



QUARTERLY REPORT Quarter ended 30 June 2019

Australian Securities
Exchange Code: **FEL**

31 July 2019

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

Ordinary Shares:

457,034,953

Options:

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

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

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

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

Board of Directors:

Tony Sage

Non-Executive Chairman

Kenneth Keogh

Non-Executive Director

Nicholas Sage

Non-Executive Director

QUARTERLY REPORT – 30 June 2019

Please find attached the Quarterly Activities Report and Appendix 5B for the three month period ended 30 June 2019.

Yours faithfully
Fe Limited

Tony Sage
Non-Executive Chairman

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ASX Code: FEL

ABN: 31 112 731 638

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CORPORATE

Fe Limited (**ASX: FEL**) (**FEL** or **Company**) is an Australian mineral exploration company with interests in various projects and tenements prospective for battery metals, copper, iron ore, gold and base metals located in Australia. The company is focused on the exploration of battery metal projects.

General Meeting

The Company has scheduled a shareholder general meeting to be held on 8 August 2019 (**General Meeting**). For more information, refer to the Notice of General Meeting available via the Company's website.

Placement A

On 8 May 2019, the Company completed a placement to sophisticated and professional investors raising a total of \$400,000 (**Placement A**) through the issue of Shares at an issue price of \$0.02 per Share (**Placement A Shares**), with one free attaching Option for every two Placement A Shares issued at an exercise price of \$0.03 each expiring 2 years from date of issue (**Placement A Options**).

As disclosed in the 31 March 2019 Quarterly Report, the Company had issued 11,250,000 Placement A Shares and 5,625,000 Placement A Options in respect of \$225,000 funds received at that time.

During the 30 June 2019 quarter, the Company has issued the balance of 8,750,000 Placement A Shares and 4,375,000 Placement A Options in respect of \$175,000 funds received.

Placement B

As announced on 4 June 2019, the Company completed three placements to sophisticated and professional investors (**Placement B**) for the issue of Shares at an issue price of \$0.015 per Share (**Placement B Shares**). Subject to receipt of shareholder approval, one free option will be issued for every four Placement B Shares with the options having an exercise price of \$0.02 each expiring 31 May 2021 (**Placement B Options**).

During the 30 June 2019 quarter, the Company has issued 48,500,000 Placement B Shares in respect of \$727,500 funds received.

In addition to the above, the Company has received firm commitment of \$75,000 from investors to participate in the Placement B and proposes to issue 5,000,000 Placement B Shares (**Proposed Placement B Shares**) to such investors at an issue price of \$0.015 per Share. The Company is seeking shareholder approval for this share issue at its upcoming General Meeting.

Iron Ore Royalty

During the period, FEL receive a royalty payment of \$211,729 in relation to mining conducted by Mineral Resources Ltd (ASX: **MIN**) at its Deception iron ore mine during the March 2019 quarter.

FEL holds a 1.5% Dry Metric Tonne, FOB Royalty (**Evanston Iron Ore Royalty**) in respect to M77/1259 that is located approximately 20kms north of the Windarling mine. The Evanston Iron Ore Royalty area is located in the Southern Yilgarn Iron Province of Western Australia

Financial Position

Cash available at the end of the June 2019 quarter was \$0.76 million.

Securities Issued

During the June 2019 quarter the Company issued the following securities:



- 8,750,000 ordinary shares (Placement A Shares);
- 48,500,000 ordinary shares (Placement B Shares);
- 2,406,990 ordinary shares (issued to advisors in settlement of invoices totaling \$36,105)
- 12,500,000 ordinary shares (Consideration Shares pursuant to the Mercury Acquisition (refer below));
- 3,125,000 unlisted options at \$0.03 expiring 12 April 2021; and
- 1,250,000 unlisted options at \$0.03 expiring 8 May 2021.

