Ferrum Crescent Limited

FERRUM CRESCENT LIMITED
(ASX/AIM/JSE:FCR)

May 2014

Moonlight Iron Ore Project (Project Update)

High Grade Iron Ore Development, South Africa

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Competent Person's Statement

The information that relates to Exploration Results and Mineral Resources in this presentation, is based on information compiled by Stewart Nupen, who is registered with the South African Council for Natural Scientific Professionals (Reg. No. 400174/07) and is a member of the Geological Society of South Africa. Mr Nupen is employed by The Mineral Corporation, which provides technical advisory services to the mining and minerals industry. Mr Nupen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' and as defined in the June 2009 Edition of the AIM Note for Mining and Oil and Gas Companies. Mr Nupen consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

the
MINERAL CORPORATION
ADVISORS TO THE MINERAL BUSINESS

Corporate Overview

Ferrum Crescent Limited

Corporate Snapshot (as at 1st May 2014)

ASX / AIM / JSE Code	FCR
Shares on Issue	382M
Market Capitalisation	A$ 8.0M GBP £4.5M R$ 187.0M
Options on Issue	3.4M

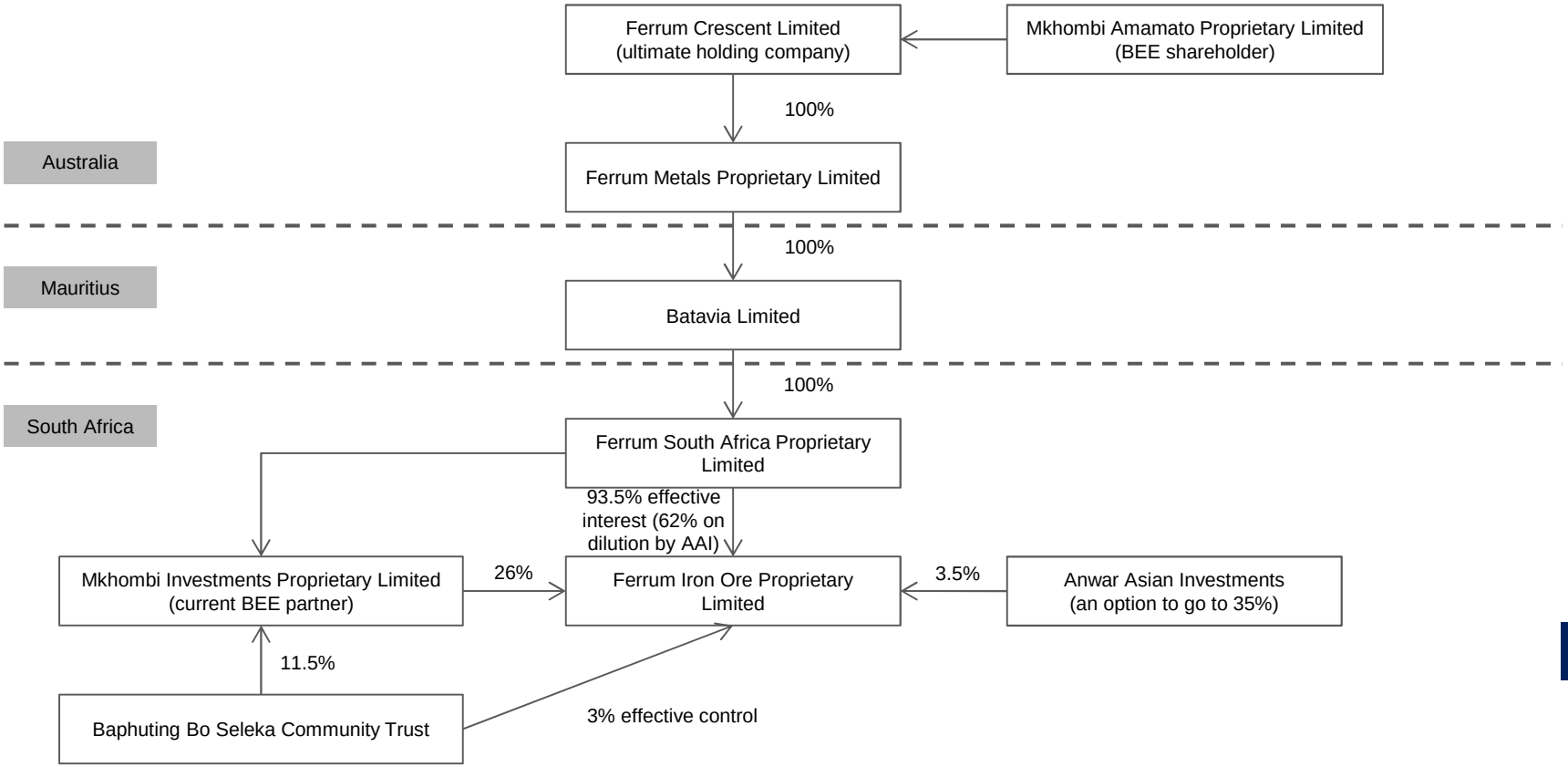
A Different Approach to Iron Ore Development

