



Ferrum Crescent Limited
ACN 097 532 137

Half-Year Financial Report
for the period
1 July 2016 to 31 December 2016

Ferrum Crescent Limited

ACN 097 532 137

Directors' Report

Contents

	Page
Directors' report	3 - 9
Auditor's independence declaration	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15 - 24
Directors' declaration	25
Independent Review Report to the members	26

Ferrum Crescent Limited
ACN 097 532 137
Directors' Report

Your directors present their report on Ferrum Crescent Limited ("Ferrum", the "Company" or, together with its controlled entities, the "Group") for the half-year from 1 July 2016 to 31 December 2016.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Justin Tooth
Klaus Borowski Resigned 30 January 2017
Grant Button
Evan Kirby
Laurence Read Appointed 30 January 2017

Review and results of operations

Operating Results

During the half-year 1 July 2016 to 31 December 2016, the Group recorded a net loss after tax of AUD 688,661 (1 July 2015 to 31 December 2015: net loss of AUD 727,485).

Principal activities during the half-year

The principle work-streams for the Company during the period are as follows:

1. Group-wide review of operations and costs
2. Determine viable progression routes for the Moonlight assets either through existing structures or new engineering pathways
3. Diversify asset portfolio to secure prospective assets, outside of bulk materials, in low risk geographies

During the six month period covered by this report the Board gave BVI Business Venture Investments No. 1709 (Proprietary) Limited ("BVI") every opportunity to fulfill their commitments under an existing development agreement first announced by the Company on 14 October 2015 entitling the group to earn up to a 43 per cent. equity interest in FIO through the completion and funding of the Bankable Feasibility Study ("BFS"), which was to be conducted in two phases. The agreement was subsequently extended in January 2016.

The Company also assessed new options for development including certain specific laboratory tests relating to beneficiation.

Subsequent to the period, the BVI agreement was terminated in early 2017, further costs reduction initiatives at Moonlight have been advanced and the Company is actively reviewing routes forward for progressing Moonlight.

Due diligence continued over two lead-zinc projects located in Northwest Spain that had been previously subject to exploration by drilling and analysis. Following two extensions made at the Company's request, to allow the seller to meet the conditions of the deal, the option was exercised on 22nd September 2016. The new Ferrum Crescent exploration team, operating out of the UK and Spain, designed and implemented a work programme for the Toral Project. The geological goal is to establish the presence and other parameters of mineralisation at surface and then to define the most prospective areas of the structure for the planning of a targeted Phase 1 drill campaign. To this end, soil geochemistry sampling, rock chip sampling, and channel sampling was carried out, in conjunction with detailed mapping.

Post-period work was completed at the Toral asset in Spain comprising 575 soil samples, 108 rock chip samples and 23 channel samples in addition to desktop re-analysis of historic data. Using a GIS (geographic

Ferrum Crescent Limited
ACN 097 532 137
Directors' Report

information system), Ferrum Crescent has compiled all the various data streams into a three-dimensional model. The proposed 2017 drilling campaign has been based on an increased understanding of the Toral Project and identification of new target zones. Following receipt and interpretation of the positive mapping and sampling results, Ferrum Crescent has drawn up a drill plan comprising thirteen holes off twelve drill platforms, totalling from 1,600 metres to 1,800 metres of diamond drilling. The primary drill targets are zones of co-incident anomalies combining soil geochemistry, rock alteration, visible mineralisation at surface or underground, and structurally favourable zones. Exploration drilling is set to commence in Q2 2017. Drillholes have been designed to intersect multiple zones of mineralisation at depths from 50 metres to 200 metres below surface. In order to facilitate access, all drill platforms are located on existing tracks and roads.

South Africa

Moonlight Iron Ore Project

Ferrum'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 Project is based) is a magnetite deposit located on the Moonlight, Gouda Fontein and Julietta farms and is the main operational focus for the Company. Iscor Limited ("Iscor"), which explored the Moonlight Project in the 1980s and '90s, reported mineralisation capable of producing a concentrate grading at 68.7% iron. At that time, Iscor concluded that the deposit, which was described as being 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.

The Mineral Resource estimate is provided in the table below and the Mineral Resource estimation criteria, as required in JORC (2012) and in Section 5.8.2 of the ASX Listing Rules, are available on the ASX Website.

With a cut off grade of 16% Fe, geological losses of 5% and a depth constraint of between 100m and 250m from surface, (depending upon dip and the number of zones present), The Mineral Corporation has determined that there are reasonable prospects for eventual economic extraction, and hence estimate the Mineral Resource as follows:

Category	Gross					Net (attributable to Ferrum Crescent at 97%)				
	Tonne (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	Contained Fe (Mt)	Tonne (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	Contained Fe (Mt)
Inferred	172.1	25.3	51.2	4.8	43.5	166.9	25.3	51.2	4.8	42.2
Indicated	83.0	27.4	50.1	4.0	22.7	80.5	27.4	50.1	4.0	22.1
Measured	52.6	31.3	47.3	2.5	16.5	51.0	31.3	47.3	2.5	16.0
Total	307.7	26.9	50.3	4.2	82.8	298.5	26.9	50.3	4.2	80.3

*Tonnes are rounded

The Company confirms that it is not aware of any new data that materially affects this resource statement since the first public announcement and that all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed since first reported.

