FE Limited
ABN 31 112 731 638

AND CONTROLLED ENTITIES

ANNUAL REPORT 2019

CORPORATE DIRECTORY

Australian Business Number	31 112 731 638	
Country of Incorporation	Australia	
Board of Directors	Antony Sage Mark Hancock Nicholas Sage	Non-Executive Chairman Executive Director Non-Executive Director
Company Secretary	Catherine Grant-Edwards Melissa Chapman	
Principal Administrative Office and Registered Office	32 Harrogate Street West Leederville, WA 6007	
	Telephone: Facsimile:	+61 (0)8 6181 9793 +61 (0)8 9380 9666
Share Registry	Link Market Services Level 12 QV1 Building 250 St Georges Terrace Perth WA 6000	
	Telephone:	+61 1300 554 474
	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 **Group**) for the year ended 30 June 2019 (**year**).

DIRECTORS

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

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

Mr Antony Sage has in excess of 30 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Antony Sage is based in Western Australia and has been involved in the management and financing of listed mining and exploration companies for over 20 years. Mr Antony Sage has operated in Argentina, Brazil, Peru, Romania, Russia, Sierra Leone, Guinea, Cote d'Ivoire, Congo, South Africa, Indonesia, China and Australia. Mr Antony Sage is currently chairman of ASX-listed companies, Cape Lambert Resources Ltd (which was AIM Company of the year in 2008), European Lithium Limited and Fe Ltd. Mr Antony Sage is also a Non-Executive Director of National Stock Exchange of Australia ("NSX") listed International Petroleum Ltd. Mr Antony Sage is also the sole owner of A League football club Perth Glory that plays in the National competition in Australia. Mr Antony 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);
- European Lithium Limited (September 2016 to Present); and
- Cauldron Energy Limited (June 2009 to November 2018).

  * Listed on National Stock Exchange of Australia

Interest in Shares & Options at date of this report:	6,423,010 fully paid ordinary shares (indirectly held) 2,750,000 fully paid ordinary shares 6,500,000 unlisted options at $0.045 expiring 31 May 2020 10,000,000 unlisted options at $0.02 expiring 31 May 2021

***Mark Hancock**, (B.Bus, CA, FFin) Executive Director (Appointed 1 September 2019)*

Mr Mark Hancock has over 30 years' experience in key financial, commercial and marketing roles across a variety of industries with a strong focus on natural resources. During his 13 years at Atlas Iron Ltd, Mr Hancock served in numerous roles including CCO, CFO, Executive Director and Company Secretary. Mr Mark Hancock 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:

- Centaurus Metals Ltd (September 2011 to Present).

Interest in Shares & Options at date of this report:	2,500,000 unlisted options at $0.02 expiring 31 May 2021 (not yet issued, subject to receipt of shareholder approval)

***Nicholas Sage**, Non-Executive Director*

Mr Nicholas Sage is an experienced marketing and communications professional with in excess of 25 years in various management and consulting roles. Mr Nicholas Sage is based in Western Australia and currently consults to various companies and has held various managements roles with Tourism Western Australia. He also runs his management consulting business. Mr Nicholas Sage 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:

- International Goldfields Limited (January 2018 to Present); and
- Cauldron Energy Limited (June 2015 to February 2019).

Interest in Shares & Options at date of this report:	1,500,000 unlisted options at $0.045 expiring 31 May 2020 2,500,000 unlisted options at $0.02 expiring 31 May 2021

***Kenneth Keogh**, Non-Executive Director (Resigned 1 September 2019)*

Mr Keogh is a finance professional with experience in both financing and developing projects in the mining, oil & gas and renewables industries. Mr Keogh is based in Western Australia where he consults to various private companies and holds a key management position at UON Pty Ltd. Mr Keogh runs his own successful investment firm which holds interest in exploration and mining companies, mining services and hospitality businesses. Mr Keogh holds a Bachelor of Art (Accounting and Finance) from Dublin Business School and holds an MBA from the Australian Institute of Business. Mr Kenneth Keogh 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:

- International Goldfields Limited (January 2018 to Present).

Interest in Shares & Options at date of this report:	766,300 fully paid ordinary shares (indirectly held) 4,500,000 unlisted options at $0.045 expiring 31 May 2020 5,000,000 unlisted options at $0.02 expiring 31 May 2021

JOINT COMPANY SECRETARY

Catherine Grant-Edwards

Ms Grant-Edwards has a Bachelor of Commerce degree from the University of Western Australia, majoring in Accounting and Finance. She commenced her career at Ernst & Young, where she qualified as an Accountant with the Chartered Accountants Australia & New Zealand (CAANZ) in 2007. Ms Grant-Edwards has over 15 years experience in accounting and finance and currently provides accounting and company secretarial services to several listed resource companies.

Melissa Chapman

Ms Chapman is a certified practising accountant with over 15 years of experience in the mining industry. She has worked extensively in Australia and the United Kingdom. Ms Chapman has a Bachelor of Accounting from Murdoch University and has been a member of CPA Australia since 2000. Melissa has completed a Graduate Diploma of Corporate Governance with the Governance Institute of Australia, and the company directors course with the Australian Institute of Company Directors.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES STATE OF AFFAIRS

The Company is an Australian mineral exploration company with interests in various projects and tenements prospective for battery metals, copper, iron ore, gold and base metals located in Australia. The company is focused on the exploration of battery metal projects.

There have been no changes in the state of affairs of the Group other than those disclosed in the review of corporate activities and review of operations.

DIVIDENDS AND DISTRIBUTIONS

No dividends or distributions were paid to members during the year and none were recommended or declared for payment (30 June 2018: nil).

REVIEW OF OPERATIONS

CORPORATE

Operating Results

The consolidated loss after income tax for the year ended 30 June 2019 amounted to $1,668,158 (30 June 2018: $1,082,275).

Board Changes

There were no changes made to the board of directors during the year ended 30 June 2019. Refer to Significant Events Subsequent to Reporting Date for details of board changes on 1 September 2019.

Annual General Meeting

The Company's annual general meeting was held on 30 November 2018 (**AGM**). All resolutions put to the meeting were passed on a show of hands.

Iron Ore Royalty

During the year, FEL received a royalty payment of $211,729 in relation to mining conducted by Mineral Resources Ltd (ASX: **MIN**) at its Deception iron ore mine during the March 2019 quarter. A further royalty of $241,498 has been accrued at balance date in respect of mining activities during the June 2019 quarter.

FEL holds a 1.5% Dry Metric Tonne, FOB Royalty (Evanston Iron Ore Royalty) in respect to M77/1259 that is located approximately 20kms north of the Windarling mine. The Evanston Iron Ore Royalty area is located in the Southern Yilgarn Iron Province of Western Australia.

Placements

On 8 May 2019, the Company completed a placement to sophisticated and professional investors raising a total of $400,000 (**Placement A**) through the issue of Shares at an issue price of $0.02 per Share (**Placement A Shares**), with one free attaching Option for every two Placement A Shares issued at an exercise price of $0.03 each expiring 2 years from date of issue (**Placement A Options**).

In addition to the above, at 30 June 2019, the Company had received firm commitment of $75,000 from investors to participate in the Placement B and proposed to issue 5,000,000 Placement B Shares (**Proposed Placement B Shares**) to such investors at an issue price of $0.015 per Share, subject to shareholder approval.

Shares issued

During the year, the Company issued the following fully paid ordinary shares:

- 2,750,000 shares to a director (following receipt of shareholder approval at the AGM) (**Director Shares**);
- 20,000,000 shares (Placement A Shares);
- 48,500,000 shares (Placement B Shares);
- 2,406,990 shares (issued to advisors in settlement of invoices for corporate advisory services and capital raising costs) (**Advisor Shares**); and
- 12,500,000 ordinary shares (escrowed until 23 November 2019) (Consideration Shares pursuant to the Mercury Acquisition (refer below)).

Shares released from escrow

On 6 November 2018, 25,000,000 shares in the Company were released from escrow.

Options issued

During the year, the Company issued the following unlisted options:

- 12,500,000 unlisted options at $0.045 expiring 31 May 2020 to directors (following receipt of shareholder approval at the AGM);
- 7,500,000 unlisted options at $0.045 expiring 31 May 2020 to a consultant (following receipt of shareholder approval at the AGM);
- 5,625,000 unlisted options at $0.03 expiring 13 March 2021 (Placement A Options);
- 3,125,000 unlisted options at $0.03 expiring 12 April 2021 (Placement A Options); and
- 1,250,000 unlisted options at $0.03 expiring 8 May 2021 (Placement A Options).

Mercury Transaction

On 21 February 2019, the Company entered into an agreement (as varied on 8 March 2019, 20 May 2019 and 14 June 2019) (**Acquisition Agreement**) to acquire the Pippingarra Lithium Project and the Marble Bar Lithium Project (together the **Projects**) (refer Figure 1 and Figure 2) from Mercury Resources Group Pty Ltd (an unrelated private exploration and mining group) (**Mercury**) (**Mercury Transaction**). Pursuant to the Acquisition Agreement, consideration comprises:

(a) 12,500,000 shares subject to six months escrow from date of issue (**Consideration Shares**);

(b) 15,000,000 unlisted options with an exercise price of 2.5 cents each expiring on 31 March 2022 (**Consideration Options**);

(c) a 1% net smelter royalty;

(d) up to $100,000 in cash, payable in instalments as follows:

  a. $50,000 paid 23 May 2019; and

  b. $50,000 payable at formal completion;

(e) a further tranche of shares with a total value of $250,000 (using an issue price equal to the Shares' 5 day VWAP) upon the Company announcing a JORC Resource of 50,000,000 tonnes @ 1% Li_2O within 24 months from completion (to be issued subject to prior shareholder approval).

The Consideration Shares were issued on 23 May 2019 using the Company's 15% capacity pursuant to Listing Rule 7.1.

The Company deems the Mercury Transaction to have been substantially completed on 23 May 2019. At balance date, the only condition to formal completion remained the issue of the Consideration Options. Shareholder approval for the issue of the Consideration Options was obtained at the Company's General Meeting held 8 August 2019 (**General Meeting**).

Under the terms of the Acquisition Agreement, FEL was granted the sole and exclusive right to access and undertake exploration on the tenements during the pre-completion period. Exploration activities have been conducted by FEL during the year (refer details below).

Option to Earn-In Macarthur Minerals Limited Transaction

On 14 May 2019, the Company announced that it had entered into an exclusive option agreement (**Option Agreement**) with Macarthur Lithium Pty Ltd (**MLi**), a wholly owned subsidiary of Macarthur Minerals Limited (**Macarthur**) (**TSX-V:MMS**) to acquire an interest of up to 75% in 18 tenements (**Project**). The Project tenements are highly prospective for gold, copper and lithium in proximity to numerous known hard rock lithium and gold deposits in the central and eastern Pilbara (refer Figure 1, Figure 3 and Schedule 1).

Under the terms of the Option Agreement, MLi granted FEL a 45 day option to enable FEL to conduct due diligence and secure the required funding to proceed with exercising the option. The Company paid a non-refundable option fee to MLi of $100,000 in cash (**Option Fee**).

On 27 June 2019, FEL elected to exercise the option to earn-in, and the parties have agreed that the payment terms of the $400,000 payable to MLi (being the **Option Exercise Fee**) be extended to 31 August 2019.

On 28 August 2019, the parties entered into a revised agreement to replace the existing Option Agreement (**Revised Option Agreement**). Pursuant to the Revised Option Agreement, the Option Exercise Fee was equity settled on 29 August 2019 via the issue of 26,666,667 ordinary shares (at a deemed issue price of $0.015 each). For the purposes of determining the Stage 1, Stage 2, and Stage 3 earn in periods (detailed below), the parties have acknowledged the formal Exercise Date to be 29 August 2019.

Pursuant to the Revised Option Agreement, FEL holds the right to earn-in up to 75% interest in the Project, on the following terms:

1) Stage 1 - Initial 25% interest in the Project by:
   a. undertaking expenditure on the Project tenements of no less than the minimum expenditure commitment; and
   b. payment to MLi of $500,000 in cash or ordinary FEL shares (based on the 5-day VWAP prior to the issue date) at FEL's election,

   within 1 year from the Exercise Date;

2) Stage 2 - Further 30% interest in the Project by:
   a. undertaking further expenditure on the Project tenements of no less than the minimum expenditure commitment ; and
   b. payment to MLi of $500,000 in cash or shares (based on the 5-day VWAP prior to the issue date) at FEL's election,

   within 2 years from the Exercise Date;

3) Stage 3 - Further 20% interest in the Project by:
   a. undertaking expenditure on the Project tenements of no less than the minimum expenditure commitment; and
   b. payment to MLi of $750,000 in cash or shares (based on 5-day VWAP prior to the issue date) at FEL's election,

   within 3 years from the Exercise Date.

FEL will act as JV manager. MLi will have a free carried until a pre-feasibility study is completed.

FEL can withdraw from the earn-in at any time and without penalty.

Existing Business and Focus

The Company remains focused on its activities within the mineral exploration industry on its retained tenements and interests in various projects and tenements prospective for battery metals, copper, iron ore, gold and base metals located in Australia.

With the introduction of the Pippingarra Lithium Project and the Marble Bar Lithium Project and the Macarthur Minerals Lithium and Gold Tenements Earn-In Project to the Company's portfolio, and in line with the Company's renewed focus on assets located in Australia, the Board has elected to exit from the Kasombo Project located in the Democratic Republic of Congo.

