



QUARTERLY REPORT Quarter ended 31 December 2017

Australian Securities
Exchange Code: **FEL**

23 January 2018

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

QUARTERLY REPORT – 31 December 2017

Ordinary Shares:

366,815,463

Unlisted Options:

4,062,500

Board of Directors:

Tony Sage

Non-Executive Chairman

Kenneth Keogh

Non-Executive Director

Nicholas Sage

Non-Executive Director

Please find attached the Quarterly Activities Report and Appendix 5B for
the three month period ended 31 December 2017.

Yours faithfully
Fe Limited

Tony Sage
Non-Executive Chairman

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CORPORATE

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

Financial Position

Cash available to the Company at the end of the December 2017 quarter was \$41,000.

On 27 December 2017 the Company announced that it was undertaking a placement to sophisticated and professional investors at an issue price of \$0.03 per share to raise up to \$1 million (before costs) (**Placement**).

As at 31 December 2017, the Company had received \$730,000 in application funds in relation to the Placement, which were being held in the trust by Company at that date.

The Company issued 33,333,334 fully paid ordinary shares on 4 January 2018 to complete the Placement. The funds will be used on exploration activities at the Kasombo Copper-Cobalt Project (**Kasombo Project**) in the Democratic Republic of Congo (**DRC**) and for working capital purposes.

Annual General Meeting (AGM)

The Company held its AGM on 3 November 2017 at 9am where all resolutions put to the AGM were passed on a show of hands. For more information, refer to the Notice of Annual General Meeting and Results available at the Company's website.

Suspension and Reinstatement of Trading

On 21 November 2017, the Company requested and was granted voluntary suspension of trading in the Company's securities on the ASX. The suspension was sought to provide the Company with time to apply for orders to be made by the Federal Court of Australia for the retrospective curing of a procedural issue in the quotation of shares in the Company that were issued on 6 November 2017.

The Company lodged an application with the Federal Court of Australia seeking urgent declaratory relief and ancillary orders relating to the issue of securities and the subsequent offers for sale by some of the subscribers to those securities. On 21 December 2017, the Company was successful in obtaining all orders sought, which were that the offers for sale of the shares issued by the Company on 6 November 2017 were not invalidated by any failure of the Company to comply with section 707(3) of the Corporations Act 2001 (Cth) and also relieve from civil liability any seller of these shares.

The Company was reinstated to trading on ASX at the open of market on 22 December 2017.

Cleansing Prospectus

On 24 November 2017, the Company lodged a cleansing prospectus (**Prospectus**) pursuant to Section 708A(11) of the Corporations Act 2001, for the offer of up to 20,000 fully paid ordinary shares (**Offer**). The Prospectus offer closed the same day and no shares were issued pursuant to the Prospectus Offer.

Existing Business

The Company remains focused on its activities within the mineral exploration industry on its retained tenements and interests and is also investigating projects for future acquisition.

The Company has interests in several highly prospective projects in the Bryah Basin region of Western Australia with joint venture partners Auris Minerals Ltd (formerly RNI NL), Alchemy Resources Ltd, Independence Group NL, Westgold Resources Limited and Billabong Gold Pty Ltd, which are free-carried with no contributing responsibilities, until Decision to Mine.



Kasombo Project

On 6 November 2017, the Company completed the acquisition of the Kasombo Project from Cape Lambert Resources Limited (**Cape Lambert**) and were assigned 100% of Cape Lambert's rights and obligations to the Kasombo Project, located 25km from the DRC's second largest city, Lubumbashi, in the Katanga Copper Belt of the DRC.

PROJECTS

Kasombo Project - Democratic Republic of Congo

The Kasombo Project comprises three mineralized areas of approximately 600 hectares, Kasombo 5, 6 and 7, located within two granted mining licenses PE 481 and PE 4886 (**Licences**), refer Figure 1. The Licences are held by La Generale Des Carrieres Et Des Mines S.A. (**Gecamines**). On 24 March 2017, Paragon executed a contract with Gecamines for the undertaking of exploration and research work at the Kasombo Project.

In August 2017, Cape Lambert announced that the local branch of SRK Consulting (**SRK**) had commenced the initial exploration works at Kasombo and that handheld XRF sampling of artisanal cobalt workings and exposed cobalt mineralisation at Kasombo 7 showed the high grade nature of the cobalt mineralization with grades of up to 38.2% cobalt reported (refer Cape Lambert announcement dated 22 August 2017). In its September 2017 quarterly report, Cape Lambert reported that the information subsequently received on mapping works was deemed unsatisfactory and that Cape Lambert had instructed SRK to undertake further work. SRK subsequently advised that they do not wish to continue with the work due to personnel issues.

