



QUARTERLY REPORT Quarter ended 30 June 2014

Australian Securities
Exchange Code: **FEL**

30 July 2014

Ordinary Shares:
219,714,630

Board of Directors:
Tony Sage
Non-Executive Chairman
Mark Gwynne
Executive Director
Paul Kelly
Non-Executive Director
Eloise von Puttkammer
Company Secretary

QUARTERLY REPORT - 30 June 2014

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 30 June 2014.

Key Projects & Interests:
Mt Ida Iron Ore Project
Mt Elvire Iron Ore Project

Yours faithfully
Fe Limited

Fe Limited Contact:
Mark Gwynne
Executive Director
Tel: +61 (8) 6181 9793

Corporate Office:
32 Harrogate Street
West Leederville,
Western Australia 6007 Australia
Telephone +61 8 6181 9793
Facsimile +61 8 9380 9666

Australian Enquiries:
Professional Public Relations
David Tasker
Tel: +61 8 9388 0944
Mob: +61 433 112 936
Email: david.tasker@ppr.com.au

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

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 base metals.

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. During this reporting period, the Company has divested several non-core projects including the Gympie gold mine as part of its strategy to focus on its iron ore projects. The Company has retained its interests in several highly prospective projects in the Bryah Basin (formerly, the Peak Hill Project) region of Western Australia where it has no contributing responsibilities. In addition, the Company is actively seeking new investments in bulk and related commodities including iron ore and manganese.

Gympie Eldorado Mining Pty Ltd Sale

As previously announced, 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**) during the March 2014 quarter. Final payment of \$1.425M, being refund of environmental bonds was received on 15 April 2014.

Change to Financial Year End

As announced on 11 July 2014, FEL has 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 to 30 September. The Company will comply with the periodic reporting obligations in accordance with requirements of the ASX. Refer to ASX announcement dated 11 July 2014 for further details.

Change of Share Registry Address Notification

Effective 30 June 2014, Link Market Services Limited, the FEL share registry, changed its address to:

Level 4 Central Park
152 St Georges Terrace
Perth WA 6000

All other details, including telephone numbers, remain unchanged.

PROJECTS

Projects Review

The Company holds, or has rights or interests 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.



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).

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).

The tenements hold favourable geological setting hosting the DeGrussa VMS discovery as well as significant gold potential.

During the Quarter, RNI has made several announcements relating to high grade copper, gold and silver intercepts from reverse circulation and diamond drilling at the Forrest Prospect, including:

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.

This mineralization sits below an oxide gold cap and is open along strike and down dip.

As stated by RNI, mineralization is associated with the Narracoota Volcanic Formation and has been identified over a 12km strike length and includes the Wodger and Big Billie Prospects to the north. Geochemistry of the copper gold mineralization is consistent with VHMS systems. Please refer to RNI announcements for further information.

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) totaling 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 totaling 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 Quarter, IGO commenced a ground Moving Loop Electromagnetic Survey over the Neptuen 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.



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.

No field work was undertaken during this quarter.

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. Esperance port is proposing an upgrade of facilities to increase capacity by approximately 10MTPA by mid 2015.

The Project comprises the rights to explore and mine for iron ore on a group of 71 licences covering approximately 370km² in the emerging Yilgarn Iron Province. This land holding is currently being reviewed to reduce the total area to better reflect iron ore potential.

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

The Company has completed planning for further exploration field work for this reporting period, including detailed mapping and sampling of BIF outcrops, further geophysical survey to better determine drilling targets. Drilling is anticipated later in this quarter.

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 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 167km².

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 mineralization consistent Direct Shipping Ore (DSO) grades. At this time, FEL has not been formally notified by Cliffs of a mineable reserve or intention to mine.

Gympie Gold Mine

During the quarter, FEL sold its remnant rights and responsibilities for decommissioning the decline to New Gympie Gold Pty Ltd. Terms for the sale are:

Cash payment for \$10,000, and 1% net smelter return to FEL from any gold mined, accessed or derived from the Gympie Goldfield or the Tenement areas, accessed by way of the Lewis Decline Area.