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

PROJECTS

Western Australia

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

Pippingarra Lithium Project and the Marble Bar Lithium Project

As detailed above, the Company acquired 100% beneficial interest in six tenements from Mercury in May 2019. The tenements acquired represent the Pippingarra Lithium Project and the Marble Bar Lithium Project (together the **Projects**) (refer Figure 1 and Figure 3). The Company has commenced early exploration activities on its recently acquired tenure towards the end of the financial year.

Macarthur Minerals Lithium and Gold Tenements Project (Right to Earn-In up to 75%)

As detailed above, the Company has secured the right to earn up to 75% interest in eighteen tenements pursuant to the Option Agreement with MLi. The Macarthur Minerals Lithium and Gold Project tenements are highly prospective for gold, copper and lithium in proximity to numerous known hard rock lithium and gold deposits in the central and eastern Pilbara (refer Figure 1, Figure 3 and Schedule 1). The Company has commenced early exploration activities on its recently acquired tenure towards the end of the financial year.

Bryah Basin Joint Venture Projects - FEL 20% rights

FEL, via its wholly owned subsidiary Jackson Minerals Pty Ltd (**Jackson Minerals**), has a 20% interest in tenements covering an area of 804 km² in the highly prospective Bryah Basin proximal to Sandfire Resources NL (ASX: **SFR**) Doolgunna Project and DeGrussa copper gold mine.

The Bryah Basin Project tenements are subject to joint ventures and farm-ins with Westgold Resources Limited (ASX: **WGX**), Billabong Gold Pty Ltd (**Billabong**), Alchemy Resources (Three Rivers) Ltd (ASX: **ALY**), Auris Minerals Ltd (ASX:**AUR**) and SFR, refer Figure 4.

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

Forrest Project - AUR/FEL - E52/1671 (Forrest), E52/1659 (Wodger & Big Billy), P52/1494-1496

The Forrest, Wodger and Big Billy Prospects are located along a 12km mineralized copper/gold trend which hosts multiple targets for volcanogenic massive sulphide (VMS) style mineralization. FEL holds a 20% interest in all minerals in two exploration licences and three prospecting licences (E52/1659 and E52/1671 and P52/1494-1496) within AUR's Forrest Project. WGX acquired AUR's 80% gold right interests in E52/1659 and E52/1671 via Metals X Ltd. FEL's 20% interests in all minerals are free carried until Decision to Mine.

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

AUR has completed aircore, RC and diamond drilling, geological interpretations and down hole electromagnetic surveys (DHEM) at the Forrest Project during the year to further explore the potential of VMS hosted copper and associated gold mineralisation discovered in 2014. AUR has reported that geological interpretations at the Forrest Project highlights significantly more prospective Narracoota Formation (host to the Horseshoe Lights Cu-Au VMS deposit) than was previously mapped and that the scope of the mineralised system has been significantly expanded to the north, see ASX:AUR Announcements 4 February 2019 for details. More recently AUR announced that a new style of copper mineralisation was intersected in diamond drill hole FPDD002 (448.5m depth) at the Forrest Prospect. The mineralised intervals within FPDD002 were the first wholly copper-sulphide intersections recorded at the Forrest Prospect. Significant drilling results from FPDD002 include 8.5m @ 1.06% Cu and 0.42g/t Au from 382m (including 1m @ 1.55% Cu and 3.33g/t Au from 389.5m). Other significant historic and recent drilling intercepts at the Forrest Prospect include 9.65m @ 5.00% Cu and 1.91g/t Au from 142.4m in FGDD001, 9.55m @ 2.25% Cu and 0.66g/t Au from 204.1m in FGDD003, 9.0m @ 5.78% Cu and 1.41g/t Au from 76m in FPRC025, 11m @ 4.83% Cu and 1.18g/t Au from 76m in FPRC022 and 4m @ 34.1 g/t Au from 12m in FPRC024, see ASX:AUR Announcements 4 February 2019 and 29 April 2019.

At the Wodger Prospect geological interpretations along a 6km corridor of prospective strike between Wodger and Big Billy suggested that the area is underlain by the prospective Upper Narracoota Formation volcanic units in contact with overlying sediments of the Ravelstone Formation. Aircore drilling conducted along this corridor has largely confirmed this interpretation and the prospective 'Upper contact' has been mapped at a broad scale. Better intersections returned include 8m @ 0.13% Cu from 24m, 12m @ 0.52% Cu from 36m and 8m @ 0.12% Cu from 68m in WRAC203 at Wodger North and 4m @ 0.49g/t Au and 0.80% Cu from 16m in WRAC155 and 4m @ 1.69g/t Au from 24m in WRAC165 at Big Billy South. Refer to ASX:AUR Announcement 5 December 2018 for details.

The Wodger aircore drilling highlighted three additional exploration targets for further focused work. Follow-up RC drilling intersected malachite in five holes at the expected target depths and returned an interval of 6m at 2.80% Cu from 305m including 1m @ 8.28% Cu and 5.74g/t Au from 309m in WDRC018. Further diamond drilling intersected a discrete, semi-massive zone of 25% chalcopyrite that returned an intersection of 1.8m @ 1.73% Cu from 335m including 0.2m @ 9.62% Cu and 0.10g/t Au from 336.6m in WRDD005. Down hole electromagnetic (DHEM) surveying has identified a subtle in-hole conductor in Wodger diamond hole WRDD005 and further modelling is required to fully evaluate this anomaly. Additional diamond drilling is required at both the Forrest and Wodger Prospects to further evaluate the copper mineralisation at depth. Refer to ASX:AUR announcement 4 February 2019 and 29 April 2019 for full details and drilling results.

Morck Well Project - AUR/SFR/FEL- E51/1033, E52/1613, E52/1672

The Morck Well project is located in the eastern part of the Bryah Basin and contains approximately 40km strike length of the highly prospective Narracoota Volcanic Formation. The northern boundary of Morck Well is adjacent to SFR's DeGrussa-Doolgunna exploration tenements. FEL holds a 20% interest in all minerals in three exploration licences (E51/1033, E52/1613 and E52/1672) within AUR's Morck Well project. SFR has a farm-in and joint venture with FEL and AUR where SFR can earn an interest in the Morck Well Project tenements by completing a minimum spend of $2.0m on exploration over 2 years. Refer to ASX:AUR announcement 27 February 2018 for details.

SFR has completed an extensive and systematic air-core drilling campaign during the year on the Morks Well Project focusing on the Karalundi and Narracoota Formations. Highly encouraging supergene and fresh massive sulphide mineralization was intersected at the northeast end of the Morck Well JV area. Significant assays returned from the air-core drilling included 1m @ 1,250ppm Cu (MWAC0424) and 10m @ 1,630ppm Cu (MWAC0758). Refer to ASX:AUR Announcement 18 October 2018 for results and further details.

SFR also completed follow-up diamond and RC drilling at Morcks Well during the year. Significant base metal geochemistry results included 1m @ 0.80% Cu, 61ppb Au, 112ppm Zn and 156ppm Pb in RC hole MWRC0010 from 183m. RC and diamond drilling continues to highlight the prospectivity of the Morck Well JV area where the joint venture spend to date is approximately $9.4M. Refer to ASX:AUR announcement 19 July 2019 for full details and drilling results.

Peak Hill Project Base Metals Rights – ALY/IGO/FEL - E52/1668, E52/1678, E52/1722 and E52/1730

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

ALY has entered into a farm-in and joint venture with SFR (refer to ASX:FEL 14 August 2018 and ASX:ALY 5 November 2014 for relevant information and diagrams). SFR is earning up to 70% interest in base metals rights, excluding iron ore rights, in relation to whole area of E52/1722 and parts of E52/1668, E52/1678 and E52/1730. FEL holds a 20% interest in all minerals in these tenements free carried to Decision to Mine.

SFR has completed aircore drilling at the Neptune Prospect on E52/1722. The drilling targeted the Karalundi sediments that host the DeGrussa copper-gold deposit. SFR has received several anomalous copper and gold results and has completed follow up ground moving loop electromagnetic (MLEM) surveys to further improve targeting of the host volcanogenic massive sulphide (VMS) horizon. Processing of the MLEM data is ongoing and follow up RC drilling is to commence soon, refer to ASX:ALY announcement 8 July 2019 for full details and drilling results.

Peak Hill Project All Mineral Rights - ALY/Billabong/FEL - E52/1668, E52/1678, E52/1730, P52/1538, P52/1539

Billabong, through an assignment of interests from NST, entered into a Farm-In and Joint Venture agreement with ALY (refer to ASX:ALY 24Feb2015), in regard to parts of E52/1668, E52/1678, E52/1730 (excluding those parts being farmed into by SFR) and also to earn an 80% interest in the whole of E52/1852. FEL retains its 20% free carried interests in all minerals to decision to mine, via wholly owned subsidiary Jackson Minerals.

Mt Ida Iron Ore Project - Mt Ida Gold

Mt Ida Iron Ore Project is approximately 80km northwest of the operational railway at Menzies, which offers access to existing port facilities at Esperance. The Project area covers part of the Mt Ida - Mt Bevan banded iron formation, which is currently being explored and evaluated by Jupiter Mines Limited and Legacy Iron Ore Limited.

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

Evanston Iron Ore Royalty - Mineral Resources Ltd

FEL holds a 1.5% Dry Metric Tonne, FOB Royalty over two tenements (E77/1322 and M77/1259) within the Evanston Iron Ore Project located in the Southern Yilgarn Iron Province of Western Australia approximately 20kms north of the Windarling mine. The Evanston Iron Ore Project is located in the Southern Yilgarn Iron Province of Western Australia and covers an area of 167km², of which E77/1322 and M77/1259 cover a combined area of 76.92km². M77/1259 forms part of Mineral Resources Ltd Koolyanobbing Iron Ore Project.

Mineral Resources Limited are continuing to mine iron ore at their Koolyanobbing Project. FEL has recognised $452,846 in royalty income in the year ended 30 June 2019 for ore mined at the Deception deposit on M77/1259.

Figure 1: Pippingarra Lithium Project, Marble Bar Lithium Project and Macarthur Minerals Lithium and Gold Project tenements