Competent Person's Statement South Africa:

The information that relates to Exploration Results and Mineral Resources in the report of which this statement is a summary, is based on information compiled by Stewart Nupen, who is registered with the South African Council for Natural Scientific Professionals (Reg. No. 400174/07) and is a member of the Geological Society of South Africa. Mr. Nupen is employed by The Mineral Corporation, which provides technical advisory services to the mining and minerals industry. Mr. Nupen 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 2004 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' and as defined in the June 2009 Edition of the AIM Note for Mining and Oil and Gas Companies. Mr. Nupen consents to the inclusion in this statement of the matters based on his information in the form and context in which it appears.

Ferrum Crescent Limited
ACN 097 532 137
Directors' Report

Spain

On 30 September 2016 the Company completed the purchase of 100% of the shares of GoldQuest Iberica, S.L. ("GoldQuest"), which owns 100% of the Toral and Lago lead-zinc exploration projects located respectively in the provinces of León and Galicia in Spain.

Toral Project

The wholly owned Toral zinc-lead-silver permit is located near Ponferrada in the west of the province of León, Autonomous Community of Castile and León, Spain approximately 400km northwest of Madrid.



Location of Toral Zinc-Lead- Silver Permit Area

The Toral Project has been extensively explored historically by its previous owners Portex Minerals Inc. and Lundin Mining S.L. and the 2,024ha of mineral rights contains extensive high grade zinc mineralisation. Located in north-west Spain, approximately 400km north-west of Madrid, the project's licence area hosts excellent road, rail and power infrastructure and is situated in a known historic mining jurisdiction. The asset also has a pre-existing NI 43-101 resource estimate reported by Micon International Co. Limited on 30 April 2012 (the "NI 43-101 Report"). The NI 43-101 Report estimated that the project has a NI 43-101 compliant Inferred and Indicated foreign resource estimate of 8.71Mt at an economic cut-off grade of 7% Pb + Zn (as set out in the Company's announcement of 10 November 2016).

Toral zinc-lead-silver permit is located near Ponferrada in the west of the province of León, Autonomous Community of Castile and León, Spain, approximately 400 kilometres northwest of Madrid. Work undertaken by the Company has concentrated on the prospective area located vertically above the deep Toral Deposit within the same licence, which is the subject of a foreign estimate for the purpose of the ASX Listing Rules, comprising an NI 43-101 compliant Indicated foreign mineral resource estimate of 4.04 Mt at 11.8 Pb + Zn (%) and Inferred foreign mineral resource estimate of 4.67 Mt at 9.8 Pb+ Zn (%) (details of which are set out in the Company's announcement of 10 November 2016).

Recent work, concluded post-period, has been carried out over areas of zinc in soil anomalism along 2 kilometres of strike extension at the Toral Project, with an average width of around 150 metres. Topographic survey completed with a high specification GPS enabled accurate positioning of old workings (adits), identifying sub-parallel zones of mineralisation. Underground channel sampling identified high grade mineralisation close to surface.

Ferrum Crescent Limited
ACN 097 532 137
Directors' Report

Historic Work

Between 1975 and 1985, the Adaro/Peñarroya joint venture carried out exploration on the four separate licences which now correspond, approximately, to the Toral permit area. Over a period of nine years, a topographical survey, geological mapping, a hydrogeological study and more than 40,000m of diamond drilling (62 holes and 41 wedges) were carried out.

Lundin Mining S.L. (Lundin) acquired the Toral investigation permit no. 15.199 in 2007 and commenced exploration in April 2007. Lundin compiled the information collected by the previous licence holders. In addition, samples of drill core were sent to ALS Chemex in Canada in order to validate the reliability of the existing assays and exploration information was digitised. The results of Lundin's preliminary work confirmed the mineral potential of the Toral area. However, it was apparent that the continuity and the thickness of the mineralisation were insufficiently detailed. In 2007 to 2009, seven diamond holes for a total of 4,523.7m were drilled for the purpose of confirming the continuity of the mineralisation in the San Jose area of the Toral permit and also to test the possibility of an extension of the mineralisation in depth (see section 6 below).

GoldQuest acquired Lundin, including the Toral permit, in January 2010. During 2011 and 2012, GoldQuest conducted systematic geological mapping and soil sampling.

The Board believes that the observations and results of work programme carried out by Ferrum Crescent from October 2016 to January 2017, suggest the following:

- Measurable and anomalous mineralisation extends for at least two kilometres at the Toral Project
- More than one mineralising horizon has been identified
- More than one mineralising style has been identified
- There is a structural control on the emplacement, thickness and paragenesis of the mineralisation
- Transverse and cross-cutting faults may act as controlling factors on mineralising fluids

Following receipt and interpretation of the positive mapping and sampling results, Ferrum Crescent has drawn up a drill plan comprising thirteen holes off twelve drill platforms, totalling from 1,600 metres to 1,800 metres of diamond drilling. The primary drill targets are zones of co-incident anomalies combining soil geochemistry, rock alteration, visible mineralisation at surface or underground, and structurally favourable zones.

Using a GIS (geographic information system), Ferrum Crescent has compiled all the various data streams into a three dimensional model. The proposed 2017 drilling campaign has been based on the new understanding of the Toral Project and identification of new target zones. Figure 6 shows the location of the proposed drill platforms. Drillholes are designed to intersect multiple zones of mineralisation at depths from 50 metres to 200 metres below surface. In order to facilitate access, all drill platforms are located on existing tracks and roads.

