

66% INCREASE IN RESOURCES

TOTAL NOW 276.9 MILLION TONNES

- High grade resource (+55% Fe) up 15% from 166.6 Mt to 191.3 Mt
- Medium grade resource (between 50 and 55% Fe) now reported as 85.6 Mt
- Metallurgical work supports beneficiation of medium grade material

FerrAus Limited (ASX:FRS) announces that recent drilling results have lifted the total resources at the FerrAus Pilbara Project to 276.9 million tonnes.

Following intensive RC drilling, during the latter part of 2009 and early 2010, evaluation of the outstanding results has delivered a significant increase of 66 per cent or 110.3 million tonnes on its existing resource base.

FerrAus Pilbara Project – Resource Inventory March 2010

Area	JORC (2004) Resource Category	Million Tonnes	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)	Ca Fe (%)
High Grade Resources (+55% Fe)								
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
	Total	54.6	58.79	5.26	2.94	0.105	6.93	63.18
Davidson Creek	Indicated	23.0	58.44	4.17	2.63	0.080	9.02	64.28
	Inferred	113.7	58.36	4.64	2.58	0.090	8.69	63.96
	Total	136.7	58.37	4.56	2.59	0.088	8.75	64.01
Total (+55% Fe)		191.3	58.49	4.76	2.69	0.093	8.23	63.77
Medium Grade Resources (between 50-55% Fe)								
Robertson Range	Inferred	16.2	53.00	8.51	5.40	0.123	8.85	58.2
Davidson Creek	Inferred	69.4	53.10	8.27	5.31	0.080	9.51	58.7
Total (between 50-55% Fe)		85.6	53.08	8.32	5.33	0.088	9.39	58.6
Total Resources		276.9						

Small discrepancies may occur in the tabulated resources due to the effects of rounding. Calcined Fe grade calculated as follows: $CaFe = (Fe \times 100) / (100 - LOI)$. 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

Directors: 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

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

Market Capitalisation: A\$168 million
(Share Price: A\$0.95 as at 3 March 2010)

Total Iron Ore Resource = 276.9 Million Tonnes

Cash: A\$22.8 million (as at 31 December 2009)

Maiden resources have now been determined for the Mirrin Mirrin and Dugite Prospects, along with resource upgrades for the Tiger Prospect (within the Davidson Creek Area) and King Brown Prospect (within the Robertson Range Area).

In addition to the resource upgrades and new resources for the FerrAus Pilbara Project, another exciting development is the preliminary metallurgical results on the beneficiation opportunities for medium grade iron mineralisation previously not included in the FerrAus resource inventory.

Managing Director, Mike Amundsen, said; "FerrAus Limited is targeting more than 300 million tonnes of iron ore resource by the end of 2010 and we have many untested targets on the FerrAus tenements.

"It is very exciting to be able to confirm that FerrAus is working with world class deposits that will underpin a competitive production rate necessary to support long life infrastructure.

"This upgraded resource will be used in the Pre-Feasibility Study (PFS) and Feasibility Study scheduled for completion this year.

"With much of the medium grade ore positioned above the high grade ore, the PFS will examine the likely significant improvement in the overall strip ratio of mining operations. Most of the medium grade material will be mined in any event. This medium grade ore was not considered as a resource in the recently announced scoping study," he said.

Mirrin Mirrin

Following the announced discovery of iron mineralisation at the Mirrin Mirrin Prospect during January 2010 (ASX announcement dated 18 January 2010), Mineral Resource modelling by Snowden Mining Industry Consultants has defined a maiden Inferred Resource of 14.5 million tonnes @ 58.7% Fe. This is included in the Davidson Creek +55% Fe Inferred Resource figures in the above table.

The mineralisation at Mirrin Mirrin remains open along strike and at depth. To date approximately one third of this mineralisation trend has been tested. Not included in the maiden resource and of particular interest is south trending detrital mineralisation within a palaeo-channel heading away from the zones of primary insitu mineralisation.

Medium Grade Resources

Medium grade resources (50-55% Fe) are located adjacent to and overlying existing modelled higher grade (+55% Fe) resources.

Total medium grade Inferred Resources for FerrAus Pilbara Projects identified to date are 85.6 million tonnes @ 53.1% Fe based on work completed by Snowden Mining Industry Consultants.

Recent preliminary metallurgical results from beneficiation test work indicate that medium grade ore (50 to 55% Fe) is a valuable addition to the resource base.

A range of beneficiation techniques using conventional technologies and methods were trialled. All beneficiation techniques tested generating products with iron contents higher than the initial head grade. Product recoveries were high, ranging from 63 to 82 per cent.

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Infrastructure Access

Recent announcements from many of the significant junior iron ore developers underline the important role each will play, either individually or collectively, in changing the face of iron ore production in Western Australia.

"The North West Iron Ore Alliance, of which FerrAus is a founding member, has sought authorisation from the ACCC for its members to negotiate jointly with Pilbara infrastructure providers for rail track and/or rail haulage services. We welcome the Western Australian State Treasury support for authorisation and also BHP Billiton's submission that it does not object to authorisation being granted," Mr Amundsen said.

"Further we welcome the Federal Government's proposed amendments to Part IIIA of the Trade Practices Act to streamline access to infrastructure by making Part IIIA more cost efficient, quicker and more transparent.

"Access will ultimately increase the volume and diversity of supply of iron ore exports from Australia, enhance government revenues and ensure the future of junior iron ore developers. This can only be good for Western Australia and the nation as a whole.

"The role of both State and Federal governments in facilitating effective access through these and other processes is crucial. Effective and timely access to rail infrastructure is of vital interest to this company's shareholders, employees and nearby indigenous communities.

"FerrAus remains committed to equitable and fair infrastructure access for junior iron ore developers in the Pilbara," he said.

*** ENDS ***

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About FerrAus Limited

The FerrAus Pilbara Project, which includes the Robertson Range Area, the Davidson Creek Area and the Murrumunda 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.