

29 July 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”) (AIM and ASX: FCR)
Quarterly Activities and Cashflow Report
For the period ended 30 June 2011

Ferrum Crescent Limited, the AIM and ASX quoted iron ore developer in northern South Africa, today announces its quarterly results for the three month period ending 30 June 2011.

HIGHLIGHTS:

Duferco:

- Offtake agreement with Swiss based Duferco SA signed
 - Offtake for direct reduction and/or blast furnace product from iron ore projects in South Africa
 - Anticipated 4.5 million tonnes (mt) of iron ore pellets per year export to be produced (plus 1.5mt per year to be sold domestically) initially from Moonlight project

Moonlight Iron Ore Project:

- Definitive feasibility study activities advanced
 - Final assay results received for the recently completed twelve reverse circulation (“RC”) drill holes at the Moonlight Iron Ore Project, South Africa, which confirm iron mineralisation
 - 12 hole drilling programme now complete
 - Demonstrates excellent continuity of iron mineralisation
 - Significant intersections of iron mineralisation include*:
 - 43m @ 35.26% Fe from 92m downhole in FCL092
 - 16m @ 36.72% Fe from 134m downhole in FCL093
 - 15m @ 32.34% Fe from 48m downhole in FCL0097
- *Note – full details of assayed intercepts are shown in Table 1
- 11 hole HQ diamond core results received, data currently being utilised to:
 - Determine sample selection for ongoing metallurgical programme
 - Develop a probable flow sheet for the upgrade of iron mineralisation to a product grade of suitable composition for the production of DRI pellets

- Moonlight exploration objectives:
 - Increase tonnage and understanding of the 300Mt Moonlight Mineral Resource which is estimated to contain 74Mt of Indicated iron mineralisation at a grade of 33% Fe and 225Mt of Inferred mineralisation at 30% Fe
 - Define metallurgical properties of the iron ore in order to develop a high grade DRI pellet production facility to supply domestic South African and international steel industry

- Comprehensive definitive feasibility study remains on track for completion in 2012

Corporate:

- Appointment of Robert Hair as Managing Director after the end of the quarter
-

Offtake Agreement

On 22 June 2011, the Company announced it had entered into an offtake agreement with Swiss based Duferco SA, a leading private company engaged in the trading, mining, and end use of iron and steel products and raw materials for the steel industry. Following due diligence on the mineral assets of the Company, Duferco SA concluded that Ferrum should be able to produce direct reduction and/or blast furnace pellets equal to, or better than, current world best product.

The offtake agreement with Duferco SA covers up to 6 mt of anticipated iron ore pellet production from the Moonlight Iron Ore Project. Under the agreement, Ferrum will sell Duferco all of its production available for export (anticipated 4.5 mt per year) and will give Duferco a first right of refusal over an additional 1.5 mt per year to the extent that the product is not sold domestically, thus allowing Ferrum to follow a growth strategy at its South African projects.

The offtake agreement lasts for an initial five year term commencing when the Moonlight Project plant operations reach full production. The term is automatically renewed for further periods of five years unless one of the parties elects to terminate the agreement within the final six months of any five year period. The agreement contains termination mechanisms in the case of specified failure to perform or a party's insolvency. In addition, either party may terminate the agreement in the case where a single shareholder holds 50% or more of Ferrum's voting capital.

The agreement contains standard commercial terms and provisions customarily set out in such contracts. Although the financial details of the agreement are to remain confidential, the offtake agreement is of immense importance to Ferrum as it will underpin the ability of the Company to finance project development.

