

27 July 2012

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 30 JUNE 2012

Highlights:

- Encouraging progress has been made on the processing design that would be incorporated into the overall mine design of the Ereeny Project;
- Mine planning design remains on track for completion in the next quarter;
- Civil work completed for supporting utilities, including power supply, accommodation and water facilities;
- Water studies are underway to determine the location of optimal bore water sources;
- Exploration report completed for the Dartsagt Project. Application of the mining permit for the project has been submitted.

FeOre Chief Executive Officer, George Wang said:

"FeOre is making encouraging progress in the development of its Ereeny Project. Design work and utilities preparation is on track and on budget. The Management remains focused on the development of its flagship Ereeny Project and bring into commissioning a successful, sustainable iron ore producer.

We are also proud to have completed the exploration report for Dartsagt Project and have lodged the application for the mining permit which we expect to receive approval in the forthcoming quarter. This project will enhance the resource base of the Company and provide a complement to our Ereeny Project."

FeOre Limited (**FeOre** or the **Company**) provides the following commentary for the three months ended 30 June 2012, to be read in conjunction with the Appendix 5B.

EREENY PROJECT

The Company has continued with the development of the Ereeny Project with focus placed on the preparation for the planned mine construction for the remaining of the calendar year.

Changsha Research Institute of Mining and Metallurgy Co. Ltd (**Changsha Institute**), a subsidiary of China Minmetals Corporation, and FeOre have conducted an interim review of a proposed design. Changsha Institute is working in collaboration with MCC Capital Engineering & Research Incorporation Qinhuangdao Co., Ltd (**MCC**) in integrating the process design into the overall mine design, which will lead to more effective & integrated mining operation.

The Company has also held several technical review meetings with MCC on the overall mine design, and the preliminary mine plan design is expected in the quarter ending 30 September 2012.

Additional technical staff has been dispatched to the supervisory unit at the project site location to cater for the upcoming foundation constructions in anticipation of the mine plan design. Meanwhile, preparation of required utilities for the said construction has largely been completed, which includes the setting up of a power supply substation unit and arrangement has been made to provide for living-use and construction-use water.



Furthermore, the Company has engaged hydraulic specialists to determine the optimal bore-hole locations within the identified water source area for industrial-use water as well as to prepare for well construction.



DARTSAGT PROJECT

During the quarter ended 30 June 2012, the Company has completed the exploration report for the Dartsagt Project. Application of the mining permit for the project has been made and all required submission has been provided to the relevant authorities. The mining permit for the project is expected to be granted within this quarter.

PROJECT FUNDING

Up to 30 June 2012, the Company has spent a total of US\$3.0 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 debt funding will be required for the construction and mine facilities and procurement of the processing equipment.

- Ends -

For more information:

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About FeOre Limited

FeOre Limited is a Bermuda based company that plans to be producing iron ore within 24 months from its Ereeny Iron Deposit in the Mandalgovi Province of Mongolia. Results from initial test drilling have been very positive and FeOre has already made considerable progress by securing a long term logistics agreement to transport the iron ore to China.

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.