



30 January 2013

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## DECEMBER 2012 QUARTERLY REPORT

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FeOre Limited (**FeOre** or the **Company**) provides the following commentary for the three months ended 31 December 2012, to be read in conjunction with the Appendix 5B.

### **EREENY PROJECT**

For the quarter ended 31 December 2012, the Company has continued with the development of the Ereeny Project focusing on the preparation for the planned mine construction, mainly on infrastructure development and procurement preparation.

The Company has also commissioned RungePincockMinarco (formerly known as MinarcoMineConsult) to update the resource report for the Ereeny Project based on the additional exploration work done since its maiden resource report, which is expected to be completed in this quarter.

### **Infrastructure Development**

In addition to the previous water exploration work done, thirteen boreholes were drilled during the quarter ended 30 September 2012 and early last quarter. Two 72-hours continuous water flow tests were completed on selected boreholes and results were compiled and studied by hydrologists, the water flow rates are approximately 17.3L to 17.8L per second for the tests completed. The Company has also recently received a letter from the Ministry of Environment and Green Development which mentioned a water source location approximately less than 30km south-east of the Ereeny project with proven water resources.,

In December 2012, the Company has engaged a local Mongolian contractor to construct the high-voltage power connections between the power station at Choir and the Ereeny Project location. The high-voltage electricity design was done by a Mongolian design institute and the technical design from MCC Capital Engineering & Research Incorporation Qinhuangdao Co. Ltd (**MCC**) was taken into consideration by the Mongolian design institute. Approval by the relevant authorities to commence construction of the high-voltage power connection has been granted.



## **Procurement and Mine Construction Preparation**

In addition to the high-voltage power design, other mine construction designs including the construction of living quarter, offices and other ancillary facilities will also be developed by qualified Mongolian design institutes while taking into consideration of the designs made by MCC. The Company has held in-depth discussions with qualified manufacturer and equipment providers with the aim of reducing the cost of construction while maintaining a high level of quality for procurement as well as on equipment installation and construction work. All construction designs prepared by the qualified Mongolian design institutes will be submitted to the relevant Mongolian authorities for approval. It should be noted that the approvals by the relevant authorities are required prior to commencement of the relevant construction.

## **DARTSAGT PROJECT**

The Company has engaged a Mongolian design institute to prepare a Mongolian-standard feasibility study. Upon the completion of this study, the company must obtain the relevant Mongolian authority's approval before taking any further steps in development of the Dartsagt Project.

## **PROJECT FUNDING**

Up to 31 December 2012, 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 in the development of the Dartsagt Project. It is anticipated that additional project financing will be required to complete projects' development.

**- 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 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.