



Australian Securities
Exchange Code: FEL

Ordinary Shares:

115,521,575

Unlisted Options:

18,000,000 (\$0.12 exp. 31 Dec 2012)

375,000 (\$0.15 exp. 23 Mar 2014)

Board of Directors:

Tony Sage

Non-Executive Chairman

Kim Bischoff

Managing Director

Mark Gwynne

Executive Director

Paul Kelly

Non-Executive Director

Eloise von Puttkammer

Company Secretary

Key Projects & Interests:

Mt Ida Iron Ore Project

Mt Elvire Iron Ore Project

Crossroads, Bardoc and Grafters

Gold Projects

Kalgoorlie Regional Gold Project

Kalgoorlie Regional Nickel Project

Fe Limited Contact:

Kim Bischoff

Managing Director

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

¹ The estimates of exploration target sizes mentioned in this release should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

HIGHLIGHTS

Corporate

- Agreement entered into to acquire the rights to explore and mine iron ore at Mt Ida including 10km of strike prospective for a large BIF deposit in the Yilgarn Iron Province.
- Signed conditional agreement to divest the Gympie Eldorado Mine to BRI Microfine Pty Ltd for a consideration on settlement of A\$50,000, a Net Smelter Return of 6.5% on gold recovered from tailings treatment and release of environmental performance bonds (approximately \$2.2 million).
- Finalised 20% interest in joint venture to explore the Robinson Range Iron Ore Project located in the Midwest.
- Appointment of Mr Kim Bischoff as Managing Director, further strengthening the board's skill sets.
- Cash at bank of \$0.9 million at 31 March 2011.

Projects

- Geological sampling and applications for initial drilling commenced at Mt Ida.
- Final drill results received from drilling completed at Mt Elvire in the December quarter 2010 including:
 - ICRC033: 16m at 61.2% Fe from 20m at Iron Crescent, and
 - CBRC001: 85m at 35.4% Fe from surface at Camelback.
- Follow-up RC drilling commenced at Camelback Prospect at Mt Elvire.
- Exploration Target¹ at Mt Elvire increased 200% to 0.5 – 0.7 billion tonnes at 26 - 46% Fe.

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ABN: 31 112 731 638

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CORPORATE

Strategy and Business Model

Fe Limited (ASX: FEL) ("Fe" or the "Company") is an Australian company with interests in a portfolio of mineral resource projects prospective for iron, gold and nickel (refer Figure 1).

The Company's strategy is to explore and add value on its WA iron ore projects and position them for development and/or divestment. In addition, the Company is undertaking a strategic review of its gold and nickel interests with a view to divestment to enable it to focus on its iron ore projects, and to actively seek new investments in bulk and related commodities including iron ore and manganese.

Acquisitions

On 22 March 2011 the Company entered into an agreement to acquire the iron rights (the "Agreement") to an area of approximately 371km² located 180km north northwest of Kalgoorlie from Dempsey Resources Pty Ltd ("Dempsey"), a wholly owned subsidiary of Cape Lambert Resources Limited (ASX: CFE). The iron rights cover approximately 10km of strike of banded iron formation at Mt Ida ("Mt Ida Iron Ore Project") in the emerging Yilgarn Iron Province of Western Australia.

Consideration for the acquisition of the iron ore rights at the Mt Ida Iron Ore Project is \$50,000 and a production royalty of \$1/tonne of iron ore (DSO and concentrates) payable to Dempsey. Completion of the Agreement is subject to the execution of a split commodity agreement on terms acceptable to the Company.

Divestments

On 4 April 2011 the Company entered into a conditional sale agreement for the sale of all the shares in Gympie Eldorado Mining Pty Ltd ("GEM"), a wholly owned subsidiary of Fe Limited, to BRI Microfine Pty Ltd ("BRI"). GEM is the owner of the Gympie Eldorado Mine, which comprises mining leases and freehold land with 3 tailings storage facilities and associated infrastructure located in southeast Queensland. The mine was closed in late 2008 due to depletion of ore reserves.

