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ASX ANNOUNCEMENT

14th February 2013

UPDATED MINERAL RESOURCE ESTIMATE

FeOre Limited (ASX: FEO) is pleased to announce the updated Mineral Resource estimate for the Ereeny Iron Project in Mongolia.

HIGHLIGHTS

- **Total 124.2Mt @ 36.1% TFe and 26.8% mFe for 24.3Mt contained TFe metal, reported at a 15% TFe cut-off;**
- **TFe resource includes 66.1Mt of Indicated @ 36.8% and 58.0Mt of Inferred at 35.3%, while mFe resource includes 62.7Mt of Indicated @ 27.8% and 61.4Mt of Inferred at 25.8%;**
- **14% increase in the total resource, compared to 2011 resource and a 15% and 509% increase in Indicated resource tonnage for TFe and mFe respectively.**
- **10% increase in Total contained TFe**
- **9.5% increase in Total contained mFe.**

SUMMARY

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 engage 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; and
- Confirm and improve the metallurgical understanding of the mineralisation via the completion of DTR test work.

In addition, the review completed by RPM enabled more detailed geological domianing 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 enabled the identification and modelling of the two major mineralisation types:

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- Near surface mixed zone: Mineralisation in the zone consists of varying concentrations of hematite and magnetite and is the result of insitu 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 (II and C series data) on the Project does not contain mFe assay determinations. As a result the sample 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 the mFe values which results in the same proportion of Indicated resources as TFe for this zone s outlined in the tables below. 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 Indicated resources decreasing as outlined below.

The parameters and estimation methods are outlined in Appendix A of this release,

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%

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 (The Joint Ore Reserves Committee Code – JORC).

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“The updated resource statement has increased the total resource tonnage by 14%, with the amount of mFe under the indicated category increased from 12.3Mt to 62.7Mt when compared to the 2011 resource. The drilling results have improved the confidence in the mineral resource and provided us with additional insight to the continuation of the deposit.” Mr. George Wang Cheng-ma, CEO of FeOre said.

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For further details please contact

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About FeOre

FeOre Limited principally engages in the exploration and development of mineral resources in Mongolia. The Company currently owns 80% of the Ereeny Iron Ore Project and the Dartsagt Iron Ore Project, located in Mongolia.

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 2012 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.

Appendix A - MINERAL RESOURCE ESTIMATION PARAMETERS AND METHODOLOGY

The Mineral Resource estimate was completed using the following parameters:

- The Ereeny Iron resource covers approximately 3.26km² lateral extents from 108°14'00"E to 108°15'00"E and reaches a maximum depth of 400m.
- 29 drill holes and 20 trench samples were used to define the resource envelopes for a total of 6,857m within the resource wireframes. Drilling has been conducted on predominantly 80m spaced NW-SE sections, with some broader spacing's up to 130m at depth, while surface trench sampling was usually conducted on 2m intervals.
- 6 recent drill holes for a total of 1,379.5m were completed focusing on infilling near surface previously defined mineralised areas, as shown in Figure 1 and Figure 2.
- A site visit was conducted by RPM's Competent Person Bob Dennis in December 2010, while a preliminary visit was completed by RPM's Mongolian geologist Munguntsetseg SukhOchir in May, 2010.
- The majority of diamond holes were drilled at 60 degrees to the south east using HQ size drill rods from surface then changing to NQ once the hole was established to produce a core sample.
- All holes were sampled to the mineralisation boundaries at generally 2m lengths with a maximum of 3m forming one sample. All recent drilling utilized internationally standard procedures, as supplied by RPM.

All historical sample preparation and assaying was carried out by the Mongolian Zhengyuan Limited Company. Historically samples were collected utilising Chinese drill and trenching sampling methods, with drill core splitting machines utilized. All recent drilling used core cutting machines for sampling. A review of the sampling procedures by RPM indicated that although some issues were noted, any resultant bias would not be material to the Mineral Resource.

