



31 January 2013

Ferrum Crescent Limited
("Ferrum Crescent", the "Company" or the "Group") (ASX: FCR, AIM: FCR, JSE: FCR)
Quarterly Activities and Cashflow Report
For the period ended 31 December 2012

Ferrum Crescent Limited, the ASX, AIM and JSE quoted iron ore developer in Northern South Africa, today announces its quarterly results for the three month period ending 31 December 2012.

HIGHLIGHTS:

Moonlight Iron Ore Project – 2012 Operational Summary:

- **New JORC compliant resource at Moonlight Iron Ore Project of 307.8 million tonnes @ 26.9% Fe.**
- **Advanced geological model of JORC compliant resource area and identified new prospective areas following 2,827 line km (on 50m line) spacing and high resolution airborne magnetic survey at Moonlight.**
- **Mining Right granted covering Moonlight, Julietta and Gouda Fontein areas**
 - **All requirements met under South African law, including environmental and social and labour plans.**
- **Transnet and infrastructure provider model progressed towards completion of BFS**
 - **Detailed analysis of pellet plant location advanced following review of rail capacity and power availability to supply internal steel industry**
 - **Potential water providers identified**
 - **Infrastructure conclusions being compiled to coincide - first production to commence benefiting from current infrastructure initiatives undertaken for Limpopo Province.**

Corporate:

- **Cash as at 31 December 2012 is approximately A\$1.8m**

Commenting today Ed Nealon, Chairman, said: "As a secure source of supply for export and potentially to the South African steel industry Ferrum Crescent is working closely with its offtake partners, alongside various industry heads and levels of Government, to ensure our stated timeline for the development of the Moonlight Iron Ore project is maintained. Work with Transnet is particularly advanced with final conclusions being made on how long-term costs can be restricted en route to market. Ferrum Crescent is in a position where it believes it can utilise large amounts of existing capacity to reach a final customer base located within a few hundred kilometres."

Moonlight Project overview

As announced on 19 December 2012, the Company is currently undertaking a bankable feasibility study (“BFS”) in relation to the potential development of a deliverable, low cost magnetite ore project that produces a high grade, low contaminant iron pellet product following beneficiation. The current established JORC compliant resource is 307.8 million tonnes Resource @ 26.9% Fe, a magnetite ore with metallurgy that demonstrates capability for high grade product up to 69.7% Fe grade. Metallurgical testing phases have also shown that the product is likely to contain extremely low contaminants - 2.05% SiO₂, and 0.40% Al₂O₃, and 0.01% P.

It is anticipated that Moonlight will be developed as a contract, open-pit mine with onsite concentrate production. A slurry concentrate pipeline to a pelletising plant near railhead will be created, with return water to Moonlight (100 - 220km); current preferred sites are at Lephalale and Thabazimbi. A pelletising plant to produce iron ore pellets (68.5% Fe) for international and domestic markets is planned with production at 6Mtpa direct reduction iron and blast furnace pellets. With a high grade, pure product near existing rail infrastructure and producing steel mills, an offtake agreement for initial production has already been signed with Dufferin SA.

Strategic rationale for 2012 work programme

With extensive exploration already complete at Moonlight, Ferrum has prioritised increasing the economic understanding of the existing mineralisation in order to provide the data needed to complete a BFS for development of the project into near-term production. Focused work was also undertaken to examine the expansion potential of Moonlight outside of the existing JORC delineation. With long lead times often involved in procuring relevant licensing for development the Company also made it a clear objective to secure a full, granted mining licence over all of the Moonlight area. The Group’s mining right has been granted, executed and registered.

In addition to work being carried out directly at the Moonlight Deposit, detailed analysis of the infrastructure solutions for both the Moonlight open pit mine and pelletising plant have been underway with providers such as Transnet and Eskom. Located in the Limpopo Province of Northern South Africa, Moonlight is located near two major rail hubs that potentially will have the capacity to carry the project’s iron ore pellets for export and to local steel producers. Given the high grade pellet product Ferrum is looking to produce, the last quarter saw a detailed examination of the most efficient location for the plant in terms of power usage and ore versus pellet transportation costs. Limpopo Province sits well to the north of traditional iron ore mining operations in South Africa and is seeing a range of initiatives currently undertaken in the region to promote the economy. Over the quarter, Ferrum and the infrastructure partners it is in consultation with have modelled a series of scenarios that derive benefit from such government infrastructure programmes.

