



QUARTERLY REPORT Quarter ended 31 March 2012

Australian Securities
Exchange Code: **FEL**

30 April 2012

Ordinary Shares:

115,521,575

Unlisted Options:

18,500,000 (\$0.12 exp. 31 Dec 2012)
375,000 (\$0.15 exp. 23 Mar 2014)

Board of Directors:

Tony Sage
Non-Executive Chairman

Mark Gwynne
Executive Director

Paul Kelly
Non-Executive Director

Eloise von Puttkammer
Company Secretary

Key Projects & Interests:

Mt Ida Iron Ore Project
Mt Elvire Iron Ore Project
Crossroads, Bardoc and Grafters
Gold Projects
Kalgoorlie Regional Gold Project
Kalgoorlie Regional Nickel Project

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

QUARTERLY REPORT - 31 March 2012

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 31 March 2012.

Yours faithfully
Fe Limited

CORPORATE

Strategy

Fe Limited (**ASX: FEL**) ("**FEL**" or "**Company**") is an Australian company with interests in a large portfolio of mineral resource projects at exploration stage located in Australia that are prospective for iron ore, gold and nickel.

The Company's strategy is to explore and add value to its iron ore projects in Western Australia and position them for development and/or divestment. The Company is undertaking a strategic review of its gold and nickel interests with a view to divestment to enable it to focus on its iron ore projects. In addition, the Company is actively seeking new investments in bulk and related commodities including iron ore and manganese.

Funding

In June 2011, FEL secured a \$2 million standby loan facility ("**Facility**") to ensure that the Company has sufficient funds to progress the Mt Ida exploration program, and to perform the necessary works to satisfy the conditions precedent under the agreement to sell its 100% interest in GEM to BRI. The Facility was entered into with cornerstone shareholder Cape Lambert Resources Limited (ASX: CFE) ("**Cape Lambert**"), which currently holds a 19.9% interest in FEL. At 31 March 2012, \$1.1 million had been drawn down under the facility.

PROJECTS

Projects Review

The Company holds, or has rights or interests in approximately 320 tenements prospective for iron, nickel, copper and gold located mostly in Western Australia (refer Figure 1). This total includes 77 interests and rights in the 3 iron-focused projects at Mt Ida, Mt Elvire and Robinson Range, referred to as core projects. The necessary commercial and technical information required to seek expressions of interest for the divestment of the non-core projects is in the process of being completed.

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

The Mt Ida Iron Ore Project is located approximately 70kms west south west of Leonora in the Yilgarn iron province of Western Australia. The project lies proximal to both Legacy Iron Ore Ltd's Mt Bevan iron ore project and Jupiter Mines Ltd's Mt Ida and Mt Mason iron ore projects.

The Mt Ida Project is the principal focus of the Company.

During the March quarter, the Company has progressed legal documentation preserving its rights to explore for and mine for iron ore on the core tenements with third party participants (JV and Non Iron Ore Rights) at the Mt Ida Project. Once completed, exploration, including drilling programs will commence at the Mt Ida Project. Exploration approvals, including drilling, have been approved by the Department of Mines and Petroleum.

Initial drilling will target potential hematite mineralization as well as defining a maiden magnetite resource.

As previously stated by the Company, a total exploration target size for the Eastern and Western Banded Iron Formation units at Mt Ida has been estimated at 1.1 to 1.4 billion tonnes of oxide and fresh magnetite with a grade of 30% to 37% Fe¹, based on interpretation and modeling of geological and geophysical data (refer ASX announcements dated 19 May 2011 and 29 June 2011 for full details).

Robinson Range Iron Ore Project (20%)

This project comprises 4 exploration licenses (380km²) located in the Midwest Iron Province of Western Australia.

PepinNini Minerals Ltd (ASX: PPN), manager of the Robinson Range Project, reported drilling results from an additional 35 drill holes, totaling 2,446m, which were completed during the March quarter.

¹ The estimates of exploration target sizes mentioned in this release should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.



Encouraging hematite and hematite-goethite iron enrichment continues to be intersected at Area C, including:

- 17m @ 55% Fe from drillhole RC12RR066 from a depth of 8m, including 10m @ 58.8% Fe from 8m and 2m @ 56.4% from 22m;
- 4m @ 55.4% Fe from 4m and 6m @ 56.4% Fe from 17m in drillhole RC12RR067;
- 2m @ 55.1% Fe from 4m, 14m @ 55.4% Fe from 10m and 38m @ 55% Fe from 28m in drillhole RC12RR068 (including 20m @ 60.2% Fe from 36m); and
- 8m @ 55.6% Fe from 43m and 2m @ 55.7% Fe from 53m in drillhole RC12RR070.