In November 2017, the Company completed its own mapping works at Kasombo 6 and 7. Mapping works at Kasombo 5 were completed early December 2017. The mapping showed two styles of mineralization: the first conforming to mineralization typical of deposits of the Katanga Copper Belt; the second showing cross-cutting breccia style, providing potential to significantly increase the size of mineralisation.

Twenty samples were collected during the mapping program, predominantly from Kasombo 7 and dispatched to ALS Laboratories for assaying in Lubumbashi and South Africa. The assay results returned high grade cobalt assays, with the highest grade assays being 6.99% cobalt (sample A2914) and 1.57% cobalt (sample A2916) (refer FEL announcement dated 12 December 2017).

During December 2017, the Company completed a small RC drill programme, designed to test the grade and depth of mineralization at Kasombo 5 and Kasombo 7. A total of 390m was completed in difficult conditions due to the wet weather, with 3 holes completed at Kasombo 5 (200m) and 4 holes at Kasombo 7 (190m). Drill samples were dispatched to ALS Laboratories for assaying, with results expected back late January 2018. For an explanation of the drilling refer to FEL announcement dated 8 January 2018.

Western Australia

The Company holds, or has rights or interests in various tenements prospective for iron, nickel, copper and gold located in Western Australia.

The Company and its child entities have not carried out any exploration, development or mining production activities during the quarter ended 31 December 2017. No beneficial interest was held by the Company or its child entities in farm-in or farm-out agreements at 31 December 2017 and no such beneficial interests were acquired or disposed of during the quarter ended 31 December 2017.

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

FEL, via its wholly owned subsidiary, Jackson Minerals Pty Ltd (**Jackson Minerals**), has a 20% free carried interest to Decision to Mine in twelve tenements covering an area of 802 km² in the highly prospective Bryah Basin area, including tenements proximal to Sandfire Resources NL (ASX: **SFR**) Doolgunna Project and DeGrussa copper gold mine and several gold and copper prospects.

The Bryah Basin Project tenements are subject to joint ventures and farm-ins Westgold Resources Limited (ASX: **WGX**), Independence Group Ltd (ASX: **IGO**), Billabong Gold Pty Ltd, Alchemy Resources (Three Rivers) Ltd (ASX: **ALY**) and Auris Minerals Ltd (formerly **RNI NL**)(ASX:**AUR**).



The Bryah Basin is emerging as a highly prospective and largely under-explored mineral field with potential for further discovery of gold and base metals.

Auris Projects - Auris Minerals Ltd (AUR) 80% in all minerals (except gold for E52/1659 and E52/1671) and FEL 20% in all minerals free carried to Decision to Mine

FEL, via its subsidiary, Jackson Minerals, holds a 20% free carried interest to Decision to Mine in five exploration licences and three prospecting licences (E52/1659 and E52/1671 and P52/1484-1486 within AUR's "Forrest Project" and E51/1033, E52/1613, E52/1672 at AUR's "Morcks Well Project") covering a total of 607km². The AUR 80% interests were registered in the name of Grosvenor Gold Pty Limited. Grosvenor, via RNI NL (ASX:RNI) changed its name to Auris Resources Pty Ltd, effective 17 March 2017 (see ASX: RNI 17Feb2017 and 16Mar2017)

Metals X Ltd (ASX: **MLX**) acquired AUR's interest in the gold assets with regard to E52/1659 and E52/1671 (within the AUR Forrest Project)(for further details, please refer to RNI/AUR announcements) from RNI/AUR in July 2015. MLX transferred their 80% gold rights interest in these tenements to Westgold Resources Limited (ASX:**WGX**) via a Demerger by MLX (see MLX ASX announcements 16 November 2016, 24 November 2016 and 1 December 2016) and FEL's 20% interest in E52/1659 and E52/1671 is now free carried until Decision to Mine by WGX (pursuant to a Deed of Novation completed in December 2016). FEL has not received any reports of work completed on the tenements by WGX during the Quarter.

FEL retains its 20% interest in all mineral rights until Decision to Mine.

Forrest Project: Forrest (E52/1671), Wodger (E52/1659), Big Billy Prospects (E52/1659)

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

The Wodger prospect is confirmed as the priority prospect in AUR's Bryah Basin exploration portfolio.

