Fe Limited

Annual Report

2015

CORPORATE DIRECTORY

Australian Business Number	31 112 731 638	
Country of Incorporation	Australia	
Board of Directors	Antony Sage Mark Gwynne Paul Kelly	Non-Executive Chairman Executive Director Non-Executive Director
Company Secretary	Eloise von Puttkammer	
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 4 Central Park 152 St Georges Terrace Perth WA 6000	
	Telephone:	1300 554 474 (in Australia) +61 (2) 9280 7111 (outside Australia)
	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 "Consolidated Entity") for the year ended 30 June 2015 ("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 Sage has in excess of 30 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining and exploration companies for the last 19 years. Mr Sage has operated in Argentina, Brazil, Peru, Romania, Russia, Sierra Leone, Guinea, Cote d'Ivoire, Congo, South Africa, Indonesia, China and Australia. Mr Sage is currently chairman of listed ASX-listed companies, Cape Lambert Resources Ltd (which was AIM Company of the year in 2008), Cauldron Energy Ltd and Fe Ltd. Mr Sage is also a Non-Executive Director of the following ASX-listed companies, Kupang Resources Ltd, Caeneus Minerals Ltd; and National Stock Exchange of Australia ("NSX") listed International Petroleum Ltd. Mr Sage is also the sole owner of A League football club Perth Glory that plays in the National competition in Australia. Mr 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);
- Cauldron Energy Limited (June 2009 to Present);
- Kupang Resources Limited (September 2010 to Present);
- Caeneus Metals Limited (December 2010 to Present);
- Global Strategic Metals Limited (June 2012 to August 2014);
- African Petroleum Corporation Limited* (October 2007 to June 2013); and
- International Goldfields Limited (February 2009 to May 2013).
  * Listed on National Stock Exchange of Australia

Mark Gwynne*, Executive Director*

Mr Gwynne has been involved in gold exploration and mining for over 18 years, predominantly in Western Australia. Mr Gwynne has held management positions on mine sites and in the private sector of the mining industry, including general manager of an exploration consultancy company. Mr Gwynne 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:

- Kupang Resources Limited (January 2013 to August 2013)
- International Goldfields Limited (January 2013 to May 2013); and
- Iron Mountain Mining Limited (May 2014 to Present).

Paul Kelly*, Non-Executive Director*

Mr Kelly has more than 20 years of experience in the fields of finance, investment, banking and property development. Mr Kelly was previously National Manager of Advertising and Sponsorship for Members Equity Bank and has held a number of senior roles with the bank over a 15 year period. Mr Kelly is currently involved in the generating business in Asia, notably Malaysia, Singapore and Hong Kong. Mr Kelly has been a director of the following listed entities.

- Kupang Resources Limited (May 2010 to January 2013); and
- International Goldfields Limited (November 2009 to January 2013).

Company Secretary

Eloise von Puttkammer

Ms von Puttkammer has many years of experience in the finance and investment industry. Over the past ten years she has held administration, compliance, and company secretarial roles within both private and public companies. She has also had experience in the provision of governance and secretarial advice to ASX and AIM listed companies.

Interests in the Shares and Options of the Company

As at the date of this Report, the interests of the directors in the Company's Shares and Options are as follows:

Directors	Interest	Ordinary Shares	Options
Antony Sage	Indirect	2,071,699	-
Mark Gwynne	-	-	-
Paul Kelly	-	-	-

Dividends and Distributions

No dividends or distributions were paid to members during the year and none were recommended or declared for payment (nine months ended 30 June 2014: nil).

Principal Activities

The principal activity of the Consolidated Entity during the year was the management of iron ore, precious and base metal tenements in Western Australia.

Operating Results

The consolidated loss after income tax for the year ended 30 June 2015 amounted to $1,275,723 (nine months ended 30 June 2014: profit of $941,477).

Review of Corporate Activities

Annual General Meeting

The Company's Annual General Meeting was held on 27 November 2014 at 11:00am. All resolutions put to the meeting were passed on a show of hands.

Options issued

On 12 February 2015, the Company issued 4,000,000 unlisted options exercisable at $0.04 each on or before 30 November 2016 to employees and consultants as approved by shareholders at the most recent Annual General Meeting ("Options"). The Options will vest upon the Company's market capitalisation reaching and/or exceeding $11 million for a period of at least 10 consecutive trading days of the Company's shares as quoted on ASX and the consultant remaining with the Consolidated Entity until expiry date.

Options lapsed

On 29 June 2015, 150,000 Options lapsed in accordance with the terms and conditions with which they were issued.

Reporting Period

As disclosed in the 2014 Annual Report, the Company changed its financial year end to 30 June 2014 to synchronise the Company's financial year end with that of its parent entity in accordance with section 323D(2A) of the *Corporations Act 2001 (Cth)*.

The comparative reporting period in this Annual Report is the nine months ended 30 June 2014.

Review of Operations

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. The Company has completed a successful divestment program of non-core assets over the past year to allow full focus on its key projects.

Bryah Basin 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 17 tenements covering an area of 835km² in the highly prospective Bryah Basin, including tenements proximal to Sandfire Resources NL Doolgunna Project and DeGrussa copper gold mine (14.33Mt @ 4.6%Cu and 1.6g/t Au) and several gold and copper prospects. The Bryah Basin Project tenements are subject to joint ventures with Alchemy Resources Ltd (ASX: ALY), RNI NL (formerly, Resource and Investment NL) (ASX: RNI) and PepinNini Minerals Ltd (ASX: PNN).

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 licenses (E51/1033, E52/1613, E52/1659, E52/1670, E52/1671, E52/1672) and three prospecting licenses (P52/1170, P52/1171, P52/1172) (refer Map 1).

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

The project contains several highly prospective targets including Forrest, Wodger, Big Billy and Morck's Well.

Forrest, Wodger, Big Billy Prospects

The Forrest, Wodger and Big Billy Prospecta 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 four prospecting licenses (P52/1167, P52/1168, P52/1195, P52/1196) totaling 221.6km² (refer Map 1).

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

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

Base Metals Rights

On 30 January 2015 Alchemy announced that Base Metals farm in partner, Independence Group NL (ASX: IGO), carried out an aircore drilling program, the results of which confirmed strong multi element VMS pathfinder geochemical signatures at the Neptune Prospect within formations interpreted to correlate with those hosting the ore horizon at the DeGrussa mine.

Subsequent to end of the year, Independence commenced a 7,500 metre aircore drilling program covering part of the Neptune Propsect and several targets along the largely untested and prospective Narracoota-Karalundi stratigraphic position.

FEL holds 20% free carried interest in 4 exploration licenses 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.

Gold Rights

During the year ALY announced leading Australian gold producer Northern Star Resources Ltd (ASX: NST) has entered into a Farm-In and Joint Venture agreement with ALY (see ALY announcement 24 February 2015).

FEL welcomes this positive announcement and looks forward to NST's involvement in this highly prospective project.

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 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").