- Moonlight project in northern South Africa sits within established infrastructure region
- Resource able to produce high-grade iron ore - a premium product that sits apart from spot price
- Magnetite ore with significant metallurgical testing complete
- Established JORC resource
- BFS commenced
- Fully licensed for mining
- Major off-take and engineering partners secured
- Omani based partner looking to secure strategic product source

Corporate Structure

History of the group

Corporate structure



Moonlight Project Overview

- 6Mtpa production of high quality direct reduction and blast furnace grade iron pellets expected
- Export from Richards Bay - established deep sea port - east coast South Africa

  - close proximity to the high demand markets - China, SE Asia and Middle East

- A premium product - Pellet premium drivers:
  - greater pellet demand for new direct reduction iron and global blast furnace burdens
  - lump supply becomes scarcer
  - China pollution controls pushing pellet premiums
  - recovery in global steel markets

- Off-take related parties: Duferco;
  - Duferco covers 6 Mt of iron ore pellet production

- Strong and committed board capable of developing the Moonlight Project

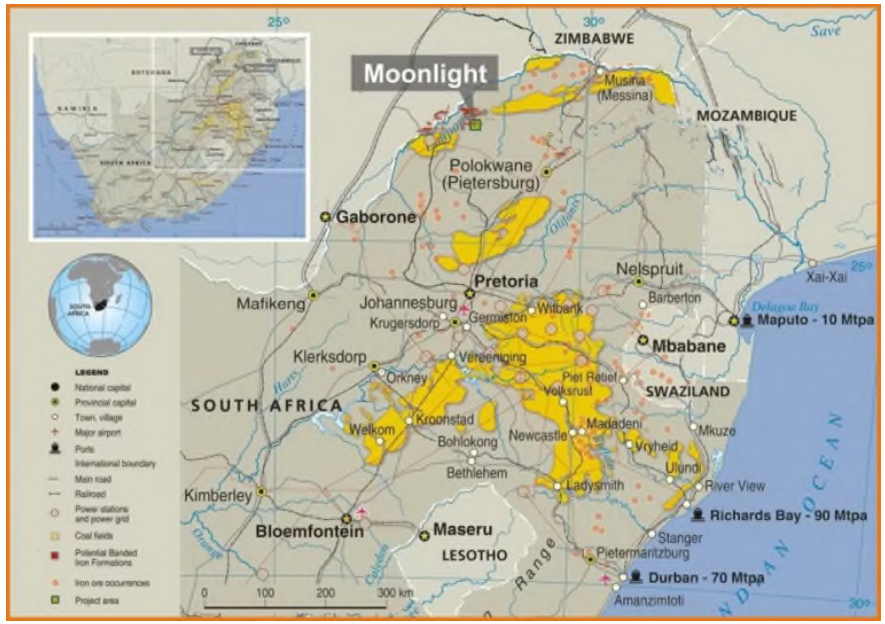
Moonlight Iron Ore Project

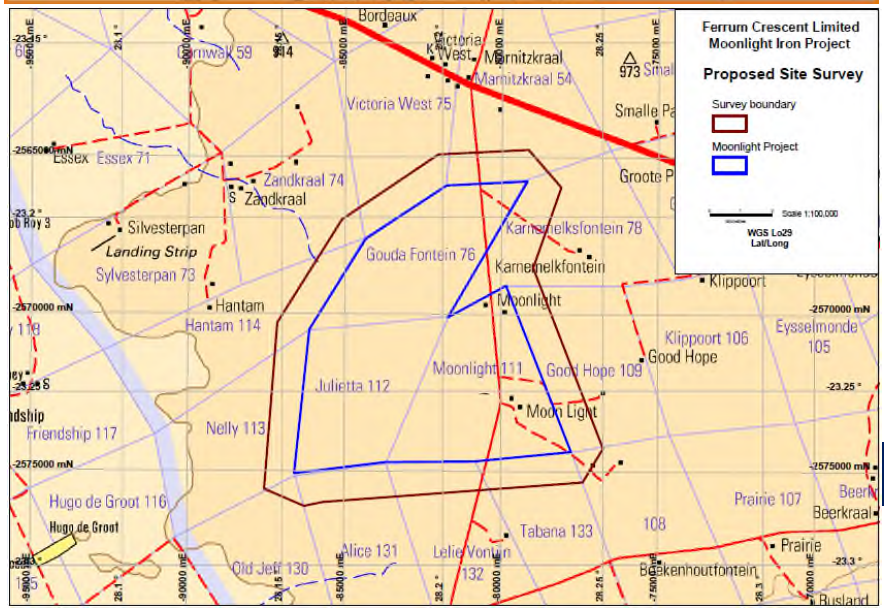
Location

360km north of Johannesburg in Limpopo Province of South Africa

In 2012 a 30 year Mining Right was granted over: Moonlight, Julietta and Gouda Fontein farms (53km2), by the Department of Minerals and Energy (South Africa).

JORC resource located entirely on farm Moonlight 111LR- one of three properties within the Project.





Moonlight Iron Ore Project

Aligned Interest with South Africa

- Limpopo Province - not an established iron ore mining region of South Africa with little investment or presence by majors
