

20 May 2011

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

Presentation

The Company is pleased to announce the presentation by Mr Scott Huntly, Strategic Development Manager, to the World Mining Congress, Africa Opportunities Day, in London on 19 May 2011. The presentation is also available on the Ferrum website at www.ferrumcrescent.com.

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FERRUM CRESCENT LIMITED BEE TRANSACTION

Presentation to the World Mining Investment Congress 2011

Africa Opportunities Day

19 May 2011



Turquoise Moon will comply with the BEE objectives of the MPRDA

Inward dual listing provides Ferrum Crescent with access to South African capital markets and BEE institutions

Broad Based BEE transaction – 2 women’s organisations, the Local Community and a partner with significant industry experience and attractive iron ore assets

Facilitation of a 11.54% (effectively 3% in the project) “free carry” equity participation for Local Community

Opportunity theoretically to increase BEE stake in HOLDING COMPANY by the vending in of additional iron-ore prospects by the BEE partner

Transparent BEE structure that vests on implementation in line with the spirit of the new Mining Charter

12

Opinion & Analysis



NEWS WORTH KNOWING SINCE MAY 1, 1985

Shabangu begins to turn it around

MINERAL Resources Minister Susan Shabangu's announcement of a review of mining legislation is the first positive news miners have had out of the government this year. It comes not a moment too soon.

As we have noted before, the mining industry in SA has been declining marginally in absolute terms but dramatically in relative terms during the African National Congress's tenure in government. Jobs in mining have been lost at an extraordinary rate as foreign

the problems in the industry. For the first time, perhaps, the question of international competitiveness is being heard alongside the need for transformation.

This gradual change is being greatly assisted by an advisory body, the Mining Industry Growth, Development and Employment Task Team. It is clear Ms Shabangu's plain speaking is proving to be valuable in facing the challenges head-on, as opposed to the previous approach of dismissing critics as purely the expression of vested interests.

mining companies shun SA and even local miners apparently prefer to expand their businesses in other jurisdictions.

The whole industry has been focused so much on black economic empowerment that an entire commodities boom has come and gone without seeming to make a jot of difference to the moribund local industry.

As important as black economic empowerment is, it should not be the sole issue on the mining agenda. Development of SA remains rooted in mining, and the government's heedlessness about the state of the industry is well known to miners everywhere.

Against this background, the new threats of nationalisation and the fractious arguments about mining rights being "snatched" by upstart companies have turned the atmosphere from merely bad to positively poisonous.

Ms Shabangu has shown admirable courage in taking the initiative here, as she should, by announcing the Mineral and Petroleum Resources Development Act will be amended to try to iron out oddities and secure the tenure of mining companies.

It would be wrong to say this is a reflex action from a department under fire. Ever since the mining summit earlier this year, discussions have been taking place on

The immediate changes proposed by Ms Shabangu are dramatic, including not only a six-month moratorium on prospecting-rights applications but also an audit of the licences granted since the act was promulgated in 2004. The two existing controversial cases involving Kumba Iron Ore and Lonmin will stand, however. Whether this is the correct action is arguable, though it seems legally correct that rules and findings should not be changed retrospectively.

The changes should really be focused on achieving a critical balance; on the one hand, getting mining assets into the hands of companies that can exploit them safely, usefully and profitably; and, on the other, making sure transformation sits hand in hand with value-adding rather than merely rent-taking.

Ms Shabangu deserves credit for sensing the problems here; she caught something of the right tone when she said at the mining summit that the legislation should be "dynamic and engaging".

However, recognising that a problem exists is only the first, and perhaps easiest, step to take; it remains for the government and the industry to tackle not only immediate problems but also the general mood of distrust in the industry.

