QUARTERLY REPORT
Quarter ended 31 March 2016

Australian Securities Exchange Code: **FEL**

Ordinary Shares:
255,669,629

Unlisted Options:
3,850,000

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

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

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

29 April 2016

QUARTERLY REPORT - 31 March 2016

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 31 March 2016.

Yours faithfully
Fe Limited

Mark Gwynne
Executive Director

CORPORATE

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.

Cardinal House Group Pty Ltd

As previously advised the Company in is the progress of acquiring 100% of Cardinal House Group Pty Ltd ("**Cardinal House**") ("**Transaction**"). Cardinal House is an Australian registered proposed business-to-business (B2B) and business-to-consumer (B2C) provider of online social gaming products and real money gambling platforms. On 12 November 2015 the Company signed the binding conditional Share Sale Agreement ("**Agreement**") with Cardinal House. During the quarter Cardinal house also confirmed they were awarded three worldwide gaming licences from the Norfolk Island Gaming Authority, secured access to an exclusive gaming software platform via an agreement with Bet Fun International Ltd ("**Bet Fun**"), and executed a managed gaming service agreement with Canadian registered Gameworkz Inc ("**Gameworkz**"), all of which have satisfied significant conditions precedent in the Agreement.

FEL considers that the Transaction and associated capital raising (described below) will constitute a significant change in the nature and scale of FEL's activities. As a result, subject to ASX's discretion, FEL was required to seek shareholder approval for the Transaction (see General Meeting below) and will need to re-comply with the back-door listing requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

In order for the Transaction to proceed, the Company will need to raise capital to fund commitments and to re-comply with Chapters 1 and 2 of the Listing Rules (which includes the issue of a full form prospectus).

For further details of the Transaction, the proposed capital raising, Bet Fun and Gameworkz, refer to ASX announcements released by the Company.

Existing Business

Should the Transaction proceed, FEL proposes to seek to divest of its existing mining exploration business.

FEL has not yet identified any potential buyers for its existing assets and will keep the market updated of any material developments.

The Company has interests in several highly prospective projects in the Bryah Basin region of Western Australia with joint venture partners RNI NL, Alchemy Resources Ltd, Independence Group NL, Metals X Ltd and Northern Star Resources Ltd, where it has no contributing responsibilities.

Appointment of Paul Carroll as Managing Director

On 18 March 2016 the Company announced that it had entered into a managing director agreement ("**MD Agreement**") with Mr Paul Carroll. The MD Agreement is conditional on FEL completing the Transaction. The appointment satisfied a key condition precedent of the Agreement.

Prospectus

The Company released a prospectus on 23 March 2016, a copy of which can be found on the Company's website.

General Meeting

The Company held a General Meeting ("**GM**") on 11 April 2016 at 9:00am where all resolutions put to the GM, that included those associated with the Transaction, were passed on a show of hands. For more information, refer to the Notice of General Meeting and Results available via the Company's website.

PROJECTS

Projects Review

The Company holds, or has rights or interests in several tenements prospective for iron, nickel, copper and gold located in Western Australia. This includes interests and rights in the 3 iron-focused projects at Mt Ida, Mt Elvire and Robinson Range.

Bryah Basin Joint Venture Projects ("Bryah Basin") (20% rights, free carried to decision to mine)

FEL, via its wholly owned subsidiary, Jackson Minerals Pty Ltd, has a 20% free carried interest to Decision to Mine in 14 tenements covering an area of 838km² in the highly prospective Bryah Basin, including tenements proximal to Sandfire Resources NL (ASX: **SFR**) Doolgunna Project and DeGrussa copper gold mine and several gold and copper prospects. The Bryah Basin Project tenements are subject to joint ventures with Alchemy Resources Ltd (ASX: **ALY**), RNI NL (ASX: **RNI**) and PepinNini Minerals Ltd (ASX: **PNN**).

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 resources. This is demonstrated by the recent success by Sandfire and JV partner, Talisman Mining Ltd at the Monty prospect, which returned high grade copper/gold mineralization from recent and ongoing drilling. The drilling targeted geophysical anomalies identified under cover and highlights the exploration potential for the region (*see ASX: SFR announcements*).

Grosvenor Project - RNI NL 80%, FEL 20% free carried to Decision to Mine

FEL, via its subsidiary, Jackson Minerals Pty Ltd, holds a 20% free carried interest to Decision to Mine in six exploration licences and three prospecting licences (E51/1033, E52/1613, E52/1659, E52/1671, E52/1672 and P52/1494-1496) covering a total of 607km² (refer Map 1).

The tenements hold favorable geological setting to those hosting the DeGrussa Cu/Au mine as well as significant gold potential.

On 31 July 2015, RNI announced the sale of its gold assets to Metals X Ltd (ASX: **MLX**)(for further details, please refer to RNI announcement). RNI retains rights to a suite of tenements highly prospective for copper, gold mineralization. FEL's rights remain intact.

Forrest, Wodger, Big Billy Prospects

The Forrest, Wodger and Big Billy Prospects are located along a 12km mineralized Cu+-Au trend which hosts multiple targets for VHMS style mineralization.

