

## Mirrin Mirrin Results Increase Total Resource To 316 Million Tonnes

- 100% increase in Mirrin Mirrin DSO resource; now 30.8 Mt
- Mineralisation at Mirrin Mirrin still open with further drilling planned
- FerrAus Pilbara Project total DSO resource; now 210 Mt

FerrAus Limited (ASX: FRS) today announced that the resource total for the FerrAus Pilbara Project has now reached 316.4 million tonnes, mainly as a result of the doubling of the +55% Fe inferred resource at the Mirrin Mirrin Prospect, within the Davidson Creek Area.

As part of the overall Project the importance of the Mirrin Mirrin Prospect continues to increase due to its:

- proximity to the proposed access corridor for transport infrastructure;
- location near the proposed Davidson Creek train load out facility; and
- low alumina ore type contained in a deposit that has an average thickness of 35-40 metres with structural thickening to the north.

Final results from the exploration holes, drilled outside the previously defined resource area during May 2010, indicate that mineralisation is continuous along strike and down dip to the north.

Importantly, drill hole results from lines 237800 East, 238000 East and 238200 East (see Table 1 below) indicate that mineralisation, which is still open to the North, is both thickening and flattening. Holes DCRC 0930, DCRC 0931 and DCRC 0932 are the last holes drilled on those respective lines and all exhibit thick, high grade zones of mineralisation.

The additional results (see Table 1 below) with a greater than 55% Fe content cut-off, includes the best drill hole result of a 72 metre intersection at 59.14% Fe (from DCRC 0932). Additional RC and core drilling is planned for September 2010.

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<b>Directors:</b>	John Nyvit	Chairman	<b>Issued Ordinary Shares:</b>	<b>202,695,137</b>
	Joe Singer	Non-Executive Director		Performance Shares (Class B): 7,500,000
	Guoping Liu	Non-Executive Director		Options 7,525,000
	Jim Wall	Non-Executive Director		<u>217,720,137</u>
	Rob Greenslade	Non-Executive Director		

**Market Capitalisation: A\$166 million**  
(Share Price: A\$0.82 as at 4 August 2010)

**Total Iron Ore Resource = 316.4 Million Tonnes\***      **Cash: A\$29.6 million** (as at 30 June 2010)

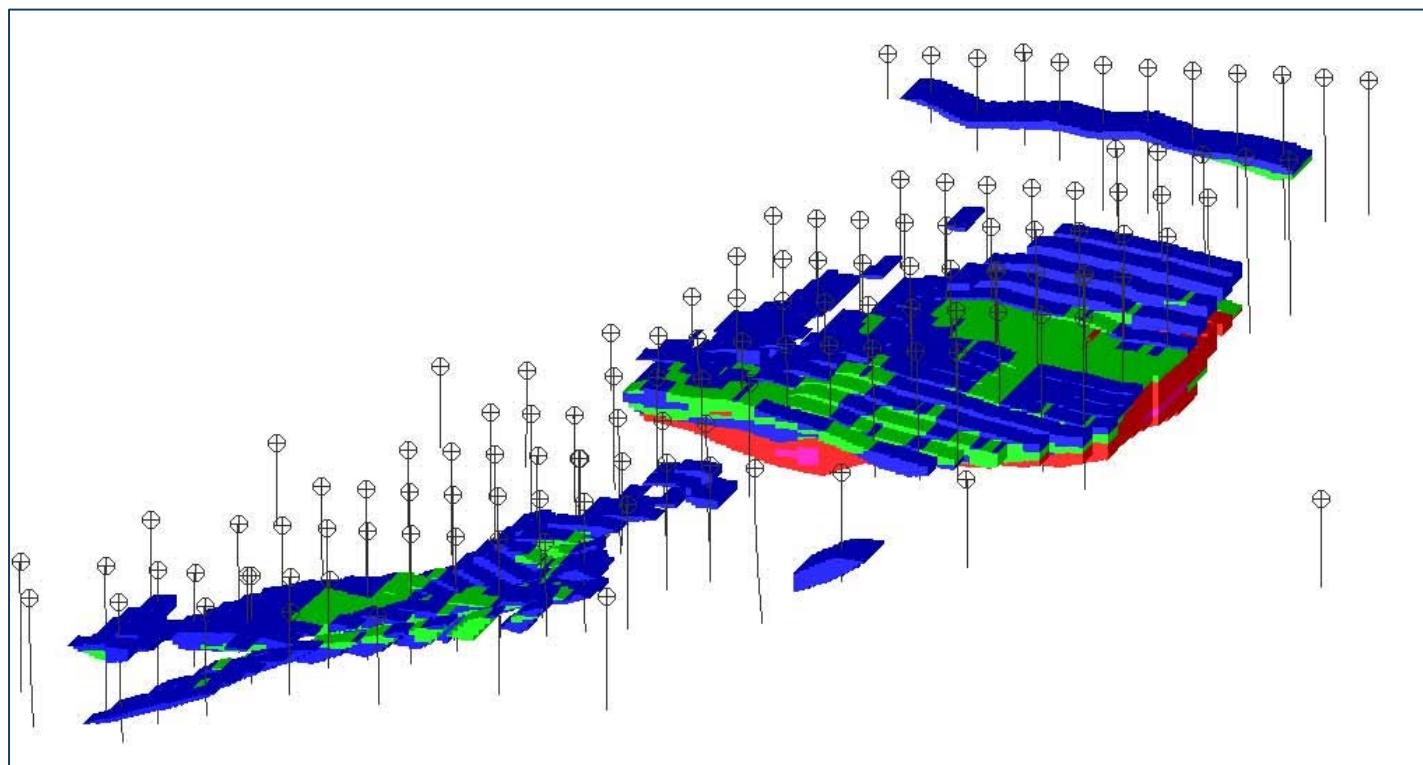
\* 316.4 million tonnes (32.9 million tonnes – Measured; 112.3 million tonnes – Indicated; 171.2 million tonnes – Inferred). Resource estimates are in accordance with AusIMM JORC Code 2004 reported in ASX announcement 5 / 8 / 2010

