

30 July 2012

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 30 June 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 30 June 2012.

HIGHLIGHTS:

Moonlight Iron Ore Project:

- New JORC compliant resource at Moonlight Iron Ore Project of 307.8 million tonnes @ 26.9% Fe
 - Inferred category of 172.1 Mt @ 25.3% Fe, Indicated of 83.0 Mt @ 27.4% Fe, Measured of 52.6 Mt @ 31.3% Fe
 - Substantial increase in the confidence and classification of the Mineral Resource
- The Mineral Corporation has also identified several prospective targets south, east and west of the Moonlight Deposit
- Mining right covering the farms “Moonlight”, “Julietta” and “Gouda Fontein” granted
- Aeromagnetic survey over the Julietta and Gouda Fontein farms consisting of 2,827 line km on 50m line spacing completed in June 2012 and currently being analysed by The Mineral Corporation
- Discussions to confirm logistical solutions (rail, power, water and port services) required for progressing detailed feasibility study continuing

Corporate:

- Cash as at 30 June 2012 is approximately A\$3.4m

Moonlight Iron Ore Project

As announced in the Company’s quarterly report for the period ended 31 March 2012, The Mineral Corporation was commissioned by Ferrum Crescent to carry out an updated JORC compliant Mineral Resource estimate taking into account the results of the Phase 3 drilling and assays on the Moonlight deposit (“the Report”). Phase 3 consisted of 11 holes totalling 990m of diamond core drilling and 13 holes totalling 1,600m of RC drilling.

The Mineral Corporation has conducted a thorough re-interpretation of the geological structure of Moonlight, based on historical South African Iron and Steel Industrial Corporation (“Iskor”) data collated and validated by Ferrum Crescent and recent exploration results. Within the constraints of a cut off grade of 16% iron, geological losses of 5% and a depth constraint of between 100m and 250m, depending upon dip and the number of mineralised zones present, the Mineral Resources at Moonlight are now estimated to be as follows:

Category	Gross					Net (attributable to Ferrum Crescent at 81.4%)				
	Tonne (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	Contained Metal (Mt)	Tonne (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	Contained Metal (Mt)
Inferred	172.1	25.3	51.2	4.8	43.5	140.1	25.3	51.2	4.8	35.4
Indicated	83.0	27.4	50.1	4.0	22.7	67.6	27.4	50.1	4.0	18.5
Measured	52.6	31.3	47.3	2.5	16.5	42.8	31.3	47.3	2.5	13.4
Total	307.8	26.9	50.3	4.2	82.8	250.5	26.9	50.3	4.2	67.4

Tonnes are rounded

Note: Ferrum Crescent is the operator and owns 81.4% of the Moonlight Project

Based on these results, the Board believes that whilst the total average Fe grade has decreased slightly (previously estimated to be a JORC compliant resource of 74Mt @ 33% Fe in the Indicated Resource category and 225Mt @ 29% Fe in the Inferred Resource category), the tonnage has increased proportionately along with a substantial increase in the confidence and classification of the Mineral Resource. Furthermore, the Board is of the opinion that the depth constraint of 250m (maximum) is conservative, particularly as the previous estimation was not constrained in this way.

The revised structural interpretation presented by The Mineral Corporation has also identified several targets south, east and west of the Moonlight Deposit, which the Company believes warrants additional exploration by the commissioning of a high-resolution airborne magnetic survey and drilling. Given that the size of resource is sufficient for in excess of 20 years, management attention is primarily focused on finding definitive answers to logistical questions rather than on continued exploration. A summary of the estimate parameters is appended.

Mining Right Application

During the quarter, the Company announced the grant of its new order mining right in respect of the Moonlight Iron Ore Project for the iron ore deposit located within the farms Moonlight, Julietta and Gouda Fontein. The Company received written confirmation from the South African Department of Mineral Resources of the grant of the new order mining right in terms of the Minerals and Petroleum Resources Development Act 28 of 2002, effective for a term of thirty years.