Pippingarra Lithium Project and the Marble Bar Lithium Project Acquisition

On 21 February 2019, the Company entered into an agreement (as varied on 8 March 2019, 20 May 2019 and 14 June 2019) (**Acquisition Agreement**) to acquire the Pippingarra Lithium Project and the Marble Bar Lithium Project (together the **Projects**) (refer Figure 1) from Mercury Resources Group Pty Ltd (an unrelated private exploration and mining group) (**Mercury**) (**Mercury Transaction**). Pursuant to the Acquisition Agreement, consideration comprises:

- (a) 12,500,000 shares subject to six months escrow from date of issue (**Consideration Shares**);
- (b) 15,000,000 unlisted options with an exercise price of 2.5 cents each expiring on 31 March 2022 (**Consideration Options**);
- (c) a 1% net smelter royalty;
- (d) up to \$200,000 in cash, payable in instalments; and
- (e) a further tranche of shares with a total value of \$250,000 (using an issue price equal to the Shares' 5 day VWAP) upon the Company announcing a JORC Resource of 50,000,000 tonnes @ 1% Li₂O within 24 months from completion (to be issued subject to prior shareholder approval).

The Consideration Shares were issued on 23 May 2019 using the Company's 15% capacity pursuant to Listing Rule 7.1.

The Mercury Transaction was substantially completed during the quarter; the issue of the Consideration Options remains outstanding. The Company is seeking shareholder approval for the issue of the Consideration Options at its upcoming General Meeting.

Option to Earn-In Macarthur Minerals Lithium and Gold Tenements

On 14 May 2019, the Company announced that it had entered into an exclusive option agreement (**Option Agreement**) with Macarthur Lithium Pty Ltd (**MLi**), a wholly owned subsidiary of Macarthur Minerals Limited (**Macarthur**) (**TSX-V:MMS**) to acquire an interest of up to 75% in the tenements listed at Schedule 1 (**Project**).

The Project includes 18 tenements highly prospective for gold, copper and lithium in proximity to numerous known hard rock lithium and gold deposits in the central and eastern Pilbara (refer Schedule 1 and Figure 2).

Under the terms of the Option Agreement, MLi granted FEL a 45 day option to enable FEL to conduct due diligence and secure the required funding to proceed with exercising the option. The Company paid a non-refundable option fee to MLi of \$100,000 in cash (**Option Fee**).

On 27 June 2019 (being the **Exercise Date**), FEL formally elected to exercise the option to earn-in, and the parties have agreed that the payment terms of the \$400,000 payable to MLi (being the **Option Exercise Fee**) be extended to 31 August 2019.



FEL holds the right to earn-in up to 75% interest in the Project, on the following terms:

- 1) Stage 1 - Initial 25% interest in the Project by:
 - a. undertaking project expenditure of \$800,000; and
 - b. payment to MLI of \$500,000 in cash, within 1 year from the Exercise Date;
- 2) Stage 2 - Further 30% interest in the Project by:
 - a. undertaking further project expenditure of \$750,000; and
 - b. payment to MLI of \$500,000 in cash or shares (based on 5 day VWAP prior to the issue date) at FEL's election, within 2 years from the Exercise Date;
- 3) Stage 3 - Further 20% interest in the Project by:
 - a. undertaking further project expenditure of \$750,000 and
 - b. payment to MLI of \$750,000 in cash or shares (based on 5 day VWAP prior to the issue date) at FEL's election, within 3 years from the Exercise Date.

MLi will act as JV manager and be paid a 10% project management fee (excluded from earn-in expenditure) and will be free carried until a pre-feasibility study is completed.

FEL can withdraw from the earn-in at any time and without penalty.

Existing Business and Focus

The Company remains focused on its activities within the mineral exploration industry on its retained tenements and interests in various projects and tenements prospective for battery metals, copper, iron ore, gold and base metals located in Australia.

With the introduction of the Pippingarra Lithium Project and the Marble Bar Lithium Project and the Macarthur Minerals Lithium and Gold Tenements Earn-In Project to the Company's portfolio, and in line with the Company's renewed focus on assets located in Australia, the Board has elected to exit from the Kasombo Project located in the Democratic Republic of Congo.

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, Billabong Gold Pty Ltd and Sandfire Resources NL, which are mostly free-carried with no contributing responsibilities, until Decision to Mine.

PROJECTS

Western Australia

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

The Company has acquired 100% beneficial interest in six tenements from Mercury and has secured the right to earn up to 75% interest in eighteen tenements under an Earn In Agreement with MLI during the quarter ended 30 June 2019. The Company has commenced exploration on its recently acquired tenure.



Bryah Basin Joint Venture Projects - FEL 20% rights

FEL, via its wholly owned subsidiary Jackson Minerals Pty Ltd (**Jackson Minerals**), has a 20% interest in tenements covering an area of 804 km² in the highly prospective Bryah Basin proximal to Sandfire Resources NL (ASX: **SFR**) Doolgunna Project and DeGrussa copper gold mine.