- Traditional domestic iron ore mines in decline
- RSA steel industry major employer needing new cost effective iron ore supply
- Premium pellet product allows for high quality blend with low cost imported low-grade material and energy efficiencies
- Pellet production is in line with the Government's push for value adding
- Growing demand for use in electric arc furnace process for steel-making
- Local Ga-Seleka community holds 3% equity in mining project.

Moonlight Iron Ore Project

Community

The project area includes 30 villages, which fall into one of two communities: the Ga-Seleka (who hold a 3% interest in the Project) and Ga-Shonguane communities

Baseline socio-economic impact studies of the areas occupied by both the Ga-Seleka and Ga-Shongoane communities situated within a 50km radius of the mining right area are advanced

Monthly meetings are held with the Royal Council and Traditional Council of both communities as well as updating the Lephalale Municipality on findings and proposed initiatives

Project benefits: sustainable employment, training, industry development and expansion, taxes, royalties and general social benefits

Moonlight Iron Ore Project

Environment

Ferrum Crescent is committed to operating sustainably throughout the development and ultimately operations phase of the Moonlight Project

An Environmental Impact Assessment (EIA) for the mine and concentrator related areas was completed and submitted to the Department of Economic Development Environment and Tourism and was undertaken in line with international best practice. The EIA was approved 4 April 2013

EIAs are currently being prepared for the other areas of the Project including the pellet plant site and pipeline route

Moonlight Iron Ore Project

Geology & Mineral Resources

The Project area hosts recrystallised magnetite-bearing quartzite and associated meta-sediments.