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With an economic rationale established from current resource and metallurgical work at Moonlight, the Company's focus for the first part of the year is to finalise the infrastructure model for power, water and transportation. As a secure source of supply of high grade product to steel producers internationally and potentially within South Africa, Ferrum Crescent is working closely with its offtake partners, alongside various industry heads and levels of Government, to ensure our stated timeline to production is maintained. Work with Transnet is advanced, with final conclusions being made on how long-term costs can be restricted on route to market. Ferrum Crescent is in a position where it believes it can utilise large amounts of existing capacity to reach a final customer base located within a few hundred kilometres.

Ferrum Crescent will continue to progress the Moonlight Iron Ore Project, with the intention of having a BFS completed within the next 12 to 18 months.

Corporate

On the 14th December 2012, the Company issued 4,078,060 ordinary shares to Messrs Ed Nealon, Robert Hair and Andrew Nealon under the terms and conditions of the Ferrum Crescent Director and Senior Management Fee and Remuneration Sacrifice Share Plan (the "Plan"). The shares were issued to Messrs Ed Nealon and Robert Hair in lieu of their salaries for the period from 1 April 2012 to 30 November 2012 and to Andrew Nealon for the period from 1 September 2012 to 30 November 2012 at a weighted average price for the last 5 days prior to each month end.

The purpose of the Plan is to help align the interests of Directors and Senior Managers with those of shareholders by encouraging Director and Senior Manager share ownership and (where such shares are newly issued) preserve cash in the Company. A breakdown of each Company officer's share issue is provided below:

Name	No. of Shares Issued	Average Price	Total Shareholding Post Issue	% of Enlarged Issued Share Capital
Ed Nealon	1,039,532	AUD\$0.051	4,184,532	1.27
Robert Hair	2,650,808	AUD\$0.051	7,696,118	2.34
Andrew Nealon	387,720	AUD\$0.039	1,032,133	0.31

Following admission the Company has 328,201,385 fully paid ordinary shares in issue.

Additionally, on 14th December 2012 the Company granted 400,000 options to Mr Vernon Harvey, Chief Operating Officer. The Options were granted under the terms and conditions of the Ferrum Crescent Ltd Employee Option Plan. The Options are unquoted and granted for no consideration but will be exercisable at AUD\$0.10 on or before 14th December 2015.

For more information, please visit www.ferrumcrescent.com or contact:

<i>Australia and Company enquiries:</i>	<i>UK enquiries:</i>
Ferrum Crescent Limited Ed Nealon T: +61 8 9380 9653 Executive Chairman Bob Hair T: +61 414 926 302 Managing Director	Ocean Equities Limited (Broker) Guy Wilkes T: +44 (0) 20 7786 4370 RFC Ambrian Limited (Nominated Adviser) Richard Morrison T: +44 (0) 20 3440 6800 Jen Boorer T: +44 (0) 20 3440 6800 Ferrum Crescent Limited Laurence Read (UK representative) T: +44 7557672432
<i>South Africa enquiries:</i>	Sasfin Capital Leonard Eiser T: +27 11 809 7500

Competent Persons' Statement:

The information that relates to Exploration Results and Mineral Resources in the report of which this statement is a summary, 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 of Exploration Results, Mineral Resources and Ore Reserves'. Mr Nupen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Ferrum Crescent Limited

ABN

58 097 532 137

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(160)	(366)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	17	36
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – income from restricted cash investments	11	22
Net Operating Cash Flows	(544)	(1,215)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	(1)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities	(780)	(780)
1.11 Loans repaid by other entities	--	-
1.12 Other (restricted cash investments)	(138)	(279)
Net investing cash flows	(918)	(1,060)
1.13 Total operating and investing cash flows (carried forward)	(1,462)	(2,275)

1.13	Total operating and investing cash flows (brought forward)	(1,462)	(2,275)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	780	780
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – share issue costs	(7)	(7)
	Net financing cash flows	773	773
	Net increase (decrease) in cash held	(689)	(1,502)
1.20	Cash at beginning of quarter/year to date	2,509	3,352
1.21	Exchange rate adjustments to item 1.20	(25)	(55)
1.22	Cash at end of quarter	1,795	1,795

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	80
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		

3.2 Credit standby arrangements

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Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	
4.3 Production	
4.4 Administration	400
Total	600

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,795	2,509
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,795	2,509

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	30/5/1/1/2/0402/PR (Moonlight Mining Right)	Mining Right granted	81.4%	97%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	328,201,385	321,606,385	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2,350,000 21,496,727 400,000	- 21,496,727 -	<i>Exercise price</i> \$0.198 \$0.400 \$0.100	<i>Expiry date</i> 07 December 2013 31 December 2013 14 December 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 31 January 2013
(Company Secretary)

Print name: Andrew Nealon.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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