

FE LIMITED

A.B.N. 48 098 540 777

11 November 2021

The Mining Registrar
Department of Mining Industry & Resources
Canopus Street
SOUTHERN CROSS WA 6426

110 William Street
Perth, Western Australia, 6000
GPO Box W2017, Perth, WA 6846
Telephone: (08) 9426 7288
Facsimile: (08) 9426 3390

By Courier

Dear Madam / Sir

RE: MINING LEASES 77/xx39 & 77/xx40 - APPLICATION FOR EXEMPTION

Please find attached a Form 18 Application for Exemption in respect of the above referenced Leases, together with our cheque for \$876.00 in payment of necessary fees.

A Statutory Declaration in support of the application, in accordance with Regulation 54(3), is attached.

Yours faithfully

John Smith
TENEMENT & LAND ADMINISTRATION MANAGER

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WESTERN AUSTRALIA MINING ACT, 1978

STATUTORY DECLARATION

I, JOHN SMITH

OF, 1 WILLIAM STREET, PERTH WA 6000

DO SOLEMNLY AND SINCERELY DECLARE:-

1. That application for exemption from the expenditure obligations in relation to Mining Leases 77/xx39 -77/xx40 (the "Leases") is being made in the amount of \$43,376 for M77/xx39 and \$33,890 M77/xx40 for the year ending 23 October 2021 under sections 102(2)(b), 102(2)(h) and 102(2)(i) of the Mining Act 1978.
2. That the Leases form part of the Sullivan's Joint Venture by virtue of an Agreement dated 20 January 2019 (registered as Agreement No 3^H/021 – the "Joint Venture"), made Peter John James (the Lease "Holder") and FE Limited ("FE Ltd"). The Joint Venture covers an area generally known as the Salmon Gums Project (the "Project"). The Project is approved for Combined Reporting Status as C220/1998 and the Leases are the subject of an application to be included under that Status.
3. In accordance with the terms of the Joint Venture, FE Ltd is the operator and manger and is responsible for maintenance of title in respect of tenements comprising the Joint Venture (including this Lease) and that I am the Tenement & Land Administration Manager of FE Ltd and am thereby duly authorised to submit this declaration on behalf of the Joint Venture and Holder.
4. That exceptions from the expenditure obligations is being sought on the following grinds: -
 - i) FE Ltd became involved with the Project in the latter part of 2019 with an objective of establishing whether commercial exploitation of the known Lignite deposits/mineralisation could be achieved on the basis of:
 - a) utilisation of lignite as a fuel and reductant source in the potential upgrade of FE Ltd's high phosphorous iron ore fines to iron char and/or iron metal;
 - b) a solids to liquid or gas fuels project; and/or
 - c) production of lignite as a process fuel or reductant;
 - ii) Since its involvement, FE Ltd has invested approximately \$2.8m in undertaking the following activities:
 - a) comprehensive review of historical work and reinterpretation of results (with proposal for follow up resource evaluation programs);
 - b) Bulk Sample PQ3 Diamond Drill program for testwork and research purposes;
 - c) Aircore and Diamond Drilling designed to increase resource confidence and definition;
 - d) Intense testing and process development research involving CSIRO and other organisations;
 - e) Hydrogeological testing;
 - f) Flora Survey;
 - g) Down hole Geophysics (gamma and density);
 - h) Rehabilitation;
 - i) Resource estimation; and
 - j) Six-inch diameter drilling for collection of additional bulk samples for analytical purposes;

- iii) Research to date has failed to provide a viable production method which could see development of the Project, however alternative process technologies are currently being pursued;
 - iv) That in the current Lease period from October 2017 to October 2021 approximately \$2.35m has been expended on the Project against an aggregated commitment of \$314,000; and
 - v) That exploration work programs in the current year to extend the known resource areas within the Licence have not been justifiable due to the uncertainty surrounding the viability of a suitable development process, although considerable expenditure incurred undertaking research programmes apply equally and will benefit any possible future development from within the Licence.
5. That given these circumstances, Exemption from the expenditure obligation is required in respect of the Licence for the year ending 23 October 2021 and that this declaration is submitted in support thereof in accordance with Regulation 54(3).

AND I MAKE SOLEMN DECLARATION BY VIRTUE OF SECTION ONE HUNDRED AND SIX OF THE EVIDENCE ACT, 1906.

DECLARED AT)
 THIS 11th DAY OF) **November 2021**
 BEFORE ME:)

APPLICATION FOR EXEMPTION

~ SCHEDULE ~

Tenement	Grant Date	Expiry Date	Commitment (\$)	Exemption Sought (\$)
M77/xx39	24/10/2017	23/10/2023	100,000	43,376
M77/xx40	24/10/2017	23/10/2023	100,000	33,890

Office Use
No.

APPLICATION FOR EXEMPTION

Details of Mining Tenement	
(a) Type	(a) Mining Leases
(b) Number	(b) 77/xx39 and 77/xx40
(c) Mineral Field	(c) Yilgarn

Holder	
(d) Full name and address of each holder	(d) FE Limited Level 11 110 William Street PERTH WA 6000

Exemption Details	
(e) Amount of expenditure for which exemption is sought	(e) \$43,376 (M77/xx39) and; \$33,890 (M77/xx40)
(f) Expiry date of period to which exemption relates	(f) 23 October 2021
(g) Reasons for exemption	(g) Section 102(2)(b) and (h) and (i) of the Mining Act 1978 The Leases form part of a Project on which aggregated expenditure exceeds the aggregated annual commitment. In addition, further time is required to evaluate target areas and plan and undertake future programmes of work.

APPLICATION is made for exemption for the period specified from the expenditure conditions applicable to the abovementioned mining tenement.

DATED this **11th** day of **November**, 2021

(h) Signature of holder or authorised agent

(h)
John Smith (Tenement & Land Administration Manager - Authorised Agent)

O F F I C E U S E	OBJECTIONS to this application may be lodged at the office of the mining registrar at _____ on or before the _____ day of _____ 2021.	
	Where an objection to this application is lodged the hearing will take place on a date to be set.	
	Received at m. on with fees of \$794.00..... (Mining Registrar)	