

19 February 2014

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

### **AAI Staggered Payment Agreement and Reserve Bank Update, RSA**

Ferrum Crescent, the ASX, AIM and JSE quoted iron ore developer, today announces that it has varied the terms of its agreement with Anvwar Asian Investment ("AAI") in relation to the purchase by AAI of a 35% interest in the Moonlight Iron Ore Project ("Moonlight" or the "Project") located in Limpopo Province of South Africa.

Under the amended terms, AAI will still pay a total consideration to Ferrum Crescent of US\$10m in return for 35% of Moonlight. The initial payment of US\$1m will be paid by mid-March 2014, and thereafter, commencing in May 2014, AAI will pay US\$0.5m each month until the full purchase price has been paid. In addition, AAI will advance to Ferrum Crescent in Australia an additional US\$1.5m to assist with the bankable feasibility study ("BFS") costs, by way of payments of US\$0.5m per month. This payment schedule, whereby AAI pays the purchase price and meets the additional funding obligation of US\$1.5m by monthly payments to the Company of US\$0.5m per month, will only be accelerated in the event that the BFS is carried out in less than 24 months. The staggered payment schedule protects funds from currency fluctuation risk and tracks necessary spending as the Moonlight BFS continues.

The first payment will be made to Ferrum Crescent by AAI following administrative approvals from the Reserve Bank of South Africa. This is a standard procedure with regard to the issue of shares by a South African company to a non-resident, in order to finalise the structure. Further meetings are scheduled in South Africa to conclude all arrangements on 14 and 15 March 2014.

In a separate announcement made by the Company today, following the new AAI agreement, Mr Tom Revy, an experienced project manager and developer, has been appointed as Managing Director of Ferrum Crescent in order to oversee the BFS. With a full mining right granted over Moonlight, the project will look to support a current 20 year mine life producing 6 million tonnes per annum blast furnace and direct reduction iron grade pellets for export and domestic sale.

Commenting today Tom Revy, MD, said: "I have joined Ferrum Crescent as the Company has secured the necessary funding support to progress its BFS at Moonlight. The Moonlight Project is extremely attractive as it offers the opportunity to bring a new source of high-grade iron ore product into production in a region with established infrastructure and markets."

Ed Nealon, Chairman, added: "Once we have concluded the standard processes over foreign ownership with the Reserve Bank of South Africa, the first payment towards BFS funding will be made by AAI. The funding we receive from AAI will be put into completion of the Moonlight BFS. I look forward to working with Tom and our team, as well as our Omani partners, to conclude a successful study."

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

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## Notes to Editors

### Moonlight Iron Ore Project

- 97% owned by Ferrum, with the remainder owned by local community trust
- JORC compliant resource of 52.6Mt at 31.3% Fe in the Measured category, 83Mt at 27.4% Fe in the Indicated Resource category and 172.1Mt at 25.3% Fe in the Inferred Resource category
- 20 year mine life supported
- High resolution aeromagnetic survey confirms exploration upside
- Mining Right granted
- Metallurgical testwork demonstrates high recoveries and extremely low contaminant levels
- Comparative low energy levels likely for production – projects magnetite grain size coarse – production of a commercial concentrate will cost less and require less energy
- Project concept involves mining and beneficiating at Moonlight, slurry pipeline to area close to railhead, manufacture of 6 Mtpa blast furnace and direct reduction iron grade pellets for export and domestic sale
- Offtake agreement secured with Swiss – based Duferco SA, for sale of 4.5 Mtpa pellets for export and first right of refusal in respect of 1.5 Mtpa, if it is not sold domestically
- Process engineer is the major engineering and supply company, Danieli & C. Officine MeccaniceS.p.A.
- Partnership with Omani investor, Anvwar Asian Investment