



**EUROPEAN LEAD ZINC  
EXPLORATION**

FERRUM CRESCENT LTD

31 July 2017

## **Ferrum Crescent Limited**

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

### **Quarterly Activities and Cashflow Report**

**For the period ended 30 June 2017**

#### **Highlights:**

##### **Toral lead-zinc project, Spain**

- Drilling contractor engaged to conduct exploration campaign to test for the presence of further lead-zinc mineralisation (above historic drilled areas) from surface in a series of angled holes.
- 9 firm hole locations were planned to intersect near-surface lead-zinc mineralisation with an average hole length of 155m for a minimum total to be drilled of 1,400m.
- Myles Campion contracted as senior technical consultant to advise the Board on the geological development of the Company's asset portfolio.
- Visual identification of lead-zinc associated minerals in the core extracted from all of the drill holes completed within the reporting period.

##### **Moonlight Iron Ore Project, South Africa**

- Sale of the Company's Mauritian subsidiary, Batavia Ltd ("Batavia"), holding all of the Group's South African assets, including the Moonlight iron ore project in Limpopo Province, northern South Africa (the "Moonlight Project"), to NPSPL Africa Holdings Limited and its BEE partner, Ngwenya Capital (Pty) Limited (together, the "Purchasers").
- The sale of Batavia, for nominal consideration, terminated the group's exposure to the significant ongoing costs and commitments associated with maintaining the Moonlight Project.

#### **Corporate**

- Capital raising of £225,521 gross through the placement of 322,173,789 new ordinary shares of no par value each in the capital of the Company at a price of 0.07 pence per new ordinary share to pursue the Toral lead-zinc project's exploration programme.

**Ferrum Crescent Ltd (Share code FCR on the ASX, AIM and the JSE)**

ACN 097 532 137 T: +61 8 9474 2995 F: +61 9474 2937 E: [info@ferrumcrescent.com](mailto:info@ferrumcrescent.com) W: [www.ferrumcrescent.com](http://www.ferrumcrescent.com)  
Suite 6, Ground Floor, 9 Bowman Street, South Perth WA 6151, Australia  
PO Box 189, South Perth, WA 6951

- Cash balance at the end of the quarter: A\$504,041

## **Post Quarter End**

### **Toral lead-zinc project, Spain**

- Drilling of 6 holes completed which have all returned visually-identified lead-zinc intersections from which samples are now being prepared and sent for assay in Spain.
- All drilling conducted was within 200 metres from surface and, due to the drilling occurring across various elevation levels on a hill, it has been possible to recover core at various levels within the structure.
- A revised structural thrust model whereby mineralisation is constrained within a series of thrusts and driven to surface from depth has been established with confirmation from the intersections encountered at each and every hole drilled.
- With the geological aims of the exploration drill programme having substantially been met, the programme has been deemed completed by the Board after hole 6 and halted.
- The results from the ongoing assays will be analysed once received, entered into the revised structural model for Toral and announced accordingly.
- Significant data set and analytics relating to the historic NI43-101 resources report now recovered from Micon International Ltd (“Micon”).
- Principal objective is now to relate the latest understanding of the thrust model to the significant amounts of new core and the assay results obtained from the drill programme.
- The analysis of the new core will facilitate a review of the core from the historic third party drill campaign with a view to assaying specific previously-untested sections of the historic core for shallower mineralisation.
- All the assays plus the historic data set will enable the swift development of the next phase of exploration in order to pursue specific project economic targets, to include the expansion of the resource.
- The drilling of ‘long-holes’ which is a previously untested approach designed to move through multiple shale/slate layers will also be assessed. The objective is to encapsulate the entire mineralised section in each hole by traversing the complete series of parallel, mineralised planes.
- Internal scoping and comparative studies commenced in July 2017 in order to support economic development planning towards a Pre-Feasibility Study.

### **Moonlight Iron Ore Project, South Africa**

- Orderly hand-over process of all of the Group's operations and licences associated with the Moonlight Project underway.