Yours faithfully

Fe Limited

Mark Gwynne
Executive Director

For further information please contact:

Mark Gwynne
Executive Director
Fe Limited
Tel: 08 6181 9793
Email: markg@felimited.com.au

Website: www.felimited.com.au

Eloise von Puttkammer
Company Secretary
Fe Limited
Tel: 08 6181 9793
Email: eloisev@felimited.com.au

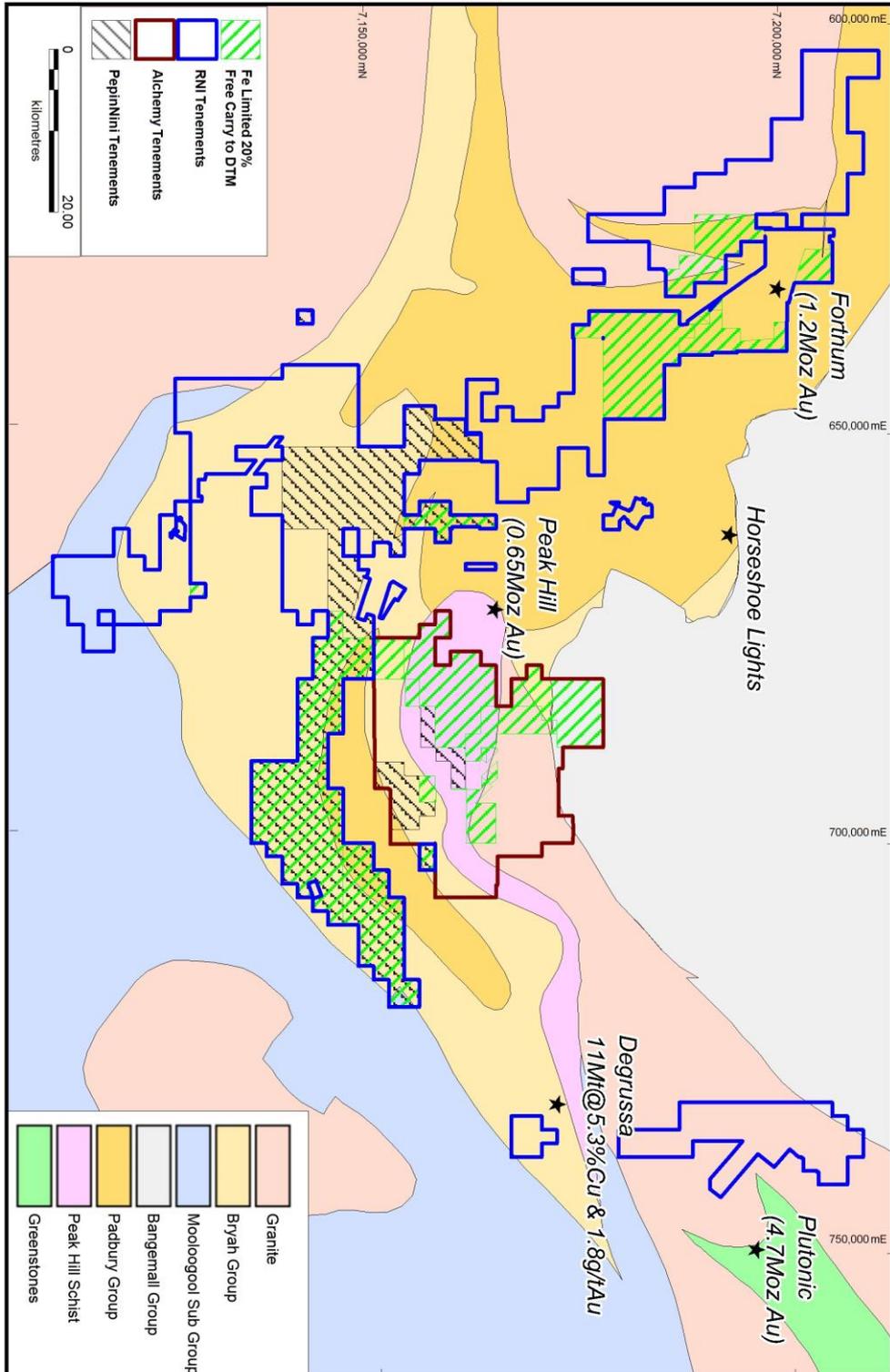
David Tasker
Professional Public Relations
Tel: 08 93388 0944
Mobile: 0433 112 936
Email: david.tasker@ppr.com.au

