



Ferrum Crescent Limited

27 April 2016

Ferrum Crescent Limited

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

Equity Fundraising of £650,000 Gross

Ferrum Crescent, the ASX, AIM and JSE quoted metals project developer, announces that it has conditionally raised, in aggregate, £650,000 before expenses through a placement, via Beaufort Securities Limited ("**Beaufort**"), as agent of the Company, of 403,846,154 new ordinary shares of no par value each in the capital of the Company (the "**Placing Shares**") (the "**Placing**") and a direct subscription with the Company for 96,153,846 new ordinary shares of no par value each in the capital of the Company (the "**Subscription Shares**") (the "**Subscription**"), both at a price of 0.13 pence per new ordinary share. The Placing and the Subscription were both oversubscribed.

The Placing Shares and Subscription Shares will be issued utilising the authority granted by shareholders under resolution 2 at the Company's general meeting held on 6 April 2016 and will represent, in aggregate, approximately 38.98 per cent. of the Company's enlarged issued share capital. The Placing and Subscription are conditional on admission of the Placing Shares and the Subscription Shares respectively to trading on AIM ("**Admission**").

As part of the Placing and Subscription, 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 and Subscription. Each option will entitle the holder to subscribe for a further new ordinary share at a price of 0.165 pence per share for an exercise period of two years following the date of Admission (the "**Options**"). The Company does not currently have sufficient shareholder authority to agree to grant all of the 500 million Options unconditionally. Accordingly, the Company intends shortly to issue a notice to shareholders to convene a further general meeting of the Company, at which a resolution will be put to shareholders to grant 500 million Options to the subscribers of the Placing Shares and the Subscription Shares.

In addition, the Company announces that it is issuing, in aggregate, a further 9,807,692 new ordinary shares in settlement of certain fees (the "**Fee Shares**"), comprising 4,807,692 new ordinary shares to Beaufort at a deemed issue price of 0.13 pence per new ordinary share in settlement of Beaufort's corporate broking services of £6,250 to the Company for the period 20 May 2016 to 19 August 2016 and 5,000,000 new ordinary shares to TH Crestgate GmbH at a deemed issue price of 0.13 pence in connection with the extension of certain escrow arrangements under the terms of the Company's option and sale agreement in respect of GoldQuest Iberica, S.L. ("**GoldQuest**").

Application will be made for quotation of the Placing Shares, the Subscription Shares and the Fee Shares on the Australian Securities Exchange and the JSE Limited, and to the London Stock Exchange plc for Admission. It is expected that Admission of the Placing Shares, the Subscription Shares and the Fee Shares will become effective and that dealings in the Placing Shares, the Subscription Shares and the Fee Shares will commence on AIM at 8.00 a.m. on 12 May 2016. The Placing Shares, the Subscription Shares and the Fee Shares will be fully paid and will rank *pari passu* in all respects with the Company's existing ordinary shares. Following Admission, the total issued ordinary share capital of the Company will comprise 1,282,791,883 ordinary shares.

Use of Proceeds

The Company intends to use the net proceeds from the Placing and Subscription to fund the cash consideration payable upon the planned exercise in due course of the Company's option to acquire 100 per cent. of GoldQuest, details of which were announced on 16 February 2016 (the "**GoldQuest Option**"), and for the Group's general working capital purposes, including a potential structured work programme across GoldQuest's Toral and Lago lead-zinc exploration projects in the provinces of León and Galicia (the "**Iberian Projects**"), with the objective of establishing a maiden JORC Code compliant resource estimate at the Iberian Projects, the rapid establishment of metallurgical characteristics and a viable metals separation and processing profile.

Justin Tooth, Executive Chairman of Ferrum Crescent, today commented:

"We are delighted with the continued strong investor support for the Group's activities and its ongoing strategic renewal as a cost-effective, asset-backed exploration company leading to a strong over-subscription for this fundraising. Ferrum Crescent is now well placed to drive the capital value of our established Moonlight project in South Africa, particularly as the firming iron ore market this year should awaken interest in our circa 300m tonne (JORC resource) Moonlight project, independently valued in June 2014 at a preferred value of US\$33m.

"We are also now in a good position to proceed in due course to exercise the GoldQuest Option and then proceed to advance the low cost, high potential Toral project in Spain towards a credible mineral reserve for future consideration by potential acquirers and/or development finance groups. We look forward to providing updates on our progress both in Spain and in South Africa in due course."

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

Ferrum Crescent Limited

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Notes to Editors:

Further Information on the Moonlight 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. During 2014, Mineral Corporation Consultancy Pty Ltd ("**The Mineral Corporation**") updated the Moonlight Mineral Resource estimate, which was previously stated in terms of JORC (2004), as follows, 307Mt at 26.9% Fe: including 172.1Mt Inferred at 25.3% Fe; 52.83.0Mt Indicated at 27.4% Fe; 52.6Mt Measured at 31.3% Fe.

Further Information on GoldQuest and the Iberian Projects

GoldQuest is a private company incorporated in Spain which owns 100 per cent. of both the Toral Project and the Lago Project in northern Spain, each having high prospectivity for lead and zinc.

Principal Terms of Ferrum Crescent's Option

- Option to potentially acquire 100 per cent. of GoldQuest. GoldQuest owns 100 per cent. of two lead-zinc exploration projects in the provinces of León and Galicia, in historic Spanish mining areas.
- Up to £22,500 staged option fee, in part shares and part cash, being paid by Ferrum Crescent in return for an exclusive option, valid until 31 July 2016. If exercised, Ferrum Crescent, will be required to:
 - pay up to approximately £320,000 in cash consideration (calculated as a fixed amount of £250,000 plus a further cash payment comprising the lesser of 50 per cent. of GoldQuest's current liabilities and £92,500, minus the abovementioned option consideration); and
 - issue, credited as fully paid, 100 million new ordinary shares in the capital of Ferrum Crescent.

Toral Project

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.

Lago Project

The Lago Project is located approximately 54km to the north-east of the Toral Project. 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.

Competent persons statement

The information that relates to exploration results and mineral resources in this announcement is extracted from the report entitled Moonlight Project: Mineral Resource Update Report created by The Mineral Corporation on 11 May 2012 (and updated by The Mineral Corporation in 2014) referred to in the Company's announcement dated 5 May 2014 and available to view on the Company's website (www.ferrumcrescent.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates of mineral resources in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.