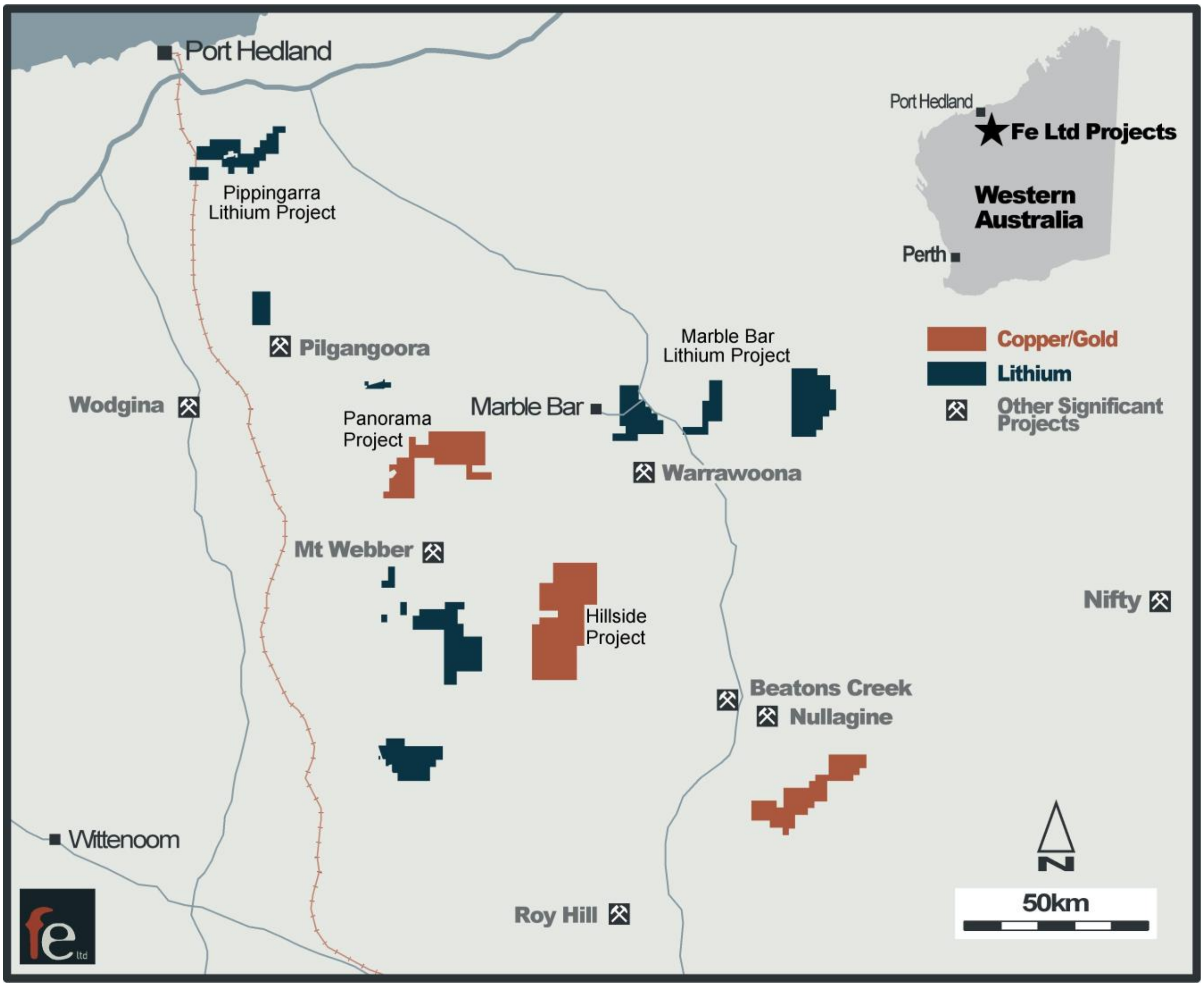


Figure 2: Pippingarra Lithium Project and Marble Bar Lithium Project

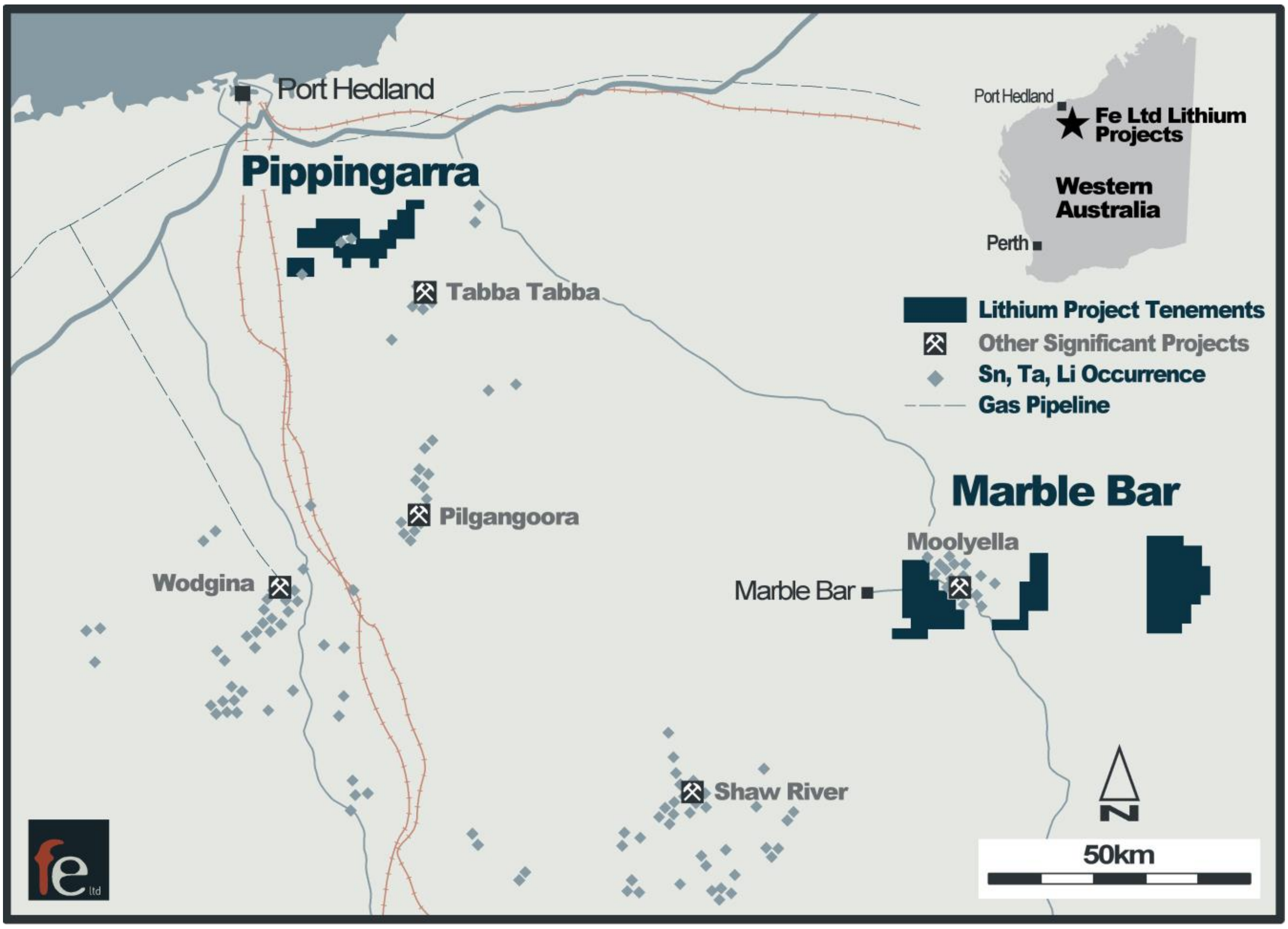
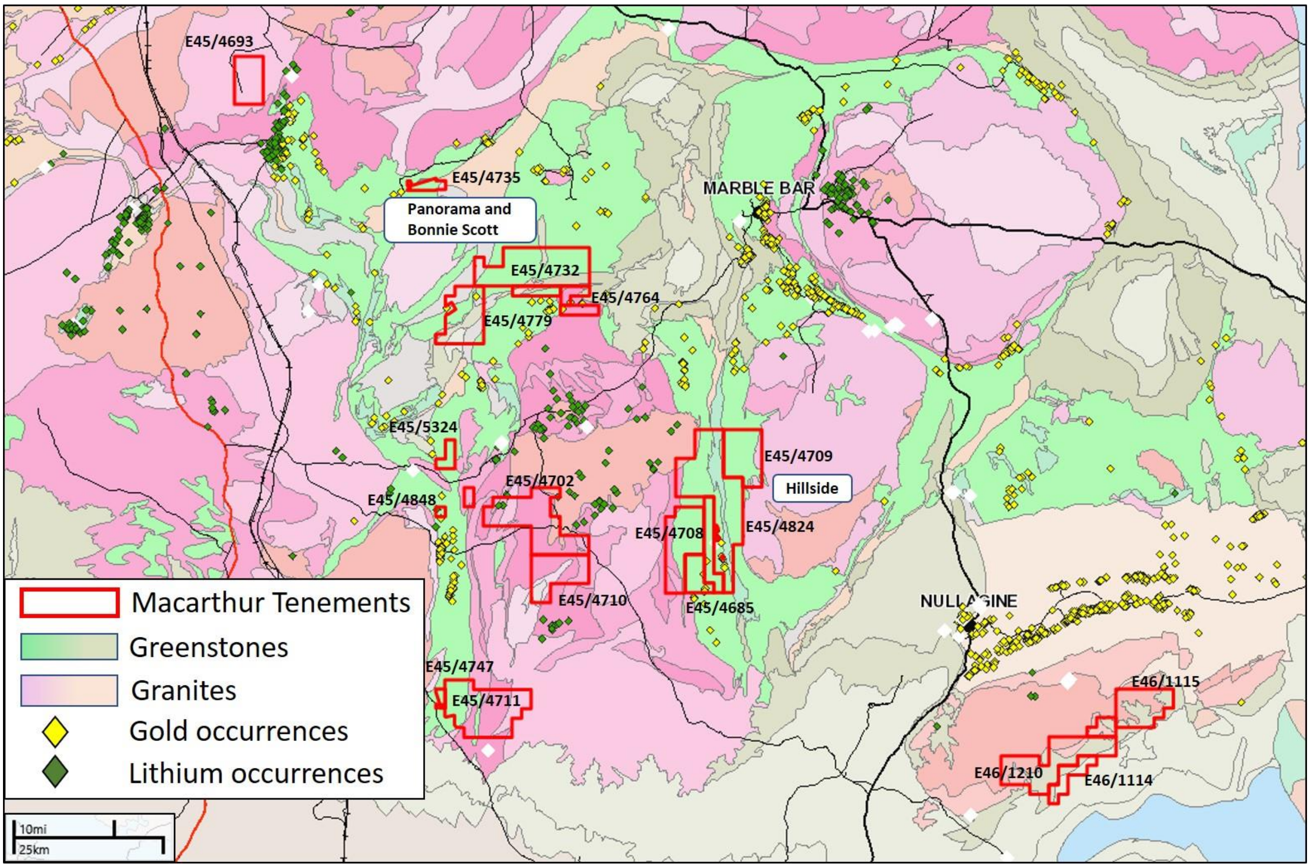


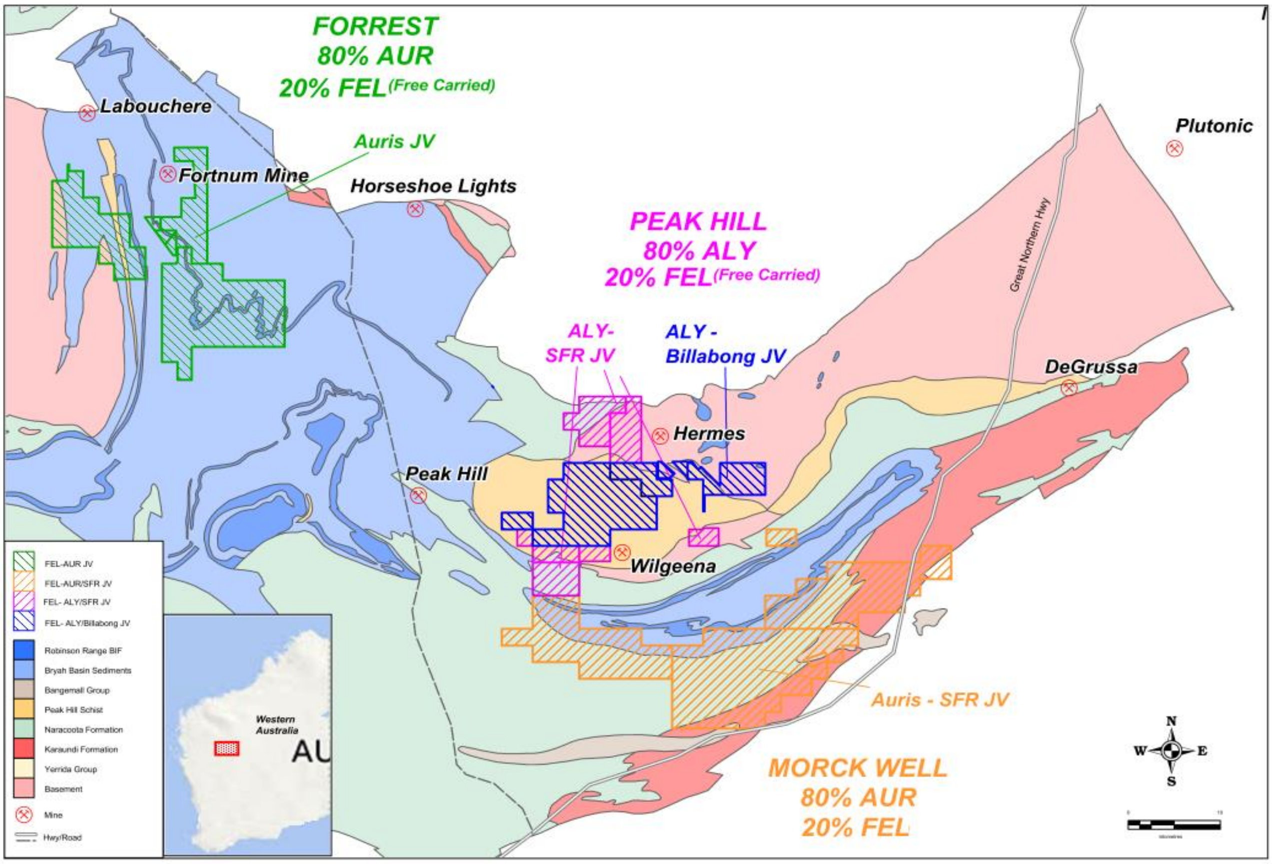
Figure 3: Macarthur Minerals Lithium and Gold Tenements



Schedule 1: Macarthur Minerals Lithium and Gold Tenements

Tenement	Status	Jurisdiction	Project	Holder1	Holder1Shares %	Current Area	Area Unit	Expiry Date
E45/4685	LIVE	WA	MARBLE BAR	MACL	100	11	SB	11/01/2022
E45/4693	LIVE	WA	INDEE	MACL	100	15	SB	20/11/2022
E45/4702	LIVE	WA	HILLSIDE	MACL	100	41	SB	19/11/2022
E45/4708	LIVE	WA	PANORAMA	MACL	100	27	SB	20/11/2022
E45/4709	LIVE	WA	PANORAMA	MACL	100	22	SB	20/11/2022
E45/4710	LIVE	WA	HILLSIDE	MACL	100	22	SB	19/11/2022
E45/4711	LIVE	WA	HILLSIDE	MACL	100	40	SB	19/11/2022
E45/4732	LIVE	WA	PANORAMA	MACL	100	43	SB	20/11/2022
E45/4735	LIVE	WA	STRELLEY GORGE	MACL	100	5	SB	20/11/2022
E45/4747	LIVE	WA	HILLSIDE	MACL	100	2	SB	20/11/2022
E45/4764	LIVE	WA	MARBLE BAR	MACL	11	4	SB	9/08/2022
E45/4779	LIVE	WA	PANORAMA	MACL	100	33	SB	15/01/2023
E45/4824	LIVE	WA	PANORAMA	MACL	100	65	SB	4/12/2022
E45/4848	LIVE	WA	TAMBOURAH	MACL	100	1	SB	13/12/2022
E46/1114	LIVE	WA	NOREENA DOWNS	MACL	100	35	SB	9/11/2022
E46/1115	LIVE	WA	NOREENA DOWNS	MACL	100	21	SB	9/11/2022
E46/1210	LIVE	WA	NOREENA DOWNS	MACL	100	14	SB	1/07/2023
E45/5324	LIVE	WA	NORTH TAMBOURAH	MACL	100	4	BL	4/04/2024

Figure 4: FEL exploration tenement portfolio in the Bryah Basin showing AUR, ALY, SFR and Billabong JV areas



Competent Person Statement

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

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

As announced 6 August 2019, FEL received notice of a royalty payment of $241,498 to be received in relation to mining conducted by MIN at its Deception iron ore mine during the June 2019 quarter. These funds were received on 8 August 2019.