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

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

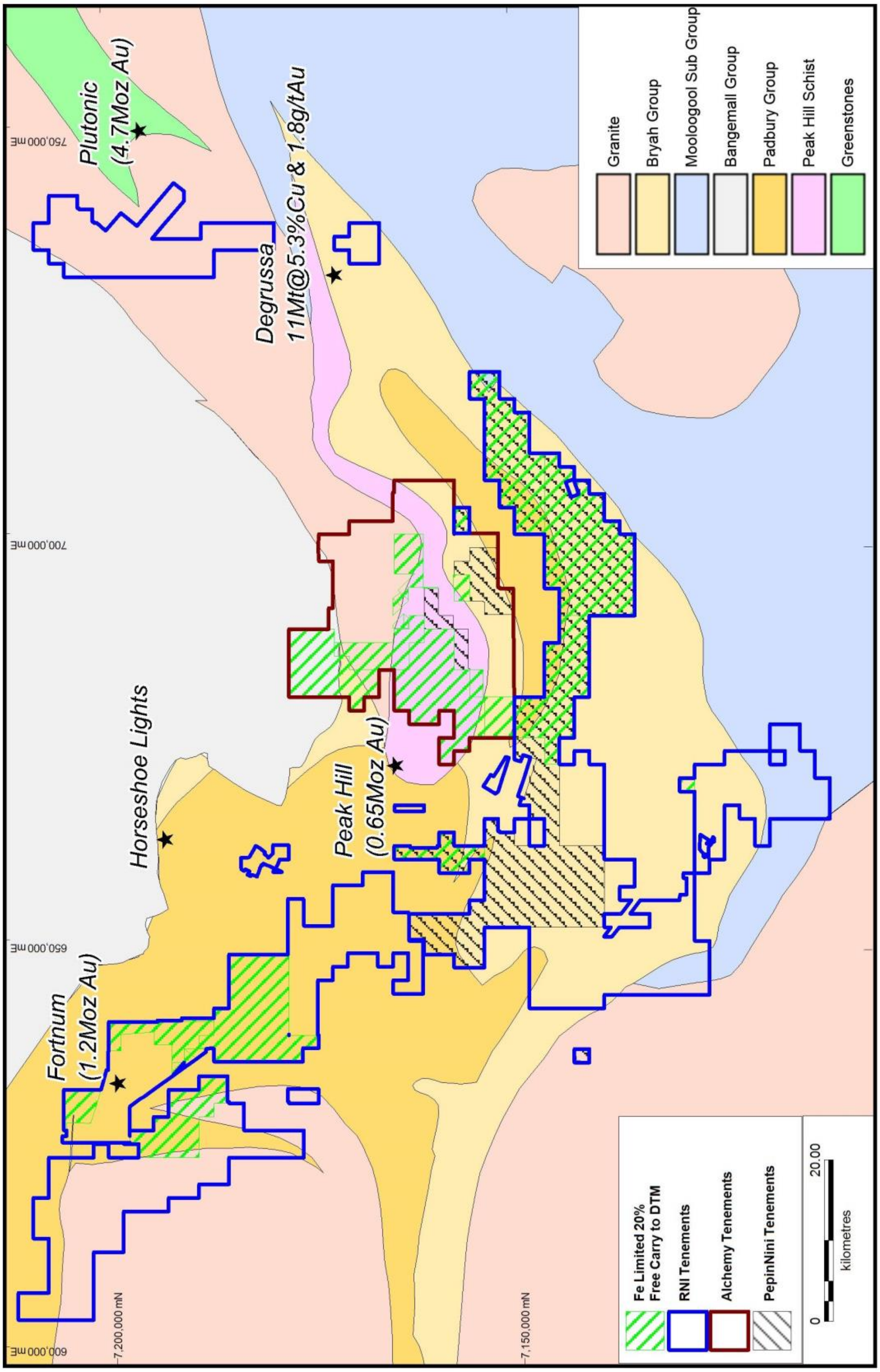
The Evanston Iron Ore Project is located in the Southern Yilgarn Iron Province of Western Australia and covers an area of 167km^2.

FEL understands that Cliffs has undertaken drilling programs at the Deception Prospect, located approximately 20kms north of the Windarling mine. FEL is endeavouring to obtain results of this drilling program which has by all accounts identified extensive hematite mineralization consistent with Direct Shipping Ore (DSO) grades. At this time, FEL has not been formally notified by Cliffs of a mineable reserve or intention to mine.

Competent Person Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Dennis Kruger, who is an independent consultant from Durban Investments Pty Ltd. Mr Kruger is a Member of The Australian Institiute of Mining and Metallurgy 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 Kruger consents to the inclusion in the report of the matters based on his information in the form and context in which appears. Mr Kruger 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.

Map 1


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

Significant Changes in the State Of Affairs

There have been no changes in the state of affairs of the Consolidated Entity other than those disclosed in the review of operations.

Significant Events Subsequent to Reporting Date

There have been no events subsequent to 30 June 2015 up to the date of this report that would materially affect the operations of the consolidated entity or its state of affairs which have not otherwise been disclosed in this financial report.

Environment Regulation and Performance

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

Options

During the year and to the date of this Directors' Report, the Company had issued the following options:

- 4,000,000 unlisted options exercisable at $0.04 each on or before 30 November 2016 (subject to vesting conditions) to employees and consultants of the Company

As at the date of this Report, the Company had the following options on issue:

- 3,850,000 unlisted options exercisable at $0.04 each on or before 30 November 2016 (subject to vesting conditions) to employees and consultants of the Company

There were no ordinary shares issued during the year on conversion of options.

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 Consolidated Entity intends to continue its focus on the exploration for iron ore and precious and base metals at its core projects. Following a strategic review of the Company's non-core projects, the directors will continue to compile the necessary commercial and technical information and seek expressions of interest in the non-core projects.

Directors' Attendance at Meetings

There were no Director Meetings held during the year. All board matters were dealt with via circular resolutions.

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 Company and the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the executives in the parent and the subsidiary companies.

Details of Key Management Personnel

Directors	
A Sage	Director (Non-Executive chairman)
M Gwynne	Director (Executive)
P Kelly	Director (Non-Executive)
Executives	
E von Puttkammer	Company Secretary
C Grant	Chief Financial Officer

Remuneration Philosophy

The performance of the Consolidated Entity depends on the quality of its directors, executives and employees. Consequently, the Consolidated Entity 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.

The remuneration of executive and non-executive directors is not dependent on the satisfaction of performance conditions. Remuneration and share based payments are issued to align directors' interests with that of shareholders.

The Consolidated Entity 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 2014 AGM

The 2014 remuneration report received positive shareholder support at the 2014 Annual General Meeting ("AGM") whereby of the proxies received 95.4% voted in favour of the adoption of the remuneration report.

Performance and Shareholder Wealth

Below is a table summarising key performance and shareholder wealth statistics for the Consolidated Entity over the last five financial years.

Financial year	Profit / (Loss) after tax '000s	Profit / (Loss) per share (Cents)	Share Price (Cents)
30 September 2011	(4,605)	(3.99)	8.50
30 September 2012	(1,838)	(1.59)	3.10
30 September 2013	(2,368)	(2.05)	2.40
30 June 2014 (Nine months ended)	941	0.57	4.50
30 June 2015	(1,276)	(0.58)	1.30

Executive Directors' Remuneration

The Board seeks to set remuneration of the 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.

Executive Director Mr Gwynne is entitled to receive $175,000 per annum. In addition he is entitled to reimbursement of reasonable expenses for attendance at meetings. There is no employment contract between the Company and Mr Gwynne.

Details of remuneration paid to executive directors are provided in the table below.

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.

Mr Kelly is entitled to receive $60,000 per annum. There is currently no employment contract between the Company and Mr Kelly.

Total remuneration paid to non-executive directors is capped at $350,000.

Summary details of remuneration for non-executive directors are given in the table below.

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

Mr Sage is entitled to receive $120,000 per annum. There is currently no employment contract between the Company and Mr Sage.

Compensation of Key Management Personnel

Consolidated Year ended 30 June 2015	Short-Term Salary & Fees $	Post-Employment Superannuation $	Share-based Payment Share Options $	Total $	% Performance Based	% Comprising Options
Directors						
A Sage (i)	120,000	-	-	120,000	-	-
M Gwynne (ii)	174,995	-	-	174,995	-	-
P Kelly (iii)	60,000	-	-	60,000	-	-
	354,995	-	-	354,995	-	-
Executives						
E von Puttkammer (iv)	8,000	-	985	8,985	-	11%
C Grant (v)	-	-	438	438	-	100%
	8,000	-	1,423	9,423	-	15%
	362,995	-	1,423	364,418	-	0.4%

For the year ended 30 June 2015:
(i) $120,000 was paid or payable to Okewood Pty Ltd a company that Mr Sage is a director of.
(ii) $174,995 was paid or payable to Silverwest Corporation Pty Ltd a company that Mr Gwynne is a director of.
(iii) $5,000 and $55,000 were paid or payable to PAFK Enterprises Pty Ltd and Led4Me Pty Ltd respectively, companies of which Mr Kelly is a director.
(iv) $8,000 was paid or payable to EVP Investments Pty Ltd a company that Ms von Puttkammer is a director of.
(v) C Grant is an employee of Cauldron Energy Ltd ("Cauldron"). A Sage is a director of Cauldron. During the year nil was paid or payable to Cauldron for consulting fees.

