

30 April 2013

MARCH 2013 QUARTERLY REPORT

Highlights:

- Preparation of Environmental Impact Assessment Report and an update to the Mongolian-standard feasibility study on the Ereeny Project for Mongolian authorities' approval;
- Commencement of analysis on physical and geomechanical properties of mineralisation for the Ereeny Project ;
- Commencement of geotechnical investigation and archaeological survey for the Ereeny Project which are required before mine construction;
- Updated resource estimate under JORC standard for the Ereeny Project;
- Continued preparation on the Dartsagt Project's Mongolian standard feasibility study;
- Continue to negotiate with equipment manufacturers and mine builders on prices and the possibility of vendor financing;
- Continue discussions with international banks on debt financing;
- Delays expected to first railage of Ereeny Project products beyond the original planning date of 24 months from the Company's listing on the ASX of December 2011.

FeOre Limited (**FeOre** or the **Company**) provides the following commentary for the three months ended 31 March 2013, to be read in conjunction with the Appendix 5B.

EREENY PROJECT

For the quarter ended 31 March 2013, the Company has progressed its planned mine construction, focusing mainly on the preparation of application documents and regulatory submissions in connection with approvals required for mine construction during Mongolia's cold season. The Company has also completed additional processing test work on drill core samples with the aim to optimize the processing design for the Ereeny Project.

Meanwhile, on-going discussions and negotiations have been held with potential manufacturers and equipment providers to minimise the construction and equipment cost for the Ereeny Project.

In addition, mining consults RungePincockMinarco (**RPM**) were engaged to update the resource report for the Ereeny Project in February 2013 based on the additional exploration work performed since the completion of its maiden resource report.

Regulatory Submissions

During the three months ending 31 March 2013, the Company updated its Mongolian-standard feasibility study which is currently pending approval from the Mineral Resources Authority of Mongolia. In addition the quarter also saw the completion of an Environmental Impact Assessment report (**EIA Report**) which has been submitted to the local soum for discussion and will be redirected to the Ministry of Environment for final approval.

Additional Processing Test Work

In addition to the previous processing design work conducted, Nippon Eirich Co., Ltd has performed further processing test work involving tower mills on samples taken from the Ereeny Project location. Several other processing test work is currently being conducted and is expected to be completed in the current quarter. The outcome of the test work is expected provide data for further optimisation of the processing design previously conducted.

Geotechnical Investigation

In March 2013, the Company has engaged Soil Trade Company for the purpose of investigating the soil density and property of the Ereeny Project site in preparation for the mine building and the laying of foundation for the processing facility. The drilling work, lab testing, report writing and the related approvals is expected to be completed this quarter.

Archeological Survey

According to cultural heritage protection law of Mongolia, any mine should be surveyed by Archeological Institution of Mongolia prior to construction or operation phase. Therefore, we cooperated with the institution to clear all the ancient tombs and cultural findings from the mine site if there's any. Field survey just completed last week and survey report will be submitted within this Month.

Updated Resource Estimate

Following the completion of a six hole surface diamond drilling programme in December 2011, and subsequent Davis Tube Recovery (**DTR**) test work, as outlined in the 26th April 2012 announcement, Runge Asia Limited, trading as RungePincockMinarco (**RPM**) was engaged to update the 2011 Mineral Resource. This drilling focused on two areas, to;

- Confirm and improve the confidence of mineralisation continuity via infilling the near surface previous Inferred portions of the Resource; and
- Confirm and improve the metallurgical understanding of the mineralisation via the completion of DTR test work.

The review completed by RPM enabled more detailed geological domaining within the deposit based on the detailed geological logging of the new holes and the results of the DTR test work. This increased geological understanding of the deposit enables the identification and modeling of the two major mineralisation types:

- Near surface Mixed Zone: Mineralisation in the zone consists of varying concentrations of hematite and magnetite and is the result of in situ oxidation of the magnetite to hematite. This zone ranges in depth from a few meters to over 80 m, with the deepest portion occurring in the hinge of the syncline;
- Magnetite Zone: Consisting of primarily magnetite with little to no hematite, this zone comprises the majority of the currently defined Mineral Resource and has DTR's of up to 99%.

