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Media ASX Announcement

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Australian Securities Exchange
Level 4 Exchange Centre
20 Bridge Street
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ASX: FCR

**Indicated Resource at Moonlight Iron Ore Deposit exceeds 20 year
production benchmark**

HIGHLIGHTS

- **Ferrum completes 5,835 metres of drilling in 86 holes at the Moonlight project to check historical work carried out by Iscor**
- **Total Mineral Resource now 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 start preparations to apply for a mining right**
- **The resource will be continually upgraded by further drilling**
- **Ferrum has commissioned ProMet Engineers to complete a scoping study**
- **Ferrum also controls the De Loskop project lying east of Moonlight which contains an exploration target* of 200 to 1,000Mt of iron mineralization at a grade of 30% to 40% Fe**

** 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

The Directors of Ferrum Crescent Limited ("Ferrum" or "the Company") are pleased to release the results of an upgrade in the resource at the Moonlight Deposit.

Summary of results

Following the results of the recently completed infill drilling programme, the Moonlight Deposit is 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 Iron Ore 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 recently completed drilling programme has given FCR sufficient confidence to proceed to evaluating 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, will commence immediately.

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 has been estimated for that portion of the deposit that has not been infill-drilled. It is 240Mt @ 28% Fe. It is 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.

This Resource Report updates 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. This estimate is 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 have been excluded from the present estimate. The Company has also decided to exclude a number of deeper drill intersections from the current estimate pending further drilling and mine planning studies. The result of these decisions has resulted in a slight decrease in the resource tonnes but the new estimate and OBM's are representative of more detailed delineation of the mineralized horizons.

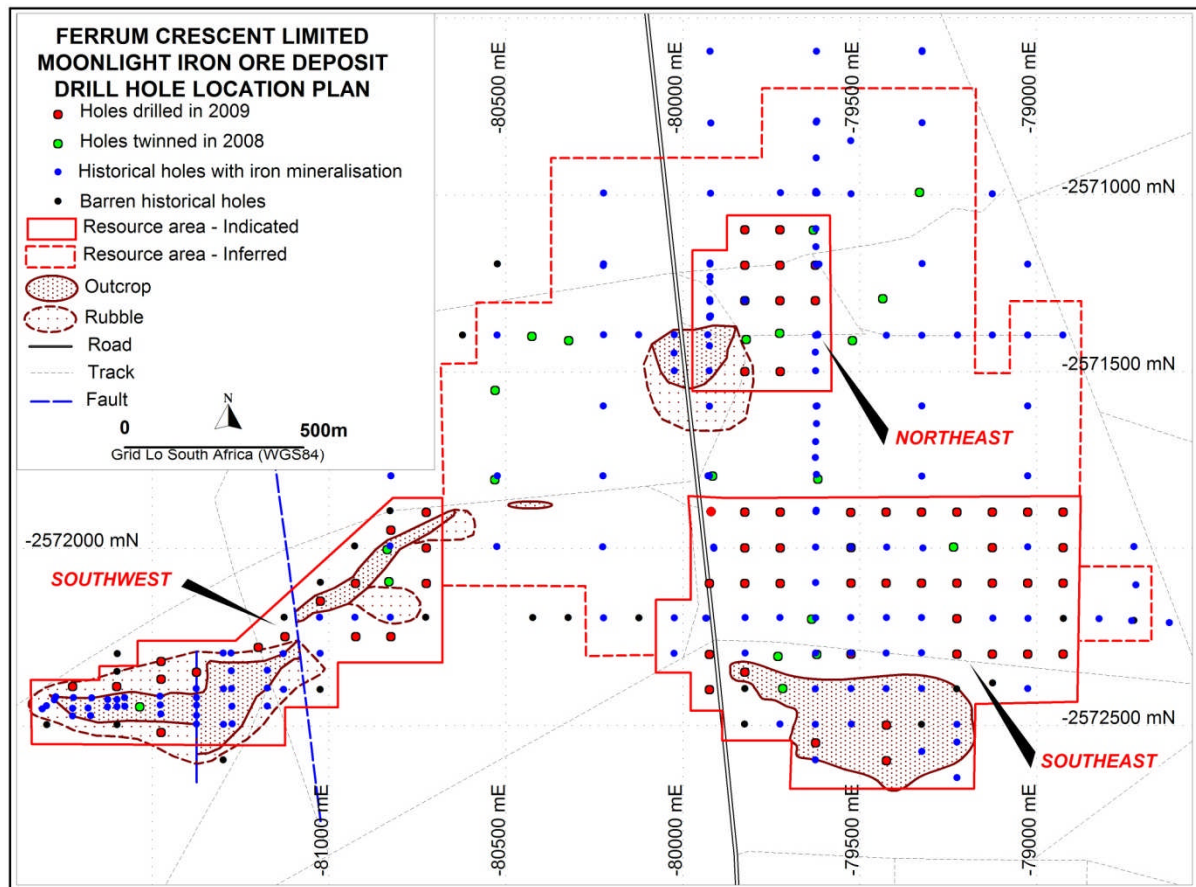


Figure 1: Drill hole location plan and resource areas.

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.*

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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.