Consolidated Nine months ended 30 June 2014	Short-Term Salary & Fees $	Post-Employment Superannuation $	Share-based Payment Share Options $	Total $	% Performance Based	% Comprising Options
Directors						
A Sage (i)	90,000	-	-	90,000	-	-
M Gwynne (ii)	131,248	-	-	131,248	-	-
P Kelly (iii)	45,000	-	-	45,000	-	-
	266,248	-	-	266,248	-	-
Executives						
E von Puttkammer	9,600	-	-	9,600	-	-
C Grant (iv)	33,721	-	-	33,721	-	-
	43,321	-	-	43,321	-	-
	309,569	-	-	309,569	-	-

For the nine months ended 30 June 2014:
(i) $90,000 was paid or payable to Okewood Pty Ltd a company that Mr Sage is a director of.
(ii) $131,248 was paid or payable to Silverwest Corporation Pty Ltd a company that Mr Gwynne is a director of.
(iii) $45,000 was paid or payable to PAFK Enterprises Pty Ltd a company which Mr Kelly is a director of.
(iv) C Grant is an employee of Cauldron Energy Ltd ("Cauldron"). A Sage is a director of Cauldron. During the year $33,721 was paid or payable to Cauldron for consulting fees.

Shareholdings of Key Management Personnel

30 June 2015	Balance at 1 July 2014	Granted as remuneration	Net change other	Balance at 30 June 2015
Directors				
A Sage*	2,071,699	-	-	2,071,699
M Gwynne	-	-	-	-
P Kelly	-	-	-	-
Executives				
E Von Puttkammer	83,333	-	-	83,333
C Grant	-	-	-	-
	2,155,032	-	-	2,155,032

*Indirect interest

30 June 2014	Balance at 1 October 2013	Granted as remuneration	Net change other	Balance at 30 June 2014
Directors				
A Sage*	2,071,699	-	-	2,071,699
M Gwynne	-	-	-	-
P Kelly	-	-	-	-
Executives				
E Von Puttkammer	83,333	-	-	83,333
C Grant	-	-	-	-
	2,155,032	-	-	2,155,032

*Indirect interest

Option holdings of Key Management Personnel

30 June 2015	Balance at 1 July 2014	Acquired /granted during year	Lapsed during Year	Balance at 30 June 2015	Exercisable	Not Exercisable
Directors						
A Sage	-	-	-	-	-	-
M Gwynne	-	-	-	-	-	-
P Kelly	-	-	-	-	-	-
Executives						
E Von Puttkammer	-	1,800,000	-	1,800,000	-	1,800,000
C Grant	-	800,000	-	800,000	-	800,000
	-	2,600,000	-	2,600,000	-	2,600,000

30 June 2014	Balance at 1 October 2013	Acquired /granted during year	Lapsed during Period	Balance at 30 June 2014	Exercisable	Not Exercisable
Directors						
A Sage	-	-	-	-	-	-
M Gwynne	-	-	-	-	-	-
P Kelly	-	-	-	-	-	-
Executives						
E Von Puttkammer	-	-	-	-	-	-
C Grant	-	-	-	-	-	-
	-	-	-	-	-	-

Options Granted as Part of Remuneration

Options are granted to certain executives, employees and consultants of the Consolidated Entity in the form of share-based payments. There is currently no formal employee share plan. There were options granted during the current year. The purpose of the grant of options to selected employees and consultants was to:

- recognise the ongoing ability of the employees of the Consolidated Entity and their expected efforts and contribution in the long term to the performance and success of the Company; and
- provide an incentive to the employees of the Consolidated Entity to remain in their employment in the long term.

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.

The table below discloses the number of options granted during the year.

	Award Date	Number of Options	Exercise price per option	Vesting and expiry date	Fair Value of options at grant date $
E Von Puttkammer	20 January 2015	1,800,000	$0.04	30 November 2016	0.0023
C Grant	20 January 2015	800,000	$0.04	30 November 2016	0.0023

These Options will vest upon the Company's market capitalisation reaching and/or exceeding $11 million for a period of at least 10 consecutive trading days of the Company's shares as quoted on ASX and the consultant remaining with the Consolidated Entity until expiry date.

No options awarded to key management personnel of the Consolidated Entity vested or lapsed during the year.

Despite shareholder approval being obtained at the latest AGM to issue 5 million options to directors, no options were issued.

Value of options awarded, exercised and lapsed during the year

	Value of options granted during the year^ $	Value of options exercised during the year $	Value of options lapsed during the year
E Von Puttkammer	4,180	-	-
C Grant	1,840	-	-

^ Refer to note 22 for details of the valuation of options, including models and assumptions used.

Transactions with directors, director related entities and other related parties

During the year ended 30 June 2015, an aggregate amount of $36,680 (nine months ended 30 June 2014: $75,043) was paid to Cape Lambert Resources Ltd ("Cape Lambert") for reimbursement of rent and consultancy costs. Mr Sage is a director of Cape Lambert. At 30 June 2015, nil was payable to Cape Lambert (30 June 2014: $1,238).

During the year ended 30 June 2015, an aggregate amount of $4,545 (nine months ended 30 June 2014: $nil) was received from Cape Lambert for reimbursement of IT costs. At 30 June 2015, nil was receivable from Cape Lambert (30 June 2014: nil). Mr Sage is a director of Cape Lambert.

During the year ended 30 June 2015, the Consolidated Entity paid nil (nine months ended 30 June 2014: $33,721) to Cauldron Energy Limited ("Cauldron") for the reimbursement of employee costs. Mr Sage is a director of Cauldron. At 30 June 2015 nil (30 June 2014: nil) was payable to Cauldron.

During the year ended 30 June 2015, an aggregate amount of $16,218 (nine months ended 30 June 2014: $nil) was received from Cauldron for reimbursement of IT costs and sale of fixed assets. At 30 June 2015, nil was receivable from Cauldron (30 June 2014: nil). Mr Sage is a director of Cauldron.

During the year ended 30 June 2015, an aggregate amount of $1,818 (nine months ended 30 June 2014: $nil) was oncharged Kupang Resources Ltd ("Kupang') for reimbursement of IT costs. A provision for doubtful debt has been raised in relation to this trade receivable at 30 June 2015, and associated impairment of receivable has been recorded in the statement of profit and loss and other comprehensive income for $2,000. Mr Sage is a director of Kupang.

During the year ended 30 June 2015, an aggregate amount of $120,000 (nine months ended 30 June 2014: $90,000) was paid or payable to Okewood Pty Ltd ("Okewood") for director fees. During the year ended 30 June 2015, an aggregate amount of $1,320 (nine months ended 30 June 2014: $30,495) was paid or payable to Okewood Pty Ltd ("Okewood") for sponsorship of the Perth Glory Football Club. Mr Sage is a director of Okewood. At 30 June 2015, $11,000 was payable to Okewood (30 June 2014: nil).

During the year ended 30 June 2015, an aggregate amount of $174,995 (nine months ended 30 June 2014: $145,830) was paid or payable to Silverwest Corporation Pty Ltd ("Silverwest") for director fees. Mr Gwynne is a director of Silverwest. At 30 June 2015, $16,041 was payable to Silverwest (30 June 2014: nil).

During the year ended 30 June 2015, an aggregate amount of $5,000 and $55,000 was paid or payable to PAFK Enterprises Pty Ltd ("PAFK") and Led4Me Pty Ltd ("Led4Me") respectively for director fees (nine months ended 30 June 2014: $50,000 paid or payable to PAFK). Mr Kelly is a director of PAFK and Led4Me. At 30 June 2015, nil was payable to PAFK or Led4Me (30 June 2014: nil).

End of Remuneration Report

Auditors' Independence Declaration

Section 307C of the Corporations Act 2001 (Cth) requires the Company's auditors, 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 14 and forms part of this Directors' Report. The Directors are satisfied with the independence of the auditors.

Non-Audit Services

No non-audit services were provided to the Consolidated Entity by the auditor, Ernst & Young, during the period.

