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## ASX ANNOUNCEMENT

14 September 2012

### SATISFACTORY COMPLETION OF PROCESS AND PROCESSING FACILITY STUDY

The Board of FeOre Limited (**FeOre** or the **Company**) is pleased to announce the completion of the process and processing facility study conducted by Changsha Research Institute of Mining and Metallurgy Co. Ltd (**Changsha Institute**), a subsidiary of China Minmetals Corporation. The report described the selected processing design and concluded on the processing yields that will result from the Company's Ereeny Project.

The report concluded that a 62% Fe grade concentrate will result from the Ereeny Project through an industry standard multi-stage grinding and staged magnetic separation processing. This processing design plan has been delivered to MCC Capital Engineering & Research Incorporation Qinhuangdao Co., Ltd (**MCC**) for their incorporation into, and will form an integral part of the overall mine plan design.

### PROCESS AND PROCESSING STUDY

The report produced by Changsha Institute was based on a total of 1,649 kg of samples taken from borehole core at Ereeny Project. The primary target of the study was to recommend a magnetic processing design for the Ereeny Project with a target iron concentrate product TFe grade greater than 62%, TFe recovery of greater than 75% and mFe recovery of greater than 90%. The Company is pleased to announce that an overall processing design plan has been developed and the result is very encouraging.

### Chemical composition of sample product

The table below reflects the chemical composition of sample products after processing under multi-stage grinding and magnetic separation:

Ore Category*	TFe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
Primary Ore	65.82	6.5	0.44	0.068	0.087	0.55
Mixed Ore	63.29	8.83	0.73	0.16	0.08	1

Note\*: Samples were separated into Primary Ore, Mixed Ore and Oxidised Ore, Primary Ore is defined where content of mFe/TFe is greater than 85%, Mixed Ore is where content of mFe/TFe is between 85% and 15%, Oxidised Ore is where content of mFe/TFe is less than 15%. Oxidised Ore using only magnetic separation technique was not tested for chemical composition and mineral content as Oxidised Ore constitute less than 5% of the total resource.

### Main mineral content in concentrate

The study resulted in an optimised processing design which achieves a concentrate of 65.2% for primary ore with a TFe recovery of 89.89%. The concentrate from processing of mixed ore resulted in a TFe of 63.4% with a TFe recovery of 70.58%.

The table below illustrates the main mineral content in the products after processing:

Ore Category*	Magnetite (%)	Martite (%)	Limonite (%)	Chlorite, Biotite & Actinolite (%)	Quartz & Others (%)
Primary Ore	90	Trace	-	5	5
Mixed Ore	83	4	1	5	7

FeOre Chief Executive Officer, George Wang said:

“The collection of ore samples used in this study, including the sampling plan, execution, transportation and sample categorising meets industrial requirement; samples taken were representative in various aspects including spatial distribution, quantity, grade, and mineral composition.

The processing design plans developed for primary ore and mixed ore are largely similar, and meet our expectation. Based on statistical analysis performed by MCC on collected and historical samples, we assess that the remaining oxidised ore to be less than 5% of the deposit. A uniform processing design plan applicable to both primary ore and mixed ore will be adopted.

The results of the processing study have been most promising and have further supported our positive outlook for the Ereeny Project. With the establishment of the processing technique developed, we are confident that the project will yield high grade iron ore and, in turn, deliver optimised return on investment in the equipment and productivity.”

#### **NEXT STEPS**

The conclusion of the processing study represents a significant step towards the development of the Ereeny Project. The results from the report provide the Company with the foundation to ascertain the economic value of the project, and indicate parameters of potential products.

Incorporation of the processing study results into the mine plan design is in progress in order to confirm the mine construction requirements and equipment needs. Engineering drawings of the production facility and the ancillary facilities will be submitted to the relevant authorities for review in preparation for the commencement of mine construction.

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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.

#### **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 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.