



QUARTERLY REPORT Quarter ended 31 March 2014

Australian Securities
Exchange Code: **FEL**

29 April 2014

Ordinary Shares:
219,714,630

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

QUARTERLY REPORT - 31 March 2014

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 31 March 2014.

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

Yours faithfully
Fe Limited

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

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ASX Code: FEL
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felimited.com.au

CORPORATE

Strategy

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

The Company's strategy is to explore and add value to its iron ore projects in Western Australia and position them for development and/or divestment. During this reporting period, the Company has divested several non-core projects including the Gympie gold mine as part of its strategy to focus on its iron ore projects. The Company has retained its interests in several highly prospective projects in the Peak Hill region of Western Australia where it has no contributing responsibilities. In addition, the Company is actively seeking new investments in bulk and related commodities including iron ore and manganese.

Funding

As previously disclosed and detailed in the Company's Notice of Annual General Meeting, the Company entered into a settlement and converting loan agreement (**Settlement and Converting Loan Agreement**) with Cape Lambert Resources Limited (**Cape Lambert**) for the settlement of existing loans. Shareholder approval was received at the Company's Annual General Meeting to settle the existing loans with Cape Lambert. Repayment of \$1M cash and the issue of 104,193,055 ordinary shares to Dempsey Resources Pty Ltd, a wholly owned subsidiary of Cape Lambert (being conversion of the balance and accrued interest into shares) took place on or about 26 February 2014.

Cape Lambert currently holds a 57.89% interest in FEL.

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

Annual General Meeting

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

Gympie Eldorado Mining Pty Ltd Sale

During the quarter the Company was pleased to advise that it completed the sale of its wholly owned subsidiary, Gympie Eldorado Mining Pty Ltd (**GEM**) to a private Singapore registered Mining and Metals trading group company (**Purchaser**) (**Transaction**). Final payment of \$1.425M, being refund of environmental bonds was received on 15 April 2014.

Fe retains a 3% Net Smelter Return royalty from gold derived from the Gympie Eldorado Mine (including any processing tailings) plus 10% of any profits from any future sale of freehold land, which comprises the Gympie Eldorado Gold Mine Tailings Site.

The potential value of the freehold land has increased over the past 18 months with rezoning approval from Rural to High Impact Industrial. The site has several advantages in that it is above flood level heights and is adjacent to the proposed realignment of the Bruce Highway, the main arterial access from Brisbane to the north of Queensland.

PROJECTS

Projects Review

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



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

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

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

FEL, via its subsidiary, Jackson Minerals Pty Ltd, holds a 20% free carried interest to Decision to Mine in eight exploration licenses (E51/1033, E51/1060, E52/1613, E52/1655, E52/1659, E52/1670, E52/1671, E52/1672) and five prospecting licenses (P52/1169, P52/1170, P52/1171, P52/1172, P52/1194) (refer Map 1).

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

RNI recently announced a successful resampling program of historic drilling from the Forrest Gymp and Wodger Prospects, which reported high grade copper anomalism. Please see RNI announcement dated 27th March for further details.

RNI has also announced a capital raising to fund further exploration of this emerging project.

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

FEL, via its wholly owned subsidiary Jackson Minerals Pty Ltd holds a 20% free carried interest to Decision to Mine in four exploration licenses (E52/1668, E52/1678, E52/1722, E52/1730) and four prospecting licenses (P52/1167, P52/1168, P52/1196) (refer Map 1).

The project covers approximately 45km of strike length of the prospective Narracoota volcanic sedimentary sequence in the Bryah Basin.

Joint venture partner ALY, announced on 30 January 2014 that nickel and gold miner, Independence Group ASX: IGO), has farmed into its Bryah Basin Project. FEL holds 20% free carried equity in some of these tenements. IGO may earn up to 80% interest in the entire Bryah Basin Project via sole funding \$6.5M on exploration over 6 years. FEL welcomes the involvement of IGO given its proven success in mining and exploration. For further details, please refer to ALY announcement.

Robinson Range Iron Ore Project (20%)

