

23 December 2010

Media ASX Announcement

To: Company Announcements Office
Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000



ASX/AIM: FCR

Completion of BEE Acquisition

Further to the Company's announcement on 5 November 2010, the Directors of Ferrum Crescent Limited ("Ferrum", "the Group" or the "Company") today announce that the sale agreement relating to the acquisition by the Company's new strategic BEE partner of the 26% of the Turquoise Moon Iron Project from the Company's former BEE partner has been completed.

As announced on 5 November and as described in the Company's AIM admission document dated 10 December 2010, a company (Mkhombi Investments (Pty) Ltd) that meets the requirements of applicable South African legislation in respect of historically disadvantaged persons (referred to in South Africa as being "BEE controlled") entered into an agreement on 26 October 2010 with the then current holder of 26% of Turquoise Moon Trading 157 (Pty) Ltd ("TMT") to purchase that holder's right, title and interest in TMT for ZAR30 million (currently approximately AUD\$4.4 million). The South African Department of Mineral Resources has expressed its support of this transaction.

Completion of the sale agreement occurred on 21 December 2010. The Company's wholly-owned subsidiary, Nelesco 684 (Pty) Ltd, holds a 32.17% shareholding in Mkhombi Investments and advanced loan funds of ZAR22.5 million (currently approximately AUD\$3.3 million) to that company for the completion of the purchase of the TMT shares. The Company's effective interest in the Turquoise Moon Iron Project has thereby been increased from 74% to approximately 81.5%.

Commenting today Scott Huntly, CEO, of Ferrum Crescent said: "The completion of this agreement allows Ferrum Crescent shareholders to derive significant value from our planned exploration and development activities at the Turquoise Moon Iron Project, in addition to securing a BEE partnership that can actively help us achieve our goals with tremendous synergy. The inclusion of the local community in the BEE structure demonstrates the Company's commitment to the principles of the South African Mining Charter. I look forward to starting the New Year with the commencement of the secondary

phase of the prospecting programme, which aims to increase our overall resource base as we work towards the completion of the feasibility study. The objective of the feasibility study is to assess the viability of developing the Turquoise Moon Iron Project as an open pit mining operation capable of producing iron ore that can be processed into a highly pure final product.”

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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 of 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.