



QUARTERLY REPORT

Quarter ended 31 December 2013

Australian Securities
Exchange Code: **FEL**

31 January 2014

Ordinary Shares:

115,521,575

Unlisted Options:

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

Board of Directors:

Tony Sage

Non-Executive Chairman

Mark Gwynne

Executive Director

Eloise von Puttkammer

Company Secretary

QUARTERLY REPORT - 31 December 2013

Please find attached the Quarterly Activities Report and Appendix 5B for the period ended 31 December 2013.

Key Projects & Interests:

Mt Ida Iron Ore Project

Mt Elvire Iron Ore Project

Yours faithfully
Fe Limited

Fe Limited Contact:

Mark Gwynne

Executive Director

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

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ASX Code: FEL

ABN: 31 112 731 638

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CORPORATE

Strategy

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

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

Funding

As previously disclosed, the Company has utilised its existing \$3 million loan facilities with Cape Lambert Resources Limited (ASX: CFE), which currently holds a 19.9% interest in FEL. The directors have renegotiated a deferral of its repayment obligation of these loans from 31 December 2013 to the Company's upcoming Annual General Meeting schedule for 21 February 2014. As detailed in the Notice of Annual General Meeting, an agreement has been entered into with Cape Lambert for the settlement of these existing loans. Subject to receipt of necessary shareholder approvals by the Company, the loans will be settled as follows:

- \$1 million cash; and
- \$2 million (plus interest) converted into fully paid ordinary shares in the Company at a conversion price calculated at 80% of the volume weighted average closing price of the Shares as quoted on ASX over the last ten (10) trading days immediately preceding the conversion date.

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

Annual General Meeting

The Company's Annual General Meeting will be held 21 February 2014 at 9:30am. For more information, refer to Notice of Annual General Meeting as dispatched to all shareholders and available on the Company's website www.felimited.com.au.

Gympie Eldorado Mining Pty Ltd Sale Agreement update

As previously announced, the Company 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**) (**Transaction**). Foreign Investment Review Board approval has been received, and we anticipate settlement in the very near term.

Sale of Non-Core Assets

During the quarter, FEL completed the following sales of non-core tenement assets:

- (a) sale of 100% of the vendors' interests in the 13 prospecting licences which comprise the Grafters and Bardoc Tenements for \$149,500;
- (b) sale of 100% of the vendors' interest in the two Vetttersburg mining leases for \$13,000;
- (c) Sale of Kalgoorlie Regional Gold Project tenements for \$20,000; and
- (d) Sale of tenement E77/1754 for \$18,182.



PROJECTS

Projects Review

The Company holds, or has rights or interests in several tenements prospective for iron, nickel; copper and gold located mostly in Western Australia. This total includes interests and rights in the 3 iron-focused projects at Mt Ida, Mt Elvire and Robinson Range, referred to as core projects. The necessary commercial and technical information required to seek expressions of interest for the divestment of the non-core projects is in the process of being completed.

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

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

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

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

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

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

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

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

Robinson Range Iron Ore Project (20%)

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

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

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

Mt Ida Iron Ore Project

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

The Project comprises the rights to explore and mine for iron ore on a group of 71 licences covering approximately 370km² in the emerging Yilgarn Iron Province. Field work including a drilling program is anticipated to begin once the Company has received final payment of bonds from the sale of GEM.

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").

Yours faithfully

Fe Limited

Mark Gwynne
Executive Director

For further information please contact:

