FERRUM CRESCENT LIMITED

26 September 2012

Ferrum Crescent Limited

("Ferrum Crescent", the "Company" or the "Group") (ASX: FCR, AIM: FCR, JSE: FCR)

Annual Report to Shareholders

Ferrum Crescent Limited, the ASX, AIM and JSE quoted iron ore developer in Northern South Africa, today announces its final results for the year ended 30 June 2012.

For more information, please visit www.ferrumcrescent.com or contact:

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Ferrum Crescent Limited

A.C.N. 097 532 137

Annual Report

For the year ended

1 July 2011 to 30 June 2012

Corporate Directory

Ferrum Crescent Limited
A.C.N. 097 532 137

Corporate Directory

Directors:
Mr. Ed Nealon
Mr. Klaus Borowski
Mr. Grant Button
Mr. Kofi Morna
Mr. Ted Droste
Mr. Robert Hair

Company Secretary:
Andrew Nealon

Auditor:
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Stock Exchange Listing
Ferrum Crescent Limited shares are listed on the Australian Stock Exchange (ASX code: FCR), the London Stock Exchange (AIM code: FCR) and the JSE Limited (JSE: FCR).

Directors' Report

The directors of Ferrum Crescent Limited ("Ferrum" or "the Company") present their report for the year 1 July 2011 to 30 June 2012.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Directors as at year end and until the date of this report:

Mr Ed Nealon *(Age 62) Chairman, Executive Officer*

Mr Nealon is a geologist with some 38 years' experience in the mining and exploration industry. After graduating in 1974, he commenced his career in South Africa with Anglo American Corporation, before moving to Australia in 1980 where he spent two years in exploration with the Rio Tinto Group. He founded his own consulting company in 1983 and has practised in most of the world's major mining centres. He holds a Masters degree in Geology and is a member of the Australasian Institute of Mining and Metallurgy. Mr Nealon was the founder of Aquarius Platinum Ltd (ASX:AQP) and is currently Non-executive chairman of Richland Resources Ltd (AIM:RLD). Mr Nealon was Non-executive director of Condoto Platinum NL (ASX:CPD) until his resignation on 21 October 2011. Otherwise, he has not been a director of a listed company in the last three years.

Mr Klaus Borowski *(Age 72) Non-Executive director*

Mr Borowski is a metallurgical engineer by background, having studied in his home country of Germany. He first arrived in South Africa in 1966, where he was Technical Director of Dunsward Steel until 1979. After a short period in Europe within the steel industry, he returned to South Africa in 1982 and subsequently held several positions in the iron and steel industry in South Africa, including as managing director of Krupp South Africa and as executive director of IMS. In 1998, Mr Borowski formed Applied Metallurgical Technologies, and, amongst other things, he was on the steering committee of Saldhana Steel. Other than in the case of Ferrum, he has not been a director of a listed company in the last three years. Mr Borowski is chairman of the Company's Remuneration Committee and a member of the Company's Audit Committee.

Mr Grant Button *(Age 50) Non-Executive director*

Mr Button is a qualified accountant and has 21 years financial and other commercial management and transactional experience. Mr Button has 19 years' experience at a senior management level in the resources industry. He has acted as an executive director, managing director, finance director, CFO and company secretary of a range of publicly listed companies. He is also an executive director of Magnum Mining & Exploration Limited (ASX:MGU) and executive director of Sylvania Platinum Limited (AIM:SLP). Mr Button was non-executive chairman of Alamar Resources Limited (ASX:ALG) until his resignation on 11 April 2011 and non-executive chairman of Realm Resources Limited (ASX:RRP) until his resignation on 20 October 2011. He was also a director of the Company (then Washington Resources Limited) until his resignation on 1 December 2008. Otherwise, he has not been a director of a listed company in the last three years. Mr Button is chairman of the Company's Audit Committee and Nomination Committee and a member of the Company's Remuneration Committee.

Mr Robert Hair (*Age 59) Managing director (Appointed 13 July 2011)*

Mr Hair is a lawyer with over 23 years' experience in the resources sector. He has held several roles in the MIM Group and smaller companies and has Australian and extensive international experience in legal, commercial, financial and organisational aspects of exploration, mining and processing operations. He has consulted to various companies in the resources and information technology sectors and is currently a non-executive director of ASX-listed Carpentaria Exploration Limited (ASX:CAP). Mr Hair resigned from his position as Company Secretary on 13 July 2011. He was a director of the Company (then Washington Resources Limited) until his resignation on 27 October 2008 and of Northern Minerals Limited (formerly Northern Uranium Limited, ASX:NTU) until his resignation on 2 June 2010. Otherwise, he has not been a director of a listed company in the last three years.

Mr Kofi Morna *(Age 53) Non-Executive director*

Mr Morna holds a Master of Business Administration degree from the London Business School and a Bachelor of Science degree from Princeton University. He is a non-executive director of Aquarius Platinum Limited (ASX:AQP) and is an Executive director of Savannah Resources (Pty) Ltd. He has a broad exposure to the iron ore industry in RSA and is a director of Mkhombi Investments (Pty) Ltd, the Company's BEE partner. Mr Morna is a member of the Nomination Committee of the Company. Otherwise, he has not been a director of a listed company in the last three years.

Mr Ted Droste *(Age 70) Non-Executive director*

Mr Droste is a chemical engineer by background, and after obtaining a BSc in Chemical Engineering in 1962 he worked at African Metals Corporation Limited (now known as Samancor) before joining Sentrachem Limited where he was promoted to the position of Research and Development Manager. After ten years with Sentrachem, he joined the Industrial Development Corporation of South Africa ("IDC") in 1974, in whose employ he remained until he took early retirement in 2001 to start his own business. Mr Droste held a number of positions at the IDC, including that of Senior General Manager – Projects Division. Mr Droste is chairman of Bay Precision and Mining (Pty) Limited. He consults to various companies through his investments holding company, TC Droste Investments (Pty) Ltd. Otherwise, he has not been a director of a listed company in the last three years. Mr Droste is a member of the Company's Audit Committee, Remuneration Committee and Nomination Committee.

Company secretary at year end and until the date of this report:

Mr Andrew Nealon *(Age 28)*

Mr Nealon was appointed to the position of company secretary in March 2007. Mr Nealon has held similar roles with other mining and exploration companies.

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of the company were:

	Number of ordinary Shares	Number of options over ordinary shares
Ed Nealon	3,145,000	-
Klaus Borowski	-	500,000
Kofi Morna	-	500,000
Ted Droste	-	500,000
Grant Button	1,436,000	-
Robert Hair	4,665,310	-

Dividends

No dividend has been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal activities

The principal activity of the entities within the consolidated entity during the financial year was the exploration for minerals.

Review of operations and activities

Information on the operations and activities of the Group is set out in the company and project overview on pages 17 to 24 of this annual report. The profit after income tax benefit for the period 1 July 2011 to 30 June 2012 was $4,479,716 (2011: loss $8,141,794). The financial position of the Group is presented in the attached Statement of Financial Position.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the consolidated entity to the date of this report, except that the Company during the financial year 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.

Significant events after the balance date

There have not been any matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods other than disclosed elsewhere in this annual report.

Likely developments and expected results

The Group will continue to carry out its business plans, by:

- Exploring, evaluating and, if technically and economically feasible, developing the Moonlight Iron Ore Project in Limpopo Province, South Africa;
- Seeking strategic acquisition opportunities within the exploration and mining industry to enter into advanced projects that will add value to the Group; and
- Continuing to meet its statutory commitments relating to its exploration tenements and carrying out exploration of its exploration tenements in accordance with its stated strategy, conserving the Group's cash position to be able to take advantage of value adding opportunities.

There can be no guarantee either that further exploration of the Group's tenements will result in exploration success or that any strategic acquisition considered by the directors to be likely to add value to the Group or will become available to the Group.

Environmental regulation and performance

The Group's activities are subject to South African legislation relating to the protection of the environment. The Group is subject to significant environmental legal regulations in respect to its exploration and evaluation activities. There have been no known breaches of these regulations and principles.

Indemnification and Insurance of directors and officers

The Group has entered into deeds of access and indemnity with the officers of the Group, indemnifying them against liability incurred, including costs and expenses in successfully defending legal proceedings. The indemnity applies to a liability for costs and expenses incurred by the director or officer acting in their capacity as a director or officer.

Except in the case of a liability for legal costs and expenses, it does not extend to a liability that is:

(a) owed to the Group or a related body corporate of the Group;

(b) for a pecuniary penalty order under section 1317G or a compensation order under section 1317H or section 1317HA of the Corporations Act 2001; or

(c) owed to someone other than the Group or a related body corporate of the Company where the liability did not arise out of conduct in good faith.

Similarly, the indemnity does not extend to liability for legal costs and expenses:

(d) in defending proceedings in which the officer is found to have a liability described in paragraph (a), (b) or (c);

(e) in proceedings successfully brought by the Australian Securities and Investments Commission or a liquidator; or

(f) in connection with proceedings for relief under the Corporations Act 2001 in which the court denies the relief.

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the Directors and Officers. The terms of the contract prohibit the disclosure of the details of the insurance contract and premiums paid.

Non-audit services

The Group may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor, Ernst & Young, for audit and non-audit services provided during the year are set out below.

	2012 $	2011 $
Remuneration of the auditor of the Company for:		
-auditing or reviewing the financial report	99,204	133,211
-other assurance related services	-	13,390
	99,204	146,601

Directors' Report (continued)

Directors' meetings

Meetings of directors held and their attendance during the financial year were as follows:

Meetings of Committees

	Directors	Audit	Remuneration	Nomination
Number of Meetings held:	**4**	**2**	**2**	**-**
Number of Meetings attended:				
Ed Nealon	3			
Klaus Borowski	4		2	
Grant Button	4	2	2	-
Kofi Morna	4			-
Ted Droste	4		2	-
Robert Hair	4			

Remuneration Report (audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the consolidated entity in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) the consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, and includes directors of the Company.

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report is presented under the following sections:

1. Individual KMP disclosures
2. Remuneration at a glance
3. Board oversight of remuneration
4. Non-executive director remuneration arrangements
5. Executive remuneration arrangements
6. Executive contractual arrangements
7. Equity instruments disclosures

1. Individual key management personnel disclosures

(i) Directors:

Ed Nealon	Chairman and Executive Director	Appointed 9 March 2010 and 1 November 2010 respectively
Klaus Borowski	Non-Executive Director	Appointed 1 September 2010
Kofi Morna	Non-Executive Director	Appointed 15 October 2010
Ted Droste	Non-Executive Director	Appointed 15 October 2010
Grant Button	Alternate Director, Non-Executive Director	Appointed 15 June 2010 and 15 October 2010 respectively
Robert Hair	Managing Director	Appointed 13 July 2011

Directors' Report (continued)

(ii) Executives:

Vernon Harvey	Chief Operating Officer
Scott Huntly	Strategic Development Manager
Bev Gardner	Financial Controller
Dave Richards	Compliance Manager
Andrew Nealon	Company Secretary
Lindsay Cahill	Consultant Geologist

2. Remuneration at a glance

The performance of the Group depends upon the quality of its directors and executives. To prosper, the Group must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Provide significant portions of executive remuneration "at risk" through participation in incentive plans.

Shares and options issued under the incentive plans provide an incentive to stay with the Group. At this time, shares and options issued do not have performance criteria attached. This policy is considered to be appropriate for the Group, having regard to the current state of its development.

The Company during the reporting period established, subject to shareholder approval, a directors' and executives' salary sacrifice plan, under which individuals could elect for a nominated fixed period to sacrifice all or an agreed percentage of their salary or fees to be applied in the subscription for or on-market purchase of shares in the Company. As such shares may not be purchased or subscribed for during periods that are close periods or when individuals are in possession of inside information, the entitlement to subscribe for shares is determined by calculating the number of shares using the market price during that month. The plan was established to allow for the subsequent settlement of salary or fees since 1 April 2012, and two directors elected to participate in the plan with effect from that date, subject to shareholder approval. Shareholder approval for the plan and for the issue of shares under the plan was obtained on 8 August 2012, after the end of the reporting period.

The Company also recognises that, at this stage in its development, it is most economical to have only a few employees and to draw, as appropriate, upon a pool of consultants selected by the directors on the basis of their known management, geoscientific, engineering and other professional and technical expertise and experience. The Company will nevertheless seek to apply the principles described above to its directors and executives, whether they are employees of or consultants to the Company.

3. Board oversight of remuneration

<u>Remuneration Committee Responsibilities</u>

A Remuneration Committee was established on 14 January 2010 and reconstituted on 15 October 2010.

The Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

<u>Remuneration Structure</u>

In accordance with best practice corporate governance, the structure of non-executive and executive director remuneration is separate and distinct.

4. Non-executive director remuneration arrangements

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors must be determined from time to time by shareholders of the Company in a general meeting. An amount not exceeding the amount determined is then divided between the non-executive directors as agreed. The current aggregate limit of remuneration for non-executive directors is $250,000 as approved at the 2010 Annual General Meeting of Shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst non-executive directors is reviewed annually. The Board may consider advice from external consultants, as well as the fees paid to non-executive directors of comparable companies, when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. No additional fee is paid for participating in Board Committees.

Non-executive directors are encouraged by the Board to hold shares in the Company (purchased on market and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The non-executive directors of the Company may also participate in the share and option plans as described in this report.

5. Executive remuneration arrangements

Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward executives for Group, business team and individual performance;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

- At this time, the cash component of remuneration paid to executive directors, the company secretary and other senior managers is not dependent upon the satisfaction of performance conditions.
- It is current policy that some executives be engaged by way of consultancy agreements with the Company, under which they receive a contract rate based upon the number of hours of service supplied to the Company. There is provision for yearly review and adjustment based on consumer price indices. Such remuneration is hence not dependent upon the achievement of specific performance conditions. This policy is considered to be appropriate for the Company, having regard to the current state of its development.
- Executive directors are encouraged by the Board to hold shares in the Company (purchased on market or in accordance with the Company's salary sacrifice share plan and in accordance with the Company's approved policies to ensure there is no insider trading). It is considered good governance for directors of a company to have a stake in that company. The executive directors of the Company may also participate in the share and option plans as described in this report, including the salary sacrifice share plan described in this report.

Directors' Report (continued)

Performance table

The following table details the net profit / (loss) of the Company from continuing operations after income tax, together with the basic earnings / (loss) per share since the incorporation of the parent:

	2012 $	2011 $
Net profit / (loss) from continuing operations after income tax	4,479,716	(8,141,794)
Basic earnings / (loss) per share in cents	(1.57)	(3.32)
Share Price in Cents	3	20

6. Directors' contractual arrangements

Mr. Edward Nealon was appointed executive chairman of the Company on 1 November 2010 and receives fees in relation to his services as Executive chairman for the amount of $80,000 per annum. He has elected to participate in the salary sacrifice plan described elsewhere in this report for a period of 12 months from 1 April 2012, which applies to 100% of his fees.

Mr. Robert Hair was appointed managing director of the Company on 13 July 2011 and resigned as company secretary of the Company on 13 July 2011. On 13 July 2011, the Company and a company associated with Mr Hair entered into an agreement containing the terms and conditions under which the services of managing director are provided to the Company.

