

PREPARATION FOR MINING RAMPING UP AT JWD

HIGHLIGHTS

- Early works activities ramping up with earthworks underway at the JWD Iron Ore Project
- Changes to Mining Rights Agreement agreed with GWR Group Ltd (GWR) to extend Stage 1 timeline and simplify administrative and cashflow requirements
- Iron ore price continues to hit new highs, with the strongest demand being for high grade lump product such as at JWD, resulting in strong interest from potential offtakers
- FEL continues to attract experienced iron ore personnel to join its team, in spite of competitive market conditions

Fe Limited (ASX: **FEL**) (the **Company**) is pleased to provide a further update on progress at its JWD Iron Ore Project (**JWD, JWD Project**).

Early Works Continue

Mining contractor Big Yellow commenced earthworks on site last week and expects to complete their component of the first stage of early works in the current week. The Company is working with Big Yellow to finalise the next scope of works to keep the project on schedule in advance of commencement of full mining operations, with mobilisation of the remaining mining fleet planned to occur this weekend.



Image 1- Haul road construction



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Image 2 – ROM Ore Pad, Plant site, Production Stockpile location - under construction

Mining Rights Agreement Amendments

The Company and GWR have agreed a number of amendments to the JWD Mining Rights Agreement. One of the key elements of the changes has been to adjust the methodology by which royalty and rehabilitation obligations are funded, thereby assisting FEL's working capital during ramp up. FEL has agreed to guarantee its subsidiary company's obligations to GWR as part of these changes.

The other key change is to extend the timeframe by which FEL has to extract the first 300,000 tonnes of ore (from October 2021 to January 2022), providing additional operational flexibility to FEL.

As a consideration for GWR agreeing to the changes FEL will make a payment of \$125,000 in cash, increase the royalty it pays by A\$1 per tonne when the headline iron ore price is above US\$145 and grant GWR an option to purchase up to 50,000 tonnes of JWD fines material from the mine gate at estimated cost plus A\$10.

Marketing Update

The 62% index price has continued to reach record highs and lump premiums remain close to their historical highs. Demand is particularly strong for higher grade ores like that expected to be produced from JWD. As a result, the Company is receiving a number of expressions of interest from high quality offtakers and is currently evaluating these.

Strengthening of Management Team

The Company is pleased to welcome key personnel with senior experience in iron ore, with Richard Kerrison joining the team as the Registered Mine Manager JWD and Alan Jepson as Commercial Manager.

Richard is an experienced mining professional having worked in the mining industry for more than 25 years, of which he has more than a decade of iron ore experience at Rio Tinto and FMG. Most recently Richard has been based in the Wiluna area with Salt Lake Potash. He will head the JWD operations team with accountability for delivering safe and efficient production from the site.

Alan has a long history in iron ore, having spent time with both Cliffs and Atlas Iron, and joins the FEL team from BGC. Alan will manage the company's operational commercial and finance activities.

Chairman's Comment

FEL Executive Chairman Tony Sage commented "It's great to see work continuing at JWD and with the iron ore market as strong as ever at present, the timing couldn't be better. In spite of a competitive market for people we are continuing to attract high quality mining professionals to our team. We are pleased to have been able to agree some common-sense modifications to the JWD mining rights agreements and thank GWR for their assistance in doing so. We look forward to creating value for both sets of shareholders".

Announcement released with authority of the FEL board of directors.

Yours faithfully
FE LIMITED

Tony Sage
Executive Chairman

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