



EUROPEAN LEAD ZINC  
EXPLORATION

# Shallow drilling of historic, overlooked lead-zinc mineralisation in Spain

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## Competent person's statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Juki Laurikko who is a Member of the European Federation of Geologists which is a Recognised Professional Organisation for the purposes of the 2012 JORC Code. Mr Laurikko is a Technical Consultant to the Company, and he 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Laurikko consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Juki Laurikko has also reviewed and approved the technical information in his capacity as a qualified person under the AIM Rules.





**Ferrum Crescent Ltd** - FCR Drilling Starts at Toral Lead-Zinc Project, Spain  
Released 07:00 25-May-2017

- Drilling operations underway at FCR's wholly-owned Toral Lead-Zinc Project in Spain
- Diamond core drill programme is targeting shallow lead-zinc mineralisation
- A total of 2,100 metres of diamond drilling planned

**Targeting** new mineralisation at surface to add to the known lead-zinc intersections at depth for which an historic resource estimate of 8.71m tonnes at an economic cut-off grade of 7% lead plus zinc was previously disclosed in the announcement of 10 November 2016, "Commencement of Toral Lead-Zinc Exploration Project Work Programme".

**Objective** to define the presence of further lead-zinc deposits near to surface similar to the nearby Antonina and Rubiales projects where mineralisation has been mined in the top 200m sub-surface.





## Toral drilling programme commenced May 2017



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# Cost-effective, asset-backed exploration company

## Value creation through discovery

### Restructured management



**Right skills, right place for our assets, our advisers and our investors**

### Low cost Zinc opportunity



**Toral project in Castile and León province, northern Spain**

- Targeting near surface mineralisation
- Phase 1 drilling commenced
- Targets on proven mining trend
- EU: established mining region, infrastructure, low political risk



## Value from lead-zinc exploration in Spain

- ✓ Two lead-zinc assets secured, located in Northern Spain acquired for low cost in 2016 - our belief is that mineralisation has been missed near surface
- ✓ FCR restructured in 2016 to reduce overheads and to focus on lead-zinc deposits in Europe
- ✓ Q1 2017- exploration work and data reinterpretation identified lead-zinc mineralisation at surface and a series of targets within a large geochemical anomaly
- ✓ Shallow drilling programme commenced to test continuity of lead-zinc from surface at depth
- ✓ Our goal is to build an economically-robust lead-zinc property portfolio





# Assessing low-cost development options for Toral & Lago (100%-owned)

- **Toral: NI 43-101 report open for re-interpretation**
  - Large historic database and land package
  - High grade drilling & exploration results logged
  - Shallow, multiple zone priority drill targets identified
  - Prospects open at depth and along strike
- **Spain: stable political risk**
  - Established mining region
  - Excellent road, rail, port & power infrastructure



# Spanish assets - Major data package, first world infrastructure

## Toral in proven mining province

### Rubiales Mine

From 1976-92, mined 12 million tonnes of ore and produced around 1.4 million tonnes of high grade (61% Zn) zinc concentrate and over 213,000 tonnes of high grade (70% Pb and 500g/t Ag) lead concentrate