Lago Project

The Lago Project is located approximately 54km to the north-east of the Toral Project in the province of Galicia. Historical investigations completed by or on behalf of the Spanish mining firm, Exploracion Minera Internacional Espana S.A. ("EXMINESA"), between 1985 and 1990, indicated that mineralisation at the Lago Project may be similar to that encountered at the Toral Project with vertical, lenticular bodies (probably more than one), approximately 800m long by 300m wide.

Corporate

Subsequent to the Company entering into an exclusive option to acquire 100 percent of GoldQuest, two nil-cost extensions were granted to Ferrum Crescent and on 22 September 2016 the option was exercised. Accordingly, the Company has acquired 100 per cent. of the share capital of GoldQuest Iberica, S.L. ("**GoldQuest**"). GoldQuest owns 100 per cent. of two lead-zinc exploration projects in the provinces of León and Galicia, in historic Spanish mining areas (the "**Iberian Projects**" or "**Toral and Lago Projects**"). Consideration comprised GBP326,500 in cash and the issue of 100 million new ordinary shares in the capital of Ferrum Crescent.

Ferrum Crescent Limited
ACN 097 532 137
Directors' Report

On 25 July 2016, the Company announced that it had conditionally raised in aggregate, GBP 374,453 (AU\$655,034) before expenses through a placement via Beaufort Securities Limited, as agent to the Company, of 187,226,485 new ordinary shares of no par value each in the capital of the Company at a price of 0.20 pence per new ordinary share. As part of the placing, each investor was offered, subject to shareholder approval in accordance with the ASX Listing Rules, options on the basis of one option for every share subscribed pursuant to the placing. Each option will entitle the holder to subscribe for a further new ordinary share at a price of 0.30 pence per share for an exercise period of two years following the date of admission of the placing shares trading on AIM. In addition the Company has agreed to grant further 18,722,649 options to Beaufort Securities Limited on the same terms. Following admission, the total issued ordinary share capital of the Company was 1,470,018,368 ordinary shares.

On 28 July 2016, the Company announced that it was issuing 66,874,816 new ordinary shares of no par value each in the capital of the Company as a result of the exercise of, in aggregate 66,874,816 options exercisable at a price of 0.165 pence per share, raising AUD 193,025 before expenses. Such options were granted in connection with the Company's placing and subscription announced on 27 April 2016. Following the issue of the option shares and the abovementioned placing shares, the total issued ordinary share capital of the Company was 1,536,893,184 ordinary shares.

On 26 August 2016, the Company announced that it was issuing 44,797,543 new ordinary shares of no par value each in the capital of the Company as a result of the exercise of, in aggregate, a further 44,797,543 options exercisable at a price of 0.165 pence per share, raising AUD 128,184 before expenses. Such options were granted in connection with the Company's placing and subscription announced on 27 April 2016. Following the issue of these option shares, the total issued ordinary share capital of the Company was 1,581,690,727 ordinary shares.

On 23 September 2016, the Company announced that was issuing 5,381,907 new ordinary shares of no par value each in the capital of the Company as a result of the exercise of, in aggregate, 5,381,907 options exercisable at a price of 0.165 pence per share. Such options were granted in connection with the Company's placing and subscription announced on 27 April 2016. Following the issue of these further option shares, the total issued ordinary share capital of the Company was 1,587,072,634 ordinary shares.

On 29 September 2016, the Company announced the following proxy results of the General Meeting of Shareholders held on said date in respect of the resolutions set out in the Notice of General Meeting dated 23 August 2016. Resolution 1, 2 and 3 were passed on a show of hands.

Resolution 1: Ratification of prior issue of Shares
Resolution 2: Approval of grant of Placement Options
Resolution 3: Approval of grant of Broker Options

Also on 29 September 2016, the Company also announced that it was issuing 100,000,000 new ordinary shares of no par value each in the capital of the Company to GoldQuest Mining (Spain) Corp

On 30 September 2016, the above shares were issued in settlement of the share element of the consideration for the acquisition of 100 per cent. of the issued share capital of GoldQuest Iberica, S.L. The shares are fully paid and rank *pari passu in all respects with the Company's existing ordinary shares*. Following the issue of the shares, the total issued ordinary share capital of the Company was 1,687,072,634 ordinary shares.

On 4 October 2016, the Company granted 187,226,485 new unlisted options to investors who subscribed for placing shares on a one for one basis and 18,722,649 new unlisted options to Beaufort Securities Limited as settlement of certain corporate broking fees. These options are exercisable at 0.30 pence per share on or by 29 July 2018

On 7 October 2016, the Company announced that was issuing 181,560,288 new ordinary shares of no par value each in the capital of the Company as a result of the exercise of, in aggregate, 181,560,288 options exercisable at a price of 0.165 pence per share. These options were granted in connection with the Company's placing and subscription announced on 27 April 2016. Following the issue of these further option shares, the total issued ordinary share capital of the Company was 1,814,787,339 ordinary shares.

Ferrum Crescent Limited
ACN 097 532 137
Directors' Report

On 25 November 2016, the Company issued 769,231 new ordinary shares of no par value each in the capital of the Company as a result of the exercise of, in aggregate, 769,231 options exercisable at a price of 0.165 pence per share. The options were granted in connection with the Company's placing and subscription announced on 27 April 2016. Following the issue of these further option shares, the total issued ordinary share capital of the Company was 1,869,402,153 ordinary shares.

