

28 January 2015

DECEMBER 2014 QUARTERLY REPORT

HIGHLIGHTS:

- Substantially progressed due diligence relating to the binding memorandum of understanding (the “**MOU**”) to acquire Quangas Poly Ltd, which through its wholly owned subsidiary PEI LLC, has rights under a co-investment agreement over 3 oil projects in the Kyrgyz Republic (the “**Proposed Acquisition**”). The Proposed Acquisition is subject to shareholder approval and recompliance with Chapters 1 & 2 of the Listing Rules;
- Obtained an Independent Technical Report relating to the Proposed Acquisition; and
- Proposed the issuance or transfer (in the case of treasury shares) of 100 million Company's shares to raise between A\$3.5 million and A\$5 million in connection with the Proposed Acquisition and for working capital.



FeOre Limited (**FeOre** or the **Company**) provides the following commentary for the three months ended 31 December 2014.

UPDATE ON THE PROPOSED ACQUISITION

In July 2014, the Company entered into a binding memorandum of understanding (the "**MOU**") with Gain Diligence Limited (the "**Seller**") to acquire 100% of Quangas Poly Ltd (the "**Target Company**"). The Target Company is involved in oil projects in Kyrgyzstan. The Proposed Acquisition could potentially lead to the establishment of profitable oil production operations in the Kyrgyz Republic (or "**Kyrgyzstan**").

The Company has obtained an Independent Technical Report and progressed other due diligence work relating to the Proposed Acquisition. A copy of the Independent Technical Report can be found on the Company's website at www.feore.com or asx.com.au

Subsequent to the December quarter, the Company renegotiated the terms of the Proposed Acquisition and convened a special general meeting for approval, amongst other things, of the Proposed Acquisition, scheduled for 13 February 2015.

THE PLACEMENT

The Company will also seek shareholder approval for the proposed issue or transfer (in the case of treasury shares) of up to 100 million shares in the Company to raise up to a maximum of A\$5 million (the "**Placement**").

Further details regarding the Proposed Acquisition and the Placement are set out in the Company's announcement and notice of special general meeting dated 20 January 2015.

RECEIPT OF PAYMENT FOR SETTLEMENT OF LOAN RECEIVABLE

In January 2015, the Company received approximately US\$4.74 million for the settlement of a loan receivable. For further details, please refer to the Company's announcement dated 7 January 2015.

MINING AND EXPLORATION TENEMENTS HELD AT THE END OF QUARTER ENDING 30 SEPTEMBER 2014 AND 31 DECEMBER 2014

Country	Name of Tenement	Nature	Tenement	Number of Tenements	Holder	Interest as of 30 Sep 2014	Interest as of 31 Dec 2014
NA	NA	NA	NA	NA	NA	NA	NA

No Mining or exploration tenements were acquired or disposed of during the quarter.

- Ends -

For more information:

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Forward Looking Statements

This announcement contains certain forward looking statements which by nature, contain risk and uncertainty because they relate to future events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements.

Certain statements made herein, including statements relating to matters that are not historical facts and statements of FeOre's beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable legislation and "forward-looking statements" within the meaning of applicable provisions. Forward-looking information and statements relate to future events or future performance, reflect current expectations or beliefs regarding future events and are typically identified by words such as "anticipate," "could," "should," "expect," "seek," "may," "intend," "likely," "plan," "estimate," "will," "believe" and similar expressions suggesting future outcomes or statements regarding an outlook.

Forward-looking statements and information are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements or information. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate, including the price of iron ore and/or oil, anticipated costs and ability to achieve goals, as well as the timing of the completion of any fund-raising activities. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements and information include, among others, iron ore and/or oil price volatility, discrepancies between actual and estimated production, reserves and resources, operational and development risks, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities, currency fluctuations, the speculative nature of iron ore exploration and/or oil exploration and development, the global economic climate, dilution, share price volatility, competition, loss of key employees, funding requirements and defective title to mineral claims, subsoil use rights or property. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

All such forward-looking information and statements are based on certain assumptions and analyses made by FeOre's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. Such factors include, among other things, the risks associated with FeOre re-complying with Chapters 1 and 2 of the Listing Rules.

Important factors that could cause actual results to differ from these forward-looking statements include those described in the issuer's previous Quarterly Reports, Annual Financial Reports and notice of special general meeting dated 20 January 2015. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, including the assumption in many forward-looking information or statements that other such information or statements will be correct. The reader is cautioned not to place undue reliance on forward-looking information or statements. All forward-looking information and statements herein are made as of the date hereof. FeOre does not intend or undertake to update or revise forward-looking statements or information, whether written or oral or whether as a result of new information, future events or otherwise, that may be made by FeOre or on its behalf, except as required by law.