



15 December 2011

FEORE RAISES AUD\$42.5 MILLION THROUGH SUCCESSFUL IPO

Highlights:

- FeOre Limited (**FeOre or Company**) successfully raises AUD\$42.5 million through a retail offer of AUD\$17.5 million and an excluded offer of AUD\$25 million.
- FeOre concurrently completed and issued Convertible Bonds raising USD\$25m.
- The Company indirectly owns 80% of the Ereeny Project in Mongolia which has a JORC Mineral Resource of 108.7 million tonnes (**Mt**) of Inferred and Indicated iron ore resource at 37.30% TFe.
- Part of the proceeds from the IPO were used for the acquisition of Topone Star Investments Ltd (**TSI**) and the remaining fund will mostly be used on the development of the Ereeny Project, the exploration of the Dartsagt Project, and the Company's ongoing operational costs.
- FeOre has entered into a 10-year Offtake Agreement and Logistics Agreement with China Railway Mongolia Investments LLC (**CRMI**). CRMI is a subsidiary of China Railway Group Limited.
- The Company's plan targets the first railage of Ereeny Project iron ore for sale within 24 months.
- FeOre's experienced management team and board is committed to grow the Company internationally. It will start from Mongolia, a country that is experiencing rapid growth in its resource sector.

Successful close of IPO and excluded offer to raise AUD\$42.5 million

FeOre is pleased to announce the successful raising of AUD\$42.5 million through its IPO and excluded offer in the current challenging equity market environment.

FeOre was admitted to the Australian Securities Exchange (**ASX**) on 14 December 2011 and official quotation will commence at 11:00am AEDT on 15 December 2011 under the security code FEO.

Share structure

The share structure of FeOre is as follows:

Ordinary Shares

	Number of shares
Ordinary shares	
Not escrowed:	200,009,997
Escrowed:	
Escrow until 15/12/2013	283,508,001
Escrow until 26/10/2012	22,792,003
Escrow until 7/12/2013 (inclusive of a voluntary escrow period from 8/12/2012 to 7/12/2013)	22,800,000
	<hr/> 529,110,001

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Options

	Number of options
Options	
Escrow until 15/12/2013	5,435,046
Escrow until 15/12/2014 (inclusive of a voluntary escrow period from 16/12/2013 to 15/12/2014)	2,717,525
	<hr/> 8,152,571

Convertible Bonds

	Number of bonds
Convertible Bonds (USD\$1,000 each)	
Escrow until 6/12/2012	25,000

Ereeny Iron Ore Project

The Ereeny Iron Ore Project is an advanced exploration project with 6,857 metres of drilling and extensive geophysical and geochemical work performed. The Project has a JORC Inferred and Indicated Mineral Resource of approximately 108.7 Mt at 37.3% TFe, inclusive of 51.4 Mt of Inferred Mineral Resources at 35.2% TFe and 57.3 Mt of Indicated Mineral Resources at 39.1% TFe.

The deposit is located approximately 60 kilometres from the major trans-Mongolian railway line between Russia and China, and approximately 440 kilometres by rail to the point of sale agreed with CRMI at Erenhot, on the Chinese side of the border. This positions the Company with a significant strategic advantage of being close to infrastructure and approximately 500 kilometres from China, the world's largest iron ore consumer and iron ore importer.

The Company's Offtake Agreement and Logistics Agreement with CRMI both have a term of 10 years, with an option to renew for 10 years. The Take Or Pay structure price in the Offtake Agreement is based on 92% of the Erlianhot Spot Price.

Chairman Tim Sun said:

"We are delighted with the strong support FeOre has received during its IPO process. It shows great confidence in FeOre's strategy and the exciting Ereeny Project.

Through the Company's successful negotiation of a 10-year Offtake Agreement, a 10-year Logistics Agreement with CRMI and a successful capital raising, FeOre is firmly on track in its plans to commercialise its Ereeny Project, as well as to explore further on its Dartsagt Project."

-ENDS-

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Definition

Capitalised terms used in this announcement should have the same meaning as defined in the FeOre prospectus lodged with ASIC on 1 November 2011 unless otherwise specified.

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.

Competent Persons Statement

Information in this announcement that relates to mineral resources is based on information provided by Mr Jeremy Clark, Principal Geologist, who is a Member of the Australian Institute of Geoscientists. Mr Clark has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the '2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Mr Clark consents to the inclusion in the report of the statements based on his information in the form and context in which it appears.

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