

16 May 2012

Ferrum Crescent Limited
(“Ferrum Crescent”, the “Company” or the “Group”) (ASX: FCR, AIM: FCR, JSE: FCR)
Completion of JORC Compliant Moonlight Iron Ore Mineral Resource Estimate

Highlights:

- **New JORC compliant resource at Moonlight iron ore deposit of 307.8 million tonne @ 26.9% Fe**
 - **Inferred category of 172.1 Mt @ 25.3% Fe, Indicated of 83.0 Mt @ 27.4% Fe, Measured 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**
- **Additional exploration to commence by the commissioning of a high-resolution airborne magnetic survey and drilling at the earliest opportunity**

Ferrum Crescent Limited, the ASX, AIM and JSE quoted iron ore developer in Limpopo Province, South Africa, today announces the completion of the Mineral Resource estimate update for the Moonlight iron ore deposit as prepared by The Mineral Corporation Consultancy Pty Ltd (“The Mineral Corporation”).

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 entire Report, including the results of drilling and other exploration to be carried out on the Julietta and Gouda Fontein farms adjacent to the Moonlight farm and the resource estimate to be carried out following that exploration, is anticipated to be completed by the end of 2012.

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 (“IsCOR”) data collated and validated by Ferrum Crescent and recent, Ferrum Crescent exploration results. Within the constraints of having 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

Tonne 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 at the earliest opportunity. Planning for these exploration activities has already commenced. A summary of the estimate parameters is appended.

Commenting on the new Mineral Resource estimation, Executive Chairman Ed Nealon said: “The Mineral Corporation has reinforced the Board’s confidence in the quality of Moonlight project.”

Mr Nealon added, “We knew how good the material is, from a metallurgical and processing point of view. The work by The Mineral Corporation, which is of a meticulously high standard and has been conducted with a level of conservatism that you would expect from such a reputable firm, has built upon the previous good work done by the Company and its advisers.”

“The Company now looks forward to exploring the potential to add to the Moonlight Mineral Resource, as well as to carrying out further drilling and other testwork to confirm the mineralisation at the Julietta and Gouda Fontein farms, adjacent to Moonlight. The Company’s mining right application, which is expected to be determined in the very near future, covers these three farms, and we are excited about this exploration potential.”

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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 Exploration Results, Mineral Resources and Ore Reserves'. Mr. Nupen consents to the inclusion in this statement 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.