The agreement involves the payment to the Company associated with Mr Hair of an annual fee of $264,000 plus GST (increasing by reference to the consumer price index each year) and reimbursement of expenses.

He has elected to participate in the salary sacrifice plan described elsewhere in this report for a period of 12 months from 1 April 2012, which applies to approximately 77.25% of his fees.

Mr. Klaus Borowski was appointed as a non-executive director on 1 September 2010 and receives fees in relation to his services as a non-executive director for the amount of $40,000 per annum. On 3 November 2010 he entered into a consultancy agreement to provide services in relation to the company's projects.

The agreement involves the payment to the Company associated with Mr Borowski of an annual fee of $40,000 and reimbursement of expenses.

Mr. Kofi Morna was appointed as a non-executive director on 15 October 2010 and receives fees in relation to his services as a non-executive director for the amount of $40,000 per annum.

Mr. Ted Droste was appointed as a non-executive director on 15 October 2010 and receives fees in relation to his services as a non-executive director of $40,000 per annum. In addition to fees that he receives as a non-executive director, the Company and a company associated with Mr Droste entered into an agreement containing the terms and conditions under which technical and commercial consulting services are provided to the Company.

The agreement involves the payment to the Company associated with Mr Droste of an annual fee of $90,000 and reimbursement of expenses.

Mr. Grant Button was appointed as a non-executive director on 15 October 2010 and receives fees in relation to his services as a non-executive director for the amount of $40,000 per annum.

7. Key management personnel contractual arrangements

Agreement with Chief Operating Officer

Mr. Vernon Harvey was appointed as chief operating officer, effective on 1 April 2011. His employment is subject to a standard form of employment contract, and he receives an annual salary that is in accordance with his seniority and responsibilities.

Agreement with Strategic Development Manager

Mr. Scott Huntly was appointed as strategic development manager, effective on 4 March 2011. His employment is subject to a standard form of employment contract, and he receives an annual salary that is in accordance with his seniority and responsibilities.

Agreement with Compliance Manager

Mr. Dave Richards was appointed as compliance manager, effective on 4 April 2011. His employment is subject to a standard form of employment contract, and he receives an annual salary that is in accordance with his seniority and responsibilities.

Agreement with Company Secretary

On 1 February 2010, the Company and a company associated with Mr Andrew Nealon entered into a new agreement containing the terms and conditions under which the services of company secretary are provided to the Company.

The agreement involves the payment to a company associated with Mr Nealon of an annual fee of $60,000 (increasing by reference to the consumer price index each year) and reimbursement of expenses.

He has elected to participate in the salary sacrifice plan described elsewhere in this report for a period of 12 months from 1 September 2012, which applies to 100% of his fees.

Agreement with Financial Controller

Mrs. Beverley Gardner was appointed as project accountant, effective on 1 July 2011 and as financial controller effective on 1 December 2011. Her employment is subject to a standard form of employment contract, and she receives an annual salary that is in accordance with her seniority and responsibilities.

Agreement with Consultant Geologist

On 11 April 2011, the Company and a company associated with Mr Lindsay Cahill entered into an agreement containing the terms and conditions under which the services of consultant geologist are provided to the Company.

The agreement involves the payment to a company associated with Mr Cahill of an hourly fee and reimbursement of expenses.

Directors' Report (continued)

Remuneration report (audited) (continued)

Remuneration of key management personnel of the Company and the Consolidated Entity

Table 1: Remuneration for the year ended 30 June 2011 and 30 June 2012

		Short-term benefits				Post-employment		Long - term benefits		Share-based payments		Termination payments	Total	Performance related
		Salary & fees	Cash bonus	Non Monetary Benefits	Other	Superannuation	Retirement benefits	Cash Incentives	Long Service Leave	Options	Shares			
		$	$	$	$	$	$	$	$	$	$	$	$	%
Non-executive directors														
Matodzi Nesongozwi[1]	2012	-	-	-	-	-	-	-	-	-	-	-	-	
	2011	18,000	-	-	-	-	-	-	-	-	-	-	18,000	-
Klaus Borowski	2012	74,000	-	-	-	-	-	-	-	-	-	-	74,000	
	2011	44,512	-	-	-	-	-	-	-	46,346	-	-	90,858	-
Grant Button	2012	36,697	-	-	-	3,303	-	-	-	-	-	-	40,000	
	2011	24,345	-	-	-	2,191	-	-	-	-	58,223	-	84,759	-
Kofi Morna	2012	40,000	-	-	-	-	-	-	-	-	-	-	40,000	
	2011	25,416	-	-	-	-	-	-	-	46,346	-	-	71,762	-
Ted Droste	2012	130,000	-	-	-	-	-	-	-	-	-	-	130,000	
	2011	107,916	-	-	-	-	-	-	-	46,346	-	-	154,262	-
Executive directors														
Fanie Botha[2]	2012	-	-	-	-	-	-	-	-	-	-	-	-	
	2011	134,303	7,395	-	-	-	-	-	-	46,346	-	51,634	239,678	-
Adrian Griffin[3]	2012	-	-	-	-	-	-	-	-	-	-	-	-	
	2011	47,992	-	-	-	3,300	-	-	-	-	-	55,050	106,342	-
Ed Nealon	2012	60,008	-	-	-	-	-	-	-	-	-	-	60,008	
	2011	37,797	-	-	-	3,402	-	-	-	-	69,867	-	111,066	-
Robert Hair	2012	249,000	-	-	-	-	-	-	-	-	-	-	249,000	
	2011	164,364	-	-	-	-	-	-	-	-	58,223	-	222,587	-
Subtotal	**2012**	**589,705**	**-**	**-**	**-**	**3,303**	**-**	**-**	**-**	**-**	**-**	**-**	**593,008**	
Subtotal	**2011**	**604,645**	**7,395**	**-**	**-**	**8,893**	**-**	**-**	**-**	**185,384**	**186,313**	**106,684**	**1,099,314**	

[1] Resigned effective 28 October 2010
[2] Resigned effective 3 March 2011
[3] Resigned effective 1 September 2010
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Ferrum Crescent Limited
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Directors’ Report (continued)

Remuneration report (audited) (continued)

Remuneration of key management personnel of the Company and the Consolidated Entity (continued)

Table 1: Remuneration for the year ended 30 June 2011 and 30 June 2012 (continued)

		Short-term benefits				Post-employment		Long - term benefits		Share-based payments		Termination payments	Total	Performance related
		Salary & fees	Cash bonus	Non Monetary Benefits	Other	Superannuation	Retirement benefits	Cash Incentives	Long Service Leave	Options	Shares			
		$	$	$	$	$	$	$	$	$	$	$	$	%
Other key management personnel														
Vernon Harvey	2012	240,243	-	-	-	-	-	-	-	-	-	-	240,243	
	2011	68,880	-	-	-	-	-	-	-	-	-	-	68,880	-
Scott Huntly	2012	149,618	-	-	-	-	-	-	-	-	-	-	149,618	
	2011	249,379	-	-	-	-	-	-	-	55,615	-	-	304,994	-
Robert Van Der Laan[4]	2012	-	-	-	-	-	-	-	-	-	-	-	-	
	2011	119,147	-	-	-	18,822	-	-	-	-	40,755	35,550	214,274	-
Dave Richards	2012	76,737	-	-	-	-	-	-	-	-	-	-	76,737	
	2011	-	-	-	-	-	-	-	-	-	-	-	-	-
Andrew Nealon	2012	60,000	-	-	-	-	-	-	-	-	-	-	60,000	
	2011	71,667	-	-	-	-	-	-	-	-	23,289	-	94,956	-
Bev Gardner	2012	78,083	-	-	-	-	-	-	-	-	-	-	78,083	
	2011	-	-	-	-	-	-	-	-	-	-	-	-	-
Lindsay Cahill	2012	29,756	-	-	-	-	-	-	-	-	-	-	29,756	
	2011	90,119	-	-	-	-	-	-	-	-	40,755	-	130,874	-
Total executive KMP	**2012**	**1,224,142**	**-**	**-**	**-**	**3,303**	**-**	**-**	**-**	**-**	**-**	**-**	**1,227,445**	
Total executive KMP	**2011**	**1,203,837**	**7,395**	**-**	**-**	**27,715**	**-**	**-**	**-**	**240,999**	**291,112**	**142,234**	**1,913,292**	

[4] Resigned effective 4 November 2011
No remuneration is performance related for 2012.

Remuneration report (audited) (continued)

8. Equity Instruments disclosures

Table 2: Share options awarded and vested during the year (consolidated)

30 June 2012	Options awarded during the year No.	Terms and Conditions for each Grant during the year Award date	Fair value per option at award date ($)	Exercise price ($)	Expiry date	First exercise date	Last exercise date	Options vested during the year No.	%
Non-executive directors									
Klaus Borowski	-	N/a	N/a	N/a	N/a	N/a	N/a	N/a	
Grant Button	-	N/a	N/a	N/a	N/a	N/a	N/a	N/a	
Kofi Morna	-	N/a	N/a	N/a	N/a	N/a	N/a	N/a	
Ted Droste	-	N/a	N/a	N/a	N/a	N/a	N/a	N/a	
Total non-executive directors									
Executive directors									
Ed Nealon	-	N/a	N/a	N/a	N/a	N/a	N/a	N/a	
Robert Hair	-	N/a	N/a	N/a	N/a	N/a	N/a	N/a	
Other key management personnel	-	N/a	N/a	N/a	N/a	N/a	N/a	N/a	
Total executive	-	-	-	-	-	-	-	-	-
Totals	-	-	-	-	-	-	-	-	-

Directors' Report (continued)

Remuneration report (audited) (continued)

Equity Instruments disclosures (continued)

Table 3: Value of share options awarded, exercised and lapsed during the year

	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Non-executive directors				
Klaus Borowski	N/a	N/a	N/a	N/a
Grant Button	N/a	N/a	N/a	N/a
Kofi Morna	N/a	N/a	N/a	N/a
Ted Droste	N/a	N/a	N/a	N/a
Total non-executive directors	-	-	-	-
Executive directors				
Ed Nealon	N/a	N/a	N/a	N/a
Robert Hair	N/a	N/a	N/a	N/a
Other key management personnel	N/a	N/a	N/a	N/a
Total executive	-	-	-	-
Totals	-	-	-	-

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

End of Remuneration Report

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 91 and forms part of this report.

This report is made in accordance with a resolution of directors.

G Button
Financial Director
Perth
26 September 2012

Ferrum Crescent Limited
A.C.N. 097 532 137

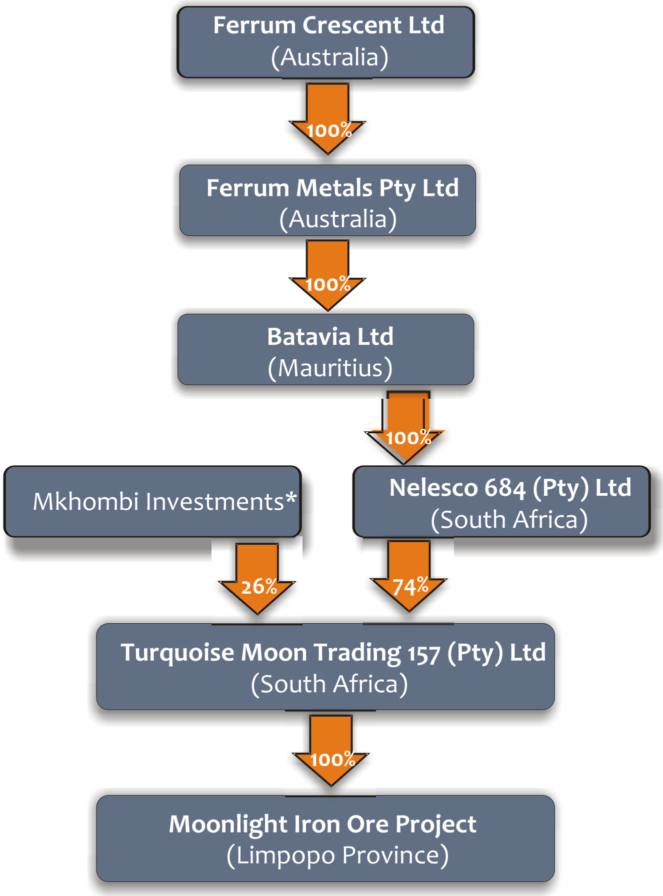
Directors' Report (continued)

Company and Project Overview

Introduction to the Group

Ferrum Crescent Limited ("Ferrum", "FCR" or the "Company") is an Australian company listed on the Australian Securities Exchange (ASX: FCR), the AIM market of the London Stock Exchange (AIM: FCR) and on the JSE Limited (JSE: FCR).

Ferrum's corporate structure is shown in Figure 1.



* Mkhombi Investments is held as to 28.46% by Nelesco 684 (Pty) Ltd.
This reflects the legal not beneficial ownership interests that have been accounted for as at 30 June 2012.

Figure 1: Ferrum Group Structure

Ferrum seeks to capitalise on the future demand for iron and steel worldwide by producing iron products in the Republic of South Africa, for both the domestic and the export markets.

South Africa, a relatively under developed market, which was dominated historically by Iscor (part of which is now Kumba Iron Ore Limited) and now by Arcelor Mittal, has been largely overlooked, and FCR wishes to develop its Moonlight Iron Ore Project and pursue other opportunities in Southern Africa.

Directors' Report (continued)

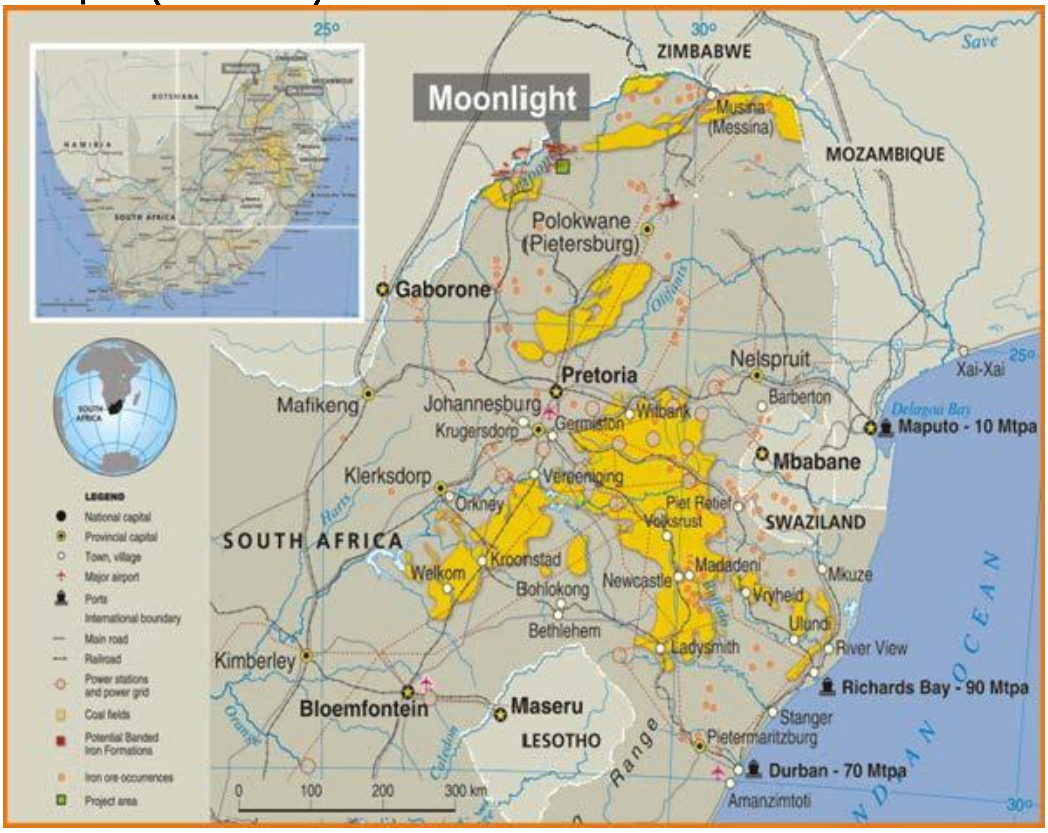


Figure 2: The Company's Projects located in Limpopo, South Africa

The Moonlight Deposit (upon which the Moonlight Iron Ore Project or "Moonlight" or "the Project" is based) is a magnetite deposit located on the farms Moonlight, Gouda Fontein and Julietta in Limpopo Province in the north of South Africa (see Figure 2) and it is the main operational focus for the Company. Iscor, which explored the Project in the 1980s and '90s, reported mineralisation, capable of producing a concentrate grading 68.7% iron. At the time, Iscor concluded that the deposit, which was described as comparable to the world's best, was easily mineable due to its low waste-to-ore ratio. The beneficiation attributes of Moonlight ore are extremely impressive, with low-intensity magnetic separation considered suitable for optimum concentration.

