

Thursday 23 September 2010

- **Drilling at Mirrin Mirrin extends known mineralisation**
- **Best results include 52m @ 60.59%Fe and 36m @ 59.66%Fe**
- **Current Resource Total = 316 Mt Corporate Objective = 400 Mt**

Mirrin Mirrin Prospect – Additional Drilling Results

FerrAus Limited (ASX: FRS) today announced new drilling results obtained from ongoing RC drilling conducted at the Mirrin Mirrin Prospect. The current program of 200 metre x 50 metre spaced RC drilling is scheduled to be completed by the end of September. The Prospect is part of the Davidson Creek Area within the FerrAus Pilbara Project.

These results from exploration holes drilled during July and August are outside the defined resource area and indicate that Fe mineralisation is continuous along strike to the east and west, as well as to the north.

Drill hole results from lines 237,800E to 238,200E (see Table 1 and Figure 2 below) indicate that mineralisation is shallowing to the north while still maintaining broad thicknesses. Results from 240,000E, the last line of drilling at the eastern end of Mirrin Mirrin, highlight the along strike potential.

The current Mirrin Mirrin inferred resource of 30.8 Mt at 58.3% Fe JORC (2004) (ASX release 5 August 2010) is expected to increase with an updated resource estimate planned for November 2010. Following the current RC program, infill RC drilling to 100 metre line spacing and twin core drilling is planned to commence in October 2010.

A number of the results (see Table 1 below), at a greater than 55% Fe content cut-off, have excellent “ore” grade intercepts with the best drill hole result identified as a 52 metre intersection at 60.59% Fe (from DCRC 0994). Contaminant levels for the highlighted drill intersections in Table 1 below remain well within the acceptable range for a marketable product.

“These recent results from the Mirrin Mirrin Prospect show that it is a significant ore body, with the potential to be even larger as drilling has not been closed off, with the mineralisation still open along strike and down dip to the north,” the Executive Director, Bryan Oliver, said.

“At this stage it is very pleasing to see that these new results at Mirrin Mirrin continue to build the strength and viability of the FerrAus Pilbara Project.

“With a draft report of the Pre Feasibility Study due by the end of October, it is intended that these results will be included in an addendum to be provided at a later date,” he said.

Following the completion of the current drilling program at Mirrin Mirrin, these results along with pending assays will enable a new resource assessment to be finalised early in November.

The current total resource (JORC) for the FerrAus Pilbara Project is 316.4 million tonnes (ASX release 5 August 2010) and FerrAus Limited has a corporate objective of achieving a resource total of 400 million tonnes which, depending on future drilling and development, may or may not be achieved.