Following completion of detailed geological domaining, the review of the DTR results indicated that a strong correlation between TFe and mFe within the Magnetite zone exists. As a result, a regression was interpreted which enabled the increased confidence in the grade and geological continuity of the mFe mineralisation within this zone. This increased confidence resulted in the re-classification of the mFe resource from Inferred to Indicated within the Magnetite zone for a large portion of the defined mineralisation, as outlined in the tables below. Although a regression was interpreted within the Magnetite Zone, the analysis of the Mixed Zone indicates that due to the varying concentrations of Hematite and Magnetite, a correlation was unable to be interpreted.

A review of the data indicates that all historical drilling and trenching on the Project does not contain mFe assay determinations. As a result the assay density varies between the TFe and mFe resource, resulting in varying proportions of confidence. RPM utilized the interpreted regression within the Magnetite Zone to estimate additional mFe values which results in all of the Indicated resource TFe in the Magnetic Zone also being mFe. As no correlation could be interpreted within the Mixed Zone, the classification of mFe for the Mixed Zone was based on the current assays which results in the proportion of mFe Indicated resources decreasing as outlined below.

The parameters and estimation methods are outlined in the Company's announcement dated 14 February 2013.

Statement of TFe Mineral Resources as for Ereeny Iron Project, as at January, 2013, reported at 15% TFe

JORC classification	Tonnes	TFe (%)	Contained Fe metal (tonnes)
Indicated	66,125,000	36.8	24,308,000
Inferred	58,040,000	35.3	20,477,000
Total	124,166,000	36.1	44,785,000

Statement of mFe Mineral Resources as for Ereeny Iron Project, as at January, 2013, reported at 15% TFe

JORC classification	Tonnes	mFe (%)	Contained Fe metal (tonnes)
Indicated	62,735,000	27.8	17,413,000
Inferred	61,431,000	25.8	15,876,000
Total	124,166,000	26.8	33,288,000

Notes:

The mFe is contained within the TFe resource and is not additional to it.

All Mineral Resources figures reported represent estimates at 31st January, 2013. Competent Persons Statements are provided on page 3 of this release.

Rounding, conforming to the JORC Code, may cause some computational discrepancies.

Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (The Joint Ore Reserves Committee Code – JORC).

DARTSAGT PROJECT

A Mongolian-standard feasibility study has been prepared for the Dartsagt project, which is currently under review by independent experts. The report will be submitted to the Mineral Resources Authority of Mongolia for approval upon satisfactory review by management and the experts. It is a requirement that the company must obtain the relevant authority's approval before taking further steps in the development of the Dartsagt Project.

PROJECT FUNDING

Up to 31 March 2013, the Company has spent a total of approximately US\$4.5 million on project development for the Ereeny Project and has incurred a total amount of US\$0.2 million for the development of the Dartsagt Project. It is anticipated that additional project financing will be required to complete projects' development. Management has undertaken significant effort to engage with and develop funding packages with suitable project financing providers and secure the required funding to bring the Ereeny deposit into production since the IPO and progressively as metallurgical results and further drilling results and studies have been developed and approved. Project financing is behind our scheduled date and this will result in the first railage of Ereeny Project product for sale later than the 24 months planned in the IPO of the Company's listing on the ASX. Management is working diligently to secure financing despite the challenging market for Iron Ore and business environment in Mongolia.

- Ends -

For more information:

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Forward Looking Statements

This report 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.

COMPETENT PERSON STATEMENTS - Attribution Statements

The information in the attached statement that relates to Mineral Resources is based on information compiled by Mr Jeremy Clark, Competent Person, who is a member of the Australian Institute of Geoscientists. Mr Jeremy Clark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jeremy Clark consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.