EAST PILBARA IRON ORE PROJECTS

ASX Announcement

17 April 2009

Current Capital Structure:

151.6m Fully paid ordinary shares*
7.5m Class B Securities
8.4m Unlisted options

Market Cap. – fully diluted
$ 52 mn @ 31c per share

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W.A. IRON ORE RESOURCES INCREASE TO 164.4 MILLION TONNES (DSO) Includes initial resource at the Tiger Prospect.

FerrAus Limited (ASX: "FRS") is pleased to report a further significant upgrade in the resource estimates at its Davidson Creek and Robertson Range iron ore projects in the East Pilbara region of Western Australia.

HIGHLIGHTS

The total iron ore resource inventory for FerrAus' licence areas in the East Pilbara has increased to 164.4 million tonnes grading 58.6% Fe

Including

Increased iron ore resource at the Robertson Range Project to 52.3 million tonnes grading 59.0% Fe

Improved resource classification at the Robertson Range Project to 23.8Mt Measured (46%), 20.2Mt Indicated (39%) and 8.2Mt Inferred Resources (15%)

Initial Inferred Resource for the Tiger Prospect at the Davidson Creek Project of 12.1 million tonnes grading 57.2% Fe

"These are great results that continue to increase the size and improve the quality and classification of direct shipping iron ore resources (DSO) at FerrAus' East Pilbara projects," the Company's Managing Director, Mr David Turvey, said today.

"Our large, high-quality resource is a cornerstone asset that enables FerrAus to become a new iron ore producer in the Pilbara," Mr Turvey said.

Summary:

- At Robertson Range, a high conversion rate to measured and indicated resources (85%) confirms the robust technical fundamentals of the project and reinforces the mine development plans.
- At Davidson Creek, a new resource at the Tiger Prospect exemplifies the significant upside to exploration potential of the tenement area and supports the long-term development of mining operations based on multiple open pits.
- The large, high-quality resource inventory and strong technical fundamentals of FerrAus' iron ore projects allows the focus of activities to concentrate on Government approval processes, infrastructure negotiations and agreements (rail and port), commercial evaluation, corporate activity and project financing.

1. Robertson Range Iron Ore Project

During late 2008, RC drilling was completed in three main areas: (refer Figures 1, 2 & 3)

a) Down-dip extensions of the Main Zone resource to the east at 150-250 metres depth,

b) Infill of the South West Zone resource, and

c) Grade control drilling of the northern section of the Main Zone ore body (from surface outcrop to 50 metres depth)

Results of this exploration were used by Snowden Mining Industry Consultants Pty Ltd to complete a revised resource estimate and reclassification of resources in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code - refer to the attached Resource Statement, Table 1 & Figure 2).

The Robertson Range iron ore resource has increased in both size and grade to **52.3 million tonnes grading 59.0% Fe.** Significantly, the resource was reclassified to contain **44 million tonnes in the measured and indicated resource categories, equivalent to 85% of the total resource**. This represents a 5% increase in the resource size, a 29% increase in resource classification (measured & indicated) and improved resource grade when compared to the previously announced resource estimate (reported in ASX Announcement of 5th December 2008).

The substantial increase in Measured and Indicated Resources at Robertson Range reflects the success of in-fill drilling in confirming a high level of confidence in the continuity and grade distribution of iron mineralisation. These results substantiate the robust technical fundamentals of the project and have been used in mine planning and evaluation studies to estimate the following:

a) Iron ore product grades (58-60% Fe) and lump:fines product ratios

b) Production scheduling and production rates up to 8 million tonnes per year by using traditional mining methods (drill & blast, shovel & truck haulage).

c) Frequency of exploration drilling required for upgrades in resource classification

Table 1: Extract from the Resource Statement on the Robertson Range Iron Ore Project by the Snowden Group, 30 March 2009 (refer to attached report)

Robertson Range Iron Ore Resource

(Main & South West Zone)

@ 55% Fe cut-off (JORC 2004)

Measured	**23.8 Mt @ 58.9% Fe (*CaFe 63.8%)**
Indicated	**20.2 Mt @ 59.2% Fe (*CaFe 63.2%)**
Inferred	**8.2 Mt @ 58.7% Fe (*CaFe 62.6%)**
TOTAL	**52.3 Mt @ 59.0% Fe (*CaFe 63.4%)**

***CaFe or calcined Fe is calculated as follows, CaFe = (Fe% x 100) / (100 – LOI%)**

2. Tiger Prospect, Davidson Creek Iron Ore Project

During Q4 2008, RC drilling of the Tiger & Dugite prospects was completed on 200 metre spaced lines at 50 metre intervals. The discovery of continuous iron mineralisation over a strike length of 800 metres at the Tiger prospect was reported to the ASX on 5th March 2009 (refer to Figures 1, 4 and 5).

An initial resource estimate was completed for the Tiger Prospect by FerrAus Limited in conjunction with Snowden Mining Industry Consultants Pty Ltd and in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (Refer to the attached Resource Statement and Table 2).

The initial resource for the Tiger Prospect at the Davidson Creek Project was estimated to be an Inferred Resource of **12.1 million tonnes grading 57.2% Fe (CaFe 62.3%).**

Mineralisation at the Tiger Prospect is typical of iron ore deposits hosted in the Marra Mamba Iron Formation in the Jimblebar – Newman area. The mineralisation consists predominantly of bedded goethite +/- limonite & martite ores that occur below the near-surface hardcap ores. The ore deposit has a shallow northerly dip (20-30 degrees) and remains open both at depth and along strike to the west.

The discovery of a new resource at the Tiger Prospect exemplifies the significant exploration potential of FerrAus' tenement areas in the East Pilbara. Additional exploration drilling is warranted at the Tiger prospect to increase the size and classification of the resource, and also at the Dugite prospect in order to establish an initial resource.

Table 2: Extract from the Resource Statement by FerrAus Limited and the Snowden Group, 6th April 2009 (Refer to attached report)

Davidson Creek Project
Tiger Prospect
Grade Tonnage for Mineralised and Hardcap Horizons
55% Fe lower grade cut off is applied

JORC (2004) Resource Category	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)	CaFe† (%)	CaO (%)	K_2O (%)	MgO (%)	Mn (%)	S (%)	TiO_2 (%)
Hardcap													
Inferred	5.8	56.79	5.7	4.2	0.074	8.17	61.85	0.04	0.04	0.08	0.13	0.04	0.13
Mineralised													
Inferred	6.3	57.51	4.97	2.76	0.112	8.42	62.79	0.04	0.02	0.08	0.4	0.02	0.09
Combined													
Total Inferred	**12.1**	**57.16**	**5.32**	**3.45**	**0.094**	**8.3**	**62.34**	**0.04**	**0.03**	**0.08**	**0.27**	**0.03**	**0.11**

Notes: † CaFe or calcined Fe is calculated as follows, CaFe = (Fe% x 100) / (100 - LOI%); small discrepancies may occur due to the affects of rounding.

3. Resource Inventory and Exploration Potential*

Based on RC and diamond drilling completed during 2008, the iron ore resource inventory and exploration potential of FerrAus' tenement areas in the east Pilbara is summarised in Table 3. **The total iron ore inventory has increased to 164.4 million tonnes grading 58.6% Fe.**

An update and reclassification of iron ore resources at Python, Gwardar and Taipan is planned to be completed by the end of April 2008.

No "greenfield" RC exploration drilling is currently being conducted or is planned during 2009 as the current JORC resource base is deemed adequate to support various mine development and production scenarios. As required, further infill or grade control drilling of existing resources will be completed in order to improve the classification of resources and convert resources to mining reserves based on project evaluation studies and financial modelling during 2009.

