



3 August 2010

Mr Nicholas Ong
Principal Adviser, Issuers
ASX Markets Supervision Pty Ltd
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Nicholas

I refer to your letter of 2 August 2010 concerning the recently released appendix 5B.

In response to your questions:

1. *It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?* The Company has previously announced that it intends to carry out capital raising activities, including by way of capital raising that may be associated with a listing on the AIM market. If those capital raising activities (hypothetically) were to result in raising less than is required to fund the activities that are currently planned (and as referred to in the appendix 5B), then the program would be modified accordingly so as to be fully funded. The appendix 5B reflects the position as at the end of the previous quarter and does not provide the opportunity to specify what capital raising activities are planned or proposed. It is therefore not possible to conclude from the appendix 5B that the Company may not have sufficient funds to fund its activities for the quarter.
2. *Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?* The Company does not expect in the future to have negative operating cashflows similar to that reported in the appendix 5B. The appendix 5B does not provide the opportunity to specify what capital raising activities are planned or proposed.
3. *What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?* The Company has previously announced that it intends to carry out capital raising activities, including by way of capital raising that may be associated with a listing on the AIM market. Capital raising activities are being planned, and the results will be announced as soon as they are carried out.
4. *Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?* The Company is in compliance with the Listing Rules, including Listing Rule 3.1.



5. *Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.* The Company has previously announced that it intends to carry out capital raising activities, including by way of capital raising that may be associated with a listing on the AIM market. Capital raising activities are being planned, and the results will be announced as soon as they are carried out. If those capital raising activities (hypothetically) were to result in raising less than is required to fund the activities that are currently planned (and as referred to in the appendix 5B), then the program would be modified accordingly so as to be fully funded. The Company will have sufficient funds to implement its plans.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Robert Hair', written over a horizontal line.

Robert Hair
Company Secretary



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2 August 2010

Mr Robert Hair
Company Secretary
Ferrum Crescent Limited
Unit 1, 135 Great Eastern Highway
Rivervale WA 6103

By e-mail: bob@camcove.com.au

Dear Robert,

Ferrum Crescent Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 June 2010, released to ASX Limited ("ASX") on 30 July 2010 ("Appendix 5B").

ASX notes that the Company has reported the following:

1. Net negative operating cash flows for the quarter of \$1,374,000;
2. Cash at end of quarter of \$491,000; and
3. Estimated cash outflows for next quarter for exploration and evaluation, development and administration of \$700,000.

Notwithstanding the note in the Appendix 5B regarding use of future revenues to cover cash outflows, in light of the above figures, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by fax on **facsimile number 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 5.00pm W.S.T. on Wednesday, 4 August 2010**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please contact me on 9224 0017.

Yours sincerely,



Nicholas Ong
Principal Adviser, Issuers (Perth)