On 12 December 2016, the Company announced that it had conditionally raised approximately GBP550,000 before expenses via a placement of 275,218,025 new ordinary shares of no par value in the capital of the Company at 0.2 GBP pence per new ordinary share. Following the issue of these shares, the total issued ordinary share capital of the Company was 2,144,620,178 ordinary shares.

On 22 December 2016, the Company issued 3,205,088 new ordinary shares of no par value each in the capital of the Company as a result of the exercise of, in aggregate, 3,205,088 options exercisable at a price of 0.165 pence per share. The options were granted in connection with the Company's placing and subscription announced on 27 April 2016. Following the issue of these further option shares, the total issued ordinary share capital of the Company is 2,147,825,266 ordinary shares.

Events subsequent to reporting date

On 9 January 2017, the Company announced a contract of employment had been entered into with the Company's Executive Chairman and that Mr Merlin Marr-Johnson had been appointed as Project Manager with his principal responsibility being the progression of the lead-zinc projects held in Spain.

On 16 January 2017, the Company announced that Business Venture Investments No.1709 (Pty) Ltd (BVI) had not completed BFS Phase 1 in accordance with the terms of the farm-in and joint venture Agreement and the extended deadline of 12 January 2017.

On 25 January 2017, the Company announced the resignation of Mr Klaus Borowski as a Non-Executive Director and the appointment of Mr Laurence Read to replace him on the Board.

On 14 February 2017 the Company announced that it had formally terminated the farm-in and joint venture Agreement with BVI.

On 23 February the Company announced the exploration results and drill programme of the Toral project in Spain.

Ferrum Crescent Limited
ACN 097 532 137
Directors' Report

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

Dated at Perth this 16th day of March 2017

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "G. Button". The signature is written in a cursive style with a large, looped initial "G".

Grant Button
Finance Director

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF FERRUM CRESCENT LIMITED

As lead auditor for the review of Ferrum Crescent Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ferrum Crescent Limited and the entities it controlled during the period.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 16 March 2017

Ferrum Crescent Limited

ACN 097 532 137

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year from 1 July 2016 to 31 December 2016

	Note	6 months to 31 December 2016 AUD	6 months to 31 December 2015 AUD
Revenue from continuing operations			
Revenue	3(a)	11,409	20,320
Other Income	3(b)	184,378	-
		195,787	20,320
Fair value gain on financial instrument	3(c)	102,523	21,368
Exploration expenditure		(174,645)	(143,320)
Foreign exchange gain		64,165	71,313
Share based payments		(7,733)	(17,133)
Other expenses	3(d)	(766,235)	(659,314)
Gain on disposal of available for sale investment		-	649
Impairment of minority interest obligation	3(c)	(102,523)	(21,368)
(Loss) before income tax		(688,661)	(727,485)
Income tax (expense)/benefit		-	-
Net (loss) after income tax		(688,661)	(727,485)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net exchange gain / (loss) on translation of foreign operation		(141,136)	(131,205)
Net fair value gains on available for sale investment		-	649
Income tax effect		-	(182)
Growth on investment unrealised		-	524
Other comprehensive (loss) for the period, net of tax		(141,136)	(130,214)
Total comprehensive (loss) for the period		(829,797)	(857,699)
Net (loss) for the period is attributable to:			
Non-controlling interest		-	-
Owners of the parent		(688,661)	(727,485)
		(688,661)	(727,485)
Total comprehensive (loss) for the period attributable to:			
Non-controlling interest		-	-
Owners of the parent		(828,797)	(857,699)
		(829,797)	(857,699)
(Loss) per share attributable to the ordinary equity holders of the Company			
Loss per share		Cents per share	Cents per share
- basic (loss) per share	8	(0.05)	(0.13)
- diluted (loss) per share	8	(0.05)	(0.13)

The above consolidated statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Ferrum Crescent Limited
ACN 097 532 137
Consolidated Statement of Financial Position

As at 31 December 2016

	Note	31 December 2016 AUD	30 June 2016 AUD
Current Assets			
Cash and cash equivalents		1,284,487	743,264
Trade and other receivables		76,141	33,929
Other current financial assets		34,113	29,303
Prepayments		78,496	50,606
Total Current Assets		1,473,237	857,102
Non-current Assets			
Plant and equipment		21,838	13,533
Exploration and evaluation expenditure	4	1,180,488	243,331
Non-current financial assets		55,129	64,715
Total Non-current Assets		1,257,455	321,579
Total Assets		2,730,692	1,178,681
Current Liabilities			
Trade and other payables		199,295	263,827
Payments received in advance		-	175,722
Provisions		23,166	20,473
Total Current Liabilities		222,461	460,022
Total Liabilities		222,461	460,022
NET ASSETS		2,508,231	718,659
Equity			
Contributed equity	5	35,611,957	33,049,490
Reserves		(7,990,764)	(7,906,534)
Accumulated losses		(25,112,958)	(24,424,297)
PARENT INTEREST		2,508,235	718,659
NON-CONTROLLING INTEREST		-	-
TOTAL EQUITY		2,508,235	718,659