The Bryah Basin Project tenements are subject to joint ventures and farm-ins with Westgold Resources Limited (ASX: **WGX**), Billabong Gold Pty Ltd (**Billabong**), Alchemy Resources (Three Rivers) Ltd (ASX: **ALY**), Auris Minerals Ltd (ASX:**AUR**) and SFR, refer Figure 3.

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.

Forrest Project - AUR/FEL - E52/1671 (Forrest), E52/1659 (Wodger), P52/1494-1496

The Forrest, Wodger and Big Billy Prospects are located along a 12km mineralized Cu+-Au trend which hosts multiple targets for volcanogenic massive sulfide (VMS) style mineralization. FEL holds a 20% interest in all minerals in two exploration licences and three prospecting licences (E52/1659 and E52/1671 and P52/1494-1496) within AUR's Forrest Project. WGX acquired AUR's 80% gold right interests in E52/1659 and E52/1671 via Metals X Ltd. FEL's 20% interests in all minerals are free carried until Decision to Mine.

The Wodger and Forrest prospects are confirmed as priority prospect in AUR's Bryah Basin exploration portfolio.

During the quarter AUR announced that they have intersected a new style of Copper mineralisation at the Forrest Prospect and that significant drilling results include 8.5m @ 1.06% Cu and 0.42g/t Au from 382m (including 1m @ 1.55% Cu and 3.33g/t Au from 389.5m) and 1.8m @ 1.73% Cu from 335m (including 0.2m @ 9.62% Cu and 0.10g/t Au from 336.6m). Down hole electromagnetic (DHEM) surveying has identified a subtle in-hole conductor in Wodger diamond hole WRDD005, further modelling is required to fully evaluate this anomaly. Additional diamond drilling is required at both the Forrest and Wodger Prospects to further evaluate the copper mineralisation at depth. Refer to ASX:AUR announcement 29 April 2019 for full details and drilling results.

Morck Well Project - AUR/SFR/FEL- E51/1033, E52/1613, E52/1672

The Morck Well project is located in the eastern part of the Bryah Basin and contains approximately 40km strike length of the highly prospective Narracoota Volcanic Formation. The northern boundary of Morck Well is adjacent to SFR's DeGrussa-Doolgunna exploration tenements. FEL holds a 20% interest in all minerals in three exploration licences (E51/1033, E52/1613 and E52/1672) within AUR's Morck Well project. SFR has a farm-in and joint venture with FEL and AUR where SFR can earn an interest in the Morck Well Project tenements by completing a minimum spend of \$2.0m on exploration over 2 years. Refer to ASX:AUR announcement 27 February 2018 for details.

SFR completed two diamond drill holes (for 450.6m) and eighteen reverse circulation (RC) drill holes (for 5,257m) at the Morcks Well prospect during the quarter. Significant base metal geochemistry results returned included 1m @ 0.8% Cu, 61ppb Au, 112ppm Zn and 156ppm Pb in RC hole MWRC0010 from 183m. RC and diamond drilling continues to highlight the prospectivity of the Morck Well JV area where the joint venture spend to date is approximately \$9.4M. Refer to ASX:AUR announcement 19 July 2019 for full details and drilling results.

Peak Hill Project Base Metals Rights – ALY/IGO/FEL - E52/1668, E52/1678, E52/1722 and E52/1730

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

ALY has entered into a farm-in and joint venture with SFR (refer to ASX:FEL 14Aug2018 and ASX:ALY 5Nov2014 for relevant information and diagrams). SFR 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. FEL holds a 20% interest in all minerals in these tenements free carried to Decision to Mine.



SFR has completed aircore drilling at the Neptune Prospect on E52/1722. The drilling targeted the Karalundi sediments that host the DeGrussa copper-gold deposit. SFR has received several anomalous copper and gold results and has completed follow up ground moving loop electromagnetic (MLEM) surveys to further improve targeting of the host volcanogenic massive sulphide (VMS) horizon. Processing of the MLEM data is ongoing and follow up RC drilling is to commence soon, refer to ASX:ALY announcement 8 July 2019 for full details and drilling results.