On 6 August 2019, the Company announced the results of its initial two field reconnaissance field trips to assess each of the Macarthur Minerals Lithium and Gold Tenements and the tenements forming the Pippingarra Lithium Project and the Marble Bar Lithium Project for access and to identity target rocks for further exploration.

The Company held an extraordinary general meeting on 8 August 2019 (**GM**). All resolutions put to the meeting were passed on a show of hands.

The following securities were issued on 19 August 2019, as approved by shareholders at the GM:

- 5,000,000 shares following receipt of $75,000 (being the Proposed Placement B Shares);
- 33,976,749 unlisted options exercisable at $0.02 each on or before 31 May 2021 (including the Placement B Options and the 2019 Director Options (detailed below));
- 15,000,000 unlisted options exercisable at $0.025 each on or before 31 March 2022 (being the Consideration Options).

On 28 August 2019, the FEL and Macarthur executed a Revised Option Agreement. Pursuant to this, the Option Exercise Fee was equity settled on 29 August 2019 via the issue of 26,666,667 ordinary shares (at a deemed issue price of $0.015 each). The terms of the Stage 1, Stage 2, and Stage 3 earn in were revised under the Revised Option Agreement (as detailed above).

On 1 September 2019, Mr Mark Hancock was appointed as Executive Director of the Company. Mr Kenneth Keogh resigned as a Director on this date.

There have been no other events subsequent to 30 June 2019 up to the date of this report that would materially affect the operations of the Group or its state of affairs which have not otherwise been disclosed in this financial report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

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

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

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

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

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings held during the year and the number of meetings attended by each director (while they were a director).

Director	Eligible to Attend	Attended
Antony Sage	1	1
Nicholas Sage	1	1
Kenneth Keogh	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 Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of Key Management Personnel

Directors

A Sage	Director (Non-Executive Chairman)
N Sage	Director (Non-Executive)
K Keogh (Resigned 1 September 2019)	Director (Non-Executive)
M Hancock (Appointed 1 September 2019)	Director (Executive)

Remuneration Philosophy

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

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

Remuneration Policy

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

Considering the nature of the Company's operations, the remuneration of executive and non-executive directors is not dependent on the satisfaction of any specific performance conditions of the Company. Remuneration and share based payments are issued to align directors' interests with that of shareholders.

The Group 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 2018 AGM

The 2018 remuneration report received positive shareholder support at the 2018 Annual General Meeting whereby of the proxies received 99.93% voted in favour of the adoption of the remuneration report.

Performance and Shareholder Wealth

Below is a table summarising key performance a statistics for the Group and the Company's share price over the last five financial years. Comparative statistics have not been adjusted for the impact of the new accounting standards.

Financial year	Profit / (Loss) after tax `000s	Profit / (Loss) per share (Cents)	Share Price (Cents)
30 June 2015	(1,276)	(0.58)	1.30
30 June 2016	(655)	(0.29)	3.60
30 June 2017	(296)	(0.11)	2.40
30 June 2018	(1,082)	(0.32)	2.40
30 June 2019	(1,668)	(0.44)	1.70

Non-Executive 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; and
- ensure that total remuneration is competitive by market standards.

Mr Antony Sage is entitled to receive $120,000 per annum.

On 22 February 2018, the Directors in their discretion, acknowledging that Okewood Pty Ltd (**Okewood**) previously agreed to reduced fees during the period from 1 April 2016 to 31 January 2018, agreed to issue 2,750,000 shares to Okewood at a deemed issue price of 4 cents per share, subject to shareholder approval (**Director Shares**). The Director Shares were issued during the year, and a share based payment expense of $38,500 has been recognised in this period.

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.

On 18 October 2016, the Company entered into a consulting agreement with Pembury Nominees Pty Ltd (**Pembury**), a company controlled by Mr Nicholas Sage, for the provision of non-executive director services. Under the agreement, Mr Nicholas Sage is entitled to receive $36,000 per annum.

On 6 February 2017, the Company entered into a consulting agreement with EK Holdings Group Pty Ltd (**EK Holdings**), a company controlled by Mr Kenneth Keogh, for the provision of non-executive director services. Under the agreement, Mr Kenneth Keogh is entitled to receive $36,000 per annum.

EK Holdings received an additional $5,000 during the year for consulting services rendered in respect of a road show conducted by the Company.

As approved previously by shareholders, the maximum aggregate amount of remuneration payable to non-executive directors is $1,000,000. Summary details of remuneration for non-executive directors are given in the table below.

Executive Directors' Remuneration

During the financial year, the Company did not have any executive directors.

Compensation of Key Management Personnel

Consolidated	**Short-Term**	**Post-Employment**	**Share-based Payment**	**Total**	**% Performance Based**	**% Comprising Options**
Year ended 30 June 2019	**Salary & Fees**	**Superannuation**	**Share Options** (iv)			
	$	**$**	**$**	**$**		
Directors						
A Sage (i)	120,000	-	74,181	194,181	-	38%
N Sage (ii)	36,000	-	8,912	44,912	-	20%
K Keogh (iii)	41,000	-	17,929	58,929	-	30%
Total	197,000	-	101,022	298,022	-	34%

For the year ended 30 June 2019:

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

(ii) $36,000 was paid or payable to Pembury Nominees Pty Ltd a company that Mr Nicholas Sage is a director of.

(iii) $41,000 was paid or payable to EK Holdings Group Pty Ltd a company that Mr Keogh is a director of.

(iv) This amount refers to the share based payment expense recorded in the statement of comprehensive income in the period in respect of the Director Shares, options issued, and options to be issued (subject to shareholder approval). The recorded values of options will only be realised by the KMPs in the event the Company's share price exceeds the option exercise price.

Consolidated Year ended 30 June 2018	Short-Term Salary & Fees $	Post-Employment Superannuation $	Share-based Payment Share Options $	Total $	% Performance Based	% Comprising Options
Directors						
A Sage	85,000	-	30,595	115,595	-	26%
N Sage	36,000	-	7,060	43,060	-	16%
K Keogh	36,000	-	21,181	57,181	-	37%
Executives						
E von Puttkammer	28,000	-	-	28,000	-	-
Total	185,000	-	58,836	243,836	-	24%

Shareholdings of Key Management Personnel

30 June 2019	Balance at 1 July 2018	Granted as remuneration	Net change other	Balance at 30 June 2019
Directors				
A Sage (i)(ii)(iii)	3,923,010	2,750,000	2,500,000	9,173,010
N Sage	-	-	-	-
K Keogh (i)	766,300	-	-	766,300
	4,689,310	2,750,000	2,500,000	9,939,310

(i) Indirectly held.
(ii) Mr A Sage acquired 2,500,000 shares for $50,000 consideration during the year via off market transfers.

30 June 2018	Balance at 1 July 2017	Granted as remuneration	Net change other	Balance at 30 June 2018
Directors				
A Sage (i)(ii)(iii)	2,071,699	-	1,851,311	3,923,010
N Sage	-	-	-	-
K Keogh	766,300	-	-	766,300
Executives				
E Von Puttkammer (iv)	83,333	-	(83,333)	-
	2,921,332	-	1,767,978	4,689,310

(i) Indirectly held.
(ii) Mr A Sage acquired 1,851,311 shares for $50,601 consideration during the year via on market transfers
(iii) Excludes 2,750,000 shares which have been agreed to be issued to Mr A Sage, subject to shareholder approval.
(iv) On the date of her resignation as Company Secretary, Ms Von Puttkammer held 83,333 shares.

Option and right holdings of Key Management Personnel

30 June 2019	Balance at 1 July 2018	Acquired /granted during year (i)	Lapsed during Year	Balance at 30 June 2019	Exercisable	Not Exercisable
Directors						
A Sage	6,500,000	10,000,000	-	16,500,000	6,500,000	10,000,000
N Sage	1,500,000	2,500,000	-	4,000,000	1,500,000	2,500,000
K Keogh	4,500,000	5,000,000	-	9,500,000	4,500,000	5,000,000
	12,500,000	17,500,000	-	30,000,000	12,500,000	17,500,000

(i) Refers to 17,500,000 unlisted options with no vesting conditions granted to directors at an exercise price of $0.02 each and an expiry date of 31 May 2021, which were subject to receipt of shareholder approval at 30 June 2019 (the 2019 Director Options). The options vested immediately on receipt of shareholder approval on 8 August 2019. These options were granted to directors as remuneration for services performed to motivate and reward the performance of the holders in their respective role as Directors in a manner that aligns the holders' interests with the Company and minimises cash spend.

30 June 2018	Balance at 1 July 2017	Acquired /granted during year (i)	Lapsed during Year	Balance at 30 June 2018	Exercisable	Not Exercisable
Directors						
A Sage	-	6,500,000	-	6,500,000	-	6,500,000
N Sage	-	1,500,000	-	1,500,000	-	1,500,000
K Keogh	-	4,500,000	-	4,500,000	-	4,500,000
	-	12,500,000	-	12,500,000	-	12,500,000

(i) Refers to 12,500,000 unlisted options with no vesting conditions granted to directors at an exercise price of $0.045 each and an expiry date of 31 May 2020, subject to receipt of shareholder approval (the 2018 Director Options). Shareholder approval for the issue of the 2018 Director Options was received during the year ended 30 June 2019.

Options awarded, vested and lapsed during the year

Share options do not carry any voting rights and can be exercised once the vesting conditions have been met until their expiry date.

On 31 May 2019, the Directors agreed to issue a total of 17,500,000 unlisted options with no vesting conditions to directors at an exercise price of $0.02 each and an expiry date of 31 May 2021, subject to receipt of shareholder approval (**2019 Director Options**). The options will vest immediately on receipt of shareholder approval.

Shareholder approval for the issue of the 2019 Director Options was received at the Company's general meeting held 8 August 2019 and the securities were issued on 19 August 2019. The grant date is therefore after the period in which services have begun to be rendered. Therefore, the grant date fair value presented in the 30 June 2019 financial statements is provisional, estimated by reference to the period end share price. This provisional amount will be revised in the next financial period.

Details of the 2019 Director Options awarded to directors during the year ended 30 June 2019 are summarised as follows:

	Number of Options	Exercise price per option	Expiry date	Estimated fair value of options at grant date
A Sage	10,000,000	$0.02	31 May 2021	$0.0081
N Sage	2,500,000	$0.02	31 May 2021	$0.0081
K Keogh	5,000,000	$0.02	31 May 2021	$0.0081

Transactions with directors, director related entities and other related parties

During the year ended 30 June 2019, an aggregate amount of $139,439 (30 June 2018: $154,659) was paid or payable to Cape Lambert Resources Ltd (**Cape Lambert**) for reimbursement of rent, travel costs, and exploration expenditure costs. At 30 June 2019, $44,664 was payable to Cape Lambert (30 June 2018: $83,896).

During the year ended 30 June 2019, an aggregate amount of $34,488 (30 June 2018: nil) was paid or payable to European Lithium Ltd (**European Lithium**) for reimbursement of travel costs. At 30 June 2019, $5,495 was payable to European Lithium (30 June 2018: nil).

Cauldron Energy Ltd (**Cauldron**) was a director related entity until 25 February 2019. During the period 1 July 2018 to 25 February 2019, an aggregate amount of $2,004 (30 June 2018: $40,671) was paid or payable to Cauldron Energy Ltd (**Cauldron**) for reimbursement of consultant costs. At 30 June 2019, $42,674 was payable to Cauldron (30 June 2018: $40,671). Mr Nicholas Sage was a director of Cauldron until 25 February 2019. Mr Antony Sage was a director of Cauldron until 22 November 2018.

End of Remuneration Report

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 (Cth) requires the Company's auditor, 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 19 and forms part of this Directors' Report. The Directors are satisfied with the independence of the auditor.

NON-AUDIT SERVICES

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

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

Mr Antony Sage
Non-Executive Chairman

12 September 2019

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Fe Limited

As lead auditor for the audit of the financial report of Fe Limited for the year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Fe Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

V L Hoang
Partner
Perth
12 September 2019

CORPORATE GOVERNANCE STATEMENT

In March 2014, the ASX Corporate Governance Council released a third edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**).

