

28 July 2010

**Media ASX Announcement**

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



**ASX: FCR**

**Quarterly Activities and Cashflow Report  
For the period ended 30 June 2010**

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**HIGHLIGHTS**

- **Ferrum completes 5,835 metres of drilling in 86 holes at the Moonlight Deposit (part of the Company's Turquoise Moon Iron Project) to check historical work carried out by Iscor**
- **Total Mineral Resource confirmed at 310Mt @ 29% Fe, comprising 240Mt @ 28% Fe in Inferred category and 70Mt @ 34% upgraded by drilling from the Inferred to the Indicated category**
- **Historical work by Iscor suggests that a significant resource expansion is likely at Moonlight as drilling progresses into neighbouring properties**
- **The Indicated Mineral Resource meets the 20 year production requirements, allowing the Company to prepare a mining right application**
- **The resource will be continually upgraded by further drilling**
- **ProMet Engineers to complete a scoping study**
- **Ferrum also has an interest in the De Loskop project lying east of Moonlight which contains an exploration target\* of 200 to 1000Mt of iron ore at a grade of 30% to 40% Fe**
- **Offer to option holders closes with majority acceptances**
- **Change to Board of Directors**

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*\* 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*

## Moonlight Deposit

During the quarter, Ferrum Crescent Limited (“Ferrum” or “the Company”) released the results of an upgrade in the resource at the Moonlight Deposit.

### Summary of results

Following the results of the infill drilling programme completed in April, the Moonlight Deposit was estimated to contain an **Indicated Mineral Resource of 70Mt @ 34% Fe, comprised of 51Mt of oxide mineralization @ 33% Fe and 19Mt of fresh mineralization @ 37% Fe**. Drilling has demonstrated that much of the Inferred Mineral Resource of 240Mt @ 28% Fe can be elevated in confidence by increasing the drill density.

The Moonlight Deposit consists of coarse-grained magnetite-quartz rocks which display the following features which set it apart from comparable magnetite deposits:

- The ability to produce very high quality concentrates at a coarse grind size;
- Exceptionally low level of detrimental elements in the concentrates;
- Near surface mineralization;
- Low stripping ratios.

The successful programme was designed to elevate the category of resource from Inferred to Indicated in areas where the mineralization is close to surface and consequently represents a low stripping ratio target with subsequent mining cost benefits. The target tonnage, well exceeded by drilling results, was for 10 years’ production requirements, based on a pig iron output of 1Mtpa. The contained iron within the maiden Indicated Resource is sufficient to exceed 20 years’ production.

The successful drilling results confirmed previous geological interpretations and demonstrated the high degree of continuity within the mineralized zone. This outcome supports FCR’s confidence in expanding the Indicated Resource, as may be prudent, and elevating the Resource to Reserve as the Company continues its evaluation programme.

### Future work programme

The robust result produced from the drilling programme has given FCR sufficient confidence to proceed to evaluate a number of production models which will include the on-site production of merchant pig iron using a number of different iron making methods. Other value added intermediate products will also be considered in the study, which will be conducted by ProMet Engineers, leaders in the field of iron production.

Further metallurgical testing, to include a comprehensive evaluation of the Indicated Mineral Resource, was conducted during the quarter with results to be announced in due course.

### Resource Estimation method

The mineralization is within a metamorphosed banded iron formation (BIF) that has been recrystallized under high-grade metamorphic conditions to produce coarse-grained mineralization that is amenable to beneficiation to produce high-grade iron oxide products. The deposit has a flat to shallow dip. The Indicated Resource was estimated within Ore Block Models (OBMs) estimated for three separate areas within the deposit that were infill-drilled on a 100m by 100m grid, Figure 1. The distribution of the resources within the three areas is given in Table 1.

**Table 1 Moonlight Iron Ore Deposit – Indicated Resources**

OBM	Oxidized Mineralization	Fresh Mineralization	Totals
Northeast	10Mt @ 38% Fe	11Mt @ 40% Fe	21Mt @ 39% Fe
Southeast	31Mt @ 32% Fe	8Mt @ 32% Fe	39Mt @ 32% Fe
Southwest	10Mt @ 33% Fe		10Mt @ 33% Fe
Totals	51Mt @ 33% Fe	19Mt @ 37% Fe	70Mt @ 34% Fe

An Inferred Mineral Resource was estimated for the portion of the deposit that was not infill-drilled. It was 240Mt @ 28% Fe. It was comprised of 30Mt of oxidized mineralization @ 27% Fe and 210Mt of fresh mineralization @ 28% Fe.

