



9 October 2014

Ferrum Crescent Limited

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

Rights Issue for funding of BFS

Ferrum Crescent today announces 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 to be 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 bankable feasibility study (BFS) underway at the Moonlight iron ore project in Limpopo Province in northern South Africa (Moonlight Project) 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 the Moonlight Project will produce a pellet product with a 68-70% grade. The Moonlight Project 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 (detailed below) 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 at the Moonlight Project.

Further details on the use of funds raised pursuant to the Rights Issue are set out below under "Use of Funds".

Rights Issue

New Shares under the Rights Issue will be offered to holders of Shares and depository interests in the Company with a registered address on the Australian, UK or South African share registers of the Company on the Record Date in Australia, New Zealand, the United Kingdom, South Africa, Hong Kong and any other jurisdiction in which the Ferrum Crescent board determines a Shareholder is not prohibited from

participating in the Rights Issue and is eligible to receive an offer under the Rights Issue without disclosure, lodgement, registration or filing (Eligible Shareholders).

The Offer Price, Record Date and Closing Date for the Rights Issue for Eligible Shareholders on the respective share registers of the Company are as follows:

| Share Register | Offer Price | Record Date | Closing Date ¹ |
|----------------|--|----------------------------------|-----------------------------------|
| Australia | A\$0.008 per New Share, which represents a 33.33% discount to the closing price of Shares on the ASX of A\$0.012 on 8 October 2014 | 5.00pm (AWST) on 20 October 2014 | 5.00pm (AWST) on 3 November 2014 |
| UK | 0.44 pence per New Share, which represents a 16.2% discount to the closing price of Shares on AIM of 0.525 pence on 8 October 2014 | 5.00pm (GMT) on 20 October 2014 | 11.00am (GMT) on 31 October 2014 |
| South Africa | ZAR7.88 per New Share, which represents a 47.46% discount to the closing price of Shares on the JSE of ZAR15.00 on 7 October 2014 | 5.00pm (SAST) on 20 October 2014 | 12.00pm (SAST) on 3 November 2014 |

Other key dates of the Rights Issue are set out below under “Key Dates”.

Eligible Shareholders will be entitled to subscribe for 2 New Shares at the Offer Price for every 3 Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares. Shares held on different registers will not be aggregated for the purpose of calculating entitlements.

Eligible Shareholders will also be given the opportunity to subscribe for New Shares not taken up by Eligible Shareholders (**Shortfall Shares**) over and above their pro rata entitlement. There is no guarantee that there will be any Shortfall Shares and the Board reserves the right to issue or not issue Shortfall Shares in its absolute discretion including applying scale-back to applications for Shortfall Shares.

The Rights Issue is to be 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). A summary of the material terms of the Underwriting Agreement, including all termination events, will be included in the Offer Booklet.

The Rights Issue is non-renounceable which means the right to participate and be issued New Shares will not be able to be traded on ASX, AIM or JSE or be otherwise transferable. Shareholders who do not take up all or any part of their entitlements will not receive any payment or value in respect of those entitlements and their equity interest in the Company will be diluted.

Further details of the Rights Issue will be set out in the Offer Booklet, which is expected to be dispatched to Eligible Shareholders on 23 October 2014. The Rights Issue is being undertaken in accordance with section 708AA of the Corporations Act and, accordingly, no prospectus is required to be prepared in connection with the Rights Issue.

¹ Unless the offer period is extended

For more information regarding the Rights Issue please contact:

| | |
|--|--|
| <i>Australia enquiries:</i> | <i>UK enquiries:</i> |
| Ferrum Crescent Limited Tom Revy T: +61 8 9367 5681 Managing Director Patersons Securities Jess Lyon T: +61 8 9225 2861 | Ferrum Crescent Limited Laurence Read (UK representative) T: +44 7557672432 RFC Ambrian Limited (Nominated Adviser) James Biddle/Andrew Thomson T: +44 (0) 20 3440 6800 |
| <i>South Africa enquiries:</i> | Sasfin Capital Megan Young T: +27 11 809 7500 |

ACN 097 532 137

Share code FCR on the ASX, AIM and the JSE
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Key Dates

