

# CORPORATE PRESENTATION

# **Emerging Iron Ore Producer**

January 2021



## **Disclaimer**

This presentation has been prepared by Fe Limited ("Fe" or the "Company"). It is not a disclosure document and should not be considered as an offer or invitation to subscribe for, or purchase any securities, in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this presentation.

This presentation contains forecasts and forward-looking information. Such forecasts, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. Fe has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, Fe makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.

Throughout this presentation all figures are quoted in A\$ dollars unless otherwise stated.

You should not act or refrain from acting in reliance on this presentation material. This overview of the Company does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of Fe Limited's prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

Information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on previous announcements and reports made by Fe (or other relevant parties) to the Australian Securities Exchange and to other statutory bodies.

This presentation does not constitute financial product advice (nor investment, tax, accounting or legal advice) and has been prepared without taking account of any person's investment objectives, financial situation or particular needs.

## **Corporate Snapshot**

FEL is an emerging ASX-listed commodity play with an experienced Board and Management team.

### **Company Overview**

- Fe Limited (FEL) is an Australian mineral exploration company with interests in various projects and tenements prospective for iron ore, battery metals, copper and gold, all located in Australia
  - The company is focused on the development of its iron ore assets
  - Its key projects and interests include -
    - Yarram Iron Ore Project: Advanced, iron ore project (NT)
    - Willuna West JWD Deposit: Near-term high grade DSO hematite project (WA)
    - **Pilbara Projects:** gold and lithium projects located in the prospective Pilbara region of WA
    - Bryah Basin Joint Venture Projects: Forrest Project, Morck Well Project, Alchemy Projects

Capitalisation Table <sup>as at 6 Jan 2021</sup>		
Share price	[A\$/sh]	0.043
Share count	[#m]	548.0
Market Capitalisation	[A\$m]	23.6
Net Debt / (Cash) (as at 31- Dec 20)	[A\$m]	(4.9)
Enterprise Value	[A\$m]	18.7

#### **Board of Directors & Management**

Tony Sage – Executive Chairman Mark Hancock – Executive Director Nicholas Sage – Non-Executive Director

Jeremy Sinclair – Projects Director Olaf Frederickson – Consulting Geologist

Ownership						
Dempsey Resources Pty Ltd (subsidiary of Cyclone Metals Ltd)	26.60%					
JP Morgan Nominees Australia Ltd	6.98%					
HSBC Custody Nominees (Australia) Ltd	6.16%					
Тор 20	71.21%					
Directors	3.50%					

## **Investment Thesis**

Rapid iron ore development & production into strong market provides attractive cash flow potential.

**Thesis:** FEL's investment proposition is predicated on <u>near-term</u>, <u>high grade</u>, <u>premium product iron ore projects</u> and exposure to strategic metals.

### Leverage

Experienced team

Key partnerships with contractors

Steel industry connections

### **Early Cash Flows**

- Low initial capital
- ✓ Near-term production

## Projects

- Advanced approvals
- ✓ High grade resources
- Exposure to strategic metals
- ✓ Building a commodity pipeline





## Wiluna West JWD Deposit

### WWJWD is part of the wider Wiluna West project owned by GWR Group.



# **JWD Project – Transport Options**

There are two transport options currently under consideration at JWD Project.

### Commentary

Two key routes being considered:

- **Option 1:** via Leinster is longer, however requires less initial capital and is a sealed road (lower maintenance cost) all the way to Geraldton;
- **Option 2:** offers potential to leverage off work done by GWR and their contractor who have built a road from the C4 deposit to the north to join up to the highway. This road could be extended to JWD to facilitate access to the north
- Various port shed options under consideration

### **Transport Options**





# JWD Project – Resource & Approvals

## JWD has a resource of 10.7Mt @ 63.7% Fe using a 55% Fe cut off.

### Resource

- 10.7Mt @ 63.7% Fe using a 55% Fe cut off
- All exploration and resource definition completed along with metallurgical testwork program
- Narrow ore body (smaller "gold mining" fleet to be utilised, prevalent in the construction and mining industry)
  - Ore outcropping, with distinct ore / waste contact allowing visual management of ore dilution

## Approvals

Advanced approval studies with PMP in place (Jan-20)

- $(\bullet)$
- Targeting receipt of Works Approval and other relevant remaining approvals by Q1 2021 (application submitted 14<sup>th</sup> December)
- Mining and transport of first 300kt required under iron rights agreement to occur by Sept 21

### **JWD Outcrop**





# JWD Project – Cross Section of Drill Holes

### **Mining Strategy**

- Mine planning stages the pit development to maximise grade and minimise strip ratio in each stage.
- Narrow ore body of exceptional grade and impurities, managing dilution risk a key focus



# **JWD Project – Targeted Process Flow**

### **Production Process**

- Mine, crush and screen, haul to port, ship – proven production process successfully deployed in the Pilbara and Mid-West numerous times over many years
- Process is very well suited to a contractor model
- Engaging contractors supports low capex development