Peak Hill Project All Mineral Rights - ALY/Billabong/FEL - E52/1668, E52/1678, E52/1730, P52/1538, P52/1539

Billabong, through an assignment of interests from NST, entered into a Farm-In and Joint Venture agreement with ALY (refer to ASX:ALY 24Feb2015), in regard to parts of E52/1668, E52/1678, E52/1730 (excluding those parts being farmed into by SFR) and also to earn an 80% interest in the whole of E52/1852. FEL retains its 20% free carried interests in all minerals to decision to mine, via wholly owned subsidiary Jackson Minerals.

FEL has not received any updates from Billabong during the quarter.

Mt Ida Iron Ore Project - Mt Ida Gold

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

The Mt Ida Iron Ore Project (**Mt Ida Iron Project**) provides FEL the rights to explore and mine for iron ore on exploration license E29/640 and 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.

FEL has not received any updates from Mt Ida Gold Pty Ltd regarding this project during the quarter.

Evanston Iron Ore Royalty - Mineral Resources Ltd

FEL holds a 1.5% Dry Metric Tonne, FOB Royalty over two tenements (E77/1322 and M77/1259) within the Evanston Iron Ore Project located in the Southern Yilgarn Iron Province of Western Australia approximately 20kms north of the Windarling mine. M77/1259 forms part of Mineral Resources Ltd (MRL) Koolyanobbing Iron Ore Project.

Mineral Resources Limited are currently mining iron ore at their Koolyanobbing Project and FEL received a royalty payment of \$211,729 from MRL during May 2019 for ore mined during the March 2019 Quarter at the Deception deposit on M77/1259. Mining by MRL has continued at Koolyanobbing during the June 2019 quarter.

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 Olaf Frederickson, who is a Member of the Australasian Institute of Geoscientists. Mr Frederickson 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). Mr Frederickson 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: Pippingarra Lithium Project and the Marble Bar Lithium Project