Drill core samples reveal medium to coarse grained, flaky magnetite minerals embedded in silica groundmass

This has positive implications for metallurgical recoveries and operating costs

Moonlight Iron Ore Project

Geology & Mineral Resources

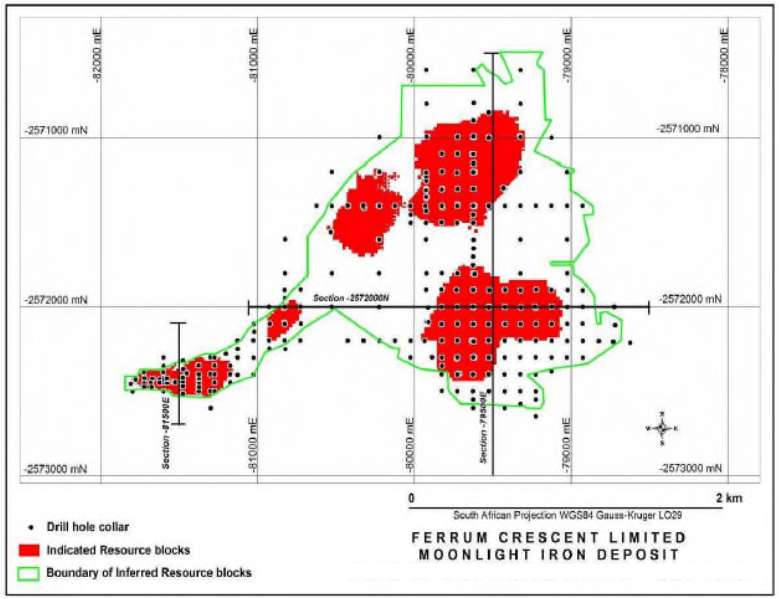
A Mineral Resource estimate for the Project was undertaken by The Mineral Corporation (South Africa). The Mineral Resources are located entirely on the farm Moonlight 111LR with significant potential to expand the resource base within the Project area

Current Mineral Resources:

Category	Tonne (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)
Inferred	172.1	25.3	**51.2**	**4.8**
Indicated	83.0	27.4	**50.1**	**4.0**
Measured	52.6	31.3	**47.3**	**2.5**
Total	**307.8**	**26.9**	**50.3**	**4.2**

Future activities will focus on increasing the quantum of Measured Resources within the Moonlight Project area.

Distribution of Indicated and Inferred Resource



Moonlight Iron Ore Project

Mining

Contract mining model for site development, overburden removal and general open pit mining activities

Low stripping ratio expected: 1:1.5 during the early years of operations (relatively shallow dips with occurrence of up to 4 magnetite-bearing zones)

Feasibility requirements to be completed:

- geotechnical drilling, mine design, mine reserve estimation based on certain cut-off estimates and economic criteria
- final estimate of mining costs from an adjudicated tender process for a contract mining will be concluded

Moonlight Iron Ore Project

Process - Concentrator

The processing plant design utilised work from:

- Danieli (Italy) - global steel specialists)
- AMEC (South Arica)

Ore beneficiation plant design incorporates only well proven unit processes and equipment

Mineralogy is a coarse grind (125 to 250 micron) enabling:

- high iron recoveries
- concentrate grades of 67-70% iron with < 2% silica and negligible alumina and phosphorous (superior product quality)
- lower power consumption and higher water recovery a direct consequence