The Ferrum Formula

STAKEHOLDERS		
	SOUTH AFRICA	INTERNATIONAL SHAREHOLDERS
EXPECTATIONS	<p>A = Optimal Utilization of South African Mineral Resources with a responsibility to the social upliftment of communities, economic growth of the region and country and the health and safety of the workplace</p> <p>b = Section 2(d), (f) and (i) of Objects of MPRDA</p>	<p>C = ROI (Return on Investment)</p>
FCR MISSION	<p>a x b (+) x (+)</p>	<p>C = + (compliant and sustainable) Long term security of tenure</p>
	<p>a x b (-) x (+)</p>	<p>C = - (non-compliant and unsustainable)</p>
	<p>a x b (+) x (-)</p>	<p>C = - (non-compliant and unsustainable)</p>
	<p>a x b (-) x (-)</p>	<p>C = + SHORT TERM OPPORTUNISTS (non-compliant and unsustainable) ABUSE OF MPRDA 2002</p>

b Objectives of MPRDA 2002

2(d) = substantially and meaningfully expand opportunities for the historically disadvantaged persons, including women, to enter the mineral and petroleum industries and to benefit from exploitation of the nation's mineral and petroleum resources

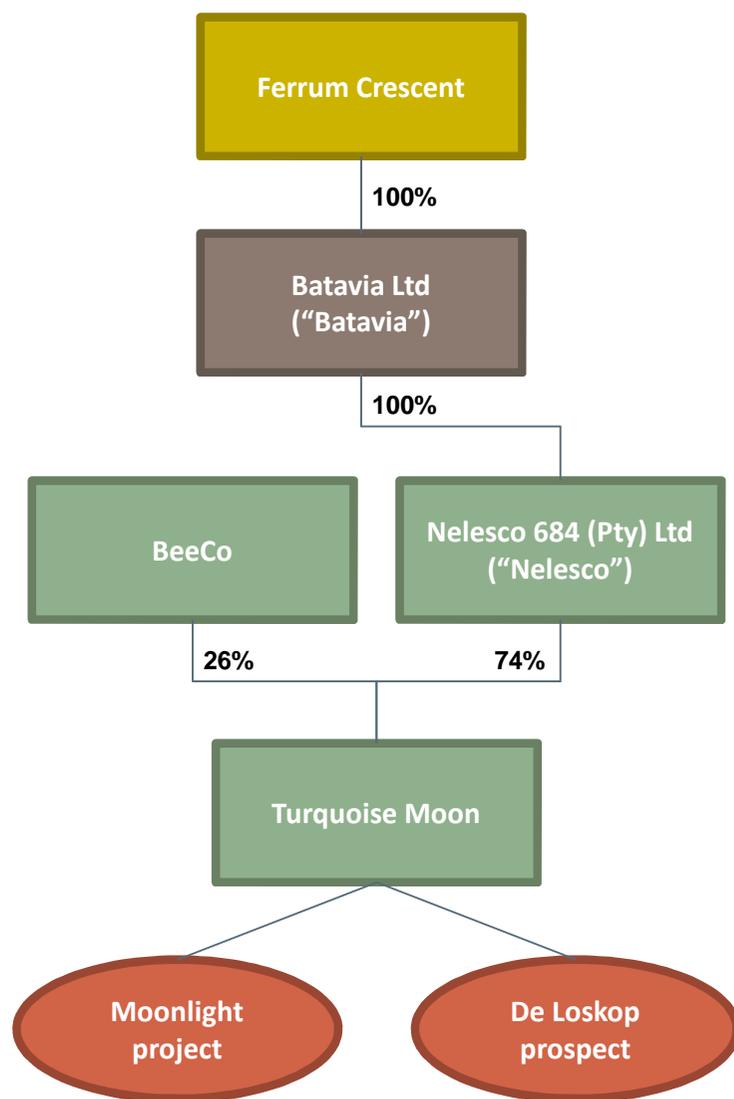
2(f) = promote employment and advance the social and economic welfare of all South Africans

2(i) = ensure that holders of mining and production rights contribute towards the socio-economic development of the areas in which they are operating