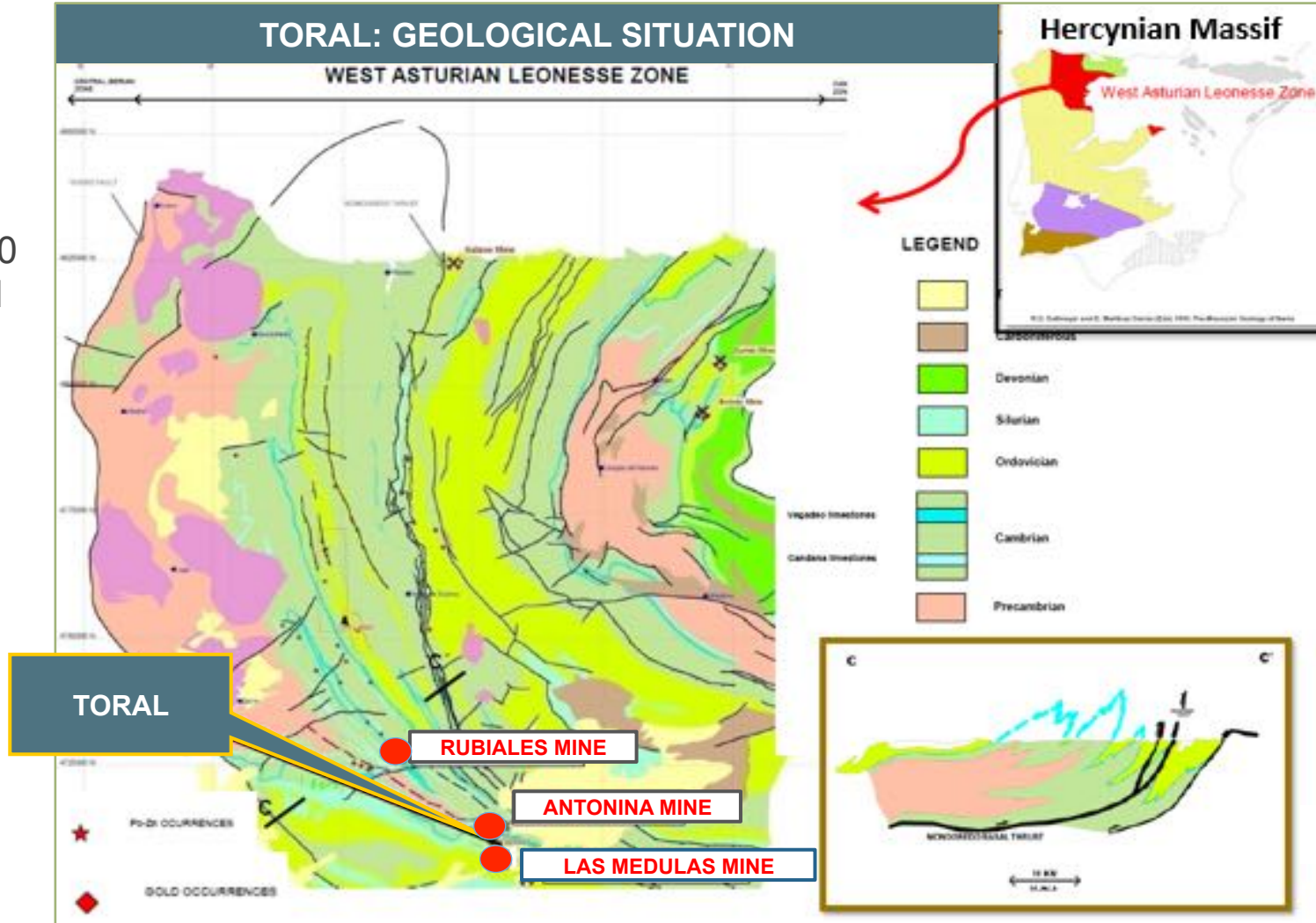
### Antonina Mine

Mined between 1935-83, still with ore *in situ*

### Las Medulas Mine

Mined by the Romans for nearly 200 years, producing over 200 tonnes of alluvial gold.

(74 AD, Mining Procurator reports on extraction and recovery - Pliny)