The grant of the Moonlight mining right represents the fulfilment of one of the principal conditions precedent to the completion of the Company’s BEE transaction by completion of the “flip”. The flip is the process whereby the interest of Mkhombi AmaMato (Pty) Ltd, the BEE controlled company that holds an effective 15.6% interest of the Moonlight Iron Ore Project through its indirect shareholding in Turquoise Moon Trading 157 (Pty) Ltd (holds the Moonlight Project), will effectively swap that project interest for shares in Ferrum Crescent. The other substantive conditions

precedent to the completion of the flip is Ferrum Crescent shareholder approval, and the Company plans to hold a shareholders' meeting for this purpose on 8th August 2012 (please refer to the Company's Notice of General Meeting of Shareholders announcement on 6th July 2012 for further detail). Ferrum Crescent currently owns 81.4% of the Moonlight Project and at the completion of the flip, will hold an effective 97% of Moonlight, with the remaining 3% being held by a trust representing the local community that will be directly affected by Moonlight mining activities.

Aeromagnetic Survey

Following the end of the reporting period, the Company announced the completion of an aeromagnetic survey over the Julietta and Gouda Fontein farms of its Moonlight Iron Ore Project. The survey consisted of 2,827 line kilometres on 50m line spacing over an area of 129 km² with all data currently being analysed by the Company's independent geological consultants The Mineral Corporation Consultancy (Pty) Limited. The Company, having had a close involvement in the coordination of the survey, is confident that the results of this survey will greatly assist in the planning of future exploration on the area covered by the Mining Right and in future mining operations.

The Company has announced previously that it advanced plans to implement a drilling programme on the farms Julietta and Gouda Fontein (which are covered by the granted Mining Right, along with the farm Moonlight) to increase the total resource estimate on the Moonlight Iron Ore Project. The Company has now determined, given that it has sufficient resources on the Moonlight farm to support mining for in excess of 20 years (for which the Group has an existing Mining Right and associated mining environmental approvals), that management attention is best focused at this time on obtaining definitive answers to logistical questions including rail, power, water and port services to achieve the optimal infrastructure mix for the definitive feasibility study. The Company continues to have discussions with Transnet and other infrastructure providers and industry peers to ensure that these answers are obtained as soon as possible.

In respect of the De Loskop prospect, Ferrum Crescent continues to work with local communities to enable those communities to obtain a preferential prospecting right under the Mineral and Petroleum Resources Development Act. Upon the grant of a prospecting right, the Group would be able to "farm into" that area (up to an agreed majority percentage) by carrying out of prospecting activities. No such prospecting activities are currently planned.

For further 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 Newgate Threadneedle (Financial PR) Graham Herring/Beth Harris T: +44 (0) 20 7653 9850
<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 I: Mineral Resource estimation details

Drilling Technique

Drilling data from Iscor and three phases of Ferrum Crescent exploration inform the estimates. The drilling comprised open hole, RC and diamond core drilling and was all vertical. A total of 122 RC holes and 89 diamond core holes were accepted for the estimates.

Sampling Technique

Limited information on the sampling techniques for the Iscor data is known. For the Ferrum Crescent exploration, industry standard sampling techniques were adopted. RC samples (1m-2m) were riffle split on site and diamond core samples were halved with a diamond saw. Primary samples and quality control samples were submitted for analysis to Genalysis Laboratory Services (Johannesburg) for analysis by Intertek Utama Services (Jakarta).

Drill Sample Recovery

Limited information on the sample recovery for the Iscor data is known. With the exception of surficial rubble, the sample recovery through the mineralised zones for the Ferrum Crescent exploration was acceptable.

Geological Logging

The Iscor data included electronic codes for the main lithological unit, certain sub-units, and the core bedding angles. All geological information during Ferrum Crescent exploration was logged in acceptable detail, and stored in an MS Access database. This included lithological, structural and geotechnical information.

Quality of Assay Data / QAQC

No information on the quality of assay data for the Iscor data was obtained. The Ferrum Crescent samples were analysed at an accredited laboratory (Genalysis / Intertek), and appropriate standards, blanks and duplicates inserted in the sample stream. The Mineral Corporation has reviewed the results from these control samples and considers the accuracy and reliability of the analyses to be acceptable.

Verification of sampling and assaying

The Iscor data was verified by means of the identification and re-surveying of borehole collars in the field, and by means of twin-drilling. On the basis of the twinning, the open-hole data from Iscor (142 holes) was considered unacceptable for Mineral Resource estimation. The remaining RC and diamond core drilling showed reasonably good correlation of mineralisation depth and abundance, and was considered acceptable.