Table 3:

RESOURCE, PROSPECT & TARGET	Mineral Resources# (million tonnes Mt) [1-2]			Potential* Iron Mineralisation @ 58-60% Fe (Mt)
	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	
Davidson Creek Iron Ore Project				
Gwardar & Python[1]		-	85.4 @ 58.7% Fe	25-30
Taipan[1]		-	14.6 @ 57.7% Fe	10-20
Dugite		-	-	10-20
Tiger[2]		-	12.1 @ 57.2% Fe	20-30
Mirrin Mirrin		-	-	?
T40500E		-	-	?
T51500E		-	-	?
T52000E		-	-	15-20
Robertson Range Iron Ore Project				
Main Zone & South West Zone[2]	23.8 @ 58.9% Fe	20.2 @ 59.2% Fe	8.2 @ 58.7% Fe	20-30
Feather Boa		-	-	30-40
T91000N		-	-	10-20
T59800E		-	-	20-25
T56500E		-	-	20-25
T55000E		-	-	10-20
TOTAL	**164.4 Mt @ 58.6% Fe**			**180-280**

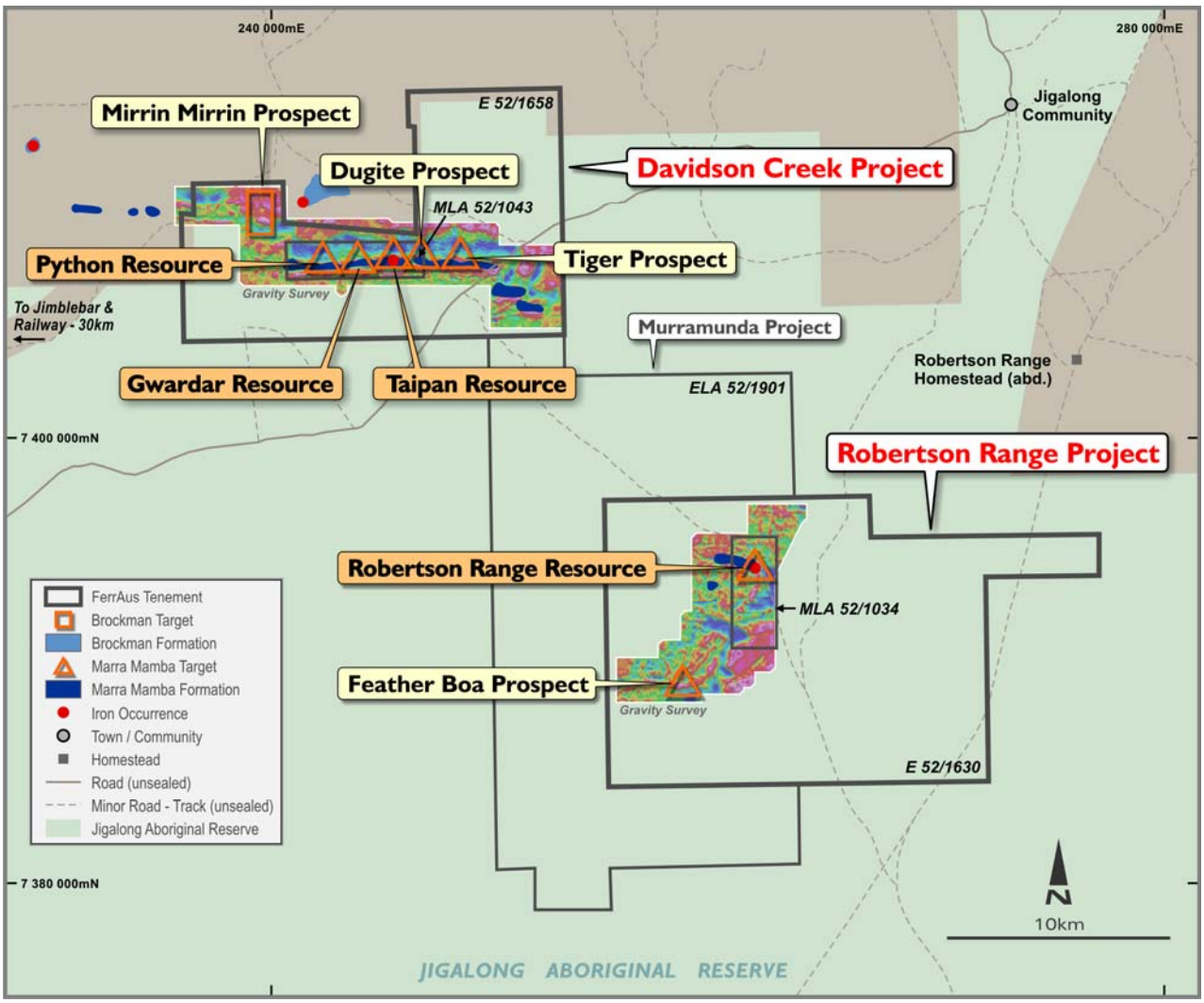
Estimate in accordance with AusIMM JORC Code 2004 per ASX announcements dated: 1. 2/4/2008, 2. 5/12 /2008, 3. 17/4/ 2009,

* *FerrAus Limited has not yet reported Mineral Resources from exploration of unnamed gravity targets or named prospects on its Davidson Creek or Robertson Range iron ore project. While the company remains optimistic it will report resources in the future, any discussion in relation to exploration potential or targets or potential iron mineralisation is only conceptual in nature and it is uncertain if further exploration will result in determination of a Mineral Resource.*

Mr David Turvey - BSc (Hons), MAusIMM, who is Managing Director and a full-time employee of FerrAus Limited, has over 25 years experience in mineral exploration and resource project evaluation. He has more than five years relevant experience in the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "AusIMM Australasian Code for Reporting of Exploration Results". Mr Turvey consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

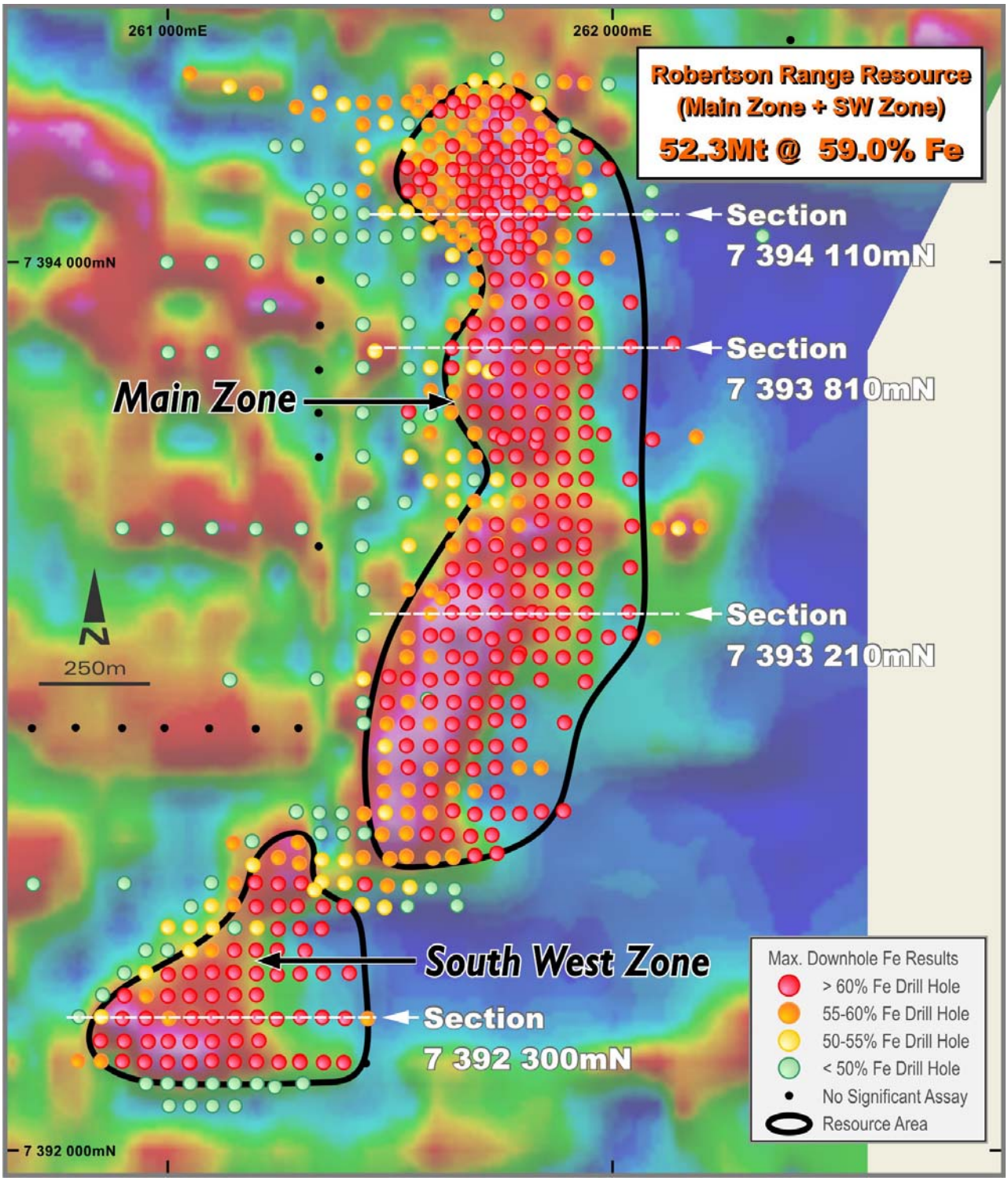
This release may include forward-looking statements that are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of FerrAus Limited, that could cause actual results to differ materially from such statements. 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.