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

Mark Gwynne
Executive Director

11 August 2015

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

In relation to our audit of the financial report of Fe Limited for the year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

V L Hoang
Partner
11 August 2015

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 2015 (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 2015

	Notes	Consolidated	
		Year ended 30 June 2015	**Nine months ended 30 June 2014**
		$	**$**
Interest revenue	3(a)	3,173	20,662
Other income	3(b)	120,000	2,156,947
		123,173	2,177,609
Employee benefits expense	3(c)	(354,995)	(266,248)
Share-based payment expense	22	(2,451)	-
Impairment of assets	3(d)	(802,910)	(597,824)
Impairment of available-for-sale financial assets		-	(1,000)
Impairment of receivables		(2,000)	-
Accounting and audit fees		(56,930)	(89,066)
Legal fees		-	(1,063)
Consultants costs		(8,000)	(14,141)
Compliance costs		(47,790)	(33,813)
Travel costs		(4,236)	(14,803)
Finance costs		-	(34,357)
Other expenses	3(e)	(119,584)	(230,972)
Profit/(loss) from continuing operations before income tax		(1,275,723)	894,322
Income tax expense	5	-	-
Profit/(loss) from continuing operations after income tax		(1,275,723)	894,322
Profit/(loss) from discontinued operations after tax	4(a)	-	47,155
Net Profit/(loss) for the year		(1,275,723)	941,477
Other comprehensive income items that may be reclassified subsequently to profit or loss			
Net fair value loss on available-for-sale financial assets		-	(1,000)
Transfer of impairment loss to Profit and Loss		-	1,000
Total comprehensive income/(loss) for the year		(1,275,723)	941,477
Earnings/(loss) per share (cents per share) from continuing operations attributable to ordinary equity holders of the Company			
- basic earnings/(loss) per share	6	(0.58)	0.54
- diluted earnings/(loss) per share	6	(0.58)	0.54
Earnings/(loss) per share (cents per share) attributable to ordinary equity holders of the Company			
- basic earnings/(loss) per share	6	(0.58)	0.57
- diluted earnings/(loss) per share	6	(0.58)	0.57

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	Consolidated	
		30 June 2015	**30 June 2014**
		$	**$**
ASSETS			
Current Assets			
Cash and cash equivalents	7	277,559	766,709
Trade and other receivables	8	13,082	23,518
Other assets		2,549	17,162
Total Current Assets		293,190	807,389
Non-Current Assets			
Exploration and evaluation expenditure	9	-	735,232
Plant and equipment	10	6,106	25,094
Available-for-sale financial assets	11	750	750
Total Non-Current Assets		6,856	761,076
TOTAL ASSETS		300,046	1,568,465
LIABILITIES			
Current Liabilities			
Trade and other payables	12	107,081	102,228
Total Current Liabilities		107,081	102,228
TOTAL LIABILITIES		107,081	102,228
NET ASSETS		192,965	1,466,237
EQUITY			
Contributed equity	13	36,251,604	36,251,604
Accumulated losses	14	(37,779,871)	(36,504,148)
Reserves	15	1,721,232	1,718,781
TOTAL EQUITY		192,965	1,466,237

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Contributed equity	Accumulated losses	Share based payments reserve	Total
Consolidated	$	$	$	$
Balance at 1 July 2014	36,251,604	(36,504,148)	1,718,781	1,466,237
Loss for the year ended 30 June 2015	-	(1,275,723)	-	(1,275,723)
Other comprehensive income	-	-	-	-
	-	(1,275,723)	-	(1,275,723)
Transactions with owners in their capacity as owners:				
Share based payments	-	-	2,451	2,451
Balance at 30 June 2015	36,251,604	(37,779,871)	1,721,232	192,965
Balance at 1 October 2013	33,957,000	(37,445,625)	1,718,781	(1,769,844)
Profit for the nine months ended 30 June 2014	-	941,477	-	941,477
Other comprehensive income	-	-	-	-
	-	941,477	-	941,477
Transactions with owners in their capacity as owners:				
Shares issued, net of costs	2,294,604	-	-	2,294,604
Balance at 30 June 2014	36,251,604	(36,504,148)	1,718,781	1,466,237

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Consolidated	
		Year ended 30 June 2015	Nine months ended 30 June 2014
		$	$
Cash flows from operating activities			
Receipts from customers		-	4,483
Payments to suppliers and employees		(550,911)	(846,684)
Interest received		3,173	21,705
Net cash flows used in operating activities	7(a)	(547,738)	(820,496)
Cash flows from investing activities			
Purchase of plant & equipment		(720)	(3,530)
Payments for exploration and evaluation costs		(55,692)	(61,615)
Proceeds on sale of plant and equipment		15,000	-
Proceeds from sale of exploration assets		100,000	205,681
Proceeds from sale of controlled entity	4	-	86,058
Proceeds from sale of land		-	106,746
Release of restricted cash		-	2,268,362
Cash balance disposed upon sale of controlled entity		-	(23,633)
Net cash flows from investing activities		58,588	2,578,069
Cash flows from financing activities			
Repayment of loans		-	(1,000,000)
Net cash flows used in financing activities		-	(1,000,000)
Net increase / (decrease) in cash and cash equivalents		(489,150)	757,573
Cash and cash equivalents at beginning of period		766,709	9,136
Cash and cash equivalents at end of period	7	277,559	766,709

NOTES TO THE 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 "Consolidated Entity") for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 11 August 2015.

FEL is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

As detailed in its previous Annual Report, the Company changed its financial year end to 30 June 2014 to synchronise the Company's financial year end with that of its parent entity in accordance with section 323D(2A) of the *Corporations Act 2001 (Cth).* The comparative figures presented in the 30 June 2015 Annual Report are for the nine month period ended 30 June 2014.

Cape Lambert Resources Limited ("Cape Lambert") is the ultimate parent entity pursuant to the issue of 104,193,055 ordinary shares to Dempsey Resources Pty Ltd, a wholly owned subsidiary of Cape Lambert on or about 26 February 2014. Cape Lambert currently holds a 57.74% interest in FEL.

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 Consolidated Entity had cash and cash equivalents of $277,559 (30 June 2014: $766,709) and a net working capital surplus of $183,560 (30 June 2014: $687,999 surplus).

Whilst sufficient cash is available to meet general and administrative requirements in the short term, additional funding will likely be necessary for the Consolidated Entity to fulfil its proposed activities in the next 12 months.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Consolidated Entity will be able to continue its planned operations and the Consolidated Entity will be able to meet its obligations as and when they fall due because the directors are confident that the Consolidated Entity will be able to raise additional capital if required.

Should the Consolidated Entity not achieve the matter set out above, there is uncertainty whether the Consolidated Entity 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 Consolidated Entity not be able to continue as a going concern.

(d) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year. From 1 July 2014, the Consolidated Entity has adopted all the standards and interpretations mandatory for annual periods beginning on or after 1 July 2014. Adoption of these standards and interpretations did not have any effect on the statements of financial position or performance of the Consolidated Entity. The Consolidated Entity has not elected to early adopt any new standards or amendments.

The following standards and interpretations would have been applied for the first time for entities with year ending 30 June 2015:

Reference	Title
AASB 2012-3	Amendments to Australian Accounting Standards - *Offsetting Financial Assets and Financial Liabilities* AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
Interpretation 21	*Levies* This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139] AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139] These amendments define an investment entity and require that, with limited exceptions, an investment entity does not consolidate its subsidiaries or apply AASB 3 *Business Combinations* when it obtains control of another entity. These amendments require an investment entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.
AASB 2013-7	Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders [AASB 1038] AASB 2013-7 removes the specific requirements in relation to consolidation from AASB 1038, which leaves AASB 10 as the sole source for consolidation requirements applicable to life insurer entities.
AASB 1031	*Materiality* The revised AASB 1031 is an interim standard that cross-references to other Standards and the F*ramework (*issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.

Reference	Title
	AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle.* Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.
Amendments to Australian Accounting Standards - Part B Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)	AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.
Amendments to AASB 1053 – Transition to and	The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to: • clarify that AASB 1053 relates only to general purpose financial statements;

Reference	Title
between Tiers, and related Tier 2 Disclosure Requirements [AASB 1053]	• make AASB 1053 consistent with the availability of the AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* option in AASB 1 *First-time Adoption of Australian Accounting Standards*; • clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather that applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and • specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.

