

31 October 2013

**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 2013**

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 2013.

**HIGHLIGHTS:**

**Moonlight Iron Ore Project:**

- Ferrum Crescent signs conditional, legally binding letter of intent with Anvwar Asian Investment (“AAI”) to progress Moonlight BFS development
  - US\$10m to acquire 35% shareholding in Ferrum Iron Ore (Pty) Ltd, which holds the mining right over the three farms that contain the Moonlight Deposit
  - US\$3.5m additional funds to contribute to BFS costs
  - First BFS payment scheduled by end of year
  - AAI representative Anvwar Al Balushi will be invited to join the Ferrum Iron Ore Board and Moonlight Iron Ore Project steering committee

**Corporate:**

- Ferrum Crescent after the end of the quarter successfully raises GBP 873,600 (AU\$1.5m) before costs
  - 48 million shares (3,386,844 of which are subject to shareholder approval) to be issued at GBP 0.0182 (AU\$0.0315) per share (“Placement Shares”)
  - Proceeds to be used by the Company to fund corporate activities and to carry out the feasibility study and mining right activities pending the AAI investment
  - Funds from the private placement to be received in two tranches, with the second tranche representing subscriptions by two directors of the Company and requiring shareholder approval
- Cash as at 30 September 2013 was approximately AUD\$639,000
- Annual General Meeting of shareholders convened at 4:30pm (Perth time) on Friday 29<sup>th</sup> November 2013 at The Lake Monger Room, The Boulevard Centre, 99 The Boulevard, Floreat WA 6014

**Commenting today Ed Nealon, Chairman, said:** “Our agreement with AAI is designed to bring a new partner into Moonlight and progress the iron ore project to the development stage. Our intention is to complete the Bankable Feasibility Study at Moonlight with our process engineering partners, Danieli. Moonlight is located in northern South Africa, near existing infrastructure, and represents a new source of high-grade iron ore product for domestic and international markets.”

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

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<b>Ferrum Crescent Limited</b> Ed Nealon T: +61 8 9380 9653 Executive Chairman  Bob Hair T: +61 414 926 302 Managing Director	<b>Ocean Equities Limited (Broker)</b> Guy Wilkes T: +44 (0) 20 7786 4370  <b>RFC Ambrian Limited (Nominated Adviser)</b> Sarah Wharry / Jen Boorer 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> Leonard Eiser T: +27 11 809 7500

During the quarter, Ferrum Crescent, the ASX, AIM and JSE quoted iron ore developer, announced it had signed a legally binding letter of intent (“Agreement”) with Anvwar Asian Investment (“AAI”) to facilitate the completion of the Company’s bankable feasibility study (“BFS”) at the Moonlight Iron Ore Project in northern South Africa. Under the Agreement, AAI will pay US\$10m to Ferrum Crescent in return for a 35% shareholding in Ferrum Iron Ore Pty Ltd., which holds the mining right over the three farms that contain the Moonlight Deposit. AAI will also contribute US\$3.5m to the on-going costs of the BFS. The Agreement is subject to the fulfilment of certain conditions precedent regarding confirmation due diligence and the receipt of applicable regulatory approvals.

The Ferrum Crescent interest in the Moonlight Iron Ore Project is held through the Group’s direct and indirect shareholding in Ferrum Iron Ore (formerly named Turquoise Moon Trading), the shares of which are currently held as to 74% by Ferrum South Africa (Pty) Ltd (formerly named Nelesco) and as to 26% by Mkhombi Investments (Pty) Ltd. Subject to the conditions precedent and following the investment, the shares of Ferrum Iron Ore will be held 39% by Ferrum South Africa (Pty) Ltd, 26% by Mkhombi Investments (Pty) Ltd and 35% by AAI.