## Value from lead-zinc exploration in Spain





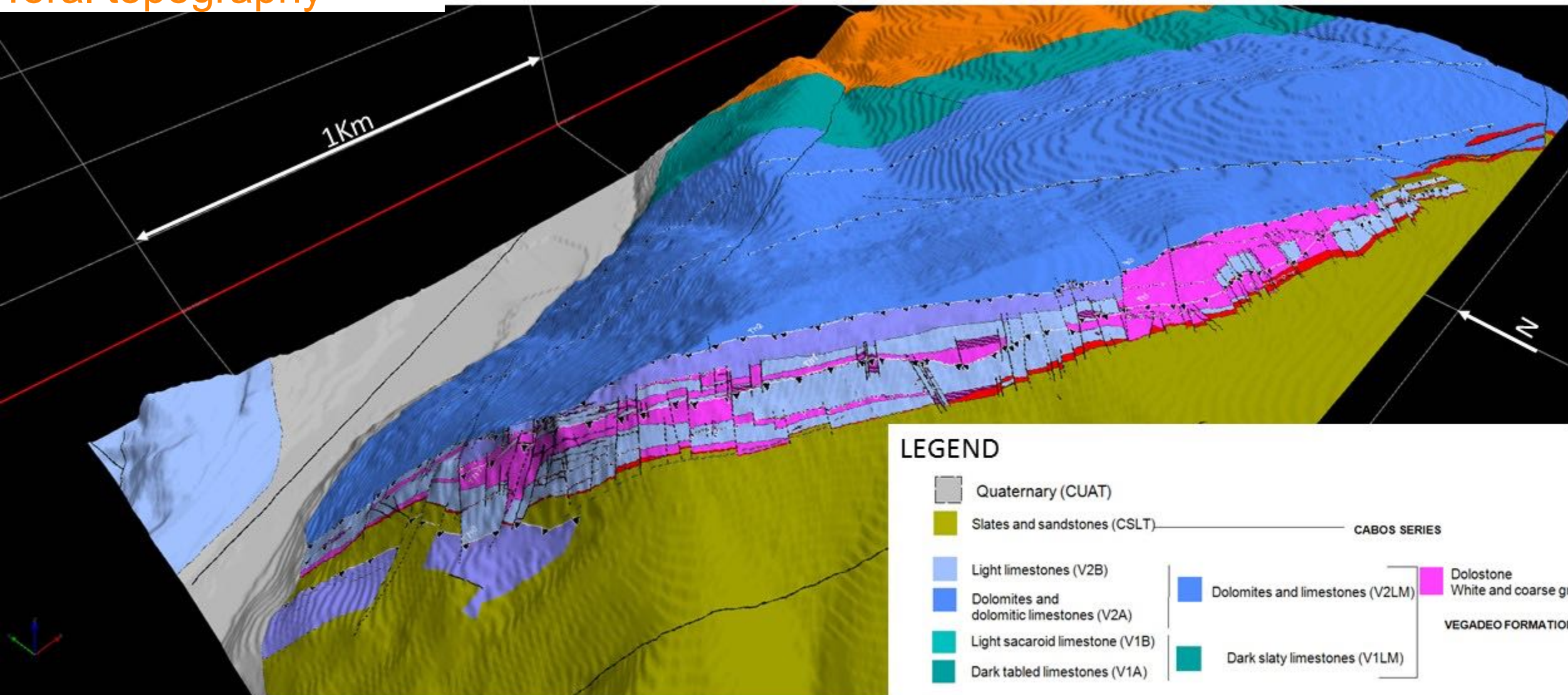


# Spain

Toral, lead zinc  
project



# Toral topography



## LEGEND

- |   |  |
|---|--|
| Quaternary (CUAT)   |  |
| Slates and sandstones (CSLT)                              | CABOS SERIES   |
| Light limestones (V2B)                                    | Dolostone<br>White and coarse grain<br>VEGADEO FORMATION |
| Dolomites and dolomitic limestones (V2A)                  |  |
| Light sacaroid limestone (V1B)                            |  |
| Dark tabled limestones (V1A)                              |  |
| Dolomites and limestones (V2LM)                           |  |
| Dark slaty limestones (V1LM)                              |  |
| Green slates and sandstones (CGSLT)                       | CÁNDANA FORMATION  |
| Limestones (CGLM)   |  |
| Mineral horizon: mineralisation and/or silicification (M) |  |
| Quartz dike   |  |