Under the terms of the conditional sale agreement, Fe Limited will receive a completion payment of \$50,000, a 6.5% Net Smelter Return from gold recovered from treatment of tailings, 25% of profits from any future sale of freehold land owned by GEM, and reimbursement of environmental performance bonds of approximately \$2.2M on completion of documentation after settlement.

Settlement is conditional on a number of matters to be completed by 31 May 2011 comprising completion of technical and legal due diligence by BRI including test work trials on the tailings and certain works by the Company including rehabilitation of the decline and shafts and tailings pond dewatering.

Joint Ventures

During the quarter the Company finalised a joint venture agreement with PepinNini Minerals Limited (ASX: PNN) ("PepinNini") and Grosvenor Gold Pty Ltd to explore and develop the iron ore potential of the Robinson Range Iron Ore Project which comprises four tenements covering approximately 390km² in the Midwest region of WA.

The joint venture agreement gives effect to a Heads of Agreement signed in December 2007 and is essentially on the same terms and conditions contained within that agreement. PepinNini will hold a 40% interest in the iron ore contained and will manage exploration on behalf of the Joint Venture. The Company holds 20% rights to all minerals and is free carried to decision to mine.

Reconciliation of Cash

During the quarter the Company's net cash outflow totaled \$0.57M. Expenditure was accounted for by exploration and administration (\$0.85M), acquisitions and investments (\$0.53M) and performance bonds (\$0.8M). Receipts included proceeds from the sale of 80% of the Maryborough Basin Project (final payment of \$0.5M) and sale of Gympie assets (\$1.1M).



Appointment of Managing Director

Mr Kim Bischoff was appointed as Managing Director of Fe on 21 March 2011. Mr Bischoff has significant experience in advancing early stage iron ore projects and his appointment is opportune with the expansion of the Company's portfolio by the addition of the highly prospective Mt Ida Iron Ore Project.

Mr Bischoff has an Honors degree in Geology from the University of Tasmania and is a member of the Australian Institute of Mining and Metallurgy, and the Australian Institute of Company Directors. He is a highly experienced geologist and executive with more than 28 years in the mineral industry. Mr Bischoff has worked as a professional geologist and company director in technical, general management and corporate roles covering mineral exploration, development and production throughout Australia, Africa and Southeast Asia for several listed companies covering gold, copper and iron ore projects.

PROJECTS

Mt Ida Iron Ore Project ("Mt Ida") (85 - 100% Fe rights)

Mt Ida is an early stage exploration project, which comprises the rights to explore and mine iron ore on a group of licences located approximately 180km north northwest of Kalgoorlie in the Yilgarn Iron Province of Western Australia (refer Figure 2). Two of the licences cover approximately 10km of strike of the eastern unit of the Mt Ida – Mt Bevan banded iron formation (BIF) units, which strike over 25km northwest from Mt Ida in the south (refer Figure 3).

Mt Ida is approximately 80km northwest of the operational railway at Menzies, which offers access to existing port facilities at Esperance and Kwinana. Esperance port is expanding facilities in the near future to increase capacity from the current 11.5Mtpa to approximately 32Mtpa.

Mt Ida is adjacent to Jupiter Mines' Mt Ida Magnetite and Mt Mason DSO Hematite Projects and to Legacy Iron Ore and Hawthorn Resources' Mt Bevan Project located on the Mt Ida – Mt Bevan BIF.

The initial objectives are to define the BIF exploration target size at Mt Ida and to design a drilling program to commence later in 2011, subject to obtaining the necessary regulatory and land owner approvals.

The Company has commenced geochemical sampling, acquisition and modeling of high resolution geophysical survey data, compilation of historical exploration data and statutory applications for drilling.