AAI is an Oman based investment company chaired by Mr Anvwar Al Balushi, who will be invited to join the Ferrum Iron Ore board and Moonlight Project steering committee upon completion of the Agreement. The Moonlight Project provides AAI with potential exposure to an iron ore project capable of producing high-grade pellet product, located within 200km of established rail hubs. Ferrum Crescent has already undertaken extensive metallurgical testwork as part of the Moonlight BFS and earlier this year appointed DANIELI C. Officine MeccanicheS. p.A. (“Danieli”), a global leader in engineering services and equipment supply, as the process engineer for the BFS.

Under the Agreement, subject to the satisfaction or waiver of the conditions precedent, an initial acquisition payment of US\$1 million will be made to Ferrum Crescent by the end of November 2013, with the remaining US\$9 million to be paid to the Company during Q1 2014. Funds received under the Agreement will be used by the Company to progress the Moonlight BFS and for working capital requirements. The additional US\$3.5m AAI contributions to the BFS costs will be made in prearranged tranches as work progresses.

## Corporate

Subsequent to the reporting period, the Company announced that it had received applications to subscribe for 48 million fully paid ordinary shares and raise up to GBP 873,600. The placement shares will rank equally with existing fully paid ordinary shares from allotment.

The placement is being conducted in two tranches. The first tranche comprised 44,613,156 shares to raise approximately GBP 811,959. The second tranche, comprising 3,386,844 shares to raise approximately GBP 61,641, is subject to shareholder approval, as these subscribers will be Mr Ed Nealon and Mr Robert Hair who are Directors and hence related parties under the provisions of the *Corporations Act 2001*.

The first tranche of the Placement Shares were admitted to trading on the Australian Securities Exchange Limited, the AIM market of the London Stock Exchange and on the JSE Limited on 8 October 2013. Shareholder approval for the second tranche will be sought at the Company's annual general meeting.

Mr Robert Hair has indicated that he will subscribe for 480,769 Placement Shares and Mr Ed Nealon has indicated that he will subscribe for 2,906,075 Placement Shares.

Funds received under the share placements will be used as working capital, including for the funding of corporate costs and for feasibility and mining right activities.

Receipt of the proceeds of the issue means that the Company remains fully funded, pending completion of the agreement with Anvwar Asian Investment, to facilitate completion of the Company's bankable feasibility study for the Moonlight Iron Ore Project.

Following the first tranche of the placement, the number of ordinary shares on issue is 372,814,541 and following the second tranche of the placement, the number of ordinary shares on issue will be 376,201,385 shares.

# 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 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(179)   (115)	(179)   (115)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	9	9
1.5 Interest and other costs of finance paid		
1.6 R&D recoupment tax	125	125
1.7 Other – net income from restricted cash investments	(37)	(37)
<b>Net Operating Cash Flows</b>	<b>(197)</b>	<b>(197)</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)	324	324
<b>Net investing cash flows</b>	<b>324</b>	<b>324</b>
1.13 Total operating and investing cash flows (carried forward)	127	127

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	127	127
	<b>Cash flows related to financing activities</b>		
1.14	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	Other – share issue costs	(15)	(15)
	<b>Net financing cash flows</b>	<b>(15)</b>	<b>(15)</b>
	<b>Net increase (decrease) in cash held</b>	<b>112</b>	<b>112</b>
1.20	Cash at beginning of quarter/year to date	548	548
1.21	Exchange rate adjustments to item 1.20	(21)	(21)
1.22	<b>Cash at end of quarter</b>	<b>639</b>	<b>639</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	-
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.*

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	
4.3 Production	
4.4 Administration	300
<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	639	548
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>639</b>	<b>548</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 relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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>	328,201,385	321,606,385	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>	2,150,000 21,496,727 400,000	- 21,496,727 -	<i>Exercise price</i> \$0.198 \$0.400 \$0.100	<i>Expiry date</i> 07 December 2013 31 December 2013 14 December 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired / cancelled during quarter	(200,000)	-	<i>Exercise price</i> \$0.198	<i>Expiry date</i> 07 December 2013

+ See chapter 19 for defined terms.

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 give a true and fair view of the matters disclosed.

Sign here:  ..... Date: 31 October 2013  
(Company secretary)

Print name: Andrew Nealon.....

## 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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