Hole No	East	North	RL (m)	Dip/Az	TD	From (m)	To (m)	Width	Fe%
RC11RR066	699893	7146598	571	Vertical	75	8	25	17	55
					inc.	8	18	10	55.8
					inc.	22	24	2	56.4
RC11RR067	699898	7146547	565	Vertical	75	4	8	4	55.4
						17	23	6	56.4
RC11RR068	699804	7146601	571	Vertical	80	4	6	2	55.1
						10	24	14	55.4
						28	66	38	55
					inc.	36	56	20	60.2
RC11RR069	699800	7146496	569	Vertical	80	Nil > 55% Fe			
RC11RR070	699895	7146499	562	Vertical	80	43	51	8	55.6
						53	55	2	55.7
RC11RR071	699896	7146448	560	Vertical	80	34	36	2	55.25
						39	40	1	59.8

Gympie Eldorado Mine Site (Care and Maintenance)

On 4 April 2011, the Company entered into a conditional sale agreement for the sale of all the shares in Gympie Eldorado Mining Pty Ltd ("**GEM**"), a wholly owned subsidiary of FEL, to BRI Microfine Pty Ltd ("**BRI**"). On completion, FEL will receive \$50,000 in cash. Consideration for the sale also includes a net smelter return of 6.5% on gold recovered from tailings treatment and 25% of any profits on sale of freehold land. In addition, FEL will be reimbursed \$2,264,984 in respect of environmental performance bonds on completion of the sale to BRI. The Company is continuing to work with BRI to satisfy the conditions precedent set out in the sale agreement.

During the March quarter, the GEM mine site, along with a number of areas in the region, experienced extreme weather events. Over 1m of rain was recorded at the GEM site during the March quarter. The Company is pleased to report that all environmental management controls were successful and no breaches were experienced. The Company would like to take this opportunity to thank its dedicated staff at GEM for their tireless efforts during this extremely difficult period.

Yours faithfully
Fe Limited

Mark Gwynne
Executive Director



For further information please contact:

