

RECENT INFILL DRILLING RESULTS SUPPORT PFS

FerrAus Limited (ASX: FRS) is pleased to announce the results from recent infill RC drilling at the Davidson Creek Area, undertaken to support the ongoing Pre Feasibility Study (PFS).

A total of 18,648 metres in 180 drill holes were completed during a program that commenced in January and was completed in April, 2010.

The bulk of the drilling comprised 100 metre infill lines to the existing 200 metre drill line spacing. The drill line density covering this part of the Davidson Creek Area now stands at 100 metres by 50 metres, which is required before consideration can be given to a resource upgrade higher than an Inferred Category level.

These results will form the foundation of a new resource model for this Area.

A number of the RC infill drilling results (shown in bold type in Table 1 below), where a cut-off at greater than 55% Fe content is used, show intersections of more than 50 metres. The best drill hole result was a 92 metre intersection at 59.93% Fe content.

Following the compilation of these results, Snowden Mining Industry Consultants has been commissioned to complete a new resource estimate.

Also, a series of PQ metallurgical core drill holes, which are a vital part of the PFS process, have been completed and the results from this drilling are expected in the near future.

FerrAus Limited Chief Executive Officer, Mike Amundsen, said that the PFS was on track to be completed in the third quarter of the 2010 calendar year.

"These results will contribute data for the upgrade of resources to an indicated category required for the PFS.

"Within the next month we are also expecting to receive results from additional drilling at the Mirrin Mirrin Prospect.

"FerrAus is well advanced with its project studies. The metallurgical test work in progress will provide key ore properties for mine planning and process plant design as well as assessing the specifications for a marketable product," he said.

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Investor / Media Contact: Gareth Widger Mobile: +61 (0)4 1991 8272

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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	<u>7,525,000</u>
	192,672,198

Market Capitalisation: A\$134 million
(Share Price: A\$0.755 as at 21 May 2010)

Total Iron Ore Resource = 276.9 Million Tonnes*

* 276.9 million tonnes (23.4 million tonnes – Measured; 43.7 million tonnes – Indicated; 209.9 million tonnes - Inferred).
Resource estimates are in accordance with AusIMM JORC Code 2004 reported in ASX announcement 4/3/2010

Cash: A\$17.2 million (as at 31 March 2010)