Surveying

All Ferrum Crescent boreholes were surveyed by a registered surveyor. Of the Iscor holes, 127 collars were re-surveyed by a registered surveyor, and good correlation between the historical and Ferrum Crescent survey locations were found.

Auditing

No audits of the Iscor exploration results, with the exception of the verification described above have been undertaken. The Mineral Corporation reviewed the results of the first two phases of Ferrum Crescent's drilling prior to carrying out the estimates. Phase 3 of Ferrum Crescent's exploration was carried out by The Mineral Corporation.

Database Integrity

The compiled database for the estimates was housed in an MS Access database. In addition to the verification and QA/QC already described, validation of the sampling data for over-lapping sampling intervals, duplicate samples and spurious data was carried out.

Geological Interpretation

A thorough re-interpretation of the geological structure, and correlation between mineralised zones was carried out. Magnetite is interpreted to be hosted in four zones (Zone A to D), which have been subjected to folding, parallel to the regional (Limpopo Mobile Belt) orientation. Younger faulting, oriented parallel to and orthogonal to this trend are interpreted. The geological interpretation is considered appropriate for the level of estimates, and the Mineral Resource classification takes the confidence in the interpretation into account.

Dimensions

D Zone is approximately 200m x 400m x 30m

C Zone (West) is approximately 1400m x 250m x 35m

C Zone (East) is approximately 1100m x 700m x 30m

B Zone is approximately 1500m x 800m x 25m

A Zone is approximately 1600m x 1200m x 17m

Geological Modelling

Wireframes representing the geological interpretation were generated to constrain the block model.

Drillhole Compositing Procedures

5m vertical borehole composites were utilised, informed by an assumed minimum mining height. These composites were not at right angles to the mineralised zones, but as the dips are shallow (7° to 30° and typically less than 20°) and a 3-dimensional block model was used, the use of vertical composites is unlikely to introduce any bias.

Variography

Variograms parallel to the dip of the mineralised zones were calculated and modelled. Vertical grade distribution utilised downhole variograms. Variograms of between 150m and 250m were obtained in the plane of the mineralised zone and between 7m and 30m downhole.

Drillhole spacing

The combination of Ferrum Crescent's exploration and the KIOL data has provided an acceptable drillhole spacing which ranges from 100m x 100m to 200m x 300m.

Block Model

Horizontal block dimensions were 50m x 50m and 5m in the vertical, informed by borehole spacing and a conceptual minimum mining unit. The block model was rotated to the average dip (12°).

Grade Estimation Methodology

Ordinary Kriging was employed for grade estimates. A three stage search strategy was employed. A minimum of 5 and a maximum of 20 samples was used within the range of the variogram for the first search. The second search was twice the volume of the first, and the third extended to the limits of the mineralised zones. The search and variogram ellipse were oriented to local dip and strike variations using "Dynamic Anisotropy" in Datamine Studio v3.

Accuracy and confidence

Plan and section plots were analysed to evaluate the adherence of the estimation methodology to the geological model. The methodology was found to honour the grade continuity trends, which are assumed to be parallel to the dip of the mineralised zones.

Moisture

Tonnage was calculated on a dry basis.

Bulk Density

The Iscor data included density measurements for all diamond core holes. No information was provided on the methodology used to obtain these density data. The diamond core data from Ferrum Crescent exploration included density measurements obtained by the 'water immersion' method. A strong correlation between density and Fe was observed, and used to estimate block density after grade estimation.

Mining Factors

A minimum mining unit of 50m x 50m x 5m aided in the selection of block size. Approximate stripping ratios were calculated to inform the maximum depth constraint for the Mineral Resources.

Metallurgical Considerations

On the basis of preliminary test work, The Mineral Corporation has assumed that the Fe can be extracted by means of comminution and magnetic separation to form a magnetite concentrate.

Cut-off Parameters

A cut-off of 16% Fe and a maximum depth of between 250m and 100m depending on dip and the number of mineralised zones was applied.