Figure 1: East Pilbara Iron Ore Projects - Location Plan



(Note: Gravity geophysical surveys are the coloured base images)

Figure 2: Robertson Range Iron Ore Project:
Drill Hole Location Plan



(Note 1: Resource Statement by Snowden Mining Industry Consultants in accordance with AusIMM JORC Code 2004 and reported to the Australian Stock Exchange on 17th April 2008. Measured Resource = 23.8Mt @ 58.9% Fe, Indicated Resource = 20.2Mt @ 59.2% Fe, Inferred resource = 8.2Mt @ 58.7% Fe for a Total Resource = 52.3Mt @ 59.0% Fe)

(Note 2: Gravity geophysical surveys are the coloured base images)

Figure 3: Robertson Range Iron Ore Project: Geological & Drill Hole Cross Sections

Fig.3a Cross Section 7 394 110mN

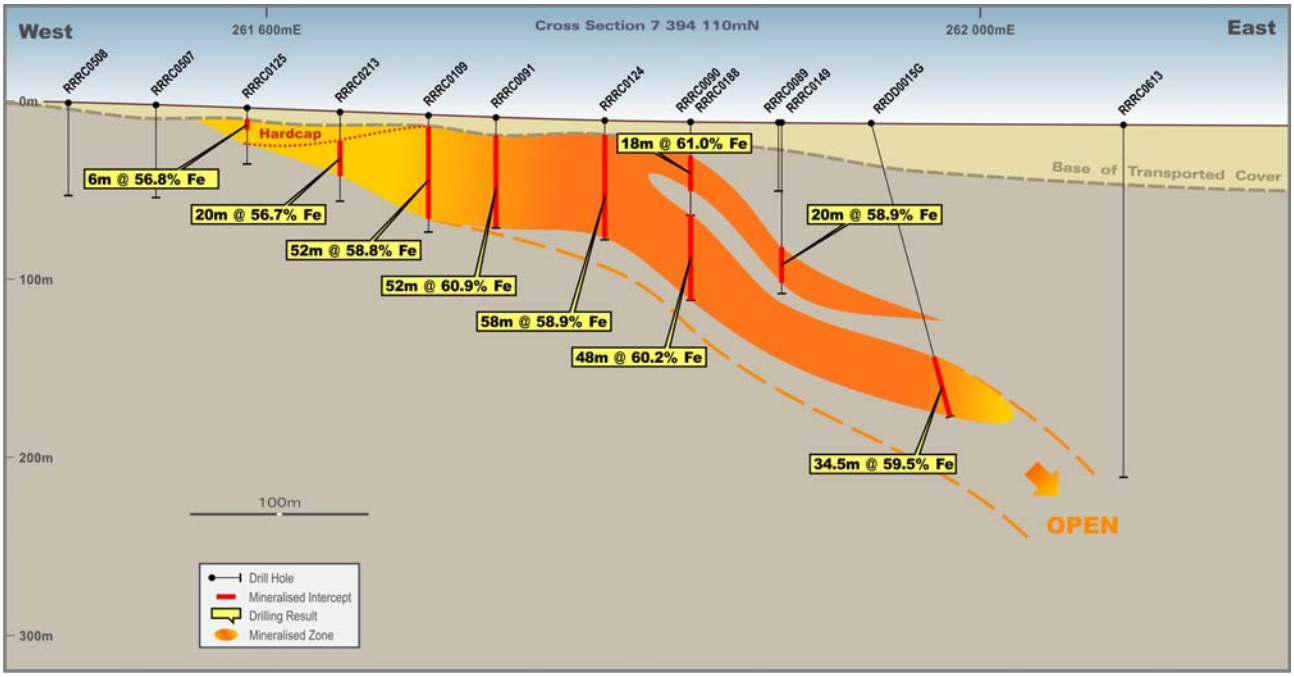


Fig. 3b Cross Section 7 393 810mN

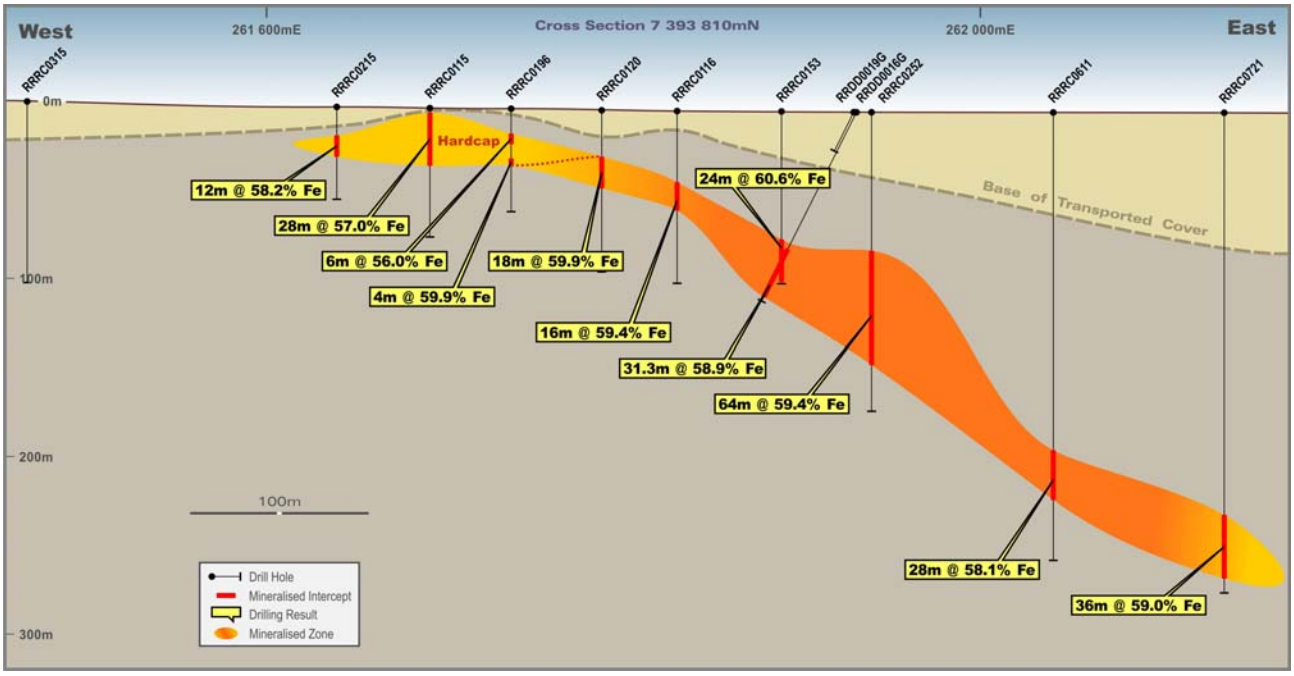


Figure 3: Robertson Range Iron Ore Project: Geological & Drill Hole Cross Sections