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Ferrum Crescent Limited

ACN 097 532 137

Consolidated Statement of Changes in Equity

For the half-year from 1 July 2016 to 31 December 2016

	Contributed Equity AUD	Accumulated Losses AUD	Employee Share Incentive Reserve AUD	Option Reserve AUD	Foreign Exchange Reserve AUD	Available For Sale Reserve AUD	Equity Reserve AUD	Total Equity AUD
At 1 July 2015	31,542,093	(22,850,764)	491,577	1,514,742	(46,054)	-	(10,126,072)	525,522
(Loss) for the period	-	(727,485)	-	-	-	-	-	(727,485)
Other comprehensive income (net of tax)	-	-	-	-	(130,214)	-	-	(130,214)
Total comprehensive loss (net of tax)	-	(727,485)	-	-	(130,214)	-	-	(857,699)
Transaction with owners in their capacity as owners'								
Options issued under employee option plan	-	-	-	17,133	-	-	-	17,133
Net growth on investment portfolio	-	-	-	-	(991)	524	-	(467)
At 31 December 2015	31,542,093	(23,578,249)	491,577	1,531,875	(177,259)	524	(10,126,072)	(315,511)
At 1 July 2016	33,049,490	(24,424,297)	491,577	1,548,840	179,121	-	(10,126,072)	718,659
(Loss) for the period	-	(688,661)	-	-	-	-	-	(688,661)
Other comprehensive income (net of tax)	-	-	-	-	(141,136)	-	-	(141,136)
Total comprehensive loss (net of tax)	-	(688,661)	-	-	(141,136)	-	-	(829,797)
Transaction with owners in their capacity as owners'								
Options issued under employee option plan	-	-	-	7,733	-	-	-	7,733
Options issued as part of purchase of Goldquest Iberica	-	-	-	49,173	-	-	-	49,173
Shares issued net of transaction costs	2,562,467	-	-	-	-	-	-	2,562,467
At 31 December 2016	35,611,957	(25,112,958)	491,577	1,605,746	37,985	-	(10,126,072)	2,508,235

The above consolidated statement of changes in equity should be read in conjunction with the accompanying note

Ferrum Crescent Limited
ACN 097 532 137
Consolidated Statement of Cash Flows

For the period 1 July 2016 to 31 December 2016

	Note	6 months to 31 December 2016 AUD	6 months to 31 December 2015 AUD
Cash flows from operating activities			
Interest received		2,305	4,883
Income from available for sale financial assets		-	4,795
Payments to suppliers and employees		(852,709)	(647,939)
Payment for exploration and evaluation costs		(179,456)	(137,118)
Receipts from customers		9,104	10,642
Net cash flows used in operating activities		(1,020,756)	(764,737)
Cash flows from investing activities			
Payments for plant and equipment		(444)	-
Payment for acquisition of Goldquest assets		(937,157)	-
Purchase of available for sale financial assets		-	(30,360)
Proceeds from disposal of available for sale financial assets		-	92,699
Net cash flows from / (used in) investing activities		(937,601)	62,339
Cash flows from financing activities			
Proceeds from issue of shares		2,833,467	-
Costs of capital raising		(271,000)	-
Net cash flows from financing activities		2,562,467	-
Net increase / (decrease) in cash and cash equivalents		604,110	(702,398)
Cash and cash equivalents at beginning of period		743,264	1,028,468
Effect of foreign exchange on cash and cash equivalents		(62,887)	(38,879)
Cash and cash equivalents at end of period		1,284,487	287,191

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Ferrum Crescent Limited
ACN 097 532 137
Notes to the Consolidated Financial Statements
For the period 1 July 2016 to 31 December 2016

NOTE 1: GENERAL INFORMATION AND BASIS OF PREPARATION AND ACCOUNTING POLICIES

Corporate information

The financial report of Ferrum Crescent Limited for the half-year ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 16 March 2017. Ferrum Crescent Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange (ASX), Johannesburg Stock Exchange Limited (JSE) and London Stock Exchange (AIM).

The nature of operations and principle activities of the Group are described in the Directors' Report.

Basis of preparation

The half-year financial report is a general purpose condensed financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Ferrum Crescent Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The half-year report has been prepared on a historical cost basis except for the forward subscription agreement and the available-for-sale financial assets which are measured at fair value. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Adoption of new and revised Accounting Standards

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There may be some changes to the disclosures in the 30 June 2017 annual report as a consequence of these amendments.

Impact of standards issued but not yet applied by the entity

There were no new standards issued since 30 June 2016 that have been applied by Ferrum Crescent Limited. The 30 June 2016 annual report disclosed that Ferrum Crescent Limited anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date, and this remains the assessment as at 31 December 2016.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies

Ferrum Crescent Limited
ACN 097 532 137
Notes to the Consolidated Financial Statements
For the period 1 July 2016 to 31 December 2016

Going Concern

As at 31 December 2016, the Group had working capital of \$1,250,776 (current assets less current liabilities) with cash on hand of \$1,284,487 and a net loss of \$688,661.

The Group also has exploration expenditure commitments. The operating commitments of the Group will require further funding in the next twelve months.

The ability of the Group to continue as a going concern is principally dependent upon its ability to raise further funds as required from the issue of equity. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis the Group will continue to meet their commitments and can therefore continue normal business activities and realise its assets and settle liabilities in the normal course of business.

In arriving at this position, the Directors are confident of the ability of the Group to raise capital and are reviewing other funding alternatives including:

- finalisation of a strategic partner for the Moonlight Project via farm out or divestment;
- managing the Company's working capital requirements; and
- raising additional funds via debt if required.