On 9 March 2017 RNI released an announcement to the ASX confirming that a further 50 aircore holes for a total of 4,970 metres were completed to extend the VMS mineralized horizon at the Wodger prospect to 1.4km in length (see RNI:ASX 9Mar17). RNI is now planning a 400m diamond drill hole to test the down-dip extension of the mineralization (see RNI:ASX 15Mar17). Geochemical Services Pty Ltd has completed a full analysis of the previous air core drilling at Wodger "with the resultant model suggesting that there are two distinct mineralized zones (>0.1% Cu) within the VMS horizon. Both mineralized zones (lodes) are approximately 500m in length, open along strike and depth and contain significant copper values of 4m @ 4.73% (within a broader halo of 25m @ 1.1%) and 9m @ 1.30%" (refer ASX:RNI 15 Mar17). On 2 May 2017 RNI announced "confirmation of visible, extensive, fresh copper sulphides (Bornite and Chalcopyrite) from the first diamond hole at the Company's high priority Wodger Prospect" (refer to ASX:RNI 2May2017). On 9 May 2017 AUR announced successful placement has raised \$2.5 Million to fund Wodger drilling and advance other key projects (see ASX:AUR 9May2017).

On 6 June 2017 Auris announced that the first phase of diamond drilling was completed at the Wodger Prospect (two diamond holes WRDD001 and WRDD002 for a total of 821.60m). "The observations from WRDD001 are extremely encouraging and included a zone of disseminated bornite with lesser chalcopyrite, positioned below an interpreted volcanic massive sulphide (VMS) horizon that included blebby sulphides, and a 20cm wide zone of sulphide material with 30% copper values from spot portable XRF readings" (refer to ASX:AUR 6Jun2017 and 10Jul2017).

AUR interpreted the results from WRDD001 to suggest that a single VMS horizon has been overturned in an antiformal fold at the top of the Narracoota Formation volcanics, subsequently generating western and eastern lodes associated with limbs of the antiform (refer to ASX: AUR 12 July 2017). On 31 July 2017, AUR announced (ASX: AUR 31 July 2017) the first assay results from the company's RC drill program at Wodger to test the down-plunge extent of both lodes along strike towards the southern EM plate. First assay results from Wodger RC drilling program in WDR005 returned major intersections of copper-gold-silver mineralisation which included: 50 metres @ 1.55% (copper) Cu from 175metres; 41 metres @ 0.47g/t Gold (Au) from 177 metres; and 59 metres @ 5.05g/t Silver (Ag) from 168 metres. Refer to ASX:AUR 31July2017 for full details on the assay outcomes. Follow up drilling with potential Down-Hole Electromagnetic (DHEM) surveys is now being planned to test for a potential fresh massive sulphide source.

On 21 August 2017 AUR announced further "broad, high-grade zones of copper-gold-silver mineralization intersected from the Wodger prospect", Refer to ASX:AUR 21 August 2017 for assay highlights and AUR statement



that “Results from WDRC001, WDRC003 and the previously reported high-grade Cu mineralization in WDRC005 define a 150 metre strike length zone of mineralization” (ASX: AUR 21 August 2017). Further exploration at this prospect is being planned by Auris at the time of this report. On 28 September 2017 AUR announced that second phase of RC drilling at Wodger has been completed and a 550 metre diamond hole is now planned. The diamond hole will be partly funded by the State Government of WA. Refer to ASX: AUR 28Sep17 for full details.

On 17 October 2017 AUR announced “Wodger Drilling Intersects Multiple Zones of Copper Sulphides” (ASX:AUR 17 Oct 2017) and, in a separate announcement on the same day, that “Auris Completes \$1.25M Capital Raising” to fund further exploration activities and drilling at the Wodger Prospect (ASX:AUR 17 Oct 2017). On 10 November 2017 AUR announced that there has been a “Downhole EM Conductor Identified at Wodger” in diamond drill hole WRDD003 and that WRDD003 had intersected a broad zone of copper mineralisation made up of bornite, chalcocite and native copper (ASX:AUR 10 Nov 2017). On 23 November 2017 Auris announced further work to commence on the project, “Diamond Drilling to Commence at Wodger and Forrest Prospects” (ASX:23 Nov 2017).

Morck’s Well Project (E51/1033, E52/1613, E52/1672)

The Morck’s Well Prospect is located in the eastern part of the Bryah Basin and contains approximately 40km of 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.