Introduction to Ferrum Crescent's BEE transaction

- Ferrum Crescent Limited ("Ferrum Crescent") is an Australian company listed on the Australian Securities Exchange ("ASX") and AIM Market of the London Stock Exchange ("AIM").
- The Company seeks to capitalise on the future demand for iron and steel worldwide by producing iron products from the Republic of South Africa, potentially for both the domestic and the export markets.
- Ferrum Crescent holds certain iron-ore prospecting rights in the Limpopo Province of South Africa.
- Mkhombi Investments (Pty) Limited ("Mkhombi Investments") is a black controlled company, whose shareholders include Mkhombi AmaMato (Pty) Limited (a Broad Based BEE company comprising *inter alia* **2 women's organisations**) ("AmaMato") and a 11.54% (3% effective) "free carry" shareholding to be warehoused for local community involvement ("Local Community").
- Mkhombi Investments concluded a Sale of Shares Agreement with the former BEE partner on 25 October 2010 ("Transaction").
- This presentation sets out a high level overview of:
 - Ferrum Cresecent;
 - Mkhombi Investments;
 - The Transaction; and
 - regulatory considerations.

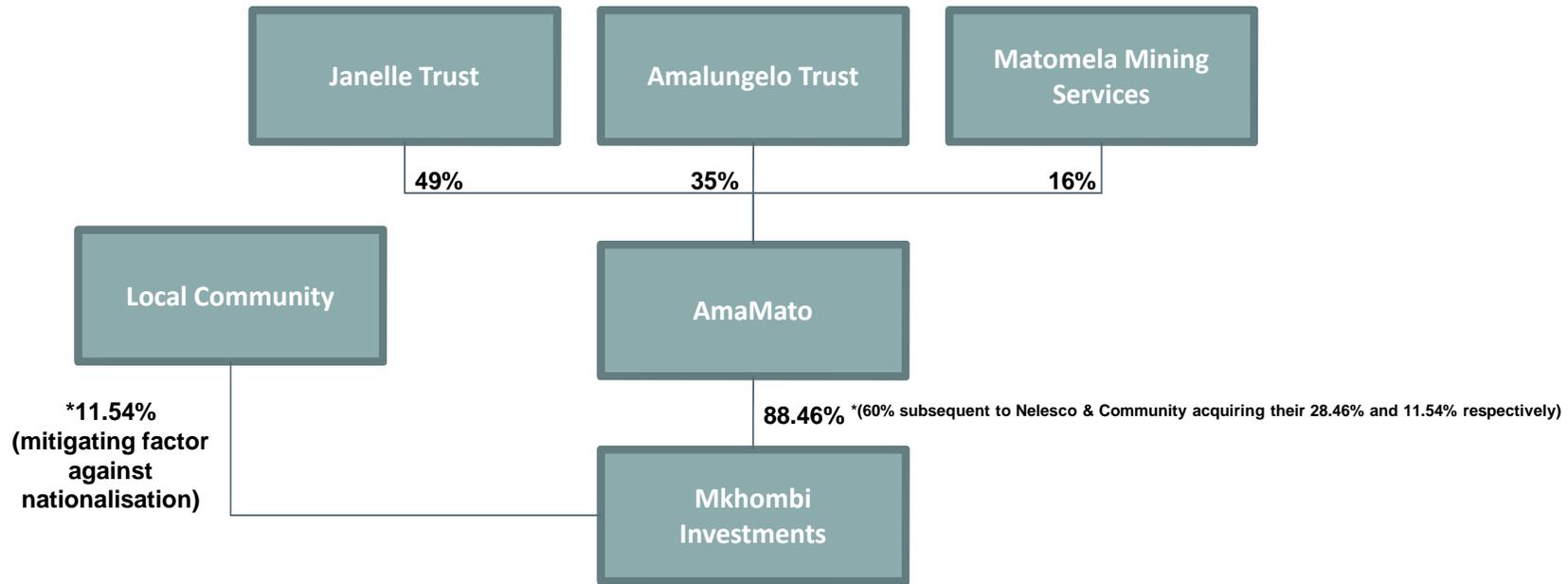
Structure prior to AIM listing



- **BEE structure:**