The resources were estimated by the Company’s Independent Consultant Geologist, Continental Resource Management Pty Ltd (“CRM”). The Indicated Resource was estimated within the OBMs by a distance weighted methodology. The search was constrained to wire-framed bodies of mineralization that had a minimum grade of 20% Fe. The minimum thickness of mineralization was 2m at a minimum grade of 20% Fe. Included waste had a maximum thickness of 2m.

The Inferred Resource was estimated using a polygonal method. The minimum thickness of mineralization was 5m at a minimum grade of 15% Fe. Included waste had a maximum thickness of 5m.

The primary data used to estimate the resource comprised drill logs, analyses, and density measurements for 79 diamond drill holes, 26 RC drill holes, and 142 Halco Wagon drill holes drilled between 1983 and 1986 for totals of 10,987m of diamond core drilling and 10,360m of percussion drilling. Ferrum drilled a further 86 RC holes from 2008 to 2010 for a total of 5,835m.

The Resource Report updated a 2008 resource estimate carried out by CRM in 2008, which was estimated from summary intersections from the historical drilling, the location and tenor of which was verified by Ferrum drilling in 2008. Since that estimate was completed, detailed assay data was obtained for the historical drilling. The estimate was based upon this data and the additional data from the Company's drill holes. The initial summary data included waste intervals within the summary intersection and some of these were excluded from the Resource Report estimate. The Company also decided to exclude a number of deeper drill intersections from the estimate pending further drilling and mine planning studies. These decisions resulted in a slight decrease in the resource tonnes but the new estimate and OBMs were representative of more detailed delineation of the mineralized horizons.

