

Tuesday 12 July 2011

**DAVIDSON CREEK INDICATED RESOURCES INCREASE -
UP 50 MILLION TONNES**

- **New resource figures for Dugite - Tiger boost total FerrAus Pilbara Project resource to 347 Mt**
- **Impressive conversion of inferred to indicated at Dugite - Tiger**
- **Additional 16 Mt for FerrAus Pilbara Project resource base**

FerrAus Limited (ASX: FRS) today announced that its Pilbara Projects iron ore resources have increased by 16.1 million tonnes, importantly, the result improves the Indicated Resource base by 50.4 million tonnes.

This resource increase is a consequence of resource estimation work, conducted by Snowden Mining Industry Consultants, for the Dugite and Tiger Prospects during June 2011.

The Dugite and Tiger Prospects are located in the Davidson Creek Area on the prospective east west striking Marra Mamba Iron Formation, adjacent to and east of the Python, Gwardar, and Taipan Resources.

The major outcome of extensive infill and step out RC drilling conducted early in 2011, is that the Dugite and Tiger combined resource has grown from 51.5 million tonnes to 67.6 million tonnes; a net increase of 16.1 million tonnes.

The result also delivers a comprehensive conversion of Inferred Resources to Indicated Resources, from 0.2 million tonnes to 50.6 million tonnes.

This mineralised Marra Mamba Iron Formation trend, containing all five iron ore deposits hosted within the Mount Newman Member, is now a 10 kilometre long zone of continuous iron ore enrichment, comprised of approximately 212 million tonnes of iron ore resources.

The FerrAus Limited updated resources are detailed in Table 1 (see Page 2). Note: The Indicated Resource totals have increased from 197.60 million tonnes (ASX / Media Statement 8 March 2011) to 248.00 million tonnes. Highlights from the Dugite – Tiger resource estimation are listed below.

Highlights: Dugite-Tiger Resource Estimate

- +55 per cent cut-off Fe resource = 30.5 million tonnes @ 56.9% Fe, (includes 28.7 million tonnes of Indicated Resources).
- 52 - 55 per cent Fe resource = 24.3 million tonnes @ 53.5% Fe, (includes 21.9 million tonnes of Indicated Resources).
- 50 - 52 per cent Fe resource = 12.8 million tonnes @ 51.1% Fe.

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Table 1: FerrAus Pilbara Project - Iron Ore Resources (July 2011)

Area	JORC (2004) Resource Category	Tonnes (Million)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	CaFe (%)
High Grade Resources (+55% Fe)								
Robertson Range	Measured	23.40	58.93	4.54	2.71	0.109	7.69	63.84
	Indicated	20.70	58.98	5.40	2.99	0.104	6.48	63.07
	Inferred	10.60	58.11	6.56	3.37	0.097	6.15	61.93
	Total	54.60	58.79	5.26	2.94	0.105	6.93	63.18
Davidson Creek	Measured	9.50	58.10	4.31	2.83	0.078	9.12	63.90
	Indicated	120.10	58.30	4.79	2.59	0.088	8.60	63.72
	Inferred	3.40	57.40	5.09	3.13	0.092	8.92	63.00
	Total	133.00	58.20	4.77	2.62	0.087	8.65	63.70
Mirrin Mirrin	Indicated	33.90	58.94	4.16	2.26	0.101	8.75	64.59
	Inferred	4.80	56.67	6.81	3.42	0.109	8.04	61.64
	Total	38.70	58.66	4.49	2.41	0.102	8.66	64.22
Total (High Grade)		226.30	58.44	4.84	2.66	0.094	8.23	63.67
Medium Grade Resources (between 53% Fe and 55% Fe for RR, between 52% Fe and 55% Fe for DC & MM)								
Robertson Range	Indicated	6.50	54.00	7.61	4.95	0.122	8.86	59.30
	Inferred	2.30	54.10	8.96	5.20	0.096	7.57	58.50
Davidson Creek	Indicated	54.80	53.60	8.10	4.88	0.075	9.17	59.10
	Inferred	3.40	53.54	8.21	4.63	0.105	9.43	59.16
Mirrin Mirrin	Indicated	12.00	53.52	8.43	4.97	0.086	9.23	58.98
	Inferred	8.10	53.62	9.26	4.27	0.123	8.50	58.61
Total (Medium Grade)		87.10	53.63	8.24	4.84	0.086	9.06	59.03
Low Grade Resources (between 50% Fe and 53% Fe for RR, between 50% Fe and 52% Fe for DC & MM)								
Robertson Range	Inferred	7.40	51.80	9.17	5.87	0.132	9.23	57.10
Davidson Creek	Inferred	21.40	51.14	9.32	6.43	0.069	9.68	56.62
Mirrin Mirrin	Inferred	4.80	51.25	10.39	6.01	0.080	8.98	56.32
Total (Low Grade)		33.63	51.30	9.44	6.25	0.08	9.48	56.69
MEASURED RESOURCES (Mt)		32.90						
INDICATED RESOURCES (Mt)		248.00						
INFERRED RESOURCES (Mt)		66.20						
TOTAL (Mt)		347.10						

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.