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 Dennis Kruger who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Kruger 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 Kruger consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.



Map 1



Schedule of Tenements

As at 30 June 2014 (including details of tenements acquired and disposed of during the quarter):

| Tenement reference | Project & Location | Acquired interest during the quarter | Disposed Interest during the quarter | Interest at end of quarter |
|--------------------|---------------------------------|--------------------------------------|--------------------------------------|----------------------------|
| 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 | 100% | 100% | - |
| 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% |

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Fe Limited

ABN

34 112 731 638

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for (a) exploration & evaluation | (15) | (104) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (381) | (739) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 8 | 22 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other: Rehab at Gympie Eldorado Mine | - | (121) |
| Other: Funding from purchaser of Gympie Eldorado Mine prior to completion of sale | - | 57 |
| Other | - | 4 |
| Net Operating Cash Flows | (388) | (881) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | (4) |
| 1.9 Proceeds from sale of: | | |
| (a) prospects | 5 | 206 |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| (d) controlled entity | - | 86 |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other: Refund of performance bond | 1,449 | 2,268 |
| Other: Proceeds from sale of land | - | 107 |
| Other: Cash balance disposed on sale of Gympie Eldorado Mine | - | (24) |
| Net investing cash flows | 1,454 | 2,639 |
| 1.13 Total operating and investing cash flows (carried forward) | 1,066 | 1,758 |

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

| | | | |
|-------------|---|----------------|----------------|
| 1.13 | Total operating and investing cash flows (brought forward) | 1,066 | 1,758 |
| | 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 | - | - |
| 1.17 | Repayment of borrowings | (1,000) | (1,000) |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other: | - | - |
| | Net financing cash flows | (1,000) | (1,000) |
| | Net increase (decrease) in cash held | 66 | 758 |
| 1.20 | Cash at beginning of quarter/year to date | 701 | 9 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 767 | 767 |

Payments to directors of the entity, associates of the directors, 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 | 250 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |
| 1.25 | Explanation necessary for an understanding of the transactions Director 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 | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 20 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 100 |
| Total | 120 |

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 | 767 | 701 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 767 | 701 |

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

| | Tenement reference and location | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | P24/4786 Transferred | 100% | - |
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased | P24/4786 Granted | - | 100% |

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 | - | - | | |
| 7.2 | | | | |
| 7.3 | 219,714,630 | 219,714,630 | | |
| 7.4 | - | - | | |
| 7.5 | - | - | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

| | | | | | |
|------|---|---|---|-----------------------|--------------------|
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | - | - | | |
| 7.7 | Options <i>(description and conversion factor)</i> | - | - | | |
| 7.8 | Issued during quarter | - | - | | |
| 7.9 | Exercised during quarter | - | - | | |
| 7.10 | Expired during quarter | - | - | <i>Exercise price</i> | <i>Expiry date</i> |
| 7.11 | Debentures <i>(totals only)</i> | - | - | | |
| 7.12 | Unsecured notes <i>(totals only)</i> | - | - | | |

Compliance statement

- 1 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:
(Director)

Date: 30 July 2014

Print name: Mark Gwynne
(Director)

Notes

- 1 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 and petroleum 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 or petroleum 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

== == == == ==