On 10 July 2017 Auris announced via their June 2017 Quarterly Report that the Company has commenced a 13,500 metre air core drill program over five prospects identified in the Cashman and Morck’s Well Project areas. (refer to ASX:AUR 6Jun2017 and 10Jul2017). FEL has not received any updates regarding this drilling.

Alchemy Projects - ALY 80% in all minerals (see below for details of other companies farming-into this interest) and FEL 20% (in all minerals) free carried to Decision to Mine

FEL, via its wholly owned subsidiary Jackson Minerals, holds a 20% interest in all minerals free carried to Decision to Mine in four exploration licenses (E52/1668 (“Reefer” and “Flamel” prospects), E52/1678 (“Troy” prospect), E52/1722 (“Neptune” prospect), E52/1730 (“Henry” prospect) jointly known as the **Jackson Tenements**. Additionally, Jackson Minerals has 20% beneficial interest in all minerals in part of E52/1852 previously held under P52/1167 and P52/1168, held in trust for Jackson Minerals by ALY/Billabong – Jackson Minerals/FEL has no registered interest in E52/1852.

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

Base Metals Rights – ALY/IGO/JAK E52/1668, E52/1678, E52/1722 and E52/1730

Alchemy has entered into a farm-in and joint venture with Independence Group NL (base metals, see ALY announcement 5 November 2014). Diversified mining company, Independence Group NL (ASX: IGO) is earning up to 70% interest in base metals rights, excluding iron ore rights, in relation to whole area of E52/1722 and parts of E52/1668, E52/1678 and E52/1730 (in regard to the Jackson Tenements).

FEL has not received any updates from ALY or IGO regarding this project.

Please refer to the ALY Half Yearly Report to December 2016 (ALY:ASX 7Mar2017) for relevant information and diagrams.

All Mineral Rights - ALY/Billabong/JAK E52/1668, E52/1678, and E52/1730

Leading Australian gold producer Northern Star Resources Ltd (ASX: **NST**) entered into a Farm-In and Joint Venture agreement with ALY (refer ALY announcement 24 February 2015), in regard to parts of E52/1668, E52/1678 and E52/1730 (excluding those parts being farmed into by IGO) and also to earn an 80% interest in the whole of E52/1852 (within which ALY holds a 20% interest in the area previously held under P52/1167-68 for Jackson Minerals). NST assigned its interest in these tenements and the Farm-in and Joint Venture to Billabong Gold Pty Ltd (**Billabong**) via a Deed of Consent, Assignment and Assumption dated 11 October 2016, pursuant to “Sale and Purchase Agreement Plutonic Gold Operations” between NST and Billabong dated 12 August 2016 (see NST announcements of 15 August 2016 and 12 October 2016). FEL retains its 20% free carried interests in all minerals all of the aforementioned tenements, via wholly owned subsidiary Jackson Minerals.



FEL has not received any updates from ALY or Billabong regarding this project.

Mt Ida Gold - FEL, Mt Ida Iron Ore Project

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

The Mt Ida Iron Ore Project (**Mt Ida Iron Project**) provides FEL the rights to explore and mine for iron ore on two exploration licenses (E29/640 and E29/641) and 3 mining leases (M29/2, M29/165 and M29/422), held by Mt Ida Gold Pty Ltd, covering approximately 120km² in the emerging Yilgarn Iron Province. The rights give provision for FEL to retain revenue from any iron ore product it mines from the tenure. FEL has no registered interest in these tenements.

The Mt Ida Project area covers part of the Mt Ida - Mt Bevan banded iron formation, which is currently being explored and evaluated by Jupiter Mines Limited and Legacy Iron Ore Limited.

FEL has not received any updates from Mt Ida Gold Pty Ltd regarding this project,

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

FEL holds a 1.5% Dry Metric Tonne, FOB Royalty over two tenements (E77/1322 and M37/1259) within the Evanston Project, registered to Black Oak Minerals Limited (ASX: **BOK**). Cliffs Asia Pacific Iron Ore Pty Ltd (**Cliffs**) previously held these tenements but sold them to BOK and provided a Deed of Assignment and Assumption pursuant to the Evanston Iron Ore Rights Deed to FEL assigning the obligation to pay the associated royalty from Cliffs to BOK. The tenements are approximately 20kms north of the Windarling mine. The Evanston Iron Ore Project is located in the Southern Yilgarn Iron Province of Western Australia and covers an area of 167km², of which E77/1322 and M77/1259 cover a combined area of 76.92km².

FEL has received confirmation from the holders that no mining has commenced at either of the Evanston Royalty tenements.