Mt Elvire Iron Ore Project ("Mt Elvire") (100%)

Mt Elvire comprises a single exploration licence (60km²) located 230km northwest of Kalgoorlie in the Yilgarn Iron Province of Western Australia (refer Figure 2). Four main prospects hosting BIF have been identified to date at Iron Crescent, Camelback, Jigsaw and Nook (refer Figure 4).

Mt Elvire is approximately 150km west of the railway at Menzies and 140km north of the railway at Koolyanobbing.

A total of 46 holes for 3,591m of RC drilling were completed in 2 phases in 2010 at Iron Crescent. This drilling has confirmed the occurrence of BIF over a strike length of approximately 6km to date. Assay results for the 15 holes completed in phase 2 were received (for full details refer ASX announcement dated 24 January 2011) with significant intersections including:

- ICRC033: 16m at 61.2% Fe from 20m, and
- ICRC043: 80m at 35.1% Fe from 8m.

Three of the holes in the west of Iron Crescent intersected hematite-goethite mineralisation representing potential DSO material to depths of approximately 30-40 metres below surface (refer Figure 5). Further work is planned to follow-up this zone plus to identify other DSO targets on the licence.



Assay results for 2 scout drill holes completed in December 2010 at Camelback were received (for full details refer ASX announcement dated 24 January 2011) with significant intersections of:

- CBRC001: 85m at 35.4% Fe from surface; and
- CBRC002: 68m at 3`1.7% Fe from surface.

Follow-up drilling commenced at Camelback late in the March quarter 2011.

A revised exploration target size for Mt Elvire was estimated incorporating the drilling data from the programs completed in 2010. The updated exploration target size estimate comprises 15 to 25 million tonnes at 56 - 62% Fe of high grade hematite-goethite mineralisation, and transition and fresh BIF of 500 – 650 million tonnes at 25 – 45% Fe for a total estimate of 515 – 675 million tonnes at 26 – 46% Fe (refer ASX announcement dated 24 January 2011 for full details).

Robinson Range Iron Ore Project (“RRJV”) (FEL 20%)

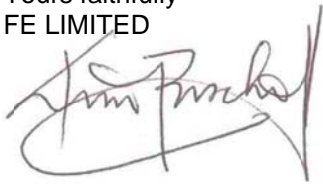
The RRJV is situated in the Midwest Region of Western Australia approximately 550km northeast of the planned Oakajee Port and Rail development located just north of Geraldton.

Geological mapping and rock chip sampling by manager PepinNini has returned 179 samples with assays >55% Fe and identified a number of outcropping potential DSO targets². PepinNini are currently obtaining statutory approvals required to commencing an initial RC drilling program of approximately 5,000m.

Other Projects

A strategic review of the Company's other projects and interests commenced during the quarter and will be completed in the June quarter 2011.

Yours faithfully
FE LIMITED



Kim Bischoff
Managing Director

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr. T. Deane who is a Member of the Australasian Institute of Mining & Metallurgy. Mr. Deane is employed as Exploration Manager by Fe Limited, and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Deane consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Exploration Target Statement

The estimates of exploration target sizes mentioned in this release should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.

² Refer ASX announcement by PNN dated 31 January 2011.



