 June 2014, nil was payable to PAFK (30 September 2013: nil).

Related party loan

As previously disclosed and detailed in the Company's Notice of Annual General Meeting, the Company entered into a settlement and converting loan agreement ("Settlement and Converting Loan Agreement") with Cape Lambert Resources Limited ("Cape Lambert") for the settlement of existing loans. Shareholder approval was received at the Company's Annual General Meeting to settle the existing loans with Cape Lambert. Repayment of $1,000,000 in cash and the issue of 104,193,005 ordinary shares to Dempsey Resources Pty Ltd, a wholly owned subsidiary of Cape Lambert (being conversion of the balance and accrued interest into shares) took place during the period (refer note 15(a)). Mr Sage is a Director of Cape Lambert.

Terms and conditions of transactions with related parties other than KMP

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 30 June 2014, the Consolidated Entity has not recorded any impairment of receivables relating to amounts owed by related entities (2013: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Transactions with key management personnel

Compensation of key management personnel

	2014 $	2013 $
Short term employee benefits	309,569	366,608
	309,569	366,608

Interests held by Key Management Personnel

No share options are held by key management personnel to purchase ordinary shares.

25 SHARE-BASED PAYMENTS

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

	30 June 2014 $	30 September 2013 $
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:

	2014 No.	2014 WAEP	2013 No.	2013 WAEP
Outstanding at the beginning of the year	375,000	0.15	18,875,000	0.12
Granted during the year to executives and consultants	-	-	-	-
Options expired	(375,000)	0.15	(18,500,000)	0.12
Outstanding at the end of the year	-	-	375,000	0.15
Exercisable at the end of the year	-	-	375,000	0.15

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 June 2014 is nil (30 September 2013: 0.48 years).

(d) Range of exercise prices
The range of exercise prices for options outstanding at the end of the year was nil (30 September 2013: $0.15).

(e) Weighted average fair value
No options were granted during the nine months ended 30 June 2014 (2013: nil).

25 SHARE-BASED PAYMENTS (continued)

(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.

(f) Option granted

No options were granted during the nine months ended 30 June 2014 (30 September 2013: nil).

(g) Option expired

During the nine months ended 30 June 2014 the following options expired:
- 375,000 employee options exercisable at a price of $0.15 each before 23 March 2014.

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.

26 PARENT ENTITY FINANCIAL INFORMATION

	30 June 2014	**30 September 2013**
	$	**$**
Current Assets	807,387	1,677,483
Non-Current assets	760,042	1,136,164
Total Assets	1,567,429	2,813,647
Current Liabilities	102,228	3,562,502
Non-current liabilities	-	16,000
Total Liabilities	102,228	3,578,502
Net (liabilities)/assets	1,465,201	(764,855)
Issued Capital	36,251,605	33,957,000
Accumulated losses	(36,505,185)	(36,440,636)
Share Based Payment reserve	1,718,781	1,718,781
Total Shareholder's Equity/(Deficiency)	1,465,201	(764,855)

	Nine months ended 30 June 2014	**Twelve months ended 30 September 2013**
Profit / (Loss) for the period	(64,549)	(1,257,596)
Total comprehensive loss for the period	(64,549)	(1,257,596)

There were no 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 $100,984. Refer note 21 for details.

27 EVENTS AFTER THE REPORTING DATE

There have been no events subsequent to 30 June 2014 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 nine months ended 30 June 2014 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 June 2014 and its performance for the period 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 nine months ended 30 June 2014.

On behalf of the Board

Mark Gwynne
Executive Director

19 August 2014

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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 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine-month period 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 period's end or from time to time during the financial period.