The Directors have reasonable grounds to believe that they will be able to complete any required future capital raising and achieve any other one of the above funding alternatives.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

NOTE 2: SEGMENT INFORMATION

For management purposes, the Group is organised into two main operating segments, which involves mining exploration for iron ore in South Africa and mining exploration for zinc in Spain. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as two segments. Accordingly, all significant operating decisions are based upon analysis of the Group as a whole. The financial results from these segments are equivalent to the financial statements of the Group as a whole.

Geographic Information	Note	Corporate		South Africa		Spain		Consolidation	
		Dec 2016 \$	Dec 2015 \$						
Revenue from external customers	3	-	-	9,104	10,642	-	-	9,104	10,642
Current assets		1,258,109	251,987	174,055	156,139	41,073	-	1,473,237	408,126
Non - current assets		1,049,422	381	50,009	76,769	26,236	-	1,125,667	77,150
Current liabilities		(140,809)	(96,667)	(248,942)	(704,120)	(14,368)	-	(404,119)	(800,787)
Net assets / (liabilities)		2,166,722	155,701	(24,878)	(471,212)	52,941	-	2,194,785	(315,511)

Ferrum Crescent Limited
ACN 097 532 137
Notes to the Consolidated Financial Statements
For the period 1 July 2016 to 31 December 2016

NOTE 3: REVENUE AND EXPENSES

The loss for the half-year includes the following items:

	31 Dec 2016	31 Dec 2015
	AUD	AUD
(a) Revenue		
Turnover	9,104	10,642
Interest received	110	4,883
Investment income	2,195	4,795
Total Revenue	11,409	20,320
(b) Other Income		
Income from third party advance payment	184,378	-
	184,378	-

During the financial period ended June 2014, the Company entered into a legally binding heads of agreement with Anvwar Asian Investment ("AAI"), an entity based in Oman, whereby AAI would purchase a 35% interest in Ferrum Iron Ore (Pty) Ltd ("FIO"), the Group Company that holds the Moonlight Iron Ore Project. After a number of term variations of this letter of intent, the Company entered into a new agreement with AAI in March 2014, whereby AAI would pay US\$1 million, by way of two tranches of US\$500,000, one payable by the end of March 2014 and the second payable by the end of April 2014, thereby earning the right subject to the requisite approvals of the South African Reserve Bank to the issue of FIO shares equaling 35% of the shares of that company, being partly paid, subject to the right to pay an additional US\$9 million to become fully paid or to be converted into 35% of FIO fully paid. The additional US\$9 million had to be paid by the earlier of 31 December 2015 and the completion of the Moonlight BFS.

A second payment of US\$500,000 was not received by the Company from AAI within the time frame scheduled under the agreement. The Company has informed AAI of its default, and AAI remains in default as at the date of this report. Accordingly, the first tranche of US\$500,000 has been recorded as a current liability.

On 14 March 2015 the Company terminated the investment agreements between itself and AAI, as a result of AAI's breach of a material term of the agreements.

On 22 July 2015, AAI's lawyers, Trowers & Hamlins, issued a letter to the Company, requesting that the first tranche be returned to AAI within 14 days from the date of issue. They advised that AAI will commence legal proceedings for the recovery of the first tranche plus any interest and costs incurred by AAI.

On 30 June 2016 after no further correspondence between AAI, its lawyers and the Company, the Company derecognised an amount of US\$364,448, leaving a provision of US\$135,552 for payments received in advance.

On 31 December 2016 after no further correspondence the company derecognised the balance of the provision down to nil.

Ferrum Crescent Limited
ACN 097 532 137
Notes to the Consolidated Financial Statements
For the period 1 July 2016 to 31 December 2016

NOTE 3: REVENUE AND EXPENSES (CONT.)

(c) Fair value (losses)/gains

	31 Dec 2016	31 Dec 2015
	AUD	AUD
Fair value (loss)/gain on financial instrument	102,523	21,368
Impairment of minority interest obligation	(102,523)	-
	-	21,368

The above financial asset was fair valued as at 30 June 2016 to nil. The fair value was based on a probability weighted approach with the key assumptions being Ferrum's share price, foreign exchange rates and credit risk.

(d) Other expenses

Other expenses include the following:

- Depreciation	2,697	8,690
- Consulting services	226,874	92,875
- Employment related services	91,700	108,864
- Other	444,964	448,885
	766,235	659,314

NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2016	30 Jun 2016
	AUD	AUD
Non-Current		
Option to Purchase Goldquest Iberica S.L.	-	243,331
Goldquest Iberica S.L.	1,180,488	-
	1,180,488	243,331

On 15 February 2016, the Company entered into an exclusive option and sale agreement for a staged option fee of up to GBP22,500, with TH Crestgate GmbH ("Crestgate"), a private Swiss-based company potentially to acquire 100 per cent. of its indirectly wholly-owned subsidiary, GoldQuest Iberica, S.L. ("GoldQuest"), a private company incorporated in Spain, which owns 100 per cent. of two lead-zinc exploration projects in the provinces of León and Galicia, in historic Spanish mining areas ("the Iberian Projects"), to enable the Company to conduct due diligence on GoldQuest and the Iberian Projects.

Subsequent to the Company entering into an exclusive option to acquire 100 percent of GoldQuest, two nil-cost extensions were granted to the Company on 22 July 2016 and 31 August 2016. Subsequently, on 22 September 2016 the option was exercised. Accordingly, the Company has now acquired 100 per cent. of the share capital of GoldQuest. The consideration comprised GBP326,500 in cash and the issue of 100 million new ordinary shares in the capital of the Company.