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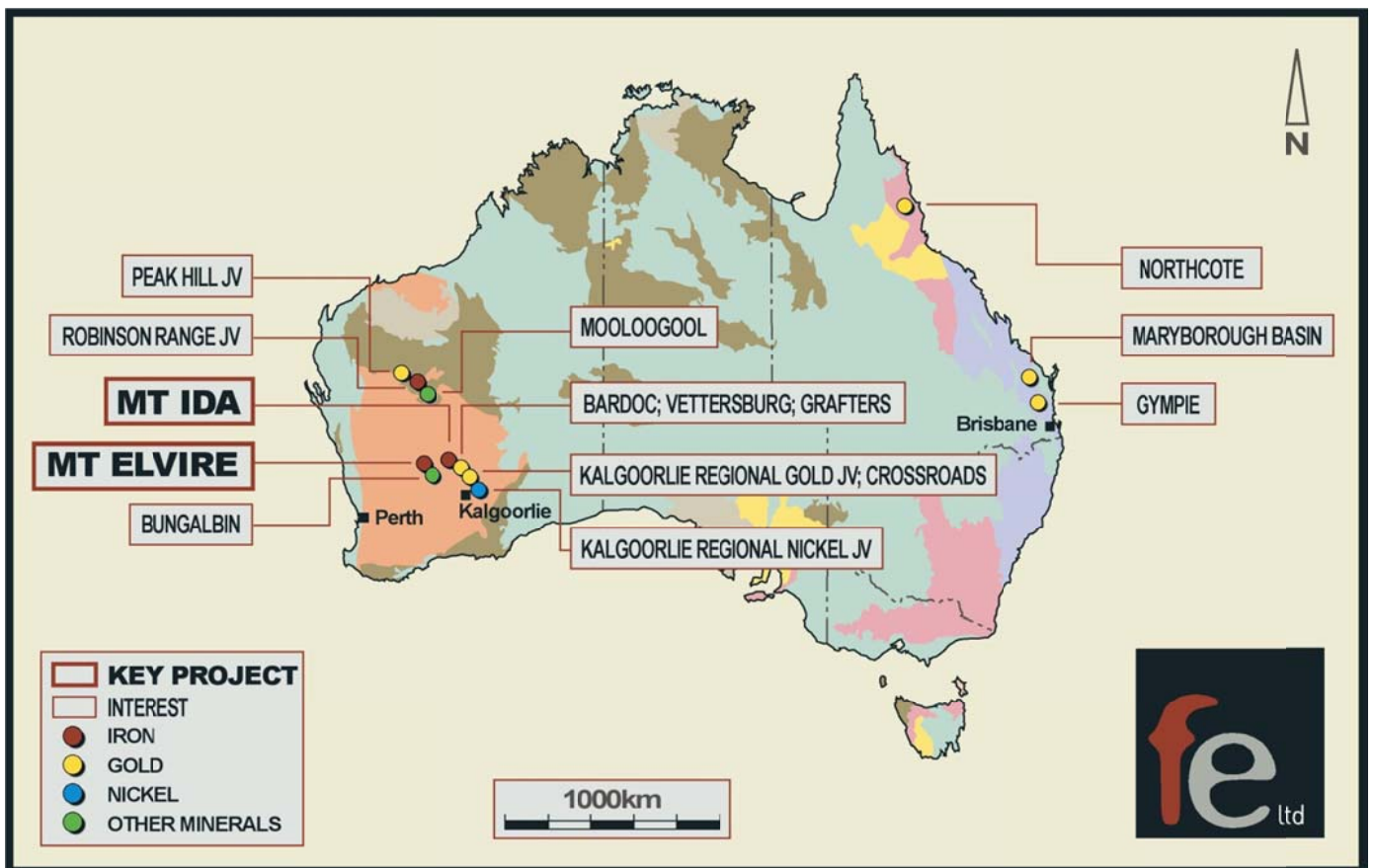