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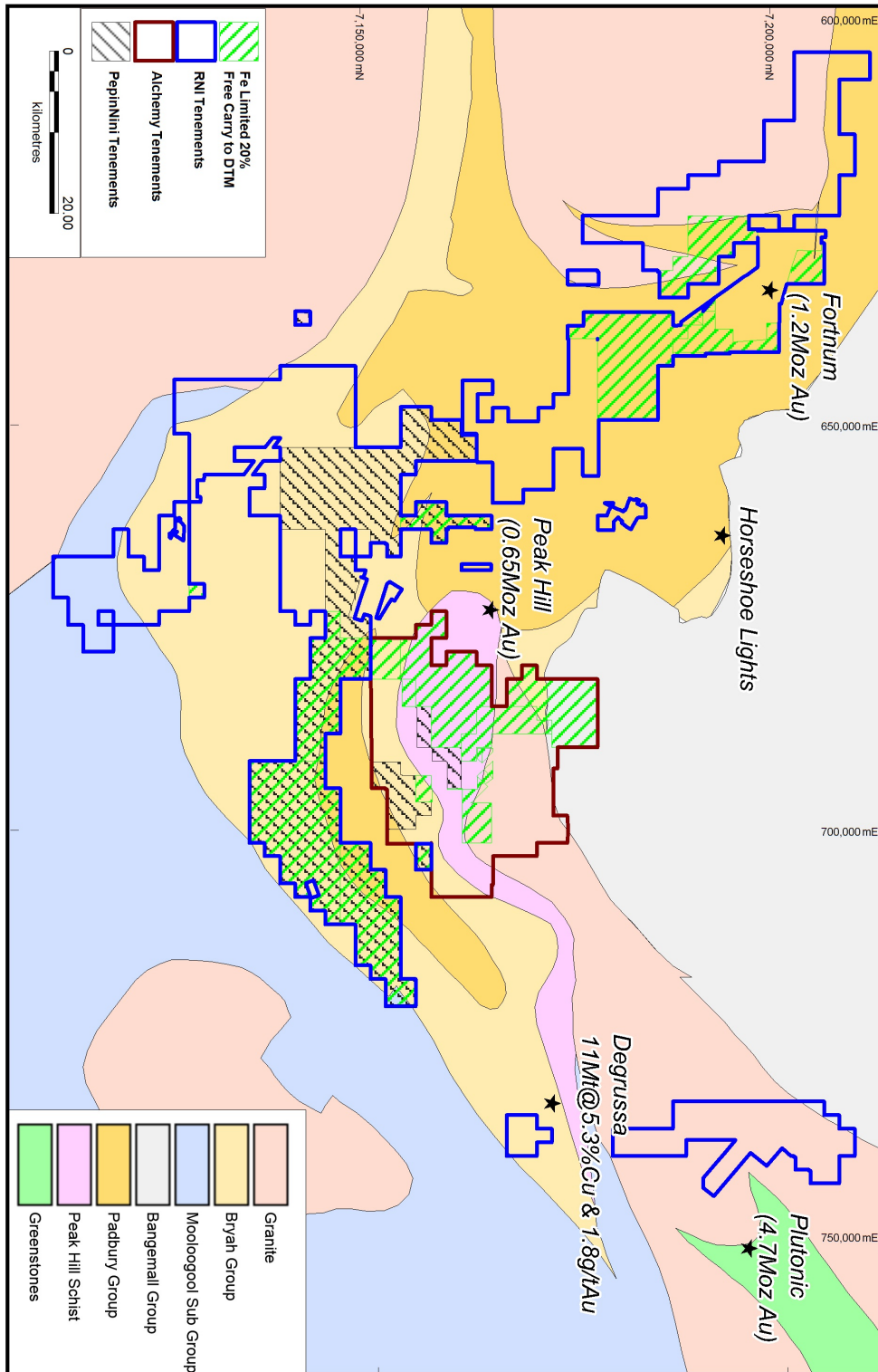
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Competent Person Statement

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



Map 1



Schedule of Tenements

As at 31 December 2013 (including details of tenements acquired and disposed of during the quarter):