Metallurgical tests of Moonlight material, undertaken since by Ferrum, suggest that Iscor's results are conservative, that good metal recoveries can be achieved, and that the resulting concentrates have a high iron content and only negligible impurities, at grind sizes considered to be the industry standard (P80 of 75 microns).

Operational

Moonlight Deposit

The Company's operational focus is the Moonlight Iron Ore Project in Limpopo Province in the Republic of South Africa, which hosts iron ore occurrences that are magnetite bearing banded iron formations ("BIF") that have undergone varying intensities of metamorphic alteration. The BIFs are of Archaean age and located in and adjacent to the Limpopo Mobile Belt ("LMB") in the Limpopo Province, some 350 km north-east of Johannesburg.

Directors' Report (continued)

During the year, the Company continued various studies in relation to the Moonlight Iron Ore Project, with such 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 Company was in June 2012 notified by the Department of Mineral Resources that its application had been granted. 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 Group had completed and submitted an environmental impact assessment ("EIA") in support of the Mining Right application. This EIA was found to be in compliance with the relevant regulations, meaning that Turquoise Moon Trading 157 (Pty) Ltd, the Ferrum subsidiary that holds Moonlight, has its environmental and other regulatory authority for mining the Moonlight Deposit.

The Mineral Corporation Consultancy (Pty) Ltd of South Africa ("The Mineral Corporation") was during the year commissioned by Ferrum 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") that had been carried out in the previous financial year. Phase 3 consisted of 11 holes totalling 990m of diamond core drilling and 13 holes totalling 1,600m of RC drilling, and the final assay results for this drilling were received in July 2011.

Table 4 below contains details of the results of the Phase 3 drilling.

Hole	East (m)	North (m)	Depth (m)	From (m)	To (m)	Interval (m)	Fe%	SiO_2%	AL_2O_3%	P_2O_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
				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
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 4: Intercepts of iron mineralisation greater than or equal to 5m in width

Directors' Report (continued)

The Mineral Corporation conducted a thorough re-interpretation of the geological structure of Moonlight, based on historical Iscor data collated and validated by the Group and the recent Group 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 JORC compliant Mineral Resources at Moonlight are now estimated to be 307.8 million tonnes @ 26.9% and are shown as follows:

Category	Gross					Net (attributable to Ferrum Crescent at 81.4%)				
	Tonne (Mt)	**Fe (%)**	**SiO_2 (%)**	**Al_2O_3 (%)**	**Contained Metal (Mt)**	**Tonne (Mt)**	**Fe (%)**	**SiO_2 (%)**	**Al_2O_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 subsidiary is the operator and owns 81.4% (the beneficial ownership interest as accounted for at 30 June 2012 is 97%) of the Moonlight Iron Ore 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 also identified several targets south, east and west of the Moonlight Deposit, which the Company believes warrant additional exploration by the commissioning of a high-resolution airborne magnetic survey and drilling. Given that the size of the resource is sufficient for in excess of 20 years of mining operations, management's attention remained primarily focused on finding definitive answers to logistical questions rather than on continued exploration. A summary of the Mineral Resource estimate parameters is set out below in Table 5.

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' and as defined in the June 2009 Edition of the AIM Note for Mining and Oil and Gas Companies. 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.

Table 5: 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.

Directors' Report (continued)

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).

Directors' Report (continued)

The Moonlight Deposit geological plan is set out in Figure 3.

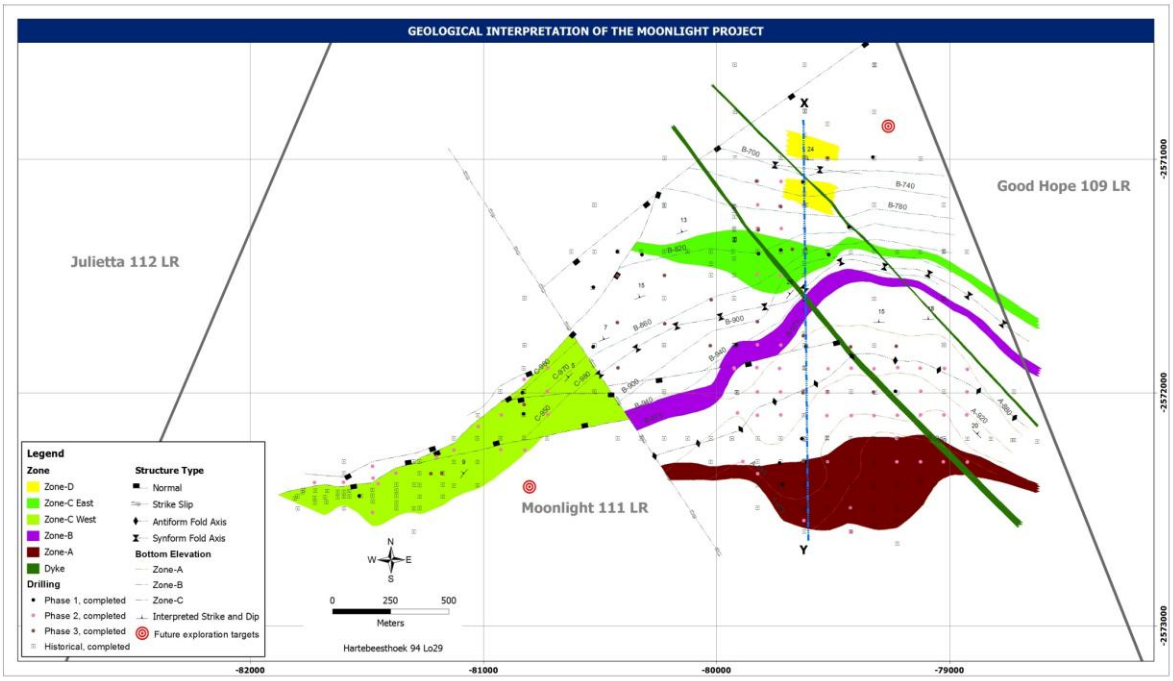


Figure 3: Moonlight Deposit Geological Plan

The Group now has a granted Mining Right with associated mining environmental approvals. It has sufficient resources to carry out mining operations for 20 years or more and confidence from historical exploration records and from the Group's own airborne and ground magnetic programs that there is significant scope for expansion of the mineralisation within the Mining Right area.

Moonlight Iron Ore Project Concept

Recognising that adding value within the country is a strategic preference for all mining operations within South Africa, Ferrum has consistently looked to planning the Project with beneficiation and other value-adding processes to take place within the country. Project concepts have previously included the production of pig iron at or near the Moonlight site. It has since been recognised by the Company, however, that the most sustainable development concept for the Project is likely to involve mining at site and the production there of an iron ore concentrate, which would be transported by way of slurry pipeline to a manufacturing facility located at a place near a railhead. High quality iron ore pellets (which would be a mixture of direct reduction iron ("DRI") or DRI quality pellets, which would be suitable for use in electric arc steel furnaces, and blast furnace pellets) would be transported by rail to local users and to a suitable port facility for export internationally.

Several pelletiser sites and rail and port combinations have been considered, and the Company has continued to seek confirmation from infrastructure providers (including rail, port and power suppliers) of allocation of capacity for the Company. During the reporting period, the South African Government announced that significant capital would be applied in upgrading rail and port facilities that service the Waterberg Region, which is close to where the Moonlight Deposit is situated. This followed strategic studies that revealed that the Waterberg Region, and the coal deposits in that region, are of critical importance to future supply for the country's power generation.

Figure 4 contains a map showing the planned upgrades to the rail infrastructure that is considered to be the most likely to be used for the Moonlight Project. The pelletising facility would be situated near rail at

Directors' Report (continued)

Lephalale or Thabazimbi, and export product would be railed to Richards Bay and shipped to customers in the Middle East and elsewhere.

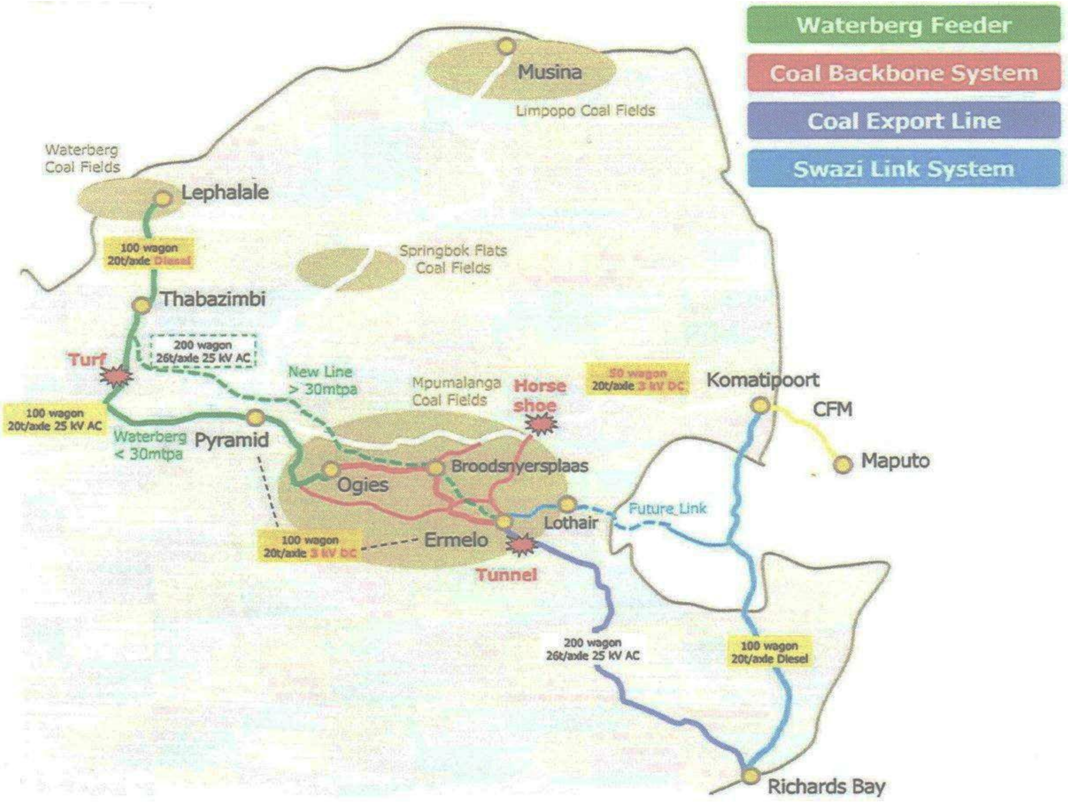


Figure 4: Proposed Rail Upgrades to Waterberg Coal Sources

The Company in June 2011 entered into an offtake agreement with Swiss based Duferco SA, a leading private company 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 concluded that the Group 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 Mpta of anticipated iron ore pellet production from Ferrum Crescent's Moonlight Project. Under the agreement, Ferrum Crescent will sell Duferco all of their production available for export (in total 4.5 Mpta) and will give Duferco a first right of refusal over an additional 1.5 Mpta per year to the extent that the product is not sold domestically, thus allowing Ferrum Crescent to follow a growth strategy at its South African projects.

Directors' Report (continued)

Corporate

Board change

During the reporting period, Mr Robert Hair resigned from his position of joint company secretary and assumed the role of managing director.

JSE Listing and BEE Transaction

The Company entered onto the JSE Limited ("JSE") with effect from 11 November 2011. The JSE listing is in addition to the Company's primary ASX and secondary AIM listings.

The JSE inward listing was entered into partly to facilitate the Group's Black Economic Empowerment ("BEE") share exchange and investment at a listed company level, complying with the objectives of the South African Government's Mineral and Petroleum Resources Development Act ("MPRDA") and the revised Mining Charter. Ferrum Crescent's BEE partner, Mkhombi Investments (Pty) Limited ("Mkhombi"), owns a 26% stake in the Company's South African operating subsidiary, Turquoise Moon Trading 157 (Pty) Limited ("TMT") (but an effective project interest of 3%). Mkhombi is a partner with significant industry experience, and also includes two women's organisations and a community trust representing local Limpopo communities affected by the Company's Moonlight Iron Ore Project. Mr Kofi Morna, who is a director of Mkhombi, is also a director of Ferrum Crescent.

Shareholder approval for the "flip", as the share exchange is known, was obtained following the end of the reporting period.

Ferrum Crescent Limited

A.C.N. 097 532 137

Corporate governance statement

Introduction

Ferrum Crescent Limited (the "**Company**") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, second edition, incorporating the 2010 amendments ("**Principles & Recommendations**"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Summary statement

	ASX P & R[1]	If not, why not[2]		ASX P & R[1]	If not, why not[2]
Recommendation 1.1	✓		Recommendation 4.2	✓	
Recommendation 1.2	✓		Recommendation 4.3	✓	
Recommendation 1.3	✓		Recommendation 4.4	✓	
Recommendation 2.1		✓	Recommendation 5.1	✓	
Recommendation 2.2		✓	Recommendation 5.2	✓	
Recommendation 2.3	✓		Recommendation 6.1	✓	
Recommendation 2.4	✓		Recommendation 6.2	✓	
Recommendation 2.5	✓		Recommendation 7.1	✓	
Recommendation 2.6	✓		Recommendation 7.2	✓	
Recommendation 3.1	✓		Recommendation 7.3	✓	
Recommendation 3.2	✓		Recommendation 7.4	✓	
Recommendation 3.3	✓		Recommendation 8.1	✓	
Recommendation 3.4	✓		Recommendation 8.2	✓	
Recommendation 3.5[3]	✓		Recommendation 8.3	✓	
Recommendation 4.1	✓				

1 Indicates where the Company has followed the Principles & Recommendations

2 Indicates where the Company has provided "if not, why not" disclosure.

3 Indicates an information based recommendation. Information based recommendations are not adopted or reported against using "if not, why not" disclosure – information required is either provided or it is not.

