



Ferrum Crescent Limited

25 July 2016

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

Placing to raise approximately £374,453 gross

Ferrum Crescent, the ASX, AIM and JSE quoted metals project developer, announces that it has conditionally raised, in aggregate, £374,453 before expenses through a placement, via Beaufort Securities Limited ("**Beaufort**"), as agent of the Company, of 187,226,485 new ordinary shares of no par value each in the capital of the Company (the "**Placing Shares**") at a price of 0.20 pence per new ordinary share (the "**Placing**"). The Placing was oversubscribed.

The Placing Shares will represent, in aggregate, approximately 12.74 per cent. of the Company's enlarged issued share capital. The Placing is conditional on admission of the Placing Shares to trading on AIM ("**Admission**").

As part of the Placing, each investor was offered, subject to shareholder approval in accordance with the ASX Listing Rules, options on the basis of one option for every share subscribed pursuant to the Placing. Each option will entitle the holder to subscribe for a further new ordinary share at a price of 0.30 pence per share for an exercise period of two years following the date of Admission (the "**Options**"). In addition, the Company has agreed to grant a further 18,722,649 options to Beaufort on the same terms (the "**Broker Options**"). The Company does not currently have sufficient shareholder authority to grant all of the 187,226,485 Options and 18,722,649 Broker Options unconditionally. Accordingly, the Company intends shortly to issue a notice to shareholders to convene a general meeting of the Company, at which, *inter alia*, a resolution(s) will be put to shareholders to approve the grant of 187,226,485 Options to the subscribers of the Placing Shares and 18,722,649 Broker Options to Beaufort.

Application will be made for quotation of the Placing Shares on the Australian Securities Exchange and the JSE Limited, and to the London Stock Exchange plc for Admission. It is expected that Admission of the Placing Shares will become effective and that dealings in the Placing Shares will commence on AIM at 8.00 a.m. on 29 July 2016. The Placing Shares will be fully paid and will rank *pari passu* in all respects with the Company's existing ordinary shares. Following Admission, the total issued ordinary share capital of the Company will comprise 1,470,018,368 ordinary shares.

Use of Proceeds

The Company intends to use the net proceeds from the Placing for the Group's general working capital purposes, including, subject to the exercise of the Company's option over GoldQuest Iberica, S.L. ("**GoldQuest**") in due course, a planned structured work programme across GoldQuest's Toral and Lago lead-zinc exploration projects in the

provinces of León and Garcia (the “**Iberian Projects**”), with the objective of establishing a maiden JORC Code compliant resource estimate at the Iberian Projects, the rapid establishment of metallurgical characteristics and a viable metals separation and processing profile.

Justin Tooth, Executive Chairman of Ferrum Crescent, today commented:

“The continued valuable support and strong interest shown in the Group’s activities from investors is most pleasing. These additional funds will serve to augment and strengthen the Group’s working capital position as we seek to progress our flagship Moonlight project in South Africa and, further to the recent extension, exercise in due course our option over GoldQuest with a view to swiftly undertaking a structured work programme to advance its attractive, high potential, Iberian Projects.”

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

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This announcement contains inside information.

Notes to Editors:

Further Information on GoldQuest and the Iberian Projects

GoldQuest is a private company incorporated in Spain which owns 100 per cent. of both the Toral Project and the Lago Project in northern Spain, each having high prospectivity for lead and zinc.

Principal Terms of Ferrum Crescent's Option

- Option to potentially acquire 100 per cent. of GoldQuest. GoldQuest owns 100 per cent. of two lead-zinc exploration projects in the provinces of León and Galicia, in historic Spanish mining areas.
- Exclusive option is valid until 31 August 2016. If exercised, Ferrum Crescent, will be required to:
 - pay up to approximately £320,000 in cash consideration (calculated as a fixed amount of £250,000 plus a further cash payment comprising the lesser of 50 per cent. of GoldQuest's current liabilities and £92,500, minus the option consideration); and

- o issue, credited as fully paid, 100 million new ordinary shares in the capital of Ferrum Crescent.

Toral Project

The Toral Project has been extensively explored historically by its previous owners Portex Minerals Inc. and Lundin Mining S.L. and the 2,024ha of mineral rights contains extensive high grade zinc mineralisation. Located in north-west Spain, approximately 400km north-west of Madrid, the project's licence area hosts excellent road, rail and power infrastructure and is situated in a known historic mining jurisdiction. The asset also has a pre-existing NI 43-101 resource estimate reported by Micon International Co. Limited on 30 April 2012.

Lago Project

The Lago Project is located approximately 54km to the north-east of the Toral Project. Historical investigations completed by or on behalf of the Spanish mining firm, Exploracion Minera Internacional Espana S.A. ("EXMINESA"), between 1985 and 1990, indicated that mineralisation at the Lago Project may be similar to that encountered at the Toral Project with vertical, lenticular bodies (probably more than one) approximately 800m long by 300m wide.

Further Information on the Moonlight Project, South Africa

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 Moonlight 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 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 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 BVI (Ovation Capital) farm-in transaction;
- BEE compliant South African investment company (BVI) will provide a completed BFS to the Group by 2018/19 at no expense to the Group in return for a 39-43% equity position in the Moonlight 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 potential export of future iron ore products; and
- Local community, Ga-Seleka, has an effective 3% carried interest in the Moonlight Project.