New accounting standards and interpretations issued but yet effective

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 30 June 2015.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 9	*Financial Instruments*	AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard*	Application date for Group*
		contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.		
AASB 14	Regulatory deferral accounts	AASB 14 permits first-time adopters to continue to account for amounts related to rate regulation in accordance with their previous GAAP when they adopt Australian Accounting Standards. However, to enhance comparability with entities that already apply Australian Accounting Standards and do not recognise such amounts, AASB 14 requires that the effect of rate regulation must be presented separately from other items. An entity that is not a first-time adopter of Australian Accounting Standards will not be able to apply AASB 14. AASB 2014-1 Part D makes amendments to AASB	1 January 2016	1 July 2016

Reference	Title	Summary	Application date of standard*	Application date for Group*
		1 *First-time Adoption of Australian Accounting Standards*, which arise from the issuance of AASB 14 *Regulatory Deferral Accounts* in June 2014.		
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11	1 January 2016	1 July 2016
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016
AASB 2014-6	*Amendments to Australian Accounting Standards – Agriculture: Bearer Plants* [AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141]	The amendments require that bearer plants such as grape vines, rubber trees and oil palms, should be accounted for in the same way as property, plant and equipment in AASB 116 Property, Plant and Equipment, because their operation is similar to that of manufacturing. The produce growing on bearer plants will remain within the scope of AASB 141. This Standard also makes various editorial corrections to other Australian Accounting Standards.	1 January 2016	1 July 2016
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations (IFRIC *13 Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate,* IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue—Barter Transactions Involving Advertising Services*). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard*	Application date for Group*
		promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.		
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	AASB 2014-9 amends AASB 127 *Separate Financial Statements*, and consequentially amends AASB 1 *First-time Adoption of Australian Accounting Standards* and AASB 128 *Investments in Associates and Joint Ventures*, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127. AASB 2014-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	1 July 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 C*onsolidated Financial Statements* and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2014-10 also makes an editorial correction to AASB 10. AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	1 July 2016

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 *Non-current Assets Held for Sale and Discontinued Operations:* • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 Financial Instruments: Disclosures: • Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7. • Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 *Disclosure–Offsetting Financial Assets and Financial Liabilities* is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 *Interim Financial Reporting* when its inclusion would be required by the requirements of AASB 134. AASB 119 Employee Benefits: • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level. AASB 134 Interim Financial Reporting: • Disclosure of information 'elsewhere in the interim financial report' -amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.	1 January 2016	1 July 2016
AASB 2015-2	Amendments to Australian Accounting Standards –	The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project. The	1 January 2016	1 July 2016

Reference	Title	Summary	Application date of standard*	Application date for Group*
	Disclosure Initiative: Amendments to AASB 101	amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.		
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	1 July 2015
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	The amendment aligns the relief available in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent	1 July 2015	1 July 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	This makes amendments to AASB 10, AASB 12 *Disclosure of Interests in Other Entities* and AASB 128 arising from the IASB's narrow scope amendments associated with Investment Entities.	1 July 2015	1 July 2015
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	This Standard makes amendments to AASB 124 *Related Party Disclosures* to extend the scope of that Standard to include not-for-profit public sector entities.	1 July 2016	1 July 2016

The Consolidated Entity is in the process of determining the impact of the above on its financial statements. The Consolidated Entity 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 2015.

Subsidiaries are all those entities over which Fe Limited has control. Control is achieved when the Consolidated Entity 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 Consolidated Entity controls an investee if and only if the Consolidated Entity 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 Consolidated Entity and cease to be consolidated from the date on which control is transferred out of the Consolidated Entity.

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, which generally have 14-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Consolidated Entity will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of the estimated future cash flows, discounted at the original effective interest rate.

(h) Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Consolidated Entity is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

a) such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or

b) exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Accumulated costs in respect of areas of interest are written off in the statement of comprehensive income when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount.

(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 assets

At each reporting date, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Consolidated Entity 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 Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services.

(l) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of loans and borrowings.

Borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(m) Provisions

Provisions are recognised when the Consolidated Entity 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 Consolidated Entity 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.

(n) 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.

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

(p) 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.

(q) Available-for-sale financial assets

All available-for-sale investments are initially recognised at fair value plus directly attributable transaction costs.

Available-for-sale investments are those non-derivative financial assets, principally equity securities that are designated as available-for-sale. Investments are designated as available for sale if they do not have fixed maturities and fixed and determinable payments and management intends to hold them for the medium to long term.

After initial recognition, available-for-sale investments are measured at fair value. Gains or losses are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income.

(r) 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.*

(s) Rehabilitation

Rehabilitation costs are provided for when exploration and evaluation activities give rise to the need for rehabilitation. The estimate of the rehabilitation obligations are based on anticipated technology and legal requirements and future costs. Any changes in the estimates are adjusted on a prospective basis. In determining the rehabilitation obligations, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to rehabilitation of such mines in the future.

If the effect of the time value of money is material, provisions are determined by discounting the expected 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.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(t) 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.

(u) Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction instead of use. They are not depreciated or amortised. For an asset or disposal group to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of comprehensive income and the assets and liabilities are presented separately on the face of the statement of financial position.

(v) 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. Join 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 join arrangement provides the Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity's share of the net assets of the venture.

(w) Share based payments

The Consolidated Entity 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 Consolidated Entity, 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 Consolidated Entity, 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.

(x) Comparatives

The comparative period presented in the consolidated financial statements is for the nine months ended 30 June 2014.

(y) 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 Consolidated Entity 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 Consolidated Entity measures the cost of equity-settled transactions with employees 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 22. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities in the next annual reporting period but may impact expenses and equity.

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 Consolidated Entity 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 Consolidated Entity. 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.

3 REVENUE, INCOME AND EXPENSES

	Year ended 30 June 2015 $	**Nine months ended 30 June 2014 $**
(a) Revenue		
Interest	3,173	20,662
(b) Other income		
Gain on sale of tenement interests	100,000	170,571
Gain on sale of controlled entity	-	1,970,376
Gain on sale of plant and equipment	15,000	-
Other	5,000	16,000
	120,000	2,156,947
(c) Employment benefits expense		
Directors fees	(354,995)	(266,248)
	(354,995)	(266,248)
(d) Impairment of assets		
Impairment of exploration assets (i)	(790,924)	(597,824)
Impairment of plant and equipment (ii)	(11,986)	-
	(802,910)	(597,824)

(i) The Consolidated Entity has assessed the carrying amount of the exploration and evaluation expenditure in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. In assessing the carrying value of all of the Consolidated Entity's expenditure on exploration and evaluation of mineral resources has not led to the discovery of commercially viable quantities of mineral resources and therefore the Consolidated Entity has recognised an impairment expense of $790,924 during the current period to write down the carrying value of exploration and evaluation expenditure to nil, which represents the Group's estimated fair value of these tenements under the current market conditions (Level 3 fair value). The impairment expense is shown as a separate line item in the Statement of Comprehensive Income.

(ii) A review of all plant and equipment held the Consolidated Entity was performed during the year. As a result of this review the Consolidated Entity determined that numerous assets were obsolete. As a result the Consolidated Entity impaired these assets to nil and recognised an impairment expense of $11,986 in the current period.

	Year ended 30 June 2015 $	**Nine months ended 30 June 2014 $**
(e) Other expenses		
Tenement administration fees	(490)	(83,257)
Media and printing expenses	(38,096)	(32,553)
Depreciation expense	(7,722)	(6,616)
Other expenses	(73,276)	(108,546)
	(119,584)	(230,972)

4 DISCONTINUED OPERATIONS

As previously disclosed, FEL advised that it had signed a conditional binding term sheet for 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"). In accordance with the conditions of the term sheet, the parties entered into a full form, share sale agreement for the sale of GEM. The sale was completed on 13 February 2014. The terms of the GEM sale included:

- Payment of $50,000 deposit under execution of the term sheet (received by FEL in September 2012);
- Payment of a further $200,000 upon completion of the GEM sale (received in February 2014);
- Refund of $2,248,584 in respect of environmental performance bonds ($803,584 received on 10 March 2014; $1,445,000 received on 15 April 2014);
- 3% Net Smelter Return from gold derived from the Gympie Eldorado Mine;
- 10% of any profits from any future sale of freehold land which comprises the Gympie Eldorado Gold Mine Tailings Site; and
- Net proceeds of $86,058 were received on settlement of sale, being the deposit of $200,000 received on completion of the sale less $113,942 of transaction costs.

(a) The results of the discontinued operations are presented below:

	Year ended 30 June 2015 $	**Nine months ended 30 June 2014 $**
Other income from sale of property, plant and equipment	-	160,000
Employee benefits expense	-	(69,889)
Site operation costs	-	(22,106)
Administration and other expenses	-	(25,333)
Other income	-	4,483
Gain/(loss) from discontinued operations before tax	-	47,155
Income tax	-	-
Gain/(loss) from discontinued operations after tax	-	47,155

(b) Earnings/(loss) per share of discontinued operations:

	2015 Cents	2014 Cents
Earnings/(loss) per share (cents per share)		
Basic earnings/(loss) for the period (cents per shares)	-	0.03
Diluted earnings/(loss) for the period (cents per shares)	-	0.03

(c) Net cash flows

Net operating cash outflows for operating activities of discontinued operations for the year ended 30 June 2015 is nil (nine months ended 30 June 2014: $22,905). There is no cash in/out flows for investing or financing activities relating to discontinued operations in the current year (2014: nil).