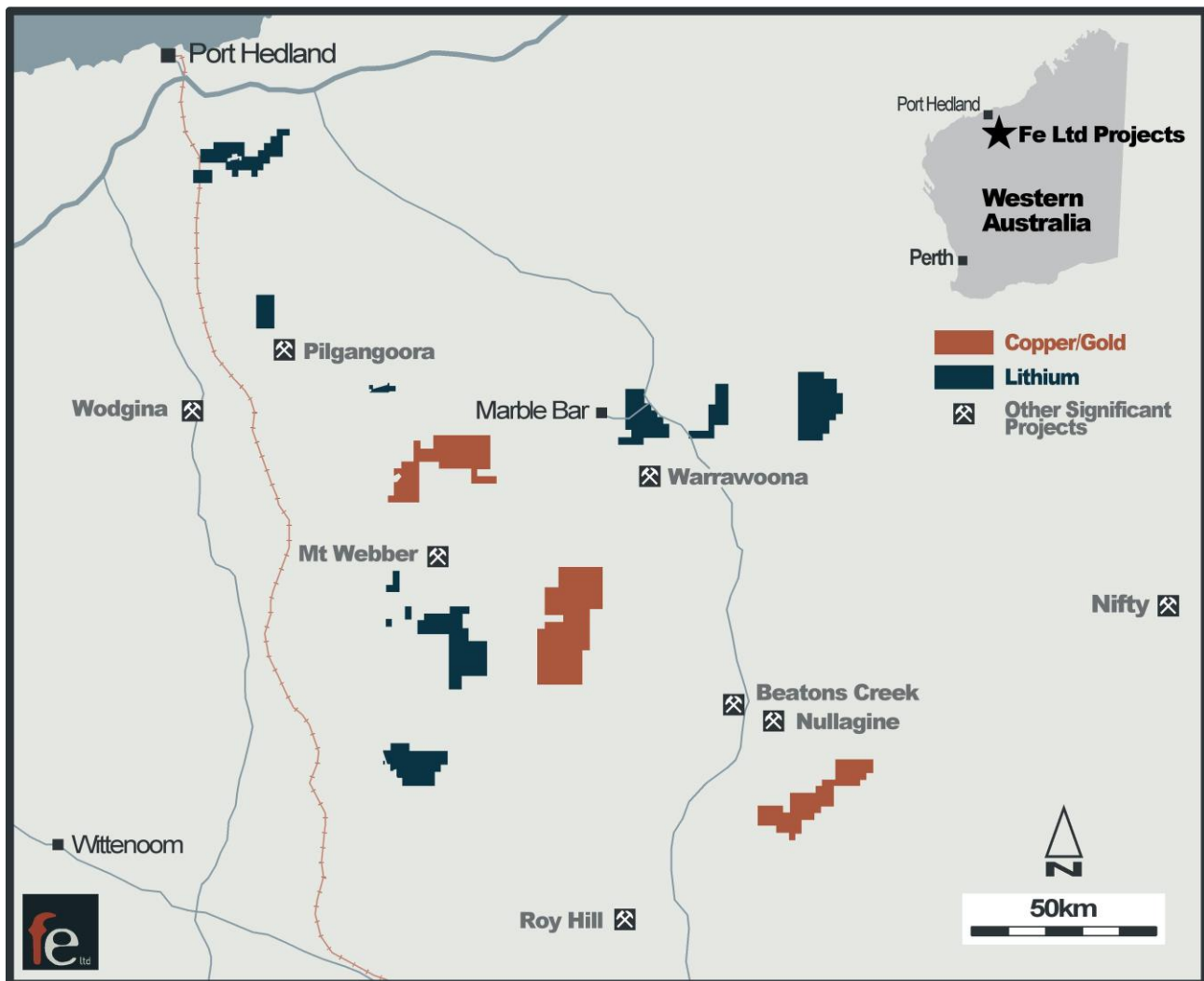
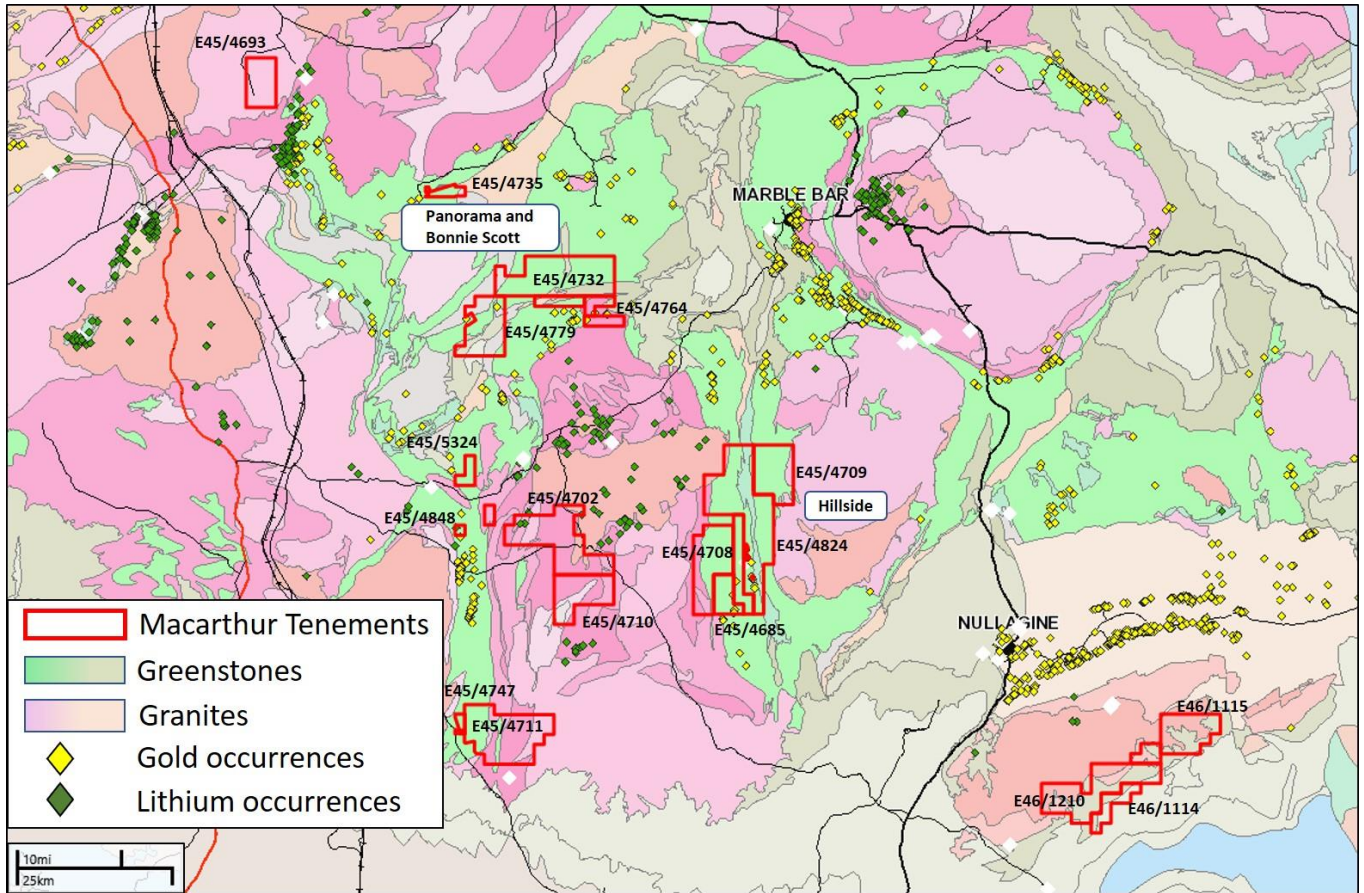