 - Ferrum Crescent's previous BEE partner (one individual) ("BeeCo") held a 26% stake in Turquoise Moon, which did not satisfy the broad based criteria of the Mining and Petroleum Resources Development Act ("MPRDA").
- **Moonlight:**
 - An initial JORC-compliant resource estimate of 300Mt comprising of 225Mt @ 29% Fe in the Inferred category and 74Mt @ 33% Fe upgraded by drilling from the Inferred to the Indicated category.
 - Results from preliminary metallurgical test work are exceptional, with high recoveries and extremely low contaminant levels.
 - The Project's magnetite grain size is coarser than in comparable deposits worldwide, so production of a commercial concentrate will require less energy, resulting in lower costs.
- **De Loskop:**
 - Ferrum Crescent as part of its prospecting right also holds a substantial interest in the De Loskop prospect located approximately 150km east of Moonlight and only 50km north of Polokwane.
 - The De Loskop prospect has the potential as an exploration target* for an additional 200 - 1000Mt of iron ore mineralisation with metallurgical characteristics similar to Moonlight.
 - Due to the close proximity of Polokwane, there is access to established infrastructure and the prospect will be explored in greater detail in the near future.

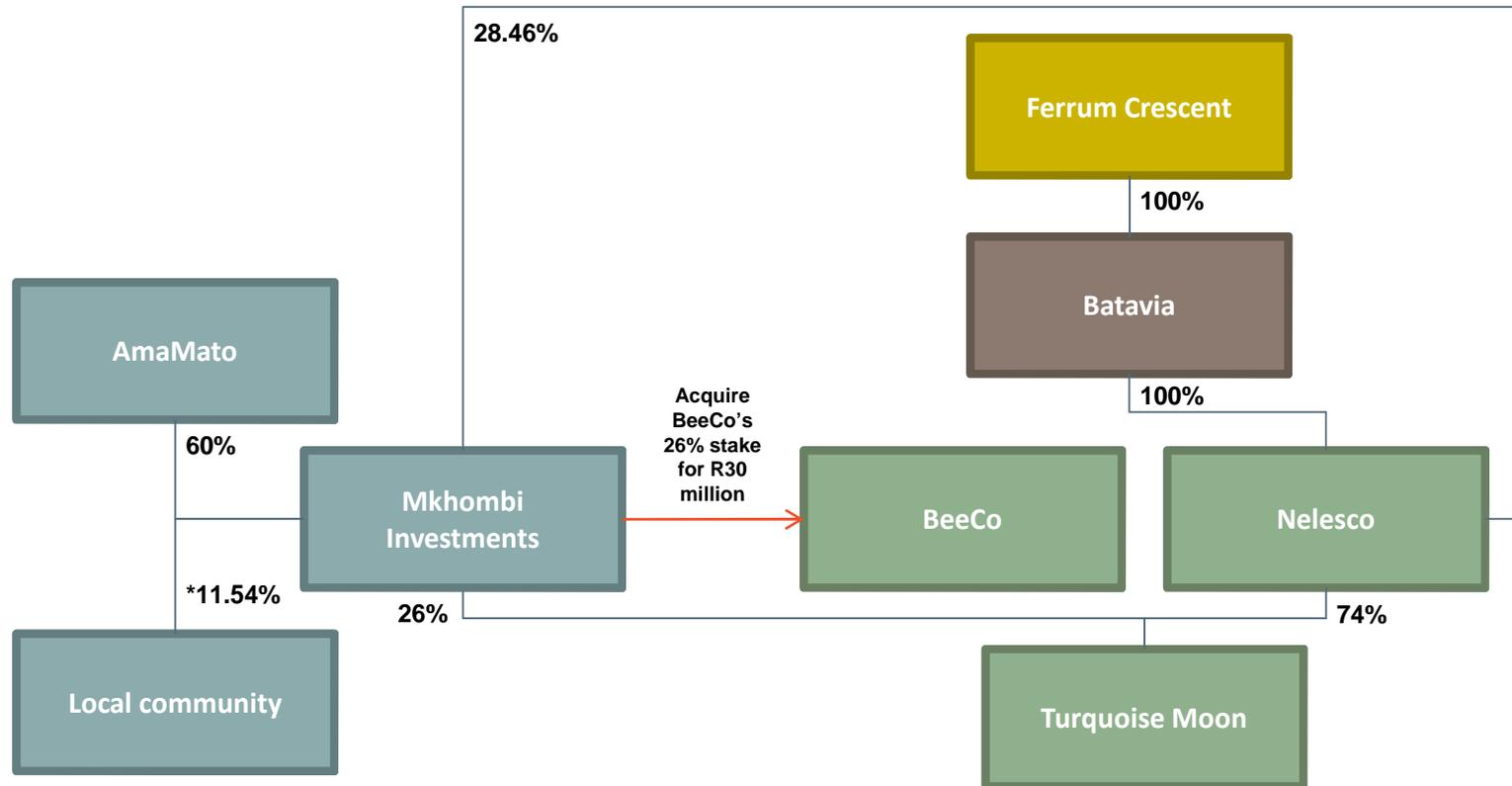
*The term "target" does not imply that future exploration will result in the definition of mineral resources or reserves.