Fig. 3c Cross Section 7 393 210mN

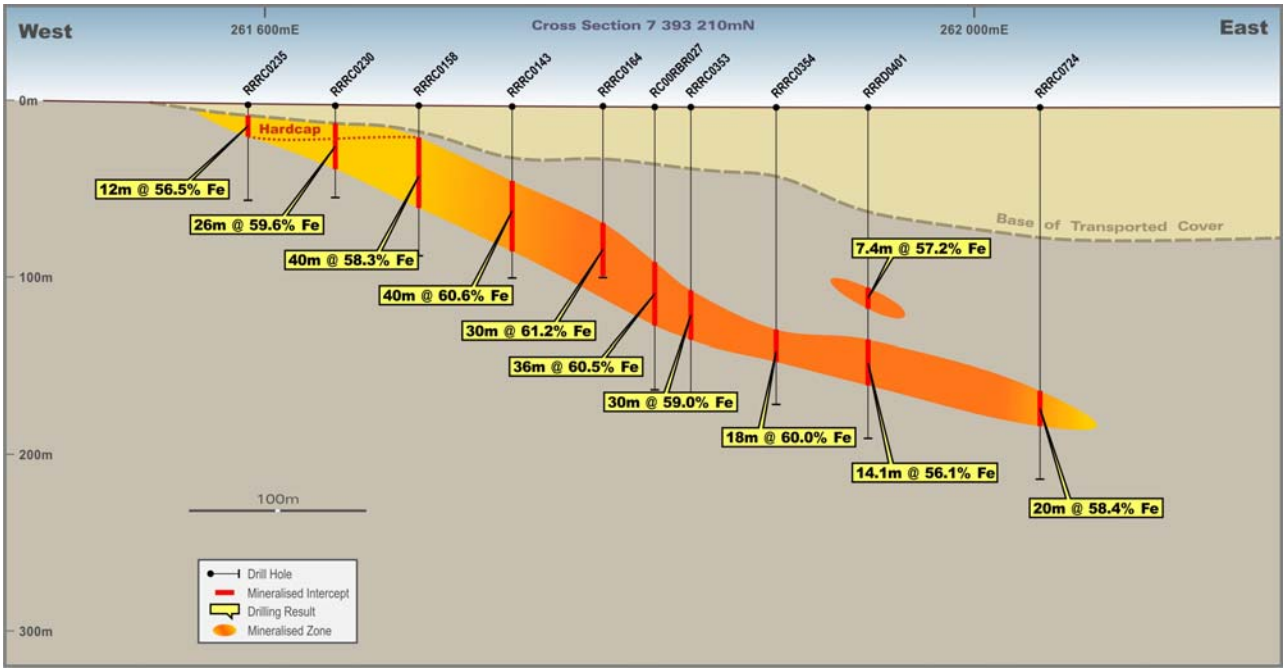


Fig.3d Cross Section 7 392 300mN

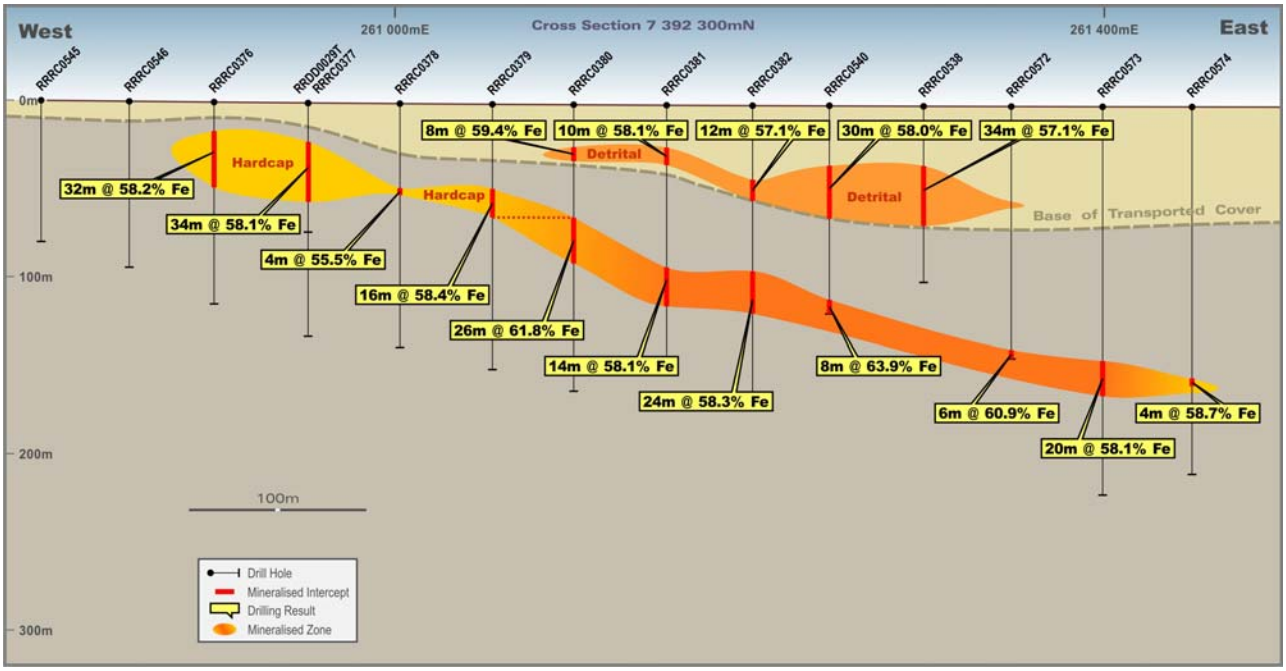
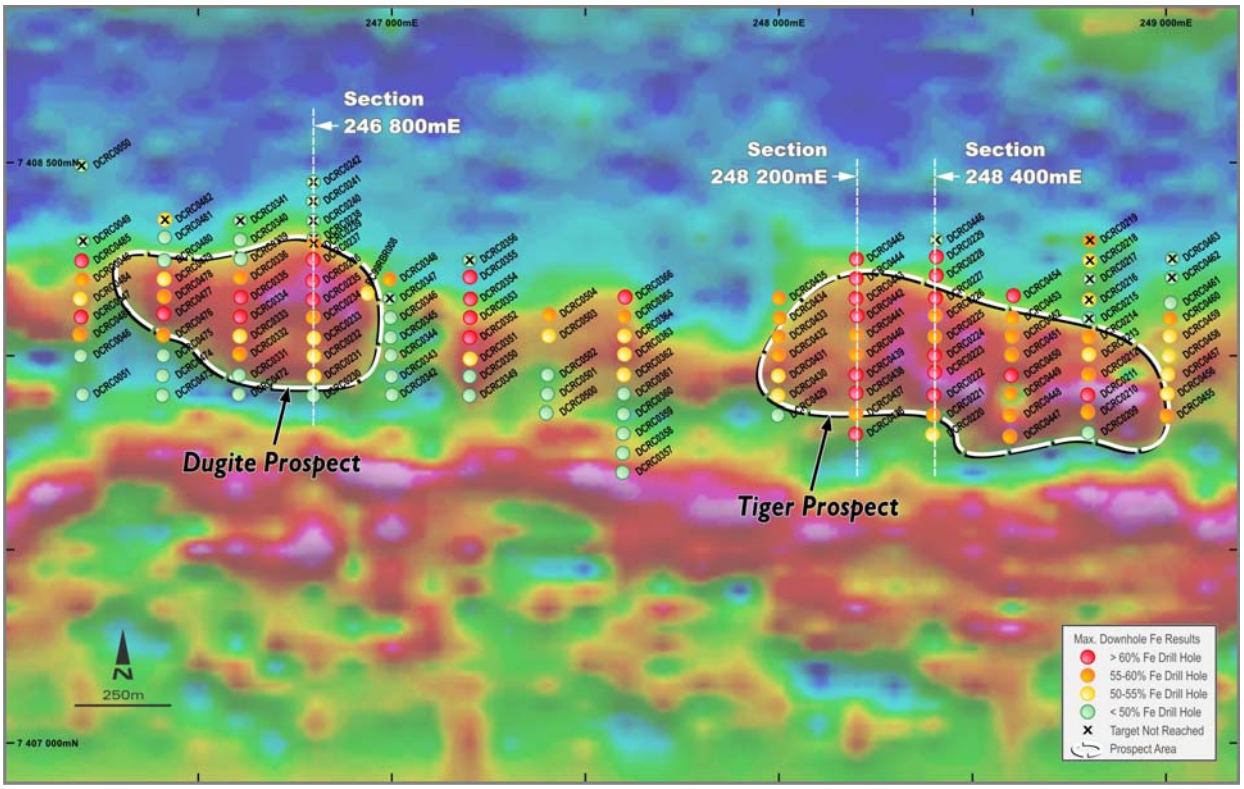


