

ASX Announcement

12 December 2017

Australian Securities
Exchange Code: **FEL**

Ordinary Shares:

328,169,629

Unlisted Options:

9,375,000

Board of Directors:

Tony Sage

Non-Executive Chairman

Kenneth Keogh

Non-Executive Director

Nicholas Sage

Non-Executive Director

Mapping works commenced at Kasombo Copper-Cobalt Project in DRC

Highlights:

Mapping works undertaken at the Kasombo Project in DRC

Additional style of mineralisation identified which has potential to significantly increase deposit size

Assays received on sampling from mineralized horizons and breccias

High grade assays of 6.99% and 1.57% cobalt reported from Kasombo 7

Drilling tender completed and to commence this week

Fe Limited (**Company**) (ASX: **FEL**) is pleased to advise that it has recently undertaken geological mapping and sampling works at the Kasombo Copper-Cobalt Project (**Kasombo Project**) and will commence a preliminary drill program on 13 December 2017.

At the Company's AGM on the 3 November 2017 shareholders approved the acquisition of the Kasombo Project from Cape Lambert Resources Limited (ASX: CFE)(**Cape Lambert**). Cape Lambert is a major shareholder of FEL currently holding 44.66% of issued capital.

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 and situated approximately 25km from the DRC's second largest city, Lubumbashi, in the Katanga Copper Belt (**KCB**).

Mapping works at the Kasombo Project was conducted from 2 November to 11 November 2017 and was initially focused on Kasombo 6 and 7. Further mapping of Kasombo 5 is ongoing.

A report on the mapping works is complete and a small preliminary RC drill program has been designed.

During the mapping works, the Company also investigated other areas within the vicinity of the Kasombo Project, to determine the potential for expanding the area of the Kasombo Project.

Other mineralized areas in proximity to the mapped areas was identified and the Company will engage with La Generale des Carrieres et des Mines (**Gecamines**), the holder of the licences, to determine whether these areas can be incorporated in to the Kasombo Project.

The mapping showed two styles of mineralization: the first conforming to mineralization typical of deposits of the KCB; the second showing cross-cutting breccia style, providing potential to significantly increase deposit size.

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

Fe Limited

ABN: 31 112 731 638



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In addition, the Company collected twenty samples during the mapping program, predominantly from Kasombo 7.

The samples were sent to ALS Laboratories for assaying in Lubumbashi and South Africa.

The Company has now received the assays from the samples analyzed by ALS Laboratories which have returned high grade cobalt assays, with the highest grade assays being **6.99% cobalt (sample A2914)** and **1.57% cobalt (sample A2916)**.

Selected elements from the full assay suite of the entire sample set is shown in Table 1.

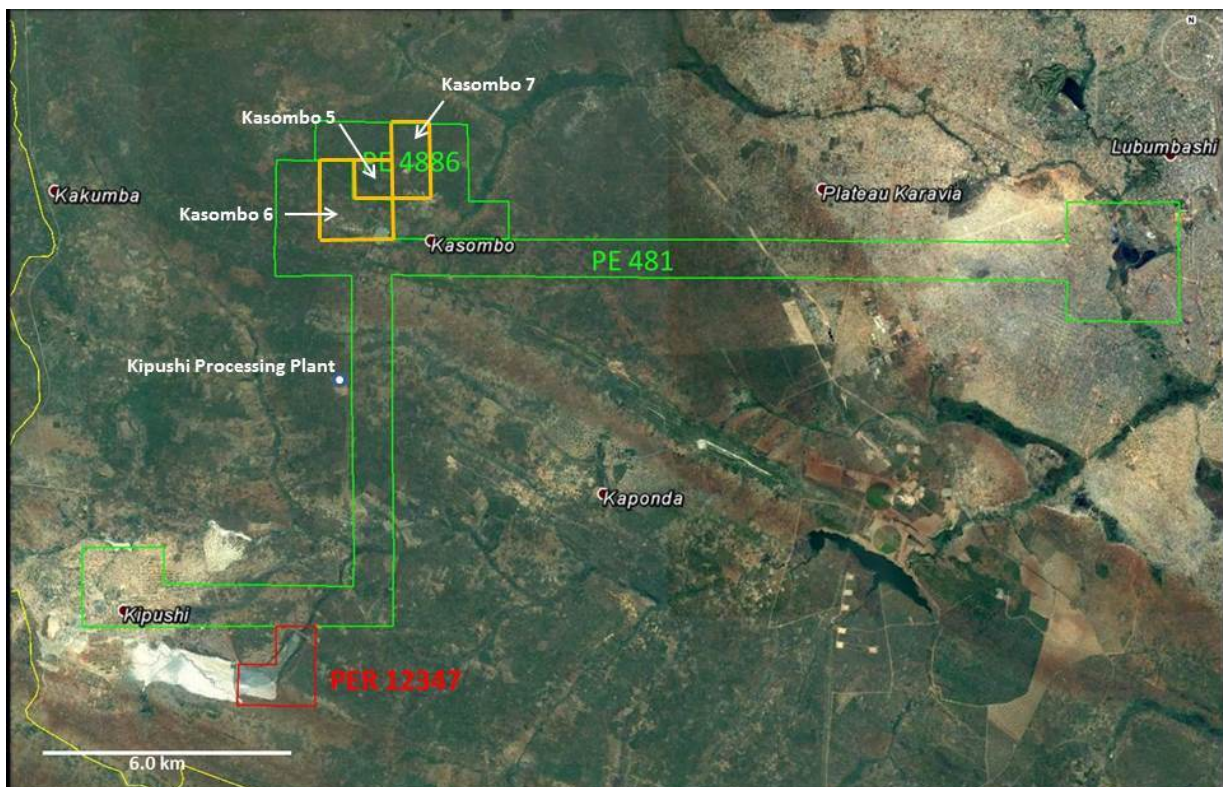
The Company is also pleased to confirm that it has completed a drilling tender and has engaged local drilling company Rubaco Sarl to commence a small preliminary RC drilling program at the known mineralized areas to make an early determination of the depth and grades within the oxidized zones.