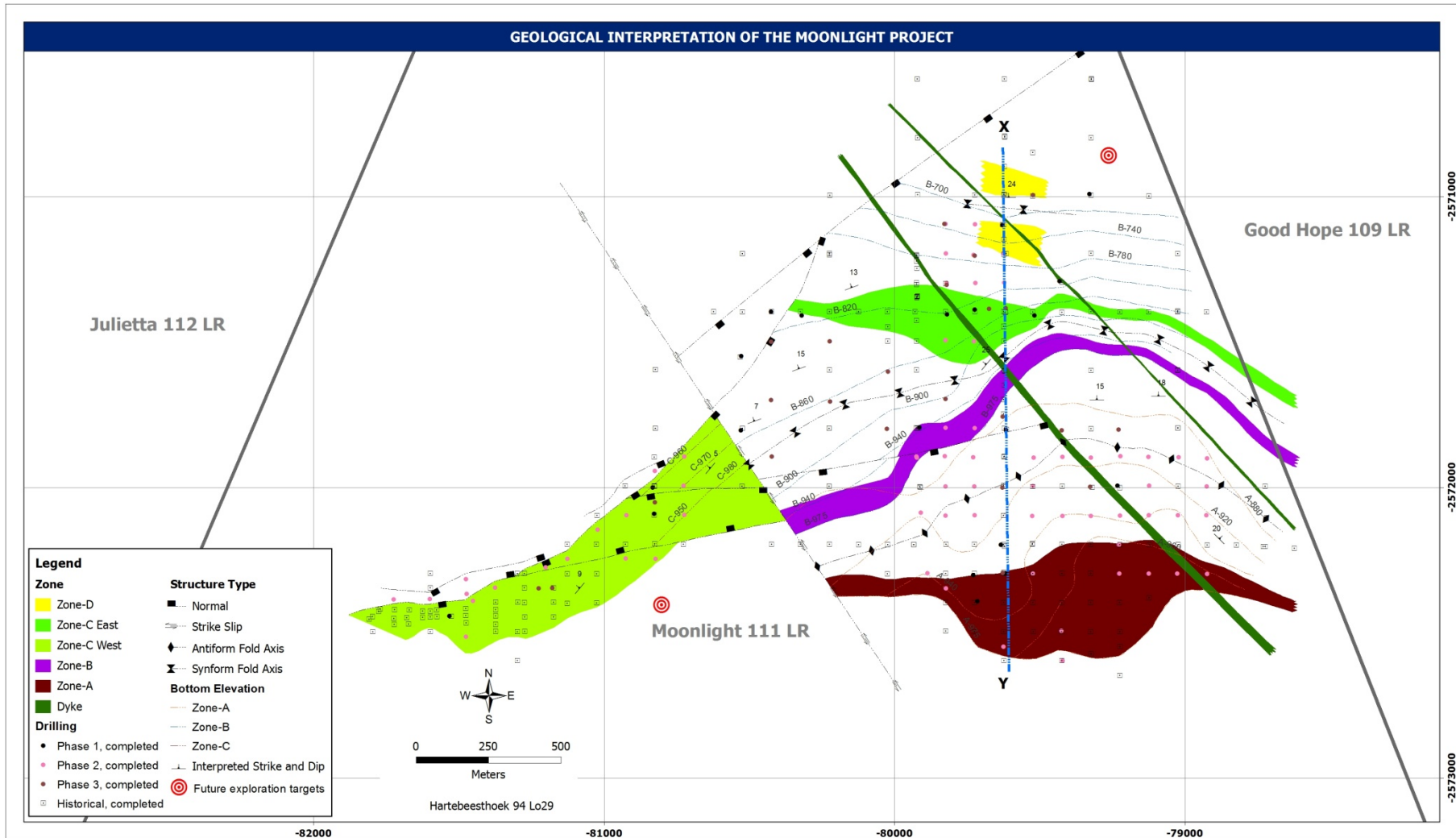
Resource classification

The borehole spacing, surface mapping, structural interpretation, variography and kriging error estimates inform Mineral Resources which are classified as Inferred, Indicated and Measured. In areas of well-defined geological structure and modest grade variability, the 100m x 100m grid is sufficient for Measured Mineral Resources.