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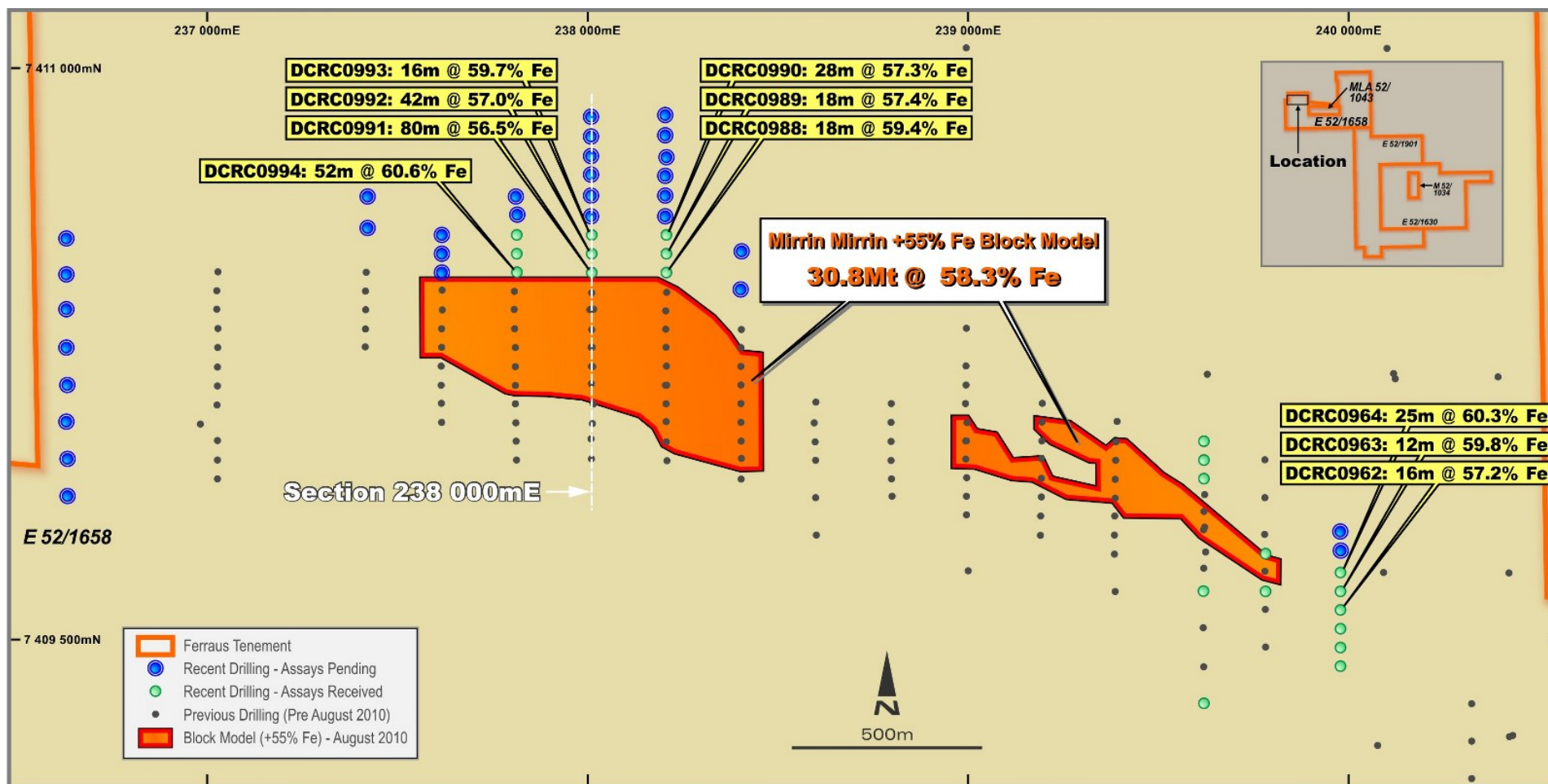
**Table 1: Additional RC Drilling Intersection Highlights
- Mirrin Mirrin Prospect, Davidson Creek Area**

Hole ID	Line Easting	Northing	From (m)	To (m)	Intercept Length	Fe %	SiO2 %	Al2O3 %	P %	LOI %
DCRC0960	240,000	7409500	50	52	2	55.67	6.76	5.79	0.01	7.00
DCRC0962	240,000	7409600	80	92	12	54.85	7.89	3.65	0.06	7.58
			96	112	16	57.20	5.34	2.42	0.03	8.22
DCRC0963	240,000	7409650	60	72	12	59.83	3.63	2.63	0.10	7.46
			76	80	4	59.64	3.73	2.93	0.14	6.69
			92	96	4	58.69	10.68	3.06	0.04	1.94
DCRC0964	240,000	7409700	90	98	8	54.60	5.97	4.37	0.18	10.66
			102	127	25	60.32	3.19	1.80	0.08	8.31
DCRC0966	239,800	7409750	32	38	6	57.73	5.01	3.40	0.07	8.37
DCRC0967	239,635	7409950	64	66	2	56.02	5.83	4.11	0.05	9.09
DCRC0988	238,200	7410500	124	142	18	59.44	3.73	2.05	0.09	8.57
DCRC0989	238,200	7410550	100	118	18	57.39	4.31	3.20	0.11	9.30
DCRC0990	238,200	7410600	84	104	20	57.88	4.21	2.84	0.11	9.08
			108	112	4	59.39	3.27	1.58	0.16	9.35
			150	152	2	58.41	10.20	2.08	0.11	2.91
			158	160	2	59.90	8.94	1.85	0.14	2.56
DCRC0991	238,000	7410500	134	170	36	59.66	2.81	1.78	0.13	9.31
			190	214	24	59.50	6.01	1.20	0.08	7.21
DCRC0992	238,000	7410550	112	126	14	56.44	4.56	3.00	0.11	10.62
			136	154	18	60.84	3.34	2.30	0.09	6.66
			168	172	4	59.43	7.52	0.98	0.08	6.04
DCRC0993	238,000	7410600	106	108	2	59.39	3.74	1.50	0.08	9.03
			124	140	16	59.73	4.47	1.47	0.10	8.07
DCRC0994	237,800	7410500	146	198	52	60.59	3.13	2.38	0.11	7.28
DCRC0999	237,600	7410600	172	174	2	55.15	6.42	2.79	0.09	10.40

