



30 July 2015

Ferrum Crescent Limited

("Ferrum Crescent", the "Company" or the "Group")(ASX: FCR, AIM: FCR, JSE: FCR)

**Quarterly Activities and Cashflow Report
For the period ended 30 June 2015**

Highlights

Moonlight Iron Project Bankable Feasibility Study ("BFS"):

- The Moonlight Iron Project ("Moonlight" or "Project") involves the proposed future mining and beneficiation of the Moonlight Deposit to produce a high grade concentrate for transport to a pellet manufacturing facility at or near the town of Thabazimbi in Limpopo Province, South Africa for the production of direct reduction ("DR") and blast furnace grade iron pellets for export and domestic sale
- Marketing study instigated relating to the identification of potential South African offtakers for products from the Project
- Planning activities ongoing with infrastructure suppliers (power, water, rail and port)
- Project on schedule to benefit from new regional/national infrastructure developments
- Full assessment of domestic supply options will position Ferrum Crescent as an economic development partner to the Republic of South Africa
- Planned next BFS phases:
 - Full Ore Reserve, in terms of JORC (2012), to be established - Infill drilling over Zones A, B and C for advanced mine design work and metallurgical analysis
 - Decision to be made on whether bulk sampling is needed
 - Final beneficiation and pelletiser designs/costings to be completed
 - In the final phase, negotiations and agreements to be concluded with infrastructure providers

Corporate:

- Private placing completed in May 2015 to raise GBP0.5 million (AU\$0.97 million) before expenses
- Memorandum of understanding ("MOU") entered into with Principle Monarchy Investments (Proprietary) Limited ("PMI"), whereby PMI may acquire up to 39% of the Project's holding company by way of a 3 tranche subscription for ZAR142 million, subject to the achievement of key milestones

- PMI is a BEE controlled South African company with extensive commercial interests in South Africa (“BEE” is the term used within South Africa to describe entities that meet relevant regulatory criteria as being controlled by historically disadvantaged South Africans)
- First ZAR2m interim funding payment from PMI expected to be received shortly, whereupon the MOU will become legally binding
- Cash balance at the end of the quarter: AU\$1.029 million

Ferrum Crescent, the ASX, AIM and JSE quoted DR grade pellet project developer, today submits its quarterly activities and cashflow report for the period ending 30 June 2015.

During the quarter, the Company entered into an MOU with PMI, under which PMI may acquire up to 39% of Ferrum Iron Ore (Pty) Ltd (“FIO”), the Group’s Project holding company for ZAR142 million. Under the terms of the MOU, payment of the first subscription tranche of ZAR30 million must be made by 1 December 2015. In the meantime, PMI is required to make interim payments to FIO of ZAR2 million per month, so that FIO’s operational team can continue work on the BFS in close consultation with PMI. Such interim payments are to continue until payment of the first subscription tranche of ZAR30 million, with the monthly payments to be credited towards this first tranche.

Receipt of the first ZAR2 million interim payment from PMI is expected shortly. Upon receipt, the MOU will become legally binding, and the parties will thereafter complete a new shareholders’ agreement for FIO.

Commenting today Tom Revy, Managing Director, said:

“Following recommencement of the BFS at Moonlight in Q4 2014, we have confirmed the location for open pit mining operations during the first 10 years of the mine’s life and have begun advanced pit design work. Utilising the recent drilling data, we continue to progress the economic model for both the mine and the associated DR pellet complex to be situated at the Thabazimbi railhead.

“I cannot overemphasise the significance of securing a partner such as PMI for this Project. In particular, PMI brings commercial and economic strength to Moonlight - through their links with major engineering groups and South African institutions - and we are increasingly doing more to align the Project with the infrastructure plans of the South African and Limpopo governments and seek to address the aspirations and interests of such authorities and those of the local communities and municipalities. We will, of course, make sure that we can provide end product to users within South Africa, and to this end we have commissioned a thorough South African market survey to ensure that domestic needs are met. Overall, we continue to endeavour to maximise the value of Moonlight for the benefit of all stakeholders.”

