

18 March 2014

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

**Final Investment Agreement Signed with Anvwar Asian Investment ("AAI")**

**Highlights**

- US\$10m for 35% of Moonlight Iron Ore Project Agreed
  - US\$28M implied valuation of Ferrum Crescent by AAI
- US\$500,000 to be received immediately and a further US\$500,000 to be paid before 30 April 2014
- Shares (in subsidiary) allocated but held in trust pending full payment (must be complete at conclusion of the Bankable Feasibility Study ("BFS") or by 31<sup>st</sup> December 2015 to retain interest)
- Upon receipt of first US\$1m Ferrum Crescent to recommence BFS activities

Ferrum Crescent, the ASX, AIM and JSE quoted iron ore developer, today announces that it has signed a final investment agreement with AAI to progress the BFS at the Moonlight Iron Ore Project ("Moonlight" or the "Project") located in the Limpopo Province of South Africa. A total sum of US\$10m will be paid to the Company in return for the granting of a 35% interest in the subsidiary company holding the Moonlight assets.

The first payment of US\$500,000 must be paid to Ferrum Iron Ore (Pty) Limited ("FIO"), the 100% owner of the Moonlight Project, pursuant to existing approvals from the Reserve Bank of South Africa as loan funds as soon as practicable, with these funds to be released from AAI's bank by 24<sup>th</sup> March 2014. The second payment of US\$500,000 is scheduled for payment to FIO by 30<sup>th</sup> April 2014.

AAI will hold 35% of the shareholding in FIO ("AAI Shares"). The subscription price for the AAI Shares will be the South African Rand equivalent of US\$10 million (Subscription Price), and the AAI Shares will be allotted but held in trust pending payment in full of the US\$10 million. It is also acknowledged and agreed that, unless mutually agreed between FIO and AAI, the AAI Shares must be fully paid by the payment to FIO of the South African Rand equivalent of the Subscription Price by the completion of the BFS or by 31<sup>st</sup> December 2015 at the latest.

In the event that the AAI Shares have not been fully paid by 31<sup>st</sup> December 2015 (or an amended date, if applicable), then the (partly paid) AAI Shares are to be cancelled in accordance with applicable legislation, and fully paid FIO shares are to be allotted and issued to AAI, the number of such shares to be calculated by reference to the percentage of the Subscription Price that has been paid. By way of example, in the event that 10% of the Subscription Price has been paid by that date, then the (10% partly paid) AAI Shares would be cancelled and fully paid FIO shares equal to 3.5% of FIO shares on issue would be allotted and issued to AAI.

Key differences from the original letter of intent is that there is no fixed payment schedule up to 31<sup>st</sup> December 2015 cut-off and no fixed expenditure contribution from AAI in addition to the US\$10m payment.

Following receipt of the first 2 payment tranches equating to US\$1m the Company will recommence the BFS under the supervision of recently appointed Managing Director, Tom Revy.

Commenting today Tom Revy said: "I believe the recommencement of the BFS is the first step towards realising the true value of the Project to Ferrum Crescent investors. The investment by AAI directly into the Project clearly highlights the undervalued position of the Company."

Ed Nealon, Chairman, added: "Today's agreement is the definitive arrangement between the Omani based AAI group and ourselves. We receive funds upfront with our partners allotting more investment as the BFS progresses. I now look forward to progressing key elements of the BFS at Moonlight under the supervision of Tom Revy."

For more information, please visit [www.ferrumcrescent.com](http://www.ferrumcrescent.com) or contact:

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