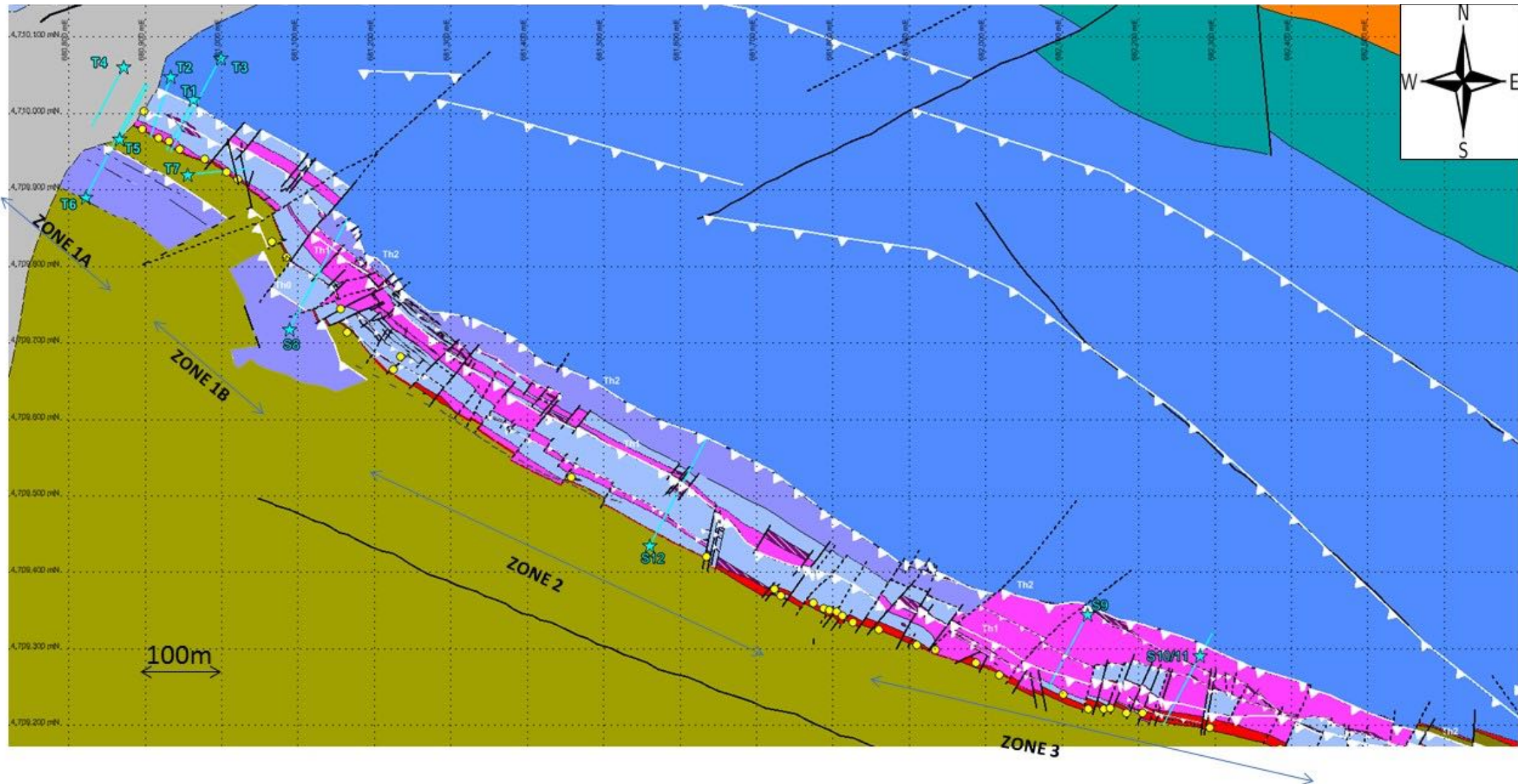
## LEGEND

- |                |                    |
|----------------|--------------------|
| FAULT          | CONTACT            |
| INFERRED FAULT | INFERRED CONTACT   |
| THRUST         | DISCORDANT CONTACT |



Toral planned drill holes: ★ —

(See previous page legend for additional reference)





# 2017 – Testing continuity of mineralisation at depth

FCR mapping and geochemical work has identified mineralisation at surface. Values in soil up to 1.4% Zn and 1.2% Pb

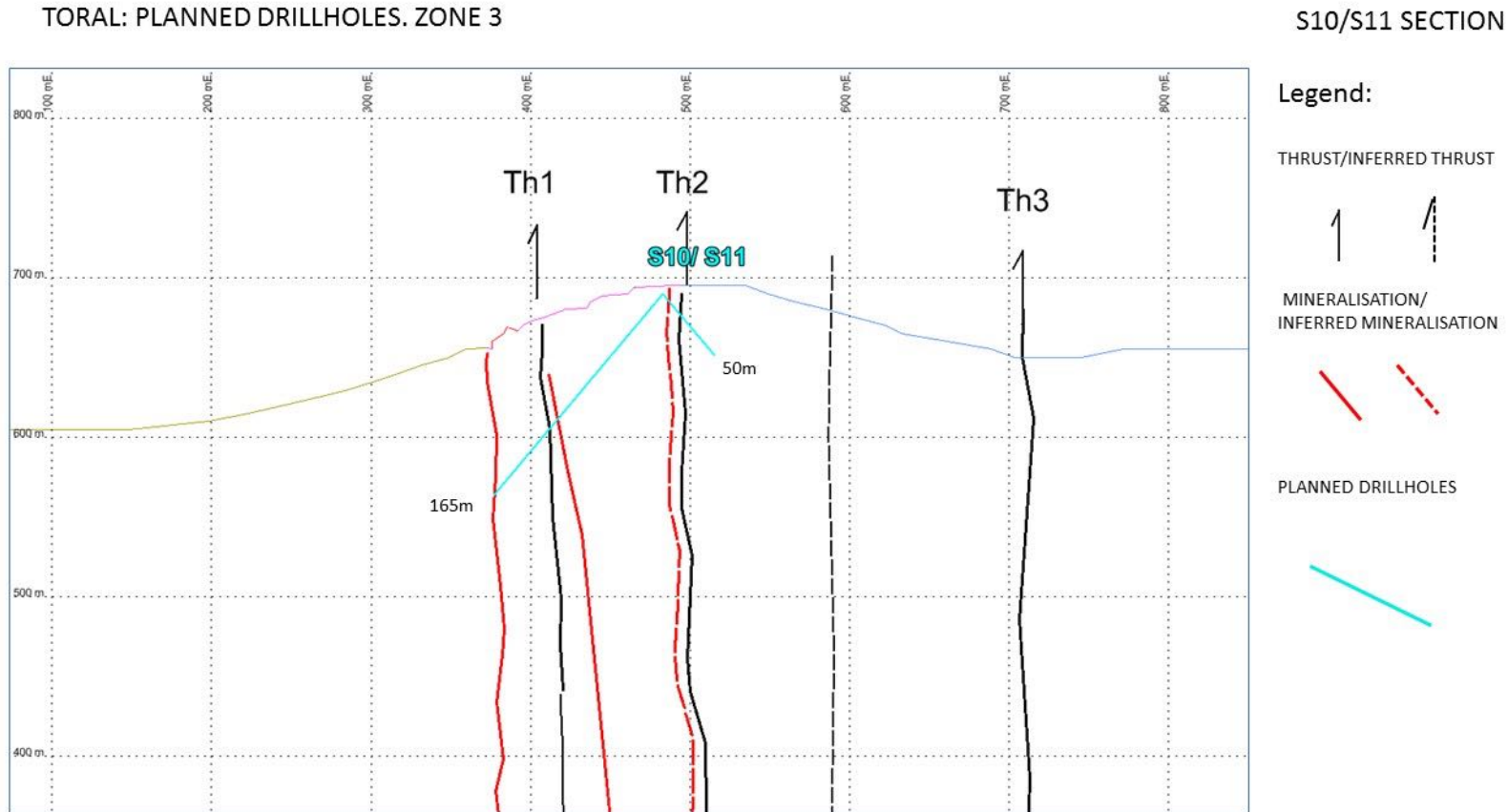
Data reinterpretation by FCR supports new geological model, with multiple planes of mineralisation