Figure 1: Location of Projects and Interests

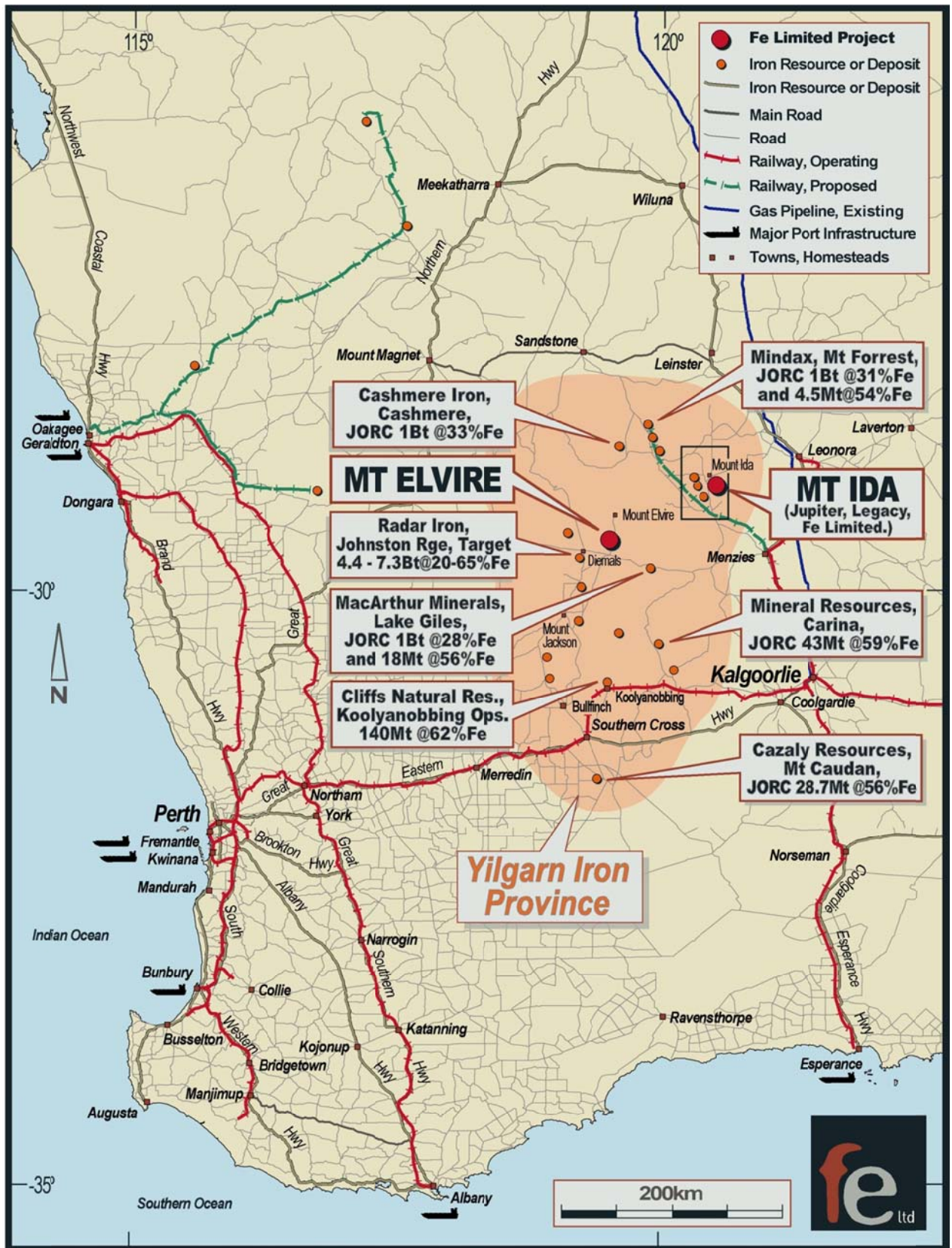


Figure 2: Project Locations – Yilgarn Iron Province

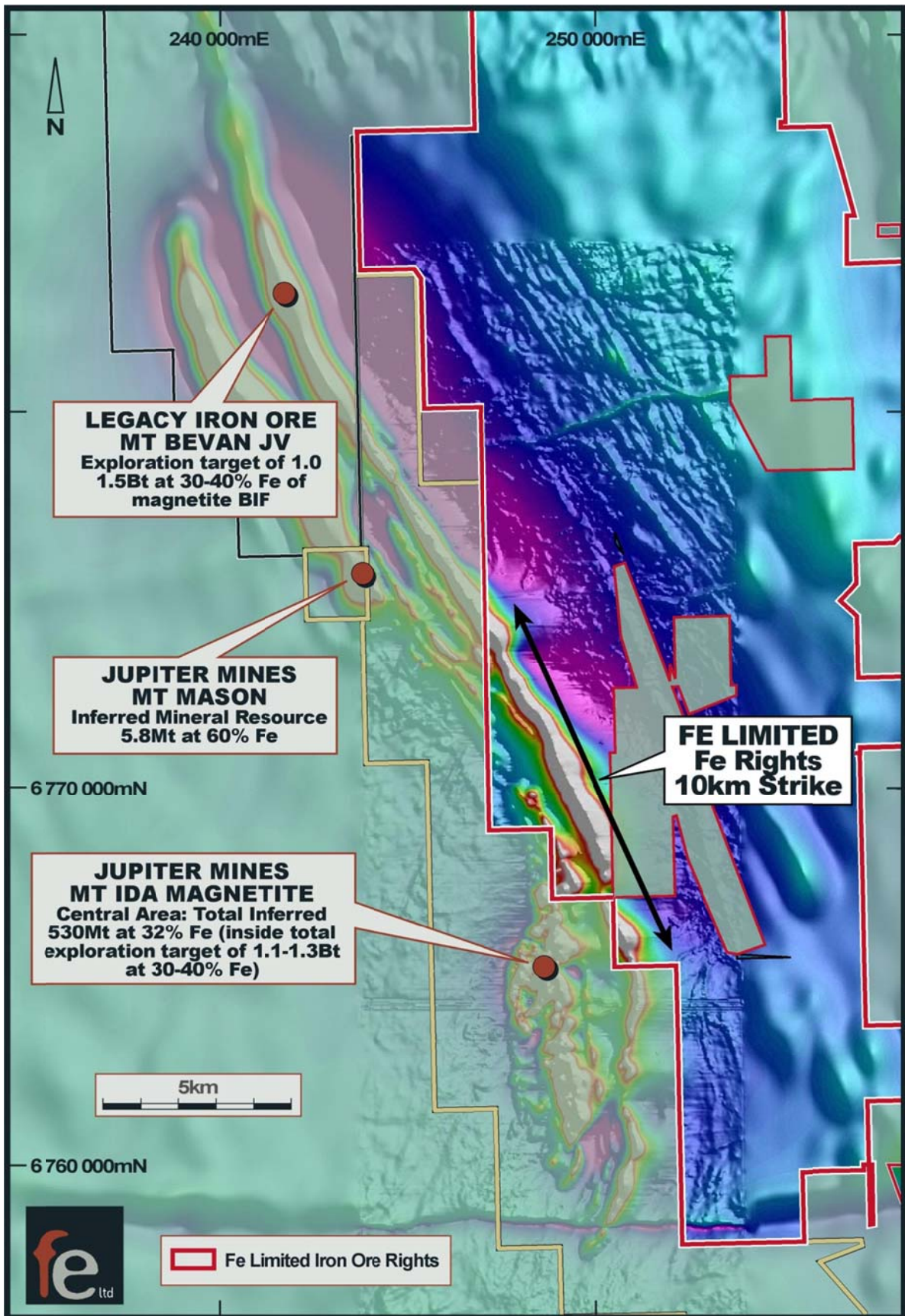


Figure 3: Mt Ida Iron Ore Project Location

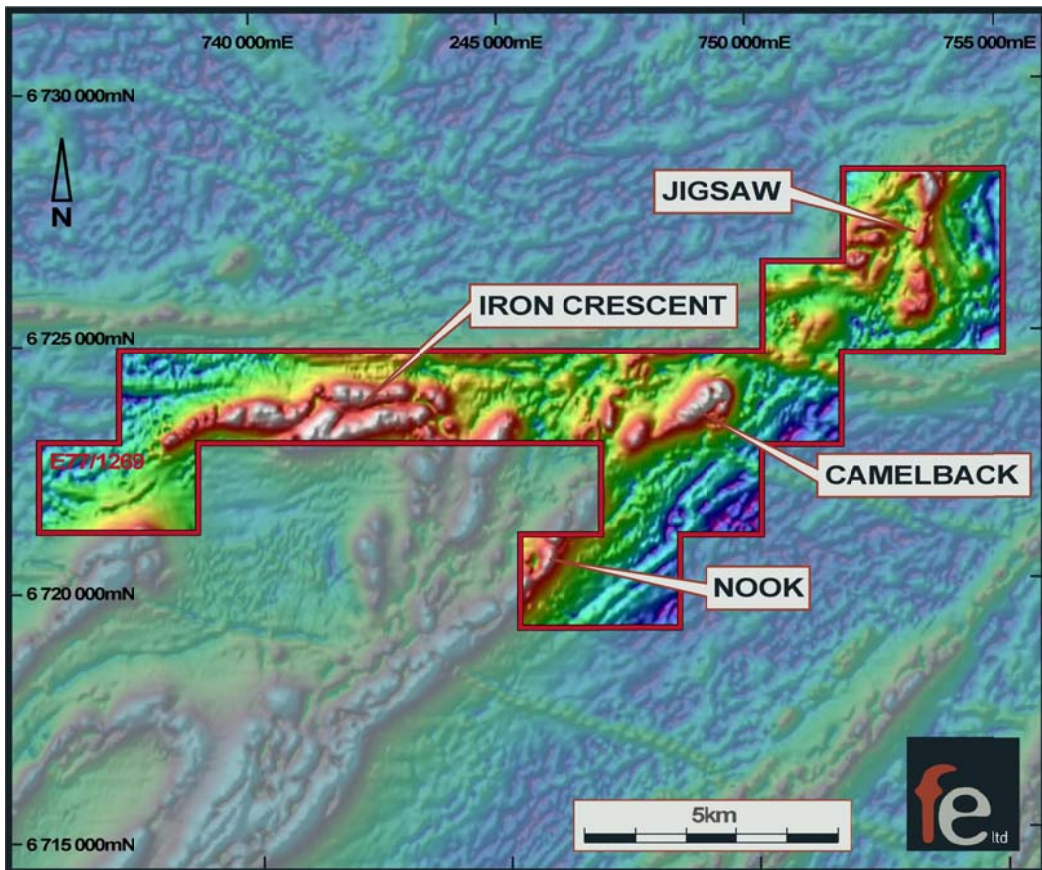


Figure 4: Mt Elvire Iron Ore Project – Prospect Location

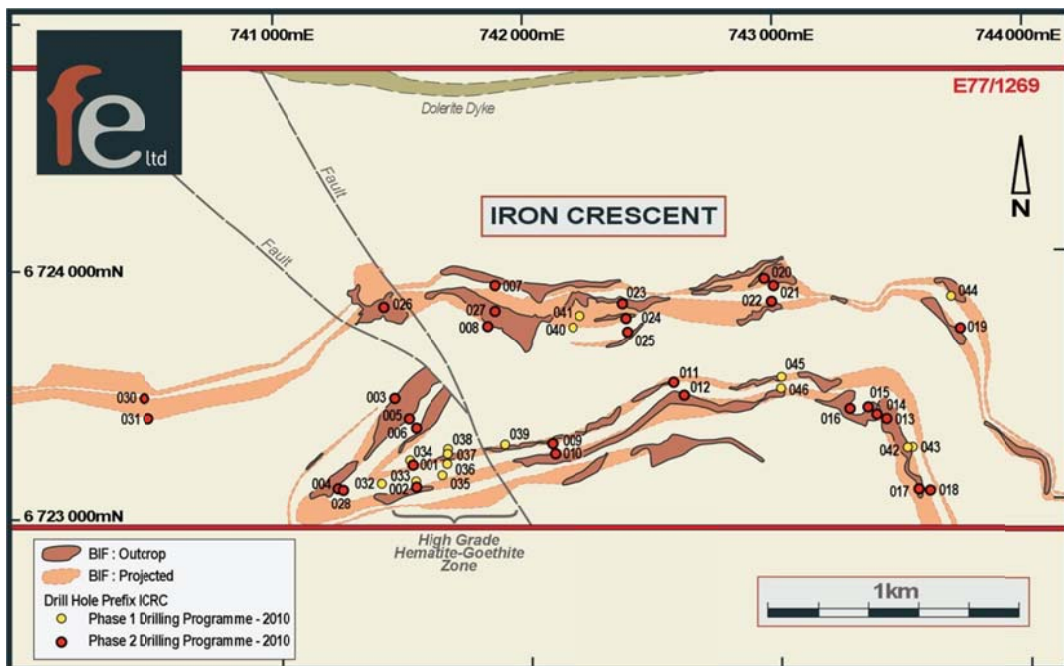


Figure 5: Iron Crescent Drill Hole Locations

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

FE Limited

ABN

34 112 731 638

Quarter ended ("current quarter")

March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(560)	(1,293)
(b) development	-	-
(c) production	-	-
(d) administration	(295)	(608)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	22	47
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	3	9
Net Operating Cash Flows	(830)	(1,845)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(250)	(250)
(b) equity investments	(279)	(294)
