

28 April 2011

**Media ASX Announcement**

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



**ASX/AIM: FCR**

**Ferrum Crescent Limited**  
**("Ferrum" or the "Company")**  
**Quarterly Activities and Cashflow Report**  
**For the period ended 31 March 2011**

Ferrum Crescent Limited, the AIM and ASX quoted iron ore developer in northern South Africa, today announces results for the three month period ending 31 March 2011.

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**HIGHLIGHTS:**

**Moonlight Magnetite Project:**

- **Reverse circulation drill programme complete over 1,500m**
  - **Iron mineralisation encountered in all 12 holes drilled**
  - **Intersections of mineralisation considerably thicker than predicted by current geological model**
- **HQ diamond core drilling has been completed with core recovery exceeding expectations: this will enable part of a detailed metallurgical programme that is expected to provide the foundation for developing a process flow sheet for a premium concentrate product required for DRI grade pellets**
- **Core storage and processing facility constructed on site**
  - **Core cutting sampling and bulk density measurement now to be conducted on site, resulting in improved sample turnaround**
- **Moving towards completion on schedule of the Definitive Feasibility Study**
- **Revised mining right application in respect of the Moonlight magnetite deposit accepted by Department of Mineral Resources**
- **Appointment of Vernon Harvey as Chief Operating Officer.**

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Commenting today Ed Nealon, Executive Chairman of Ferrum Crescent said: "The first quarter of 2011 saw the commencement of key delineation work at the Moonlight magnetite project. As we work towards defining a detailed feasibility study for the project I was especially pleased that we were able to appoint Vernon Harvey to the Company who brings a wealth of experience successfully progressing projects through development and commissioning. Ferrum Crescent is on schedule to deliver its feasibility study during Q1 2012 where we anticipate being able to demonstrate that Moonlight will be a new, economic, high grade production hub for the domestic and international steel industry."

Vernon Harvey, COO of Ferrum Crescent went on to comment: “Having recently been appointed as COO for Ferrum Crescent my focus has been to ensure that the key objectives within the Definitive Feasibility Study timetable are being met to schedule and to the satisfaction of our independent consultants. I am particularly pleased to see that the necessary drilling to begin building a process flow sheet for a high grade DRI pellet product has been carried out and we should be able to announce the results of this metallurgical test work over the coming months. Working with consultants such as AMEC our objective is to create a new high grade iron hub in South Africa largely utilising existing transportation infrastructure to supply customers.”

### **Completion of reverse circulation drill programme**

The Company during the Quarter announced that the reverse circulation (“RC”) drill programme at the Moonlight magnetite deposit (“Moonlight Deposit”) had completed on schedule, with iron mineralisation encountered in all holes. It is significant that intersections of iron mineralisation (hematite and magnetite) encountered in the programme were considerably thicker than predicted by the current geological model in this area of the deposit.

### **Significant intersections of visually determined iron mineralisation include\*:**

- **42m from 97m downhole in FCL088**
- **27m from 104m downhole in FCL089**
- **43m from 91m downhole in FCL092**
- **21m from 74m downhole in FCL096**

\*Note – full details of visual intercepts are shown in Table 2.

Moonlight contains a JORC compliant resource of 74Mt in the Indicated Resource category and 225Mt in the Inferred Resource category at a grade of 30 per cent. iron.

### **RC Drilling**

The RC drilling was planned to provide additional information to allow refinement of the geological model in areas of sparse drilling. Cumulative intercepts of visually determined iron mineralisation from all holes totalled 378m (Table 1). This is significant when compared with predictions from the current JORC compliant model, which suggested that only some 319m of mineralisation were likely to be intersected. Apart from increasing the confidence in the updated geological model, the result suggests locally increased tonnages of mineralisation.

Mineralisation was intersected in all holes, confirming the continuity of the quartz magnetite horizons in areas of sparse drilling. Table 2 shows the detail of intercepts greater than or equal to 5m in width.

In total, 742 (1m) samples are being prepared for assay, with the results expected to be available by the middle of May.