H1 2017 FCR drilling planned to intersect multiple shallow targets

Exploration success would create significant value at Toral



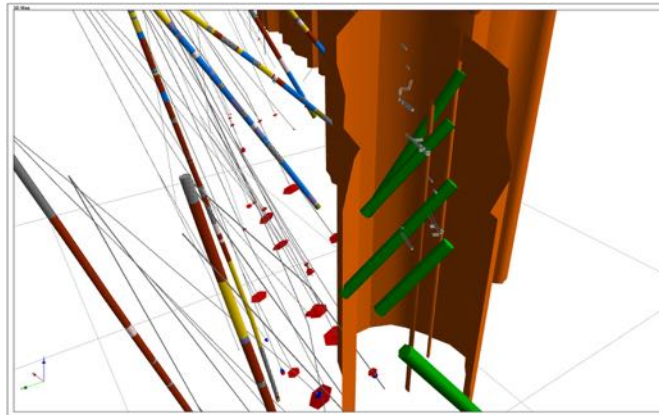
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# From due diligence to drilling

## Mapping and Topography

- First detailed geological mapping carried out
- Differential GPS enabling accurate 3D coordinates, mapping of tracks, access, sample points, old workings
- Structural repetition of key 'mineralising horizon' identified at surface
- Previously unrecognized geological features noted, including mineralised hydrothermal breccias
- Some old workings digitally recorded for the first time





# From due diligence to drilling

## Soil Geochemistry

- Anomalies confirmed and enlarged through infill sampling
- Combined historic and current survey grids results in detailed (25m x 25m) coverage
- Mineralisation 1.8km long, average 200m wide, with 1.5km width in the northern portion
- Values in soil up to 1.4% Zn and 1.2% Pb
- Strong correlation of soil anomalism with faulting and dolomitization
- Coincident anomalism key element in drill target selection
- Drill location permits under application