The Company's Corporate Governance Statement for the year ended 30 June 2019 (which reports against these ASX Principles) may be accessed from the Company's website at www.felimited.com.au.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated	
		Year ended 30 June 2019	**Year ended 30 June 2018**
		$	**$**
Interest revenue	3(a)	2,979	5,727
Other income	3(b)	452,846	419,611
		455,825	425,338
Employee benefits expense and director remuneration	3(c)	(192,000)	(157,000)
Exploration and evaluation expenditure		(490,792)	(635,164)
Legal costs		(7,863)	(68,591)
Share-based payment expense	14(a)	(136,852)	(58,836)
Accounting and audit fees		(86,862)	(64,425)
Consultants costs		(96,167)	(151,690)
Compliance costs		(88,487)	(128,530)
Travel costs		(39,721)	(42,337)
Write off of exploration assets	8(c)	(735,000)	-
Other expenses	3(d)	(250,239)	(201,040)
Loss before income tax		(1,668,158)	(1,082,275)
Income tax expense	4	-	-
Loss after income tax		(1,668,158)	(1,082,275)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
-		-	-
Other comprehensive income/(loss) for the year		-	-
Total comprehensive loss for the year		(1,668,158)	(1,082,275)
Loss per share attributable to ordinary equity holders of the parent			
- basic loss for the year (cents per share)	5	(0.44)	(0.32)
- diluted loss for the year (cents per share)	5	(0.44)	(0.32)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	Consolidated	
		30 June 2019	**30 June 2018**
		$	**$**
ASSETS			
Current Assets			
Cash and cash equivalents	6	760,801	894,442
Trade and other receivables	7	256,530	13,486
Other assets		9,775	4,141
Total Current Assets		1,027,106	912,069
Non-Current Assets			
Exploration and evaluation expenditure	8	975,670	735,000
Plant and equipment	9	3,946	174
Total Non-Current Assets		979,616	735,174
TOTAL ASSETS		2,006,722	1,647,243
LIABILITIES			
Current Liabilities			
Trade and other payables	10	682,354	292,729
Total Current Liabilities		682,354	292,729
TOTAL LIABILITIES		682,354	292,729
NET ASSETS		1,324,368	1,354,514
EQUITY			
Contributed equity	11	40,770,054	39,381,064
Accumulated losses	12	(41,481,535)	(39,813,377)
Reserves	13	2,035,849	1,786,827
TOTAL EQUITY		1,324,368	1,354,514

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Contributed equity	Accumulated losses	Share based payments reserve	Total
Consolidated	**$**	**$**	**$**	**$**
Balance at 1 July 2018	39,381,064	(39,813,377)	1,786,827	1,354,514
Loss for the year ended 30 June 2019	-	(1,668,158)	-	(1,668,158)
Other comprehensive income	-	-	-	-
	-	(1,668,158)	-	(1,668,158)
Transactions with owners in their capacity as owners:				
Shares issued during the year (net of share issue costs)	1,350,490	-	-	1,350,490
Share based payments	38,500	-	249,022	287,522
Balance at 30 June 2019	40,770,054	(41,481,535)	2,035,849	1,324,368

	Contributed equity	Accumulated losses	Share based payments reserve	Total
Consolidated	**$**	**$**	**$**	**$**
Balance at 1 July 2017	37,395,564	(38,731,102)	1,727,991	392,453
Loss for the year ended 30 June 2018	-	(1,082,275)	-	(1,082,275)
Other comprehensive income	-	-	-	-
	-	(1,082,275)	-	(1,082,275)
Transactions with owners in their capacity as owners:				
Shares issued during the year (net of share issue costs)	1,704,250	-	-	1,704,250
Exercise of options	281,250	-	-	281,250
Share based payments	-	-	58,836	58,836
Balance at 30 June 2018	39,381,064	(39,813,377)	1,786,827	1,354,514

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated	
		Year ended 30 June 2019 $	**Year ended 30 June 2018 $**
Cash flows from operating activities			
Receipt of royalty		215,538	38,168
Interest received		2,979	5,727
Payments to suppliers and employees		(752,010)	(800,257)
Payments for exploration and evaluation costs		(574,616)	(399,598)
Net cash flows used in operating activities	6(a)	(1,108,109)	(1,155,960)
Cash flows from investing activities			
Proceeds on sale of investment		-	377,253
Purchase of plant and equipment		(3,842)	-
Payments for exploration assets	8	(150,000)	-
Loan to related party		-	(65,000)
Repayment of loan to related party		-	65,000
Net cash flows from/(used in) investing activities		(153,842)	377,253
Cash flows from financing activities			
Proceeds from shares issued (net of costs)	11	1,128,310	969,250
Proceeds from exercise of options	11	-	281,250
Net cash flows from financing activities		1,128,310	1,250,500
Net (decrease)/increase in cash and cash equivalents		(133,641)	471,793
Cash and cash equivalents at beginning of year		894,442	422,649
Cash and cash equivalents at end of year	6	760,801	894,442

NOTES TO THE CONSOLIDATED 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 **Group**) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 12 September 2019.

FEL is a for profit company limited by shares incorporated and domiciled in Australia.

The nature of the operations and principal activities of the Company are mineral exploration and project development which is further described in the Directors' Report.

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 Group had cash and cash equivalents of $760,801 (30 June 2018: $894,442) and a net working capital surplus of $344,752 (30 June 2018: $619,340 surplus).

Additional funding will be necessary for the Group to continue its planned exploration activities associated with its projects in the next 12 months.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Group will be able to continue its planned operations and the Group will be able to meet its obligations as and when they fall due because the directors are confident that the Group will be able to obtain the additional funding required either through a further capital raising, continued support from its existing shareholders, and from receipt of anticipated royalty payments.

Should the Group not achieve the matters 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 Group not be able to continue as a going concern.

(d) New standards, interpretations and amendments adopted by the Group

New accounting standards adopted in the current period

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are mandatory for the current reporting period. Adoption of these standards and interpretations did not have a material impact on the statements of financial position or performance of the Group.

AASB 9 *Financial Instruments* (AASB 9)

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* (**AASB 139**) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied AASB 9 retrospectively, with the initial application date of 1 July 2018.

AASB 9 largely retains the existing requirements of AASB 139 for the classification and measurement of financial liabilities, however, it eliminates the previous AASB 139 categories for financial assets held to maturity, receivables and available for sale. Under AASB 9, on initial recognition a financial asset is classified as measured at:

(a) Amortised cost;

(b) Fair Value through Other Comprehensive Income (**FVOCI**) – debt investment;

(c) FVOCI – equity investment; or

(d) Fair Value through Profit or Loss (**FVTPL**)

The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. For financial assets measured at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

As of 30 June 2018, the Company's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables.

Cash and cash equivalents and trade and other receivables previously designated as receivables under AASB 139 are now classified as financial assets at amortised cost under AASB 9. The trade and other payables are designated as other financial liabilities, which are measured at amortised cost.

The cash and cash equivalents, trade and other receivables, trade and other payables approximate their fair value due to their short-term nature.

Other financial liabilities (as reported in the balance sheet) are reported as financial liabilities and measured through the fair value through the profit and loss.

Impairment of financial assets

In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss model to be applied as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. In particular, AASB 9 requires the Group to measure the loss allowance at an amount equal to lifetime expected credit loss ("ECL") if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months.

As at 1 July 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information. In accordance with AASB 9, where the directors concluded that it would require undue cost and effort to determine the credit risk of a financial asset on initial recognition, the Group recognises lifetime ECL. Given the nature of the Group's business and the nature of its financial assets subject to impairment assessment, there was no material impact arising from the application of the new impairment requirements of AASB 9. As all of the Group's cash deposits and other current receivables which are measured at amortised cost are short term (i.e., less than 12 months), and the Group has credit rating and risk management policies in place, the change to a forward-looking expected credit loss approach did not have a material impact on the amounts recognised in the financial statements. The result of the assessment is as follows:

Class of financial instrument presented in the statement of financial position	Original measurement category and amount under AASB 139 at 1 July 2018		New measurement category and amount under AASB 9 at 1 July 2018	
Cash and cash equivalents	Loans and receivables	$894,442	Financial assets at amortised cost	$894,442
Trade and other receivables	Loans and receivables	$13,486	Financial assets at amortised cost	$13,486
Trade and other payables	Financial Liability at amortised cost	$292,729	Financial liability at amortised cost	$292,729

The change in classification has not resulted in any re-measurement adjustment at 1 July 2018.

AASB 15 *Revenue from Contracts with Customers* (AASB 15)

The Group has adopted AASB 15 as issued in May 2014 with the date of initial application being 1 July 2018. In accordance with the transitional provisions in AASB 15 the standard has been applied using the full retrospective approach.

AASB 15 supersedes AASB 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

At 1 July 2017 and at 1 July 2018 it was determined that the adoption of AASB 15 had no impact on the Group.

New accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2019. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

Reference	Title	Summary	Application date of standard	Application date for FEL
AASB 16	*Leases*	AASB 16 requires lessees to account for all leases under a single on balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability	1 January 2019	1 July 2019

Reference	Title	Summary	Application date of standard	Application date for FEL
		upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. The Group is currently assessing the impact of AASB 16 on its financial performance and financial position.		
AASB Interpretation 23, and relevant amending standards	*Uncertainty over Income Tax Treatments*	The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: - Whether an entity considers uncertain tax treatments separately - The assumptions an entity makes about the examination of tax treatments by taxation authorities - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates - How an entity considers changes in facts and circumstances.	1 January 2019	1 July 2019
AASB 2018-1	Australian Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle	The amendments clarify certain requirements in: • AASB 3 Business Combinations and AASB 11 Joint Arrangements - previously held interest in a joint operation • AASB 112 Income Taxes - income tax consequences of payments on financial instruments classified as equity • AASB 123 Borrowing Costs - borrowing costs eligible for capitalisation.	1 January 2019	1 July 2019
Not yet issued by the AASB	Conceptual Framework for Financial Reporting and relevant amending standards	The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows: • Chapter 1 – The objective of financial reporting • Chapter 2 – Qualitative characteristics of useful financial information • Chapter 3 – Financial statements and the reporting entity • Chapter 4 – The elements of financial statements • Chapter 5 – Recognition and derecognition • Chapter 6 – Measurement • Chapter 7 – Presentation and disclosure • Chapter 8 – Concepts of capital and capital maintenance *Amendments to References to the Conceptual Framework in IFRS Standards* has also been issued, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying IFRS 3 and developing accounting policies for regulatory account balances using IAS 8, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the 2010 Conceptual Framework, and not the definitions in the revised Conceptual Framework.	1 January 2020	1 July 2020

Reference	Title	Summary	Application date of standard	Application date for FEL
AASB 2018-7	Definition of Material (Amendments to AASB 101 and AASB 108)	This Standard amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.	1 January 2020	1 July 2020

The Company is in the process of determining the impact of the above on its financial statements. The Company 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 year ended 30 June 2019.

Subsidiaries are all those entities over which Fe Limited has control. Control is achieved when the Group 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 Group controls an investee if and only if the Group 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 Group and cease to be consolidated from the date on which control is transferred out of the Group.
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 are measured initially at the transaction price determined under AASB 15. Other receivables are initially recognised at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principle and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Following initial recognition, the amortised cost is calculated using the effective interest method.

The Group assesses on a forward-looking basis the expected credit loss associated with its trade and short term receivables carried at amortised cost. The expected credit loss is calculated based on the lifetime expected credit loss. In determining the expected credit loss the Group assesses the profile of the debtors and compares with historical recoverability trends, adjusted for factors that are specific to the debtors' general economic conditions and an assessment of both the current and forecast conditions as a reporting date.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery and not subject to enforcement activity.

(h) Exploration and evaluation

Exploration and evaluation expenditure in relation to the Company's mineral tenements, other than acquisition costs, is expensed as incurred. Acquisition costs in relation to mineral tenements are capitalised and carried forward provided the rights to tenure of the area of the interest are current and such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at balance date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. When the Directors decide to progress the development of an area of interest all further expenditure incurred relating to the area will be capitalised. Projects are advanced to development status and classified as mine development when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditure is carried forward up to commencement of production at which time it is amortised over the life of the economically recoverable reserves. All projects are subject to detailed review on an annual basis and accumulated costs written off to the extent that they will not be recoverable in the future.

(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 non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group 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.

An assets recoverable amount is the greater of the assets fair value less costs to sell and its value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(k) Trade and other payables

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

(l) Provisions

Provisions are recognised when the Group 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 Group 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.

(m) 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.

(n) Interest revenue and other income

Interest

Interest revenue is recognised using the effective interest rate method.

Royalty income

Royalty income is recognised as revenue when the right to receive payment is established.

(o) Income tax and other taxes

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

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

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

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

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

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

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

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

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

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

Other taxes

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

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

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

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

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

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

(p) 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.*

(q) 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.

(r) 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. Joint 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 joint arrangement provides the Group 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 Group 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 Group 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 Group's share of the net assets of the venture.

(s) Share based payments

The Group provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Consolidated Entities best estimate of the number of equity instruments that will ultimately vest.

The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not the market condition is fulfilled, provided that all other conditions are satisfied.

If a non-vesting condition is within the control of the Group, Company or the employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of neither the Group, Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of dilutive earnings per share.

(t) Intangible assets

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

(u) Significant accounting estimates and assumptions

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

Capitalised Exploration and evaluation expenditure

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

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

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

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an appropriate valuation model, using the assumptions as discussed in note 14.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Classification of royalty interests as intangible assets

The Group has royalty interests over two tenements (E77/1322 and M77/1259) within the Evanston Iron Ore Project located in the Southern Yilgarn Iron Province of Western Australia approximately 20kms north of the Windarling mine. The royalties, although entitling the Group to cash upon the commencement of production, are not considered to be financial assets. The Group considers that they do not have an unconditional right to receive cash as the Group cannot force the operator to produce and, furthermore, the counterparty can avoid the payment of cash by deciding not to produce. The royalties received are derived from the rights attached to the underlying mineral resources. The royalty rights have therefore been accounted for as intangible assets which are carried at cost. On initial recognition no value was assigned to the royalty as probability of production was considered remote.

