

## Media Statement

Wednesday 16 June 2010

### Major Upgrade Underpins PFS at FerrAus Pilbara Project

- 116% Increase In Indicated and Measured Iron Ore Resources
- Total Resources Now 297.2mt
- Targeting 400 Million Tonnes of Resources by end 2010

FerrAus Limited (ASX: FRS) announces a 116% increase in its measured and indicated resources at its FerrAus Pilbara Project in Western Australia.

The resource total for the Project has now reached 297.2 million tonnes, up 7% on the previous resource statement (4 March 2010).

#### FerrAus Pilbara Project – Iron Ore Resource Inventory June 2010

Area	JORC (2004) Resource Category	Million Tonnes	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)	Ca Fe (%)
<b>High Grade Resources (+55% Fe)</b>								
Robertson Range	Measured	23.4	58.93	4.54	2.71	0.109	7.69	63.84
	Indicated	20.7	58.98	5.40	2.99	0.104	6.48	63.07
	Inferred	10.6	58.11	6.56	3.37	0.097	6.15	61.93
	<b>Total</b>	<b>54.6</b>	<b>58.79</b>	<b>5.26</b>	<b>2.94</b>	<b>0.105</b>	<b>6.93</b>	<b>63.18</b>
Davidson Creek	Measured	9.5	58.10	4.31	2.83	0.078	9.12	63.90
	Indicated	91.6	58.70	4.44	2.43	0.082	8.63	64.20
	Inferred	38.7	57.96	4.77	2.82	0.096	8.67	63.49
	<b>Total</b>	<b>139.8</b>	<b>58.46</b>	<b>4.52</b>	<b>2.57</b>	<b>0.086</b>	<b>8.68</b>	<b>63.98</b>
<b>Total (+55% Fe)</b>		<b>194.4</b>	<b>58.55</b>	<b>4.73</b>	<b>2.67</b>	<b>0.091</b>	<b>8.19</b>	<b>63.76</b>
<b>Medium Grade Resources (between 50-55% Fe)</b>								
Robertson Range	Inferred	16.2	53.00	8.51	5.40	0.123	8.85	58.2
Davidson Creek	Inferred	86.5	53.08	8.26	5.31	0.08	9.40	58.6
<b>Total (between 50-55% Fe)</b>		<b>102.7</b>	<b>53.07</b>	<b>8.30</b>	<b>5.33</b>	<b>0.086</b>	<b>9.31</b>	<b>58.5</b>
<b>Total Resources</b>		<b>297.2</b>						

*Small discrepancies may occur in the tabulated resources due to the effects of rounding. Calcined Fe grade calculated as follows: CaFe = (Fe x 100)/(100 - LOI). Resources are reported above a 55% Fe cut-off grade, except for medium grade resources which are between 50-55% Fe. The above resources were classified and reported in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore reserves (the JORC Code). Snowden Mining Industry Consultants classified the mineral resources listed in the above table.*

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#### FerrAus Limited

<b>Directors:</b>	John Nyvlt	Chairman
	Mike Amundsen	Managing Director and Chief Executive Officer
	Joe Singer	Non-Executive Director
	Guoping Liu	Non-Executive Director
	Jim Wall	Non-Executive Director
	Rob Greenslade	Non-Executive Director

<b>Issued Ordinary Shares:</b>	<b>177,647,198</b>
Performance Shares (Class B):	7,500,000
Options	7,525,000
	192,672,198

**Market Capitalisation: A\$132 million**  
(Share Price: A\$0.745 as at 15 June 2010)

**Cash: A\$17.2 million** (as at 31 March 2010)

#### Total Iron Ore Resource = 297.2 Million Tonnes\*

\* 297.2 million tonnes (32.9 million tonnes – Measured; 112.3 million tonnes – Indicated; 152 million tonnes - Inferred). Resource estimates are in accordance with AusIMM JORC Code 2004 reported in ASX announcement 16/6/2010

Snowden Mining Industry Consultants (Snowden) have verified the new resource estimate for the Davidson Creek Area. There is no change to the Robertson Range Area resource estimates.

In addition to the upgrade for the estimated resource total for material above 55% Fe cut-off, Snowden has provided an update for the mineral resources estimate of medium grade material (between 50% and 55 % Fe) in the Inferred Category, at Davidson Creek to 86.5 million tonnes, up 25% on the previous resource statement.

Chief Executive Officer, Mike Amundsen, said that this resource upgrade was another critical step to underpin the PFS and the pathway to allow FerrAus Pilbara Project to make its first shipment of iron ore in fourth quarter of calendar 2013.

*“The infill drilling program has been very successful in enhancing the overall confidence of our resource base necessary to support the PFS with 75% of the total high grade ore (>55%Fe) resource base now classified as Measured and Indicated.*

*“These good results confirm the extent and continuity of the mineralisation and builds on what is already a substantial resource.*

*“The Pre-Feasibility Study is due for completion in the next few months and each resource upgrade provides greater certainty that we will be able to achieve the 15 million tonnes per annum production target.”*

*“Results from recent drilling at Mirrin Mirrin are currently being processed and we aim to announce a further resource upgrade within the next month.*

*“We are aiming to prove up a total resource of 400 million tonnes by the end of this calendar year with continuing exploration drilling of the many targets yet to be tested.”* Mr Amundsen said.

Following completion of the Pre-Feasibility Study, FerrAus intends to move immediately to initiate its Definitive Feasibility Study which is scheduled to be finalised early in 2011.

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#### **About FerrAus Limited**

The FerrAus Pilbara Project, which includes the Robertson Range Area, the Davidson Creek Area and the Murramunda Area, is located 80 kilometres east of Newman and some 35 kilometres east of BHP Billiton's Jimblebar Mine in Western Australia's world-class Pilbara iron ore region.

The tenements surrounding the FerrAus Pilbara Project are held by BHP Billiton, Rio Tinto, Fortescue Metals Group and Atlas Iron.

#### **Competent Person Statement**

*Geological interpretation, exploration results, and mineral resource information contained in this report to which this statement is attached is based on information compiled by Mr Peter Brookes who is member of the Australian Institute of Geoscientists (AIG) and who is a full time employee of FerrAus Ltd. Peter Brookes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves”. Mr Brookes consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

#### **Forward Looking and Exploration Target Statements**

*This release may include forward-looking statements that are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of FerrAus Limited, that could cause actual results to differ materially from such statements. Forward looking statements include, but are not limited to, statements concerning the Company's exploration program, outlook, target sizes, resource and mineralised material estimates. They include statements preceded by words such as “potential”, “target”, “scheduled”, “substantial”, “planned”, “estimate”, “possible”, “future”, “prospective”, and similar expressions. The term “Direct Shipping Ore (DSO)”, “Target”, and “Exploration Target”, where used in this announcement, should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. Also, FerrAus Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.*