Figure 1: Cross Section – Infill Drilling Results: Davidson Creek Area

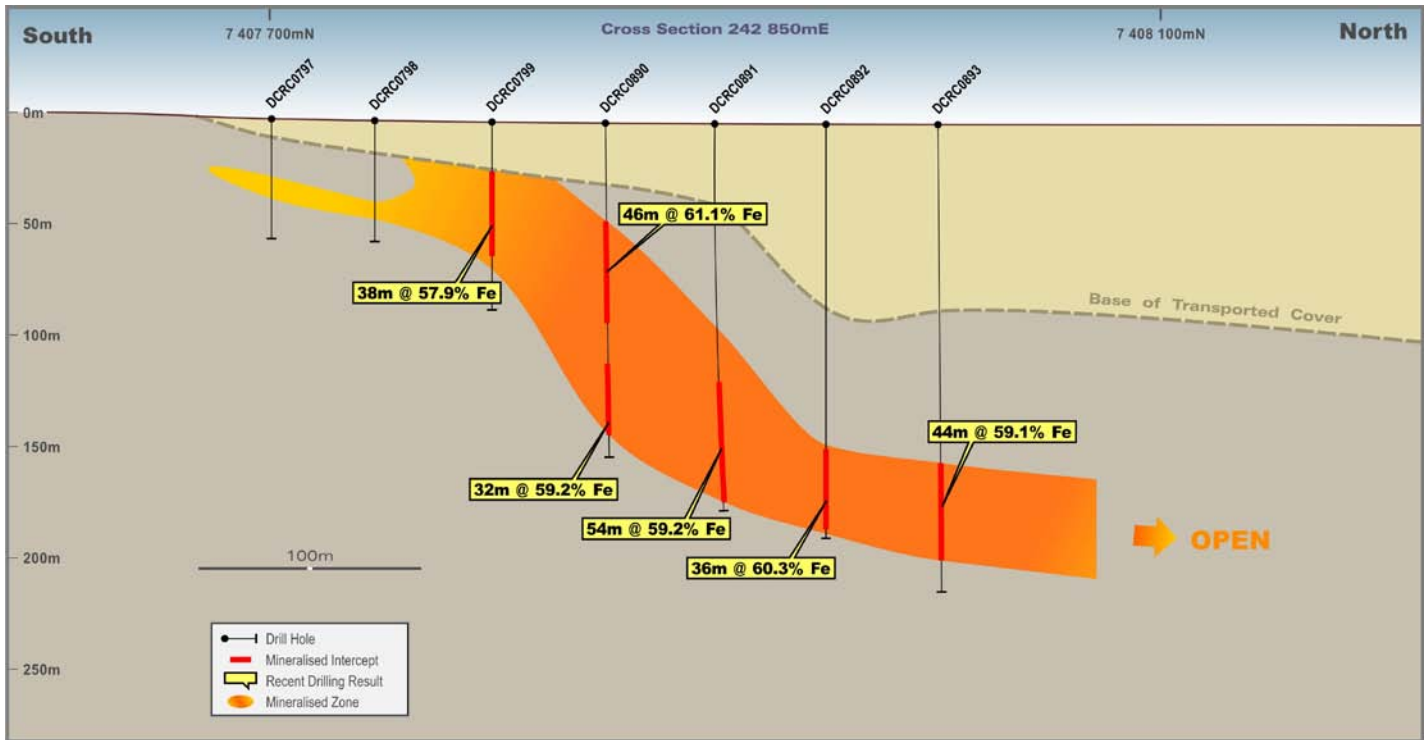


Figure 2: Plan View– Infill Drilling: Davidson Creek Area

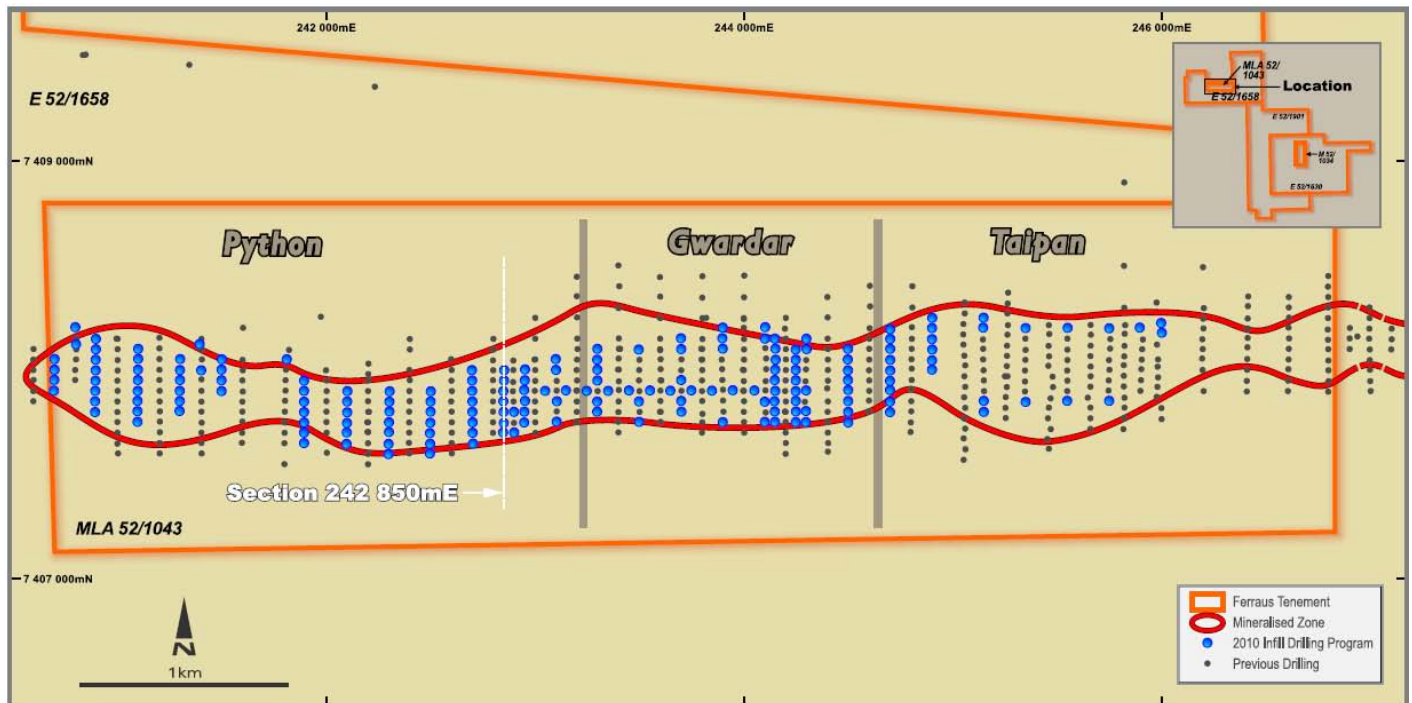


Table 1: RC Drilling Intersection Highlights - Davidson Creek Area

Hole ID	From (m)	To (m)	Interval (m)	Fe %	SiO %	Al2O3 %	P %	LOI %
<i>Python Prospect</i>								
DCRC0302	76	144	68	58.53	4.51	1.73	0.11	9.5
DCRC0676	40	114	74	59.48	3.35	2.49	0.08	8.62
DCRC0677	58	90	32	60.96	1.98	1.35	0.09	9.14
DCRC0677	162	184	22	61.67	3.18	1.11	0.08	7.02
DCRC0680	26	48	22	59.22	4.21	2.7	0.04	8.06
DCRC0681	50	76	26	58.88	3.59	2.72	0.04	9.18
DCRC0682	66	98	32	59.09	4.77	2.37	0.07	7.96
DCRC0683	96	142	46	60.41	2.69	1.81	0.08	8.5
DCRC0684	150	174	24	60.62	3.06	1.5	0.11	8.25
DCRC0686	18	50	32	56.97	5.15	3.45	0.03	9.46
DCRC0688	46	80	34	60.48	3.21	1.67	0.06	8.26
DCRC0689	62	154	92	59.93	3.3	1.75	0.12	8.76
DCRC0694	24	72	48	57.71	5.33	3.62	0.04	8.1
DCRC0695	48	92	44	60.79	2.57	1.65	0.06	8.46
DCRC0696	48	78	30	58.79	3.72	3.06	0.05	7.2
DCRC0696	84	112	28	58.98	3.1	2.15	0.09	9.58