BEE Consortium



- AmaMato comprises Janelle Trust, Amalungelo Trust (“Amalungelo”) and Matomela Mining Services (Pty) Limited (“Matomela”).
- Janelle Trust is a trust associated with Mr K Morna. Mr K Morna will provide corporate skills, industry relationships and knowledge to the Ferrum Crescent Group as well as significant funding to the transaction.
- 51% of AmaMato’s stake is vested in two broad based women’s organizations. Amalungelo is a consortium of **non-governmental women’s organizations focused on projects to advance the rights of women** in South Africa while Matomela consists of **women seeking to participate in the mining sector** in line with government’s stated objective of increasing the participation of women in all aspects of the mining industry.
- AmaMato is a truly Broad Based Black Economic Empowerment company and subsequent to the Proposed Transaction, Turquoise Moon will effectively comply with the BEE objectives of the MPRDA, one of the prerequisites for obtaining “new order” mining rights.

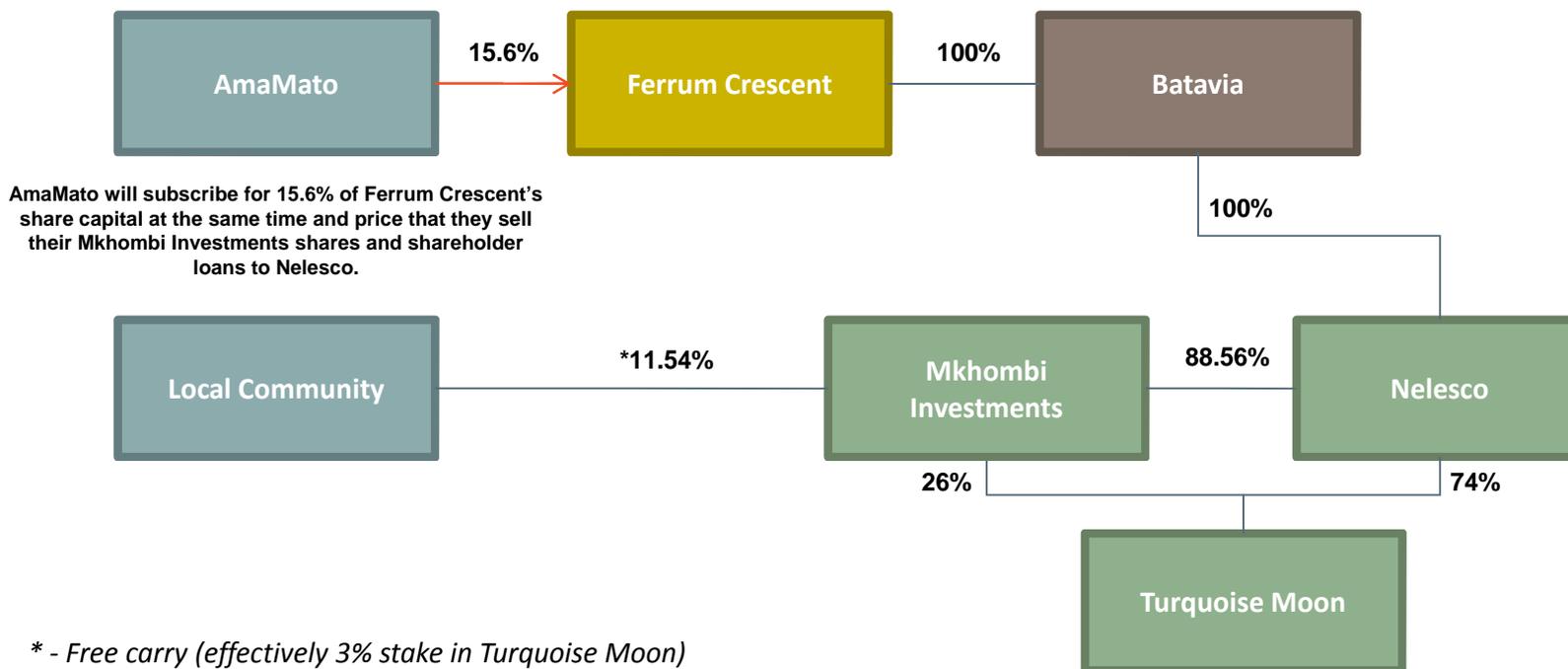
Acquisition of 26% interest in Turquoise Moon



