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ASX ANNOUNCEMENT

20 January 2015

UPDATE ON PROPOSED ACQUISITION OF OIL PROJECTS IN THE KYRGYZ REPUBLIC

On 20 January 2015, FeOre Limited (**FeOre** or the **Company**) and Gain Diligence Limited (**Seller**) renegotiated certain terms of the binding memorandum of understanding (**MoU**) for the acquisition of Quangas Poly Ltd (**Quangas Poly**) and the assignment of all shareholder loans owed by Quangas Poly and its subsidiaries to the Seller first announced on 23 July 2014 (**Transaction**).

The parties have agreed to amend the MoU as follows:

1. The purchase price is US\$17.1 million and the transfer of an entity owned by the Company which holds the escrowed sum of US\$5.67 million to be released if the purchaser of the Company's Mongolian iron ore assets lists the asset on the Hong Kong Stock Exchange (**Residual Asset**). The purchase price includes a refundable deposit of US\$10 million payable to the Seller upon signing the MoU (which has been paid), with the balance to be paid at completion (through a cash payment of US\$7.1 million and the title transfer of the Residual Asset).
2. The date to satisfy the conditions precedent to the Transaction is extended to 8 months from the date the MoU was signed (22 July 2014). The conditions precedent are as follows:
 - (i) The Company conducting legal, financial and technical due diligence enquiries with respect to Quangas Poly to its absolute discretion (this has been satisfied);
 - (ii) The Company conducting resource estimate enquiries with respect to Quangas Poly and/or its subsidiaries and their assets/projects (this has been satisfied);
 - (iii) The Company obtaining a Kyrgyzstan legal opinion confirming Quangas Poly's unencumbered title over its assets and the validity of all licences and permits held, whether directly or indirectly, in Kyrgyzstan, and or all material contracts signed by Quangas Poly (this has been satisfied);
 - (iv) The Company obtaining any shareholder, regulatory (including but not limited to the compliance with the ASX Listing Rules) and other approvals required;
 - (v) The Company raising the minimum amount required through the issue of Shares to satisfy the re-admission requirements imposed by ASX or through any other means deemed appropriate by the Company for the purpose of paying the purchase price;

- (vi) all necessary third party consents being obtained, on terms satisfactory to the Company; and
- (vii) no material adverse change occurring to the Shares, Quangas Poly, or its businesses and assets.

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For further details please contact



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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 will 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.

Certain statements made herein, including statements relating to matters that are not historical facts and statements of FeOre's beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable legislation and "forward-looking statements" within the meaning of applicable provisions. Forward-looking information and statements relate to future events or future performance, reflect current expectations or beliefs regarding future events and are typically identified by words such as "anticipate," "could," "should," "expect," "seek," "may," "intend," "likely," "plan," "estimate," "will," "believe" and similar expressions suggesting future outcomes or statements regarding an outlook.

Forward-looking statements and information are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements or information. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate, including the price of iron ore and/or oil, anticipated costs and ability to achieve goals, as well as the timing of the completion of any fund-raising activities. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements and information include, among others, iron ore and/or oil price volatility, discrepancies between actual and estimated production, reserves and resources, operational and development risks, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities, currency fluctuations, the speculative nature of iron ore exploration and/or oil exploration and development, the global economic climate, dilution, share price volatility, competition, loss of key employees, funding requirements and defective title to mineral claims, subsoil use rights or property. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

All such forward-looking information and statements are based on certain assumptions and analyses made by FeOre's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. Such factors include, among other things, the risks associated with FeOre re-complying with Chapters 1 and 2 of the Listing Rules.

Important factors that could cause actual results to differ from these forward-looking statements include those described in the issuer's previous Quarterly Reports, Annual Financial Reports and notice of special general meeting dated 20 January 2015. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, including the assumption in many forward-looking information or statements that other such information or statements will be correct. The reader is cautioned not to place undue reliance on forward-looking information or statements. All forward-looking information and statements herein are made as of the date hereof. FeOre does not intend or undertake to update or revise forward-looking statements or information, whether written or oral or whether as a result of new information, future events or otherwise, that may be made by FeOre or on its behalf, except as required by law.