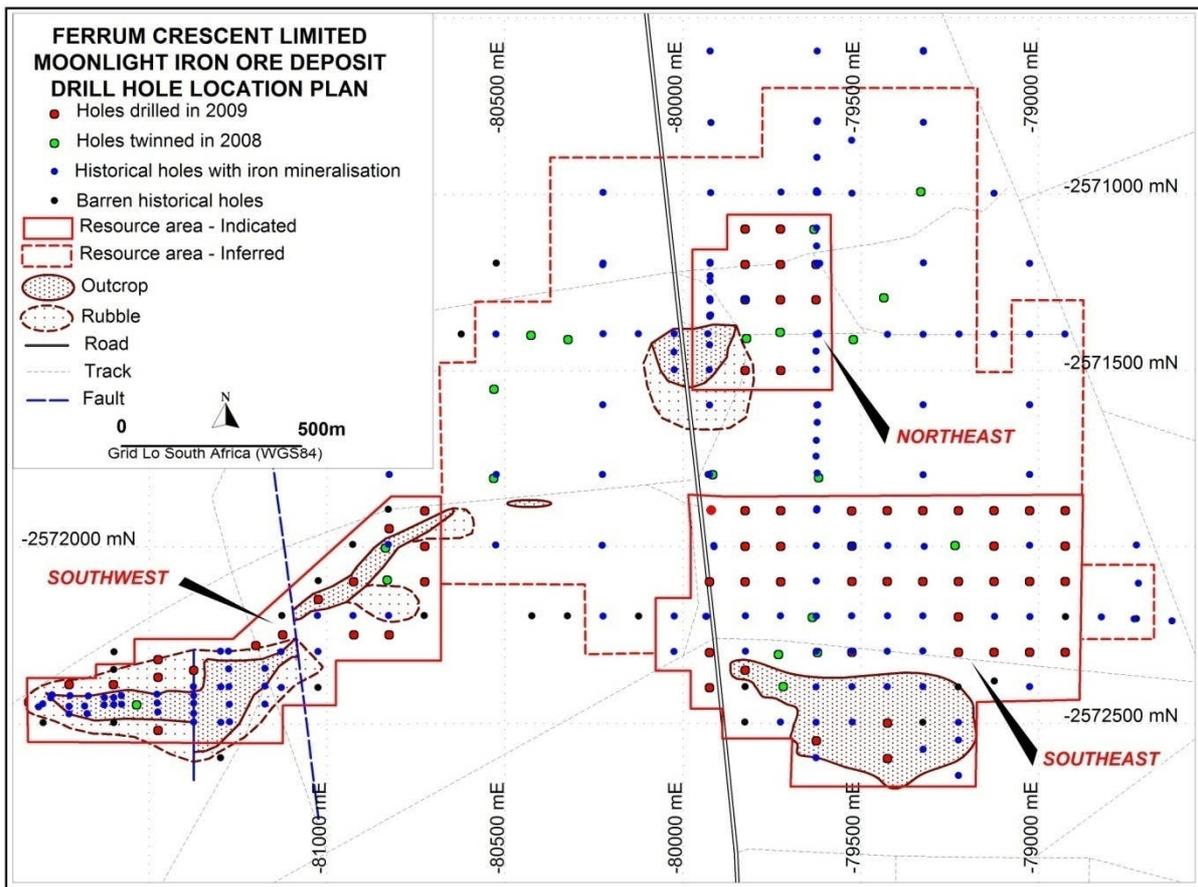


Figure 1 : Drill hole location plan and resource areas.

## De Loskop Prospect

Located approximately 150k east of Moonlight and only 50k north of Polokwane, the regional service centre, the De Loskop prospect contains an exploration target\* within the range of 200 to 1,000Mt of iron mineralization at a grade of between 30% Fe and 40% Fe. Being close to Polokwane, the De Loskop prospect has good infrastructure nearby and will be explored in greater detail in the coming months.

*\* 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.*

## Offer to Option Holders

During the quarter, Ferrum sought shareholder approval to cancel the Company's listed options in accordance with the prospectus issued to option holders on 4 June 2010. Under the terms of the prospectus, holders of listed options were offered one fully paid ordinary share for every ten listed options they held.

On 22 July 2010, the Company announced the closure of the offer to cancel listed options with acceptances representing 80,120,002 options. Subsequently the Company issued a total of 8,012,005 new shares to former option holders in return for their options.

## Board Changes

Mr Philip Kirchlechner resigned as Non-executive Director and Mr Grant Button was appointed as Alternate Director to Mr Scott Huntly, the Managing Director on 3 June 2010 and 15 June 2010 respectively.

The Board of Directors of the Company now comprise:

Mr Ed Nealon	Non-Executive Chairman
Mr Scott Huntly	Managing Director
Mr Adrian Griffin	Technical Director
Dr Fanie Botha	Non-Executive Director
Mr Matodzi Nesongozwi	Non-Executive Director
Mr Grant Button	Alternate Director to Mr Huntly

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For more information on the Company visit [www.ferrumcrescent.com](http://www.ferrumcrescent.com)

**Competent Person's Statement:**

*The information in this report is based on information compiled by John Doepel, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Doepel has sufficient experience relevant to the style of mineralization 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 Doepel is a consultant to the mining industry. This report is issued with Mr Doepel's consent as to the form and context in which the exploration results appear.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Ferrum Crescent Limited

ABN

58 097 532 137

Quarter ended ("current quarter")

30 June 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(864)	(1,475)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	8	31
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		10
<b>Net Operating Cash Flows</b>	<b>(1,374)</b>	<b>(3,325)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		(375)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	30	394
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>30</b>	<b>19</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,344)</b>	<b>(3,306)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,344)	(3,306)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		2,021
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 (provide details if material)		(180)
	<b>Net financing cash flows</b>		1,841
	<b>Net increase (decrease) in cash held</b>	(1,344)	(1,465)
1.20	Cash at beginning of quarter/year to date	1,835	1,956
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>491</b>	<b>491</b>

**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	159
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 relates to Directors Remuneration, Directors Fees and Superannuation Contributions.

**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

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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

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+ See chapter 19 for defined terms.

### 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		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	
<b>Total</b>	<b>700</b>

### 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	491	1,835
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>491</b>	<b>1,835</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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**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			

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+ See chapter 19 for defined terms.

**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 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	177,754,700	173,884,700		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 28 July 2010

Print name: Robert Hair  
Company Secretary

## 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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