Figure 2: Macarthur Minerals Lithium and Gold Tenements



Schedule 1:

Tenement	Status	Jurisdiction	Project	Holder1	Holder1Shares %	Current Area	Area Unit	ExpiryDate
E45/4685	LIVE	WA	MARBLE BAR	MACL	100	11	SB	11/01/2022
E45/4693	LIVE	WA	INDEE	MACL	100	15	SB	20/11/2022
E45/4702	LIVE	WA	HILLSIDE	MACL	100	41	SB	19/11/2022
E45/4708	LIVE	WA	PANORAMA	MACL	100	27	SB	20/11/2022
E45/4709	LIVE	WA	PANORAMA	MACL	100	22	SB	20/11/2022
E45/4710	LIVE	WA	HILLSIDE	MACL	100	22	SB	19/11/2022
E45/4711	LIVE	WA	HILLSIDE	MACL	100	40	SB	19/11/2022
E45/4732	LIVE	WA	PANORAMA	MACL	100	43	SB	20/11/2022
E45/4735	LIVE	WA	STRELLEY GORGE	MACL	100	5	SB	20/11/2022
E45/4747	LIVE	WA	HILLSIDE	MACL	100	2	SB	20/11/2022
E45/4764	LIVE	WA	MARBLE BAR	MACL	11	4	SB	9/08/2022
E45/4779	LIVE	WA	PANORAMA	MACL	100	33	SB	15/01/2023
E45/4824	LIVE	WA	PANORAMA	MACL	100	65	SB	4/12/2022
E45/4848	LIVE	WA	TAMBOURAH	MACL	100	1	SB	13/12/2022
E46/1114	LIVE	WA	NOREENA DOWNS	MACL	100	35	SB	9/11/2022
E46/1115	LIVE	WA	NOREENA DOWNS	MACL	100	21	SB	9/11/2022
E46/1210	LIVE	WA	NOREENA DOWNS	MACL	100	14	SB	1/07/2023
E45/5324	LIVE	WA	NORTH TAMBOURAH	MACL	100	4	BL	4/04/2024