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

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

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

Mt Ida Iron Ore Project

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

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



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

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

Yours faithfully

Fe Limited

Mark Gwynne
Executive Director

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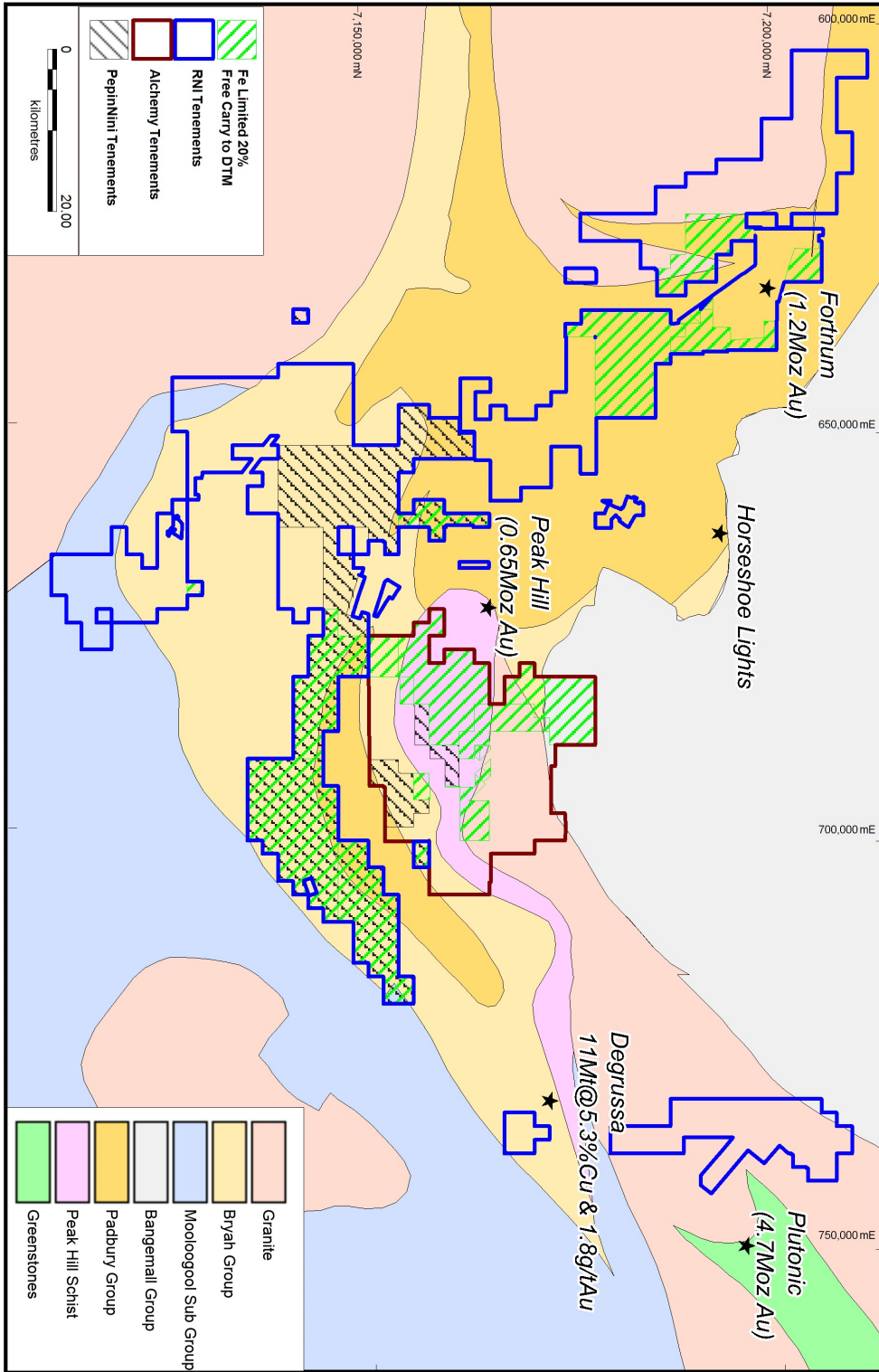
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Competent Person Statement

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



Map 1



Schedule of Tenements

As at 31 March 2014 (including details of tenements acquired and disposed of during the quarter):

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

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
P52/1195	Milgun - Western Australia	-	-	20%
P52/1196	Milgun - Western Australia	-	-	20%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Fe Limited

ABN

34 112 731 638

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(69)	(89)
(b) development	-	-
(c) production	-	-
(d) administration	(243)	(359)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other: Rehab at Gympie Eldorado Mine	-	(121)
Other: Funding from purchaser of Gympie Eldorado Mine prior to completion of sale	-	57
Other	-	4
Net Operating Cash Flows	(303)	(494)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(4)	(4)
1.9 Proceeds from sale of:		
(a) prospects	-	201
(b) equity investments	-	-
(c) other fixed assets	-	-
(d) controlled entity	86	86
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other: Refund of performance bond	804	820
Other: Proceeds from sale of land	-	107
Other: Cash balance disposed on sale of Gympie Eldorado Mine	(24)	(24)
Net investing cash flows	862	1,186
1.13 Total operating and investing cash flows (carried forward)	559	692

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	559	692
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other:	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	559	692
1.20	Cash at beginning of quarter/year to date	142	9
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	701	701

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	48
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Director fees paid to executive and non-executive directors.	

Non-cash financing and investing activities

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

On 21 February 2014, follow shareholder approval, the Company issued 104,193,055 fully paid ordinary shares (**Shares**) in part satisfaction of loans. The Shares issued were in settlement of loans and interest to the value of \$2,294,604.

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

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities*	-	1,000
3.2 Credit standby arrangements	-	-

*As previously announced, an agreement had been entered into with Cape Lambert Resources Ltd (ASX: CFE) for the settlement of the existing \$3 million loan facilities (excluding interest). At the Company's Annual General Meeting on 21 February 2014, the shareholders approved the following with regards to the settlement of these facilities:

- \$1 million cash (repaid on 15 April 2014); and
- \$2 million (plus interest) converted into fully paid ordinary shares in the Company (104,193,055 shares were issued during the March 2014 quarter).

Estimated cash outflows for next quarter

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

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	701	142
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter** (item 1.22)	701	142

**In addition to the cash balance reported above, the Company has \$1,447,978 in term deposit which serves as security provided by the Company in respect of rehabilitation bonds. The funds were returned to the Company on 15 April 2014.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1				
7.2				
7.3				
7.4				
7.5				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	-	-		
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	(375,000)	-	<i>Exercise price</i> \$0.15	<i>Expiry date</i> 23 March 2014
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

(Director)

Date: 29 April 2014

Print name: Mark Gwynne
(Director)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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