

23 March 2011

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

Moonlight Iron Ore Project, South Africa

Highlights

- *Reverse circulation drill programme complete over 1,500m*
 - *Iron mineralisation encountered in all 12 holes drilled*
 - *intersections of mineralisation considerably thicker than predicted by current geological model*
- *HQ diamond core drilling is partly complete and on schedule, part of a detailed metallurgical programme that is expected to provide the foundation for developing a process flow sheet for a premium concentrate product required for DRI grade pellets*
- *Core storage and processing facility constructed on site*
 - *Core cutting, sampling and bulk density measurement now to be conducted on site; resulting in improved sample turnaround*
- *Moving towards completion on schedule of the Definitive Feasibility Study*

Ferrum Crescent today announces an operational update at its Moonlight Iron Ore Project. The previously announced reverse circulation ("RC") drill programme has been completed on schedule, with iron mineralisation encountered in all holes. It is significant that intersections of iron mineralisation (hematite and magnetite) encountered in the programme were considerably thicker than predicted by the current geological model in this area of the deposit.

Significant intersections of visually determined iron mineralisation include*:

- **42m from 97m downhole in FCL088**
- **27m from 104m downhole in FCL089**
- **43m from 91m downhole in FCL092**
- **21m from 74m downhole in FCL096**

*Note – full details of visual intercepts are shown in Table 2.

Moonlight contains a JORC compliant resource of 74Mt in the Indicated Resource category and 225Mt in the Inferred Resource category at a grade of 30 per cent. iron.

RC DRILLING

The RC drilling was planned to provide additional information to allow refinement of the geological model in areas of sparse drilling. Cumulative intercepts of visually determined iron mineralisation from all holes totalled 378m (Table 1). This is significant when compared with predictions from the current JORC compliant model, which suggested that only some 319m of mineralisation were likely to be intersected. Apart from increasing the confidence in the updated geological model, the result suggests locally increased tonnages of mineralisation.

Mineralisation was intersected in all holes, confirming the continuity of the quartz magnetite horizons in areas of sparse drilling. Table 2 shows the detail of intercepts greater than or equal to 5m in width.

In total, 668 (1m) samples are being prepared for assay, with the results expected to be available by the end of April.

Hole	Visual Iron Intercepts (m)*	Previously Predicted Iron Intercepts (m)
FCL087	20	10
FCL088	42	40
FCL089	44	32
FCL090	39	35
FCL091	34	27
FCL092	69	32
FCL093	36	36
FCL094	15	17
FCL095	37	25
FCL096	21	30
FCL097	12	25
FCL098	9	10
Total	378	319

Table 1: Cumulative iron mineralisation intercepts (greater than 5m) by drill hole

- Based on visual examination of RC drill chip samples

CORE DRILLING

11 HQ diamond core holes, for a total 1,000m, have been planned to provide more detailed geological information on the mineralisation and further to verify the use of historical drill data and checks on bulk density measurements. Importantly, the core holes have been located to provide bulk material for a detailed phase of metallurgical testing that will commence at the conclusion of the drilling.

Three holes of the 11 hole HQ core programme have been completed, amounting to some 30% of the planned metres. Core recovery of shallow mineralisation in the partially weathered zone has exceeded expectations with excellent recovery through mineralised zones. The programme is ongoing and scheduled for completion by mid April.

A core storage and processing facility has been constructed on site. Together with administrative and office facilities and the appointment of site based personnel, this enables Ferrum to move into an operational mode to facilitate completion of the Definitive Feasibility Study on schedule.

SITE INFRASTRUCTURE

Infrastructure, including covered core storage, work areas, office unit and electrical generators, has been established on the farm Moonlight and will allow core cutting sampling and bulk density measurements to be done at site by specialist technicians. This will result in a more rapid turnaround of samples with reduction in transport requirements.