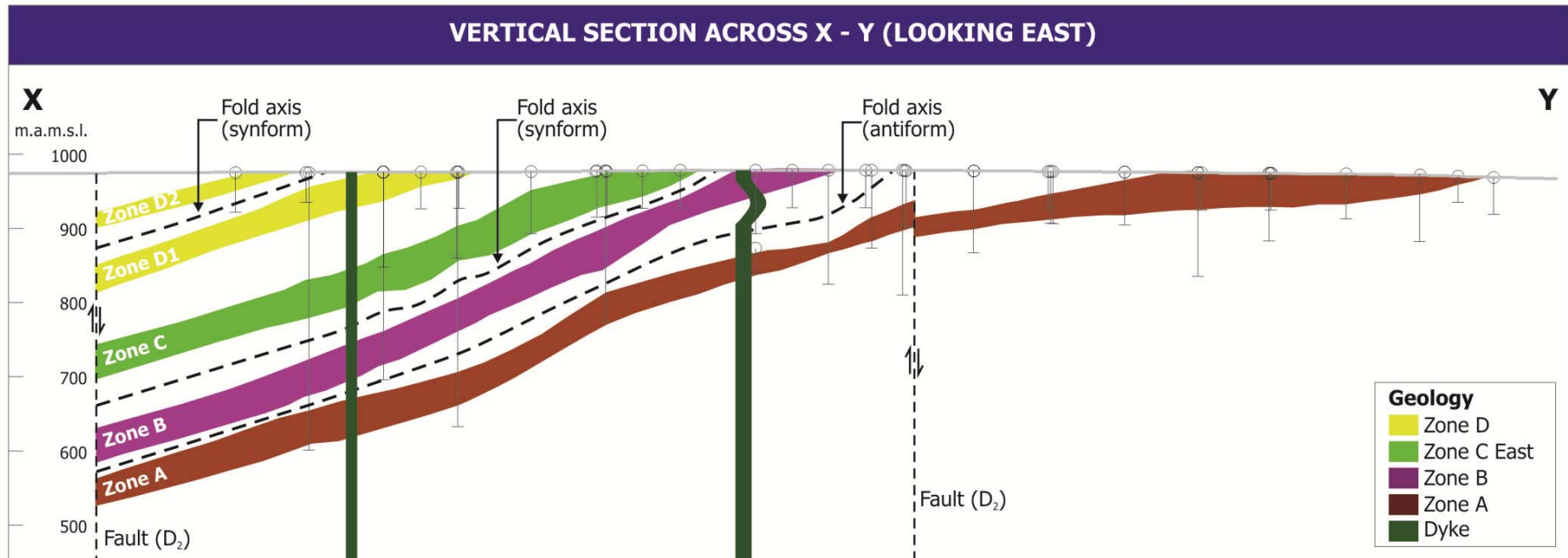
Resource Reporting

The Mineral Resource estimates have been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

Appendix II – Geological plan



Appendix III: Interpretive geological section



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")

30 June 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$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	(186) (531)	(2,046) (2,611)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	34	207
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	-	2
Net Operating Cash Flows	(683)	(4,448)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	 (5)	 (23)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (restricted cash investments)	(155)	(155)
Net investing cash flows	(160)	(178)
1.13 Total operating and investing cash flows (carried forward)	(843)	(4,626)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(843)	(4,626)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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	-	(17)
	Net financing cash flows	-	(17)
	Net increase (decrease) in cash held	(843)	(4,643)
1.20	Cash at beginning of quarter/year to date	4,194	8,114
1.21	Exchange rate adjustments to item 1.20	1	(119)
1.22	Cash at end of quarter	3,352	3,352

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	131
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

+ 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	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	3,352	4,194
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,352	4,194

+ See chapter 19 for defined terms.

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	30/5/1/1/2/0402/PR	Prospecting right lapsing	81.40%	81.40%
6.2 Interests in mining tenements acquired or increased	30/5/1/1/2/0402/PR	Mining right application pending (application granted but not yet executed)	81.40%	81.40%

+ 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 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	298,841,705	292,246,705	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>	2,950,000 21,496,727	- 21,496,727	<i>Exercise price</i> \$0.198 \$0.400	<i>Expiry date</i> 07 December 2013 31 December 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				


+ See chapter 19 for defined terms.

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.


30 July 2012

Sign here: Date:

(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.

== == == == ==

+ See chapter 19 for defined terms.