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

Area	JORC (2004) Resource Category	Million Tonnes	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)	Ca Fe (%)
<b>High Grade Resources (+55% Fe)</b>								
<b>Robertson Range</b>	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>
<b>Davidson Creek</b>	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	55.0	57.96	4.92	2.67	0.100	8.72	64.20
	<b>Total</b>	<b>156.1</b>	<b>58.40</b>	<b>4.60</b>	<b>2.54</b>	<b>0.088</b>	<b>8.69</b>	<b>64.15</b>
<b>Total (+55% Fe)</b>		<b>210.7</b>	<b>58.50</b>	<b>4.77</b>	<b>2.64</b>	<b>0.092</b>	<b>8.23</b>	<b>63.90</b>
<b>Medium Grade Resources (between 50-55% Fe)</b>								
<b>Robertson Range</b>	Inferred	16.2	53.00	8.51	5.40	0.123	8.85	58.2
<b>Davidson Creek</b>	Inferred	89.4	53.21	8.38	5.12	0.08	9.32	58.7
<b>Total (between 50-55% Fe)</b>		<b>105.6</b>	<b>53.18</b>	<b>8.40</b>	<b>5.17</b>	<b>0.086</b>	<b>9.25</b>	<b>58.6</b>
<b>Total Resources</b>		<b>316.4</b>						

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.

**Figure 1: Mirrin Mirrin July 2010 Block Model and Drill Locations (>= 50% Fe)**



Note; the above diagram is a scaled screen shot from SURPAC™ v6.1.3 of the Mirrin Mirrin block model (looking to the south-west) showing Fe blocks >=50% Fe and drill hole traces (average 200 metre line spacing with 50 metre hole spacing)

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

Hole ID	Line Easting	Northing	From (m)	To (m)	Intercept Length	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
DCDD0029T	238200	7410200	66	100	34	59.98	2.66	2.45	0.07	8.53
DCDD0030T	237999	7410249	80	134	54	59.83	2.49	1.84	0.11	9.37
DCDD0031T	239000	7410050	70	80	10	57.8	7.42	5.14	0.03	4.11
			96	104	8	63.7	3.5	1.99	0.06	3.1
			108	112	4	60.6	7.62	1.33	0.05	4.11
DCRC0930	238200	7410450	134	166	32	58.24	5.19	1.52	0.08	9.29
DCRC0931	238000	7410450	120	156	36	58.81	5.17	1.46	0.13	8.43
			160	174	14	60.91	2.7	1.36	0.1	8.26
DCRC0932	237800	7410450	130	202	72	59.14	3.61	1.89	0.15	9.21
DCRC0933	237000	7410400	92	96	4	57.4	5.28	3.58	0.05	8.6
	and	and	100	110	10	56.42	8.23	2.2	0.05	8.29
DCRC0936	237400	7410350	116	122	6	56.37	4.7	3.68	0.11	10.35
DCRC0938	237400	7410450	126	134	8	58.5	3.6	1.97	0.05	10.3
DCRC0941	239000	7410350	106	112	6	55.43	6.13	2.17	0.14	10.48
DCRC0945	239200	7409950	108	116	8	57.32	6.72	2.88	0.14	7.75
			132	160	28	56.95	5.01	2.16	0.15	10.55
DCRC0949	239400	7410000	70	78	8	57.28	3.92	2.28	0.25	10.91
			82	86	4	55.95	6.39	1.86	0.12	10.75
DCRC0953	239800	7409700	38	58	20	58.03	5.35	2.92	0.1	8.21
DCRC0957	239200	7410050	106	112	6	56.1	8.28	3.05	0.2	7.5

DCRC – denotes Reverse Circulation Drill Hole      DCDD – denotes Diamond Drill Core 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.

**Table 2: FerrAus Pilbara Project DSO Resources by Prospect at August 2010 (>= 55% Fe)**

Prospect	JORC (2004) Resource Category	Tonnes Mt	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)	CaFe (%)
King Brown	Measured	23.4	58.93	4.54	2.71	0.109	7.69	63.84
	Indicated	20.7	58.98	5.4	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>
Gwardar-Python-Taipan	Measured	9.5	58.10	4.31	2.83	0.078	9.12	63.90
	Indicated	91.4	58.70	4.44	2.43	0.082	8.63	64.20
	Inferred	1.7	57.80	4.76	3.29	0.070	8.42	63.10
	<b>Total</b>	<b>102.6</b>	<b>58.60</b>	<b>4.43</b>	<b>2.48</b>	<b>0.082</b>	<b>8.67</b>	<b>64.10</b>
Tiger-Dugite	Indicated	0.2	58.90	3.62	2.00	0.120	9.52	65.10
	Inferred	22.5	57.50	5.28	3.15	0.100	8.38	62.80
	<b>Total</b>	<b>22.7</b>	<b>57.50</b>	<b>5.26</b>	<b>3.14</b>	<b>0.100</b>	<b>8.39</b>	<b>62.80</b>
Mirrin Mirrin	Inferred	30.8	58.30	4.67	2.29	0.101	8.98	65.10
	<b>Total</b>	<b>30.8</b>	<b>58.30</b>	<b>4.67</b>	<b>2.29</b>	<b>0.101</b>	<b>8.98</b>	<b>65.10</b>

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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 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.*