Previous exploration at the Forest Prospect has identified high grade copper +/- gold results from drilling.

Morck's Well Prospect

The Morck's Well Prospect is located in the eastern part of the Bryah Basin and contains approximately 40kms strike length of the highly prospective Narracoota Volcanic Formation. The northern boundary of Morck's Well is adjacent to Sandfire Resources NL's DeGrussa-Doolgunna exploration tenements.

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

FEL, via its wholly owned subsidiary Jackson Minerals Pty Ltd holds a 20% free carried interest to Decision to Mine in four exploration licenses (E52/1668, E52/1678, E52/1722, E52/1730) and two prospecting licenses (P52/1195, P52/1196) and, in relation to the portion of P52/1167 and P52/1168 amalgamated into E52/1852, ALY hold a further 20% interest in trust for JAK, for a total area of 228km² (refer Map 1).

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

Alchemy has entered into farm-ins and joint ventures with Independence Group NL (base metals, *see ALY announcement 5 November 2014*) and Northern Star Resources Ltd (gold, *see ALY announcement 24 February 2015*).

Base Metals Rights

FEL has not received any updates from ALY regarding this project.
FEL holds 20% free carried interest in 4 exploration licenses (E52/1668, E52/1678, E52/1722 and E52/1730), totaling 216.5km² included in the IGO Farm In agreement where IGO may earn 70% interest in base metals rights by sole funding exploration over 6 years.

Please refer to ALY Quarterly Report and various announcements for further relevant information and diagrams.

Gold Rights

Leading Australian gold producer Northern Star Resources Ltd (ASX: **NST**) has entered into a Farm-In and Joint Venture agreement with ALY (refer *ALY announcement 24 February, 2015*).

FEL retains its 20% free carried interests.

Please refer to ALY Quarterly Report and various announcements for further relevant information and diagrams.

Robinson Range Iron Ore Project (20%)

On 14 November 2015, PNN (50% iron ore rights) announced its withdrawal from the Robinson Range Project. The Project reverts to RNI and FEL.

Mt Ida Iron Ore Project

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

The Project comprises the rights to explore and mine for iron ore on a group of 23 licenses covering approximately 370km^2 in the emerging Yilgarn Iron Province. This land holding is currently being reviewed to reduce the total area to better reflect iron ore potential.

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**").

No field work was undertaken during this quarter.

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

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

The Evanston Iron Ore Project is located in the Southern Yilgarn Iron Province of Western Australia and covers an area of 167km².

FEL understands that Cliffs has undertaken drilling programs at the Deception Prospect, located approximately 20kms north of the Windarling mine. At this time, FEL has not been formally notified by Cliffs of a mineable reserve or intention to mine.

For further information please contact:

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

Website: www.felimited.com.au

Competent Person Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Jess Oram, who is Exploration Manager of Cauldron Energy Limited. Mr Oram is a Member of The Australasian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and 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 Resources and Ore Reserves'. Mr Oram consents to the inclusion in the report of the matters based on his information in the form and context in which appears. Mr Oram has disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. He verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in supporting documentation relating to Exploration Targets and Exploration Results.

