



14 May 2015

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

**Private Placing**

**Highlights**

- GBP 500,000 (AU\$970,000) to be raised (before costs) through private placing
- 100 Million shares to be issued at GBP 0.005 (AU\$0.0097 per share) ("Placement Shares")
- Private placing arrangements completed following US\$12m BFS financing terms signed with Principle Monarchy Investments ("PMI") at project level (announced 5 May 2015)
- Funding strategy will allow BFS to be carried out for the Moonlight Iron Project, South Africa with minimum of dilution to Ferrum Crescent shareholders
- Development strategy:
  - Private placement funds will be used to cover corporate overhead costs and undertake a new exploration drilling programme (2015) over the Julietta farm, adjacent to the established JORC (2012) resource
  - BFS to be carried out through the funding structure established with PMI
  - 2015 work to include: First 10 year mine plan and costings, final metallurgical work for direct reduction ("DR") grade pellet plant design and costings, study to look at options with partners to sell concentrate, study of domestic South African steel market to analysis value opportunities for internal demand.

Ferrum Crescent the ASX, AIM and JSE quoted iron project developer, today announces that it has now received applications to subscribe for 100 Million shares at GBP0.005, to raise GBP500,000. The Placement Shares will rank equally with existing fully paid ordinary shares from allotment.

The subscribers to the Placement Shares will include Grassroots Exploration Pty Ltd (which is controlled by Mr Alan Jenks), whose subscription will consist of 13 Million shares. Grassroots Exploration currently holds 77,505,870 or 14.93%. After the subscription, it will hold 90,505,870 or 14.63%.

Application will be made for quotation of the Placement Shares on the Australian Securities Exchange Limited, the AIM market of the London Stock Exchange and on the JSE Limited, with trading expected to commence in relation to the shares on or around 20 May 2015. Following the completion of the placement, the number of ordinary shares on issue will be 618,787,353 shares.

**Funding and Development**

During H2 of 2014 the Board of Ferrum Crescent took the decision to restart the bankable feasibility study ("BFS") at the Moonlight Iron Project, located near the Thabazimbi rail hub in Limpopo Province, Republic of South Africa. While iron ore spot prices have remained low, the Moonlight complex will produce a high-grade (68-70%) magnetite DR grade product that can be produced and shipped to customers utilising an established infrastructure network. Since the BFS was restarted, final pit location has been established, ready for advanced reserve drilling and large-scale metallurgical test work. With these work-flow components in place the Company has progressed engagement with stakeholders including infrastructure providers, the Government of South Africa, BEE companies and local community groups.

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This period of engagement has enabled Ferrum Crescent to sign terms (announced 5 May 2015) for a US\$12m funding agreement with BEE group PMI to earn 39% of Ferrum Iron Ore (Proprietary) Limited (“FIO”) shares, the entity that owns the Moonlight Iron Project. Today’s placing secures funds to cover basic corporate overheads, while at the same time progressing the PMI funded BFS at Moonlight. In addition, funds will be deployed towards a new exploration drilling programme at the Julietta farm, to increase the overall project resource. The scheduled work-flow for 2015 is as follows:

BFS: Infill drilling to establish mining reserves, advanced metallurgical test work to establish final DRI plant complex costings, further concentrate study with certain partners to assess viability of supply concentrate (with no DR grade pellet plant construction needed), full 10 year mining model costed and concluded, slurry pipeline to Thabazimbi fully designed, local community engagement to underpin infrastructure development.

Exploration drilling: RC drilling to be conducted at the Julietta farm, adjacent to the current resources, with the objective to quantify the potential upside (exploration target) contained within the Project area.

Following infrastructure discussions and a desk top analysis of increasing rail capacity within Limpopo, Ferrum has commenced a full market study of South African steel manufacturing. The Company believes that there is a significant opportunity to vend Moonlight’s high-grade product to domestic steel users, obviating the need to ship pellets through Richards Bay. The study has also been commenced following increasing interest in Moonlight from within South Africa, and the opportunity such a route would afford in reducing full capital expenditure and increasing potential margins.

Commenting today Tom Revy, Managing Director, of Ferrum Crescent said: “Today’s funding concludes our near-term strategy to complete the BFS at the Moonlight project and expand the total resource of this high quality magnetite iron ore. The support of both PMI and Ferrum shareholders allows us the security to bring the Project towards construction financing, while retaining significant value for all parties. Our job now is to complete our key operational workflows and also communicate to investment markets that value iron projects for junior companies should not be based on DSO and scale. We are developing a specialist product for the steel industry that is capable of delivering significant margins, especially in an iron ore market that is undergoing fundamental changes”.

For more information on the Company, please visit the website at [www.ferrumcrescent.com](http://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 Moonlight Iron Project or "Moonlight" or the "Project" is based) is a magnetite deposit located on the farms Moonlight, Gouda Fontein and Julietta and is the main operational focus for the Company. Iscor, which explored the Project in the 1980s and '90s, reported mineralisation, capable of producing a concentrate grading 68.7% iron. At the time, Iscor concluded that the deposit, which was described as 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 of Moonlight material, undertaken since by Ferrum, suggest that Iscor's 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 the industry standard (P80 of 75 – 125 microns).

Key features of the Project are:

- JORC (2012) compliant Mineral Resource;
- Historical drilling, drilling by the Group, geological modelling and high density geophysical survey conducted by the Company in 2012 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 pellets in excess of 69% iron and low deleterious elements possible (DR grade pellets for use in direct reduction iron/electric arc steel-making processes);
- Low stripping ratio; slurry pipeline>pellet plant at rail head (Thabazimbi); export through Richards Bay;
- Duferco offtake partner (4.5 Mtpa plus first right on 1.5 Mtpa if not sold domestically);
- Independent valuation 2014 – The Mineral Corporation's independent valuation of the Project released to the market on 11 June 2014;
- Located near Kumba railhead at Thabazimbi (Kumba operation depleting in grade), Limpopo Province, northern South Africa;
- New Eskom power (4,800MW) commissioning first 800MW module;
- Richards Bay port expansion for iron ore products.