

**Monday 24 January 2011**

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**SHAREHOLDERS APPROVE CAPITAL RAISING OF UP TO A\$35 MILLION**

An Extraordinary General Meeting of shareholders in FerrAus Limited (*FerrAus*) today approved a resolution to allow a proposed capital raising of up to A\$35 million (*Capital Raising*).

Shareholder approval was required under ASX Listing Rule 7.9 given the current takeover offer for FerrAus announced by Wah Nam International Holdings Limited (*Wah Nam*) on 10 November 2010, and also, under ASX Listing Rule 7.1, so that the issue of shares would not count for the purposes of the restriction on issuing more than 15 per cent of the Company's issued capital in any 12 month period.

FerrAus Chairman John Nyvlt said the proposed Capital Raising received strong support from shareholders with a significant proportion of shares voted and approximately 70% of the shares voted being in favour.

"Today's vote represents a broad shareholder endorsement of our corporate strategy of accelerating the development of our Pilbara Project to take maximum advantage of the favourable outlook for iron ore.

"Once successful, the proposed Capital Raising will ensure FerrAus is better funded to continue to progress its Pilbara iron ore development and deliver value to its shareholders as key milestones are met and the project is de-risked," Mr Nyvlt said.

FerrAus intends to raise up to A\$35 million which, together with the existing cash on hand of approximately \$16 million as at 31 December 2010, will be used to fund the Definitive Feasibility Study of the Company's Pilbara Project, ongoing working capital, overhead requirements and exploration costs.

In keeping with its previous capital raisings, several of which have been completed at a premium, FerrAus will seek to maximise the pricing of the raising and minimise dilution of existing shareholders. FerrAus will update the market in due course in relation to the timing and terms of the Capital Raising.

FerrAus has retained Macquarie Capital Advisers Limited as Lead Manager to the Capital Raising. It is anticipated that the Capital Raising will be underwritten.

Also at today's EGM, FerrAus Shareholders approved the grant of Options to the nominee of recently appointed Executive Director Mr Bryan Oliver.

\*\*\* ENDS \*\*\*

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