Figure 4: Tiger & Dugite Prospects, Davidson Creek: Drill Hole Location Plan



(Note: Gravity geophysical surveys are the coloured base images)

Figure 5: Tiger Prospect, Davidson Creek: Geological & Drill Hole Cross Sections

Fig. 5a Cross Section 248 200mE

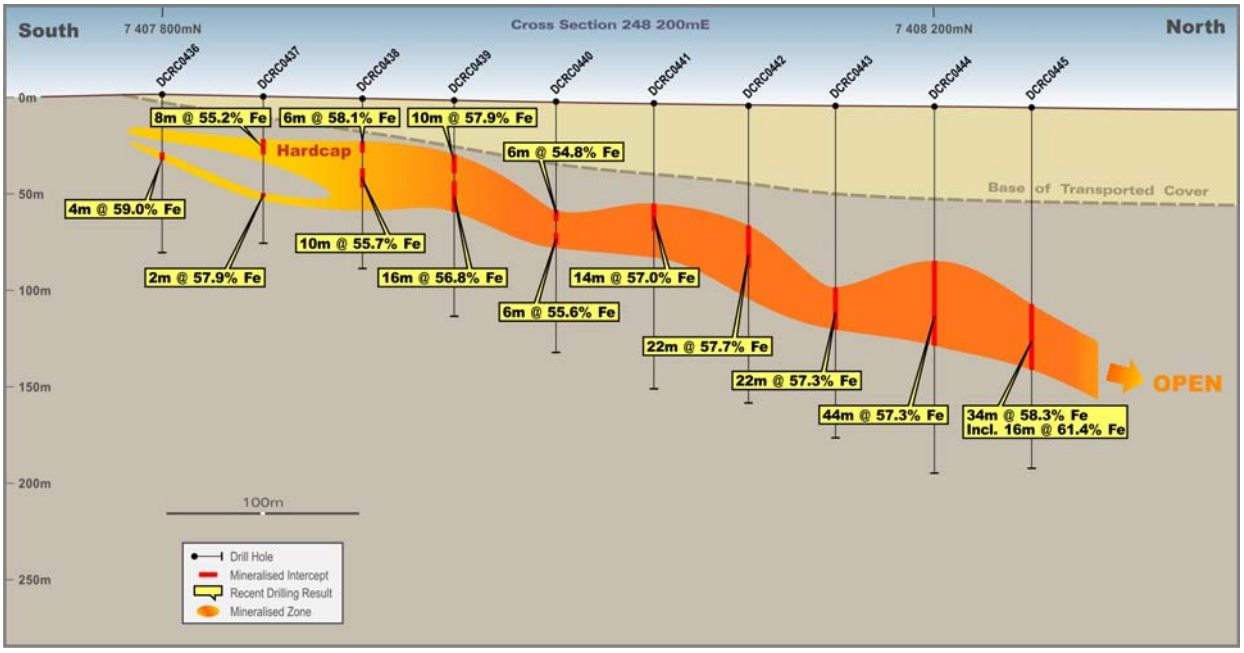
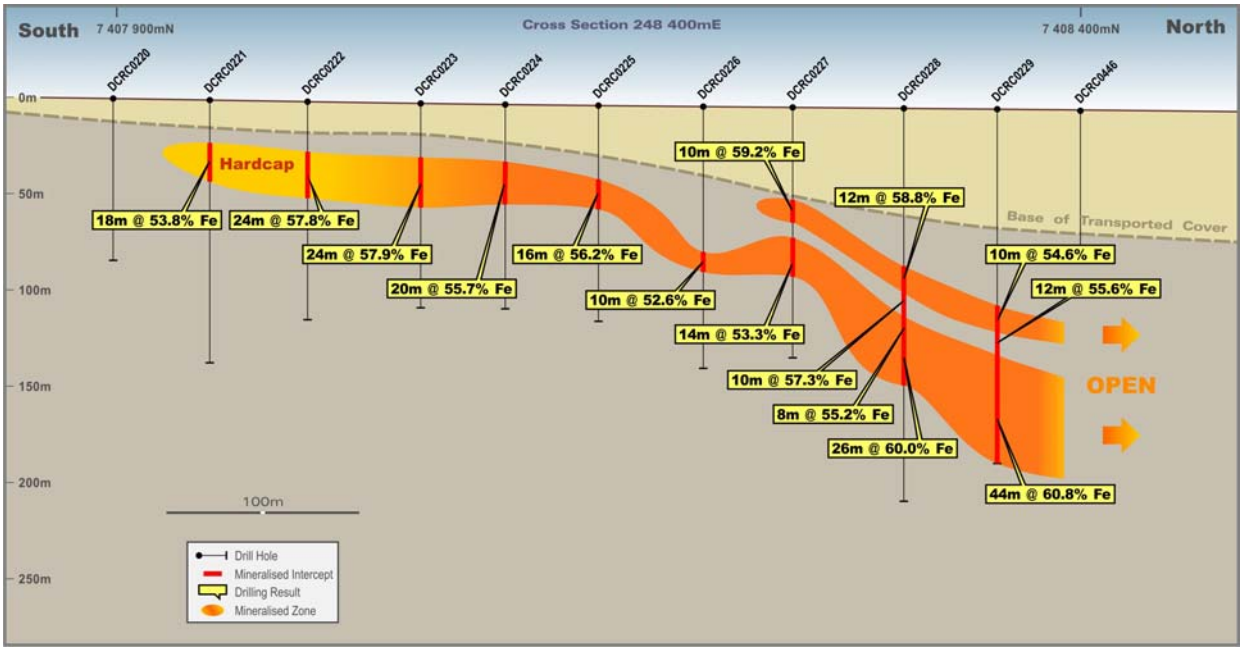


Fig. 5b Cross Section 248 400mE



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30TH March 2009

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Dear Sir

ROBERTSON RANGE (MAIN AND SOUTH WEST ZONE) RESOURCE ESTIMATE

The following is a brief summary of the Mineral Resources for the Robertson Range iron ore deposit.

1 INTRODUCTION

The Robertson Range iron ore deposit is located in the East Pilbara Region of Western Australia approximately 100 km east of Newman. The iron mineralisation consists of two types of material:

- Hardcap (crustal) style mineralisation located at or near the surface with the iron mineralisation mostly in the form of goethite.
- Primary mineralisation characterised by varying amounts of martite (hematite), goethite and limonite. The hardcap mineralisation has generally overprinted the upper portion of the primary mineralised horizons.

The mineralised horizons are largely hosted by the Mara Mamba Iron Formation and extend over a strike length of approximately 2000 m and are located within a broad east south-east plunging anticline.