Processing will be a simple dry crush and screen process, producing Lump and Fines in a ratio of approximately 65 to 35 respectively





# WWJWD – Targeted Project Milestones

FEL is targeting commencement of mining in Q1 21 and product shipment Q2 21



# JWD Project – Next Steps

	<b>Development</b> – Target commencement development on a staged basis. The terms of the acquisition support this as the company has the right to extract up to agreed volumes upon payment of the relevant amounts:
	<b>Stage 1</b> – Test pit, right to extract up to 300kt, with FEL targeting commencement of mining Q1 2021
	<b>Stage 2</b> – up to further 2.7MT can to be extracted if economic to do so upon payment of option fee of A\$4.25m
	<b>Stage 3</b> – FEL has option to continue to mine any remaining economically recoverable JWD tonnes subject to payment of a A\$3.50/t fee
	Finalise trucking route and port arrangements. Focus on Geraldton Port
3	Adopt contractor model and leverage existing infrastructure in the region to mitigate upfront capex requirements
4	High grade product expected to receive premium pricing, additional price upside from lump premium (JWD approx. 65% lump 35% fines); customer engagement underway
90	



## **Yarram Iron Ore Project**

### FEL operate and hold a 50% interest in the Yarram Iron Ore JV.

		/1000	/15000 /2000
Ownership	<ul> <li>In Aug-20, FEL entered into a binding Heads of Agreement to acquire a 50% interest (including operatorship) in the Yarram Iron Ore Project (Yarram), completion of the transaction occurred in Dec-20</li> </ul>	000458	
Project Overview	<ul> <li>Yarram has been the subject of significant historical exploration including a 2014 drilling campaign which confirmed the presence of high grade iron ore mineralisation</li> </ul>		Varram HOA Area unamer
Location / Infrastructure	<ul> <li>Yarram is partially located on an existing mining lease on freehold land located ~110km from Darwin Port in the Northern Territory and adjacent to existing underutilized mining infrastructure</li> </ul>	ELR125	MLN1163
Resource	<ul> <li>Based on the 2014 drilling information, FEL has determined an exploration target of 4Mt to 6Mt with a grade range of 60% - 62% Fe</li> </ul>		ELR146 JV Area Browns Polymetallic Project
Historical Drill Intercepts	<ul> <li>108m @ 65.6% Fe, 2.3% SiO2, 1.8% Al2O3, 0.037% P from 18m in hole RJRC0119</li> <li>65m @ 66.4% Fe, 2.0% SiO2, 1.5% Al2O3, 0.022% P from 13m in hole RJRC069 (hole finished in 65.9% Fe)</li> <li>35m @ 62.9% Fe, 4.3% SiO2, 1.6% Al2O3, 0.045% P from 23m in hole RJRC0106</li> </ul>		71500 72000



# Yarram – Transport Logistics are favourable

Yarram is located ~110km from the port in Darwin, which currently has export capacity available

#### Logistics solution is attractive

- **Road Haulage:** Yarram's close proximity to the Darwin port will result in a low product transport cost in comparison to other currently operating DSO iron ore mines that utilise road trains for product transport to port.
- **Port:** The port facility in Darwin is equipped for bulk exports, having exported iron ore at various times in its history. The port currently has export capacity available.
  - **Sea Freight:** A key advantage to the Yarram project is sea freight from Darwin port into Asia markets will benefit from shorter sailing distances compared with exports from the Pilbara





# Yarram – Geology

The geology at Yarram is a shallow, robust and high grade mineralization.

### Commentary

- Typical cross section within mining licence - Shallow, robust, high grade mineralisation
- Exploration Target: 4–6 Mt @ 60% -62% Fe
- Short drilling campaign proposed to infill and step out from existing discovery holes
  - Focus of activity on the granted mining lease to simplify approval and consent process



## **Yarram – Targeted Project Milestones**

First ore on ship targeted for ~3 months after development decision



## **Yarram – Next Steps**

1	Stakeholder Engagement: Engage with neighbouring mine on infrastructure sharing opportunities, Traditional Owners, local councils etc
2	<b>Drilling:</b> Complete small additional resource drilling campaign to infill current dataset and facilitate JORC Resource
	<b>Drilling:</b> Step out exploration drilling to determine if upside opportunities, with focus on existing mining lease area
	Approvals: Complete permitting and approval studies to facilitate early production from granted mining lease
5	<b>Mining:</b> Consider potential mining concepts to leverage location and nature of the ore body. Potential for low cost operations trucking to Darwin Port ~110km away



## **Pilbara Exploration Tenure**





# **Pippingarra Gold Project**

FEL's Pippingarra Gold Project is located in a highly prospective gold region near De Grey's Hemi project.

