

# Fe Limited

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## Fe Limited to fast-track advanced iron ore projects with royalty sale payment

Fe Limited (ASX:FEL) (FRA:B4T) will fast-track work programs at its two new advanced iron ore projects after reaching an agreement to accelerate final payment of the Evanston Iron Ore royalty sale proceeds.

The company will now receive the \$2.65 million final payment by the end of this week to facilitate funding of work on the new Yarram and JWS projects.

An agreement to advance settlement of the second tranche has been reached with TRR Services Australia Pty Ltd, a wholly-owned subsidiary of Trident Royalties PLC (LON:TRR).

### Greater flexibility

FEL chairman Tony Sage said: "We are pleased to have reached this mutually beneficial deal with Trident to accelerate the receipt of funds from FEL's sale of its Evanston Iron Ore royalty.

"We have recently acquired two exciting iron ore projects in Yarram and JWD and receiving these funds early gives us more flexibility with regards to fast-tracking our work programs to ensure we can advance these projects as quickly as possible."

FEL reached an agreement with TRR Services earlier this year to sell the royalty which applies to a section of the Koolyanobbing Iron Ore Project for total proceeds of \$7 million with the first tranche of \$4 million received in early June.

### Payment this week

This agreement provided for the second and final tranche to be paid one year after the settlement of the initial tranche.

A revised agreement means this payment will now be made not later than September 25, 2020, and in return for Trident accelerating the payment, FEL has agreed to discount the amount owing to \$2.65 million.

### Production-ready JWD deposit

Last week, FEL entered a binding JV agreement with Gold Valley Iron Ore to acquire a 51% interest in the Mining Rights Agreement it holds over the Wiluna West JWD iron ore deposit in Western Australia, the underlying tenure for which is owned by GWR Group Ltd (ASX:GWR).

The production-ready project has a JORC 2004 estimate of 10.7 million tonnes at 63.7% iron and low impurities using a 55% iron cut-off, with 60% classified as a measured resource.

Significant development work has been completed, including resource optimisation, pit design and mine plan, with the majority of approvals in place including a Project Management Plan (PMP), which was approved in January 2020.

**Price:** 0.028

**Market Cap:** \$14.2 m

### 1 Year Share Price Graph



### Share Information

**Code:** FEL

**Listing:** ASX

**52 week High Low**  
0.035 0.008

**Sector:** General mining & base metals

**Website:** www.felimited.com.au

### Company Synopsis:

Fe Limited (ASX:FEL) is listed on the Australian Securities Exchange.

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The Mining Rights Agreement requires a minimum of 300,000 tonnes to be mined and trucked from the tenement within 21 months of the PMP approval date.

### **Exposure to positive market**

The addition of this project into the FE iron ore portfolio has strong synergies with the planned acquisition of the Yarram Iron Ore Project in the Northern Territory by providing a portfolio of projects that can be progressed by the same team.

Sage said: "Together with the recent announcement of FEL's purchase of the Yarram Iron Ore Project, this acquisition cements our view that shareholders will benefit greatly from exposure to the positive outlook and high prices of iron ore.

"We believe both projects offer a real chance of early cashflows given the work that has already been completed.

"Our key focus now is continuing to build an experienced and focused management team to exploit these assets as quickly as possible."

### **"Outstanding" Yarram intersections**

The company has entered a binding conditional Heads of Agreement for the Yarram project, which is adjacent to existing underutilised mining infrastructure and just over 100 kilometres from Port of Darwin, Australia's closest port to Asian markets.

This project is also partially located on an existing mining lease on freehold land and is adjacent to the Browns polymetallic project which is on care and maintenance.

Historical drill intersections include 108 metres at 65.6% iron from 18 metres, 65 metres at 66.4% iron from 13 metres and 35 metres at 62.9% iron from 23 metres.

These intersections, which FEL described as "outstanding", also feature relatively low impurity levels.

FEL is purchasing its interest from Gold Valley Iron and Manganese Pty Ltd, an unrelated party, which owns the iron ore rights over the Yarram area.

Based on the 2014 drilling information, FEL has determined an exploration target of 4 to 6 million tonnes with a grade range of 60%-62% iron.

This conceptual target represents about half of what is depicted in plans and sections to account for (discount) speculative areas unsupported by drilling.

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