Moonlight Iron Ore Project

During the quarter, the Company continued to progress its definitive feasibility study in relation to the Moonlight Iron Ore Project, with studies including pipeline route, beneficiation processes and plant location and study of water and transport options. Various supporting plans and studies relating to the Group's mining right application were advanced, and the application remains on track. As required under the Mineral and Petroleum Resources Development Act (Act No. 28 of

2002) and the National Environmental Management Act (Act 107 of 1998) of South Africa, the Company is required to complete and submit an environmental impact assessment (EIA) within 180 days of the Mining Right application. Turquoise Moon Trading 157 (Pty) Ltd, the holder of the prospecting rights, contracted Metago Environmental Engineers (Pty) Ltd, an independent firm of certified consultants, to undertake this activity. A scoping report was prepared and subjected for public consultation. This scoping report identified a number of specialist studies which were also completed during the period. The final report has now been prepared and submitted to the various interested parties and government authorities. Public consultation meetings will be held in August. The final document, including any comments arising from public consultation, will be submitted for review and decision immediately afterwards.

The finalisation of the community participation in the Moonlight Iron Ore Project has been approved by the National Department of Mineral Resources. This demonstrates the Company's commitment to meaningful social change in the areas in which it operates.

During the quarter, the Company announced the results of the twelve hole reverse circulation ("RC") drill programme, Figure 1, completed at Moonlight in March 2011. Encouragingly for the Company, intersections of iron mineralisation were found in all twelve holes that were considerably thicker than predicted by the current geological model in this area of the deposit.

Significant intersections of iron mineralisation include*:

- 43m @ 31.34% Fe from 96m downhole in FCL088
- 28m @ 33.97% Fe from 104m downhole in FCL089
- 13m @ 35.43% Fe from surface in FCL087
- 43m @ 35.26% Fe from 92m downhole in FCL092
- 16m @ 36.72% Fe from 134m downhole in FCL093
- 15m @ 32.34% Fe from 48m downhole in FCL0097

*Note – full details of assayed intercepts are shown in Table 1.

Moonlight contains a current JORC compliant resource of 74Mt in the Indicated Resource category and 225Mt in the Inferred Resource category at a grade of 30% Fe.

The RC drilling was planned to provide additional information allowing refinement of the geological model in areas of sparse drilling. The results confirm confidence in the geological model and demonstrate excellent continuity of iron mineralisation. Planned holes were superimposed on the model and indicated that it was likely that the total of mineralised intersections in all holes would be 295m. The actual sum of mineralised intersections above a grade of 15% Fe was 368m. This provides the Company with a high level of confidence in the geological interpretation and hence continuity of iron mineralisation through the deposit.

A new geological model is being developed using the assay results from the recent drilling. Ferrum expects that the updated resource model will be available during the third quarter of 2011.

Core drilling

A 11 hole HQ diamond core programme was completed on 16 April 2011 and all assays have been received. The core will be used to provide sample for metallurgical testwork as well as adding over 130 new bulk density measurements to the existing database.

All the core holes have been drilled from the same location as existing holes so as to “twin” holes that produced samples from a variety of drill techniques from various drill campaigns dating back to 1985. Core drilling is accepted as the most reliable method of collecting sample and the objective is, based on a comparison of the results, to provide a high level of confidence in all drill holes that will be used in estimating the resource. This analysis is in progress and the outcome will be announced in the next quarter.

Metallurgical Testwork

The Company is in the process of confirming final details of a comprehensive metallurgical programme that will include comminution and beneficiation studies. The initial phase of this work will use core samples from the current drilling and be directed at the development of a probable flow sheet for the upgrade of iron mineralisation to a product grade of suitable composition for the production of DRI pellets.

Hole	East (m)	North (m)	Depth (m)	From (m)	To (m)	Interval (m)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P ₂ O ₅ %	LOI
FCL087	81226	2572349	130	0	13	13	35.43	44.40	1.64	0.021	0.48
				25	31	6	32.41	48.37	2.17	0.019	1.34
FCL088	80424	2571500	150	96	139	43	31.34	45.16	2.63	0.054	0.70
FCL089	80425	2571699	138	64	73	9	36.86	38.92	1.73	0.087	0.07
				88	91	3	31.61	46.31	3.02	0.066	0.10
				94	101	7	34.37	45.00	1.58	0.048	0.05
				104	132	28	33.97	45.01	1.66	0.065	0.08
FCL090	80423	2571894	105	22	32	10	37.14	43.42	1.06	0.050	0.35
				70	80	10	28.91	49.72	2.84	0.047	0.59
				87	98	11	32.99	43.21	3.25	0.076	0.75