5 INCOME TAX

	Year ended 30 June 2015 $	Nine months ended 30 June 2014 $
(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	-	-
(b) Reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory tax rate		
Profit/(loss) from continuing operations	(1,275,723)	894,322
Profit/(loss) from discontinued operations	-	47,155
Accounting profit/(loss) before tax	(1,275,723)	941,477
Tax at the statutory income tax rate of 30%	(382,717)	282,443
Unrecognised temporary differences	238,639	(370,948)
Unrecognised tax losses and temporary differences	144,078	88,505
Income tax expense reported in statement of comprehensive income	-	-

	30 June 2015 $	30 June 2014 $
(c) Deferred tax liabilities		
Exploration expenditure	-	220,569
Accrued income	-	313
	-	220,882
Less offset by deferred tax asset	-	(220,882)
Deferred tax liabilities	-	-
(d) Deferred tax assets		
Provisions	-	-
Accrued expenditure	9,000	9,000
Loss on financial assets	12,150	12,150
Tax losses	1,947,517	1,531,968
Unrealised capital tax losses	392,439	392,439
	2,361,106	1,945,557
Less offset against deferred tax liabilities	-	(220,882)
Deferred tax assets not recognised	2,361,106	1,724,675

The Consolidated Entity has not formed a tax consolidated group.

The Consolidated Entity 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 Consolidated Entity has tax losses which arose in Australia of $6,491,724 (2014: $5,958,816) 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 Consolidated Entity, they have arisen in companies that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Consolidated Entity were able to recognise all unrecognised deferred tax assets, the loss recorded in the current period would decrease by $2,361,106.

6 EARNINGS/(LOSS) PER SHARE

	Year ended 30 June 2015 Cents	Nine months ended 30 June 2014 Cents
Basic profit/(loss) per share (cents)		
Continuing operations	(0.58)	0.54
Discontinued operations	-	0.03
	(0.58)	0.57

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

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:

	Year ended 30 June 2015 $	Nine months ended 30 June 2014 $
For basic profit/(loss) per share		
Net profit/(loss) from continuing operations attributable to equity holders of the parent	(1,275,723)	894,322
Profit/(loss) attributable to discontinued continuing operations	-	47,155
Net profit/(loss) attributable to ordinary equity holders of the parent	(1,275,723)	941,477
For diluted profit/(loss) per share		
Net profit/(loss) attributable to Shareholders for diluted earnings per Share	(1,275,723)	894,322
Profit/(loss) attributable to discontinued operations	-	47,155
Net profit/(loss) attributable to ordinary equity holders of the parent	(1,275,723)	941,477

	30 June 2015 No.	30 June 2014 No.
Weighted average number of ordinary shares for basic earnings per share	219,714,630	164,936,664
Effect of dilution:		
Unlisted options	-	-
Convertible note	-	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	219,714,630	164,936,664

The unlisted options issued during the year were found to have an anti-dilutive effect on the calculation. The convertible note converted during the comparative period was found to have an anti-dilutive effect on the calculation. Therefore, at 30 June 2015 and 30 June 2014, the basic earnings per share is equal to the diluted earnings per share.

7 CASH AND CASH EQUIVALENTS

	30 June 2015 $	30 June 2014 $
Cash at bank and on hand	277,559	766,709

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

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

	30 June 2015 $	30 June 2014 $
Net profit / (loss) for the period	(1,275,723)	941,477
Adjustments for:		
Other income	(5,000)	-
Depreciation	7,722	6,616
Impairment of exploration assets	790,924	597,824
Share-based payment expense	2,451	-
Gain on sale of controlled entity	-	(1,970,376)
Gain on sale of tenements	(100,000)	(170,571)
Gain on sale of plant and equipment	(15,000)	-
Gain on sale of land	-	(160,000)
Exploration expenditure included in other expenses	-	180,218
Interest capitalised to loan facility balance	-	34,357
Impairment of available-for-sale financial assets	-	1,000
Impairment of receivables	2,000	-
Impairment of plant of equipment	11,986	-
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	8,435	13,084
Decrease/(increase) in prepayments	14,612	2,340
(Decrease)/increase in trade and other payables	9,855	(280,465)
(Decrease)/increase in provisions	-	(16,000)
Net cash used in operating activities	(547,738)	(820,496)

8 TRADE AND OTHER RECEIVABLES

	30 June 2015 $	30 June 2014 $
Current		
Trade receivables	2,000	-
Impairment allowance	(2,000)	-
Other receivables	13,082	23,518
	13,082	23,518

Trade receivables are non-interest bearing and are generally on 14 day terms. An allowance for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment expense of $2,000 has been recognised in the current year (nine months ended 30 June 2014: nil).

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

9 EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2015 $	30 June 2014 $
Exploration and evaluation expenditure	-	735,232
Movements in exploration and evaluation expenditure		
Carrying value at the beginning of the period	735,232	1,306,552
Exploration expenditure incurred	55,692	61,615
Exploration and evaluation expenditure sold during the period	-	(35,111)
Impairment (a)	(790,924)	(597,824)
Carrying value at end of period	-	735,232

Exploration and evaluation expenditures are carried forward in accordance with the policy set out in note 2(h). The ultimate recoupment of the capitalised exploration and evaluation costs relating to areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest and the Consolidated Entity's ability to continue to meet its financial obligations to maintain the area of interest.

a) The Consolidated Entity has assessed the carrying amount of the exploration and evaluation expenditure in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. In assessing the carrying value of all of the Consolidated Entity's projects expenditure on exploration and evaluation of mineral resources has not led to the discovery of commercially viable quantities of mineral resources and therefore the Consolidated Entity has recognised an impairment expense of $790,924 during the current period to write down the carrying value of exploration and evaluation expenditure to nil, which represents the Group's estimated fair value of these tenements under the current market conditions (Level 3 fair value). The impairment expense is shown as a separate line item in the Statement of Comprehensive Income.

10 PLANT AND EQUIPMENT

	30 June 2015 $	30 June 2014 $
At cost	25,055	93,239
Accumulated depreciation	(18,949)	(68,145)
	6,106	25,094
Movements in plant and equipment		
Carrying value at beginning of period	25,094	28,180
Additions	720	3,530
Impairment	(11,986)	-
Depreciation charge for the period	(7,722)	(6,616)
Carrying value at end of period	6,106	25,094

A review of all plant and equipment held the Consolidated Entity was performed during the year. As a result of this review the Consolidated Entity determined that numerous assets were obsolete. As a result the Consolidated Entity impaired these assets to nil and recognised an impairment expense of $11,986 in the current period.

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2015 $	30 June 2014 $
Shares – Australian listed	750	750
Movements in available-for-sale financial assets		
Carrying value at beginning of year	750	1,750
Impairment expense recognised through profit and loss	-	(1,000)
Carrying value at end of year	750	750

12 TRADE AND OTHER PAYABLES

	30 June 2015 $	30 June 2014 $
Trade payables (a)	75,980	72,998
Other payables (b)	31,101	29,230
	107,081	102,228

(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.

13 CONTRIBUTED EQUITY

	30 June 2015 $	30 June 2014 $
Ordinary shares		
Issued and fully paid (a)	36,251,604	36,251,604

	2015 No. of shares	2015 $	2014 No. of shares	2014 $
Movements in ordinary shares on issue				
Balance at beginning of year	219,714,630	36,251,604	115,521,575	33,957,000
Issued shares (a)	-	-	104,193,055	2,294,604
Balance at end of year	219,714,630	36,251,604	219,714,630	36,251,604

(a) In June 2011, FEL secured a $2,000,000 standby loan facility ("Facility") entered into with cornerstone shareholder Cape Lambert Resources Limited (ASX: CFE) ("Cape Lambert"). Subsequently the Company renegotiated a deferral of its repayment obligation to 31 December 2013. In addition, the Company secured an additional short-term facility with Cape Lambert capped at $1,000,000, to enable it to meet its obligations as and when they fall due. As 30 September 2013, $1,000,000 has been drawn down under the facility. Interest was payable on the amounts drawn down at the cash rate plus 3% per annum. The Company entered into a settlement and converting loan agreement with Cape Lambert for the settlement of existing loans as follows:
- $1m to be settled in cash; and
- $2m balance plus accrued interest on the loans to be settled via the issue of share in FEL (with the number of share to issued calculated at a conversion price per share of 80% of the 10-day VWAP of shares on ASX prior to conversion date subject to the receipt of necessary shareholder approvals).