For further information please contact:

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Important Notice

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

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

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



Competent Person Statement

The information in this report is compiled and collected by Mr Jess Oram, Exploration Manager of Cauldron Energy a company related to FE Limited through similar board members, who is a Member of the Australasian Institute of Geoscientists. Oram has sufficient experience that is relevant to the style of mineralisation, 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 Resource and Ore Reserves (JORC Code 2012). Oram consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

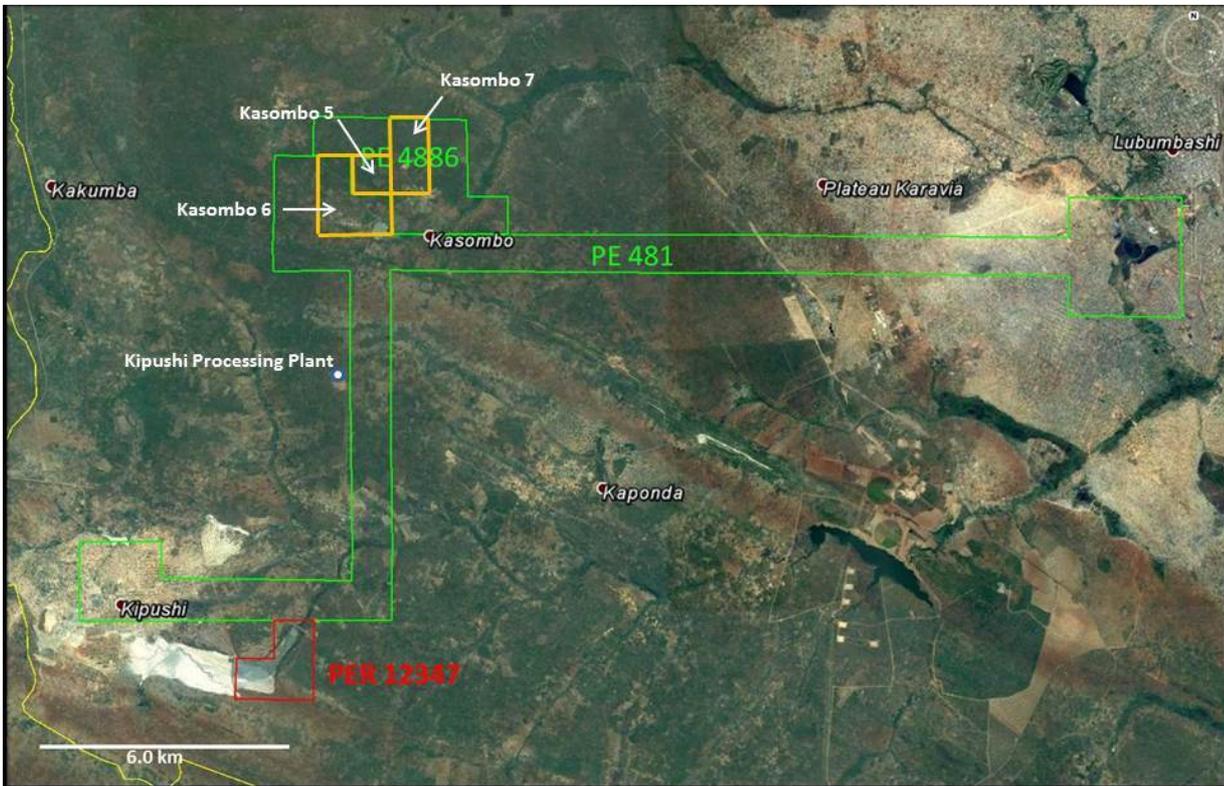


Figure 1: Location of Kasombo Project and nearby Kipushi Processing Plant

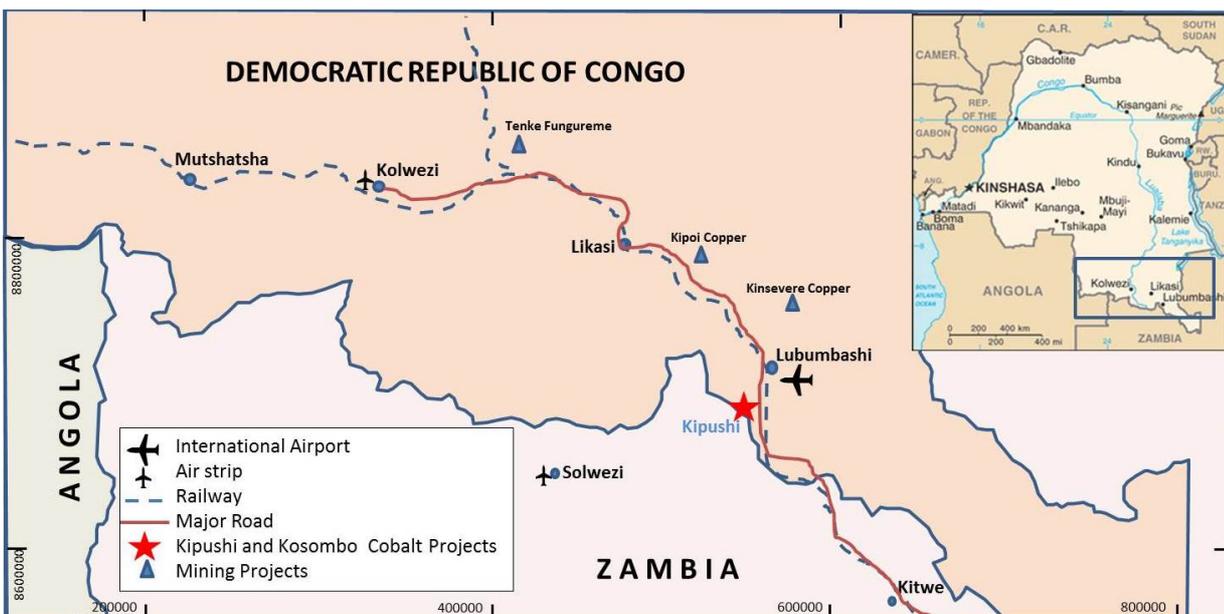


Figure 2: Kasombo Location Map



Figure 3: Drilling at Kasombo

**Schedule of tenement interests of the Company and its subsidiary entities as at 31 December 2017
(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	Notes
E51/1033-I	Heines Find - Western Australia	-	-	20%	1, 2
E52/1613-I	Heines Find - Western Australia	-	-	20%	1, 2
E52/1659	Milgun - Western Australia	-	-	20%	1, 3, 4
E52/1668	Peak Hill - Western Australia	-	-	20%	5
E52/1671	Milgun - Western Australia	-	-	20%	1, 3, 4
E52/1672-I	Heines Find - Western Australia	-	-	20%	1, 2
E52/1678	Peak Hill - Western Australia	-	-	20%	5
E52/1722	Peak Hill - Western Australia	-	-	20%	6
E52/1730	Peak Hill - Western Australia	-	-	20%	5
P52/1494	Peak Hill - Western Australia	-	-	20%	1
P52/1495	Peak Hill - Western Australia	-	-	20%	1
P52/1496	Peak Hill - Western Australia	-	-	20%	1

