

29 October 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 September 2010**

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**HIGHLIGHTS**

**Turquoise Moon Iron Project**

- **Total Mineral Resource confirmed at approximately 300 Mt @ 30% Fe, comprising approximately 225 Mt @ 29% Fe in the Inferred category and approximately 74 Mt @ 33% Fe in the Indicated category.**
- **Mine optimization planning completed with stripping ratio of 1:1.**
- **The Company is proceeding to carry out the studies and other activities that will be required for the grant of a mining right over the Moonlight Deposit.**
- **Ferrum also has an interest in the De Loskop prospect lying east of Moonlight which contains an exploration target\* of 200 to 1000 Mt of iron ore at a grade of 30% to 40% Fe. Exploration will commence following completion of the AIM listing (see last highlight below).**

**Capital raising**

- **Company successfully raises \$1.2 million by private placements to carry out further capital raising in conjunction with London AIM listing.**

**Option offer**

- **Offer to holders of listed options to cancel their options by the issue of one new Ferrum Crescent Limited share for every ten options closed on Friday 16 July 2010.**
- **Acceptances representing approximately 78.85% of listed options resulted in the issue of 8,012,005 new shares.**

**Corporate**

- **Board restructure, with Klaus Borowski and Fanie Botha joining and Adrian Griffin resigning from Ferrum board. Further changes have been made to the Board since the end of the Quarter.**
- **Bob Van Der Laan appointed as Joint Company Secretary.**

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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*

## Turquoise Moon Iron Project

Ferrum, through its 74%-owned South African subsidiary, Turquoise Moon Trading 157 (Pty) Ltd (“TMT”), controls the “Moonlight Deposit” located in the Limpopo Province of South Africa. Ferrum aims to develop an iron product business based on this resource. ProMet Engineers Pty Ltd and Continental Resource Management (“CRM”) were engaged to assist the Company by completing a scoping study.

For the purpose of the study, CRM’s scope of work included the geology and resource of the Moonlight Deposit. The Moonlight resource occurs within multiple banded iron formation (“BIF”) units. The BIFs have been recrystallized under high-grade metamorphic conditions to produce coarse-grained magnetite-quartz rocks. Within the area of the deposit, the BIFs are present over an east-west distance of 3 km and a north-south distance of 2 km. The BIF units vary from a few metres to 40 m in thickness. In general, they have a flat to shallow dip and are subject to gentle folding. The resource outcrops in the south and central portions of the area.

As has been previously announced, CRM completed a JORC compliant resource estimate for the Moonlight Deposit in April 2010. The ore block model (“OBM”) used for the mining study is estimated to contain a total Mineral Resource of 300 Mt at 30% Fe, with a lower block cut-off of 15%, of which 79 Mt is a near surface, partially oxidized zone. The OBM is estimated to contain an **Indicated Mineral Resource of 74 Mt @ 33% Fe, comprised of 34 Mt of oxide mineralization @ 30% Fe and 40 Mt of fresh mineralization @ 35% Fe**. Much of the Inferred Mineral Resource of 225 Mt @ 29% Fe can be elevated with confidence by increasing the drill density.

The BIF units extend to the west onto adjacent farms within the Project area. Due to lack of drill data and other information, estimates of this mineralization cannot be included in the current resource estimate. Ferrum has plans to undertake drilling in these areas and is confident that the results of these investigations will contribute significantly to the overall total resource.

The Resource estimate employed geostatistical Inverse Distance Squared modelling to produce ore block models of the mineralization within the deposit. The magnetite grains within the BIF are partly altered to hematite within the oxidized zone and CRM therefore reported the Resource in two zones, an upper Oxidized Zone and a lower Fresh Zone.

As previously announced, the Company has had enough information to prepare for a mining right application over the Moonlight Deposit, and this application was accepted by the relevant authorities.

## **De Loskop Prospect**

Located approximately 150 km east of Moonlight and only 50 km north of Polokwane, the regional service centre, the De Loskop prospect contains an exploration target\* within the range of 200 to 1,000 Mt 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.*

## **Feasibility program and AIM listing**

The Company intends to build upon the work already carried out at the Moonlight Deposit with a view to embarking upon a detailed feasibility study late in the calendar year 2010.

As previously announced, it is also planned to carry out a capital raising in conjunction with listing on the London Stock Exchange's AIM board in the near future. In the meantime, the Company completed an interim capital raising by issuing 10 million shares for \$1.2 million (at \$0.12 per share) during the Quarter.

## **Option Offer**

As announced on 21 July 2010, the offer to option holders to cancel their options by the issue of one new Ferrum share for every ten options closed with acceptances representing approximately 78.85% of listed options. The closure of the offer resulted in the issue of 8,012,005 new shares in the Company to former option holders.

## **Corporate**

During the Quarter, there were several changes to the composition of the Board of the Company. Mr Adrian Griffin resigned as a Director and Dr Frederik 'Fanie' Botha and Mr Klaus Borowski joined the Board as Non-Executive Directors. Mr Bob Van Der Laan was also appointed as Joint Company Secretary, joining Mr Robert Hair and Mr Andrew Nealon.

Mr Griffin, who had been overseeing the scoping study and associated activities in relation to the Company's Turquoise Moon Iron Project, resigned as Technical Director to pursue other business opportunities.

Dr Botha, who is based in Johannesburg, Republic of South Africa, is a hydrogeologist by background and has extensive experience in water studies and many other logistical issues that will be directly relevant to Ferrum's Turquoise Moon Iron Project.

Mr Borowski is a metallurgical engineer with extensive experience in the minerals processing industry, specifically in the processing of iron including in South Africa. His previous positions include Managing Director of Krupp in South Africa, and he was on the steering committee at Saldhana Steel.

Subsequent to the end of the reporting period, the Company welcomed the appointment of Messrs Kofi Morna, Ted Droste and Grant Button as Non-Executive Directors, as well as the appointment of Mr Ed Nealon as Executive Chairman and Dr Fanie Botha as Operations Director (both previously Non-Executive Directors). Mr Nesongozwi has also resigned as a Director. The composition of the Board as at the date of this report is as follows:

- Ed Nealon Executive Chairman
- Scott Huntly Managing Director
- Fanie Botha Operations Director
- Kofi Morna Non-Executive Director
- Klaus Borowski Non-Executive Director
- Ted Droste Non-Executive Director
- Grant Button Non-Executive Director

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**Ferrum Crescent Limited**

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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 September 2010

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (3 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	(788)	(788)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	6
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(1,223)</b>	<b>(1,223)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(4)	(4)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	1,575	1,575
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>1,571</b>	<b>1,571</b>
1.13 Total operating and investing cash flows (carried forward)	348	348

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	348	348
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1,200	1,200
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)	(130)	(130)
<b>Net financing cash flows</b>		<b>1,070</b>	<b>1,070</b>
<b>Net increase (decrease) in cash held</b>		<b>1,418</b>	<b>1,418</b>
1.20	Cash at beginning of quarter/year to date	491	491
1.21	Exchange rate adjustments to item 1.20	38	38
1.22	<b>Cash at end of quarter</b>	<b>1,947</b>	<b>1,947</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	165
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	4,869
4.2 Development	
4.3 Production	
4.4 Administration	1,402
<b>Total</b>	<b>6,271</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	1,947	491
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		38
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,947</b>	<b>529</b>

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+ 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>	195,786,704	191,896,704		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	18,012,004	18,012,004		
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>	21,496,727	21,496,727	<i>Exercise price</i> \$0.40	<i>Expiry date</i> 31 December 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Cancelled during quarter	80,120,201	80,120,201	\$0.40	31 December 2013
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: 29 October 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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