Website disclosures

Further information about the Company's charters, policies and procedures may be found at the Company's website at www.ferrumcrescent.com, under the section marked Corporate Governance.

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2012 financial year ("**reporting period**").

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the executive officer and to assist the executive officer in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the executive officer or, if the matter concerns the executive officer, then directly to the chairman or the lead independent director, as appropriate.

Recommendation 1.2:

Companies should disclose the process for evaluating the performance of senior executives.

Disclosure:

The chairman, in consultation with the other Board members, is responsible for evaluating the senior executives. The performance evaluation of senior executives is undertaken by the chairman in the form of interviews.

Recommendation 1.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 1.*

Disclosure:

During the reporting period a performance evaluation of senior executives did occur in accordance with the above disclosed process at Recommendation 1.2.

Principle 2 – Structure the board to add value

Recommendation 2.1:

A majority of the Board should be independent directors.

Disclosure:

The independent directors of the Board during the reporting period were Mr Klaus Borowski, Mr Ted Droste and Mr Grant Button. The non-independent directors of the Board during the reporting period were Mr Ed Nealon, Mr Robert Hair (from his appointment as managing director on 13 July 2011) and Mr Kofi Morna.

The reason for the departure is that the current board structure is considered to have the best mix of corporate, technical and business expertise to oversee the development of a company with operations in South Africa. The board includes a nominee of the Group's black economic empowerment partner, Mkhombi Investments (Pty) Ltd (Mr Kofi Morna), as well as an Executive Chairman (Mr Ed Nealon, who is primarily accountable in an executive sense for the Company's investor relations) and the managing director (Mr Robert Hair). The number of non-independent directors is consequently the same as the number of independent directors. The board will review this situation on an ongoing basis.

Recommendation 2.2:

The Chairman should be an independent director.

Disclosure:

The role of chairman of the Company during the reporting period was held by Mr Ed Nealon (who is executive chairman).

Explanation for departure:

Given the business and organisational structure of the Company, the Board is strongly of the opinion that the role of chairman should be an executive position at this time. The Board continues to review this situation on a regular basis.

Recommendation 2.3:

The roles of the chairman and chief executive officer should not be exercised by the same individual.

Disclosure:

The roles of the chairman and chief executive officer are not exercised by the same individual.

Recommendation 2.4:

The Board should establish a Nomination Committee.

Disclosure:

The Company has established a separate Nomination Committee. The Committee comprises Mr Grant Button (chairman), Mr Kofi Morna and Mr Ted Droste.

Recommendation 2.5:

Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Principle 2 – Structure the board to add value (continued)

Disclosure:

The chairman is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors.

Evaluations are undertaken by way of round-table discussions and when appropriate by one to one interviews.

Recommendation 2.6:

Companies should provide the information indicated in the *Guide to Reporting on Principle 2*.

Disclosure:

Skills, experience, expertise and term of office of each director

A profile of each director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Identification of independent directors

The independent directors of the Company during the reporting period were Mr Klaus Borowski, Mr Ted Droste and Mr Grant Button. These directors were/are independent as they were/are non-executive directors who were/are not members of management and who were/are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Company's materiality thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter.

- Statement of financial position items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company’s rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on statement of financial position or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Principle 2 – Structure the board to add value (continued)

Statement concerning availability of Independent professional advice

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

Performance evaluation

During the reporting period the performance evaluations for the Board and individual directors did occur in accordance with the disclosed process in Recommendation 2.5. The Board did not separately evaluate the performance of the Audit Committee.

Selection and (re)appointment of directors

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed procedure whereby it considers the balance of independent directors on the Board as well as the skills and qualifications of potential candidates that will best enhance the Board's effectiveness.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each director other than the managing director must retire from office no later than the longer of the third annual general meeting of the company or 3 years following that director's last election or appointment. At each annual general meeting a minimum of one director or a third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1:

Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2:

Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

Disclosure:

The Company has established a Diversity Policy a copy of which is published on the Company website.

Corporate governance statement (continued)

Principle 3 – Promote ethical and responsible decision-making (continued)

Recommendation 3.3:

Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Disclosure:

The Company has not yet established measurable objectives for achieving gender diversity. The Company operates with a very small team of professionals, whose services are provided on the basis of their experience and professional qualifications. Establishing such measurable objectives will be addressed by the board when the Company's operations require the expansion of its personnel numbers.

Recommendation 3.4:

Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

The table in respect of this follows:

Gender	Total	Senior Management	Board
Female	1	1	0
Male	12	6	6
% Female	7.7%	14.3%	0%

Recommendation 3.5:

Companies should provide the information indicated in the *Guide to reporting on Principle 3.*

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1:

The Board should establish an Audit Committee.

Disclosure:

The Company has established an Audit Committee, but due to the number of directors and the make-up of the Board, the same members of the Board are members of the Audit Committee.

Recommendation 4.2:

The Audit Committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent Chair, who is not chairman of the Board
- has at least three members.

Corporate governance statement (continued)

Principle 4 – Safeguard integrity in financial reporting (continued)

Recommendation 4.2: (continued)

Disclosure:

The Committee meets the stipulations set out in recommendation 4.2.

Recommendation 4.3:

The Audit Committee should have a formal charter.

Disclosure:

The Company has adopted an Audit Committee Charter.

Recommendation 4.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 4.*

Disclosure:

Details of each of the director's qualifications are set out in the Directors' Report.

All of the Audit Committee members consider themselves to be financially literate and have industry knowledge.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1:

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Recommendation 5.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 5.*

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 6 – Respect the rights of shareholders

Recommendation 6.1:

Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

Recommendation 6.2:

Companies should provide the information indicated in the *Guide to reporting on Principle 6.*

Disclosure:

Please refer to the section above marked Website Disclosures.

Principle 7 – Recognise and manage risk

Recommendation 7.1:

Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Disclosure:

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the Policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Principle 7 – Recognise and manage risk (continued)

Recommendation 7.1: (continued)

Under the Policy, the Board delegates day-to-day management of risk to the executive officer (or equivalent), who is responsible for identifying, assessing, monitoring and managing risks. The executive officer (or equivalent) is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the executive officer/managing director (or equivalent) may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board has established a separate Audit Committee to monitor and review the integrity of financial reporting and the Company's internal financial control systems and risk management systems. The Audit

Committee reports any issues regarding the management of material business risks that it feels should be brought to the Board's attention.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management which, if exceeded, will require prior Board approval; and
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations;

The key categories of risk of the Company, as reported on by management, include:

- cash management (including interest rate);
- financial reporting;
- ASX reporting compliance;
- project/tenement ownership retention;
- equity/security price risk
- maintain joint venture partnerships.

Recommendation 7.2:

The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure:

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

During the reporting period the Company had an informal risk management system in place, including the policies and systems referred to in the disclosure in relation to Recommendation 7.1. Although the system was not fully documented, management acting through the executive officer, was able to form the view that management of its material business risks during the reporting period was effective. Refer to note 24 for a more detailed review of risk management.

Corporate governance statement (continued)

Recommendation 7.3:

The Board should disclose whether it has received assurance from the executive officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Disclosure:

The executive officer (or equivalent) and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 7.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 7.*

Disclosure:

The Board has received the report from management under Recommendation 7.2.

The Board has received the assurance from the executive officer (or equivalent) and the chief financial officer (or equivalent) under Recommendation 7.3.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1:

The Board should establish a Remuneration Committee.

Disclosure:

The Company throughout the financial year had a separate Remuneration Committee.

Recommendation 8.2:

Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:

Non-executive directors are remunerated at market rates for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. Given the Company's stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unquoted options to non-executive directors, subject to obtaining the relevant approvals. This policy is subject to annual review. All of the directors' option holdings are fully disclosed.

Pay and rewards for executive directors and senior executives consist of a base pay and benefits (such as superannuation) as well as long term incentives through participation in employee share and option plans. Executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

Recommendation 8.3:

Companies should provide the information indicated in the *Guide to reporting on Principle 8.*

Disclosure:

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The Board has adopted a Remuneration Committee Charter.

Ferrum Crescent Limited

A.C.N. 097 532 137

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2012

	Note	2012 $	2011 $
Continuing operations			
Revenue	3(a)	**205,183**	149,717
Other income	3(b)	**4,330**	1,265,242
		209,513	**1,414,959**
Administration expenses	3(c)	**(2,323,292)**	(3,523,878)
Occupancy expenses		**(104,205)**	(173,271)
Exploration expenditure		**(1,620,768)**	(3,014,345)
Profit / (loss) on remeasurement of financial liability	14	**8,321,244**	(1,623,385)
Foreign exchange gain		**407**	479,656
Share based payments	20	**(3,183)**	(1,701,530)
Profit / (loss) before tax from continuing operations		**4,479,716**	**(8,141,794)**
Income tax benefit / (expense)	5	**-**	-
Profit / (loss) for the year from continuing operations		**4,479,716**	**(8,141,794)**
Other comprehensive income			
Foreign currency translation gain		**11,872**	4,397
Net fair value gains on available for sale investments		**-**	665,242
Income tax on items of other comprehensive income		**-**	(199,573)
Release of unrealised gains reserve on disposal of available for sale investments (net of tax)		**-**	(465,669)
Other comprehensive income for the year net of tax		**11,872**	**4,397**
Total comprehensive profit / (loss) for the year, net of tax		**4,491,588**	**(8,137,397)**
Profit / (loss) attributable to:			
Owners of the parent		**4,479,716**	(8,141,794)
		4,479,716	(8,141,794)
Total comprehensive profit / (loss) for the period attributable to:			
Owners of the parent		**4,491,588**	(8,137,397)
		4,491,588	(8,137,397)
Earnings / (loss) per share		**Cents**	**Cents**
Basic earnngs / (loss) for the year attributable to ordinary equity holders of the parent	8	**1.53**	(3.32)
Diluted earnings / (loss) for the year attributable to ordinary equity holders of the parent		**(1.30)**	(3.32)

Ferrum Crescent Limited

A.C.N. 097 532 137

Consolidated Statement of Financial Position
As at 30 June 2012

	Note	2012 $	2011 $
Assets			
Current assets			
Cash and short term deposits	9	**3,340,076**	8,116,009
Trade and other receivables	10	**128,447**	283,725
Other financial assets	12	**39,469**	42,842
Prepayments		**158,584**	31,580
Total current assets		**3,666,576**	8,474,156
Non-current assets			
Plant and equipment	11	**110,325**	146,913
Other financial assets	12	**144,297**	-
Total non-current assets		**254,622**	146,913
Total assets		**3,921,198**	**8,621,069**
Liabilities and equity			
Current liabilities			
Trade and other payables	13	**1,212,832**	2,099,756
Financial Liability	14	**95,379**	8,416,623
Provisions	15	**20,320**	6,794
Total current liabilities		**1,328,531**	10,523,173
Total liabilities		**1,328,531**	**10,523,173**
Equity/(Shareholders' Deficit)			
Contributed equity	16	**27,392,728**	27,392,728
Accumulated losses	19	**(16,038,018)**	(20,517,734)
Reserves	18	**(8,762,043)**	(8,777,098)
Equity attributable to owners of the parent		**2,592,667**	**(1,902,104)**
Non-controlling Interest		-	-
Total equity		**2,592,667**	(1,902,104)
Total equity and liabilities		**3,921,198**	**8,621,069**

This Statement of Financial Position is to be read in conjunction with the accompanying notes.

Ferrum Crescent Limited

A.C.N. 097 532 137

Consolidated Statement of Cash Flows
For the year ended 30 June 2012

	Note	2012 $	2011 $
Operating activities			
Interest received		**209,513**	149,608
Proceeds from sale of tenements		**-**	600,000
Exploration expenditure		**(2,113,911)**	(3,177,214)
Payments to suppliers and employees		**(2,696,209)**	(2,668,148)
Net cash flows used in operating activities	24	**(4,600,607)**	**(5,095,754)**
Investing activities			
Purchase of plant and equipment		**(25,166)**	(158,702)
Proceeds from disposal of available for sale investments		**-**	1,574,920
Payments for purchase of non-controlling interest		**-**	(3,235,830)
Net cash flows from/(used in) / in investing activities		**(25,166)**	**(1,821,612)**
Financing activities			
Proceeds from issue of shares		**-**	16,688,656
Payments of unsecured loans		**-**	(11,196)
Costs associated with issue of shares		**-**	(1,952,783)
Net cash flows from/(used in) financing activities		-	**14,724,677**
Net increase/ (decrease) in cash and cash equivalents held		**(4,625,773)**	7,807,311
Net foreign exchange difference		**(150,160)**	(220,527)
Cash and cash equivalents at 1 July 2011		**8,116,009**	529,225
Cash and cash equivalents at 30 June 2012	9	**3,340,076**	**8,116,009**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Ferrum Crescent Limited

A.C.N. 097 532 137

Consolidated Statement of Changes in Equity
For the year ended 30 June 2012

	Issued capital $	Accumulated losses $	Share based payment reserve $	Option reserve $	Foreign exchange reserve $	Equity reserve $	Total equity $
At 1 July 2010	12,146,950	(12,375,940)	-	1,136,062	109,455	-	(1,016,527)
Loss for the period	-	(8,141,794)	-	-	-	-	(8,141,794)
Other Comprehensive Income (net of tax)	-	-	-	-	4,397	-	4,397
Total comprehensive loss (net of tax)	-	(8,141,794)	-	-	4,397	-	(8,137,397)
Transactions with owners in their capacity as owners:							
Shares issued	16,619,411	-	-	-	-	-	16,619,411
Transaction costs on shares issued	(1,952,783)	-	-	-	-	-	(1,952,783)
Shares issued under employee share plan	579,150	-	(238,548)	-	-	-	340,602
Employee share plan loan repaid	-		69,245		-	-	69,245
Share based payment to locally impacted community	-	-	-	-	-	1,092,565	1,092,565
Options issued under employee option plan	-	-	-	268,363	-	-	268,363
Acquisition of non-controlling interest	-	-	-	-	-	(11,218,637)	(11,218,637)
At 1 July 2011	27,392,728	(20,517,734)	(169,303)	1,404,425	113,852	(10,126,072)	(1,902,104)
Profit for the period	-	4,479,716	-	-	-	-	4,479,716
Other Comprehensive Income (net of tax)	-	-	-	-	11,872	-	11,872
Total comprehensive loss (net of tax)	-	4,479,716	-	-	11,872	-	4,491,588
Transactions with owners in their capacity as owners:							
Cost associated with shares issued under employee share incentive plan	-	-	3,183	-	-	-	3,183
At 30 June 2012	**27,392,728**	**(16,038,018)**	**(166,120)**	**1,404,425**	**125,724**	**(10,126,072)**	**2,592,667**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Note 1: Corporate information

The consolidated financial report of Ferrum Crescent for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of directors on 26 September 2012.

Ferrum Crescent Limited is a for profit company limited by shares domiciled and incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX), the London Stock Exchange (AIM) and the JSE Limited (JSE).

The nature of operations and principal activities of the Group are described in the Directors' Report.

Note 2: Statement of significant accounting policies

(a) Basis of preparation

The Financial Report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Ferrum Crescent Limited and its subsidiaries.