DCRC0700	36	84	48	58.21	4.19	3.13	0.09	8.97
DCRC0702	30	64	34	56.41	5.17	4.13	0.05	9.61
DCRC0703	48	126	78	59.83	3.22	2.22	0.11	8.44
DCRC0704	68	96	28	60	3.18	2.41	0.08	7.67
DCRC0704	104	160	56	59.3	3.32	1.91	0.12	9.27
DCRC0705	148	184	36	60.98	2.88	1.47	0.1	7.77
DCRC0709	50	82	32	59.08	4.16	2.74	0.06	8.09
DCRC0710	116	144	28	60.81	2.47	1.49	0.13	8.45
DCRC0711	114	144	30	60.29	3	1.74	0.12	8.33
DCRC0762	90	116	26	59.68	3.25	2.24	0.12	8.59
DCRC0763	64	102	38	59.79	3.56	2.32	0.09	7.98
DCRC0794	102	136	34	61.4	2.36	1.41	0.09	7.89
DCRC0795	126	160	34	59.51	3.95	2.09	0.12	8.23
DCRC0796	144	180	36	59.87	3.84	1.39	0.12	8.27
DCRC0799	22	60	38	57.91	3.77	2.55	0.12	10.36
DCRC0836	42	76	34	56.89	4.73	3.96	0.09	9.86
DCRC0838	88	132	44	60.01	2.93	1.61	0.08	9.35
DCRC0843	60	94	34	57.22	4.62	3.55	0.08	9.94
DCRC0843	100	122	22	57.86	4.64	2.67	0.05	9.89
DCRC0844	72	130	58	60.78	2.52	1.53	0.09	8.78
DCRC0847	14	36	22	55.73	6.85	4.82	0.03	8.36
DCRC0852	76	96	20	57.74	4.49	3.59	0.08	8.95
DCRC0859	60	80	20	57.78	4.44	2.93	0.14	9.91
DCRC0875	82	108	26	56.45	5.51	1.88	0.09	10.79
DCRC0890	44	90	46	61.13	2.43	2.16	0.08	7.59