**Justin Tooth, Executive Chairman of FCR, today commented:**

*“The last quarter and subsequent month have seen FCR complete its near-surface, lead-zinc exploration drill campaign at Toral in Spain and dispose and cease its exposure to its South Africa assets, including the Moonlight Project.*

*“The objective for our initial drill programme at Toral was to confirm our new geological model by establishing the presence of lead-zinc mineralisation near surface, and the existence of multiple planes of mineralisation rather than just a single mineralised zone at depth as previously established by prior owners of the asset.*

*“From visual inspection, the recovered core from every one of the six holes drilled contained apparently mineralised intersections of varying widths. Accordingly, we decided to call an end to this initial drilling campaign while our geological team assesses the results and relates them to the data set received from Micon, and to the core we hold from the historic Lundin drill programme. The core samples are now being prepared and sent to the ALS Global laboratory in Seville for assay and analysis.*

*“It is probable that in light of our drill programme we shall also choose to sample and assay certain sections of the historic core in order to ratify our findings, as that core was never assayed for shallow mineralisation because there was a different geological model under consideration at that time.*

*“We now look forward to receiving those assay results which are currently anticipated within the next 6 weeks. We will make a comprehensive announcement of the results from this campaign as soon as practicable.*

*“Incorporating all this new data into our geological model at Toral is our current priority so that we can model the latest drill campaign’s results alongside the significant historic data in order to enhance our understanding and to focus our exploration activities for the maximum of benefit. We aim to develop the thrust model at Toral rapidly and continue to build a better understanding of the project’s resource and economics.*

*“Lastly, the divestment of our South African assets is leading to a significant reduction in ongoing costs with our attention now focused on progressing our promising Spanish lead-zinc projects.”*

**Exploration Interests**

The following listing of tenements held is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 30 June 2017:

<b>Project</b>	<b>Location</b>	<b>Right Number</b>	<b>Right Status</b>	<b>Holder</b>	<b>Percentage Interest</b>
Toral	León Province, Spain	15.199	Investigation Permit	GoldQuest Iberica, S.L.	100%
Lago	Galicia Province, Spain	Lago II 6.056	Exploration Permit in progress	GoldQuest Iberica, S.L.	100%
		Lago III 6.058	Investigation Permit in progress		



As at 30 June 2017, the Company has disposed of interests in the following:

<b>Project</b>	<b>Location</b>	<b>Right Number</b>	<b>Right Status</b>	<b>Holder</b>	<b>Percentage Interest</b>
Moonlight	Limpopo Province, South Africa	30/5/1/2/2/201 MR	Mining Right Granted	Ferrum Iron Ore (Pty) Ltd	97%
Moonlight	Limpopo Province, South Africa	LP30/6/1/1/2/11868PR	Prospecting Right Application	Ferrum Iron Ore (Pty) Ltd	97%

For further information on the Company, please visit [www.ferrumcrescent.com](http://www.ferrumcrescent.com) or contact:

**Ferrum Crescent Limited**

Justin Tooth, Executive Chairman  
 Grant Button, Director and Company Secretary  
 T: +61 8 9474 2995

*UK enquiries:*

Laurence Read (UK representative)  
 T: +44 7557 672 432

**Strand Hanson Limited** (Nominated Adviser)

Rory Murphy/Matthew Chandler  
 T: +44 (0)20 7409 3494

**Beaufort Securities Limited** (Broker)

Elliot Hance  
 T: +44 (0)20 7382 8300

**Bravura Capital (Pty) Ltd** (JSE Sponsor)

Melanie De Nysschen  
 T (direct): +27 11 459 5052

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014.*

## Appendix 5B

# Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

### Name of entity

Ferrum Crescent Limited

### ABN

58 097 532 137

### Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(82)	(259)
(b) development		
(c) production		
(d) staff costs	(184)	(475)
(e) administration and corporate costs	(338)	(1,417)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(604)</b>	<b>(2,151)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(7)	(17)
(b) tenements (see item 10)		
(c) investments	-	(928)
(d) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	2	3
	(b) tenements (see item 10)		
	(c) investments	1	1
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(4)</b>	<b>(941)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	378	3,206
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(38)	(283)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>340</b>	<b>2,923</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	725	743
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(604)	(2,151)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(941)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	340	2,923
4.5	Effect of movement in exchange rates on cash held	47	(70)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>504</b>	<b>504</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	504	725
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>504</b>	<b>725</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
82

--

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

--

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	180
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	183
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>363</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	30/5/1/2/2/201 MR, Limpopo Province, South Africa	Relinquished	97%	Nil
	LP30/6/1/1/2/11868PR, Limpopo Province, South Africa	Relinquished	97%	Nil
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Date: 31 July 2017

Print name: Grant Button  
Company Secretary

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.