For further information on the Company, please visit www.ferrumcrescent.com or contact:

<i>Australia enquiries:</i>	<i>UK enquiries:</i>
Ferrum Crescent Limited Tom Revy T: +61 8 9474 2995 Managing Director	Ferrum Crescent Limited Laurence Read (UK representative) T: +44 7557672432 Strand Hanson Limited (Nominated Adviser) Rory Murphy/Matthew Chandler T: +44 20 7409 3494 Beaufort Securities (Broker) Elliott Hance T: +44 20 7382 8416
<i>South Africa enquiries:</i>	Bravura Capital (Pty) Ltd (JSE Sponsor) Doné Hattingh T (direct): +27 11 459 5037

Notes to Editors

Ferrum Crescent's principal project is the Moonlight Iron Project located in Limpopo Province in the north of South Africa. The Moonlight Deposit (upon which the Moonlight Iron Project or "Moonlight" or the "Project" is based) is a magnetite deposit located on the farms Moonlight, Gouda Fontein and Julietta and is the main operational focus for the Company. Iscor, which explored the Project in the 1980s and '90s, reported mineralisation, capable of producing a concentrate grading 68.7% iron. At the time, Iscor concluded that the deposit, which was described as comparable to the world's best, was easily mineable due to its low waste-to-ore ratio. The beneficiation attributes of Moonlight ore are extremely impressive, with low-intensity magnetic separation considered suitable for optimum concentration.

Metallurgical tests of Moonlight material, undertaken since by Ferrum, suggest that Iscor's results are conservative, that good metal recoveries can be achieved, and that the resulting concentrates have a high iron content and only negligible impurities, at grind sizes considered to be the industry standard (P80 of 75 – 125 microns).

Key features of the Project are:

- JORC (2012) compliant Mineral Resource;
- Historical drilling, drilling by the Group, geological modelling and high density geophysical survey conducted by the Company in 2012 confirm huge tonnage upside potential;
- 30 year Mining Right granted;
- Environmental licence (EIA) in place for the Moonlight mining area (approved 4 April 2013);

- Metallurgical test work indicates the potential for high quality pellets in excess of 69% iron and low deleterious elements possible (DR grade pellets for use in direct reduction iron/electric arc steel-making processes);
- Low stripping ratio; slurry pipeline>pellet plant at rail head (Thabazimbi); export through Richards Bay;
- Duferco offtake partner (4.5 mtpa plus first right on 1.5 mtpa if not sold domestically);
- Independent valuation 2014 – The Mineral Corporation's independent valuation of the Project released to the market on 11 June 2014;
- Located near Kumba railhead at Thabazimbi (Kumba operation depleting in grade), Limpopo Province, northern South Africa;
- New Eskom power (4,800MW) commissioning first 800MW module;
- Richards Bay port expansion for iron ore products.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Ferrum Crescent Limited

ABN

58 097 532 137

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(180) (321)	(958) (1,327)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	8
1.5 Interest and other costs of finance paid		
1.6 R&D recoupment tax		
1.7 Other – net income on restricted cash investments	-	(43)
Net Operating Cash Flows	(500)	(2,320)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (restricted cash investments)	-	772
Net investing cash flows	-	772
1.13 Total operating and investing cash flows (carried forward)	(500)	(1,548)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(500)	(1,548)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,029	2,062
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19.1	Other		
1.19.2	Other - First Tranche proceeds from Anvar Asian Investment		
1.19.3	Other – share issue costs	(59)	(270)
	Net financing cash flows	970	1,792
	Net increase (decrease) in cash held	470	244
1.20	Cash at beginning of quarter/year to date	592	738
1.21	Exchange rate adjustments to item 1.20	(33)	47
1.22	Cash at end of quarter	1,029	1,029

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	92
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		

+ See chapter 19 for defined terms.

3.2 Credit standby arrangements		
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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	300
4.2	Development	
4.3	Production	
4.4	Administration	200
Total		500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	945	583
5.2 Deposits at call	84	9
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,029	592

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	618,787,353	616,487,353	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	100,000,000	100,000,000	\$0.0097	\$0.0097
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	500,000 2,500,000 2,000,000 3,000,000 2,000,000 3,000,000	- - - - - -	<i>Exercise price</i> \$0.03 \$0.08 GBP0.0075 GBP0.02 GBP0.0075 GBP0.02	<i>Expiry date</i> 21 November 2016 19 February 2017 2 February 2018 2 February 2018 1 March 2018 1 March 2018
7.8 Issued during quarter				
7.9 Exercised during quarter				

+ See chapter 19 for defined terms.

7.10	Expired / cancelled during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX](#) (see note 5).
- 2 This statement does ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 30 July 2015

Print name: Bob Hair

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.