3 REVENUE, INCOME AND EXPENSES

	2019 $	2018 $
(a) Revenue		
Interest	2,979	5,727
(b) Other income		
Royalty income (i)	452,846	42,359
Gain on sale of tenement interests (ii)	-	319,980
Gain on sale of investment (ii)	-	57,272
	452,846	419,611
(c) Employment benefits expense		
Directors fees	(192,000)	(157,000)

(i) Royalty income earned in relation to mining conducted by Mineral Resources Ltd (ASX: **MIN**) at its Deception iron ore mine. FEL holds a 1.5% Dry Metric Tonne, FOB Royalty in respect to M77/1259.

(ii) As announced 27 February 2018, the Company and Auris Minerals Limited (Auris) (ASX: AUR) entered into an agreement with Sandfire Resources NL (Sandfire) (ASX: SFR) in relation to their Morck's Well East Project (AUR 80%:FEL 20%) and AUR's 100% owned Doolgunna Project located in Western Australia's Cryah Basin (Farm-In Agreement). Pursuant to the terms of the Farm-In Agreement, the Company was to receive $300,000 in cash or shares (at Sandfire's election) as consideration. As elected by Sandfire, FEL received 41,502 shares on 7 March 2018 (valued at $319,980). This has been recoded as a gain on sale of tenement interests in the statement of comprehensive income. These shares were subsequently sold by FEL for total proceeds of $377,252, resulting in a gain on sale of investment of $57,272.

	2019 $	2018 $
(d) Other expenses		
Occupancy rental expenses	(36,736)	(36,736)
Insurance	(21,929)	(17,306)
Corporate advisory and marketing expenses	(163,064)	(112,830)
Depreciation expense	(70)	(74)
Other	(28,440)	(34,094)
	(250,239)	(201,040)

4 INCOME TAX

	2019 $	2018 $
(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	-	-

	2019 $	2018 $
(b) Reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory tax rate		
Accounting loss before tax	(1,668,158)	(1,082,275)
Tax at the statutory income tax rate of 27.5%	(458,743)	(297,626)
Tax effect on impairment losses	202,125	292
Tax effect on non-temporary differences	147,983	190,957
Unrecognised tax losses and temporary differences	108,635	106,377
Income tax expense reported in statement of comprehensive income	-	-

	2019 $	2018 $
(c) Deferred tax liabilities		
Accrued income	-	-
	-	-
Less offset by deferred tax asset	-	-
Deferred tax liabilities	-	-
(d) Deferred tax assets		
Accrued expenditure	5,775	4,964
Tax losses	2,771,201	2,663,277
Unrealised capital tax losses	359,736	359,736
	3,136,712	3,028,077
Less offset against deferred tax liabilities	-	-
Deferred tax assets not recognised	3,136,712	3,028,077

The Group has not formed a tax consolidated group.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The Group has tax losses which arose in Australia of $10,077,095 (2018: $9,685,008) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in companies that have been loss-making for some time, and there is no other evidence of recoverability in the near future.

5 LOSS PER SHARE

	2019 Cents	2018 Cents
Basic loss per share		
Continuing operations	(0.44)	(0.32)
	(0.44)	(0.32)

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

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of shares on issue during the 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:

	2019 $	2018 $
Loss used in calculation of basic loss per share		
Continuing operations	(1,668,158)	(1,082,275)
	(1,668,158)	(1,082,275)

	2019 No.	2018 No.
Weighted average number of ordinary shares for basic loss per share	383,041,786	335,837,899
Effect of dilution:		
Unlisted options	-	-
Adjusted weighted average number of ordinary shares for diluted loss per share	383,041,786	335,837,899

The unlisted options outstanding at balance date were found to have an anti-dilutive effect on the calculation. Therefore, at 30 June 2019 and 30 June 2018, the basic loss per share is equal to the diluted earnings per share.

6 CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash and cash equivalents		
Cash at bank and on hand	760,801	894,442

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

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

	2019 $	2018 $
Net loss for the period	(1,668,158)	(1,082,275)
Adjustments for:		
Depreciation	70	74
Share-based payment expense	136,852	58,836
Gain on sale of tenements	-	(319,980)
Corporate advisor fees in the current year settled via issue of shares	26,205	-
Impairment of exploration assets	735,000	-
Gain on sale of investment	-	(57,272)
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	(243,044)	(8,419)
Decrease/(increase) in prepayments	(1,134)	(278)
(Decrease)/increase in trade and other payables	(93,900)	253,354
Net cash used in operating activities	(1,108,109)	(1,155,960)

7 TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Current		
Accrued royalty receivable (a)	241,498	-
Other receivables (b)	15,032	13,486
	256,530	13,486

(a) This accrued receivable represents FEL's entitlement to a royalty payment in relation to mining conducted by MIN at its Deception iron ore mine during the June 2019 quarter. Refer note 3(b)(i) for further details.

(b) Other receivables are amounts which generally arise from transactions outside the usual operating activities of the Group 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 Group's policy to transfer (on-sell) receivables to special purpose entities.

8 EXPLORATION ASSETS

	2019 $	2018 $
Acquisition Cost – Mercury Transaction (a)	475,670	-
Acquisition Cost – Macarthur Minerals Transaction (b)	500,000	-
Acquisition Cost – Kasombo Project (c)	-	735,000
	975,670	735,000
Movements in exploration assets		
Carrying value at beginning of period	735,000	-
Consideration in shares	225,000	735,000
Consideration in options	150,670	-
Cash consideration paid	50,000	-
Cash consideration payable (d)	50,000	-
Cash Option Fee paid	100,000	-
Option Exercise Fee payable (d)	400,000	-
Write off (c)	(735,000)	-
Closing value at end of year	975,670	735,000

a) On 21 February 2019, the Company entered into an agreement (as varied on 8 March 2019, 20 May 2019 and 14 June 2019) (**Acquisition Agreement**) to acquire the Pippingarra Lithium Project and the Marble Bar Lithium Project (together the **Projects**) from Mercury Resources Group Pty Ltd (an unrelated private exploration and mining group) (**Mercury**) (**Mercury Transaction**). Pursuant to the Acquisition Agreement, consideration comprises:

1) 12,500,000 shares subject to six months escrow from date of issue (**Consideration Shares**);

2) 15,000,000 unlisted options with an exercise price of 2.5 cents each expiring on 31 March 2022 (**Consideration Options**);

3) a 1% net smelter royalty;

4) $100,000 in cash, payable in instalments as follows:

   (i) $50,000 paid 23 May 2019;

   (ii) $50,000 payable at formal completion;

5) a further tranche of shares with a total value of $250,000 (using an issue price equal to the Shares' 5 day VWAP) upon the Company announcing a JORC Resource of 50,000,000 tonnes @ 1% Li_2O within 24 months from completion (to be issued subject to prior shareholder approval).

At 30 June 2019, the only condition to formal completion remained the issue of the Consideration Options (now issued). Under the terms of the Acquisition Agreement, FEL was granted the sole and exclusive right to access and undertake exploration on the tenements during the pre-completion period. Exploration activities have been conducted by FEL during the year. The Company deems the Mercury Transaction to have been substantially completed on 23 May 2019 and as such has capitalised the acquisition costs in the statement of financial position at 30 June 2019.

The Consideration Shares were issued on 23 May 2019. The fair value of the Consideration Shares paid of $225,000, based on the Company's share price on 23 May 2019 of $0.018 per share, has been used to record the value of exploration and evaluation assets on initial recognition in accordance with the Group's accounting policies.

The Consideration Options were issued 19 August 2019, following receipt of shareholder approval at the Company's general meeting held 8 August 2019 (**General Meeting**). The fair value of the Consideration Options of $150,670 has been determined in reference to the share price on 23 May 2019. Refer note 14(d) for further details regarding this share based payment.

b) On 14 May 2019, the Company announced that it had entered into an exclusive option agreement (**Option Agreement**) with Macarthur Lithium Pty Ltd (**MLi**), a wholly owned subsidiary of Macarthur Minerals Limited (**Macarthur**) (**TSX-V:MMS**) to acquire an interest of up to 75% in 19 tenements (**Project**). The Project tenements are highly prospective for gold, copper and lithium in proximity to numerous known hard rock lithium and gold deposits in the central and eastern Pilbara.

Under the terms of the Option Agreement, MLi granted FEL a 45 day option to enable FEL to conduct due diligence and secure the required funding to proceed with exercising the option. The Company paid a non-refundable option fee to MLi of $100,000 in cash (**Option Fee**).

On 27 June 2019, FEL elected to exercise the option to earn-in, and the parties have agreed that the payment terms of the $400,000 payable to MLi (being the **Option Exercise Fee**) be extended to 31 August 2019.

On 28 August 2019, the parties entered into a revised agreement to replace the existing Option Agreement (**Revised Option Agreement**). Pursuant to the Revised Option Agreement, the Option Exercise Fee was equity settled on 29 August 2019 via the issue of 26,666,667 ordinary shares (at a deemed issue price of $0.015 each). For the purposes of determining the Stage 1, Stage 2, and Stage 3 earn in periods (detailed below), the parties have acknowledged the formal Exercise Date to be 29 August 2019.

Pursuant to the Revised Option Agreement, FEL holds the right to earn-in up to 75% interest in the Project, on the following terms:

1) Stage 1 - Initial 25% interest in the Project by:
   a. undertaking expenditure on the Project tenements of no less than the minimum expenditure commitment; and
   b. payment to MLi of $500,000 in cash or ordinary FEL shares (based on the 5-day VWAP prior to the issue date) at FEL's election,

   within 1 year from the Exercise Date;

2) Stage 2 - Further 30% interest in the Project by:
   a. undertaking further expenditure on the Project tenements of no less than the minimum expenditure commitment ; and
   b. payment to MLi of $500,000 in cash or shares (based on the 5-day VWAP prior to the issue date) at FEL's election,

   within 2 years from the Exercise Date;

3) Stage 3 - Further 20% interest in the Project by:

a. undertaking expenditure on the Project tenements of no less than the minimum expenditure commitment; and
b. payment to MLi of $750,000 in cash or shares (based on 5-day VWAP prior to the issue date) at FEL's election,

within 3 years from the Exercise Date.

FEL will act as JV manager. MLi will have a free carried until a pre-feasibility study is completed.

FEL can withdraw from the earn-in at any time and without penalty.

c) With the introduction of the Pippingarra Lithium Project and the Marble Bar Lithium Project and the Macarthur Minerals Lithium and Gold Tenements Earn-In Project to the Company's portfolio, and in line with the Company's renewed focus on assets located in Australia, the Board has elected to exit from the Kasombo Project located in the Democratic Republic of Congo. As a result, a write off expense for the full carrying value of $735,000 has been recognised in the year ended 30 June 2019.

d) Included in trade and other payables at 30 June 2019 (refer note 10).

9 PLANT AND EQUIPMENT

	2019 $	**2018 $**
Gross carrying value at cost	4,562	720
Accumulated depreciation	(616)	(546)
	3,946	174

	2019 $	**2018 $**
Movements in plant and equipment		
Carrying value at beginning of year	174	248
Additions	3,842	-
Disposals	-	-
Depreciation charge for the period	(70)	(74)
Carrying value at end of year	3,946	174

10 TRADE AND OTHER PAYABLES

	2019 $	**2018 $**
Trade payables (a)	137,782	89,294
Payable to Mercury (refer note 8)	50,000	-
Payable to Macarthur (refer note 8)	400,000	-
Other payables and accruals (b)	45,442	154,305
Kasombo Acquisition Pre-Settlement Exploration Expenditure (c)	49,130	49,130
	682,354	292,729

(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) Pursuant to the Kasombo Acquisition agreement, FEL is required to reimburse Cape Lambert for expenditure incurred by Cape Lambert since acquisition of its interest in the Kasombo Project (**Pre-Settlement Expenditure**) up to maximum amount of $125,000 (subject to ASX's confirmation that it is reimbursement of expenditure incurred in the development of the asset). FEL has received a final invoice for Pre-Settlement Expenditure from Cape Lambert for $99,130, which has been recorded in exploration and evaluation expenditure in the statement of comprehensive income. FEL had initially advanced Cape Lambert $50,000 as a contribution towards the Pre-Settlement Expenditure, such that the outstanding balance of the invoiced amount at balance date is $49,130.

11 CONTRIBUTED EQUITY

	2019 $	2018 $
Ordinary shares		
Issued and fully paid	40,770,054	39,381,064

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

	2019 No. of shares	2019 $	2018 No. of shares	2018 $
Movements in ordinary shares on issue				
Balance at beginning of year	370,877,963	39,381,064	293,169,629	37,395,564
Kasombo Acquisition	-	-	35,000,000	735,000
Placement	-	-	33,333,334	1,000,000
Exercise of options	-	-	9,375,000	281,250
Shares issued to director (a)	2,750,000	38,500	-	-
Placement (b)	20,000,000	400,000	-	-
Placement (c)	48,500,000	727,500	-	-
Settlement of invoices (d)	2,406,990	36,105	-	-
Consideration Shares to Mercury (e)	12,500,000	225,000		
Share issue costs	-	(38,115)	-	(30,750)
Balance at end of year	457,034,953	40,770,054	370,877,963	39,381,064

(a) Refer note (14)(b)(i) for further details.

(b) On 8 May 2019, the Company completed a placement to sophisticated and professional investors raising a total of $400,000 (**Placement A**) through the issue of Shares at an issue price of $0.02 per Share (**Placement A Shares**), with one free attaching Option for every two Placement A Shares issued at an exercise price of $0.03 each expiring 2 years from date of issue (**Placement A Options**).