The Financial Report has also been prepared on a historical cost basis, except for available-for-sale investments and derivative financial instruments which have been measured at fair value.

The Financial Report is presented in Australian dollars.

(b) Statement of compliance

The Financial Report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board, and complies with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

Note 2: Statement of significant accounting policies

(c) Adoption of new and revised standards

The following amending Standards relevant to the operations of the Group have been adopted from 1 July 2011. Adoption of these Standards did not have any effect on the financial position or performance of the Group.

- AASB 124 (Revised) Related Party Disclosures (December 2009) , Simplifies the definition of a related party, clarifying its intended meaning and and eliminating inconsistencies from the definition, effective 1 July 2011; AASB 2009-12 Amendments to Australian Accounting Standards – Operating Segments [AASB 8]], effective 1 July 2011;
- AASB 2009-12 (Editorial) Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 1023,& 1031 amd Interpretations 2, 4, 16, 1039 & 1052]. Effective 1 July 2011;
- AASB 2010-4 Amendments to Australian Accounting standards arising from Annual Improvement Project [AASB 1, AASB 7, AASB 101, AASB 134 AND Interpretation 13], effective 1 July 2011;
- AASB 2010-5 (Editorial) Amendments to Australian Accounting standards [AASB 1, 3, 4, 5, 101, 207, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and interpretations 112, 115, 127, 132 &1042], effective 1 July 2011;
- AASB 1054 Australian Additional Disclosures, This standard is a consequence of phase 1 of the joint Trans-Tasman Convergence project of AASB and FRSB, effective 1 July 2011;
- AASB 1048 Interpretation of Standards [AASB108], effective 1 July 2011

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

Note 2: Statement of significant accounting policies

(d) Accounting Standards and Interpretations issued but not yet effected

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2012. Relevant Standards and Interpretations are outlined in the table below.

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.	1 July 2012	1 July 2012
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation – Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to other standards via AASB 2011-7.	1 January 2013	1 July 2013

Notes to the consolidated financial statements (continued)
For the year ended 30 June 2012

Note 2: Statement of significant accounting policies

(d) Accounting Standards and Interpretations issued but not yet effected

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly- controlled Entities – Non-monetary Contributions by Ventures.* AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128.	1 January 2013	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	1 July 2013

Notes to the consolidated financial statements (continued)
For the year ended 30 June 2012

Note 2: Statement of significant accounting policies

(d) Accounting Standards and Interpretations issued but not yet effected

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	1 July 2013
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset". The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate. Consequential amendments were also made to other standards via AASB 2011-12.	1 January 2013	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies.	1 July 2013	1 July 2013

Note 2: Statement of significant accounting policies

(d) Accounting Standards and Interpretations issued but not yet effected

Reference	Title	Summary	Application date of standard	Application date for Group
Annual Improvements 2009–2011 Cycle	Annual Improvements to IFRSs 2009–2011 Cycle	This standard sets out amendments to International Financial Reporting Standards (IFRSs) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard: IFRS 1 First-time Adoption of International Financial Reporting Standards • Repeated application of IFRS 1 • Borrowing costs IAS 1 Presentation of Financial Statements • Clarification of the requirements for comparative information IAS 16 Property, Plant and Equipment • Classification of servicing equipment IAS 32 Financial Instruments: Presentation • Tax effect of distribution to holders of equity instruments IAS 34 Interim Financial Reporting • Interim financial reporting and segment information for total assets and liabilities	1 January 2013	1 July 2013

Note 2: Statement of significant accounting policies

(d) Accounting Standards and Interpretations issued but not yet effected

<table>
<tr><th>Reference</th><th>Title</th><th>Summary</th><th>Application date of standard</th><th>Application date for Group</th></tr>
<tr><td>AASB 9</td><td>Financial Instruments</td><td>AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.
These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.
(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
► The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
► The remaining change is presented in profit or loss
If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.
Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.</td><td>1 January 2013</td><td>1 July 2013</td></tr>
</table>

Notes to the consolidated financial statements (continued)
For the year ended 30 June 2012

Note 2: Statement of significant accounting policies

(d) Accounting Standards and Interpretations issued but not yet effected

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.	1 January 2013	1 July 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle; and	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including the following: • repeat application of AASB 1 is permitted (AASB 1); and • clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).	1 January 2013	1 July 2013
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2015

Note 2: Statement of significant accounting policies

(d) Accounting Standards and Interpretations issued but not yet effected

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this Standard) (b) The Australian Government and State, Territory and Local Governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities (c) Public sector entities other than the Australian Government and State, Territory and Local Governments. Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11 and 2012-1.	1 July 2013	1 July 2013

The impact of the adoption of these new and revised standards and interpretations has not been determined by the Group.

Note 2: Statement of significant accounting policies (continued)

(e) Basis of consolidation

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Ferrum Crescent Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Where appropriate prior year disclosures have been reclassified for consistency with current year classifications. The re-classification has not impacted the net profit / (loss) for the prior year.

(f) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Note 2: Statement of significant accounting policies (continued)

(f) Critical accounting estimates and judgements (continued)

Share-based payment transactions:
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, using the assumptions detailed in Note 20.

Forward subscription agreement
During the 2011 financial year the Group entered into a forward subscription agreement as set out in Note 14. This agreement requires the Company to issue a variable number of shares in exchange for ZAR 15 million. The assumptions used in this estimation are discussed in Note 14.

Impairment of available-for-sale financial assets
The Group follows the guidance of AASB 139 *Financial Instruments: Recognition and Measurement* to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Derivatives
Derivatives are recognised initially at fair value, attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value and changes in its fair value are recognised immediately in profit or loss.

(g) Going concern and BEE transaction

The Group incurred an operating profit after income tax of $4,479,716 for the year ended 30 June 2012. In addition, the Group has net current assets of $2,338,044 as at 30 June 2012 and shareholders' equity of $2,592,666.

During the prior year, various agreements were entered into in respect of the minority interest in the Moonlight Iron Ore Project. Further details of the agreements entered are provided in Note 13.

Under the Subscription Agreement, the Company has agreed to issue shares to AmaMato equal to 15.6% of the post issued share capital of the company for ZAR15 million. This agreement is expected to be fulfilled within 12 months of balance date, upon meeting the conditions precedent as set out in the agreement. In accordance with Australian Accounting Standards, the Group has recognised a current liability of $95,379, representing the fair value of this forward subscription agreement. Further details of which are provided in Note 13.

As this amount will be settled in shares of the Company and not in cash, the Directors believe the adoption of the going concern basis is justified.

Notwithstanding the above, the Directors are cognisant that the Group is significantly impacted by the successful development of existing projects, reduction in expenditure commitments and / or the sourcing of additional funds.

Note 2: Statement of significant accounting policies (continued)

(h) Foreign Currency Translation

Both the functional and presentation currency of the Company and its Australian controlled entity is Australian dollars (A$). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the foreign operations is South African Rand (ZAR) and United States dollars (US).

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the parent Company's financial report are taken to profit or loss. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the balance date and their statements of comprehensive income are translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(i) Exploration and evaluation expenditure

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

Note 2: Statement of significant accounting policies (continued)

(j) Plant & equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 2 to 15 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication exists of impairment and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

(k) Income tax

Current tax assets and liabilities for the current period and prior periods are measured at amounts expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- Where the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 2: Statement of significant accounting policies (continued)

(k) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- where the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax assets is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(l) GST/VAT

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Note 2: Statement of significant accounting policies (continued)

(l) GST / VAT (continued)

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

(m) Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

ii. Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(n) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Note 2: Statement of significant accounting policies (continued)

(o) Receivables

Receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for any uncollectible amounts.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt.

(p) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Revenue
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Group's own shares, which are re-acquired for later use in the employee share based payment arrangements, are deducted from equity.

(r) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(s) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Company adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Company adjusted for:
- costs of servicing equity (other than dividends),
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Note 2: Statement of significant accounting policies (continued)

(t) Financial Instruments – Initial recognition and subsequent measurement

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets on initial recognition.

(i) Financial assets

Initial recognition and measurement
Financial assets within the scope of AASB 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designed as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by AASB 139.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance costs in the income statement. Financial assets designated upon initial recognition at fair value through profit and loss are designated at their initial recognition date and only if the criteria under AASB 139 are satisfied. The Group has not designated any financial assets at fair value through profit or loss.

The Group evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Note 2: Statement of significant accounting policies (continued)

(t) Financial Instruments – Initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

Financial assets at fair value through profit or loss (continued)

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs. The Group did not have any held-to-maturity investments during the years ended 30 June 2011and 2012.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs or loans and in cost of sales or other operating expenses for receivables.

Available-for-sale financial investments
Available-for-sale financial investments include equity investments and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the income statement in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

Note 2: Statement of significant accounting policies (continued)

(t) Financial Instruments – Initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ”pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(ii) Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset’s original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement.

Note 2: Statement of significant accounting policies (continued)

(t) Financial Instruments – Initial recognition and subsequent measurement (continued)

(ii) Impairment of financial assets (continued)

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

Available-for-sale financial investments
For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

(iii) Financial liabilities

Initial recognition and measurement
Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The Group’s financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, described as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Note 2: Statement of significant accounting policies (continued)

(t) Financial Instruments – Initial recognition and subsequent measurement (continued)

(iii) Financial liabilities (continued)

Gains or losses on liabilities held for trading are recognised in the income statement.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of AASB 139 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

During 2011 the Group entered into a forward subscription agreement as set out in Note 14. This forward subscription agreement is treated as a derivative financial instrument, as its value changes in response to the Company's share price. Based on the current valuation it is classified as a financial liability.

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

(**iv) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

(u) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

Note 2: Statement of significant accounting policies (continued)

(v) Share-based payment transactions

The Company provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There are currently two plans in place to provide these benefits:

- the Employee Share Option Plan, which provides benefits to directors, employees and consultants; and
- the Employee Share Loan Plan, which provides benefits to directors, employees and consultants.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a binomial model, further details of which are given in Note 20.

In valuing equity-settled transactions, no account is taken to any vesting conditions, other than conditions linked to the price of the shares of the Company if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity on the date the equity right is granted. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based arrangement, or is otherwise beneficial to the employee, as measured at the date of modification

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see note 20).

(w) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer and the amount of any non-controlling interest in the acquire. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expense.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions the Group's operating and accounting policies and other pertinent condition as at the acquisition date. This includes the separation of the embedded derivatives in those contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in the profit or loss as a change to other comprehensive income. If contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Note 2: Statement of significant accounting policies (continued)

(x) Leases

The determination on whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased term, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are cognised in finance costs in the profit or loss.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(y) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowing.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Note 3: Revenue and expenses

Revenue and Expenses from Continuing Operations

	Note	2012 $	2011 $
(a) Revenue			
Finance revenue:			
Interest received		**205,183**	149,608
Other		**-**	109
		205,183	149,717
(b) Other income			
Sale of available-for-sale investments (i)		**-**	665,242
Sale of tenements (ii)		**-**	600,000
Investment income		**4,330**	-
		4,330	1,265,242
(c) profit and loss			
Other expenses include the following:			
Depreciation		**38,322**	17,585
Disposal of plant and equipment		**1,074**	2,891
Bad debt expenses		**-**	-
Consulting services		**698,863**	541,659
Employment related			
- Directors fees		**236,705**	380,949
- Wages		**231,137**	482,529
- Superannuation		**5,824**	27,715
Corporate		**524,046**	733,367
Travel		**223,276**	518,275
Other		**364,045**	818,908
		2,323,292	3,523,878

(b) (i) During 2011 Ferrum Crescent Limited entered into and completed an agreement with Northern Uranium Limited ("Northern") (ASX: NTU) to dispose all of its Australian minerals exploration interests for a cash sum of $600,000. The offer from Northern was subject to both due diligence on the Company's tenement interests and the consent where relevant of joint venturers. Due diligence was concluded favourably, and a pre-emptive right was exercised, with the result that the Group's Australian exploration assets were all sold during 2011.

The sale of these Australian exploration interests has enabled the Company and its management to focus on developing its iron ore interests in Southern Africa and in particular to concentrate on progressing Moonlight Iron Ore Project and finalising the mining right application process in respect of the Moonlight Deposit.

Note 3: Revenue and expenses (continued)

Revenue and Expenses from Continuing Operations (continued)

(ii) In August and September 2010, the Group disposed of its interest in 12,460,071 shares and 1,873,667 options held in Northern Uranium for $1,574,920. These financial assets were designated as available for sale, with all prior gains on such investments taken to equity. The fair value change of the financial assets of $665,242 from 1 July 2010 to the date of sale was taken to the available for sale reserve. The above amount represents the release of the unrealised gains reserve upon sale (gross of tax).

(iii) On 1 April 2012 the Group entered into an insurance investment portfolio. This investment is to ensure that the Group has funds available to facilitate Mine Rehabilitation.

Note 4: Segment information

Identification of Reportable Segments

The Group has based its operating segment on the internal reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources.

The Group currently does not have production and is only involved in exploration. As a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis.

Based on these criteria the Group has only one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in Note 2 for the computation of the group's results presented in this set of financial statements.

	Note	Australia		South Africa		Consolidation	
		2012	2011	2012	2011	2012	2011
		$	$	$	$	$	$
Revenue from external customers		**-**	-	**-**	-	**-**	-
Non - current assets	11,12	**1,089**	1,623	**253,533**	145,290	**254,622**	146,913

Note 5: Income tax expense

	2012	2011
	$	$
Reconciliation of income tax expense/(income) to the pre-tax net loss		
Profit / (Loss) before income tax	**4,479,716**	(8,141,794)
Income tax calculated at 30% on loss before income tax	**1,343,915**	(2,442,538)
Add tax effect of: non-deductible expenses	**(2,623,682)**	683,242
Legal fees deduction	**(4,859)**	-
Unused tax losses and temporary differences not brought to account	**1,284,626**	1 759 296
Income tax expense/(income)	**-**	-

Notes to the consolidated financial statements (continued)
For the year ended 30 June 2012

Note 5: Income tax expense (continued)

Analysis of defered tax balances	**2012**	**2011**
Deferred tax liabilities	**$**	**$**
Assessable temporary differences		
Prepayments	**(47,575)**	(9,474)
Deferred tax liabilities offset by deferred tax assets	**47,575**	9,474
Net deferred tax liabilities	**-**	-
Deferred tax assets		
Share issue expenses	**380,726**	512,506
Provisions	**6,096**	2,038
Financial liability	**28,614**	2,524,987
Unused tax losses	**5,091,549**	3,806,923
	5,506,984	6,846,454
Total unrecognised deferred tax assets	**(5,459,409)**	(6,836,980)
Deferred tax assets	**47,575**	9,474
Deferred tax assets offset by deferred tax liabilities	**(47,575)**	(9,474)
Net deferred tax assets	**-**	-

Unused tax losses set out above have not been recognised due to uncertainty of future taxable profit streams.