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 June 2014 and of its performance for the nine-month period ended on that date; and

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

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 12 to 16 of the directors' report for the period ended 30 June 2014. 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 nine-month period ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(c) in the financial report which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Ernst & Young

G H Meyerowitz
Partner
Perth
19 August 2014

SCHEDULE OF TENEMENTS

As at 30 June 2014:

Tenement reference	Project & Location	Interest
EPM 9869	Mareeba - Queensland	15%
EPM 13848	Mareeba - Queensland	25%
E24/0145	Gordons - Western Australia	100%
E27/450	Gordons - Western Australia	100%
E27/465	Gordons - Western Australia	100%
E29/0806	Mt Ida - Western Australia	100%
E29/0807	Mt Ida - Western Australia	100%
E29/0818-I	Mt Ida - Western Australia	100%
E29/0847-I	Mt Ida - Western Australia	100%
E51/1033-I	Heines Find - Western Australia	20%
E52/1613-I	Heines Find - Western Australia	20%
E52/1659	Milgun - Western Australia	20%
E52/1668	Peak Hill - Western Australia	20%
E52/1670-I	Peak Hill - Western Australia	20%
E52/1671	Milgun - Western Australia	20%
E52/1672-I	Heines Find - Western Australia	20%
E52/1678	Peak Hill - Western Australia	20%
E52/1722	Peak Hill - Western Australia	20%
E52/1730	Peak Hill - Western Australia	20%
E77/1269-I	Mt Elvire - Western Australia	100%
E77/1841-I	Mt Elvire - Western Australia	100%
E77/1842-I	Mt Elvire - Western Australia	100%
E77/1843-I	Mt Elvire - Western Australia	100%
E77/2116-I	Mt Elvire - Western Australia	100%
P24/4786	Menzies – Western Australia	-
P27/1683	Gordons - Western Australia	100%
P27/1684	Gordons - Western Australia	100%
P27/1685	Gordons - Western Australia	100%
P52/1167	Milgun - Western Australia	20%
P52/1168	Milgun - Western Australia	20%
P52/1170	Milgun - Western Australia	20%
P52/1171	Milgun - Western Australia	20%
P52/1172	Milgun - Western Australia	20%
P52/1195	Milgun - Western Australia	20%
P52/1196	Milgun - Western Australia	20%

ADDITIONAL SHAREHOLDER INFORMATION

Shares

The total number of Shares on issue as at 13 August 2014 was 219,714,630, held by 775 registered Shareholders. Nil shareholders hold less than a marketable parcel, based on the market price of a share as at 13 August 2014.

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 nil options on issue.

No voting rights are attached to unquoted Options.

Twenty Largest Shareholders

As at 13 August 2014, the twenty largest Shareholders were as shown in the following table and held 83.10% of the Shares.

	Legal Holder	Holding	%
1	DEMPSEY RESOURCES PTY LTD	126,871,848	57.74%
2	CAULDRON ENERGY LIMITED	15,695,835	7.14%
3	CITICORP NOMINEES PTY LIMITED	6,075,298	2.77%
4	MR RUSSELL NEIL CREAGH	4,316,466	1.96%
5	FRED PARRISH INVESTMENTS PTY LTD	2,845,449	1.30%
6	ARCHFIELD HOLDINGS PTY LTD	2,491,834	1.13%
7	MRS LILIANA TEOFILOVA	2,327,890	1.06%
8	GRAND ENTERPRISES PTY LTD	2,181,862	0.99%
9	MR ANTONY WILLIAM SAGE	2,071,699	0.94%
10	PEARL BLISS PTY LTD	2,000,000	0.91%
11	MR IANAKI SEMERDZIEV	1,939,000	0.88%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,929,033	0.88%
13	IDRA HOLDINGS PTY LTD	1,863,991	0.85%
14	PT RADINKA ARTHAPRIMA	1,364,197	0.62%
15	C S T CORPORATION	1,364,197	0.62%
15	MS CONCETTINA SCHIAVELLO	1,250,000	0.57%
16	GANBARU PTY LTD	1,170,000	0.53%
17	LAKE MINA HOLDINGS PTY LTD	1,082,778	0.49%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,000,000	0.46%
19	MR ANTHONY ROBERT RAMAGE	1,000,000	0.46%
20	EMILIO PIETRO DEL FANTE & SHERIDAN JANE DEL FANTE	900,000	0.41%
	Total	**182,587,162**	**83.10%**

Distribution Schedule

A distribution schedule of the number of Shareholders, by size of holding, as at 13 August 2014 is below:

Size of holdings	Number of Shareholders
1 – 1000	58
1,001 – 5,000	176
5,001 – 10,000	149
10,001 – 100,000	282
100,001 and over	110
Total	**775**