Shareholder approval was received at the Company's Annual General Meeting to settle the existing loans with Cape Lambert. 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 and repayment of $1,000,000 in cash took place on 15 April 2014.

14 ACCUMULATED LOSSES

	30 June 2015 $	30 June 2014 $
Accumulated losses	(37,779,871)	(36,504,148)
Movements in accumulated losses		
Balance at beginning of period	(36,504,148)	(37,445,625)
Net Profit/(loss) for the period	(1,275,723)	941,477
Balance at end of period	(37,779,871)	(36,504,148)

15 RESERVES

	30 June 2015 $	30 June 2014 $
Share based payments reserve (a)	1,721,232	1,718,781
	1,721,232	1,718,781

(a) Share based payments reserve

Movements in reserve

Balance at beginning of period	1,718,781	1,718,781
Share-based payments made during the period (refer note 22)	2,451	-
Balance at end of period	1,721,232	1,718,781

Nature and purpose of reserve

This reserve is used to record the value of share based payments made to directors, consultants and employees, and to record the issue, exercise and lapsing of options.

16 SEGMENT INFORMATION

The Consolidated Entity 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 Consolidated Entity has only one operating segment, being mineral exploration and all of these activities are conducted in Australia.

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Board has overall responsibility for the determination of the Consolidated Entity'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 Consolidated Entity's capital base comprises its ordinary shareholders equity, which was a surplus of $192,965 at 30 June 2015 (30 June 2014: $1,466,237 surplus). The Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity.

The Consolidated Entity is not subject to any externally imposed capital requirements.

Financial instrument risk exposure and management

The Consolidated Entity's principal financial instruments comprise cash and short-term deposits, receivables, payables and interest-bearing loans and borrowings. The main risks arising from the Consolidated Entity'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 Consolidated Entity's exposure to changes in market interest rates relates primarily to the Consolidated Entity's cash and short-term deposits with a floating interest rate.

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

	Note	30 June 2015 $	30 June 2014 $
Financial assets			
Cash and cash equivalents	7	277,559	766,709
		277,559	766,709

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)	
Consolidated	**2015**	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
+1% (100 basis points)	2,776	7,667	-	-
-0.5% (50 basis points)	(1,388)	(3,834)	-	-

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 2014.

Credit risk

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

In addition, receivable balances are monitored on an ongoing basis with the result that the Consolidated Entity's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Consolidated Entity.

Liquidity risk

Liquidity risk arises from the Consolidated Entity's management of working capital. It is the risk that the Consolidated Entity will encounter difficulty in meeting its financial obligations as they fall due. The

Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity'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 2015				
Trade and other payables	107,081	-	-	107,081
	107,081	-	-	107,081
30 June 2014				
Trade and other payables	102,228	-	-	102,228
	102,228	-	-	102,228

The Consolidated Entity 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.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2015				
Financial assets				
Available-for-sale financial assets	750	-	-	750
30 June 2014				
Financial assets				
Available-for-sale financial assets	750	-	-	750

18 COMMITMENTS AND CONTINGENCIES

Exploration Expenditure Commitments

In order to maintain rights of tenure to mining tenements, the Consolidated Entity is required to fulfil various minimum expenditure requirements up until expiry of the mining tenement leases. These obligations are not provided for in the financial statements.

If the Consolidated Entity decides to relinquish certain tenement leases and/or does not meet these obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of their carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

The expected expenditure commitments with respect to the exploration grounds in Western Australia are approximately $441,570 (2014: $715,298). These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	30 June 2015 $	30 June 2014 $
Within one year	227,000	267,015
Between one and five years	214,570	448,284
Longer than five years	-	-
	441,570	715,298

Office Rental Commitments

During 2012, the Consolidated Entity entered into a sub-lease with Cape Lambert Resources Ltd for office premises for a period of 5 years, terminating on 31 March 2017. The expenditure commitment with respect to rent payable under the sub-lease agreement is $66,211 (2014: $100,984):

	30 June 2015 $	30 June 2014 $
Within one year	38,058	36,074
After one year but less than five years	28,153	64,910
More than five years	-	-
	66,211	100,984

Contingencies

At 30 June 2015 there were no known contingent liabilities or contingent assets (30 June 2014: nil).

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 % 30 June 2015	30 June 2014
Jackson Minerals Pty Ltd	Australia	100	100
Mooloogool Pty Ltd	Australia	100	100
Bulk Ventures Ltd	Australia	100	100

20 AUDITORS' REMUNERATION

	2015 $	2014 $
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 consolidated entity:		
Amounts paid or payable relating to audit of a subsidiary entity	-	3,605
Amounts paid or payable relating to current year audit and half year review	45,450	50,600

	45,450	54,205

21 RELATED PARTY DISCLOSURES

Note 19 provides the information about the Consolidated Entity'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 2015, an aggregate amount of $36,680 (nine months ended 30 June 2014: $75,043) was paid to Cape Lambert Resources Ltd ("Cape Lambert") for reimbursement of rent and consultancy costs. At 30 June 2015, nil was payable to Cape Lambert (30 June 2014: $1,238).

During the year ended 30 June 2015, an aggregate amount of $4,545 (nine months ended 30 June 2014: $nil) was received from Cape Lambert for reimbursement of IT costs. At 30 June 2015, nil was receivable from Cape Lambert (30 June 2014: nil). Mr Sage is a director of Cape Lambert.

During the year ended 30 June 2015, the Consolidated Entity paid nil (nine months ended 30 June 2014: $33,721) to Cauldron Energy Limited ("Cauldron") for the reimbursement of employee costs. At 30 June 2015 nil (30 June 2014: nil) was payable to Cauldron.

During the year ended 30 June 2015, an aggregate amount of $16,218 (nine months ended 30 June 2014: $nil) was received from Cauldron for reimbursement of IT costs and sale of fixed assets. At 30 June 2015, nil was receivable from Cauldron (30 June 2014: nil). Mr Sage is a director of Cauldron.

During the year ended 30 June 2015, an aggregate amount of $1,818 (nine months ended 30 June 2014: $nil) was oncharged Kupang Resources Ltd ("Kupang') for reimbursement of IT costs. A provision for doubtful debt has been raised in relation to this trade receivable at 30 June 2015, and associated impairment of receivable has been recorded in the statement of profit and loss and other comprehensive income for $2,000. Mr Sage is a director of Kupang.

During the year ended 30 June 2015, an aggregate amount of $120,000 (nine months ended 30 June 2014: $90,000) was paid or payable to Okewood Pty Ltd ("Okewood") for director fees. During the year ended 30 June 2015, an aggregate amount of $1,320 (nine months ended 30 June 2014: $30,495) was paid or payable to Okewood Pty Ltd ("Okewood") for sponsorship of the Perth Glory Football Club. Mr Sage is a director of Okewood. At 30 June 2015, $11,000 was payable to Okewood (30 June 2014: nil).

During the year ended 30 June 2015, an aggregate amount of $174,995 (nine months ended 30 June 2014: $145,830) was paid or payable to Silverwest Corporation Pty Ltd ("Silverwest") for director fees. Mr Gwynne is a director of Silverwest. At 30 June 2015, $16,041 was payable to Silverwest (30 June 2014: nil).

During the year ended 30 June 2015, an aggregate amount of $5,000 and $55,000 was paid or payable to PAFK Enterprises Pty Ltd ("PAFK") and Led4Me Pty Ltd ("Led4Me") respectively for director fees (nine months ended 30 June 2014: $50,000 paid or payable to PAFK). Mr Kelly is a director of PAFK and Led4Me. At 30 June 2015, nil was payable to PAFK or Led4Me (30 June 2014: nil).

Related party loan

As detailed in the 2014 Annual Report, 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 $1,000,000 in cash and the issue of 104,193,005 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 during the comparative period (refer note 13(a)). Mr Sage is a Director of Cape Lambert.