In March 2009 Snowden Mining Industry Consultants Pty Ltd ("Snowden") built a resource block model for the Main and South West zones of the Robertson Range iron ore deposit. The resource estimate was compiled based largely on drillhole data and geological interpretations provided by FerrAus Limited ("FerrAus"). The estimate was compiled using Datamine software.

Snowden composited the desurveyed drilling data (the sample tables were merged and the local grid coordinates were added to each sample interval) using a nominal 2 m sample interval and estimated Fe, SiO_2, Al_2O_3, P, LOI CaO, K_2O, MgO, Mn, S, TiO_2 using ordinary block kriging. A calcined Fe (CaFe) field was set using the formula:

CaFe =Fe *100/(100-LOI)

Mineralised volumes were generated from the supplied interpretations using block modelling. In situ density values were assigned to the model blocks by assigning fixed values provided by FerrAus that were used in the previous Resource estimate compiled by Coffey Mining in May 2008. The hardcap and detrital mineralisation was allocated a fixed density of 2.72 t/m^3. A density value of 2.85 t/m^3 was allocated to the primary mineralised horizons in the northern zone and 2.80 t/m^3 to the primary horizons in the south west zone.

Due to time constraints, the scope of work only included the estimation of the mineralised domains. Neither grade nor lithology was defined in the surrounding host rocks. A fixed density of 2.76 t/m^3 was applied to all of the unmineralised blocks.

2 ROBERTSON RANGE DATA

FerrAus supplied Snowden with the following information:

- Drillhole data in the form of a Microsoft Access database with collar, down hole logging, survey and assay information derived from 782 reverse circulation and RC diamond core drillholes.
  Of this drilling, approximately 590 drillholes intersected the iron mineralisation in the Robertson Range district.
- The average drillhole spacing across the deposit is generally 50 m north by 50 m east on a north-south trending grid. However in the north of the project area between 7394050 mN and 7394380 mN the drillhole spacing has been infill drilled to a staggered 25 m by 25 m spacing.
- A set of geological interpretations of the Robertson Range iron mineralisation in the form of a set of Surpac strings.
- Two wireframe solids defining areas containing internal waste (<55% Fe) within the iron mineralisation horizons.
- A surface survey (Surpac wireframe surface) of the local topography.
- A set of wireframes defining areas where there are elevated concentrations of Mn.
- A suite of internal documents describing previous Resource estimates, site sampling and logging practices, external reviews.
- Currently available quality control (QC data).

3 QAQC ANALYSIS

FerrAus provided Snowden with an Access database of the Robertson Range drilling to date (*FerrAus_RR.mdb*). Assay values in the database below the analytical detection limit are stored as negative values. For the purposes of statistical analysis, negative values were converted to half the analytical detection limit.

Some minor overlapping samples in the assay table were encountered during desurveying. The overlaps occur in the changeover from an RC pre-collar to diamond drilling, presumably due to minor errors in the downhole depth measurement during drilling. A total of 11 overlapping samples were removed prior to analysing the data.

The assay table contained a field for both Mn and MnO values (both in %). FerrAus instructed Snowden that the Mn values should be used in the resource estimate, and that where no Mn value existed, a Mn value was to be calculated from the MnO sample value (Mn=MnO/1.291). Snowden noted several cases, where both the Mn and MnO values are present and where the Mn and MnO values depart significantly from this conversion factor. Snowden recommends FerrAus confirm the Mn content of these samples, potentially re-assaying where required.

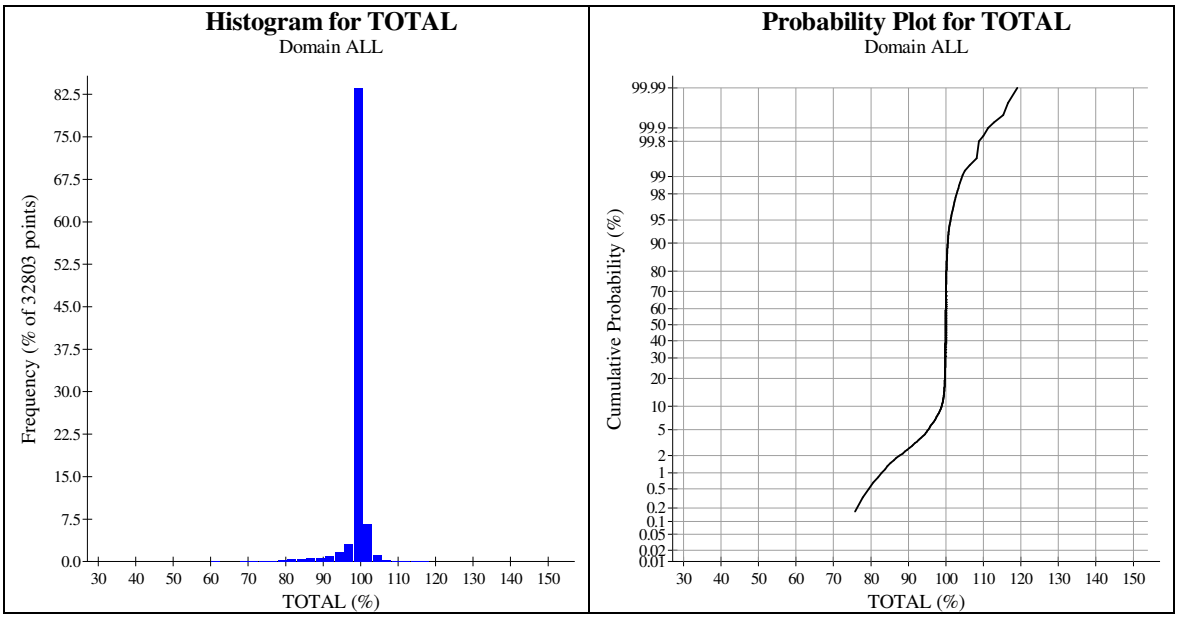
In order to assess the quality of the XRF assays, a total field was calculated which should be as close to 100% as possible. The formula for calculating the total value is:

TOTAL = (1.43 x Fe) + SiO_2 + Al_2O_3 + K_2O + Na_2O + (2.291 x P) + (1.582 x Mn) + (2.497 x S) + MgO + CaO + TiO_2 + (1.462 x Cr) + LOI

MnO_2 rather than MnO is used in the above formula as this is likely to be the most common Mn oxide present.

Snowden notes that some of the laboratories used by FerrAus had an XRF upper detection limit for CaO of 10% and SiO_2 of either 50% or 70% (depending on laboratory). The majority of samples have totals close to 100% (Figure 1). Additionally, those samples significantly below 100% are the result of upper detection limit issues with CaO and SiO_2. However, Snowden notes that there are several samples in the database where all elements are listed as close to or below the detection limit. Snowden recommends that these errors are investigated and the samples are re-assayed if required.

Figure 1 Histogram and log-probability plot of assay Totals within Robertson Range database



3.1 QAQC PROTOCOLS

Snowden reviewed the sampling and QAQC procedures as detailed in an internal FerrAus document entitled "*Robertson Range and Davidson Creek Projects, Quality Assurance and Quality Control Protocols*", dated January 2009. The sampling and QAQC protocols employed by FerrAus are, in Snowden's opinion, commensurate with standard industry practices, however Snowden questions the appropriateness of employing blank samples in the QAQC protocol.

Blank samples are commonly used in precious metal deposits to provide a measure of laboratory sample preparation cleanliness, whereby a blank sample which reports above a certain threshold would indicate contamination may have occurred. However, in iron ore many elements are assayed, not just Fe. As such, Snowden recommends that FerrAus cease using blanks in their QAQC protocol.

Monthly QAQC reports were provided for the months of August 2008 through to February 2009. The reports detail the results of the QAQC samples for each laboratory during the period. Snowden reviewed the QAQC results which show that although some minor errors do occur, the assay results show reasonable precision and analytical accuracy has been achieved.