# From due diligence to drilling

## Channel Sampling

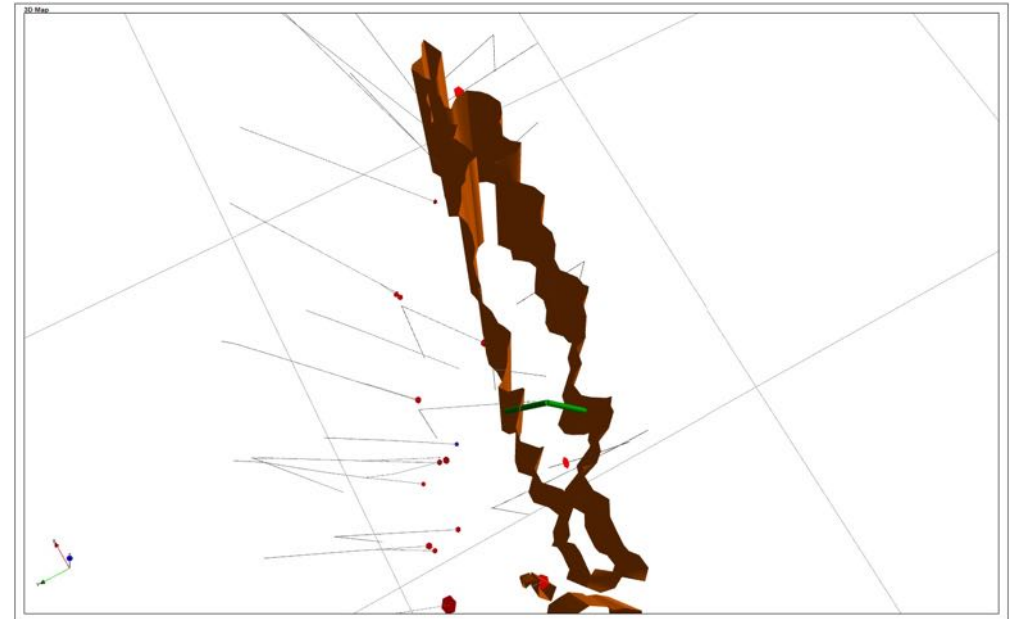
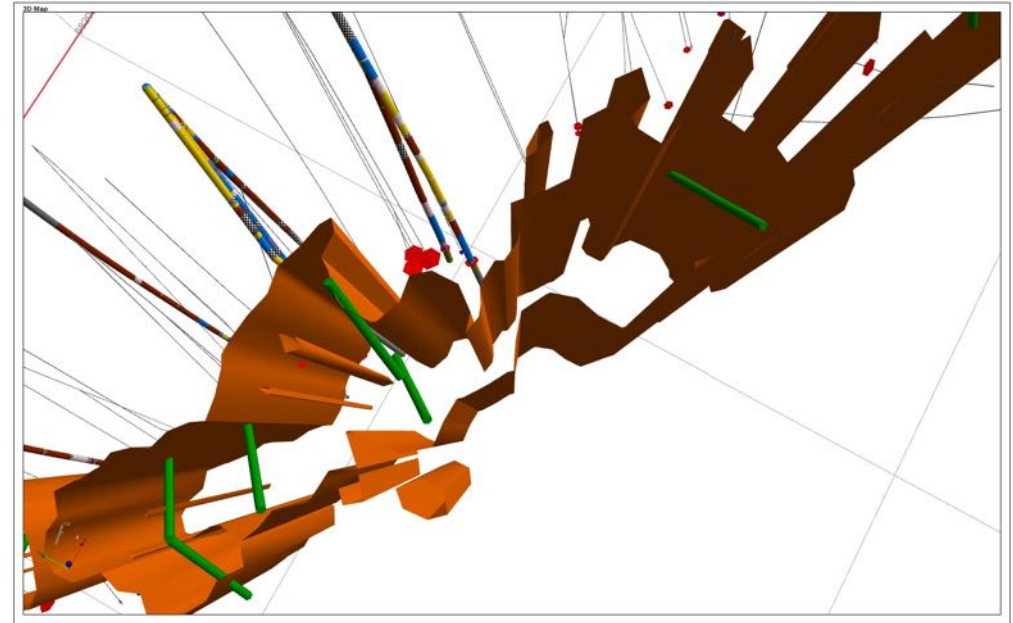
- Historic adits mapped, surveyed and sampled where possible
- 23 channel samples taken
- 'Rubiales' style siliceous mineralisation typically ~10% Zn & 3% Pb over 1m
- New mineralising style identified, associated with dolomitization, cross-cutting faults, calcite, chlorite and hydrothermal brecciation. One value of 1.2% Cu, 13.5 Pb% and 6.5% Zn
- Previous poor wall-rock mineral development





# 2017 Drill hole programme

- Drill plan designed to intersect multiple sub-vertical structures
- Testing dolomitization, breccia, and cross-cutting fault zones
- Building out from known mineralisation associated with old workings
- FCR believes historic drilling was inefficient
- Multiple intersections of mineralising horizon planned



