

27 February 2013

**Ferrum Crescent Limited**  
**(“Ferrum Crescent”, the “Company” or the “Group”) (ASX:FCR, AIM:FCR, JSE:FCR)**  
**Process Engineering Agreement Signed With Danieli C. Officine MeccanicheS. p.A.**

**Moonlight Iron Ore Project – South Africa:**

Ferrum Crescent Limited, the ASX, AIM and JSE quoted iron ore developer in Northern South Africa, today announces that it has signed an agreement (“the Agreement”) with DANIELI C. Officine MeccanicheS. p.A. (“Danieli”), one of the largest three suppliers of plant and equipment to the metals industry worldwide, for the Italian based group to fulfil the process engineering and associated technical services to be used for the bankable feasibility study (“BFS”) in process at the Moonlight Iron Ore Project in South Africa.

**Highlights:**

- Ferrum enters into agreement with giant Italian iron and steel making technology and equipment supplier, Danieli.
- Danieli to act as process engineer in BFS and in that capacity to supply process engineering and other associated technical services:
  - Beneficiation Plant (“BP”) design at proposed Moonlight open pit mine location comprising crushing, grinding and beneficiation, tailings storage
  - Pelletising Plant (“PP”) design, to produce direct reduction (“DR”) grade pellet at a railhead for further conveyance
  - Laboratory testing and process work on Moonlight iron ore to define and confirm the most suitable process configuration of the BP and PP to produce high quality DR grade pellet (based on metallurgical testwork).
- Additional engineering providers will be secured by Ferrum for other components of the BFS (such as mine design).
- Analysis by Ferrum of final pellet plant construction location and related infrastructure near completion.

Danieli will carry out the role of process engineer in the BFS and develop a full process engineering analysis and final study for the beneficiation plant and the pelletising plant build. It is anticipated that Moonlight will be developed as an open-pit mine (using contract miners) with on-site concentrate production. A slurry concentrate pipeline is to be built to transport concentrate from beneficiation to the pelletising plant near existing railhead, with return water to Moonlight. The pelletising plant to produce 6Mtpa of iron ore oxide pellets for international and domestic markets is planned with a production of both direct reduction and blast furnace grade.

Ferrum has sufficient confidence that the various upgrades to infrastructure that have been announced by the South African government and by its statutory enterprises such as Transnet and Eskom will allow Ferrum to export its product through Richards Bay and be in production by 2018. These upgrades to rail and port in particular are strategically necessary to unlock the value of the Waterberg Region, where the country's most significant remaining coal reserves are situated. For this reason, rail, power, water and port facilities are all being upgraded as a matter of national priority. In addition, initial scoping financial models of the entire project indicate an attractive business case which encourages the Company to progress completion of the BFS over the next 12 to 18 month period.

**Commenting today Ed Nealon, Chairman, said:** "We are delighted to enter into this relationship with Danieli, one of the pre-eminent suppliers of plant and equipment in our industry. Danieli has the expertise required to complete the processing engineering side of the Moonlight Project. It is now incumbent on us to secure the services of one or more engineering groups to supply the other external expertise needed to complete the BFS. Today's Danieli Agreement, combined with that reached with Offtake partners Duferco SA, provide Ferrum with the backing to pursue development of a viable project, located near infrastructure routes, capable of producing a DR grade iron ore oxide product. Our work concluding the final pelletiser plant location and route to market analysis is also near conclusion and we look forward to announcing an update shortly."

For more information, please visit [www.ferrumcrescent.com](http://www.ferrumcrescent.com) or contact:

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