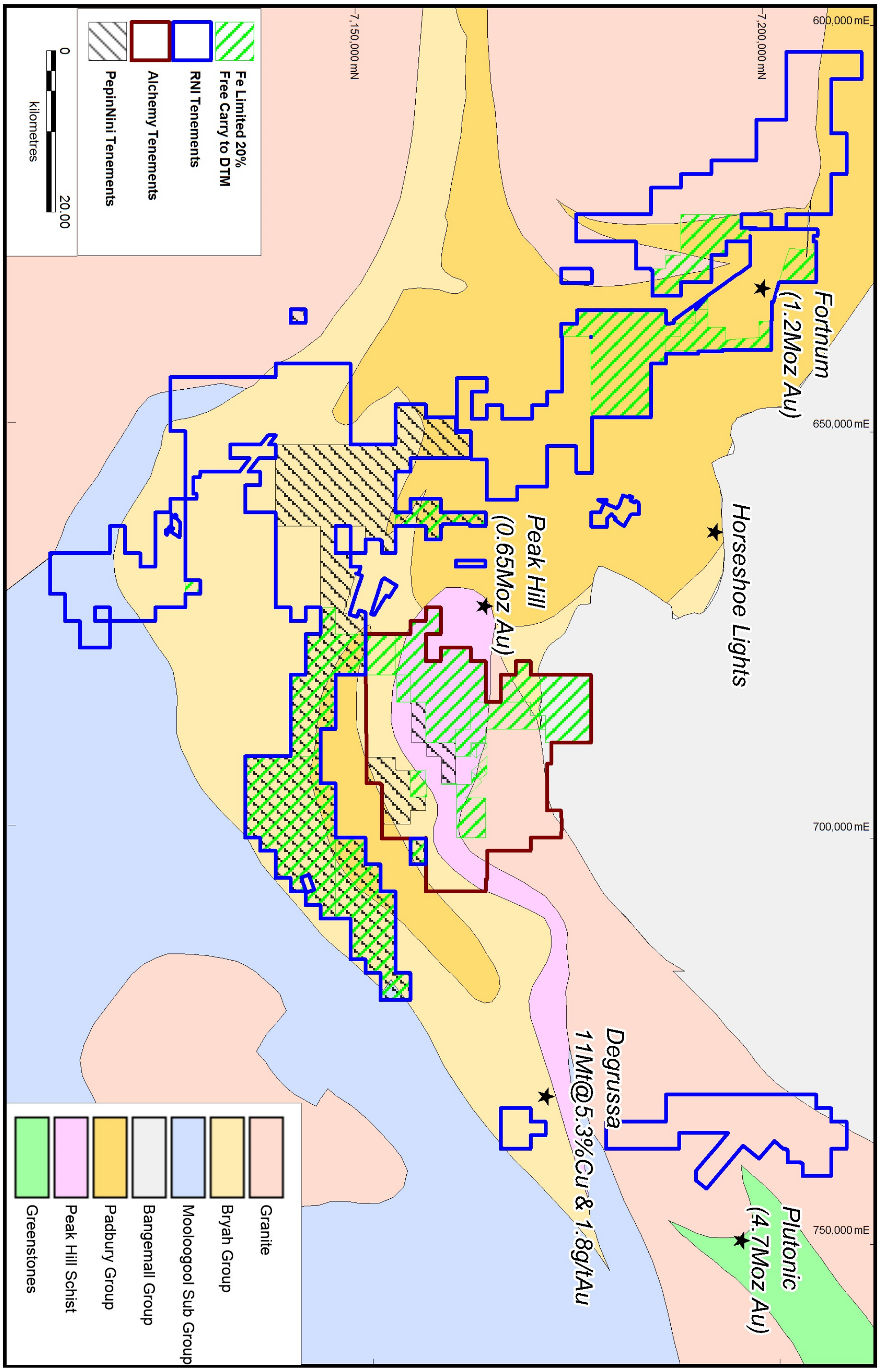
Important Notice

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Company operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities in the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this announcement, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.

Map 1


Fortnum
(1.2Moz Au)
Horseshoe Lights
Peak Hill
(0.65Moz Au)
Degrussa
11Mt@5.3%Cu & 1.8g/tAu
Plutonic
(4.7Moz Au)
600,000mE
650,000mE
700,000mE
750,000mE
7,150,000mN
7,200,000mN
Fe Limited 20%
Free Carry to DTM
RNI Tenements
Alchemy Tenements
PepinNini Tenements
0
20.00
kilometres
Granite
Bryah Group
Mooloogool Sub Group
Bangemall Group
Padbury Group
Peak Hill Schist
Greenstones

Schedule of Tenements

As at 31 March 2016 (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
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%
E52/1671	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%
P52/1195	Milgun - Western Australia	-	-	20%
P52/1196	Milgun - Western Australia	-	-	20%
P52/1195	Milgun - Western Australia	-	-	20%
P52/1196	Milgun - Western Australia	-	-	20%
P52/1494	Peak Hill - Western Australia	20%	-	20%
P52/1495	Peak Hill - Western Australia	20%	-	20%
P52/1496	Peak Hill - Western Australia	20%	-	20%

Rule 5.5

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	Quarter ended ("current quarter")
34 112 731 638	31 March 2016

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(9)	(47)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(125)	(409)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other: Pre-acquisition costs associated with Cardinal House transaction	(92)	(115)
	Net Operating Cash Flows	**(226)**	**(570)**
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	50
	(b) equity investments	-	-
	(c) other fixed assets	-	-
	(d) controlled entity	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other:	-	-
	Net investing cash flows	**-**	**50**
1.13	**Total operating and investing cash flows (carried forward)**	**(226)**	**(520)**

+ See chapter 19 for defined terms.

1.13	**Total operating and investing cash flows (brought forward)**	**(226)**	**(520)**
	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: Proceeds from converting loans (net of costs)	-	403
	Net financing cash flows	**-**	**403**
	Net increase (decrease) in cash held	**(226)**	**(117)**
1.20	Cash at beginning of quarter/year to date	387	278
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**161**	**161**

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	137
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to parties included in item 1.2 of $136,840 relates to:
- Director fees $123,582
- Director-related entities $13,258

Non-cash financing and investing activities

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

N/A

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	30
4.2	Development	-
4.3	Production	-
4.4	Administration	100
	Total	**130**

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	161	387
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	161	387

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	P52/1494 P52/1495 P52/1496	Acquired Acquired Acquired	- - -	20% 20% 20%

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	219,714,630	219,714,630		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5	**+Convertible debt securities** *(description)*	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7	**Options** *(description and conversion factor)*	3,850,000	-	*Exercise price* *$0.04*	*Expiry date* 30 November 2016
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

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 2016

Print name: Mark Gwynne
(Director)

+ See chapter 19 for defined terms.

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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