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
EPM 9869	Mareeba - Queensland	-	-	15%
EPM 13848	Mareeba - Queensland	-	-	25%
E24/0145	Gordons - Western Australia	-	-	100%
E27/450	Gordons - Western Australia	-	-	100%
E27/465	Gordons - Western Australia	-	-	100%
E29/0806	Mt Ida - Western Australia	-	-	100%
E29/0807	Mt Ida - Western Australia	-	-	100%
E29/0818-I	Mt Ida - Western Australia	-	-	100%
E29/0847-I	Mt Ida - Western Australia	-	-	100%
E51/1033-I	Heines Find - Western Australia	-	-	20%
E52/1613-I	Heines Find - Western Australia	-	-	20%
E52/1659	Milgun - Western Australia	-	-	20%
E52/1668	Peak Hill - Western Australia	-	-	20%
E52/1670-I	Peak Hill - Western Australia	-	-	20%
E52/1671	Milgun - Western Australia	-	-	20%
E52/1672-I	Heines Find - Western Australia	-	-	20%
E52/1678	Peak Hill - Western Australia	-	-	20%
E52/1722	Peak Hill - Western Australia	-	-	20%
E52/1730	Peak Hill - Western Australia	-	-	20%
E77/1269-I	Mt Elvire - Western Australia	-	-	100%
E77/1754	Bungalbin - Western Australia		100%	0%
E77/1841-I	Mt Elvire - Western Australia	-	-	100%
E77/1842-I	Mt Elvire - Western Australia	-	-	100%
E77/1843-I	Mt Elvire - Western Australia	-	-	100%
E77/1881	Mt Elvire - Western Australia		100%	0%
E77/2116-I	Mt Elvire - Western Australia	-	-	100%
M24/400	Vettersburg - Western Australia		65%	0%
M24/429	Vettersburg - Western Australia		65%	0%
M24/462	KRGP - Western Australia		80%	0%
M24/640	KRGP - Western Australia		80%	0%
M27/202	KRGP - Western Australia		80%	0%
P24/4504	Bardoc - Western Australia		100%	0%
P24/4162	Grafters - Western Australia		100%	0%

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
P24/4163	Grafters - Western Australia		100%	0%
P24/4373	Bardoc - Western Australia		65%	0%
P24/4374	Bardoc - Western Australia		65%	0%
P24/4375	Bardoc - Western Australia		65%	0%
P24/4443	Bardoc - Western Australia		65%	0%
P24/4444	Bardoc - Western Australia		65%	0%
P24/4445	Bardoc - Western Australia		65%	0%
P24/4446	Bardoc - Western Australia		65%	0%
P24/4447	Bardoc - Western Australia		65%	0%
P24/4448	Bardoc - Western Australia		65%	0%
P24/4449	Bardoc - Western Australia		65%	0%
P24/4498	KRGP - Western Australia		100%	0%
P24/4499	KRGP - Western Australia		100%	0%
P24/4500	KRGP - Western Australia		100%	0%
P24/4501	KRGP - Western Australia		100%	0%
P24/4502	KRGP - Western Australia		100%	0%
P24/4503	KRGP - Western Australia		100%	0%
P24/4538	KRGP - Western Australia		100%	0%
P26/3766	KRGP - Western Australia		80%	0%
P26/3767	KRGP - Western Australia		80%	0%
P26/3768	KRGP - Western Australia		80%	0%
P26/3769	KRGP - Western Australia		80%	0%
P26/3770	KRGP - Western Australia		80%	0%
P26/3788	KRGP - Western Australia		100%	0%
P26/3801	KRGP - Western Australia		80%	0%
P26/3802	KRGP - Western Australia		80%	0%
P27/1683	Gordons - Western Australia	-	-	100%
P27/1684	Gordons - Western Australia	-	-	100%
P27/1685	Gordons - Western Australia	-	-	100%
P27/2024	KRGP - Western Australia		100%	0%
P27/2025	KRGP - Western Australia		100%	0%
P27/2026	KRGP - Western Australia		100%	0%
P27/2099	KRGP - Western Australia		100%	0%
P27/2100	KRGP - Western Australia		100%	0%
P27/2101	KRGP - Western Australia		100%	0%
P27/2102	KRGP - Western Australia		100%	0%
P52/1167	Milgun - Western Australia	-	-	20%
P52/1168	Milgun - Western Australia	-	-	20%
P52/1170	Milgun - Western Australia	-	-	20%
P52/1171	Milgun - Western Australia	-	-	20%
P52/1172	Milgun - Western Australia	-	-	20%