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Table 1: RC Drilling Intersection Highlights - Davidson Creek Area (continued)

Hole ID	From (m)	To (m)	Interval (m)	Fe %	SiO %	Al2O3 %	P %	LOI %
DCRC0890	108	140	32	59.21	3.64	2.24	0.09	8.89
DCRC0891	116	170	54	59.23	4.1	2.05	0.11	8.51
DCRC0892	146	182	36	60.34	2.77	1.83	0.13	8.35
DCRC0893	152	196	44	59.11	3.85	1.89	0.12	8.72
Gwardar Prospect								
DCRC0714	82	116	34	60.43	3.07	1.86	0.11	8.04
DCRC0715	98	128	30	60.99	3.12	1.46	0.11	7.67
DCRC0716	114	156	42	60.41	3.22	1.79	0.12	7.99
DCRC0719	136	174	38	59.9	3.48	1.87	0.1	8.34
DCRC0723	122	152	30	60.71	3.19	1.54	0.08	7.86
DCRC0726	112	132	20	60.45	2.82	2.22	0.07	7.86
DCRC0730	22	42	20	56.19	5.66	3.81	0.06	9.54
DCRC0731	84	108	24	58.92	5.24	1.66	0.07	8.01
DCRC0735	64	90	26	59.39	3.37	2.33	0.09	8.84
DCRC0765	38	62	24	57.37	6.14	3.65	0.05	7.81
DCRC0771	30	62	32	57.87	4.8	3.16	0.06	8.76
DCRC0772	40	72	32	57.06	4.69	3.61	0.09	9.6
DCRC0774	20	44	24	56.51	4.86	4.4	0.06	9.35
DCRC0777	68	100	32	58.85	3.77	2.56	0.08	8.71
DCRC0778	72	102	30	58.72	4.12	2.17	0.09	8.89
DCRC0779	84	110	26	59.63	3.03	1.62	0.08	9.25
DCRC0780	72	102	30	60.43	2.54	1.53	0.08	8.73
DCRC0783	32	52	20	58.76	3.75	2.7	0.07	8.93
DCRC0784	44	72	28	57.31	4.96	3.55	0.07	8.85
DCRC0785	50	94	44	58.3	3.77	3	0.08	9.17
DCRC0789	76	96	20	58.48	4.83	1.74	0.07	9.04
DCRC0817	60	86	26	58.3	3.68	2.48	0.08	9.59
DCRC0825	42	62	20	58.16	4.27	2.65	0.06	8.66
DCRC0832	46	68	22	59.37	3.86	2.86	0.07	7.49
DCRC0833	36	74	38	59.42	3.73	2.42	0.06	8.11
DCRC0834	36	60	24	60.63	3.55	2.34	0.04	6.42
Taipan Prospect								
DCRC0810	60	92	32	58.51	5.09	2.07	0.09	8.44
DCRC0812	64	112	48	59.14	3.45	2.16	0.11	9.08

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. Only those intersections with > 20 metres of Fe mineralisation are reported.

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Figure 3: Principal Metallurgist, Brett Hazelden, with a sample of the recent PQ metallurgical core drilling.



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.