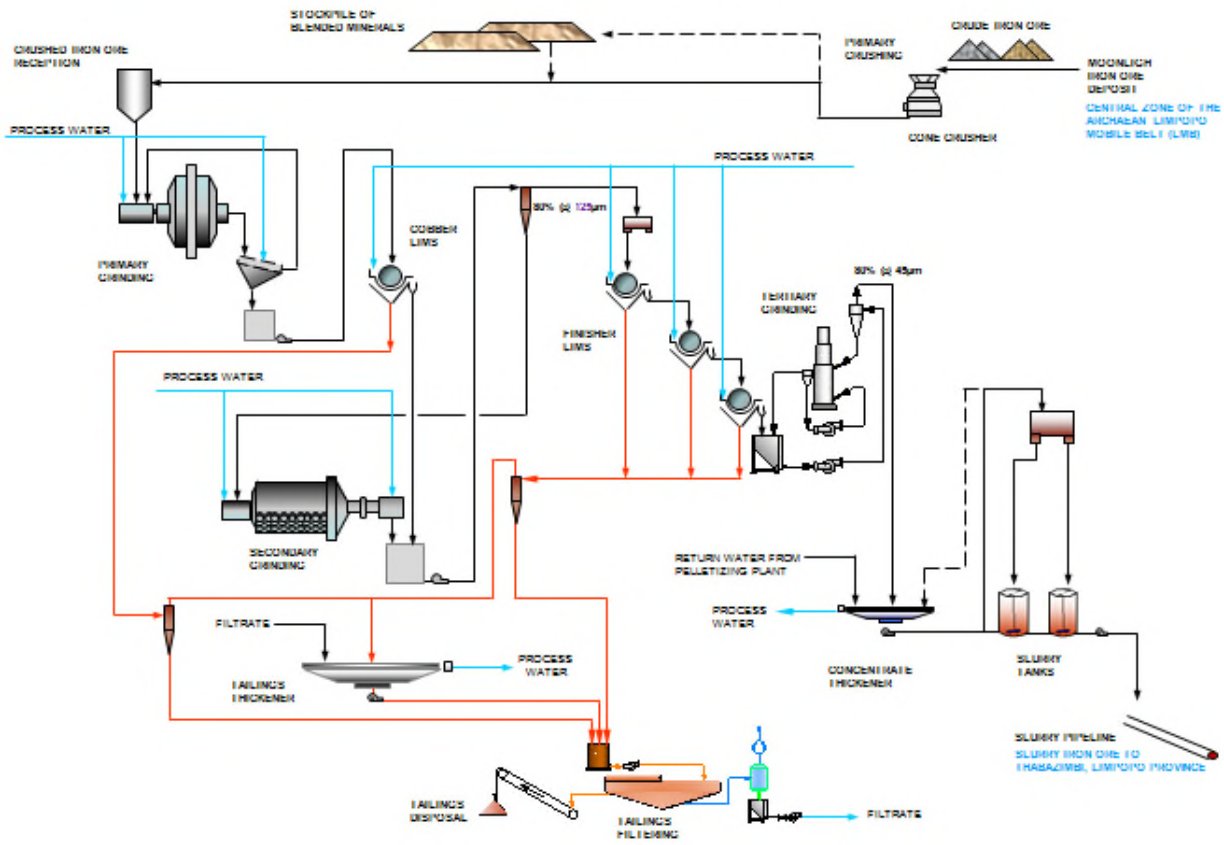
Future test work will focus on financially optimising grind size vs iron recovery through a focused / pilot test work program

Moonlight Iron Ore Project

Process - Beneficiation

DANIELI CENTRO METALLICS

Moonlight Iron Ore Project –
Concentration Plant Conceptual Process Flow



Moonlight Iron Ore Project

Process - Pelletiser

Pelletising agglomerates fine concentrates into a charge material suitable for direct reduction (DR) and blast furnace (BF) applications

Moonlight concentrate serves as the perfect feedstock for any pelletising plant due to high iron grade and low levels of deleterious material

High grade pellets from Moonlight are very attractive to the market:

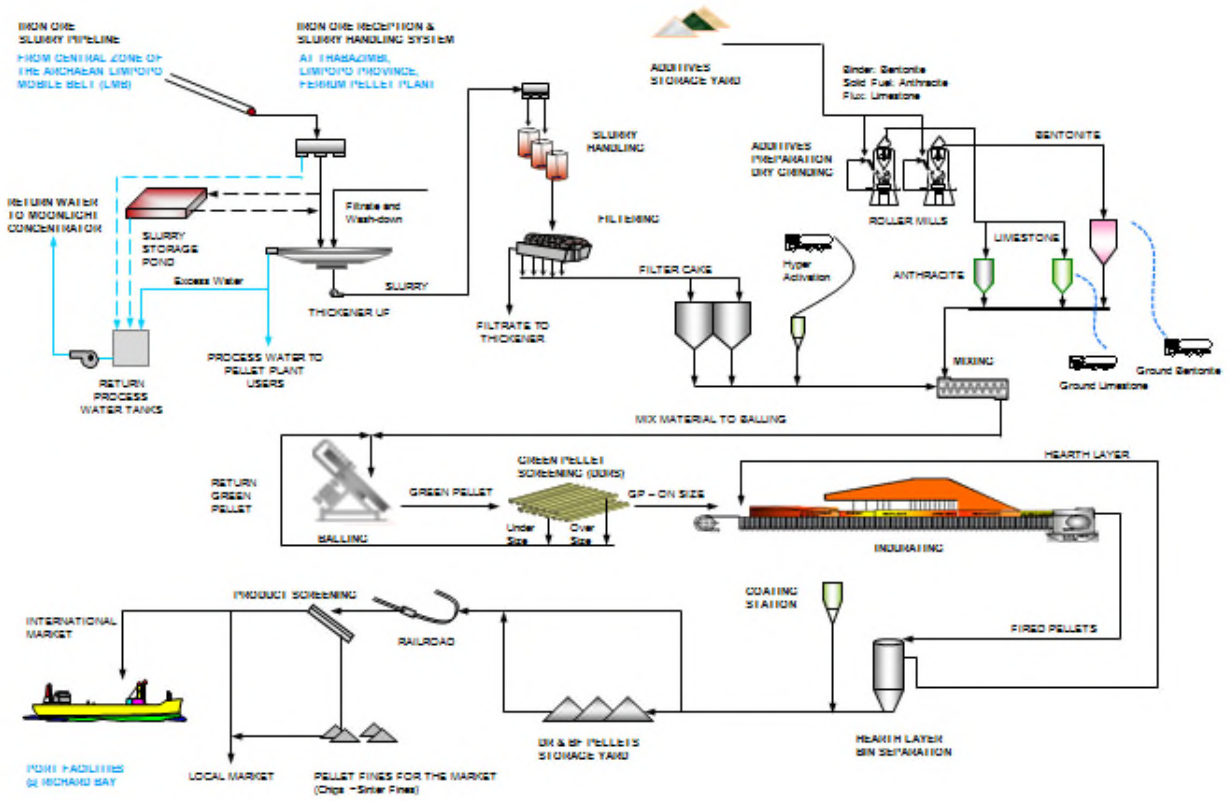
- improve productivity / efficiencies from BF and DR plants
- superior quality / physical parameters of the pellets,
- decreasing availability of lump in the market
- new pollution controls being implemented globally;

Future work to optimise pelletising technology process (temperature profiling, treatment times, etc)