Hole	WGS Lo29	WGS Lo29	Hole	Visual Iron Intercepts			Previously Predicted Iron Intercepts		
	East (m)	North (m)	Depth (m)	From (m)	To (m)	Width (m)	From (m)	To (m)	Width (m)
FCL087	-81225	-2572350	130	0	13	13	0	10	10
				24	31	7			
FCL088	-80425	-2571500	150	97	139	42	75	90	15
							90	115	25
FCL089	-80425	-2571700	115	63	73	10	40	57	17
				94	101	7			
				104	131	27			
FCL090	-80425	-2571900	105	21	37	16	5	20	15
				70	81	11			
				86	98	12			

FCL091	-80225	-2571700	160	79 106 138	93 118 146	14 12 8	65 90	77 105	12 15
FCL092	-80225	-2571500	165	82 91 139	87 134 160	5 43 21	105 130	117 150	12 20
FCL093	-80025	-2571600	160	85 108 133	100 113 149	15 5 16	84 95 125	90 105 145	6 10 20
FCL094	-80025	-2571800	70	30 56	38 63	8 7	20 50	30 57	10 7
FCL095	-79825	-2571700	140	29 67 102 111 125	42 74 107 118 130	13 7 5 7 5	60 110	70 125	10 15
FCL096	-79625	-2571750		74	95	21	5 45 75	10 60 85	5 15 10
FCL097	-79425	-2571800	95	50	62	12	50	75	25
FCL098	-79225	-2571800	95	67	76	9	60	70	10

Table 2: Intercepts of iron mineralisation greater than or equal to 5m in width

Note:

- 1) Intercepts are determined visually by the logging geologist;
- 2) Intercepts included where the amount of iron mineralisation in a 1m sample is determined to be greater than 50% of the sample;
- 3) Samples awaiting assay;
- 4) All samples logged over 1m intervals;
- 5) Grid is South African WGS Lo29;
- 6) Holes located by hand held GPS;
- 7) All holes drilled vertical using 5.25 inch, face sampling hammer;
- 8) Predicted intercepts based on the polygons in current JORC compliant resource model.

SECTION 102 APPLICATION

The Company has obtained the right to prospect for limestone, marble and nickel through the granting of a section 102 application under the Mineral and Petroleum Resources Development Act 2002 (South Africa). This application was submitted when the Company identified the occurrence of these minerals over the Moonlight Project. The effect of its grant will be that these minerals will be covered by the mining right upon its grant. Limestone and marble are necessary agents in the metallurgical processing of magnetite.

Commenting, Ed Nealon, Executive Chairman of Ferrum Crescent said:

“The completion of the RC drilling programme at Moonlight has produced positive mineralisation results throughout all holes drilled. The significant intersections of iron mineralisation encountered were considerably thicker than predicted by the current geological model in this area of the deposit and further reinforces our understanding and confidence in the project, as well as indicating locally increased tonnages of mineralisation. We continue to be very confident that we will be able to achieve the tonnages of magnetite mineralisation published by South Africa’s ISCOR in the 1990s, and confidence in our target* for Moonlight of 450 to 650 mt of magnetite mineralisation remains high.

“With regards to our core drilling programme, 11 HQ diamond core holes have been planned which will provide detailed geological information on the mineralisation and allows detailed metallurgical testing to commence; the results of which we expect mid April. Additionally, we have improved our operational facilities on site, resulting in more efficient sample turnaround times. Combined with the ongoing drill programmes, we are moving towards facilitating completion of the Definitive Feasibility Study on schedule.”

* *The term “target” should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.*

Competent Person’s Statement:

The information in this report is based on information compiled by Lindsay Cahill, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Cahill has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Cahill is a consultant to the mining industry. This report is issued with Mr Cahill’s consent as to the form and context in which the exploration results appear.

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Further Information

The Group has a controlling interest (as defined under South African law) in a South African company that holds the prospecting right over two separate areas of iron-ore mineralisation in RSA; in particular the Moonlight magnetite deposit and part of the De Loskop prospect, which together form the Turquoise Moon Iron Project in the Limpopo Province of RSA ('the Project').

The Group owns approximately 81.5 per cent. of the Project, comprising a direct interest of 74 per cent. and a further indirect interest of approximately 7.5 per cent. through a minority shareholding in Ferrum's Black Economic Empowerment ("BEE") partner, Mkhombi Investments (Pty) Limited ("Mkhombi"). Mr Kofi Morna, who is a director of Mkhombi, is also a Director of the Company. A trust representing local Limpopo communities impacted by the Turquoise Moon Iron Project will hold equity in Mkhombi.

Since April 2008, the Group has been developing and defining the resource potential of the Project. The Moonlight magnetite deposit currently has a JORC compliant resource of 74Mt in the Indicated Resource category and 225Mt in the Inferred Resource category at a grade of 30 per cent. Fe, and the De Loskop prospect an exploration target magnetite mineralisation of 200Mt to 1,000Mt which is non-JORC compliant at a grade of 30 – 40 per cent. Fe.*

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