3.2 STANDARD AND DUPLICATE ANALYSIS

Field duplicate data supplied by FerrAus shows that the precision of the sampling and sample preparation is acceptable, with 90% of samples less than 13% HARD (half absolute relative difference) for Fe. The field duplicates also display acceptable precision for Al_2O_3 and SiO_2, with 90% of the field duplicates less than 17% HARD and 12% HARD respectively. Those field duplicate samples which display significant differences are likely the result of mislabelled samples or swapped sample locations and should be investigated further by FerrAus.

Monthly QAQC reports were provided for the months of August 2008 through to February 2009. The reports detail the results of the QAQC samples for each laboratory during the period. Snowden reviewed the certified reference material (CRM) assay results for each month. The results generally plot within the ±3x standard deviation control limits, although the occasional CRM result falls outside these limits. Snowden notes that for December 2008 and the start of January 2009, a low grade bias exists for Fe results from ALS laboratory where the majority of results are below the expected value. This error appears to have been rectified by the end of January 2009.

Snowden's review of the QAQC results show that although some minor errors do occur, the assay results show reasonable precision and analytical accuracy has been achieved for the Robertson Range assay data.

3.3 TWIN HOLE ANALYSIS

Discussions with FerrAus indicate that the RC samples collected are commonly wet. As a validation of the RC drilling technique, especially in wet sampling conditions, Snowden compared a number of twinned diamond drillholes to the original RC drillhole. Only paired drillholes were used in the comparison, which consists of 7 RC drillholes and 7 diamond core holes, typically less than 5 m apart. The holes used in the comparison are detailed in Table 1.

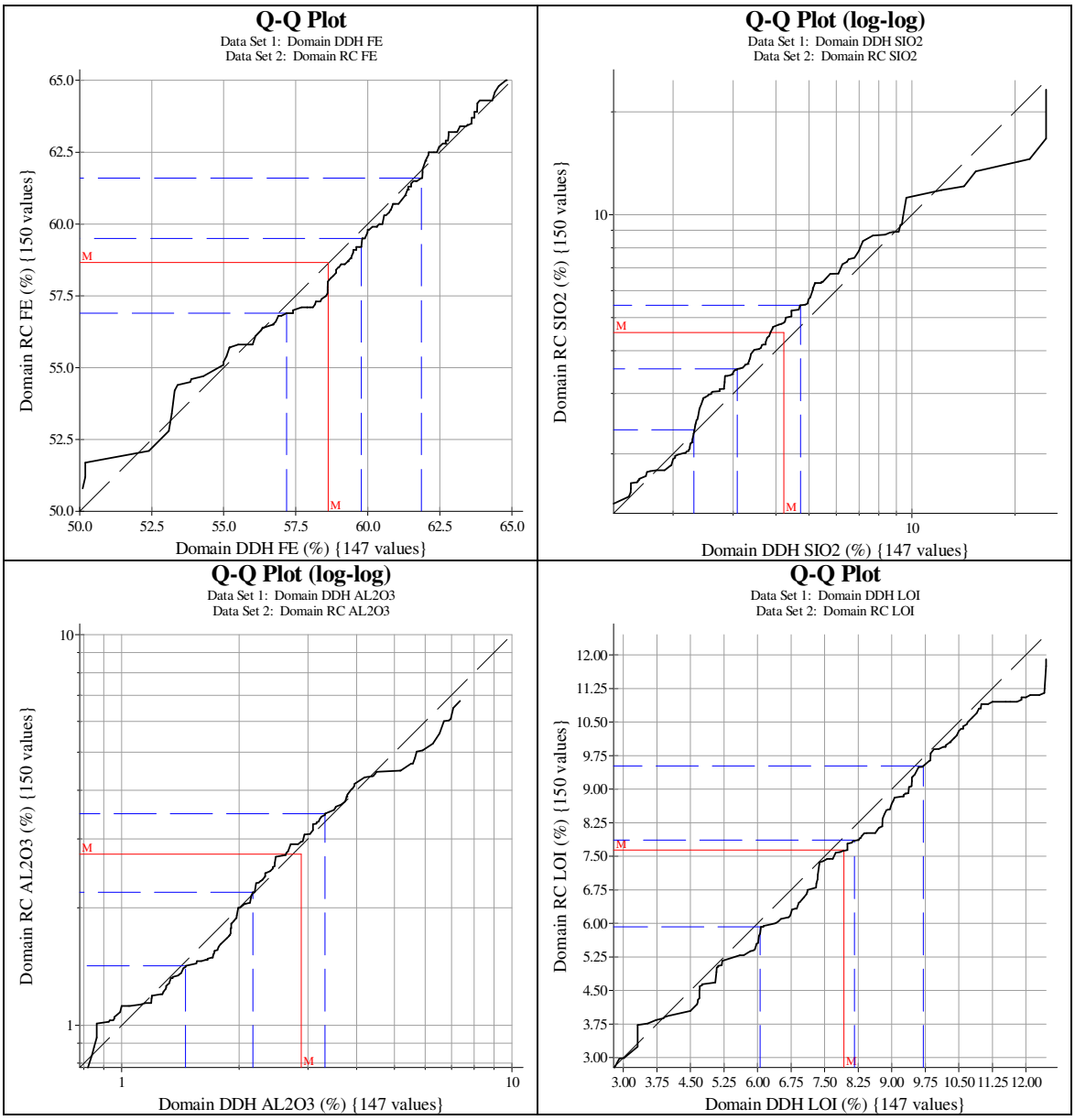
Table 1 List of RC drillholes with twinned diamond drillholes

Original RC drillhole	Twin diamond drillhole
RRRC0107	RRDD0008T
RRRC0112	RRDD0009T
RRRC0119	RRDD0010T
RRRC0137	RRDD0012T
RRRC0159	RRDD0011T
RRRC0375	RRDD0028T
RRRC0384	RRDD0031T

As the top portion of the diamond drillholes is commonly not sampled, the study was restricted to samples within the mineralised envelopes only, where both the RC and diamond drillholes are equally sampled. To ensure that the samples were of equal volume, diamond core samples were composited to 2 m downhole intervals.

Quantile-quantile plots (QQ plots) were generated between the RC and twinned diamond drillholes (Figure 2).

Figure 2 QQ plots for twinned holes comparison for Fe (top left), SiO_2 (top right), Al_2O_3 (bottom left) and LOI (bottom right)



The QQ plots show a slight constant positive bias towards the diamond drillholes in Fe and LOI, in the order of 0.3% Fe and 0.3% LOI, and a positive bias towards the RC drillholes in SiO_2 of approximately 0.5%. Snowden believes that this bias is likely to be due to a loss of goethite, common in Marra Mamba iron ore, when sampling wet RC intervals, which would account for the slight downgrade in Fe and LOI and upgrade in SiO_2 in the RC samples. However, it should be noted that the drillhole database received by Snowden contained only limited wet sampling information and so this theory could not be tested.

Snowden's analysis of the QAQC data did not identify any significant issues which could be material to the Resource estimate.

4 DATA ANALYSIS

Snowden's analysis of the FerrAus wireframes (geological interpretation) and accompanying drilling data yielded the following observations:

- The wireframes used to identify high Mn zones were not capturing all the relevant sampling information. Clearly a significant amount of drilling had been completed since these wireframes were compiled. It was not going to be possible to compile a reasonable estimate (using ordinary kriging) of the Mn grades without updating these wireframes. While the areas of elevated Mn tend to be in the hangingwall of the mineralised zones, there is some overlap with the Fe horizons.
- There are sporadic spikes (>1%) in the K_2O grades throughout the project area while the background grade is typically less than 0.1%. Similar trends were also seen in the CaO and TiO_2 grades although to a lesser extent. Snowden is not aware of the underlying geological basis for this grade distribution. The skewed nature of these grade distributions required top cuts to be applied (K_2O, CaO and TiO_2 only) prior to compiling the estimates.
- The Na_2O grades are under sampled when compared to the other results. Most of the domains contained less than 100 Na_2O results.

