



28 October 2014

**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 September 2014**

Ferrum Crescent Limited, the ASX, AIM and JSE quoted iron ore developer in northern South Africa, today announces its quarterly results for the three month period ending 30 September 2014.

**HIGHLIGHTS:**

**Moonlight Iron Ore Project:**

- BFS work program planning continues
- Advanced stage BEE partner process commenced
- Consultation with study managers and engineering partners
  - Efficiencies identified for key beneficiation plant costings

**Corporate:**

- Cash as at 30 September 2014 was approximately AU\$245,000
- Review of independent valuation of the Moonlight Iron Ore Project (“Moonlight”) by negotiation partners
- BEE negotiations commenced for next round of partnership

**Post Period:**

- Rights issue to raise up to \$2.03m announced

**Commenting today Tom Revy, Managing Director, said:** “Preparation for the recommencement of the Moonlight bankable feasibility study continued during the September Quarter 2014. The Moonlight Iron Ore Project will produce and deliver a premium iron ore product to customers and will be of considerable benefit to Ferrum shareholders, the South African local communities and municipalities as well as to the governments of South Africa and Limpopo and their agencies. South Africa recognises the value that Moonlight will add on a national, provincial, municipal and local level. Our priority remains securing the correct cornerstone investor as we move the Moonlight BFS forward”.

**Overview**

Ferrum Crescent continued its dual strategy of preparing the work-flows that will complete key components of the Moonlight BFS, while ensuring the Company remains on a solid corporate footing. Operational elements within the quarter included consultation sessions with both study managers and engineering partners to agree technical goals for metallurgical and plant design BFS components. The results of these sessions were constructive with efficiencies identified for the generation of final, signed off costings for the beneficiation plant.

Discussions have also commenced to secure the next stage of Black Economic Empowerment partnerships in Ferrum Crescent as Moonlight moves forward. Post-period Ferrum has secured funds, through an underwritten Rights Issue, to progress work on the Moonlight BFS while continuing negotiations with potential investment partners in Moonlight. The Company remains highly efficient and is on a sound financial footing to secure the correct partners to advance the development of a high-grade iron ore hub located in an “infrastructure-rich” global region.

### Exploration Interests

As at 30 September 2014, the Company held an interest in the following mining Rights (“Rights”):

Project	Location	Right Number	Right Status	Holder	Percentage Interest
Moonlight	Limpopo Province, South Africa	30/5/1/2/2/20 1 MR	Mining Right Granted	Ferrum Iron Ore (Pty) Ltd	97%
Moonlight	Limpopo Province, South Africa	30/5/1/2/2/20 1 MR	Prospecting Right Application	Ferrum Iron Ore (Pty) Ltd	97%

No licences were acquired or disposed of during the Quarter.

### Post Period- Rights Issue

On 9 October 2014, Ferrum Crescent announced that it is undertaking a non-renounceable pro rata rights issue of 2 New Shares for every 3 existing shares in the Company (Shares) held on the Record Date (see further details below), to raise up to approximately A\$2,029,881 (before costs, and subject to rounding and currency exchange rates)(“Rights Issue”).

The Rights Issue is partially underwritten by Patersons Securities Limited to the extent of the first A\$860,000, thus ensuring the Company will raise at least that amount from the Rights Issue (before costs and subject to currency exchange rates).

Funds raised by the Rights Issue will be used to complete key components of the BFS underway at Moonlight in Limpopo Province in northern South Africa and for corporate overheads.

The Directors of the Company consider it to be the correct time to move the BFS process significantly forward due to the infrastructure upgrade programmes currently underway in and in support of Limpopo. The BFS objectives are to assess the economic viability of extracting iron ore from a low stripping ratio, open pit mine to then be slurried to an existing Transnet rail terminal, where a high-grade pellet can be produced and shipped. Following completed BFS metallurgical work, it is expected that Moonlight will produce a pellet product with a 68-70% grade. Moonlight is favourably positioned in comparison with its peers due to the price premium high grade iron ore can demand.

The Company will deploy funds from the Rights Issue to complete final costings for most of the major mining and processing elements. Completion of this phase of work will allow for final negotiations and planning with

major infrastructure partners (Transnet Rail, Transnet Port and Eskom) and local communities. The Company (via its local subsidiaries) holds a 30 year mining licence and environmental approvals for mining Moonlight.

For more information, please visit [www.ferrumcrescent.com](http://www.ferrumcrescent.com) or contact:

<i>Australia and Company enquiries:</i>	<i>UK enquiries:</i>
<b>Ferrum Crescent Limited</b> Ed Nealon T: +61 8 9367 5681 Chairman  Tom Revy T: +61 8 9367 5681 Managing Director	<b>Pareto Securities Ltd (Broker)</b> Guy Wilkes T: +44 (0) 20 7786 4370  <b>RFC Ambrian Limited (Nominated Adviser)</b> James Biddle/Andrew Thompson T: +44 (0) 20 3440 6800  <b>Ferrum Crescent Limited</b> Laurence Read (UK representative) T: +44 7557672432
<i>South Africa enquiries:</i>	<b>Sasfin Capital</b> Sharon Owens T: +27 11 809 7500

# 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 September 2014

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(176)	(176)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid		
1.6 R&D recoupment tax		
1.7 Other – net income on restricted cash investments		
<b>Net Operating Cash Flows</b>	<b>(454)</b>	<b>(454)</b>
<b>Cash flows related to investing activities</b>		
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)	(30)	(30)
<b>Net investing cash flows</b>	<b>(30)</b>	<b>(30)</b>
1.13 Total operating and investing cash flows (carried forward)	(484)	(484)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(484)	(484)
1.14	<b>Cash flows related to financing activities</b>		
	Proceeds from issues of shares, options, etc.		
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	(10)	(10)
	<b>Net financing cash flows</b>	<b>(10)</b>	<b>(10)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(494)</b>	<b>(494)</b>
1.20	Cash at beginning of quarter/year to date	738	738
1.21	Exchange rate adjustments to item 1.20	1	1
1.22	<b>Cash at end of quarter</b>	<b>245</b>	<b>245</b>

### 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	89
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
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3.1	Loan facilities		
3.2	Credit standby arrangements		

### Estimated cash outflows for next quarter

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

### 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	209	574
5.2 Deposits at call	36	164
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>245</b>	<b>738</b>

### 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			

## 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	<b>Preference securities</b> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	380,602,777	378,302,777	Various Fully Paid
7.4	Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b> <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	<b>Options</b> <i>(description and conversion factor)</i>	400,000 500,000 2,500,000	- - -	<i>Exercise price</i> \$0.10 \$0.03 \$0.08  <i>Expiry date</i> 14 December 2015 21 November 2016 19 February 2017
7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired / cancelled during quarter			

7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <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~~ **not**\* *(delete one)* give a true and fair view of the matters disclosed.

Sign here:



Date: 28 October 2014

(Company secretary)

Print name: Robert 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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