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

Appendix 5B

Mining exploration entity 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")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (3 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(19)	(19)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(117)	(117)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	5	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other: Rehab at Gympie Eldorado Mine	(121)	(121)
	Other: Funding from purchaser of Gympie Eldorado Mine prior to completion of sale	57	57
	Other	4	4
	Net Operating Cash Flows	(191)	(191)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	201	201
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Refund of performance bond	16	16
1.12	Other: Proceeds from sale of land	107	107
	Net investing cash flows	324	324
1.13	Total operating and investing cash flows (carried forward)	133	133

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	133	133
	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	133	133
1.20	Cash at beginning of quarter/year to date	9	9
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	142	142

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'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	32
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director fees paid to executive and non-executive directors.

Non-cash financing and investing activities

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

N/A

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

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities *	-	3,000
3.2 Credit standby arrangements	N/A	N/A

*The Company has utilised its existing \$3 million loan facilities with Cape Lambert Resources Limited (ASX: CFE). The directors have renegotiated a deferral of its repayment obligation of these loans from 31 December 2013 to the date of the Company's Annual General Meeting. Furthermore, an agreement has been entered into with Cape Lambert for the settlement of these existing loans (plus interest). Subject to receipt of necessary shareholder approvals by the Company, the loans will be settled as follows:

- \$1 million cash; and
- \$2 million (plus interest) converted into fully paid ordinary shares in the Company.

For full details, refer to the Company's Notice of Annual General Meeting for the meeting scheduled for 21 February 2014.

Estimated cash outflows for next quarter

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

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	142	9
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter** (item 1.22)	142	9

**In addition to the cash balance reported above, the Company has \$2,251,562 (\$1,447,978 in term deposit and \$803,584 deposited directly with the Department of Employment, Economic Development and Innovation) which serves as security provided by the Company in respect of rehabilitation bonds.

+ See chapter 19 for defined terms.

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	M24/400	Sold	65%	-
		M24/429	Sold	65%	-
		P24/4504	Sold	100%	-
		P24/4162	Sold	100%	-
		P24/4163	Sold	100%	-
		P24/4373	Sold	65%	-
		P24/4374	Sold	65%	-
		P24/4375	Sold	65%	-
		P24/4443	Sold	65%	-
		P24/4444	Sold	65%	-
		P24/4445	Sold	65%	-
		P24/4446	Sold	65%	-
		P24/4447	Sold	65%	-
		P24/4448	Sold	65%	-
		P24/4449	Sold	65%	-
		E77/1881	Surrendered	100%	-
		E77/1754	Sold	100%	-
		P24/4498	Sold	100%	-
		P24/4499	Sold	100%	-
		P24/4500	Sold	100%	-
		P24/4501	Sold	100%	-
		P24/4502	Sold	100%	-
		P24/4503	Sold	100%	-
		P24/4538	Sold	100%	-
		P26/3788	Sold	100%	-
		P27/2024	Sold	100%	-
		P27/2025	Sold	100%	-
		P27/2026	Sold	100%	-
		P27/2099	Sold	100%	-
		P27/2100	Sold	100%	-
		P27/2101	Sold	100%	-
		P27/2102	Sold	100%	-
		P26/3766	Sold	80%	-
		P26/3767	Sold	80%	-
		P26/3768	Sold	80%	-
		P26/3769	Sold	80%	-
		P26/3770	Sold	80%	-
		P26/3801	Sold	80%	-
		P26/3802	Sold	80%	-
		M24/462	Sold	80%	-
M24/640	Sold	80%	-		
M27/202	Sold	80%	-		
6.2	Interests in mining tenements acquired or increased	-	-	-	-

+ 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>	375,000	-	Exercise price \$0.15	Expiry date 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

- 10 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: 31 January 2014

Mark Gwynne
Director
Print name:

Notes

- 10 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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+ See chapter 19 for defined terms.