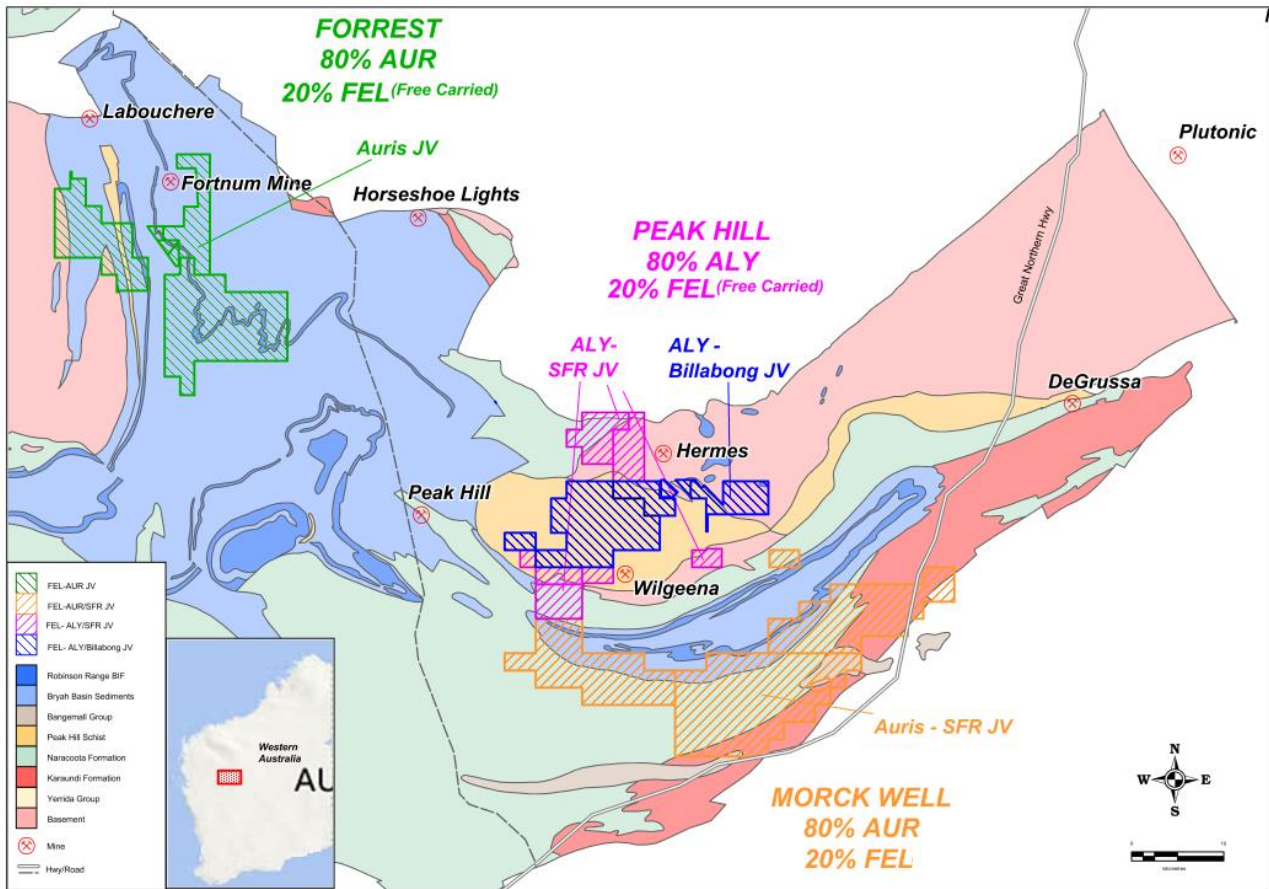


Figure 3: FEL exploration tenement portfolio in the Bryah Basin showing AUR, ALY, SFR and Billabong JV areas

Schedule of tenement interests of the Company and its subsidiary entities as at 30 June 2019 (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
E52/1659	Forrest (Milgun) - Western Australia	-	-	20%	1, 2, 3
E52/1668	Peak Hill - Western Australia	-	-	20%	4
E52/1671	Forrest (Milgun) - Western Australia	-	-	20%	1, 2, 3
E52/1678	Peak Hill - Western Australia	-	-	20%	4
E52/1722	Peak Hill - Western Australia	-	-	20%	5
E52/1730	Peak Hill - Western Australia	-	-	20%	4
P52/1538	Peak Hill - Western Australia	-	-	20%	4
P52/1539	Peak Hill - Western Australia	-	-	20%	4
P52/1494	Forrest (Milgun) - Western Australia	-	-	20%	1
P52/1495	Forrest (Milgun) - Western Australia	-	-	20%	1
P52/1496	Forrest (Milgun) - Western Australia	-	-	20%	1
PE4886	Kasombo 5 & 7 – DRC	-	50%	-	6
PE481	Kasombo 6 – DRC	-	50%	-	6
E45/4759	Pippingarra	100%	-	100%	7
E45/4691	Pippingarra	100%	-	100%	7
E45/4669	Marble Bar	100%	-	100%	7
E45/4690	Marble Bar	100%	-	100%	7
E45/4724	Marble Bar	100%	-	100%	7
E45/4746	Marble Bar	100%	-	100%	7

NOTES:

1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (AUR - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and FEL (via Jackson Minerals) 20% in all minerals free carried to decision to mine.
2	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 FEL (via Jackson Minerals) holds 20% in all minerals free carried to decision to mine.
3	Westgold Resources Limited has first right of refusal over disposal of AUR 80% interest.
4	ALY 80% reducing to 10% in all minerals once SFR and Billabong (Operator) earn in under respective JV agreements with ALY. Billabong earning 70% interest in all minerals in part of this tenement and SFR earning 70% in base metals only (excluding Iron Ore) in the remaining tenement area. FEL (via Jackson Minerals) holds 20% in all minerals in the whole of the tenements free carried to decision to mine.
5	Alchemy 80% reducing to 10% in all minerals once SFR (Operator) earn in under JV agreement with ALY. SFR earning 70% in base metals only (excluding iron ore) in the whole of the tenement area by sole funding exploration expenditure. FEL (via Jackson Minerals) holds 20% in all minerals free carried to decision to mine.