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Competent Person

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



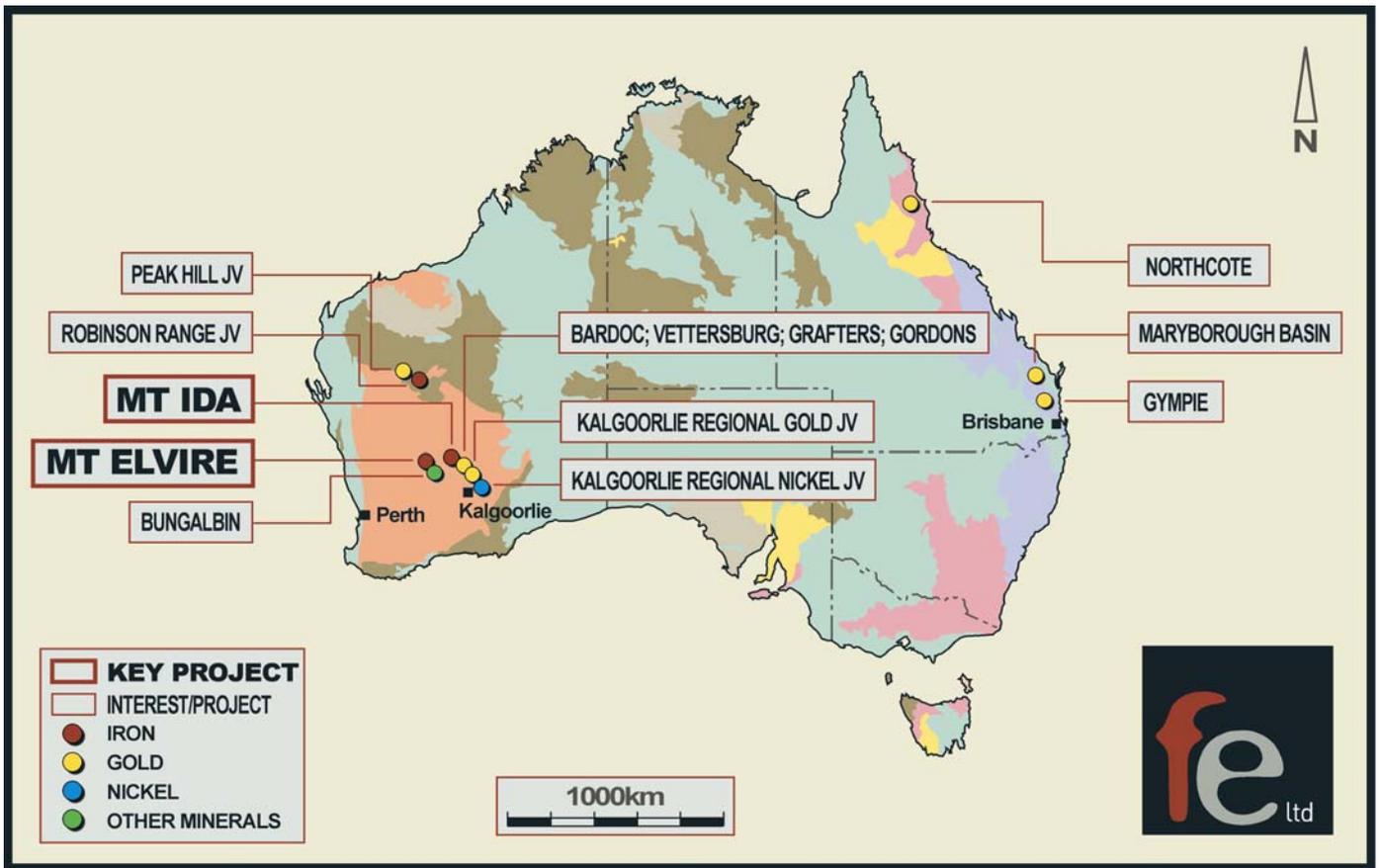


Figure 1: Project Locations

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Fe Limited

ABN

34 112 731 638

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(111)	(203)
(b) development	-	-
(c) production	-	-
(d) administration	(122)	(372)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	36
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other: Rehab at Gympie Eldorado Mine	(178)	(363)
Other	12	18
	(382)	(884)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	390	390
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Cash backing security provided for performance bonds	-	-
1.12 Other (provide details if material)	-	-
	390	390
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	8	(494)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	8	(494)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	89	605
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	89	605
	Net increase (decrease) in cash held	97	111
1.20	Cash at beginning of quarter/year to date	80	66
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	177	177

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	82
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees paid to executive and non executive directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities *	885	1,115
3.2 Credit standby arrangements	N/A	N/A

*A \$2 million standby loan facility agreement has been entered into with Cape Lambert Resources Limited (ASX: CFE).

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	177	80
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter** (item 1.22)	177	80

**In addition to the cash balance reported above, the Company has \$2,265,384 (\$1,461,000 in term deposit and \$804,384 deposited directly with the Department of Employment, Economic Development and Innovation) which serves as security provided by the Company in respect of rehabilitation bonds.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	ML 3771	Expired	100%	-
		ML 6824	Expired	100%	-
		ML 50114	Expired	100%	-
		ML 50188	Expired	100%	-
		E27/0079	Expired	100%	-
		E27/0191	Expired	100%	-
		M27/0374	Expired	100%	-
		M27/0375	Expired	100%	-
		M27/3076	Expired	100%	-
		M27/0441	Expired	100%	-
		M27/0442	Expired	100%	-
		M27/0443	Expired	100%	-
		M27/0444	Expired	100%	-
		M27/0449	Expired	100%	-
		M27/0450	Expired	100%	-
		M27/0451	Expired	100%	-
		M27/0452	Expired	100%	-
M27/0453	Expired	100%	-		
M27/0454	Expired	100%	-		
6.2	Interests in mining tenements acquired or increased	E77/1842	Granted	-	100%
		E77/1843	Granted	-	100%
		E27/0362	Granted	-	100%
		P27/1875	Granted	-	100%
		P27/1876	Granted	-	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	115,521,575	115,521,575		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	18,500,000 375,000	- - -	<i>Exercise price</i> \$0.12 \$0.15	<i>Expiry date</i> 31/12/2012 23/03/2014
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 10 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does *give* a true and fair view of the matters disclosed.

Sign here: Date: 30 April 2012

Eloise von Puttkammer
Company Secretary

Print name:

Notes

- 10 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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