NOTES:

1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (Auris - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and Jackson Minerals Pty Ltd 20% in all minerals free carried to decision to mine.
2	Jackson Iron Ore Royalty: Auris Exploration Pty Ltd (Auris)(previously known as Grosvenor Gold Pty Ltd) (Operator) to pay PepinNini Robinson Range Pty Ltd (PRR) a 0.8% gross revenue royalty from the sale or disposal of iron ore. PRR 40% registered holder interest was transferred to Grosvenor on 28 July 2016. Jackson Minerals Pty Ltd holds 20% in all minerals free carried to decision to mine.
3	Westgold Resources Limited owns 80% gold rights, Auris Exploration Pty Ltd (Auris)(previously known as Grosvenor Gold Pty Ltd) (Operator) holds 80% interest in all minerals other than gold and Jackson Minerals Pty Ltd holds 20% in all minerals free carried to decision to mine.
4	Westgold Resources Limited has first right of refusal over disposal of RNI/Auris 80% interest.
5	Alchemy 80% reducing to 10% in all minerals once Independence Group NL (IGO) and Billabong Gold Pty Ltd (Billabong) (Operator) earn in under respective JV agreements with Alchemy Resources Ltd (ALY). Billabong earning 70% interest in all minerals in part of this tenement and IGO earning 70% in base metals only (excluding Iron Ore) in the remaining tenement area. Jackson Minerals holds 20% in all minerals in the whole of the tenements free carried to decision to mine.
6	Alchemy 80% reducing to 10% in all minerals once IGO (Operator) earn in under JV agreement with ALY. IGO earning 70% in base metals only (excluding iron ore) in the whole of tenement area by sole funding exploration expenditure. Jackson Minerals holds 20% in all minerals free carried to decision to mine.