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. As detailed above, for the year ended 30 June 2015, the Consolidated Entity has recorded an impairment of receivable for $2,000 relating to an amount owed by related entity (2014: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Transactions with key management personnel

Compensation of key management personnel

	2015 $	2014 $
Short term employee benefits	362,995	309,569
Share based payments	1,423	-
	364,418	309,569

Interests held by Key Management Personnel

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

30 June 2015	Balance at 1 July 2014	Acquired /granted during year	Lapsed during Year	Balance at 30 June 2015	Exer-cisable	Not Exer-cisable	Exercise Price	Expiry Date
Directors								
A Sage	-	-	-	-	-	-	-	-
M Gwynne	-	-	-	-	-	-	-	-
P Kelly	-	-	-	-	-	-	-	-
Executives							-	-
E Von Puttkammer	-	1,800,000	-	1,800,000	-	1,800,000	$0.04	30-Nov-16
C Grant	-	800,000	-	800,000	-	800,000	$0.04	30-Nov-16
	-	2,600,000	-	2,600,000	-	2,600,000		

There were no share options held by key management personnel during the 9 months ended 30 June 2014.

22 SHARE-BASED PAYMENTS

Total costs arising from share based payment transactions recognised during the period were as follows:

	Year Ended 30 June 2015 $	Nine Months 30 June 2014 $
Expense arising from equity-settled consultant share-based payment transactions (i)	2,451	-
	2,451	-

(i) On 20 January 2015, the Consolidated Entity granted 4,000,000 unlisted options (subject to vesting conditions) with an exercise price of $0.04 and an expiry date on or before 30 November 2016 ("Options"). The Options were issued in consideration for services performed by consultants of the Company. These Options will vest upon the Company's market capitalisation reaching and/or exceeding $11 million for a period of at least 10 consecutive trading days of the Company's shares as quoted on ASX and the consultant remaining with the Consolidated Entity until expiry date.

Options are granted to consultants of the Consolidated Entity in the form of share-based payments. There is currently no formal employee share plan, however selected consultants of the Consolidated Entity were granted options during the year. The purpose of the grant of options to selected employees was to:

- recognise the ongoing ability of the consultants of the Consolidated Entity and their expected efforts and contribution in the long term to the performance and success of the Consolidated Entity; and
- provide an incentive to the consultants of the Consolidated Entity to remain in their engagement in the long term.

(a) Summary of options granted

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

	2015 No.	2015 WAEP	2014 No.	2014 WAEP
Outstanding at the beginning of the year	-	-	375,000	0.15
Granted during the year to consultants	4,000,000	0.04	-	-
Options expired	(150,000)	0.04	(375,000)	0.15
Outstanding at the end of the year	3,850,000	0.04	-	-
Exercisable at the end of the year	-	-	-	-

The outstanding balance as at 30 June 2015 is represented by:

- 3,850,000 Options exercisable at a price of $0.04 each before 30 November 2016.

(b) Weighted average remaining contractual life

The weighted average remaining contractual life for the options outstanding as at 30 June 2015 is 1.42 years (30 June 2014: nil).

(c) Fair value

The fair value of the 4,000,000 Options granted during the year was $0.0023 each (30 June 2014: nil).

(d) Option pricing model

The fair value of the equity-settled Options granted is estimated as at the date of grant using a Monte Carlo Simulation pricing model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model:

	January 2015 Consultant Options
Dividend yield (%)	Nil
Expected volatility (%)	100
Risk free interest rate (%)	2.18
Exercise price ($)	$0.04
Marketability discount (%)	Nil
Expected life of options (years)	1.90
Share price at grant date ($)	$0.011
Value per Option ($)	$0.0023

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

(e) Option expired

During the year ended 30 June 2015 the following options expired:

- 150,000 consultant Options exercisable at $0.04 each before 30 November 2016.

During the nine months ended 30 June 2014 the following options expired:

- 375,000 employee options exercisable at a price of $0.15 each before 23 March 2014.

23 PARENT ENTITY FINANCIAL INFORMATION

	30 June 2015 $	30 June 2014 $
Current Assets	293,190	807,387
Non-Current assets	6,856	760,042
Total Assets	300,046	1,567,429
Current Liabilities	107,081	102,228
Non-current liabilities	-	-
Total Liabilities	107,081	102,228
Net (liabilities)/assets	192,965	1,465,201
Issued Capital	36,251,604	36,251,604
Accumulated losses	(37,779,871)	(36,505,184)
Share Based Payment reserve	1,721,232	1,718,781
Total Shareholder's Equity/(Deficiency)	192,965	1,465,201

	Year ended 30 June 2015	Nine months ended 30 June 2014
Profit / (Loss) for the period	(1,274,687)	(64,549)
Total comprehensive loss for the period	(1,274,687)	(64,549)

There were no guarantees entered into by the parent entity in relation to the debts of its subsidiaries (30 June 2014: nil).

There were no contingent liabilities in the parent entity (30 June 2014: nil).

There were no contractual commitments by the parent entity for the acquisition of property plant and equipment (30 June 2014: nil). The parent entity has entered into a sub-lease agreement for office space. The Commitment under this agreement is $66,211 (30 June 2014: 100,984).The parent entity has expected expenditure commitments with respect to the exploration grounds in Western Australia of approximately $441,570 (2014: $715,298). Refer note 18 for details.

24 EVENTS AFTER THE REPORTING DATE

There have been no events subsequent to 30 June 2015 up to the date of this report that would materially affect the operations of the consolidated entity 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 2015 are in accordance with the Corporations Act 2001, including:

        (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 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 2015.

On behalf of the Board

Mark Gwynne
Executive Director

11 August 2015

Building a better
working world

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 financial report

We have audited the accompanying financial report of Fe Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Opinion

In our opinion:

1. the financial report of Fe Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

2. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion, the Remuneration Report of Fe Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(c) in the financial report which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Ernst & Young

Ernst & Young

V L Hoang
Partner
Perth
11 August 2015

SCHEDULE OF TENEMENTS

As at 30 June 2015:

Tenement reference	Project & Location	Interest
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%
P52/1195	Milgun - Western Australia	20%
P52/1196	Milgun - Western Australia	20%

ADDITIONAL SHAREHOLDER INFORMATION

Shares

The total number of Shares on issue as at 30 July 2015 was 219,714,630, held by 731 registered Shareholders. 572 shareholders hold less than a marketable parcel, based on the market price of a share as at 30 July 2015.

Each Share carries one vote per Share without restriction.

Quoted Options

The Company does not have any quoted Options on issue.

Unquoted Options

As at the date of this report the Company had 3,850,000 unlisted options on issue.

No voting rights are attached to unquoted Options.

Twenty Largest Shareholders

As at 30 July 2015, the twenty largest Shareholders were as shown in the following table and held 85.30% of the Shares.

	Legal Holder	Holding	%
1	DEMPSEY RESOURCES PTY LTD	126,871,848	57.74
2	CAULDRON ENERGY LIMITED	23,773,112	10.82
3	CITICORP NOMINEES PTY LIMITED	5,772,898	2.63
4	MR RUSSELL NEIL CREAGH	5,010,050	2.28
5	FRED PARRISH INVESTMENTS PTY LTD <PARRISH FAMILY A/C>	2,845,449	1.30
6	MS CONCETTINA SCHIAVELLO	2,602,000	1.18
7	MRS LILIANA TEOFILOVA	2,327,890	1.06
8	MR ANTONY WILLIAM SAGE <EGAS SUPERANNUATION FUND A/C>	2,071,699	0.94
9	PEARL BLISS PTY LTD <PEARL BLISS A/C>	2,000,000	0.91
10	MR IANAKI SEMERDZIEV	1,939,000	0.88
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,573,433	0.72
12	C S T CORPORATION	1,364,197	0.62
12	PT RADINKA ARTHAPRIMA	1,364,197	0.62
13	GANBARU PTY LTD	1,170,000	0.53
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,000,000	0.46
15	ARCHFIELD HOLDINGS PTY LTD	1,000,000	0.46
15	MR ANTHONY ROBERT RAMAGE	950,000	0.43
16	MR PETER NEIL LANDAU	833,333	0.38
17	THE BRAND CONNECTION PTY LTD	802,194	0.37
18	ALCARDO INVESTMENTS LTD	775,000	0.35
19	JANNAH ENTERPRISES PTY LTD	700,000	0.32
20	WILLIAM TAYLOR NOMINEES PTY LTD	669,000	0.30
	Total	**187,415,300**	**85.30%**

Distribution Schedule

A distribution schedule of the number of Shareholders, by size of holding, as at 30 July 2015 is below:

Size of holdings	Number of Shareholders
1 – 1000	58
1,001 – 5,000	173
5,001 – 10,000	142
10,001 – 100,000	253
100,001 and over	105
Total	**731**

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