### **Overview**

- Identification of suspected sheared mafic intrusions in FEL Pippingarra tenement.
- Area of interest directly along shear to the north east of recently discovered De Grey gold projects including Brierly, Hemi and others
- Similar geological environment to that hosting the +2.2 Moz Hemi project



# **Marble Bar Lithium Project**

### Comments

- Rock sampling across E45/4669 confirms Lithium-Caesium-Tantalum (LCT) pegmatites over strike length of 9km
- Grab rock samples containing visible lithium bearing minerals of spodumene and lepidolite



# **Bryah Basin JV Projects**

### Comments

- Tenements proximal to: Sandfire Resources NL (ASX: SFR), Doolgunna Project; and DeGrussa copper-gold mine, and other gold and copper prospects
  - Exploration & prospecting licences within Auris Minerals Ltd (ASX: AUR): Forrest Project; and Morck
  - Well Project Morck Well Project Tenements covering an area of 600 km<sup>2</sup> in the highly prospective region

FEL free carried to decision to mine





## **Next Steps**



# Appendix



## **Robust Global Demand**

China continues to increase its steel production.

### **Crude Steel Production**



Post pandemic recovery efforts see **increased infrastructure spending** as core economic stimulus

#### Commentary

- Chinese steel output up significantly over the year, with RoW also recovering Chinese government has boosted infrastructure spending, while manufacturing sector rebounds as economy reopened;
- A "coordinated effort" across advanced economies to boost infrastructure post pandemic has had a very tangible impact on demand for commodities like iron ore, with prices at highest levels since 2011).

## **A Resilient Iron Ore Market**

fe Itd

The iron ore market continues to demonstrate resilience to volatile global markets.

### **Historical Iron Ore Price**



#### Commentary

- Strong demand for Australian iron ore products, has pushed prices up
- ✓ Draw down of iron ore stocks at Chinese ports and high consumption means inventory days at low levels
- High grade product less sensitive to market fluctuations

Sustained demand and supply disruptions support the iron ore market

#### Source: Mysteel.

## **Experienced Team**



### **Board of Directors**



### **Tony Sage – Executive** Chairman

Over 35 years' experience in corporate advisory, funds management, capital raisings and management of exploration companies.

#### Mark Hancock – Executive Director

Over 30 years' experience in key financial, commercial and marketing roles across a variety of industries with a strong focus on natural resources, including 13 years at Atlas Iron.

### Nicholas Sage – Non-Executive Director

Over 25 years' experience as a marketing and communications professional in various industries.

### Management



### **Jeremy Sinclair Projects Director**

Over 25 years' experience in operational, development and technical roles. 11 years at Atlas Iron as COO, taking production from 1 mine at 1Mtpa to multiple mines at 16Mtpa. Prior management roles with Rio Tinto at their Pilbara Operations.



### **Olaf Frederickson Consulting Geologist**

Over 25 years' experience in mining and exploration roles include grassroots exploration through to mine site operations, resource estimation, project

assessment, project generation and business development. Acts as a Competent Person under the JORC code. Member of the Australasian Institute of Mining and Metallurgy.

## **Attributions**

### Competent Persons Statement

The information in this presentation that relates to Exploration Results is based on information compiled by Mr Olaf Frederickson. Mr Frederickson is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to gualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Frederickson is a consultant to Fe Ltd and consents to the inclusion in the report of the Exploration Results in the form and context in which they appear.

### **JORC Statement**

JWD February 2013 Mineral Resource										
Resource	Above	Mbcm	Mt	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	S	Р	LOI	P80
Category	% Fe			%	%	%	%	%	%	mm
Measured	55	1.8	6.4	64.07	2.63	1.51	0.028	0.034	3.07	1.50
	58	1.7	6.3	64.16	2.58	1.49	0.028	0.034	3.06	1.50
	60	1.7	6.2	64.29	2.47	1.44	0.029	0.033	3.01	1.50
	65	0.6	2.3	66.19	1.85	1.12	0.009	0.023	1.60	1.31
dicated	55	0.2	0.9	63.61	2.76	1.33	0.056	0.030	3.57	1.54
	58	0.2	0.8	63.87	2.46	1.27	0.057	0.030	3.59	1.55
	60	0.2	0.8	64.03	2.23	1.25	0.058	0.031	3.62	1.57
-	65	0.1	0.3	66.40	1.57	1.01	0.007	0.021	1.50	1.44
		_					_	_		
	55	0.9	3.4	63.13	3.23	1.58	0.044	0.029	3.38	1.49
rree	58	0.9	3.2	63.54	2.83	1.45	0.046	0.029	3.38	1.51
nfe	60	0.8	3.0	63.82	2.51	1.38	0.047	0.029	3.39	1.53
_	65	0.2	0.8	66.32	1.61	1.01	0.007	0.020	1.51	1.49
tal	55	2.9	10.7	63.74	2.83	1.52	0.036	0.032	3.21	1.50
	58	2.8	10.4	63.94	2.64	1.46	0.036	0.032	3.20	1.51
10	60	2.7	10.0	64.13	2.47	1.41	0.037	0.032	3.17	1.51
	65	0.8	3.3	66.24	1.77	1.09	0.009	0.022	1.57	1.36



< lu lu lu USe α C

