# ASX Announcement

24 May 2019

Australian Securities Exchange Code: **FEL**

Ordinary Shares:

428,694,630

Unlisted Options:

20,000,000 at $0.045 Exp 31/05/2020

5,625,000 at $0.03 Exp 13/03/2021

3,125,000 at $0.03 Exp 12/04/2021

1,250,000 at $0.03 Exp 8/05/2021

Board of Directors:
Tony Sage
*Non-Executive Chairman*
Kenneth Keogh
*Non-Executive Director*
Nicholas Sage
*Non-Executive Director*

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

Fe Limited
ABN: 31 112 731 638

## Lithium Project Acquisition Update & Issue of Securities

**Lithium Project Acquisition Update**

Fe Limited (ASX: **FEL**) (the **Company**) refers to its announcements to ASX on 22 February 2019, 14 March 2019 and 29 March 2019 and provides the following update in respect to the acquisition of the Pippingarra Lithium Project and the Marble Bar Lithium Project (**Project**) from Mercury Resources Group Pty Ltd (**Mercury**).

The parties to the Acquisition Agreement have agreed to the following variations:

1) Reduce the number of Consideration Shares from 15,000,000 to 12,500,000 fully paid ordinary shares;

2) Waiver of the Vendor Placement Condition; and

3) Amend the terms of the total $200,000 cash consideration payments as follows:

- non-refundable $50,000 is payable immediately (paid);
- $50,000 is payable on Completion; and
- $100,000 is payable following Completion, in the event FEL raises no less than $400,000 through the issue of fully paid ordinary shares from persons introduced by Mercury.

The 12,500,000 Consideration Shares were issued 23 May 2019 using the Company's existing 15% capacity under Listing Rule 7.1. The Consideration Shares are subject to six months voluntary escrow.

Completion remains subject certain conditions precedent before 30 June 2019. The Company and Mercury continue to work towards completion of the transaction.

**Placement**

As previously announced, the Company is seeking to undertake a placement of up to $2 million (**Placement**) (refer announcement dated 14 May 2019 for details). The Company has received an initial $338,500 in applications under the Placement and has issued the following fully paid ordinary shares (**Placement Shares**):

- 5,203,871 shares under Listing Rule 7.1; and
- 17,362,796 shares under Listing Rule 7.1A (**7.1A Placement Shares**).

**Listing Rule 3.10.5A Disclosures**

In respect of the Placement, for the purposes of Listing Rule 3.10.5A, the Company provides the following information:

1. Existing shareholders will be diluted by 4.41% as a result of the issue of 7.1A Placement Shares;

2. The Company's directors elected to issue 7.1A Placement Shares through a placement to sophisticated and professional investors as this is considered to be the most efficient mechanism for raising funds at a price equal to the Company's prevailing share price on ASX;

3. The issue is not underwritten; and

4. A 6% (in cash or, subject to Listing Rules, Shares) will be payable in relation to the Placement.

**Appendix 3B**

A completed Appendix 3B has been lodged together with this announcement.

**Notice Under Section 708A(5)(e) of the Corporations Act 2001**

In respect of the Consideration Shares and Placement Shares, FEL gives notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Act**) of the following:

1. The Consideration Shares and Placement Shares were issued without disclosure under Part 6D.2 of the Act;

2. As at the date of this notice, the Company has complied with:

   a) the provisions of Chapter 2M of the Act as they apply to the Company; and

   b) section 674 of the Act; and

3. As at the date of this notice, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

Yours faithfully
FE LIMITED

Tony Sage
**Non-Executive Chairman**