- A total of 3,604 samples were taken, including 2,640 core samples and 964 trench channel samples.
- Historical assaying was completed for TFe and mFe only and was conducted using the acid dissolution and deoxidization with titration solution method. Recent sampling assaying for TFe and the penalty element was completed utilising the XRF method for TFe, while the DTR method was used to determine the mFe concentrations.
- Quality control samples were collected on a regular basis throughout the exploration program with internal and external duplicate samples undertaken. A total of 220 internal duplicate samples were completed, while 222 external duplicate checks were completed at the internationally accredited assay centre of Shandong Geological Bureau. A review of the QAQC data indicates good correlations are found, indicating suitable precision and accuracy in the primary laboratory.
- RPM notes that only TFe and mFe were routinely analysed during the historical exploration programs, however the 6 recent holes had a significant suite of elements, with all samples having a low level of P and S. Furthermore, RPM notes that recent preliminary test work indicates that not significant penalty elements are recovered within the potential concentrates produced. .

- A total of 443 DTR samples were tested during the recent drilling program. These samples included both the Mixed and Magnetite Zones and resulted in a regression being interpreted for the mFe within the magnetite zone. The regression equation interpreted was:

$$mFe \text{ equal } 1.1433 \times TFe - 12.313$$

- All holes were surveyed at the collar using a differential GPS, while down hole surveys were completed every 50m.
- The Russian Pulkovo 1942 survey grid system was used to locate the geological information and for the Mineral Resource estimate.
- Mineralised envelopes were constructed based on 3-dimensional interpretations of the mineralised bodies. Mineralised envelopes were constructed at mineralised contacts or a nominal 15% TFe cut-off grade with no minimum downhole length.
- Samples within the wireframes were composited to an even 2m with no high grade cuts applied.
- A single Surpac block model was generated for the estimate to encompass the full extent the defined resource. The model was created using a block size of 25m NS by 25m EW by 10m vertical with sub-cells of 3.125m by 3.125m by 1.25m.
- Ordinary Kriging interpolation with an anisotropic search was used to estimate both TFe and mFe using drill hole and trench composites from within the interpreted mineralised envelopes. The search ellipses were based on a detailed geospatial analysis with orientations which match the underlying geology. A first pass radius of 75m was used based on the drill and trench density and a geospatial analysis. A search radius of 150m was used for the second, while 300m was used to fill the few remaining blocks in the third pass. The minimum 10 number of samples decreased for the first and second passes, while a minimum of 2 samples was used for the third pass.
- A bulk density value of 3.45 t/cu.m was used for the mineralised areas, while 2.7 t/m³ was used for all other in situ areas within the Deposit. The results of the bulk density determinations indicate that there is potentially a correlation of TFe grade and bulk density. However, this cannot be confirmed due to the low numbers of samples and the clustering of the data within the deposit and the relatively poor correlation coefficient of 0.72. Although RPM recommends further bulk density determinations be carried out, RPM considers the further bulk density will not result in any material change to the estimation.
- **TFe Mineral Resource:** drilling has been completed on 80-100m profiles (sections) with approximately 100m spaced holes at surface and 150-200m spaced holes at depth. In addition, the drilling is supported by trenching at surface which has been completed on 100m spacing's across the deposit sampled every 1-2m. The Deposit clearly shows a good level of confidence with the geological interpretation as the mineralised bodies commonly show continuity between the 80-100m spaced profiles and generally range up to several hundred meters in both strike and dip extent. Based on the available samples, a detailed statistical analysis was completed, which included a geospatial analysis of the mineralisation. The geospatial analysis and variography indicated that continuity of mineralisation approximately 200m exists within the main zones. Furthermore, the statistical analysis indicated that limited variation occurs between the Mixed and Magnetite zones for TFe. This range of continuity and variation of TFe grades is consistent with visual inspection of the grade distribution within the deposit and is comparable to similar deposits (both in style and tenure) in Mongolia and internationally. As a result, RPM, considers that 100m and 200m was appropriate for classification of Indicated and Inferred Mineral Resources respectively with both the