(c) As announced on 4 June 2019, the Company completed three placements to sophisticated and professional investors raising a total of $727,500 (**Placement B**) for the issue of Shares at an issue price of $0.015 per Share (**Placement B Shares**). Subject to receipt of shareholder approval, one free option will be issued for every four Placement B Shares with the options having an exercise price of $0.02 each expiring 31 May 2021 (**Placement B Options**).

In addition to the above, at 30 June 2019, the Company had received firm commitment of $75,000 from investors to participate in the Placement B and proposed to issue 5,000,000 Placement B Shares (**Proposed Placement B Shares**) to such investors at an issue price of $0.015 per Share, subject to shareholder approval.

(d) On 4 June 2019, the Company issued 2,406,990 Shares at a market price of $0.015 per Share to settle an amount of $36,105 invoiced by Pinnacle in relation to brokerage fees and corporate advisory services (**Pinnacle Shares**). Under the terms of the arrangement, the Company agreed to issue Pinnacle with one Option for every four Pinnacle Shares issued with the option having an exercise price of $0.02 each expiring 31 May 2021, subject to receipt of shareholder approval and completion of the issue of the Proposed Placement B Shares (**Pinnacle Options**).

(e) On 23 May 2019, the Company issued 12,500,000 Consideration Shares to Mercury pursuant to the Acquisition Agreement (refer note 8(a)). The fair value of the Consideration Shares paid of $225,000, based on the Company's share price on 23 May 2019 of $0.018 per Share. The Consideration Shares are escrowed until 23 November 2019.

12 ACCUMULATED LOSSES

	2019	2018
	$	$
Accumulated losses	(41,481,535)	(39,813,377)
Movements in accumulated losses		
Balance at beginning of year	(39,813,377)	(38,731,102)
Net profit/(loss) for the year	(1,668,158)	(1,082,275)
Balance at end of year	(41,481,535)	(39,813,377)

13 RESERVES

	2019	2018
	$	$
Share based payments reserve	2,035,849	1,786,827
Movements in reserve		
Balance at beginning of year	1,786,827	1,727,991
Share-based payments made during the year (refer note 14)	249,022	58,836
Balance at end of year	2,035,849	1,786,827

Nature and purpose of reserve

This reserve is used to record the value of share based payments made to directors, consultants, and as consideration to acquire assets (in the form of unlisted options).

14 SHARE-BASED PAYMENTS

Share based payment transactions recognised during the year were as follows:

	2019 $	2018 $
(a) Share-based payments expensed through profit and loss:		
Shares (i)	38,500	-
Options	98,352	58,836
	136,852	58,836
(b) Share-based payments capitalised in exploration assets:		
Shares (ii)	225,000	735,000
Options	150,670	-
	375,670	735,000
Total share-based payments	512,522	793,836

(i) On 22 February 2018, the Directors in their discretion, acknowledging that Okewood Pty Ltd (**Okewood**), a company controlled by Mr Antony Sage, previously agreed to reduced fees during the period from 1 April 2016 to 31 January 2018, agreed to issue 2,750,000 shares to Okewood at a deemed issue price of 4 cents per share, subject to shareholder approval (**Director Shares**). The expense recorded in respect of the Director Share has been determined in reference to the share price at the date of grant, being 1.4 cents at 30 November 2018. Shareholder approval for the issue of the Director Shares was received at the Company's AGM and the Director Shares were subsequently issued on 24 December 2018.

(ii) Refer note 8.

(c) Summary of options granted

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

	2019 No.	2019 WAEP	2018 No.	2018 WAEP
Outstanding at the beginning of the year	12,500,000	$0.045	-	-
Options granted (d)	40,000,000	$0.027	12,500,000	$0.045
Options expired	-	-	-	-
Outstanding at the end of the year	52,500,000	$0.045	12,500,000	$0.045
Exercisable at the end of the year	20,000,000	$0.045	-	-
Not exercisable at the end of the year	32,500,000	$0.022	12,500,000	$0.045

(d) Options granted

The following unlisted options were granted during the year ended 30 June 2019:

- 7,500,000 unlisted options at $0.045 expiring 31 May 2020 with no vesting conditions issued to consultant (**Consultant Options**)

- 15,000,000 unlisted options at $0.025 expiring 31 March 2022 with no vesting conditions (being the **Consideration Options**) (subject to receipt of shareholder approval) (not issued at 30 June 2019)

- On 31 May 2019, the Directors agreed to issue a total of 17,500,000 unlisted options with no vesting conditions at $0.02 expiring 31 May 2021 (subject to receipt of shareholder approval) (**2019 Director Options**) (not issued at 30 June 2019), as follows:

    - 10,000,000 Director Options to Mr Antony Sage (or nominee);
    - 5,000,000 Director Options to Mr Kenneth Keogh (or nominee); and
    - 2,500,000 Director Options to Mr Nicholas Sage (or nominee).

The fair value of options granted during the year ended 30 June 2019 was determined using a Black-Scholes option pricing model. The following table lists the inputs to the model for the options issued:

	Consultant Options	2019 Director Options	Consideration Options
Expiry date	31 May 2020	31 May 2021	31 March 2022
Valuation date	30 November 2018	30 June 2019	23 May 2019
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	133%	100%	100%
Risk free interest rate (%)	2.04%	1.01%	1.21%
Exercise price ($)	$0.045	$0.020	$0.025
Discount (%)	Nil	Nil	Nil
Expected life of options (years)	1.50	1.92	3.02
Share price at grant date ($)	$0.014	$0.017	$0.018
Value per option ($)	$0.0048	$0.0081	$0.0100

The following options were granted during the year ended 30 June 2018:

- On 21 March 2018, the Directors agreed to issue a total of 12,500,000 unlisted options with no vesting conditions to directors at an exercise price of $0.045 each and an expiry date of 31 May 2020, subject to receipt of shareholder approval (**Director Options**), as follows:
    - 6,500,000 Director Options to Mr Antony Sage (or nominee);
    - 4,500,000 Director Options to Mr Kenneth Keogh (or nominee); and
    - 1,500,000 Director Options to Mr Nicholas Sage (or nominee).

As detailed in the Company's 2018 Annual Report, a provisional estimate of the fair value of the Director Options was determined by reference to the 30 June 2018 share price of the Company. Based on the provisional estimate, a share-based payment expense of $58,836 was recorded in the year ended 30 June

2018. Shareholder approval for the issue of the Director Options was received at the Company's annual general meeting held 30 November 2018 (**AGM**) and the Director Options were issued on 24 December 2018. The table below reflects the final valuation of the Director Options.

The fair value of options granted during the year ended 30 June 2018 was determined using a Black-Scholes option pricing model. The following table lists the inputs to the model for the options issued:

	Director Options
Expiry date	31 May 2020
Valuation date	30 November 2018
Dividend yield (%)	Nil
Expected volatility (%)	133%
Risk free interest rate (%)	2.04%
Exercise price ($)	$0.045
Discount (%)	Nil
Expected life of options (years)	1.5 years
Share price at grant date ($)	$0.014
Value per option ($)	$0.0048

(e) Weighted average remaining contractual life

The weighted average remaining contractual life for the options outstanding as at 30 June 2019 is 1.83 years (2018: 1.92 years).

(f) Fair value

The fair value of options granted during the year ended 30 June 2019 was $0.0082 (30 June 2018: $0.0118).

(g) Option expired

During the year ended 30 June 2019, nil options expired (2018: nil).

(h) Refer to note 11(d) for amounts settled in shares.

15 OTHER UNLISTED OPTIONS

The following refers to unlisted options issued by the Company which do not constitute a share based payment.

(a) Options granted during the year

There were a total of 10,000,000 unlisted options issued during the year at various exercise prices and expiry dates (2018: nil), being the Placement A Options.

(b) Options exercised during the year

During the year, there was nil received in proceeds from the exercise of unlisted options (2018: $281,250).

(c) Options expired during the year

There were no unlisted options that expired during the year (2018: nil).

(d) Options on issue

The following unlisted options were on issue at 30 June 2019:

- 5,625,000 unlisted options at $0.03 expiring 13 March 2021
- 3,125,000 unlisted options at $0.03 expiring 12 April 2021
- 1,250,000 unlisted options at $0.03 expiring 8 May 2021

16 SEGMENT INFORMATION

The Group 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 Group has only one operating segment, being mineral exploration. The financial results from the segment are equivalent to the financial statement of the Company as a whole. The accounting policies used by the Consolidated Group in reporting segment internally are the same as those contained in note 2 to the accounts. The Consolidated Group's non-current assets are located in Australia.

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group'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 Group to operate efficiently or execute its business plans and strategies.

The Board has overall responsibility for the determination of the Group'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 Group's capital base comprises its ordinary shareholders equity, which was $1,343,043 at 30 June 2019 (30 June 2018: $1,354,514). The Group 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 Group 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 Group.

The Group is not subject to any externally imposed capital requirements.

Financial instrument risk exposure and management

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

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

Interest rate risk

The Group's exposure to changes in market interest rates relates primarily to the Group's cash and short-term deposits with a floating interest rate.

At the reporting date, the Group had the following financial assets exposed to variable interest rate risk:

	Note	**2019** **$**	**2018** **$**
Financial assets			
Cash and cash equivalents	6	760,801	894,442
		760,801	894,442

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)	
	2019	**2018**	**2019**	**2018**
Consolidated	**$**	**$**	**$**	**$**
+1% (100 basis points)	7,608	8,944	-	-
-0.5% (50 basis points)	(3,804)	(4,472)	-	-

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 2018.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group'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 Group trades only with recognised and creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Other than the cash balance with a AA credited bank and an accrued royalty receivable that was subsequently collected in full, there are no other significant concentrations of credit risk within the Group.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group'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 Group 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 Group'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 2019				
Trade and other payables	682,354	-	-	682,354
	682,354	-	-	682,354
30 June 2018				
Trade and other payables	292,729	-	-	292,729
	292,729	-	-	292,279

The Group 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.

18 COMMITMENTS AND CONTINGENCIES

Commitments

Office Rental Commitments

On 30 April 2018, the Group entered into a sub-lease with Cape Lambert Resources Ltd for office premises for a lease period terminating on 31 March 2020. The expenditure commitment with respect to rent payable under the sub-lease arrangement is as follows:

	2019 $	2018 $
Within one year	27,549	36,732
After one year but less than five years	-	27,549
More than five years	-	-
	27,549	64,281

Contingencies

Contingent Liability - Mercury Transaction Consideration in Shares

Pursuant to the Acquisition Agreement in relation to the Mercury Transaction, FEL has agreed to issue a further tranche of shares with a total value of $250,000 (using an issue price equal to the Shares' 5 day VWAP) upon the Company announcing a JORC Resource of 50,000,000 tonnes @ 1% Li_2O within 24 months from completion as part of the consideration for the project (to be issued subject to prior shareholder approval). This obligation is considered a contingent liability at 30 June 2019.

At 30 June 2019 there were no other contingent liabilities or contingent assets.

19 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 % 2019	 2018
Jackson Minerals Pty Ltd	Australia	100	100
Mooloogool Pty Ltd	Australia	100	100
Bulk Ventures Ltd	Australia	100	100
Bulk Ventures (Bermuda) Limited	Bermuda	100	100

20 PARENT ENTITY FINANCIAL INFORMATION

	2019 $	2018 $
Current Assets	1,027,106	912,069
Non-Current assets	979,616	735,174
Total Assets	2,006,722	1,647,243
Current Liabilities	682,354	292,729
Non-current liabilities	-	-
Total Liabilities	682,354	292,729
Net assets	1,324,368	1,354,514
Issued Capital	40,770,054	39,381,064
Accumulated losses	(41,481,535)	(39,813,377)
Share Based Payment reserve	2,035,849	1,786,827
Total Shareholder's Equity	1,324,368	1,354,514

	2019	2018
Loss for the period	(1,668,158)	(1,082,275)
Total comprehensive loss for the period	(1,668,158)	(1,082,275)

There were no guarantees entered into by the parent entity in relation to the debts of its subsidiaries (30 June 2018: nil).

Commitments, contingent liabilities and contingent assets of the parent entity are the same as those of the Group as detailed at note 18.

21 AUDITORS' REMUNERATION

	2019 $	2018 $
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 Group:		
Amounts paid or payable relating to current year audit and half year review	32,258	28,403
	32,258	28,403

22 RELATED PARTY DISCLOSURES

Note 19 provides the information about the Group's structure including the details of the subsidiaries and the holding company.

Transactions with directors, director related entities and other related parties

During the year ended 30 June 2019, an aggregate amount of $139,439 (30 June 2018: $154,659) was paid or payable to Cape Lambert Resources Ltd (**Cape Lambert**) for reimbursement of rent, travel costs, and exploration expenditure costs. At 30 June 2019, $44,664 was payable to Cape Lambert (30 June 2018: $83,896).

During the year ended 30 June 2019, an aggregate amount of $34,488 (30 June 2018: nil) was paid or payable to European Lithium Ltd (**European Lithium**) for reimbursement of travel costs. At 30 June 2019, $5,495 was payable to European Lithium (30 June 2018: nil).

Cauldron Energy Ltd (**Cauldron**) was a director related entity until 25 February 2019. During the period 1 July 2018 to 25 February 2019, an aggregate amount of $2,004 (30 June 2018: $40,671) was paid or payable to Cauldron Energy Ltd (**Cauldron**) for reimbursement of consultant costs. At 30 June 2019,

$42,674 was payable to Cauldron (30 June 2018: $40,671). Mr Nicholas Sage was a director of Cauldron until 25 February 2019. Mr Antony Sage was a director of Cauldron until 22 November 2018.

