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Media ASX Announcement

To: Company Announcements Office
Australian Securities Exchange
Level 4 Exchange Centre
20 Bridge Street
Sydney NSW 2000



ASX: FCR

Shareholders' meeting to seek approval to cancel listed options

HIGHLIGHTS

- **Ferrum to seek shareholder approval to cancel listed options**
- **General meeting to be held at the Celtic Club Inc, 48 Ord Street, West Perth on 21 June 2010 at 10am**
- **Subject to shareholder approval, holders of listed options are to be offered one fully paid ordinary share for every ten listed options they hold**
- **Up to 10,161,673 shares may be issued under the offer, which is to be the subject of a prospectus to be issued on or about 28 May 2010**
- **Ferrum to consider listing on the London Stock Exchange's AIM (Alternative Investments Market) board to take advantage of capital market interest in African iron ore projects**
- **Shareholder approval will also be sought under Listing Rule 7.1 for the issue of up to 50 million shares, which would only be issued if the Company lists on AIM**
- **Capital to be raised to be used for the purposes of the Turquoise Moon Iron Project in the Limpopo Region of South Africa.**

Company seeks shareholder approval to cancel listed options

The Directors of Ferrum Crescent Limited (“Ferrum” or “the Company”) are pleased to announce that a general meeting of shareholders will be held commencing at 10am on 21 June 2010, where shareholder approval will be sought to cancel up to 101,616,729 listed options.

Subject to the receipt of shareholder approval, the holders of the Company’s listed options will be offered one new fully paid Ferrum share for every ten listed options that they hold. If such approval is obtained, up to 10,161,673 new shares would be issued in return for those options.

The Board has given consideration to the large number of options on issue and believes that:

- a simplification of the Company’s capital structure (by cancelling listed options in return for shares) would make Ferrum more attractive for investors in Australia and in other international jurisdictions, such as the Alternative Investments Market (“AIM”) in London, and, while the Directors have not yet resolved to proceed, the Company is considering applying for admission of its shares for trading on the AIM market; and
- the potential for 101,616,729 Options to be exercised has (or may have) created the perception amongst some market participants of (and, the Company believes, is likely to be perceived in the AIM market as resulting in) an overhang of supply in the Company's shares which may have a negative impact on the Company’s share price, and the removal of a portion of the options on issue may alleviate this.

Though Ferrum is an Australian company, its principal asset, the Turquoise Moon Iron Project, is situated in the Republic of South Africa, and the Directors believe that the Company must consider other markets as well as the ASX to raise funds to carry out this project.

The Company proposes to make offers to listed option holders (which will be contained in a prospectus – as it involves an offer of Shares) as soon as practicable. It is currently expected that offers will be made by 28 May 2010, and that those offers will close on or about 28 June 2010. (However, these dates are indicative only, and are subject to change). Each of those offers will be conditional upon shareholders at the general meeting approving the resolution in relation to cancellation of the options – if this resolution is not passed, then each of those offers to listed option holders will lapse and be of no further force or effect (whether or not they have been accepted).

Holders of listed options will not be eligible to vote in respect of the resolution in relation to cancellation of the options, as is required by the ASX Listing Rules.

The Company is likely to still consider applying for admission on AIM whether or not the options offer proceeds (though it believes the Company will be viewed more favourably by investors in that market if the capital structure of the Company can be streamlined by way of the proposed cancellation of options).

Future issue of shares

As set out above, the Company is considering applying for admission of its shares on AIM and the Board has not yet resolved to proceed with such application. However, if it does, it is likely to conduct a capital raising in the United Kingdom in conjunction with the application for admission to trading on AIM.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period. As the number of shares that the Company may wish to issue, if it proceeds with the proposed application for admission to trading on AIM, may exceed the 15% limit, shareholder approval will be sought at the upcoming general meeting for the allotment and issue of 50,000,000 Shares in conjunction with any application for admission to trading on AIM (“**Future Share Issue**”).

The effect of the approval, if it is obtained, will be to allow the Directors to issue the shares pursuant to the Future Share Issue during the period of 3 months after the general meeting (or a longer period, if allowed by ASX), without using the Company’s 15% annual placement capacity. The Company will only issue shares in accordance with the shareholder approval if the Company makes an application for admission of the Company’s securities to trading on AIM.

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