The purchase of Goldquest was split into 2 transactions the details of which are set out below:

Ferrum Crescent Limited
ACN 097 532 137
Notes to the Consolidated Financial Statements
For the period 1 July 2016 to 31 December 2016

NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE (CONT.)

I. Original option payments

On 16 February 2016, the first cash portion of GBP1,000.00 was paid to Crestgate.
 On 17 February 2016, 4,515,041 ordinary shares were issued to Crestgate at a price of GBP 0.00144 per share.
 On 1 April and 20 April 2016, the second and third cash payments of GBP7,500.00 each respectively were paid to Crestgate.
 On 25 May 2016 an amount of GBP92,500.00 was placed into a trust account with Crestgate's lawyers until the option to purchase was concluded, which would form part of the final purchase price.
 On 31 May 2016, 5,000,000 ordinary shares were issued to Crestgate at a price of GBP0.0013 per share.

II. Final purchase consideration

On 15 September GBP234,000.00 was paid to Crestgate as the final cash portion of the purchase of GoldQuest.
 On 30 September 2016, the Company issued 100,000,000 new ordinary shares of no par value each in the capital of the Company to GoldQuest Mining (Spain) Corp. These shares were issued in settlement of the share element of the consideration for the acquisition of 100 per cent of the issued share capital of GoldQuest Iberica, S.L. The shares are fully paid and rank pari passu in all respects with the Company's existing ordinary shares.

The above transaction also incurred legal and administrative fees of AUD131,788.00. The total purchase consideration was AUD1,180,488.00 made up as follows:

	30 September 2016
Purchase consideration	
100,000,000 ordinary shares issued to Goldquest Mining (Spain) Corp.	391,495
9,515,041 ordinary shares issued to TH Crestgate GmbH	25,841
Cash consideration	631,364
Acquisition costs	131,788
	<u>1,180,488</u>
Net assets acquired	
Cash and Equivalents	8,923
Property, Plant and Equipment	7,437
Deferred exploration and evaluation expenditure	1,744,515
Trade and other receivables	64,064
Trade and other payables	(6,386)
Third Party Loans	(771,253)
Notional Goodwill *	133,188
	<u>1,180,488</u>

* Fair Value attribution being the difference between consideration paid less fair value of identifiable net assets acquired

The company has determined that the acquisition has taken the form of an asset acquisition and not a business combination. In making this decision, the company determined that the nature of the exploration and evaluation activities by GoldQuest did not constitute an integrated set of activities and assets that are capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.

Ferrum Crescent Limited
ACN 097 532 137
Notes to the Consolidated Financial Statements
For the period 1 July 2016 to 31 December 2016

NOTE 4: EXPLORATION AND EVALUATION EXPENDITURE (CONT.)

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

NOTE 5: CONTRIBUTED EQUITY

	31 Dec 2016 No. of Shares	30 June 2016 No. of Shares	31 Dec 2016 AUD	30 June 2016 AUD
(a) Share Capital summary				
Ordinary Shares				
Ordinary Shares fully paid	2,147,825,266	1,282,791,883	35,861,575	33,314,792
Less: Employee share plan shares	(2,300,000)	(2,300,000)	(265,302)	(265,302)
	2,145,525,266	1,280,491,883	35,596,273	33,049,490

(b) Movements in ordinary share capital

		Half-Year 31 December 2016	
		Number	AUD
01 July 2015	Opening Balance	618,787,353	31,807,395
17 February 2016	Subscription shares	4,515,041	13,046
29 February 2016	Subscription Shares	149,681,797	359,236
27 April 2016	Placing of subscription shares	500,000,000	1,279,499
27 April 2016	Fee Shares	4,807,692	12,303
27 April 2016	Shares – TH Crestgate GmbH	5,000,000	12,795
	Cost associated with share issues		(169,476)
30 June 2016	Closing Balance	1,282,791,883	33,314,792
29 July 2016	Options Exercised	66,874,816	193,025
29 July 2016	Additional Shares Issued	187,226,485	655,034
26 August 2016	Options Exercised	44,797,543	128,184
29 September 2016	Options Exercised	5,381,907	15,057
30 September 2016	Shares issued to Goldquest	100,000,000	400,000
7 October 2016	Options Exercised	181,560,288	491,242
25 November 2016	Options Exercised	769,231	2,126
12 December 2016	Placing shares – Beaufort Securities	275,218,025	939,770
19 December 2016	Options Exercised	3,205,088	9,029
	Cost associated with share issues		(271,000)
31 December 2016	Closing Balance	2,147,825,266	35,877,259
Less:	Employee share plan shares on issue (c)	(2,300,000)	(265,302)
		2,145,525,266	35,611,957

Ferrum Crescent Limited
ACN 097 532 137
Notes to the Consolidated Financial Statements
For the period 1 July 2016 to 31 December 2016

NOTE 5: CONTRIBUTED EQUITY (CONT.)

(c) Movements in employee share plan shares issued with limited recourse loans.