Hole	Visual Iron Intercepts (m)*	Previously Predicted Iron Intercepts (m)
FCL087	20	10
FCL088	42	40
FCL089	44	32
FCL090	39	35
FCL091	34	27
FCL092	69	32
FCL093	36	36
FCL094	15	17
FCL095	37	25
FCL096	21	30
FCL097	12	25
FCL098	9	10
<b>Total</b>	<b>378</b>	<b>319</b>

Table 1: Cumulative iron mineralisation intercepts (greater than 5m) by drill hole

\*Based on visual examination of RC drill chip samples

### Core Drilling

11 HQ diamond core holes, for a total of 1,000m, have been planned to provide more detailed geological information on the mineralisation and further to verify the use of historical drill data and checks on bulk density measurements. Importantly, the core holes have been located to provide bulk material for a detailed phase of metallurgical testing that will commence at the conclusion of the drilling.

The 11 hole HQ core programme has been completed. Core recovery of shallow mineralisation in the partially weathered zone has exceeded expectations, with excellent recovery through mineralised zones.

### Site Infrastructure

Infrastructure, including covered core storage, work areas, office unit and electrical generators, has been established on the farm Moonlight and will allow core cutting sampling and bulk density

measurements to be done at site by specialist technicians. This will result in a more rapid turnaround of samples, with a reduction in transport requirements.

Hole	WGS Lo29	WGS Lo29	Hole	Visual Iron Intercepts			Previously Predicted Iron Intercepts		
	East (m)	North (m)	Depth (m)	From (m)	To (m)	Width (m)	From (m)	To (m)	Width (m)
FCL087	-81225	-2572350	130	0	13	13	0	10	10
				24	31	7			
FCL088	-80425	-2571500	150	97	139	42	75	90	15
							90	115	25
FCL089	-80425	-2571700	115	63	73	10	40	57	17
				94	101	7	80	95	15
				104	131	27			
FCL090	-80425	-2571900	105	21	37	16	5	20	15
				70	81	11	60	70	10
				86	98	12	85	95	10
FCL091	-80225	-2571700	160	79	93	14	65	77	12
				106	118	12	90	105	15
				138	146	8			
FCL092	-80225	-2571500	165	82	87	5	105	117	12
				91	134	43	130	150	20
				139	160	21			
FCL093	-80025	-2571600	160	85	100	15	84	90	6
				108	113	5	95	105	10
				133	149	16	125	145	20
FCL094	-80025	-2571800	70	30	38	8	20	30	10
				56	63	7	50	57	7
FCL095	-79825	-2571700	140	29	42	13	60	70	10
				67	74	7	110	125	15
				102	107	5			
				111	118	7			

				125	130	5			
FCL096	-79625	-2571750		74	95	21	5	10	5
							45	60	15
							75	85	10
FCL097	-79425	-2571800	95	50	62	12	50	75	25
FCL098	-79225	-2571800	95	67	76	9	60	70	10

Table 2: Intercepts of iron mineralisation greater than or equal to 5m in width

Note:

- 1) Intercepts are determined visually by the logging geologist;
- 2) Intercepts included where the amount of iron mineralisation in a 1m sample is determined to be greater than 50% of the sample;
- 3) Samples awaiting assay;
- 4) All samples logged over 1m intervals;
- 5) Grid is South African WGS Lo29;
- 6) Holes located by hand held GPS;
- 7) All holes drilled vertical using 5.25 inch, face sampling hammer;
- 8) Predicted intercepts based on the polygons in current JORC compliant resource model.

## Section 102 Application

The Company has obtained the right to prospect for limestone, marble and nickel through the granting of a section 102 application under the Mineral and Petroleum Resources Development Act 2002 (South Africa). This application was submitted when the Company identified the occurrence of these minerals over the Moonlight Project. The effect of this grant will be that these minerals will be covered by the mining right upon its grant. Limestone and marble are necessary agents in the metallurgical processing of magnetite.

## Mining Right Application

As announced on 24 January 2011, the South African Department of Mineral Resources (“DMR”) accepted a revised mining right application in respect of the Moonlight Deposit.