DCRC – denotes Reverse Circulation Drill Hole

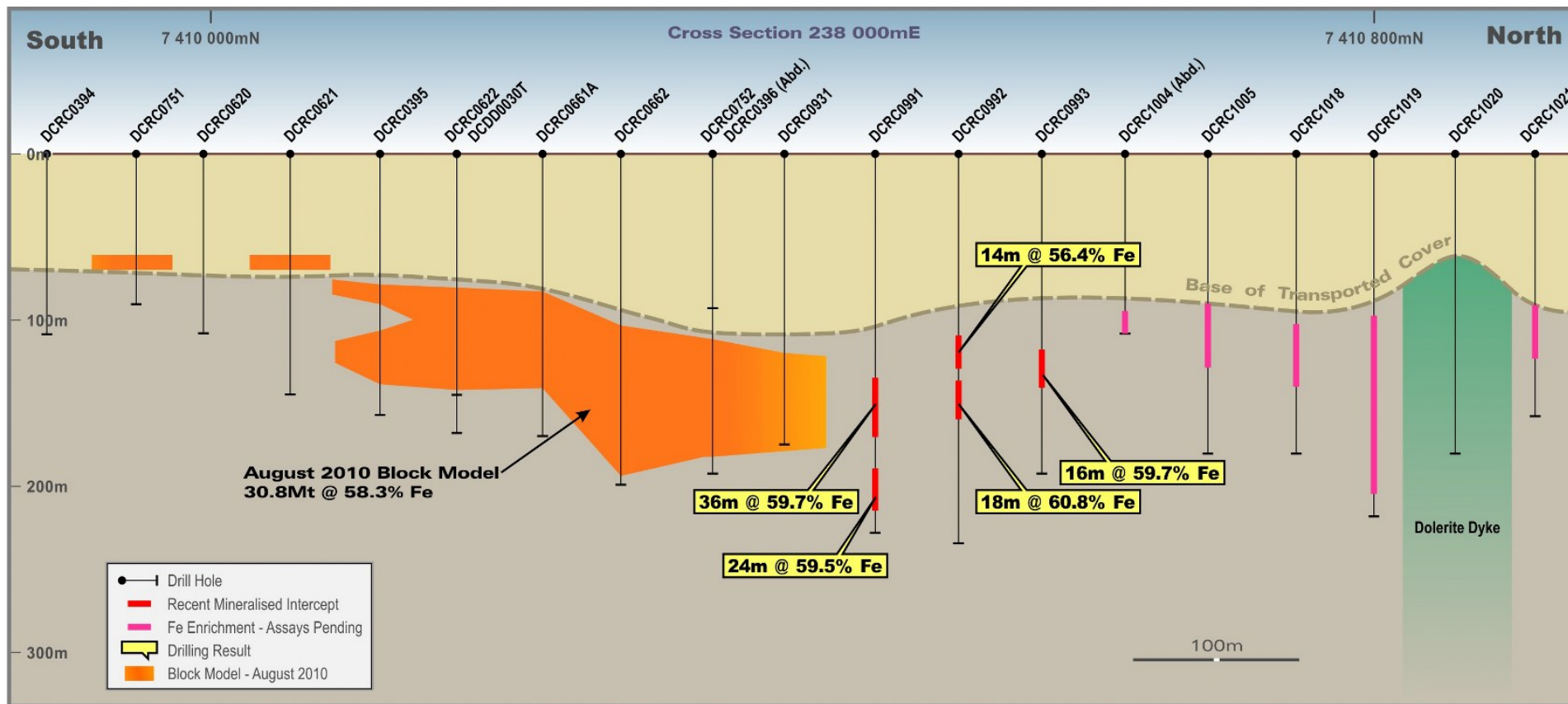
Note: Small discrepancies may occur in the tabulated results due to the effects of rounding. All RC samples are collected through an industry standard cone splitting system; all are 2 metre composites, and split fractions sent for XRF analysis weigh approx 3kg. Results reported represent weighted average Fe intercepts of > 55% Fe, with maximum internal waste of 2 metres.

Figure 1: Drilling Results Plan View - Mirrin Mirrin Prospect, Davidson Creek Area



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Figure 2: Section 238,000mE - Mirrin Mirrin Prospect, Davidson Creek Area



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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 Limited. 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.