01 July 2016	2,300,000	265,302
Movement in employee share plan shares	-	-
31 December 2016	<u>2,300,000</u>	<u>265,302</u>

NOTE 6: UNLISTED OPTIONS

	December 2016 No. of Options	June 2016 No. of Options
- 12 May 2016 Unlisted options issued to investors at GBP.00165	197,411,127	500,000,000
- 29 July 2018 Unlisted options issued to investors at GBP.003 per share	<u>187,226,485</u>	-
	<u>384,637,612</u>	<u>500,000,000</u>

Movement in 12 May 2018 unlisted options issued to investors

Beginning of the financial year	500,000,000	500,000,000
Options issued during the year	-	-
Options exercised during the year	(302,588,873)	-
Options cancelled during the year	-	-
End of the financial year	<u>197,411,127</u>	<u>500,000,000-</u>

The table below summarises the model inputs (post consolidation) for investor options granted during the year ended 30 June 2016:

Options granted for consideration	500,000,000
Exercise price (GBP)	0.00165
Issue date	12 May 2016
Expiry date	12 May 2018
Underlying security spot price at grant date (GBP)	0.00165
Expected life	2

Movement in 29 July unlisted options issued to investors

Beginning of the financial year	-	-
Options issued during the year	187,226,485	-
Options exercised during the year	-	-
Options cancelled during the year	-	-
End of the financial year	<u>187,226,485</u>	<u>--</u>

The table below summarises the model inputs (post consolidation) for investor options granted during the period ended 31 December 2016:

Ferrum Crescent Limited
ACN 097 532 137
Notes to the Consolidated Financial Statements
For the period 1 July 2016 to 31 December 2016

NOTE 6: UNLISTED OPTIONS (CONT.)

	187,226,485
Options granted for consideration	
Exercise price (GBP)	0.00300
Issue date	29 July 2016
Expiry date	29 July 2018
Underlying security spot price at grant date (GBP)	0.0030
Expected life	2

NOTE 7: CONTINGENCIES AND COMMITMENTS

The Group has committed to rental payments on office premises in London, Perth, Spain and Johannesburg. The current commitments to the end of the lease periods are as follows:-

Operating lease commitments	Within 1 Year	2 - 3 years	Total
Spain	16,105	13,421	29,526
South Africa	12,211	-	12,211
London	10,316	-	10,316
Total operating lease commitments	38,632	13,421	52,053

Contingent liability

Refer to note3(b) with regard to the details of the possible contingent liability between the Company and Anwar Asian Investments. The maximum liability is the gross amount of the original payment received in advance of U\$500,000.00.

NOTE 8: EARNINGS PER SHARE

	31 December 2016	31 December 2015
Number of Shares		
Weighted average number of shares used in basis (loss) per share	1,500,110,324	576,532,828
Weighted average number of shares used in diluted (loss) per share	1,500,110,324	576,532,828

Note 1 – 14,872,265 share options outstanding at 31 December 2016 (31 December 2015: 13,000,000) have not been included in the calculation of dilutive earnings per share as these are anti-dilutive.

Note 2 – 29,954,525 potential shares to be issued under the subscription agreement have not been included in the calculation of dilutive earnings per share as these are anti-dilutive.

Ferrum Crescent Limited
ACN 097 532 137
Notes to the Consolidated Financial Statements
For the period 1 July 2016 to 31 December 2016

NOTE 8: EARNINGS PER SHARE (CONT.)

(a) Headline (Loss) / Earnings per share disclosed as required by the JSE Limited

(Loss) / profit attributable to ordinary equity holders of the parent entity.	(688,661)	(727,485)
Adjusted net of tax:		
Profit on sale of available for sale assets	-	(467)
Profit on disposal of plant and equipment	-	-
Headline Earnings	(688,661)	(727,952)
Headline earnings per share	(0.05)	(0.13)

NOTE 9: RELATED PARTY TRANSACTIONS

Other than those transactions disclosed elsewhere in the financial report there have been no new related party transactions with Directors, key management personnel or related parties in the current period.

NOTE 10: EVENTS OCCURRING SUBSEQUENT TO THE REPORTING DATE

Refer to director's report for all the relevant events.

NOTE 11: FINANCIAL INSTRUMENTS

The carrying amount of financial assets and financial liabilities of the consolidated Group approximated their fair value.

Determination of fair values

The determination of fair values for the financial assets and financial liabilities has been performed on the following basis:

Cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the available for sale financial asset is determined by reference to their net asset value at the reporting date.

The fair value of the subscription agreement has been determined by reference to the Company's best estimate of the fair value of the contractual arrangement taking into consideration the underlying price of the Company and foreign exchange rate.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Ferrum Crescent Limited
ACN 097 532 137
Notes to the Consolidated Financial Statements
For the period 1 July 2016 to 31 December 2016

NOTE 11: FINANCIAL INSTRUMENTS (CONT.)

- Level 1 — Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
- Level 2 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
- Level 3 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

As at 31 December 2016, the Group held the following classes of financial instruments measured at fair value:

	31 Dec 2016	30 Jun 2016
	AUD	AUD
Level 1		
Fixed deposit against HP Agreement	18,418	-
Level 2		
Available for sale financial assets	34,113	64,715
	52,531	64,715

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

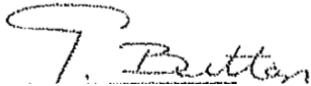
Directors' Declaration

In accordance with a resolution of the directors of Ferrum Crescent Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2016 and the performance for the period 1 July 2016 to 31 December 2016; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; other mandatory professional reporting requirements and
- (b) subject to the disclosure in Note 1 "Going Concern", there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Grant Button
Finance Director
Perth
16th March 2017

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ferrum Crescent Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ferrum Crescent Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Ferrum Crescent Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Ferrum Crescent Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ferrum Crescent Limited is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd

BDO



Phillip Murdoch

Director

Perth, 16 March 2017