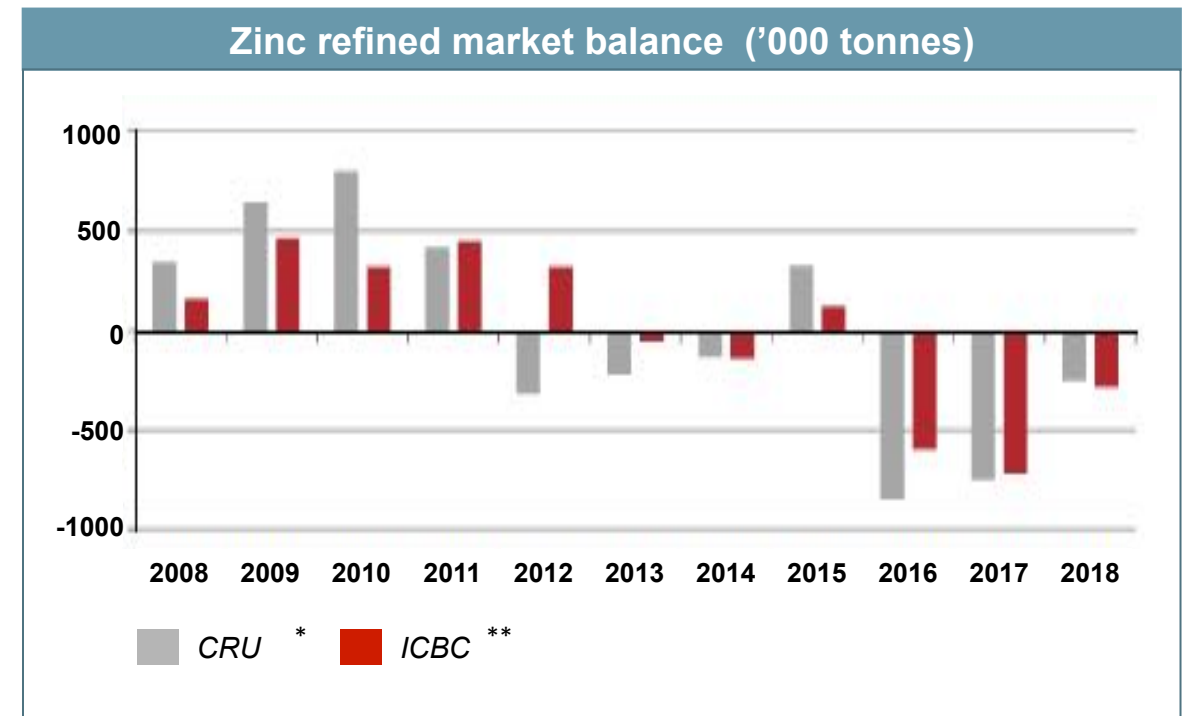
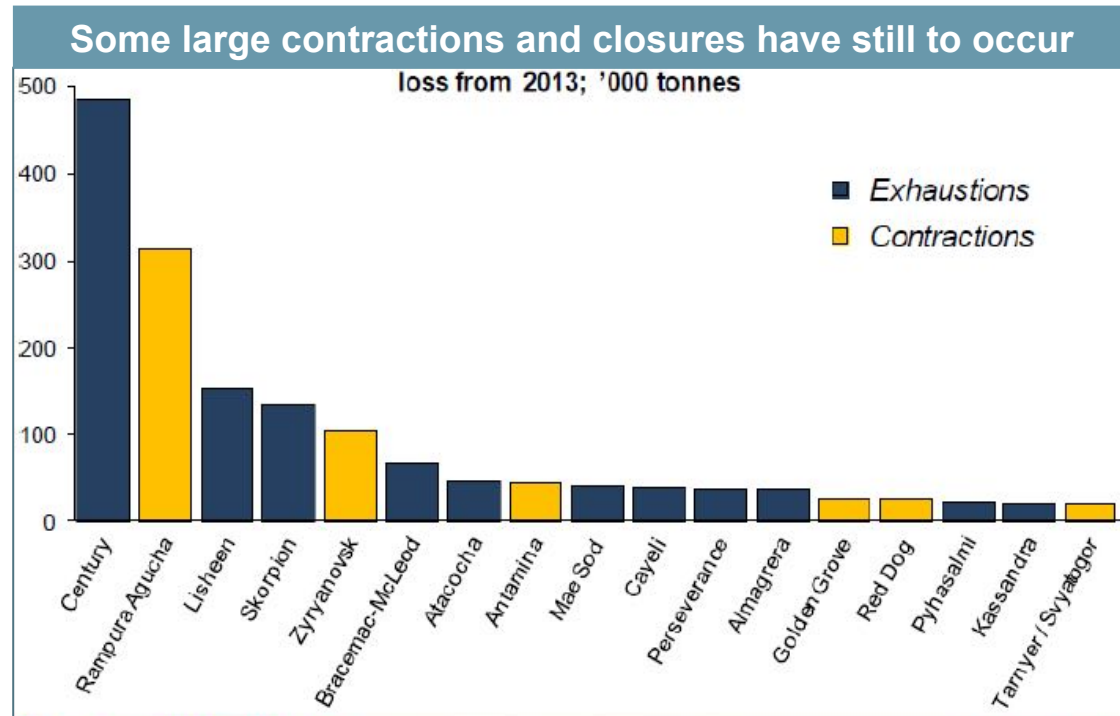
# Spain assets - major data package, first world infrastructure

## Toral Geology

- The Toral permit is located in the West Asturian Leonese Zone (WALZ).
- Multiple historic studies suggest the mineralisation comprises sulphides interbedded with limestones and dolomites.
- The sulphide mineral assemblage comprises sphalerite, galena, pyrite and chalcopyrite.
- Zinc occurs in coarse-grained sulphide minerals which should assist in metallurgical recovery.