- The mining tenements with beneficial interest held in farm-in/farm-out agreements held at the end of each quarter, acquired and disposed of during the quarter and their location.

Farm-in Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
-	-	-	-	-

Farm-out Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter
-	-	-	-	-

Table 1; Kasombo Project - sample location and assay

AREA Prospect	LOCATION				PREFERRED ASSAY				ME-MS61	ME-MS61	ME-MS61
	Easting	Northing	Datum	SampleID	Cu_ppm	Cu_meth	Co_ppm	Co_meth	Fe_%	Mn_ppm	Pb_ppm
KAS_7	533970	8710214	wgs84_z35	A2901	366	ME-MS61	4220	ME-MS61	1.54	3150	6.9
KAS_7	533970	8710223	wgs84_z35	A2902	463	ME-MS61	3570	ME-MS61	4.26	2480	14.9
KAS_7	533990	8710240	wgs84_z35	A2903	318	ME-MS61	3020	ME-MS61	2.43	1120	12.7
KAS_7	533990	8710240	wgs84_z35	A2904	371	ME-MS61	8430	ME-MS61	7.83	1880	5.4
KAS_7	534012	8710233	wgs84_z35	A2905	590	ME-MS61	2030	ME-MS61	4.08	4040	7.9
KAS_7	533994	8710260	wgs84_z35	A2906	812	ME-MS61	8760	ME-MS61	48.1	5140	46
KAS_7	534065	8710227	wgs84_z35	A2907	241	ME-MS61	608	ME-MS61	3.84	944	4.5
KAS_7	534073	8710230	wgs84_z35	A2908	2210	ME-MS61	7750	ME-MS61	7.4	18800	15.9
KAS_7	533997	8710212	wgs84_z35	A2909	256	ME-MS61	1250	ME-MS61	2.66	1920	5.2
KAS_7	534010	8710223	wgs84_z35	A2910	855	ME-MS61	3600	ME-MS61	8.04	5190	14.1
KAS_7	534022	8710244	wgs84_z35	A2911	406	ME-MS61	2610	ME-MS61	5.19	4650	2.7
KAS_7	533994	8710273	wgs84_z35	A2912	1010	ME-MS61	6960	ME-MS61	6.53	5930	7.7
KAS_7	533991	8710269	wgs84_z35	A2913	925	ME-MS61	7120	ME-MS61	6.69	6670	7.4
KAS_7	533972	8710223	wgs84_z35	A2914	5140	ME-MS61	69900	OG62	13.75	22300	21.2
KAS_7	533980	8710204	wgs84_z35	A2915	1110	ME-MS61	5650	ME-MS61	2.85	15000	14.3
KAS_7	533973	8710218	wgs84_z35	A2916	965	ME-MS61	15650	OG62	5.93	5620	10.7
KAS_8-9	533647	8709774	wgs84_z35	A2917	83.9	ME-MS61	110.5	ME-MS61	1.71	329	15.6
KAS_8-9	533614	8709772	wgs84_z35	A2918	64.6	ME-MS61	101.5	ME-MS61	0.98	173	4.7
KAS_8-9	533835	8709648	wgs84_z35	A2919	103.5	ME-MS61	197	ME-MS61	1.44	925	2.5
KAS_6	532871	8709420	wgs84_z35	A2920	644	ME-MS61	17	ME-MS61	1.73	59	6.9

KEY:

KAS_7 is Kasombo 7 prospect,

KAS_8-9 is area near Kasombo8 and Kasombo 9 prospects;

KAS_6 is Kasombo 6 prospect;

10,000 ppm is 1%;

ALS analysis using a three acid digest with ICP-MS and ICP-AES finish is ME-MS61; ALS method OG62 is over-range grade re-assay of ME-MS62.