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FCL091	-	80221	-	2571706	160	79	92	13	33.20	45.76	2.06	0.056	0.09
						106	119	13	34.38	44.62	1.91	0.054	0.13
						135	145	10	29.38	47.67	2.39	0.054	1.33
FCL092	-	80223	-	2571498	170	82	87	5	33.92	45.20	1.64	0.115	0.21
						92	135	43	35.26	43.91	1.46	0.127	-0.66
						139	160	21	28.21	50.16	2.83	0.099	0.26
FCL093	-	80022	-	2571602	166	86	99	13	31.79	45.29	2.75	0.12	0.03
						108	113	5	32.89	44.14	1.90	0.17	0.30
						134	150	16	36.72	41.31	1.56	0.14	-0.49
FCL094	-	80027	-	2571803	80	30	38	8	34.66	43.27	2.09	0.060	0.57
						56	63	7	34.41	44.37	1.42	0.057	0.05
FCL095	-	79825	-	2571696	144	29	43	14	33.91	45.63	1.72	0.14	0.51
						69	74	5	34.29	41.52	1.72	0.14	0.82
						111	118	7	33.65	42.54	2.39	0.17	-0.53
FCL096	-	79628	-	2571756	105	76	95	19	27.13	49.93	3.15	0.11	0.31
FCL097	-	79425	-	2571804	95	38	43	5	27.06	50.80	3.54	0.108	2.84
						48	63	15	32.34	46.40	2.12	0.15	0.79
FCL098	-	79228	-	2571801	95	67	76	9	30.70	47.56	2.31	0.127	0.08

Table 1: Intercepts of iron mineralisation greater than or equal to 5m in width

Drilling by reverse circulation using 5.25 inch face sampling hammer.

- All holes drilled vertical.
- Mineralisation has a generally flat dip to the north – intersection widths approximate the true width of the mineralisation.
- Samples are collected through a rig mounted cyclone over 1m intervals and geologically logged.
- All samples are weighed as a check on recovery and representivity.
- 1m sub samples for assay are split using a single stage Jones type riffle splitter.
- Assays determined by Fusion XRF, LOI (loss on ignition) determined at 1000C⁰. Some samples show negative LOI results. This characteristic indicates that the weight increase arising from oxidation of Fe²⁺ to Fe³⁺ (FeO to Fe₂O₃) is higher than the weight loss caused by removing volatiles from the mineral structures.
- Composite intervals have been determined with regard to geological description using a lower cut off grade of 15% Fe and a minimum composite length of 5m.
- Appropriate quality control methods have been used including standards, blanks and field duplicates.
- Drill holes have been located hand using held GPS methods using the South African, Hartbeeshoek94 Lo29 WGS system.