The Company’s subsidiary, Turquoise Moon Trading 157 (Pty) Ltd (“Turquoise Moon”), holds Ferrum Crescent’s interests in both the Moonlight Deposit and the De Loskop prospect. Previously, these were both held under a single mining right application. The DMR has now allowed De Loskop to be excluded from the mining right application, with the result that Turquoise Moon can now concentrate wholly on developing Moonlight as a mining project while allowing De Loskop to be treated as a prospecting area. Administratively and practically, due to the distance between the project areas, it was considered advantageous to deal with the two areas separately. Should Turquoise Moon wish to conduct mining activities in the De Loskop project area, a separate mining right application would need to be submitted.

**Ferrum Crescent Limited** ACN 097 532 137

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**Board and Senior Management Changes**

During the Quarter, there were several changes to the composition of the Board and senior management of the Company with Mr Vernon Harvey appointed as Chief Operating Officer and Mr Scott Huntly and Mr Fanie Botha stepping down from their roles as Managing Director and Operations Director respectively.

Mr Harvey is a chemical engineer who has extensive experience as a project manager in the South African resources industry. During his 46 year career Mr Harvey has worked for organisations including the Rio Tinto Group and the Industrial Development Corporation of South Africa Limited.

Mr Harvey has overseen feasibility studies on a series of major resource projects, including full infrastructure assessments, which has resulted in six fully commissioned operations. As Ferrum progresses the Moonlight Iron Ore Project towards a Definitive Feasibility Study, Mr Harvey’s appointment as COO brings a wealth of directly relevant experience and a proven track record of operational delivery to the Company.

<b>Australia and Company enquiries</b>	<b>UK and press enquiries</b>
<b>Ferrum Crescent Limited</b> Ed Nealon T: +61 419 905 546 Executive Chairman Robert Hair –T: + 61 414 926 302 Company Secretary	<b>Ocean Equities Limited (Broker)</b> Guy Wilkes T: +44 (0)20 7786 4370 <b>Ambrian Partners Limited (Nominated Adviser)</b> Richard Swindells T: +44 (0) 20 7634 4856 Jen Boorer T: +44 (0) 20 7634 4859
For more information on the Company visit <a href="http://www.ferrumcrescent.com">www.ferrumcrescent.com</a>	<b>Threadneedle Communications Limited</b> Laurence Read/Beth Harris T: +44(0)20 7653 9855

**Competent Person’s Statement:**

*The information in this report is based on information compiled by Lindsay Cahill, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Cahill has 20 years’ 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 Cahill is a consultant to the Company and the mining industry. This report is issued with Mr Cahill’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")

31 March 2011

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>		Current quarter \$A'000	Year to date (9 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	(1,085)	(2,665)
1.3	Dividends received	(812)	(1,921)
1.4	Interest and other items of a similar nature received	32	48
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>(1,865)</b>	<b>(4,538)</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)
1.9	Proceeds from sale of: (a) prospects  (b) equity investments (c) other fixed assets		600  1,575
1.10	Loans to other entities		(1,079)
1.11	Loans repaid by other entities		
1.12	Other (Investment in Subsidiary)		(2,381)
	<b>Net investing cash flows</b>		<b>(1,289)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(1,865)</b>	<b>(5,827)</b>

1.13	Total operating and investing cash flows (brought forward)	(1,865)	(5,827)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		16,425
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 (Equity Raising Costs)		(1,740)
	<b>Net financing cash flows</b>		14,685
	<b>Net increase (decrease) in cash held</b>	(1,865)	8,858
1.20	Cash at beginning of quarter/year to date	11,252	491
1.21	Exchange rate adjustments	585	623
1.22	<b>Cash at end of quarter</b>	<b>9,972</b>	<b>9,972</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	84
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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## 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	1,200
4.2 Development	
4.3 Production	
4.4 Administration	700
<b>Total</b>	<b>1,900</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	9,972	11,252
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>9,972</b>	<b>11,252</b>

## 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			

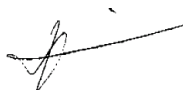
## Issued and quoted securities at end of current quarter

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>	298,691,704	291,896,704	
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>	2,950,000 18,571,727		<i>Exercise price</i> \$0.198 \$0.400
7.8	Issued during quarter			<i>Expiry date</i> 07 December 2013 31 December 2013
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>			

## 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 April 2011

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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