JORC Code, 2012 Edition – Table 1 Kasombo Mapping and Sampling

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Samples were collected from breccia and mineralized units identified from mapping and visual inspection. Samples are selective across the observed mineralised zone The sampling is appropriate to gauge the levels of mineralisation possible, and will be used to prioritise drill targeting of potential mineralized zones Sampling guided by visual identification of both: <ul style="list-style-type: none"> strata conformable Cu-Co style mineralisation typical of the Katangan copperbelt breccia-style strata cross-cutting mineralisation Detailed structural and stratigraphic mapping at 1:1000 scale was completed; taking note of Katangan Sequence stratigraphy of the Lowe Roan Supergroup and bedding orientations Sampling selection completed on the basis of mapping
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> No drilling reported here.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> No drilling reported here.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	<ul style="list-style-type: none"> No drilling reported here.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> No sub-sampling of material was undertaken subsequent to initial sample
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Samples were prepared and analysed by ALS; with samples crushed and pulverised in ALS' Lubumbashi, DRC laboratory, and ICP-AES or ICP-MS finish in ALS' Johannesburg laboratory. Preparation: crush and pulverise so that 80% of sample pass minus 80 micron ALS method ME-MS61, having a low lower level of detection Over-range assay re-analysed by ALS ore grade method OG-62 Digest: four acid digest on a 0.25g charge Element Suite (with lower level of detection in brackets in ppm): Ag(0.01), Al(100), As(0.2), Ba(10), Be(0.05), Bi(0.01), Ca(100), Cd(0.02), Ce(0.01), Co(0.1), Cr(1), Cs(0.05), Cu(0.2), Fe(100), Ga(0.05), Ge(0.05), Hf(0.1), In(0.005), K(100), La(0.5), Li(0.2), Mg(100), Mn(5), Mo(0.05), Na(100), Nb(0.1), Ni(0.2), P(10), Pb(0.5), Rb(0.1), Re(0.002), S(100), Sb(0.05), Sc(0.1), Se(1), Sn(0.2), Sr(0.2), Ta(0.05), Te(0.05), Th(0.2), Ti(0.005), Tl(0.02), U(0.1), V(1), W(0.1), Y(0.1), Zn(2), Zr(0.5)
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No verification work has been conducted.

Criteria	JORC Code explanation	Commentary
<i>Location of data points</i>	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Samples were located with handheld GPS, having an accuracy of plus or minus 10 m.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Samples were taken wherever mineralisation was observed, in a random distribution, but governed by the presence of observable mineralization in a pattern governed by the mineralising system • The data is not suitable for Mineral Resource estimation.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • Samples are selective based on exposure of mineralisation, and are therefore biased with respect to orientation.
<i>Sample security</i>	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Samples temporarily stored then transported to ALS Lubumbashi by consulting group engaged by FE Limited.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • No audits or reviews have been completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The licence is held by state owned company Gecamines and is the subject of a rights agreement between Gecamines and Paragon SARL. Paragon has a joint venture with Cape Lambert Resources and Cape Lambert Resources has entered in to an agreement with Fe Limited to assign its rights to the Kasombo Project to Fe Limited.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Gecamines mapping completed in 1990's.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Cu-Co mineralisation of the Katangan style; where stratabound mineralisation is located in the Lower Roan Supergroup • Breccia style cross-cutting Cu-Co mineralisation in vertically dipping structures
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • The dataset has no drilling reported here.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such</i> 	<ul style="list-style-type: none"> • No aggregation of results, assay data as reported by ALS is presented for each sample location.



Criteria	JORC Code explanation	Commentary
	<p>aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> No mineralisation width is presented in these data.
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Rock chip assay presented in the tables of this report
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> The sampling data is selective and does not infer size of mineralisation; it does have some relationship to possible tenor of grade.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Kasombo 5; three RC holes for 200 m Kasombo 7; four RC holes for 190 m Report of drilling and assay of RC drill samples are awaited
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Analysis of geology and assay collected from the preliminary RC program is yet to be completed.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Fe Limited

ABN

31 112 731 638

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(126)	(128)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(65)	(205)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other:		
Advance payment to CFE for reimbursement of expenditure incurred in relation to the Kasombo project	-	(50)
1.9 Net cash from / (used in) operating activities	(191)	(382)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other: (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	232	423
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(191)	(382)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	41	41

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	41	232
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	41	232

On 27 December 2017, the Company announced it was undertaking a placement to sophisticated and professional investors at an issue price of \$0.03 per share to raise up to \$1,000,000 (before costs) (**Placement**). As at 31 December 2017, the Company had received \$730,000 in application funds in relation to the Placement, which were being held in the trust by Company at that date. On 4 January 2018, the Placement was completed.

6. Payments to directors of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	33
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments included in item 6.1 of \$33,000 relates to payment of director fees.

7. Payments to related entities of the entity and their associates		Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	9
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Payments included in item 7.1 of \$9,258 relates to payments to director-related entities for office occupancy costs and reimbursement of travel costs.

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
-		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	200
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	88
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	288

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 23 January 2018
(Company secretary)

Print name: Eloise von Puttkammer

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.