



30 October 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 September 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 in Limpopo Province, northern South Africa for the production of a premium iron product for sale in South Africa and potentially internationally
- Planning activities ongoing with infrastructure suppliers (power, water, rail and port)
- Project on schedule to benefit from new regional/national infrastructure developments
- Recent farm-in and joint venture agreement (detailed below) will result in the resumption of full BFS activities
- Planned next BFS phases:
 - Full JORC (2012) compliant Ore Reserve to be established - Infill drilling over Zones A, B and C for advanced mine design work and metallurgical analysis
 - The success of such infill drilling will determine whether bulk sampling is necessary
 - Final beneficiation and pelletiser designs/costings to be completed
 - In the final phase, negotiations and agreements to be concluded with infrastructure providers
- Cash balance at the end of the quarter: AU\$587,000

Post Quarter End:

- On 14 October 2015, the Company announced that the group had entered into a legally binding farm-in and joint venture agreement (the "Agreement") with Business Venture Investments No. 1709 (Proprietary) Limited ("BVI") to form a joint venture for the completion of the BFS for the Project
- Under the terms of the Agreement, in return for fully funding and completing the BFS across two phases (BFS Phase 1 and BFS Phase 2), BVI will earn up to a 43% equity interest in Ferrum Iron Ore (Pty) Limited ("FIO"), the Group subsidiary that holds the Project
- BVI is a sister company of South African BEE investment house Ovation Capital. It is a BEE controlled South African company with mining and processing 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

- Memorandum of understanding with Principle Monarchy Investments (Proprietary) Limited formally terminated

Commenting today Tom Revy, Managing Director, said:

“We now have a fully committed and legally binding agreement in place for completion of the Moonlight Project BFS. I look forward to working with our new partners, BVI, on the development of the Project. The BFS Phase 1 activities should recommence by the end of 2015 and I look forward to reporting on a regular basis as to the status of the Project as the various planned key BFS milestones are progressed.

“BVI, a sister company of Ovation Capital, will earn up to a 43% equity interest in Moonlight - through funding and completing all the requisite workstreams to produce a full BFS to a fixed timeline. We continue 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. Our aim continues to be the maximisation of the value of Moonlight for the benefit of all stakeholders.”

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

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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 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 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.

Metallurgical tests on Moonlight material, undertaken since then by Ferrum Crescent, suggest that Iscor's historical 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 industry standard (P80 of 75 - 125 microns).

Key features of the Project to date are:

- JORC (2012) compliant Mineral Resource;
- Historical drilling, drilling by the Group, geological modelling and a high density geophysical survey conducted by the Company confirm 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 concentrate and/or pellets with in excess of 69% iron content and low deleterious elements (DR grade pellets for use in direct reduction iron/electric arc steel-making processes);
- The quality of product that can potentially be produced at Moonlight is a clear differentiator against its industry peers, as is the access to infrastructure (port, power and rail);
- Duferco offtake partner (4.5 Mtpa plus first right on a further 1.5 Mtpa if not sold domestically). South Africa currently has a growing demand for high grade iron concentrate and/or pellets for its steel industry;
- Independent valuation by The Mineral Corporation completed in June 2014 - this valuation served as the basis for the recent BVI (Ovation Capital) transaction;
- BEE compliant South African investment company (BVI) will provide a completed BFS to the Group by 2017/18 at no expense to the Group in return for a 39-43% equity position in the Project;
- Located near Kumba railhead at Thabazimbi (Kumba operation depleting in grade), Limpopo Province, northern South Africa;
- New Eskom power plant (4,800MW) commissioning first 800MW module;
- Richards Bay port expansion for iron ore products;
- Local community, Ga-Seleka, has an effective 3% carried interest in the Project.