Significant shareholders

As at 30 June 2019, Cape Lambert held a 31.91% interest in the issued capital of FEL (30 June 2018: 39.33%).

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.

Transactions with key management personnel

Compensation of key management personnel

	2019 $	**2018 $**
Short term employee benefits	197,000	185,000
Share based payments	101,022	58,836
	298,022	243,836

Interests held by Key Management Personnel

Movements in share options held by key management personnel to purchase ordinary shares is summarised as follows:

	Balance at 1 July 2018	**Acquired /granted during year** (i)	**Lapsed during Year**	**Balance at 30 June 2019**	**Exer-cisable**	**Not Exer-cisable**	**Exercise Price**	**Expiry Date**
Directors								
A Sage	6,500,000	-	-	6,500,000	6,500,000	-	$0.045	31 May 2020
	-	10,000,000		10,000,000	-	10,000,000	$0.020	31 May 2021
N Sage	1,500,000	-	-	1,500,000	1,500,000	-	$0.045	31 May 2020
	-	2,500,000		2,500,000	-	2,500,000	$0.020	31 May 2021
K Keogh	4,500,000	-	-	4,500,000	4,500,000	-	$0.045	31 May 2020
	-	5,000,000	-	5,000,000	-	5,000,000	$0.020	31 May 2021
	12,500,000	17,500,000	-	30,000,000	12,500,000	17,500,000		

(i) Refers to 2019 Director Options as detailed at note 14(d).

30 June 2018	**Balance at 1 July 2017**	**Acquired /granted during year** (i)	**Lapsed during Year**	**Balance at 30 June 2018**	**Exer-cisable**	**Not Exer-cisable**	**Exercise Price**	**Expiry Date**
Directors								
A Sage	-	6,500,000	-	6,500,000	-	6,500,000	$0.045	31 May 2020
N Sage	-	1,500,000	-	1,500,000	-	1,500,000	$0.045	31 May 2020
K Keogh	-	4,500,000	-	4,500,000	-	4,500,000	$0.045	31 May 2020
	-	12,500,000	-	12,500,000	-	12,500,000		

(i) Refers to 2018 Director Options which were granted in March 2018 and issued on 24 December 2018 following receipt of shareholder approval.

Shares issued to directors or director related entities

Following receipt of shareholder approval at the AGM, on 24 December 2018 a total of 2,750,000 Director Shares were issued to Okewood, as detailed at note 14(b)(i).

23 EVENTS AFTER THE REPORTING DATE

As announced 6 August 2019, FEL received notice of a royalty payment of $241,498 to be received in relation to mining conducted by MIN at its Deception iron ore mine during the June 2019 quarter. These funds were received on 8 August 2019.

On 6 August 2019, the Company announced the results of its initial two field reconnaissance field trips to assess each of the Macarthur Minerals Lithium and Gold Tenements and the tenements forming the Pippingarra Lithium Project and the Marble Bar Lithium Project for access and to identity target rocks for further exploration.

The Company held an extraordinary general meeting on 8 August 2019 (**GM**). All resolutions put to the meeting were passed on a show of hands.

The following securities were issued on 19 August 2019, as approved by shareholders at the GM:

- 5,000,000 shares following receipt of $75,000 (being the Proposed Placement B Shares);
- 33,976,749 unlisted options exercisable at $0.02 each on or before 31 May 2021 (including the Placement B Options and the 2019 Director Options (detailed below));
- 15,000,000 unlisted options exercisable at $0.025 each on or before 31 March 2022 (being the Consideration Options).

On 28 August 2019, the FEL and Macarthur executed a Revised Option Agreement. Pursuant to this, the Option Exercise Fee was equity settled on 29 August 2019 via the issue of 26,666,667 ordinary shares (at a deemed issue price of $0.015 each). The terms of the Stage 1, Stage 2, and Stage 3 earn in were revised under the Revised Option Agreement (as detailed above).

On 1 September 2019, Mr Mark Hancock was appointed as Executive Director of the Company. Mr Kenneth Keogh resigned as a Director on this date.

There have been no other events subsequent to 30 June 2019 up to the date of this report that would materially affect the operations of the Group 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 year ended 30 June 2019 are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and its performance for the year ended on that date; and

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

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

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

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2019.

On behalf of the Board

Mr Antony Sage
Non-Executive Chairman

12 September 2019

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent Auditor's Report to the Members of Fe Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Fe Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 2(c) of the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report. Our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of capitalised exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 8, as at 30 June 2019, the Group held capitalised exploration and evaluation expenditure assets of $975,670. The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the carrying value of exploration and evaluation expenditure assets may exceed their recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year, the Group recognised an impairment charge of $735,000 in relation to one of its areas of interest. The Group determined that there had been no indicators of impairment for its other areas of interest.	In performing our procedures, we: ► Considered the Group's right to explore in the relevant areas of interest, which included obtaining and assessing supporting documentation such as the project acquisition agreements ► Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area, which included assessment of the Group's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group ► Considered whether the exploration activities within each area of interest have reached a stage where the commercially viable resource estimate could be made, which included obtaining and assessing supporting documentation such as exploration reports and the Group's announcements in the Australian Stock Exchange in relation to its mineral resources ► Assessed the adequacy of the disclosure included in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Building a better working world

Responsibilities of the directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Fe Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Ernst & Young

Ernst & Young

V L Hoang
Partner
Perth
12 September 2019

MH:DA:FEL:009

SCHEDULE OF TENEMENTS

As at 2 September 2019:

Tenement reference	Project & Location	Interest	Notes
E52/1659	Forrest (Milgun) – Western Australia	20%	1, 2, 3
E52/1668	Peak Hill – Western Australia	20%	4
E52/1671	Forrest (Milgun) – Western Australia	20%	1, 2, 3
E52/1678	Peak Hill – Western Australia	20%	4
E52/1722	Peak Hill – Western Australia	20%	5
E52/1730	Peak Hill – Western Australia	20%	4
P52/1538	Peak Hill – Western Australia	20%	4
P52/1539	Peak Hill – Western Australia	20%	4
P52/1494	Forrest (Milgun) – Western Australia	20%	1
P52/1495	Forrest (Milgun) – Western Australia	20%	1
P52/1496	Forrest (Milgun) – Western Australia	20%	1
E45/4759	Pippingarra	100%	6
E45/4691	Pippingarra	100%	6
E45/4669	Marble Bar	100%	6
E45/4690	Marble Bar	100%	6
E45/4724	Marble Bar	100%	6
E45/4746	Marble Bar	100%	6
E51/1033-I	Morcks Well	20%	7, 8, 9
E52/1613-I	Morcks Well	20%	7, 8, 9
E52/1672-I	Morcks Well	20%	7, 8, 9
E45/4685	Marble Bar	-	10
E45/4693	Indee	-	10
E45/4702	Hillside	-	10
E45/4708	Panorama	-	10
E45/4709	Panorama	-	10
E45/4710	Hillside	-	10
E45/4711	Hillside	-	10
E45/4732	Panorama	-	10
E45/4735	Strelley Gorge	-	10
E45/4747	Hillside	-	10
E45/4764	Marble Bar	-	10
E45/4779	Panorama	-	10
E45/4824	Panorama	-	10
E45/4848	Tambourah	-	10
E45/5324	North Tambourah	-	10
E46/1114	Noreena Downs	-	10
E46/1115	Noreena Downs	-	10
E46/1210	Noreena Downs	-	10

NOTES:	
1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (AUR - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and FEL (via Jackson Minerals) 20% in all minerals free carried to decision to mine.
2	Westgold Resources Limited owns 80% gold rights, Auris Exploration Pty Ltd (Auris)(previously known as Grosvenor Gold Pty Ltd) (Operator) holds 80% interest in all minerals other than gold and FEL (via Jackson Minerals) holds 20% in all minerals free carried to decision to mine.
3	Westgold Resources Limited has first right of refusal over disposal of AUR 80% interest.

4	ALY 80% reducing to 10% in all minerals once SFR and Billabong (Operator) earn in under respective JV agreements with ALY. Billabong earning 70% interest in all minerals in part of this tenement and SFR earning 70% in base metals only (excluding Iron Ore) in the remaining tenement area. FEL (via Jackson Minerals) holds 20% in all minerals in the whole of the tenements free carried to decision to mine.
5	Alchemy 80% reducing to 10% in all minerals once SFR (Operator) earn in under JV agreement with ALY. SFR earning 70% in base metals only (excluding iron ore) in the whole of the tenement area by sole funding exploration expenditure. FEL (via Jackson Minerals) holds 20% in all minerals free carried to decision to mine.
6	The acquisition of these tenements under the Mercury Transaction was substantially completed 23 May 2019.
7	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (Auris - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and Jackson Minerals Pty Ltd 20% in all minerals.
8	Jackson Iron Ore Royalty: Auris Exploration Pty Ltd (Auris) (previously known as Grosvenor Gold Pty Ltd) (Operator) to pay PepinNini Robinson Range Pty Ltd (PRR) a 0.8% gross revenue royalty from the sale or disposal of iron ore. Jackson Minerals Pty Ltd holds 20% in all minerals.
9	Sandfire Farm-in: Subject to a Farm-in Letter Agreement between SFR, AUR and FEL. If SFR makes a Discovery on the tenements and a JV is formed then the interests in the tenements will be 70% SFR, 24% AUR and 6% FEL. Full details of the agreement are described in the Auris ASX announcement dated 27 February 2018.
10	Macarthur Lithium Earn-In: Subject to an Option and Earn In Agreement between MLi and FEL. FEL exercised its right to earn in on 27 June 2019. FEL holds the right to acquire an interest of up to 75% in the tenements, refer to ASX:FEL announcement dated 14 May 2019 for full details of the agreement.

ADDITIONAL SHAREHOLDER INFORMATION

Shares

The total number of Shares on issue as at 2 September 2019 was 476,201,620 (excludes Escrowed Shares), held by 877 registered Shareholders. 530 shareholders hold less than a marketable parcel, based on the market price of a share as at 2 September 2019.

Each Share carries one vote per Share without restriction.

Escrowed Shares

In addition to the Shares noted above, there are 12,500,000 Escrowed Shares on issue at 2 September 2019, held by 1 Shareholder. These Escrowed Shares will be released from escrow 23 November 2019.

Quoted Options

The Company does not have any quoted Options on issue.

Unquoted Options

Unquoted Options on issue at 2 September 2019 are as follows:

- 20,000,000 unlisted options at $0.045 expiring 31 May 2020
- 5,625,000 unlisted options at $0.03 expiring 13 March 2021
- 3,125,000 unlisted options at $0.03 expiring 12 April 2021
- 1,250,000 unlisted options at $0.03 expiring 8 May 2021
- 33,976,749 unlisted options at $0.02 expiring 31 May 2021
- 15,000,000 unlisted options at $0.025 expiring 31 March 2022

Twenty Largest Shareholders

As at 2 September 2019, the twenty largest Shareholders (including Escrowed Shares) were as shown in the following table and held 78.64% of the Shares.

	Legal Holder	**Holding**	**%**
1	DEMPSEY RESOURCES PTY LTD	120,848,635	24.73
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	42,924,890	8.78
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,380,000	5.81
4	CAULDRON ENERGY LIMITED	28,153,112	5.76
5	MACARTHUR MINERALS LIMITED	26,666,667	5.46
6	DEMPSEY RESOURCES PTY LTD	25,000,000	5.12
7	WHITEY TIGER PTY LTD <THE WTL A/C>	14,895,018	3.05
8	MR JOHN CHARLES CHERRY	12,500,000	2.56
8	MERCURY RESOURCES GROUP PTY LIMITED*	12,500,000	2.56
9	WISEVEST PTY LTD	11,000,000	2.25
10	MR ALEXANDER JOHN PEDEN & MRS MARY LOUISA PEDEN	10,000,000	2.05
10	S&A CONSULTING D.O.O.	10,000,000	2.05
11	H & K SUPER MANAGEMENT PTY LTD <H & K SUPER FUND A/C>	6,600,000	1.35
12	ANTONY WILLIAM PAUL SAGE & LUCY FERNANDES SAGE <EGAS SUPERANNUTION FUND>	6,423,010	1.31
13	BOSTON FIRST CAPITAL PTY LTD	4,979,477	1.02
14	GOLDFIRE ENTERPRISES PTY LTD	4,253,728	0.87
15	SUBURBAN HOLDINGS PTY LIMITED <SUBURBAN SUPER FUND A/C>	4,103,546	0.84
16	MR ANTHONY ROBERT RAMAGE	3,500,000	0.72
17	MR ANTHONY ROBERT RAMAGE	3,300,000	0.68
18	FRED PARRISH INVESTMENTS PTY LTD <PARRISH FAMILTY A/C>	2,845,449	0.58
19	OKEWOOD PTY LTD	2,750,000	0.56
20	MRS LILIANA TEOFILOVA	2,671,890	0.55
	Total	**384,295,422**	**78.64**

*Escrowed until 23 November 2019.

Distribution Schedule

A distribution schedule of the number of Shareholders, by size of holding, as at 2 September 2019 is below (including Escrowed Shares):

Size of holdings	Number of Shareholders
1 – 1000	72
1,001 – 5,000	161
5,001 – 10,000	133
10,001 – 100,000	314
100,001 and over	198
Total	**878**