The drilling is scheduled to commence on 13 December 2017 and be completed before the end of the year.

Commenting on the commencement of the exploration works, Chairman Tony Sage said, "I am pleased to see that exploration works are now progressing at Kasombo and I am confident that the preliminary drill program will begin to reveal the full potential of the Kasombo area".

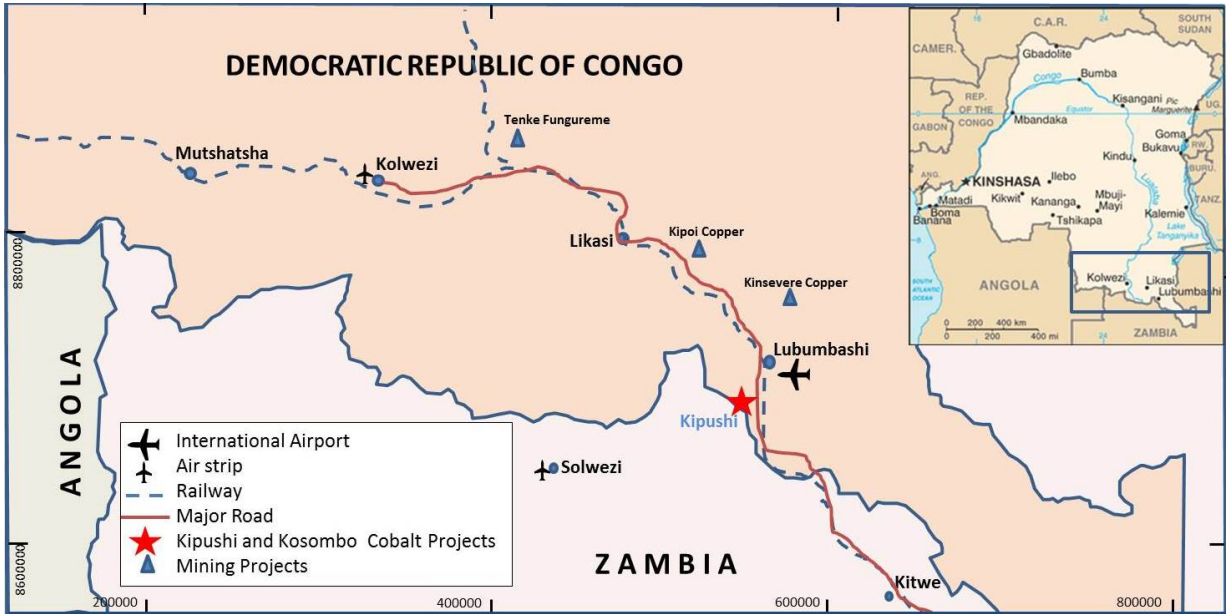
Yours faithfully
FE LIMITED

Tony Sage
Non-Executive Chairman



Location of Kasombo Project and nearby Kipushi Processing Plant





Kasombo Location Map



Kasombo 7 Artisanal mining of cross-cutting breccia style mineralization; red lines outline breccia margin



Competent Person Statement

The information in this report is compiled and collected by Mr Jess Oram, Exploration Manager of Cauldron Energy 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.



Table 1; Kasombo Project - sample location and assay

KEY: KAS_7 is Kasombo 7 prospect, KAS_8-9 is area near Kasombo8 and Kasombo 9 prospects; KAS_^ 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.

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



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 Low 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 conducted.
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 conducted.
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 conducted.



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
<i>Sample security</i>	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Not applicable.
<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"> • Samples temporarily stored then transported to ALS Lubumbashi by consulting group engaged by FE Limited.

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"> • 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. • 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. 	<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.



Criteria	JORC Code explanation	Commentary
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Gecamines mapping completed in 1990's.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<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"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 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. 	<ul style="list-style-type: none"> The dataset has no drilling.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> 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. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No aggregation of results, assay data as reported by ALS is presented for each sample location.
<i>Relationship between mineralisation widths and</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 	<ul style="list-style-type: none"> No mineralisation width is presented in these data.



Criteria	JORC Code explanation	Commentary
<i>intercept lengths</i>	<i>known</i> ’).	
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Presented in the body of the report
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • The sampling data is selective and does not infer size of mineralization; it does have some relationship to possible tenor of grade.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Mapping work of Kasombo 5, 6 and 7 is currently being undertaken.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • 600 m of preliminary RC drilling is currently in planning based on the results of the mapping and sampling.