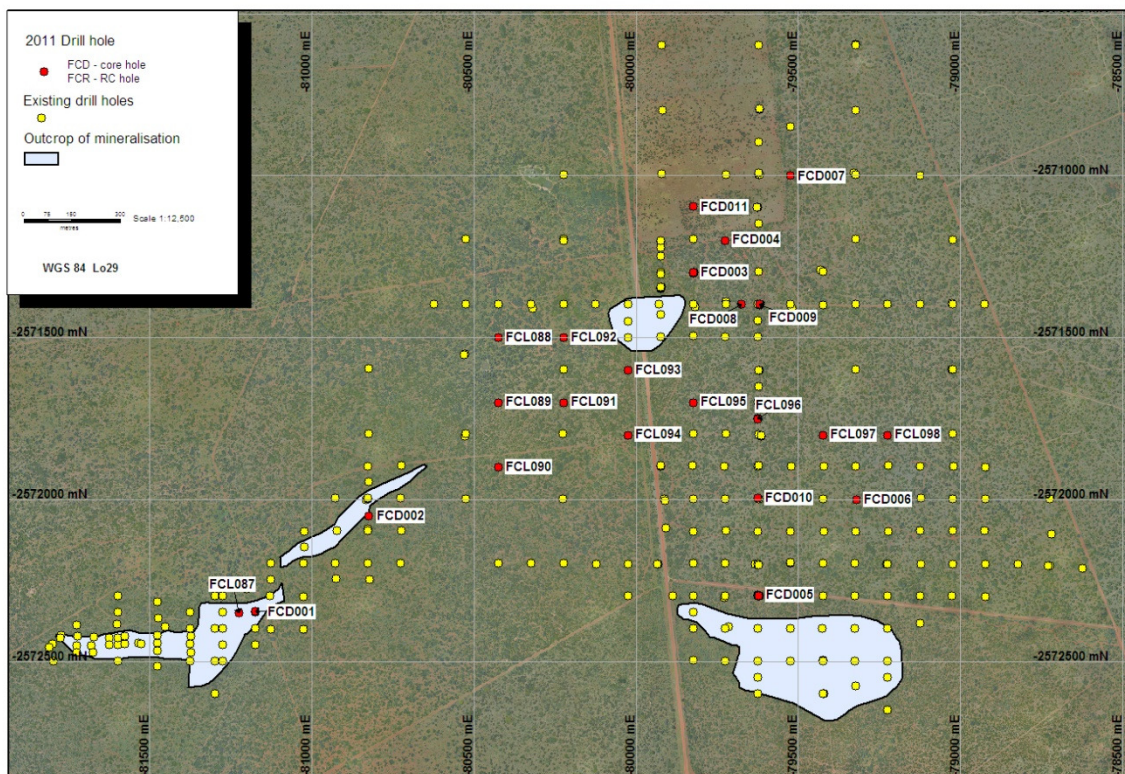


Figure 1: Moonlight Iron Ore project - drill hole plan

Board and Senior Management Changes

Subsequent to the reporting period, Mr Robert Hair was appointed to the board as Managing Director. During the quarter, Mr Bob Van Der Laan resigned as company secretary but remains chief financial officer.

Robert Hair (57) is a lawyer with over 22 years experience in the resources sector and has extensive international experience in the legal, commercial, financial and organisational aspects of exploration, mining and processing operations. From 2008, Mr Hair was a director of what is now the Company's subsidiary, Ferrum Metals Pty Ltd, and in that capacity was a key member of the team that was responsible for the acquisition of Ferrum Crescent's interest in the Moonlight Iron Ore Project. Since

January 2010, Mr Hair has been an executive member of the Ferrum Crescent team as joint company secretary. Following Mr Hair's appointment as Managing Director, Andrew Nealon will act as sole company secretary.

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For more information on the Company visit www.ferrumcrescent.com	Threadneedle Communications Limited 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")

30 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities	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	(1,236) (502)	(3,901) (2,423)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	84	132
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(1,654)	(6,192)
Cash flows related to investing activities		
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)
Net investing cash flows		(1,289)
1.13 Total operating and investing cash flows (carried forward)	(1,654)	(7,481)

1.13	Total operating and investing cash flows (brought forward)	(1,654)	(7,481)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	69	16,494
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)	(177)	(1,917)
	Net financing cash flows	(108)	14,577
	Net increase (decrease) in cash held	(1,762)	7,096
1.20	Cash at beginning of quarter/year to date	9,972	491
1.21	Exchange rate adjustments	(96)	527
1.22	Cash at end of quarter	8,114	8,114

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	106
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	1,300
4.2 Development	
4.3 Production	
4.4 Administration	800
Total	2,100

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	8,114	9,972
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	8,114	9,972

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				
7.2				
7.3	298,691,704	291,896,704		
7.4				
7.5				
7.6				
7.7			<i>Exercise price</i>	<i>Expiry date</i>
	2,950,000		\$0.198	07 December 2013
	18,571,727	18,571,727	\$0.400	31 December 2013
7.8				
7.9				
7.10				
7.11				
7.12				

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 July 2011

Print name: Andrew Nealon
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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