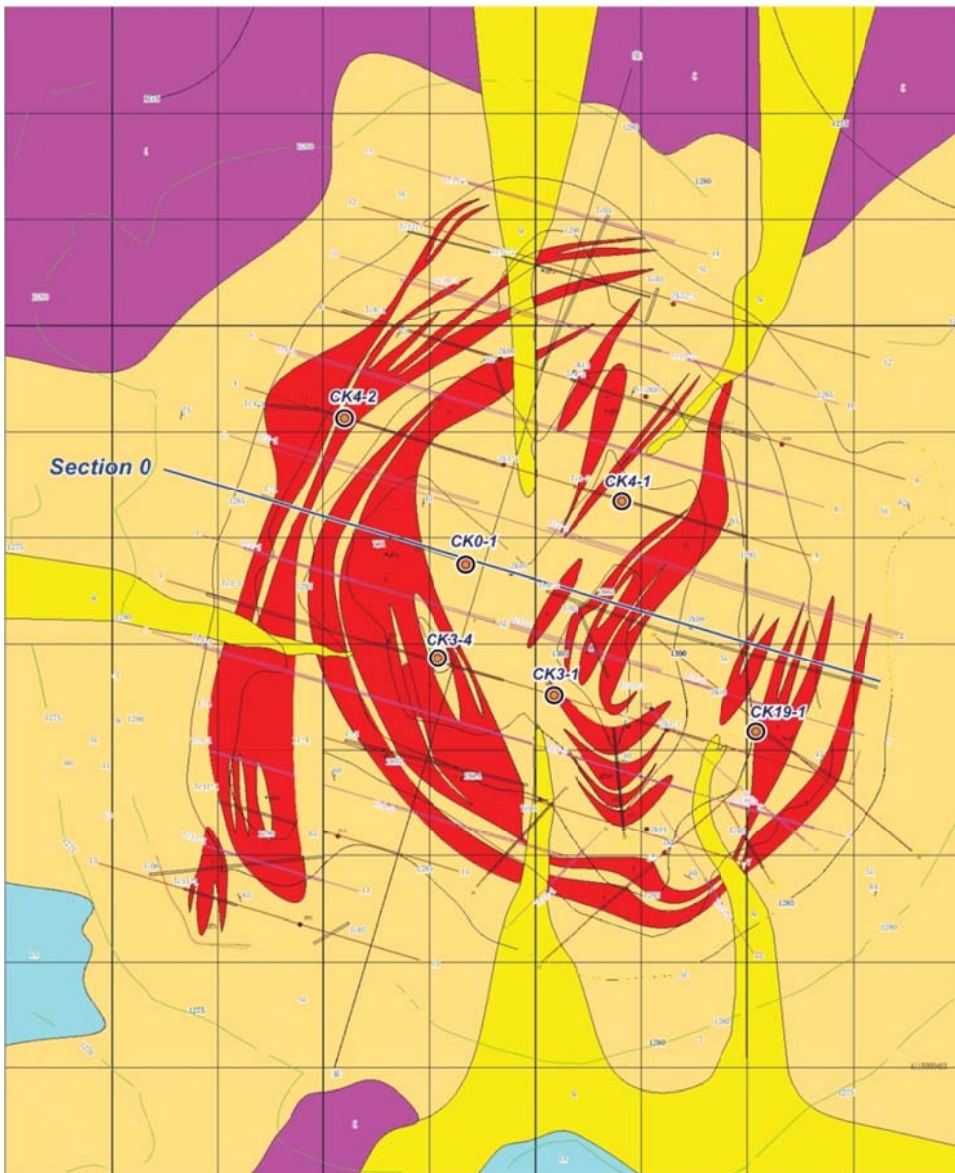
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Mixed and Magnetite Zones. RPM deems this approach appropriate for the style of mineralisation and the underlying geology, and as a result has used these distances as the basis for the classification of the TFe Mineral Resource estimate in line with the recommendations of the JORC Code.

- **mFe Mineral Resource:** Although a statistical review of the mFe data indicates that the sample parameters and spacing's utilised for TFe were appropriate for mFe, all historical drilling and trenching (II and C series data) on the Project does not contain mFe assay determinations. As a result the sample density varies between the TFe and mFe resource, resulting in varying proportions of confidence. A review of the DTR results indicated that a strong correlation exists between TFe and mFe within the Magnetite zone, as a result RPM utilized the interpreted regression to estimate the mFe values within this zone which results in the same proportion of Indicated resources as TFe for this zone. 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 Indicated resources decreasing.
- No mining has occurred within the Project.

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-  Magnetite Mineralisation
-  New Drill Hole

minarco
mineconsult

FIGURE 1

Ereeny New Drill Holes and Summary Geology
Ereeny Iron Project
Ereeny New Drill Holes and Summary Geology

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