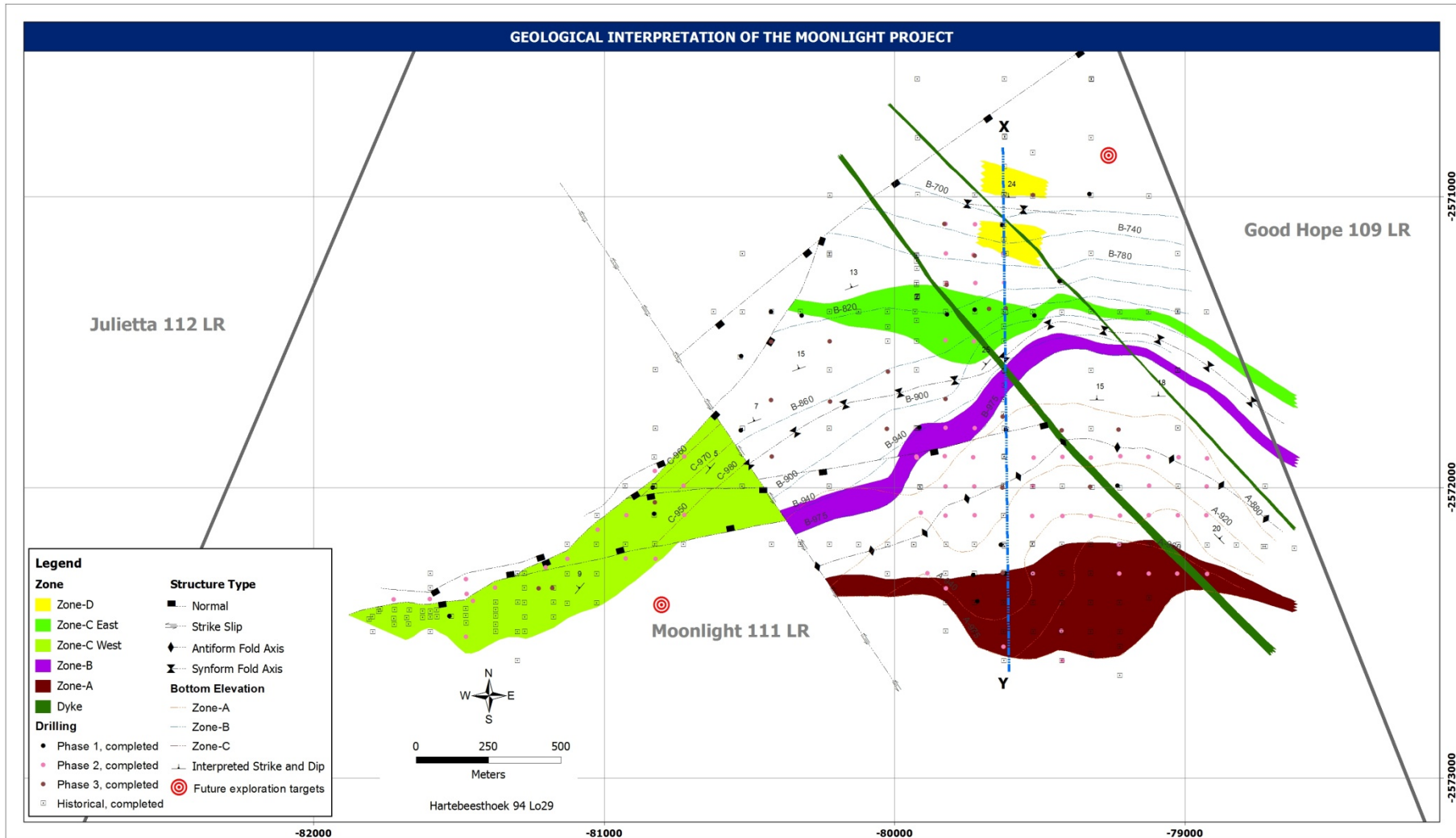
Resource classification

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.

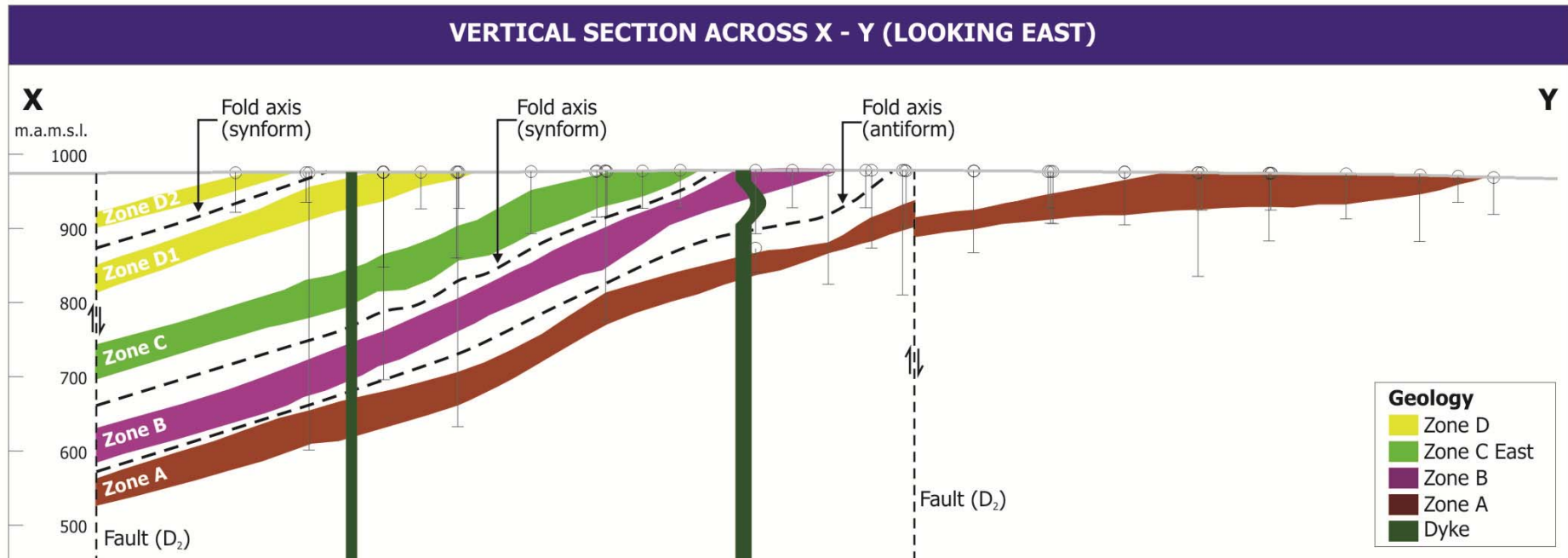
Resource Reporting

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



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