* - Free carry

- Mkhombi Investments has concluded a Share Sale Agreement with BeeCo whereby it has acquired BeeCo’s 26% interest in Turquoise Moon.
- The Transaction involves no 3rd party debt resulting in no value leakage.
- AmaMato and Nelesco have facilitated a “Free Carry” 11.54% equity interest for the Local Community (effectively 3% of Turquoise Moon).

Flip on granting of mining right



- AmaMato will flip its 60% shareholding in Mkhombi Investments into a 15.6% shareholding in Ferrum Crescent, giving it exposure to global assets going forward.
- No additional consideration will be payable by AmaMato for the Ferrum Crescent shares ("New Shares").
- A waiver will (if necessary) be requested from the ASX to allow the issue of the New Shares to occur later than three months from the date of shareholder approval.
- Ferrum Crescent will issue AmaMato with 15.6% New Shares (adjusted for any subsequent adjustments to capital structure, including but not limited to splits, consolidations, rights offers).
- The Local Community will not flip so as to:
 - protect them against market risk and potential future dilution occurring at a Ferrum Crescent shareholder level; and
 - keep the community closer to the project and related cash-flows to contribute to their needs for generations to come.

Regulatory considerations

- Ferrum Crescent has amended its mining right application to reflect the new BEE Structure and Local Community participation.
- The application includes the flip mechanism as presented on page 9 of this presentation.
- Ferrum Crescent has initiated the JSE listing process to accommodate the flip as well as target strategic BEE investors .

IMPORTANT NOTICE

The definitions on pages 2 to 10 apply throughout this document.

This document is for information purposes only and does not purport to contain all the information that may be required to evaluate all the factors that may be relevant to Ferrum Crescent for consideration of the Transaction. Potential investors in Ferrum Crescent must therefore conduct their own independent inquiries into and investigations, verifications and analyses of the Transaction, as well as of the data set out in this presentation and any other information provided by RFA Consulting (Pty) Limited ("RFA") regarding the Transaction. RFA gives no representation or warranty (whether express or implied) as to the fairness, accuracy, completeness or fitness of the information for any particular purpose. Reliance on any such Information is at the user's sole risk. RFA doesn't assume or accept any responsibility for any projections, opinions, interpretations, inferences, conclusions or other statements (whether express or implied) arising out of, contained in, or derived from this presentation or any other Information

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