Moonlight Iron Ore Project

Process - Pelletizer

Moonlight Iron Ore Project –
Pelletizing Plant Conceptual Process Flow



DANIELI CENTROMETALLICS

Moonlight Iron Ore Project

Infrastructure - Pipeline

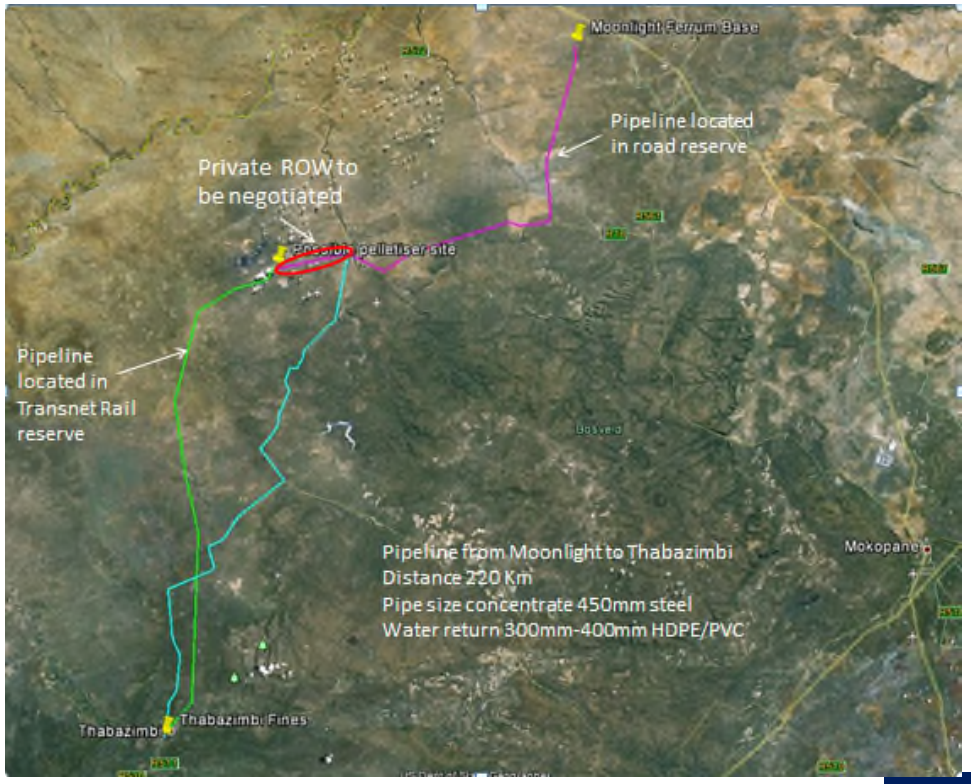
Proposed slurry line from site to the pelletiser (Thabazimbi) – 220km

In principle approvals:

- road easement for first 110km
- rail easement for remainder of pipeline route

Future work:

- pipeline route EIA completion
- optimise pipeline design and costing (finalising rheology / density and particle size distribution)



Moonlight Iron Ore Project

Infrastructure - Power

Anticipated power usage (mining, crushing, concentrating, pelletising, water supply and general utilities) is estimated to be 110-120 MW

New power supply being brought on line:

- 3990MW Matimba Power Station (Lephalale) serving area (existing)
- 4800MW Medupi Power Station under construction – first 800MW to be commissioned in 2H 2014, full capacity 2017

Future work: finalise negotiations with Eskom for capital costs and tariffs once mining/process demand/schedules are finalised

