



30 July 2014

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 June 2014

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 June 2014.

HIGHLIGHTS:

Moonlight Iron Ore Project:

- Moonlight Resource made compliant with JORC 2012
- Moonlight Iron Ore Project valued independently by The Mineral Corporation within a range between US\$24.8m and US\$41.3m, with a preferred valuation of US\$33.0m (as announced on 11 June 2014)
- Moonlight BFS review- detailed pathway to completion announced
- Anvwar Asian Investment (“AAI”) failed to make its second US\$500,000 payment, which was due to be paid by 30 April 2014 and remains in breach of contract; negotiations continue with AAI and other potential funding partners
- Whilst commencement of the BFS remains on hold, the BFS work program planning continues

Corporate:

- Cash as at 30 June 2014 was approximately AU\$738,000
- Ed Nealon moved from Executive Chairman to Non-Executive Chairman of the Board. Bob Hair resigned as a director and moved to the position of company secretary replacing Andrew Nealon
- Ferrum Crescent’s registered office moved to South Perth.

Commenting today Tom Revy, Managing Director, said: “The June Quarter 2014 saw a continuation of gearing up to commence the BFS at the Moonlight Project. This project will produce and deliver to customers a premium iron ore product and will be of huge benefit to Ferrum shareholders, the local communities and municipalities and to the Limpopo and South African governments and their instrumentalities. I think people in South Africa are becoming as excited as we are about the benefits to all stakeholders that will come from Moonlight, and I am very much looking forward to the things I enjoy the most in this industry – taking a premium project through feasibility into financing, construction and operations. It is unfortunate that AAI has thus far not carried out its side of the agreement that was reached in March 2014, but we are continuing to talk to AAI and to pursue other investment funding options, both in South Africa and internationally.”

For more information, please visit www.ferrumcrescent.com or contact:

<i>Australia and Company enquiries:</i>	<i>UK enquiries:</i>
Ferrum Crescent Limited Ed Nealon T: +61 8 9367 5681 Chairman Tom Revy T: +61 8 9367 5681 Managing Director	Pareto Securities Ltd (Broker) Guy Wilkes T: +44 (0) 20 7786 4370 RFC Ambrian Limited (Nominated Adviser) James Biddle/Andrew Thompson T: +44 (0) 20 3440 6800 Ferrum Crescent Limited Laurence Read (UK representative) T: +44 7557672432
<i>South Africa enquiries:</i>	Sasfin Capital Megan Young T: +27 11 809 7500

On 5 May 2014, the Company announced that the Mineral Resources at Moonlight had been updated to comply with JORC 2012, the work was completed by the Mineral Corporation Consultancy Pty Ltd (“The Mineral Corporation”) of Johannesburg.

The Company also concluded a detailed review of the bankable feasibility study for the Moonlight Iron Ore Project. A work pathway was announced that identified advanced metallurgy, pilot plant construction and final product analysis as the next key components for the BFS. This work allows final costings to be made for the mining plan and items such as the pellet plant. A project schedule for completion of the Moonlight BFS was announced as follows:

- Feasibility study can be completed within 18 months work-time;
- 30 to 36 month construction period expected;
- Schedule coincides with Government infrastructure development plans; and
- Completion of the BFS is expected to cost approximately A\$10-13m.

The Company on 11 June 2014 released to the market a copy of a valuation report carried out by The Mineral Corporation for certain South African regulatory reasons. The Mineral Corporation's independent valuation of the Moonlight Iron Ore Project in South Africa (**Moonlight or the Project**) placed a value to the Project within a range from US\$24.8m to US\$41.3m, with a preferred value of US\$33m. The valuation of the Project used the principles and guidelines of the South African Code for the Reporting of Mineral Asset Valuation (**SAMVAL Code**).

The valuation opinion contained in the report is only for the Mineral Assets of the Company, and excludes the value of any surface infrastructure established at the Moonlight Project, any movable assets which are part of the Project or the balance sheet circumstances of Ferrum Crescent. The effective date of the valuation is 30 April 2014.

A copy of each of these announcements can be found on the Company's website.

Corporate

A second payment of US\$500,000 was not received by Ferrum Crescent from Anwar Asian Investments ("AAI") within the time frame scheduled under a funding agreement between the 2 parties. Ferrum Crescent have informed AAI of its default and not accepted a request for an extension period to complete the financing.

During the Quarter Ferrum Crescent underwent a period of restructuring. Mr Andrew Nealon was replaced by Bob Hair as company secretary, who himself resigned as an executive director of the Company. It was also announced that Mr Ed Nealon moved from executive to non-executive Chairman of the Company.

Exploration Interests

As at 30 June 2014, the Company held an interest in the following mining tenements:

Project	Location	Tenement Number	Tenement Status	Holder	Percentage Interest
Moonlight	Limpopo Province, South Africa	30/5/1/2/2/20 1 MR	Mining Right Granted	Ferrum Iron Ore (Pty) Ltd	97%
Moonlight	Limpopo Province, South Africa	30/5/1/2/2/20 1 MR	Prospecting Right Application	Ferrum Iron Ore (Pty) Ltd	97%

No licences were acquired or disposed of during the Quarter.

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 June 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(201) (321)	(579) (1,219)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	20
1.5 Interest and other costs of finance paid		
1.6 R&D recoupment tax	-	125
1.7 Other – net income on restricted cash investments	8	(19)
Net Operating Cash Flows	(508)	(1,672)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	 -	 (2)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	 -	 41
1.10 Loans to other entities	-	(41)
1.11 Loans repaid by other entities	-	41
1.12 Other (restricted cash investments)	(191)	(89)
Net investing cash flows	(191)	(91)
1.13 Total operating and investing cash flows (carried forward)	(699)	(1,763)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(699)	(1,763)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,511
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19.1	Other	-	29
1.19.2	Other - First Tranche proceeds from Anvar Asian Investment	-	539
1.19.3	Other – share issue costs	-	(110)
	Net financing cash flows	-	1,969
	Net increase (decrease) in cash held	(699)	206
1.20	Cash at beginning of quarter/year to date	1,434	548
1.21	Exchange rate adjustments to item 1.20	3	(16)
1.22	Cash at end of quarter	738	738

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	82
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.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		

+ See chapter 19 for defined terms.

3.2 Credit standby arrangements		
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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	300
4.2	Development	
4.3	Production	
4.4	Administration	200
Total		500

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	574	923
5.2 Deposits at call	164	511
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	738	1,434

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 and petroleum tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements and petroleum 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 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	380,602,777	378,302,777	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	400,000 500,000 2,500,000	- - -	<i>Exercise price</i> \$0.10 \$0.03 \$0.08	<i>Expiry date</i> 14 December 2015 21 November 2016 19 February 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired / cancelled during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)			
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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 /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



Date: 30 July 2014

(Company secretary)

Print name: Bob Hair

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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