



Ferrum Crescent Limited

28 April 2017

Ferrum Crescent Limited

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

Quarterly Activities and Cashflow Report For the period ended 31 March 2017

Highlights:

Moonlight Iron Project

- Termination of farm-in and joint venture agreement with Business Venture Investments No. 1709 (Proprietary) Limited ("BVI") following BVI's failure to complete Phase I of the Bankable Feasibility Study by the agreed extended date
- Detailed negotiations held with a new third party group in relation to the potential development of the Moonlight Project

Spanish lead-zinc exploration projects

- Work programme designed and underway for the Toral Project with the goal of establishing the presence of mineralisation at surface and then defining the most prospective areas of mineralisation for a targeted drill campaign
- Targeted areas for sampling sit above mineralisation identified at depths between 370m and 929m by historic drilling which was the subject of a foreign resource estimate for the purposes of the ASX Listing Rules, comprising of an NI 43-101 compliant Inferred and Indicated foreign mineral resource estimate
- Channel sampling identified first mineralisation near surface, including:
 - 0.9m @ 10.5% Zn & 2.5% Pb average on the main structure within Adit 49
 - 1.2% Cu, 6.5% Zn & 13.5% Pb returned from a 1.2m channel sample in Adit 54
 - Soil sampling identified distinct, continuous zinc-in-soil 2 kilometre anomaly, approximately 150 metres wide, including peak zinc-in-soil values of 1.4% zinc
- Drill programme plans to intersect shallow untested targets within the main anomalous area:
 - Phase 1 drill programme at the Toral Project designed to intersect mineralising features at a series of shallow targets which are untested to date

- The two kilometre soil geochemistry anomaly at this depth will be targeted in three separate zones containing a variety of mineralising styles that will be tested down to depths of approximately 100m below surface
- The refined programme has been designed with an expected nine firm hole locations, with an average hole length of 155m for a minimum total to be drilled of 1,400m
- Five holes are planned for Zone 1, one 250m hole for Zone 2 (which crosses several separate targets) and three holes for Zone 3. The remaining 700m will be distributed on a discretionary basis during the drilling programme and may be used to test continuity at depths down to 150m below surface

Corporate

- New contract terms agreed for FCR's Executive Chairman, Justin Tooth, to continue his role as sole executive director of the Company and appointment of Merlin Marr-Johnson as Project Manager to oversee progression of the Company's lead-zinc project portfolio. Proposed adoption of a new equity incentive plan to replace the Company's existing equity incentive arrangements to be considered at a general meeting of shareholders to be held on 11 May 2017
- Laurence Read appointed to the Board as a non-executive Director, replacing Klaus Borowski who resigned to pursue other interests
- Cash balance at the end of the quarter: A\$725,373

Post Quarter End

- Diamond drilling contract signed with Sondeos y Perforaciones Industriales de Bierzo SA for Phase 1 drill programme at the Toral Project
 - Minimum of 1,400m and maximum of 2,100m to be drilled and programme expected to take up to three months to complete
 - Drill cost of EUR80 per metre
- Work completed by FCR has recently identified mineralisation in multiple sub-vertical, sub-parallel planes and also mineralisation associated with crosscutting faults. In addition, several different styles of mineralisation have been identified, complementing data from the channel samples and soil geochemistry reported on 23 February 2017
- Moonlight Project update announced on 27 April 2017 stating that negotiations with a potential new third party partner had ceased without reaching any viable agreement. Consequently, the Board of FCR has decided, unless an alternative development opportunity can be secured in the short term, to undertake an orderly winding-up and hand-over process in respect of the Group's operations and licences associated with the project with a view to terminating all activities and expenditures in South Africa as soon as practicable

Exploration Interests

The following listing of tenements held is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 31 March 2017:

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

No tenements were acquired or disposed of during the quarter.

Justin Tooth, Executive Chairman of FCR, today commented:

“During the quarter under review, we have advanced our lead-zinc assets in Spain smoothly through channel sampling, soil sampling and mapping activities, culminating in the final stages of preparation for a drilling campaign. The drill programme is scheduled to start imminently and is designed to test lead-zinc mineralisation in the top two hundred metres below the main surface anomalies. Historic work has defined mineralisation at depth and FCR is now targeting mineralisation at higher levels in the structure, closer to surface.

“The Company has spent considerable time, effort and resources in searching for the right development partner for the Moonlight Project, but, regrettably, despite our best endeavours, we have been unable to secure a sustainable path to development. Mindful of the significant costs involved in maintaining the good standing of the project and the Mining Licence, we yesterday announced that the Board has decided that, unless an alternative development opportunity can be secured in the short term, the Company will undertake an orderly winding-up process for the project leading to the planned relinquishment of the licences at the earliest opportunity. Thereafter our resources will be increasingly focussed on the exciting Spanish lead-zinc project we are about to drill at Toral.”

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

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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.

Notes to Editors:

Further Information on the Spanish lead-zinc Exploration Projects

Toral Project

The wholly owned Toral zinc-lead-silver permit is located near Ponferrada in the west of the province of León, Autonomous Community of Castile and León, Spain approximately 400km northwest of Madrid.

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 (the "NI 43-101 Report"). The NI 43-101 Report estimated that the project has a NI 43-101 compliant Inferred and Indicated foreign resource estimate of 8.71Mt at an economic cut-off grade of 7% Pb + Zn (as set out in the Company's announcement of 10 November 2016).

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 International 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.

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")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(79)	(177)
(b) development		
(c) production		
(d) staff costs	(107)	(291)
(e) administration and corporate costs	(299)	(1,079)
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)		
1.9 Net cash from / (used in) operating activities	(485)	(1,547)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8)	(10)
(b) tenements (see item 10)		
(c) investments		(928)
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	1	1
	(b) tenements (see item 10)		
	(c) investments		
	(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)		
2.6	Net cash from / (used in) investing activities	(7)	(937)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		2,828
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	(23)	(245)
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)		
3.10	Net cash from / (used in) financing activities	(23)	2,583

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,293	743
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(485)	(1,547)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(937)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(23)	2,583
4.5	Effect of movement in exchange rates on cash held	(53)	(117)
4.6	Cash and cash equivalents at end of period	725	725

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	725	1,293
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	725	1,293

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	83
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	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	300
9.2 Development	
9.3 Production	
9.4 Staff costs	110
9.5 Administration and corporate costs	220
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	630

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
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: 28 April 2017

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.