6	FEL previously held an indirect 50% interest from the acquisition of Cape Lambert's rights and obligations. Full details of the assignment are described in the Notice of Annual General Meeting, refer ASX announcement dated 14 October 2017. In line with the Company's renewed focus on assets located in Australia, the Board has elected to exit from the Kasombo Project located in the Democratic Republic of Congo.
7	The acquisition of these tenements under the Mercury Transaction was substantially completed during the June 2019 quarter; the issue of the Consideration Options remains outstanding. The Company is seeking shareholder approval for the issue of the Consideration Options at its upcoming General Meeting.

The mining tenements with beneficial interest held in farm-in/farm-out agreements at the end of each quarter (including details of beneficial interests acquired and disposed of during the quarter).

Farm-in/out Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter	Notes
E51/1033-I	Morcks Well	-	-	20%	1, 2, 3
E52/1613-I	Morcks Well	-	-	20%	1, 2, 3
E52/1672-I	Morcks Well	-	-	20%	1, 2, 3
E45/4685	Marble Bar	-	-	-	4
E45/4693	Indee	-	-	-	4
E45/4702	Hillside	-	-	-	4
E45/4708	Panorama	-	-	-	4
E45/4709	Panorama	-	-	-	4
E45/4710	Hillside	-	-	-	4
E45/4711	Hillside	-	-	-	4
E45/4732	Panorama	-	-	-	4
E45/4735	Strelley Gorge	-	-	-	4
E45/4747	Hillside	-	-	-	4
E45/4764	Marble Bar	-	-	-	4
E45/4779	Panorama	-	-	-	4
E45/4824	Panorama	-	-	-	4
E45/4848	Tambourah	-	-	-	4
E45/5324	North Tambourah	-	-	-	4
E46/1114	Noreena Downs	-	-	-	4
E46/1115	Noreena Downs	-	-	-	4
E46/1210	Noreena Downs	-	-	-	4

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.
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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. Jackson Minerals Pty Ltd holds 20% in all minerals.
3	Sandfire Farm-in: Subject to a Farm-in Letter Agreement between SFR, AUR and FEL. If SFR makes a Discovery on the tenements and a JV is formed then the interests in the tenements will be 70% SFR, 24% AUR and 6% FEL. Full details of the agreement are described in the Auris ASX announcement dated 27 February 2018.
4	Macarthur Lithium Earn-In: Subject to an Option and Earn In Agreement between MLI and FEL. FEL exercised its right to earn in on 27 June 2019. FEL holds the right to acquire an interest of up to 75% in the tenements, refer to ASX:FEL announcement dated 14 May 2019 for full details of the agreement.

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")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(64)	(575)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(231)	(750)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other:		
Royalty received	212	216
1.9 Net cash from / (used in) operating activities	(82)	(1,106)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4)	(4)
(b) tenements (see item 10)	(150)	(150)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(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	(154)	(154)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	903	1,128
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	(1)	(1)
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	902	1,127

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	95	894
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(82)	(1,106)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(154)	(154)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	902	1,127

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	761	761

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	761	95
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)	761	95

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	73
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 \$73,000 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	81
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 \$81,046 relates to payments to director-related entities for reimbursement of exploration expenditure costs, reimbursement of travel costs, office occupancy costs and other corporate expenses.

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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.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	546
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	208
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	754

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	PE4886	Relinquished	50%	-
	PE481	Relinquished	50%	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E45/4669	Acquired	-	100%
	E45/4690	Acquired	-	100%
	E45/4691	Acquired	-	100%
	E45/4724	Acquired	-	100%
	E45/4746	Acquired	-	100%
	E45/4759	Acquired	-	100%

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: 31 July 2019
(Company secretary)

Print name: Catherine Grant-Edwards

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.