# Zinc market - Glencore shut-ins and mine depletion



Major producers chasing price stability, not scale



# Zinc outperforming over 12 months...

## 12 month Zinc price rise



## Zinc stock levels depleted over previous 12 months



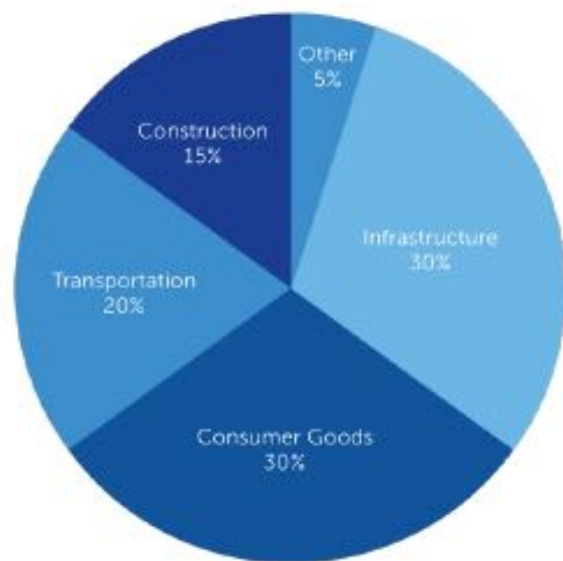


...supported by solid supply / demand fundamentals

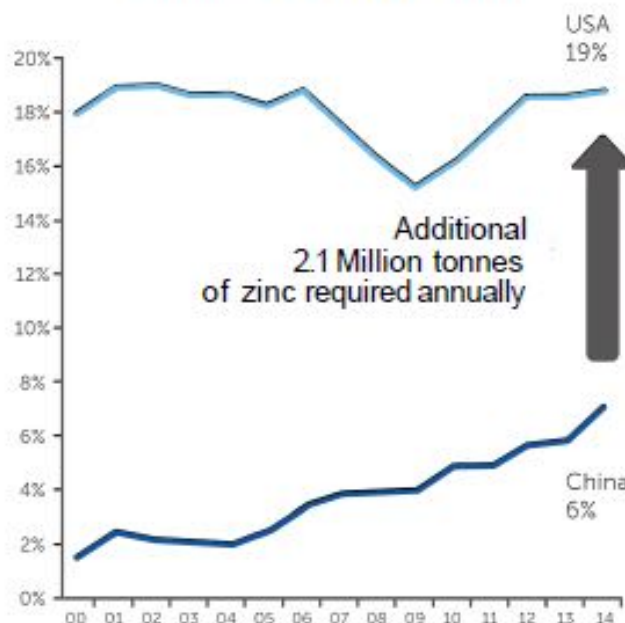
# ZINC

## A METAL WITH GROWING DEMAND AND A LOOMING SUPPLY CRISIS

China Usage of Zinc



Galvanized Steel as % of  
Crude Production



Zinc price up 50% in 8 months!

Average car consumes 37lbs of zinc  
Low zinc use causing recalls in China

# 50%

OF THE WORLD'S AGRICULTURAL SOILS  
ARE DEFICIENT IN ZINC

The **Zinc Nutrient Initiative** is addressing the critical issue of zinc deficiencies in: soils, crops, and humans. Lack of Zinc = Stunted Growth in Children  
Poor Crop Yields

# 4%

YEAR-OVER-YEAR CONSUMPTION GROWTH  
PROJECTED BETWEEN 2014-2020\*

Increased metal demand of  
550-600kt of zinc per annum  
Exchange stocks declining significantly

\*Source: Teck

Company	Ticker	Mkt Cap US\$m	Cash US\$m	Project Name	Location	Notes
Adventus Zinc	CVE:ADZN	\$22.9	\$5.9	no project	Global	Quasi Zinc PE model
Hannan Minerals	CVE:HAN	\$9.5	\$1.0	Kilbricken, Clare	Ireland	Deep Irish deposit (400m), ex-Lundin
Zinc of Ireland	ASX:ZMI	\$5.4	\$1.6	Kildare, Shamrock	Ireland	Mineralisation at varying depths (20/200/400m)
<b>AVERAGE</b>		<b>\$12.6</b>	<b>\$2.8</b>	-	-	-
Ferrum Crescent	FCR	\$2.4	\$0.4	Toral	Spain	Historic high grade workings and historic resource of 8Mt

## Comps Table (25/5/17)



## Key takeaways on Spanish lead-zinc properties

- Castile & León is a known mining region with EU security & infrastructure
- FCR objective to identify continuity of mineralisation below surface results at Toral
- Toral benefits from good infrastructure supporting the economics of defined resources
- Lead-zinc supply and demand fundamentals continue to be strong





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