Note 6: Directors' and executives' remuneration

(a) Compensation of Key Management Personnel

	2012	2011
	$	$
Short-term employee benefits	**1,224,142**	1,211,232
Post-employment benefits	**3,303**	27,715
Other long-term benefits	**-**	-
Termination benefits	**-**	142,234
Share-based payment	**-**	532,111
	1,227,445	1,913,292

Note 6: Directors' and executives' remuneration (continued)

(b) Share and option holdings

2012	Shares					Options				
	Balance 1-July-2011	Received as Remuneration	On Exercise of Options	Net Change Other (i)	Balance 30-Jun-12	Balance 1-July-2011	Received as Remuneration	Options Expired	Net Change Other (i)	Balance 30-Jun-12
Directors										
Ed Nealon	1,145,000	-	-	2,000,000	3,145,000	-	-	-	-	-
Klaus Borowski	-	-	-	-	-	500,000	-	-	-	500,000
Kofi Morna	-	-	-	-	-	500,000	-	-	-	500,000
Ted Droste	-	-	-	-	-	500,000	-	-	-	500,000
Grant Button	1,436.000	-	-	-	1,436,000	-	-	-	-	-
Robert Hair	4,665,310	-	-	380,000	5,045,310	-	-	-	-	-
Executives										
Lindsay Cahill	878,939	-	-	(46,439)	832,500	-	-	-	-	-
Andrew Nealon	644,413	-	-	-	644,413	-	-	-	-	-
Scott Huntly	4,447,007	-	-	(1,490,985)	2,956,022	600,000	-	-	-	600,000
Vernon Harvey	-	-	-	-	-	-	-	-	-	-
Dave Richards	-	-	-	-	-	-	-	-	-	-
Beverley Gardner	-	-	-	-	-	-	-	-	-	-

*Issued under the employee share plan

(i) Net change other includes:

- acquisitions and disposals on market
- issue in settlement of fees
- subscribed in share issue
- subscription for options
- sales / transfers
- appointment / resignation as director
- exchange of options for shares

Note 6: Directors' and executives' remuneration (continued)

(b) Share and option holdings (continued)

2011	**Shares**					**Options**				
	Balance 1-July-2010	**Received as Remuneration**	**On Exercise of Options**	**Net Change Other (i)**	**Balance 30-Jun-11**	**Balance 1-July-2010**	**Received as Remuneration**	**Options Expired**	**Net Change Other (i)**	**Balance 30-Jun-11**
Directors										
Ed Nealon	500,000	600,000*	-	45,000	1,145,000	450,000	-	-	(450,000)	-
Klaus Borowski	-	-	-	-	-	-	500,000	-	-	500,000
Scott Huntly	4,447,007	-	-	887,001	5,334,008	-	600,000	-	-	600,000
Fanie Botha	-	-	-	-	-	-	500,000		-	500,000
Matodzi Nesongozwi	17,152,142	-	-	(17,152,142)		12,100,000	-	-	(12,100,000)	-
Adrian Griffin	4,579,136	-	-	99,504	4,678,640	995,038	-	-	(995,038)	-
Kofi Morna	-	-	-	-	-	-	500,000	-	-	500,000
Ted Droste	-	-	-	-	-	-	500,000	-	-	500,000
Grant Button	900.000	500,000*	-	36,000	1,436,000	360,000	-	-	(360,000)	-
Robert Hair	3,534,760	500,000*	-	630,550	4,665,310	1,405,500		-	(1,405,000)	-
Executives										
Lindsay Cahill	2,568,378	350,000*	-	(2,039,439)	878,939	-	-	-	-	-
Andrew Nealon	275,975	200,000*	-	168,438	644,413	-	-	-	-	-
Robert Van Der Laan	1,304,410	350,000*	-	243,528	1,897,938	-	-	-	50,000	50,000
Vernon Harvey	-	-	-	-	-	-	-	-	-	-
Dave Richards	-	-	-	-	-	-	-	-	-	-
Beverley Gardner	-	-	-	-	-	-	-	-	-	-

*Issued under the employee share plan

(ii) Net change other includes:

- acquisitions and disposals on market
- issue in settlement of fees
- subscribed in share issue
- subscription for options
- sales / transfers
- appointment / resignation as director
- exchange of options for sha

Note 6: Directors' and executives' remuneration (continued)

(c) Number of employee shares (with non-recourse loans) held by directors and executives:

2012

Directors	Balance 1-July-11	Received as Remuneration	Options Exercised	Net Change Other	Balance 30-Jun-12
Ed Nealon	1,100,000	-	-	-	1,100,000
Robert Hair	1,000,000	-	-	-	1,000,000
Kofi Morna	-	-	-	-	-
Ted Droste	-	-	-	-	-
Grant Button	900,000	-	-	-	900,000
Klaus Borowski	-	-	-	-	-
Executives					
Lindsay Cahill	450,000	-	-	-	450,000
Vernon Harvey	-	-	-	-	-
Andrew Nealon	240,000	-	-	-	240,000
Scott Huntly	-	-	-	-	-
Dave Richards	-	-	-	-	-
Beverley Gardner	-	-	-	-	-

2011

Directors	Balance 1-July-10	Received as Remuneration	Options Exercised	Net Change Other	Balance 30-Jun-11
Ed Nealon	500,000	600,000	-	-	1,100,000
Adrian Griffin	750,000	-	-	-	750,000
Grant Button	400,000	500,000	-	-	900,000
Executives					
Lindsay Cahill	100,000	350,000	-	-	450,000
Robert Hair	500,000	500,000	-	-	1,000,000
Andrew Nealon	40,000	200,000	-	-	240,000
Robert Van Der Laan	-	350,000	-	-	350,000
Vernon Harvey	-	-	-	-	-
Scott Huntly	-	-	-	-	-
Dave Richards	-	-	-	-	-
Beverley Gardner	-	-	-	-	-

(i) Net change other includes existing Ferrum Crescent (Washington Resources) shares at date of business combination

Note 7: Auditor's remuneration

	2012	2011
	$	$
Remuneration of the auditor of the Company for:		
-auditing or reviewing the financial report		
Ernst & Young Australia	**55,000**	90,211
Ernst & Young South Africa	**44,204**	43,000
	99,204	133,211
-other assurance related services		
Ernst & Young Australia	**-**	13,390
	99,204	146,601

Note 8: Earnings per share

	2012	2011
	$	$
Basic earnings/(loss) per share (cents per share)	**1.53**	(3.32)
Diluted earnings/(loss) per share (cents per share)	**(1.30)**	(3.32)
Net profit /(loss)	**4,479,716**	(8,141,794)
Profit / (loss) used in calculating basic earnings / (loss) per share	**4,479,716**	(8,141,794)
Adjustments to basic profit / (loss) used to calculate dilutive earnings /(loss) per share – Add back remeasurement of financial liability (2011: N/A – anti-dilutive)	**(8,321,244)**	-
Profit / (loss) used in calculating dilutive earnings / (loss) per share	**(3,841,528)**	(8,141,794)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic (loss)/earnings per share	**292,246,705**	245,275,224
Adjustments to weighted average number of ordinary shares used in the calculation of diluted earnings / (loss) per share– Add back potential shares related to financial liability (2011: N/A – anti-dilutive)	**2,890,273**	-
Weighted average number of ordinary shares used in the calculation of diluted (loss)/earnings per share	**295,136,978**	245,275,224

There have been no transactions involving ordinary shares or potential shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Potential dilutive shares not included in dilutive earnings per share was 24,446,727 (2011: 66,529,842)

Note 9: Cash and cash equivalents

	2012	2011
	$	$
Cash at bank	**3,340,076**	8,116,009

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:

Note 10: Trade and other receivables

	2012	2011
	$	$
Current		
Sundry debtors	**19,931**	2,923
GST / VAT	**108,516**	280,802
	128,447	283,725

(i) Non-trade debtors are non-interest bearing and are generally on 30-90 days terms. The carrying amounts of these receivables represent fair value and are not considered to be impaired.

Note 11: Plant and equipment

	Furniture, fittings and equipment	Motor vehicles	Leasehold improvements	Total
	$	$	$	$
Year ended 30 June 2011				
Opening net carrying value	7,578	-	-	7,578
Additions	41,826	100,449	24,391	166,666
Disposals	(2,891)	-	-	(2,891)
Depreciation charge for the year	(9,183)	(8,402)	-	(17,585)
Exchange differences	(2,110)	(3,751)	(994)	(6,855)
Closing net carrying amount	35,220	88,296	23,397	146,913
At 30 June 2011				
Cost	46,191	96,356	23,397	165,944
Accumulated depreciation	(10,971)	(8,060)	-	(19,031)
Net carrying value	35,220	88,296	23,397	146,913
Year ended 30 June 2012				
Opening net carrying value	35,220	88,296	23,397	146,913
Additions	25,166	-	-	25,166
Disposals	(1,074)	-	-	(1,074)
Depreciation charge for the year	(17,012)	(20,090)	(1,220)	(38,322)
Exchange differences	(7,974)	(10,719)	(3,665)	(22,358)
Closing net carrying amount	**34,326**	**57,487**	**18,512**	**110,325**
At 30 June 2012				
Cost	56,689	80,250	19,486	156,425
Accumulated depreciation	(22,363)	(22,763)	(974)	(46,100)
Net carrying value	**34,326**	**57,487**	**18,512**	**110,325**

Note 12: Other financial assets

	2012 $	2011 $
Current assets		
Rental and Other Deposits	**7,586**	4,561
Rehabilitation Trust	**31,883**	38,281
	39,469	42,842
Non- current assets		
Investment Portfolio	**144,297**	-
	144,297	-

An Investo Linked Investment portfolio has been setup with Momentum Insurance from 1 April 2012 to cover the rehabilitation of all subsidiary mining activities in accordance with the requirements of the mining leases.

This portfolio has an initial savings term of 10 years with an automatic increase of 10% to the contributions on an annual basis. After the initial 10 years the investment automatically continues in periods of 5 years. After automatic continuation the investment will qualify for a loyalty bonus at the end of each 5 year period. The investment will be levied with allocation and management fees on a monthly basis.

Cash withdrawals may be made up to a restricted percentage of the net fund value at the time of the withdrawal. The withdrawn amounts will not be taken into consideration when calculating the loyalty bonus due on the portfolio. Withdrawals may be made after the investment reaches R7,517,000 in value.

On 16th July 2012 a Deed of Surety and Indemnity was signed ceding this investment portfolio to Constantia Insurance Company Limited in return for a guarantee to the Directorate Mineral Regulation (DMR) for the confirmed amount of R7,517,000.

Note 13: Trade and other payables

	2012 $	2011 $
Current		
Unsecured liabilities		
Trade payables and other payables (i)	**349,582**	1,063,256
Minority interest obligation (ii)	**863,250**	1,036,500
	1,212,832	2,099,756

(i) Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

(ii) During the 2011 financial year, various agreements were entered into in respect of the minority interest in the Moonlight Iron Ore Project.

A company, Mkhombi Investments (Pty) Ltd ("Mkhombi Investments"), which meets the requirements of applicable South African legislation in respect of historically disadvantaged persons (referred to in South Africa as being "BEE controlled"), entered into an agreement on 26 October 2010 with the then current holder of 26% of Turquoise Moon Trading 157 (Pty) Ltd ("TMT") to purchase that holder's right, title and interest in TMT for ZAR30 million (then approximately AUD4.4 million) ("TMT Sale Agreement"). The South African Department of Mineral Resources expressed its support of the transaction.

Note 13: Trade and other payables (continued)

Nelesco 684 (Pty) Ltd ("Nelesco"), a wholly owned subsidiary of the Company, entered into agreements with Mkhombi Investments and its holding company, Mkhombi AmaMato (Pty) Ltd ("AmaMato"), the terms of which provide for the following to take place:

a) Nelesco would be issued shares in Mkhombi Investments such that it holds an initial 32.17% interest in Mkhombi Investments, with the remaining 67.83% held by AmaMato;
b) AmaMato lent the sum of ZAR 7.5 million to Mkhombi Investments, to be applied as part of the purchase price under the TMT Sale Agreement. The advance, which was made as at 31 December 2010, does not attract interest and is only repayable in certain circumstances (namely, the failure of the conditions precedent set out in the Subscription Agreement, as defined below);
c) Nelesco lent the sum of ZAR 22.5 million to Mkhombi, to be applied as paying the balance of the purchase price under the TMT Sale Agreement. The advance, which was made as at 31 December 2010, does not attract interest and is repayable in certain circumstances (namely, the failure of the conditions precedent set out in the Subscription Agreement, as defined below);
d) Mkhombi Investments would issue shares and/ or Nelesco will transfer some of its shares in Mkhombi Investments so that 11.54% of Mkhombi Investment's shares on issue are held by a trust representing the locally impacted community, with the resulting shareholdings being AmaMato 60%, Nelesco 28.46%, and the locally impacted community 11.54%; and
e) AmaMato will, subject to the conditions precedent to the Subscription Agreement, as defined below, sell its entire right, title and interest in, and all of its claims against, Mkhombi Investments to Nelesco for ZAR 7.5 million (2012: A$863,250 / 2011:A$1,036,500).

A subscription agreement was entered into between the Company and AmaMato on 4 November 2010 (the "Subscription Agreement"). On completion of the Subscription Agreement (subject to the fulfilment of the conditions precedent to that agreement), AmaMato will subscribe for such number of shares in the Company as is equal to 7.8% of the issued shares at that time (the "First Subscription"). The price payable for the subscription of the Shares under the First Subscription will be ZAR 7.5 million.

AmaMato will also, on or before the later of (i) the date falling 10 business days after the Closing Date (as defined in the Subscription Agreement and extension to the Subscription Agreement) and (ii) 30 November 2012 (the "Subscription Period"), which period will be extended by the Company for a period of 1 year in the event that it raises not less than ZAR7.5 million in 2011, subscribe for a further 7.8% of the issued shares of the Company (calculated by reference to the issued share capital of the Company at the time of the First Subscription adjusted for any subsequent share splits, consolidations or bonus capitalisations) for a further ZAR 7.5 million.

The conditions precedent to the Subscription Agreement, include no insolvency event occurring, the granting of a mining right in respect of the Project, necessary South African Reserve Bank approvals and shareholder and other approvals required under the Corporations Act and the AIM/ASX listing rules, including shareholder approval.

In the event that the conditions precedent to the Subscription Agreement are not fulfilled by 1 November 2012, then AmaMato will have the right, for 60 days, to require Nelesco to purchase all of AmaMato's rights, title and interest in, and all its claims against, Mkhombi Investments for the price of ZAR 12.5 million.

Kofi Morna, a Director of Ferrum Crescent Limited ("Company"), is also a director of AmaMato and Mkhombi Investments. He became a Director of the Company during the 2011 financial year for the purposes of the above transaction. He holds an indirect non-controlling interest in AmaMato.

Upon completion of the Subscription Agreement, the Company will legally own directly and indirectly through its wholly owned subsidiary, Mkhombi Investments, 97% of Turquoise Moon Trading 157 (Pty) Ltd with the remaining 3% held by the GaSeleka Community. AmaMato will own 15.6% of the Company.

Note 13: Trade and other payables (continued)

In the opinion of the Directors, the conditions precedent to the Subscription Agreement are essentially procedural in nature, following the completion of the Company's capital raising of 10 million pounds Sterling ("GBP") (equal to approximately AUD 16 million) before expenses, completed on 16 December 2010. As such, while the Company's legal interest in the Moonlight Iron Ore Project increased from 74% to approximately 81.5%, the Directors hold an effective interest in the underlying project of 97% as at 31 December 2010 as a result of the minority purchase obligation.