Moonlight Iron Ore Project

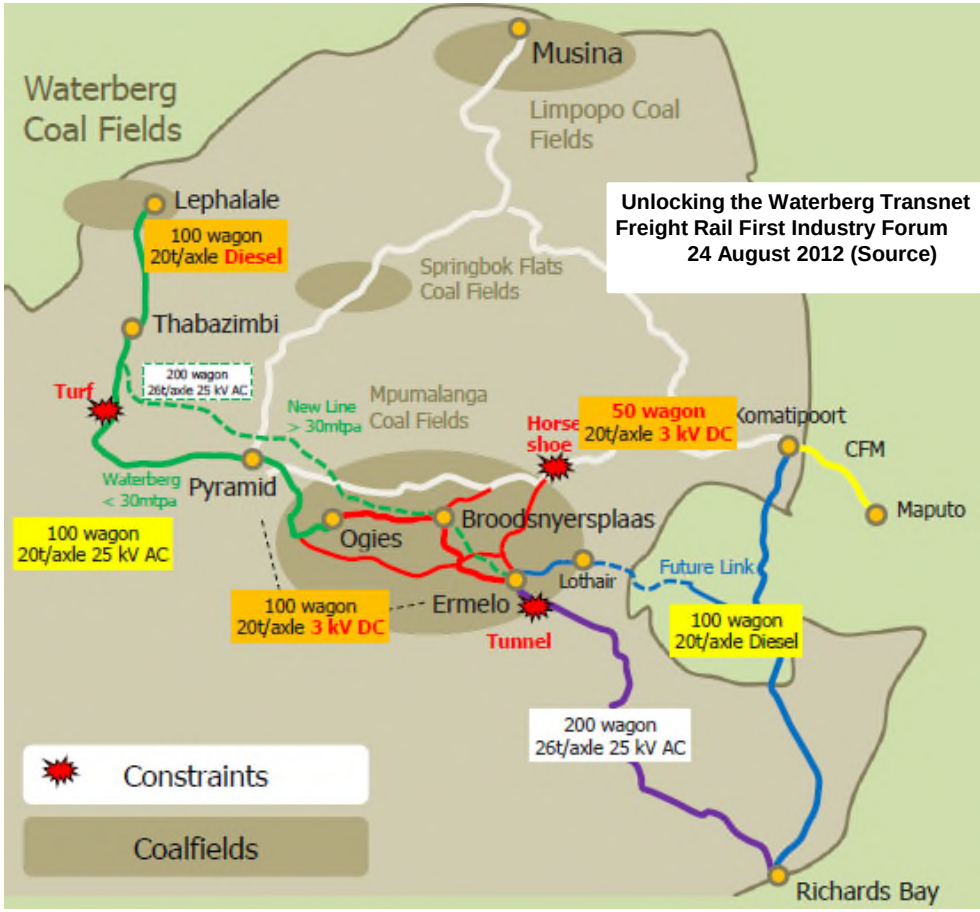
Infrastructure - Rail

Strategy to rail iron pellets from Thabazimbi to Richards Bay

- 70 Mtpa of coal hauled through Richards Bay corridor
- Route capacity to be expanded to 95 mtpa by 2018, (short-term target of 81 mtpa.)

Future work:

- Planning & costing loading / unloading facilities, wagon and locomotive requirements
- Transnet to review Project infrastructure needs as part of feasibility component – finalise commercial arrangements



Moonlight Iron Ore Project

Infrastructure - Port

Richards Bay, South Africa's largest port allows panamax and capesize vessels

Port currently undergoing a significant expansion

- exclusive "magnetite" area, due for completion in 2017/18

Future work:

- Completion of pellet test work and project scheduling
- Secure area at the port and complete negotiations on handling and storage costs

Moonlight Iron Ore Project

Project Schedule

The Project feasibility study has continued over the past 12 months albeit at a reduced rate

Recent additional funds allows Company to accelerate feasibility study:

- drilling (resource and reserve definition, geotechnical and hydrogeological)
- focused / pilot process test work necessary to progress mining designs and plans, process design and engineering, infrastructure commitments and overall Project capital and operating cost estimates

Outlook:

- Feasibility study anticipated for completion within 18 months
- 30 to 36 month construction period expected.
- Schedule coincides with Government infrastructure development plans
- Completion of the feasibility is expected to cost approximately A$10-13M

Summary of Value Proposition of Project

- Advanced project – large resource defined and Mining Right granted
- Conventional open cut mining methods (with a low strip ratio), and simple metallurgy
- Will produce high quality direct reduction and blast furnace grade iron pellets; increasing global demand and growing premium over iron ore price
- Infrastructure availability
- Off-take agreement in place
- Strong support by RSA Government
- Ferrum management has a strong track record of developing/operating successful mines in RSA