(c) other fixed assets	(4)	(7)
1.9 Proceeds from sale of:		
(a) prospects	500	500
(b) equity investments	-	326
(c) other fixed assets	1,099	2,000
1.10 Loans to other entities	-	-
1.11 Cash backing security provided for performance bonds	(804)	(804)
1.12 Other (provide details if material)	-	-
Net investing cash flows	262	1,471
1.13 Total operating and investing cash flows (carried forward)	(568)	(374)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(568)	(374)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(568)	(374)
1.20	Cash at beginning of quarter/year to date	1,488	1,294
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	920	920

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	82
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees paid to executive and non executive directors.

Non-cash financing and investing activities

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

In the previous quarter ended 31 December 2010, the Company issued 1,540,127 ordinary shares as consideration for the receipt of 20,462,948 acceptances from Padbury Mining Limited takeover offer.

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

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	550
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	850

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	920	1,488
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter* (item 1.22)	920	1,488

*in addition to the cash balance reported above, the Company has \$2,265,384 (Dec 2010 Qtr: \$1,461,800) in a term deposit which serves as security for bank guarantees provided by the Company to various state governments to support rehabilitation bonds on exploration tenements.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	115,521,575	115,521,575		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	18,000,000 375,000	- -	<i>Exercise price</i> \$0.12 \$0.15	<i>Expiry date</i> 31/12/2012 23/03/2014
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does *give* a true and fair view of the matters disclosed.

Sign here: Date: 29 April 2011

Eloise von Puttkammer
Company Secretary

Print name:

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Appendix for item 6.2: Interests in mining tenements acquired or increased

Tenement reference		Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
E27/0331	KRGP - Claypan North	Surrendered	100%	-
P26/3095	KRGP - Kalgoorlie North	Acquired	80%	100%
P26/3096	KRGP - Kalgoorlie North	Acquired	80%	100%
P26/3363	KRGP - Kalgoorlie North	Acquired	80%	100%
P26/3364	KRGP - Kalgoorlie North	Acquired	80%	100%
P26/3365	KRGP - Kalgoorlie North	Acquired	80%	100%
P26/3366	KRGP - Kalgoorlie North	Acquired	80%	100%
P26/3367	KRGP - Kalgoorlie North	Acquired	80%	100%
P26/3368	KRGP - Kalgoorlie North	Acquired	80%	100%

+ See chapter 19 for defined terms.