Note 14: Financial liability

	2012 $	2011 $
Current		
Financial liability at fair value through profit and loss – forward subscription agreement	**95,379**	8,416,623
	95,379	8,416,623

The above liability will be settled in the Company's shares and not in cash.

As described above, in the opinion of the Directors, the remaining procedural conditions precedent under the Subscription agreement will be fulfilled within one year from balance date. Under the Subscription Agreement, the Company has agreed to issue shares to AmaMato equal to 15.6% of the issued share capital of the Company for ZAR15 million. The above financial liability, measured at fair value through profit and loss, represents the Company's best estimate of the fair value of this contractual arrangement. Refer to Note 25 for the Group's exposure to equity price risk on this amount. The gain on revaluation of the financial liability during the period amounts to $8,321,244 (2011 loss of $1,623,385) which has been recognised through the profit and loss.

Note 15: Provisions

	2012 $	2011 $
Employee benefits	**20,320**	6,794

Note 16: Issued Capital

		2012 No. of shares	2011 No. of shares	2012 $	2011 $
(a)	**Share Capital**				
	Ordinary Shares				
	Ordinary shares fully paid	**298,841,705**	298,691,705	**27,392,728**	27,392,728
	Employee share plan shares	**(6,595,000)**	(6,445,000)	**(509,905)**	(509,905)
		292,246,705	292,246,705	**26,882,823**	26,882,823

Capital management

When managing capital (which is defined as the Company's total equity), management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. As the equity market is constantly changing management may issue new shares to provide for future exploration and development activity. The Company is not subject to any externally imposed capital requirements.

Note 16: Issued Capital (continued)

(b) Movements in ordinary share capital

Date	Details	Number of shares	$
1 July 2010	**Opening balance**	**177,754,699**	**12,146,950**
8 July 2010	Issued shares resulting from 1:10 exchange of listed options	8,012,006	-
7 October 2010	Issued at 12 cents per share	10,000,000	1,200,000
30 November 2010	Issue of treasury shares with non-recourse loans	2,925,000	579,150
15 December 2010	Issued at 16 cents per share	100,000,000	15,419,411
	Costs associated with share issues	-	(1,952,783)
01 July 2011	**Opening Balance**	**298,691,705**	**27,392,728**
23 February 2012	Issued at 10 cents per share	150,000	-
30 June 2012	**Closing Balance**	**298,841,705**	**27,392,728**
	- Employee share plan shares on issue	(6,595,000)	(509,905)
		292,246,705	**26,897,823**

If, any time during the exercise period, an employee ceases to be the employee, all share options held by that employee will lapse one month after the employment end date. Therefore above employee shares are recognised in issued capital when issued to the employees.

(c) Movements in employee share plan shares issued with limited recourse employee loans

Date	Details	Number of shares	$
1 July 2010	Opening balance	3,870,000	-
	Issued during the year	2,925,000	579,150
	Employee shares sold during the year & repayment of loan	(350,000)	(69,245)
	On issue at end of year	**6,445,000**	**(509,905)**
1 July 2011	Opening balance	6,445,000	(509,905)
	Issued during the year	150,000	-
	Employee shares sold during the year & repayment of loan	-	-
	On issue at end of year	**6,595,000**	**(509,905)**

This account is used to record the value of shares issued under the Executive Share Incentive Plan (ESIP). The ESIP is accounted for as an “in-substance” option plan due to the limited recourse nature of the loan between employees and the Company to finance the purchase of ordinary shares. The total fair value of the “in substance” options issued under the plan is recognised as a share-based payment expense over the vesting period, with a corresponding increase in equity. Information on the valuation of shares issued under the ESIP during the period is disclosed in Note 19.

Notes to the consolidated financial statements (continued)
For the year ended 30 June 2012

Note 17: Listed Options

	2012 No of Options	2011 No of Options
Options		
At year end the following options were on issue:		
- 31 December 2013 Options exercisable at 40 cents per share	**21,496,727**	21,496,727
- 7 December 2013 Options exercisable at 10 cents per share	**2,950,000**	2,950,000
	24,446,727	24,446,727
Movements in 31 December 2013 Options		
Beginning of the financial year	**21,496,727**	101,616,729
Options issued during the year	**-**	-
Options cancelled during the year	**-**	(80,120,002)
End of the financial year	**21,496,727**	21,496,727
Movements in 7 December 2013 Options		
Beginning of the financial year	**2,950,000**	-
Options issued during the year	**-**	2,950,000
Options cancelled during the year	**-**	-
End of the financial year	**2,950,000**	2,950,000

Note 18: Reserves

	Share based payment reserve $	Option Reserve $	Foreign exchange reserve $	Equity reserve $	Total $
At 1 July 2010	-	1,136,062	109,455	-	1,245,517
Foreign currency translation	-	-	4,397	-	4,397
Options based payments expense	-	268,363	-	-	268,363
Share based payments expense	340,602	-	-	-	340,602
Share based payments transferred to issued capital	(579,150)	-	-	-	(579,150)
Repayment of employee loans	69,245	-	-	-	69,245
Share based payment to locally impacted community	-	-	-	1,092,565	1,092,565
Acquisition of non-controlling interest				(11,218,637)	(11,218,637)
At 30 June 2011	**(169,303)**	**1,404,425**	**113,852**	**(10,126,072)**	**(8,777,098)**
Currency translation differences	-	-	11,872	-	11,872
Cost associated with Shares issued employee share incentive scheme	3,183	-	-	-	3,183
At 30 June 2012	**(166,120)**	**1,404,425**	**125,724**	**(10,126,072)**	**(8,762,043)**

Note 18: Reserves (continued)

Nature and purpose of reserves

Share based payments reserve
This reserve is used to record the value of equity benefits provided to employees, consultants and directors as part of their remuneration.

Options reserve
This reserve is used to record the value of options issued, other than share-based payments to directors, employees and consultants as part of their remuneration.

Foreign Currency Translation Reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Equity Reserve
The Equity reserve is used to record the acquisition of the non-controlling interest by the Group and to record differences between the carrying value of non-controlling interests and the consideration paid / received, where there has been a transaction involving non-controlling interests that do not result in a loss of control.
The reserve is attributable to the equity of the parent.

Note 19: Accumulated losses

	2012 $	2011 $
Accumulated losses at the beginning of the financial year	**(20,517,734)**	(12,375,940)
Net profit / (loss) for the reporting period	**4,479,716**	(8,141,794)
Accumulated losses at the end of the financial year	**(16,038,018)**	(20,517,734)

Note 20: Share Based Payments

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	2012 $	2011 $
Options issued in consideration for services (i)	**-**	268,363
Amounts expensed for shares issued under the Company's Executive Share Incentive Plan (ii)	**3,183**	340,602
Share based payment - in respect of Moonlight Iron Ore Project (refer note 12)	**-**	1,092,565
	3,183	1,701,530

(i) Options issued in consideration for services

On 30 November 2010, the Company issued 2,950,000 options with an exercise price of 19.80 cents to employees as approved by then shareholders meeting held on 30 November 2010. There are no voting rights attached to the options and they may be exercised from 7 December 2011.

Note 20: Share Based Payments (continued)

Fair value of options granted

The fair value at grant date of options issued is determined using a binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

There were no options issued in 2012.

The table below summarises the model inputs (post consolidation) for options granted during the period year ended 30 June 2011:

Options granted for no consideration	2,950,000
Exercise price (AUD cents)	19.80
Issue date	30 November 2010
Expiry date	7 December 2013
Underlying security spot price at grant date (AUD cents)	18
Expected price volatility of the Company's shares	92.0% - 95.0%
Expected dividend yield	0%
Expected life	1.51 – 2.27
Risk-free interest rate	4.80% - 4.85%
binomial model valuation per option (AUD cents per share)	7.8 - 9.3

The expected price volatility is based on the historic volatility of the Company's share price in the market.

(ii) Shares issued under the Executive Share Incentive Plan (ESIP)

Executive Share Incentive Plan
Under the plan, eligible employees are offered shares in The Company at prices determined by the Board. The Board has the ultimate discretion to impose special conditions on the shares issued under the ESIP and can grant a loan to a participant for the purposes of subscribing for plan shares. Shares issued under loan facilities are held on trust for the benefit of the participant and will only be transferred into the participant's name once the loan has been fully repaid. ESIP participants receive all the rights associated with the ordinary shares.

Loans granted to participants are limited recourse and interest free unless otherwise determined by the Board. The loans are to be repaid via the application of any dividends received from the shares and/or the sale of the plan shares. Where the loan is repaid by the sale of shares, any remaining surplus on sale is remitted to the participant while any shortfall is borne by the Group.

Note 20: Share Based Payments (continued)

(ii) Shares issued under the Executive Share Incentive Plan (ESIP) (continued)

During the prior reporting period, the Company issued the following shares under the ESIP:

1. 350,000 shares at 19.8 cents per share to Mr Robert Van der Laan, Chief Financial Officer, on 30 November 2010 after shareholder approval.
2. 350,000 shares at 19.8 cents per share to Mr Lindsay Cahill, Mine Services Manager, on 30 November 2010 after shareholder approval.
3. 500,000 shares at 19.8 cents per share to Mr Grant Button, Non-executive director, on 30 November 2010 after shareholder approval.
4. 75,000 shares at 19.8 cents per share to Ms Theresa Miloseski, Administration Officer, on 30 November 2010 after shareholder approval.
5. 500,000 shares at 19.8 cents per share to Mr Robert Hair, Company Secretary, on 30 November 2010 after shareholder approval.
6. 350,000 shares at 19.8 cents per share to Mr Christian Kunze, Engineering Manager, on 30 November 2010 after shareholder approval.
7. 200,000 shares at 19.8 cents per share to Mr Andrew Nealon, Joint Company Secretary, on 30 November 2010 after shareholder approval.
8. 600,000 shares at 19.8 cents per share to Mr Ed Nealon, Non-Executive chairman, on 30 November 2010 after shareholder approval.

During the reporting period, the Company issued the following shares under the ESIP:

1. 150,000 shares at 10 cents per share to Ms Jackie Barry, Administration Officer, on 23 February 2012 after shareholder approval.

The above shares vest as follows:

- one third of shares vest after 12 months;
- one third of shares vest after 24 months; and
- one third of shares vest after 36 months.

If any time during the exercise period an employee ceases to be the employee, all options held by that employee vest immediately and will lapse one month after the employment end date. As such, there is not considered to be any service conditions attaching to the grant of shares under the ESIP, and the full expense is recognised at grant date.

Fair value of award granted

Shares granted under the ESIP are accounted for as “in-substance” options due to the limited recourse nature of the loan between the employees and the Company to finance the purchase of ordinary shares. The fair value at grant date for the various tranches of rights issued under the ESIP is determined using a binomial model using the following model inputs:

	2012	**2011**
Shares issued	150,000	2,925,000
Loan price per share (AUD cents)	10.00	19.80
Valuation date	23 February 2012	7 December 2010
Loan expiry date	25 February 2015	7 December 2014
Underlying security spot price at valuation date (AUD cents)	10	18
Expected price volatility of the Company’s shares	89%	89%
Expected dividend yield	0%	0%
Expected life	3.00	4.02
Risk-free interest rate	2.1%	4.95%
binomial model valuation per share (AUD cents per share)	10.00	11.6

Note 21: Commitments

(i) At this stage the the Company has no minimum obligations with respect to tenements expenditure requirements.

(ii) Operating lease commitments are as follows:

	2012	2011
	$	$
Within 1 year	**34,780**	35,722
2 to 3 years	**60,865**	-
Total	**95,645**	35,722

The Company disposed of its Australian tenements during 2011 and whilst the Company still holds tenements in South Africa, expenditure commitments in relation to these tenements have been met. The Company has converted their South African prospecting rights into mining rights and applied for new prospecting rights over adjacent land. The Company is subject to new commitments in relation to mining and prospecting expenditure.

A subsidiary of the Group entered into a 36 month commercial office lease on 01 April 2012, with an 8% annual escalation, for their head office in Johannesburg, South Africa. The value of the lease has been annualised over the life of the Lease agreement as per the above.

Note 22: Contingent liabilities

There are no contingent liabilities as at 30 June 2012 other than an obligation under the BEE transaction (detailed in note 13) to buy out the BEE shareholding in Mkhombi Investments for ZAR 12.5 million, should one or more of the subscription agreement conditions not be met by the Company. Should this occur and the Company not make alternative arrangements, the Company's holding in the Moonlight Iron Ore Project could cease to be in compliance with the BEE requirements of the MPRDA. The Company believes this to be an unlikely scenario and in any event would endeavour to make alternative arrangements in order to remain compliant with the MPRDA.

Note 23: Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Subsidiaries

The consolidated financial statements include the financial statements of Ferrum Crescent Limited and the subsidiaries listed in the following table.

		% Beneficial Equity Interest	
Name	**Country of Incorporation**	**2012**	**2011**
Ferrum Metals Pty Ltd	Australia	**100**	100
Batavia Ltd	Mauritius	**100**	100
Nelesco 684 (Pty) Ltd	South Africa	**100**	100
Turquoise Moon Trading 157 (Pty) Ltd	South Africa	**97.14**	97.14
Mkhombi Investments (Pty) Ltd	South Africa	**88.46**	88.46

Ferrum Crescent Limited is the ultimate Australian parent entity and the ultimate parent of the Group. Transactions between Ferrum Crescent Limited and its controlled entities during the year consisted of loan advances by Ferrum Crescent Limited. All intergroup transactions and balances are eliminated on consolidation.

Note 23: Related party transactions (continued)

Loans to / (from) related parties

The following transactions were undertaken between the Company, executive officers and director-related entities during 2011 and 2012

	2012 $	2011 $
Consulting secretarial fees were paid to Athlone International Consultants Pty Ltd, a company with which Andrew Nealon is associated	**45,000**	71,667
Consulting secretarial fees were paid to Camcove Pty Ltd, a company of which Robert Hair is a director and shareholder	**249,000**	164,364
Consulting fees were paid to T.C Droste Investments Pty Ltd, a company of which Ted Droste is a director and shareholder	**90,000**	82,500
Director fees were paid to Nesongozwi Mining Corp Ltd, a company of which Matodzi Nesongozwi is a director and shareholder	**-**	18,000
Consulting fees were paid to Torbinup Resources Pty Ltd, a company of which Lindsay Cahill is a director and shareholder	**29,756**	90,119

Kofi Morna, a Director of the Company, is also a director and shareholder of Mkhombi AmaMato, who, prior to entering into the BEE subscription agreement had a majority interest in Mkhombi Investments. Upon completion of the subscription agreement detailed in the review of operations section and Note 12 above, Mkhombi AmaMato will directly own 15.6% or approximately 55,208,419 shares in the Company.