Rights Issue – Timetable

| Event | Date |
|---|--------------------------------------|
| Announcement of the Rights Issue | 9 October 2014 |
| Last date to trade on the JSE | 13 October 2014 |
| Notice to Shareholders to inform them of the Rights Issue and indicative timetable | 14 October 2014 |
| Shares trade on JSE on 'ex' entitlement basis | 14 October 2014 |
| Shares trade on ASX on 'ex' entitlement basis | 16 October 2014 |
| Record Date for the Rights Issue (5.00pm (AWST) for Eligible Shareholders on the Australian Register, 5.00pm (GMT) for Eligible Shareholders on the UK Register, and 5.00pm (SAST) for Eligible Shareholders on the South African Register) | 20 October 2014 |
| Rights Issue opens | 23 October 2014 |
| DI CREST Entitlements issued | 23 October 2014 |
| Closing Date for the Rights Issue for Eligible Shareholders on the UK Register at 11.00am | 3 November 2014 (unless extended) |
| Closing Date for the Rights Issue (5.00pm (AWST) for Eligible Shareholders on the Australian Register, 12.00pm (SAST) for Eligible Shareholders on the South African Register) | 3 November 2014 (unless extended) |
| New Shares commence trading on ASX on a deferred settlement basis | 5 November 2014 |
| Notification of shortfall | 6 November 2014 |
| Issue and allotment of New Shares (and dispatch of refund payments in respect of any unsuccessful applications under the Shortfall Offer) | 10 November 2014 |
| Dispatch of holding statements for New Shares trading on ASX | 11 November 2014 |
| Admission to trading of New Shares on AIM and JSE at commencement of trading | 11 November 2014 |
| Normal trading of New Shares on ASX | 12 November 2014 |

Note: Dates and times are indicative only and subject to change. The commencement of quotation of New Shares is subject to confirmation from ASX, LSE and JSE. Ferrum Crescent reserves the right, subject to the Corporations Act, ASX Listing Rules, AIM Rules and other applicable laws to vary the dates of the Rights Issue in consultation with the Lead Manager and Underwriter, including extending the Rights Issue or accepting late applications, either generally or in particular cases, without notice. You cannot, in most circumstances, withdraw the application once it has been accepted. No cooling-off rights apply to the Rights Issue.

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Use of Funds

The Rights Issue will raise between approximately A\$860,000 (i.e. the minimum subscription and underwritten amount assuming that the Underwriting Agreement is executed and not terminated) and A\$2,030,000 (assuming that all Entitlements are taken up) in each case before costs and subject to rounding of Entitlements and exchange rate variations.

The proceeds of the Rights Issue are planned to be used in accordance with the table set out below on the basis of either the minimum amount or the maximum amount being raised. To the extent that an amount is raised between the minimum and the maximum, the funds will be applied in manner to maximise the progress of the BFS.

| | Minimum Raised | Maximum Raised |
|---|---------------------------|---------------------------|
| | <i>\$,000</i> | <i>\$,000</i> |
| Appoint a new Study Manager | 20 | 100 |
| Mineral resource work; defining the variability in ore feed for the first 5-10 years | 30 | 30 |
| Finalise representative sample areas for definitive metallurgical test work (beneficiation and pelletising) | 20 | 20 |
| Assay work to confirm understanding of ore variability (and consequence to the beneficiation process) | - | 60 |
| Diamond drilling program | - | 400 |
| Definitive beneficiation test work program | - | 250 |
| Corporate social responsibility activities | 70 | 160 |
| Corporate overheads (including costs of the rights issue and the costs of attracting new project investors) Note: These costs include compliance costs being listed on ASX, LSE and JSE. | 650 | 900 |
| Contingency | 70 | 110 |
| Total | 860 | 2,030 |

Moonlight Project Overview

- **Mining** Low stripping ratio, 30 year mining right granted, EIA for mining and beneficiation approved
- **Total Mineral Resource** (JORC 2012) est. 307Mt at 26.9% Fe, including: 172.1Mt Inferred at 25.3% Fe, 83.0Mt Indicated at 27.4% Fe and 52.6Mt Measured at 31.3% Fe
- **Market**, Duferco SA offtake partner and other potential customers needing high grade product to make their low grade material economic in steel production

Resources- JORC (2012)

| Category | Tonne (Mt) | Fe (%) | SiO₂ (%) | Al₂O₃ (%) |
|-----------------|-------------------|---------------|----------------------------|--|
| Inferred | 172.1 | 25.3 | 51.2 | 4.8 |
| Indicated | 83.0 | 27.4 | 50.1 | 4.0 |
| Measured | 52.6 | 31.3 | 47.3 | 2.5 |
| Total | 307.8 | 26.9 | 50.3 | 4.2 |

The information in this announcement relating to the reporting of Mineral Resources is extracted from the announcement entitled "JORC Update – revision for purposes of Listing Rule 5.8.1" released to ASX on 5 May 2014 and is available on asx.com.au. 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 that 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.

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