



6 November 2015

Mr Ben Tippett
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Ben

I refer to your letter of 5 November 2015, and would address the paragraphs numbered 1 to 5 in that letter as follows:

- ASX:** It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

Ferrum Crescent response: As announced to the market on 14 October 2015, the Ferrum Crescent group entered into a legally binding farm-in and joint venture agreement (the "Farm-in Agreement") with Business Venture Investments No. 1709 (Proprietary) Limited ("BVI") in South Africa to form a joint venture for the completion of the bankable feasibility study ("BFS") at the group's Moonlight Iron Project located in Limpopo Province, northern South Africa. The effect of entering into the Farm-In Agreement is that BVI will be responsible for the operational costs and some associated administrative costs in respect of the BFS activities. Accordingly, the Company believes that it will have access to sufficient cash to fund its near term operational activities. In addition, whilst the Company expects to continue to incur negative operating cash flows, consistent with statements set out in its annual report and audited consolidated financial statements released to the market on 30 September 2015, the Company currently expects to raise additional working capital in the first half of calendar year 2016.
- ASX:** Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

Ferrum Crescent response: The Company expects to continue to have negative operating cash flows similar to that reported in the Appendix 5B for the quarter. The response to question 1 applies.
- ASX:** What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

Ferrum Crescent response: The response to question 1 applies.

4. **ASX:** Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
Ferrum Crescent response: The Company hereby confirms that it is in compliance with all listing rules, including listing rule 3.1.
5. **ASX:** Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.
Ferrum Crescent response: Given the legal agreement referred to and the other information supplied in response to question 1, the Company confirms its view that it meets the requirements of listing rule 12.2.

Yours sincerely

[electronic signature supplied]

Robert hair
Company Secretary



5 November 2015

Mr Robert Hair
Company Secretary, Ferrum Crescent Limited
Suit 6, Ground Floor South Mill Centre
9 Bowman Street
South Perth WA 6151

By Email

Dear Mr Hair,

Ferrum Crescent Limited ("Company") – Appendix 5B

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 September 2015, released to ASX Limited ("ASX") on 30 October 2015 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales of nil.
2. Net negative operating cash flows for the quarter of \$481,000.
3. Cash at end of quarter of \$587,000.
4. Expected cash outflows for next quarter of \$500,000.

In light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rules 3.1 – 3.1B".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me at **ben.tippett@asx.com.au**. It should not be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **3:00pm WST on Monday 9 November 2015**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries please let me know.

Yours sincerely,

[sent electronically without signature]

Ben Tippett
Adviser, Listings Compliance (Perth)