Note 24: Cash flow information

	2012 $	2011 $
Reconciliation of cash flow from operations with (loss) / profit from ordinary activities after income tax		
Profit / (loss) from ordinary activities after income tax	**4,479,716**	(8,141,794)
Impairment of available for sale investments	**-**	-
Depreciation	**38,322**	17,586
Loss / (profit) on sale of plant and equipment	**1,074**	2,240
Profit on sale of available for sale financial assets	**-**	(665,242)
Loss / (profit) on remeasurement of financial liability	**(8,321,244)**	1,623,285
Share based payment compensation	**3,183**	1701,530
Net exchange differences	**11,140**	73,398
Changes in assets and liabilities		
(Increase)/ decrease in receivables	**31,648**	(141,937)
(Increase) / decrease in other operating assets	**(144,297)**	(74,422)
Increase / (decrease) in payables and other liabilities	**(713,675)**	604,190
Increase/(decrease) in provisions	**13,526**	(94,688)
Cash flows from operations	**4,600,607**	(5,095,754)

Note 25: Financial risk management objectives and policies

The Group's principal financial instruments comprise cash, short term deposits, held-for-trading and derivative instruments.

The main purpose of the financial instruments is to finance the Group's operations. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities, is set out in the following table. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The Group has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total	Interest Rate Risk Sensitivity -10% Profit	Equity	+10% Profit	Equity
	%	$	$	$	$	$	$	$	$
2012									
Financial Assets									
Cash	**3.06%**	**2,670,600**	**413,717**	**255,760**	**3,340,076**	**(20,951)**	**(20,951)**	**20,951**	**20,951**
Trust deposits	**0.11%**	**1,151**	**-**	**38,318**	**39,469**	**-**	**-**	**-**	**-**
Receivables	**0.54%**	**74,258**	**-**	**54,189**	**128,447**	**-**	**-**	**-**	**-**
Investments	**0.75%**	**144,297**	**-**	**-**	**144,297**	**(108)**	**(108)**	**108**	**108**
Total Financial Assets		**2,890,306**	**413,717**	**348,267**	**3,652,289**				
Financial Liabilities									
Trade and other payables		**-**	**-**	**1,212,832**	**1,212,833**	-	-	-	-
Financial liability		**-**	**-**	**95,379**	**95,379**	**476**	**476**	**(476)**	**(476)**
Total Financial Liabilities		**-**	**-**	**1,308,211**	**1,308,212**				
2011									
Financial Assets									
Cash	3.37%	6,646,480	-	1,469,529	8,116,009	(201,587)	(201,587)	201,587	201,587
Receivables		-	-	42,842	42,842	-	-	-	-
Available-for-sale investments		-	-	283,725	283,725	-	-	-	-
Total Financial Assets		6,646,480	-	1,796,096	8,442,576				
Financial Liabilities									
Trade and other payables		-	-	2,099,706	2,099,706	-	-	-	-
Financial liability		-	-	8,416,623	8,416,623	-	-	-	-
Loans and borrowings		-	-	50	50	-	-	-	-
Total Financial Liabilities		-	-	10,516,379	10,516,379				

Note 25: Financial risk management objectives and policies (continued)

(a) Interest Rate Risk (continued)

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A -10% sensitivity would move short term interest rates at 30 June 2012 from around 2.85% to 2.57% representing a 28 basis point downwards shift (19.60 basis points net of tax).

Based on the sensitivity analysis mainly interest revenue from variable rate deposits, cash balances and investment is impacted resulting in a decrease or increase in overall income.

(b) Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current exploration and administration commitments, through the continuous monitoring of actual cash flows.

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements.

	Less than 1 month %	**1 – 3 months $**	**3 months – 1 year $**	**1 – 5 years $**	**5+ years $**	**Total $**
2012						
Financial liabilities:						
Non-interest bearing	**-**	**(349,582)**	**(863,250)**	**-**	**-**	**(1,212,832)**
	-	**(349,582)**	**(863,250)**	**-**	**-**	**(1,212,832)**
2011						
Financial liabilities:						
Non-interest bearing	-	(1,063,206)	(1,036,550)	-	-	(2,099,756)
	-	(1,063,206)	(1,036,550)	-	-	(2,099,756)

The previous table does not include the forward subscription agreement liability as the amount will be settled in shares and not in cash.

(c) Credit Risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Company is exposed to credit risk from its operating activities, financing activities including deposits with banks. The credit risk control procedures adopted by the Company is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally limited to the carrying amount.

Cash is maintained with National Australia Bank and the Standard Bank of South Africa.

Note 25: Financial risk management objectives and policies (continued)

(d) Foreign Exchange Risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows, excluding forward subscription agreement obligation the sensitivity for which is disclosed in section (e) below:

	Liabilities		**Assets**	
	2012	2011	**2012**	2011
	$	$	**$**	$
Great British Pounds (GBP)	**6,149**	-	**187,153**	831,023
South African Rand (ZAR)	**1,043,987**	1,904,801	**767,836**	2,508,485
United States dollars (US)	**4,806**	25,222	**2,999**	2,922

Foreign currency sensitivity analysis

The Group is exposed to Great British Pound (GBP), United States (US) and South African Rand (ZAR) currency fluctuations.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian Dollar (AUD) against the relevant currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

The sensitivity analysis includes cash balances held in GBP, external loans as well as loans to foreign operations within the Group held in ZAR and US but denominated and repayable in AUD which give rise to a foreign currency gain or loss on revaluation. A positive number indicates an increase in profit and other equity where the AUD strengthens against the ZAR. In relation to cash balances held in GBP a positive number indicates an increase in profit and other equity where the Australian Dollar strengthens against the respective currency. For a weakening Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

		2012		2011	
		Profit / (loss)	**Equity increase / (decrease)**	Profit / (loss)	Equity increase / (decrease)
		$	**$**	$	$
AUD strengthens	- ZAR	**(27,615)**	**27,615**	125,148	(125,148)
10%	- GBP	**18,100**	**(18,100)**	82,057	(82,0570
	- US	**(181)**	**181**	2,230	(2,230)
AUD weakens	- ZAR	**27,615**	**(27,615)**	(125,148)	125,148
10%	- GBP	**(18,100)**	**18,100**	(82,057)	82,057
	- US	**181**	**(181)**	(2,230)	2,230

Note: foreign currency gains or losses on intercompany loans are transferred to equity in accordance with Note 18. Therefore there is no impact on profit.

Note 25: Financial risk management objectives and policies (continued)

(e) Fair value

The fair value of a financial asset or financial liability is the amount at which the asset could be exchanged or liability settled in a current transaction between willing parties after allowing for transaction costs.
The fair values of cash, trade and other receivables and trade and other payables approximate their carrying values, as a result of their short maturity or because they carry floating rates.

(i) Fair value of financial instruments measure at fair value
Last financial year the Group entered into a forward subscription agreement, details of which are provided in Note 12. This agreement requires the Company to issue a variable number of shares in exchange for ZAR 15 million. A change in the Group's share price impacts the value of the subscription agreement obligations and as a result the Group is exposed to equity price risk.

For financial instruments carried at fair value the Group adopts various methods in estimating fair value. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in an active market
Level 2 – the fair value is estimated using inputs other than quoted prices included in the Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

For financial instruments not quoted in active markets, the Group uses valuation techniques such as other relevant models used by market participants which may include inputs derived from quoted prices in an active market (Level 2). This valuation techniques use both observable and unobservable market inputs. The fair value of this the forward subscription agreement is based on this valuation technique.

The following table details the Group's sensitivity to a 10% increase and decrease in the share price of the Company (AUD) against the forward subscription agreement obligation (2012: $95,379: 2011:$8,416,623), which is designated as "Level 2". 10% represents management's assessment of the possible change in the Company's share price. The sensitivity analysis includes only the forward subscription obligation which is equity settled and adjusts the obligation at the period end for a 10% change in the share price of the Company.

(i) Fair value of financial instruments measure at fair value (continued)

	2012		2011	
	Profit / (loss)	**Equity increase / (decrease)**	Profit / (loss)	Equity increase / (decrease)
	$	**$**	$	$
+ 10%	**(182,187)**	**182,187**	(1,048,960)	1,048,960
- 10%	**182,187**	**(182,187)**	1,048,960	(1,048,960)

The following table details the Group's sensitivity to a 10% increase and decrease in the AUD/ZAR exchange rate against the forward subscription agreement obligation. 10% represents management's assessment of the possible change in foreign currency rates. The sensitivity analysis includes only the forward subscription obligation which is equity settled and adjusts the obligation at the period end for a 10% change in foreign currency rates.

	2012		2011	
	Profit / (loss)	**Equity increase / (decrease)**	Profit / (loss)	Equity increase / (decrease)
	$	**$**	$	$
+ 10%	**(156,953)**	**156,953**	(188,452)	188,452
- 10%	**156,953**	**(156,953)**	188,452	(188,452)

Note 26: Parent Entity Information

	2012 **$**	2011 $
Current assets	**2,869,355**	7,308,975
Total assets	**3,095,003**	7,310,598
Current liabilities	**281,460**	198,013
Total liabilities	**281,460**	8,614,636
Issued capital	**24,647,262**	31,440,500
Retained earnings	**(23,991,990)**	(35,992,192)
Reserves	**2,158,272**	3,247,654
Total shareholders' equity	**2,813,543**	11,430,110
Profit / (loss) of the parent entity	**10,907,638**	(18,702,775)
Total comprehensive income	**10,907,638**	(18,702,775)

On 30 November 2009, Ferrum Crescent Limited (formerly Washington Resources Ltd) ("FCR") completed the legal acquisition of Ferrum Metals Limited (formerly Ferrum Crescent Limited) ("FML"). Under the terms of AASB 3 Business Combinations (Revised), FML was deemed to be the accounting acquirer in the business combination. The transaction was therefore accounted for as a reverse acquisition. The Parent entity therefore has issued capital of $31,440,500 as opposed to the Group's consolidated issued capital of $27,392,728. For further details please refer to the disclosures contained within the 30 June 2010 financial report.

There have been no guarantees entered into by the parent entity in relation to any debts of its subsidiaries.

The parent entity has no contingent liabilities as at 30 June 2012 (2011: Nil)

Note 27: Subsequent events

At a meeting on 8 August 2012 it was ratified that the "Remuneration Sacrifice Share Plan" was approved and that some liabilities existing at 30 June 2012 will be settled in shares during the 2013 financial year.

On 18 July 2012 the Momentum Investment policy was ceded to Constantia Insurance Company as collateral to cover the value of R7,517,000 for the guarantee issued by them to the DMR (Department of Minerals and Resources) for the Mine Rehabilitation provision.

Ferrum Crescent Limited

A.C.N. 097 532 137

Directors Declaration

In the opinion of the directors of Ferrum Crescent Limited :

(a) the financial statements and notes set out on pages 37 to 87 are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position of the Company as at 30 June 2011 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

  (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2 (b); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the year ending 30 June 2012.

This declaration is made in accordance with a resolution of the directors.

G Button
Financial Director
Perth
26 September 2012

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Independent auditor's report to the member of Ferrum Crescent Limited

Report on the financial report

We have audited the accompanying financial report of Ferrum Crescent Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included on page 90 of the financial report

Opinion

In our opinion:

a. the financial report of Ferrum Crescent Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the remuneration report

We have audited the Remuneration Report included in pages 8 to 16 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Ferrum Crescent Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

F Drummond
Partner
Perth

26 September 2012

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Auditor's Independence Declaration to the Directors of Ferrum Crescent Limited

In relation to our review of the financial report of Ferrum Crescent Limited for the year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

F Drummond
Partner
Perth

26 September 2012

ASX Requirements

Distribution schedules of shareholders and statements of voting rights are set out in Table 1, whilst the Company's top twenty shareholders are shown in Table 2. Substantial shareholder notices that have been received by the Company are set out in Table 3 and the tenement schedule as at 30 June 2012 is set out in Table 4:-.

Table 1
Shareholder spread

Ordinary shares, with right to attend meetings and vote personally or by proxy, through show of hands and, if required, by ballot (one vote for each share)

1-1,000	37
1,001-5,000	53
5,001-10,000	92
10,001-100,000	215
100,001 - and over	133
Total holders of ordinary shares	530
Total number of ordinary shares	298,841,705

Options, with no right to attend meetings or vote personally or by proxy

1-1,000	3
1,001-5,000	10
5,001-10,000	19
10,001-100,000	23
100,001 - and over	22
Total holders of option holders	77
Total number of options	21,496,727

Table 2
Top twenty shareholders

Shareholder	***Number of shares***	***Percentage***
1. Goldman Sachs Securities (Nominees) Ltd <ILSEG>	27,169,081	9.26%
2. Barclayshare Nominees Ltd	23,685,392	8.07%
3. National Nominees Ltd	18,428,390	6.28%
4. Rathbone Nominees Ltd	11,312,439	3.85%
5. Vestra Nominees Ltd <SIPP>	10,799,164	3.68%
6. Apollinax Inc	7,184,203	2.45%
7. Nutraco Nominees Ltd <UKREITS>	5,955,725	2.03%
8. HSBC Custody Nominees (Australia) Ltd	5,585,970	1.90%
9. Padstock Ltd	4,809,763	1.64%
10. JP Morgan Nominees Australia Ltd <Cash Income A/C>	4,617,331	1.57%
11. TD Direct Investing Nominees (Europe) Ltd <SMKTNOMS>	4,404,469	1.50%
12. The Bank of New York (Nominees) Ltd <UKREITS>	4,000,000	1.36%
13. Brewin Nominees (Channel Islands) Ltd <MESSE011>	3,254,000	1.11%
14. Roy Nominees Ltd <441960>	2,807,000	0.96%
15. Sorrel Enterprises Ltd	2,750,000	0.94%
16. Goldman Sachs International <CREPTEMP>	2,750,000	0.94%
17. Vestra Nominees Ltd <CORE>	2,715,154	0.93%
18. Securities Services Nominees Ltd <2078200>	2,621,217	0.89%
19. Citicorp Nominees Pty Ltd	2,620,425	0.89%
20. Vestra Nominees Ltd <ISA>	2,501,565	0.85%

ASX Requirements (continued)

Table 3
Substantial shareholders

Shareholder	***Number of shares***	***Percentage***
1. Goldman Sachs Securities (Nominees) Ltd <ILSEG>	27,169,081	9.26%
2. Barclayshare Nominees Ltd	23,685,392	8.07%
3. National Nominees Ltd	18,428,390	6.28%

Voting Rights

The voting rights attached to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Table 4
Tenement schedule as at 30 June 2011:

Project	Tenement Number	Tenement Status	Holder	Percentage Interest
Moonlight	30/5/1/2/2/201 MR	Granted	Turquoise Moon Trading 157 (Pty) Ltd	81.4%
Moonlight/De Loskop	30/5/1/1/2/0402/PR	Has lasped	Turquoise Moon Trading 157 (Pty) Ltd	81.4%

JSE Limited Requirements

Headline earnings reconciliation	**2012 $**	**2011 $**
Profit / (loss) attributable to ordinary equity holders of the parent entity	4,479,716	(8,141,794)
Add back goodwill written off		
Add back IAS 16 loss on the disposal of plant and equipment	1,074	-
Less profit on sale of available for sale investments	-	(665,242)
Less profit on sale of Tenements	-	(600,000)
Headline earnings	**4,480,790**	**(9,407,036)**
Basic profit / (loss) per share	4,479,716	(8,141,794)
Weighted average shares in issue	292,246,705	245,275,224
Basic profit / (loss) per share (cents)	**1.53**	**(3.32)**
Headline profit / (loss)	4,480,790	(9,407,036)
Weighted average shares in issue	292,246,705	245,275,224
Headline profit / (loss) per share (cents)	**1.53**	**(3.84)**