5 RESOURCE ESTIMATE

Snowden compiled wireframe solids from the section based strings provided by FerrAus and built a volume model based on these wireframes. A field called MINZONE was used to identify the different iron horizons in the model (Table 2).

Table 2 MINZONE field values

Description	MINZONE field value
Detrital mineralisation (south west zone)	30
West Angela hardcap	100
West Angela primary	2000
Mount Newman hardcap (north zone)	200
Mount Newman primary (north zone)	2000
Mount Newman hardcap (south west zone)	300
Mount Newman primary (south west zone)	3000

A new wireframe delineating areas containing elevated Mn based on a nominal threshold of >1.5% was compiled. This wireframe was used to code both the desurveyed drilling and model files with a field called HIGHMN (Table 3).

Table 3 HIGHMN field values

Description	HIGHMN field value
High manganese domain **	1
Samples located outside the	0

***** The use of any threshold is subjective and there will be some inevitable mixing of the two domains in terms of Mn content***

Each of the separate Fe lenses was identified by a unique numeric value allocated to a field called MINLENSE for the primary domains and HCLENSE for the hardcap layers. This was done primarily for classification purposes.

Each of the Fe domains was then estimated separately using domain fields called FE_FLAG and MN_FLAG (Mn estimates only) which were assigned to both the drillhole and model files in order to constrain the estimate. The fields were set using the following equations:

FE_FLAG=MINZONE

MN_FLAG=HIGHMN*10000

The grades were estimated using a mixture of ordinary kriging and naïve mean values in the case where a domain contained approximately 30 or less sample values. Where mean values have been applied the corresponding search volume field (SV_*grade field*) has been set to -4 while the number of samples used to compile each estimate is recorded in a field called NS_*grade field*. A full list of the model fields is given in Table 4.

Table 4 Robertson Range (rr0309v2.dm) attribute fields

Field name	Description/values
MINZONE	0 = not mineralised
	100, 200, 300, 1000, 2000, 3000 = mineralised horizons
MINLENSE	0 = not mineralised
	1 to 6 = mineralised horizons
HCLENSE	0 = not mineralised
	1 to 6 = mineralised horizons
HIGHMN	0 = <1.5% Mn
	1= >=1.5% Mn
NS_*	Number of samples used for the grade estimation
SV_*	Search volume used for the grade estimation
	1 = 65 by 65 ellipse by 20 – minimum of 10 samples in the mineralised domains
	2 = 65 by 65 by 20 ellipse – minimum of 2 samples in the mineralised domains
	3 = 130 by 130 by 40 ellipse – no minimum number of samples
	-4 = Allocated mean naïve drillhole grade
KV_*	Kriging variance
DENSITY	In situ bulk density
RESCAT	Resource classification field
	1= Measured 2=Indicated, 3=Inferred, 0=unclassified
FE, SIO2, AL2O3, P, LOI, CAO, K2O, MGO, MN, NA2O, S, TIO2, CAFE	Grade fields
FE_FLAG	Grade estimation domain field – non Mn estimates
MN_FLAG	Grade estimation domain field – Mn estimates only

Given the folded nature of the stratigraphy, Snowden elected to use the Datamine Unfold process to address the impact of folding on the modelling of variograms and the estimation of grades.

6 MODEL VALIDATION

The estimates were validated using:

- a visual comparison of block grade estimates and the drillhole data
- a global comparison of the average composite (naïve) and estimated grades
- generation of north-south vertical section plots of the composite grades, the estimated block grades and the number of composite samples available.

The conclusions from the model validation work are as follows:

- Visual comparison of the model grades and the corresponding drillhole grades shows a good correlation.

- A comparison of the global drillhole and model domain grades for the mineralised horizons shows that both sets of results are largely within 10 % which is a reasonable outcome.
- With the exception of poorly sampled regions the grade trend plots show a good correlation between the patterns in the model cell grades compared with the drillhole grades.

7 RESOURCE CLASSIFICATION

The Robertson Range Mineral Resource estimate was classified and reported in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) using a 55% Fe cut off (provided by FerrAus). The classification was developed based on Fe grade and an assessment of the following criteria:

- Nature and quality of the drilling and sampling methods.
- Drilling density
- Confidence in the understanding of the underlying geological and grade continuity.
- Analysis of the QC data.
- Results of external reviews and audits of the FerrAus drillhole database and the company's sampling and logging protocols.
- Confidence in the estimate of the mineralised volume.
- The results of the model validation.
- Snowden carried out a simulation based drill spacing study in order to assess the grade risk associated with estimating Fe grades from different spaced drill patterns, A grade simulation was completed for the Robertson Range deposit using the resource drilling data. No other elements were considered in this study. Due to time constraints, the study was conducted based on drilling north of 7394000mN. Fe grades were simulated in the study area using sequential gaussian simulation at a node spacing of 1 mE by 1 mN by 2 mRL. The simulation was then re-sampled at grid spacings of 25 m, 50 m, 75 m and 100 m, to generate drill patterns at different spacings. An ordinary kriged estimate was subsequently completed for each drill pattern (using identical estimation parameters) and the tonnes and grade compared to the re-blocked simulation. The study showed that at a reporting cut-off grade of 55% Fe, there is <5% difference in the tonnes above cut-off and the contained metal when moving from a 25 m drilling grid to a 100 m drilling grid. It is important to note that this study will only provide an assessment of the risk associated with Fe grade continuity.

While exercising all reasonable due diligence in checking and confirming the data validity, Snowden has relied largely on the data as supplied by FerrAus to estimate and classify the Robertson Range Mineral Resource. As such Snowden accepts responsibility for the Resource modelling and classification while FerrAus has assumed responsibility for the geological interpretation and the accuracy and quality of the underlying drilling data. Richard Sulway is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a competent person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Reserves".

The classified Mineral Resource is listed in Table 5.

Table 5 Robertson Range Mineral Resources as at March 13 2009 (JORC 2004), 55% Fe cut-off (Main and Southern zones)

Mineralisation type	JORC (2004) Resource Category	Tonnes Mt	Fe (%)	SiO_2 (%)	$Al2O_3$ (%)	P (%)	LOI (%)	CaO (%)	K2O (%)	MgO (%)	Mn (%)	Na_2O* (%)	S (%)	TiO2 (%)	CaFe (%)
Detrital	**Indicated**	0.7	57.03	7.49	5.60	0.029	4.84	0.07	0.02	0.13	0.05	0.04	0.01	0.36	59.93
	Inferred	1.1	57.47	7.23	5.66	0.056	4.30	0.06	0.02	0.10	0.07	0.05	0.02	0.37	60.07
Hardcap	**Measured**	3.3	56.93	6.05	3.71	0.086	8.25	0.06	0.02	0.12	0.15	0.02	0.02	0.14	62.05
	Indicated	3.9	58.09	6.18	3.52	0.086	6.72	0.06	0.02	0.10	0.09	0.02	0.02	0.12	62.27
	Inferred	1.0	56.82	5.96	3.37	0.128	8.52	0.05	0.03	0.10	0.44	0.03	0.02	0.09	62.11
Primary	**Measured**	20.5	59.20	4.38	2.58	0.109	7.67	0.03	0.01	0.09	0.35	0.04	0.01	0.08	64.11
	Indicated	15.7	59.51	5.02	2.65	0.105	6.41	0.03	0.01	0.11	0.30	0.03	0.01	0.07	63.59
	Inferred	6.1	59.17	5.87	2.41	0.097	6.25	0.03	0.01	0.09	0.29	0.02	0.01	0.07	63.12
Total	**Measured**	23.8	58.88	4.61	2.73	0.106	7.75	0.04	0.01	0.09	0.32	0.03	0.01	0.09	63.82
	Indicated	20.2	59.16	5.32	2.91	0.099	6.42	0.04	0.01	0.11	0.25	0.03	0.01	0.09	63.21
	Inferred	8.2	58.65	6.06	2.98	0.096	6.27	0.04	0.01	0.10	0.28	0.03	0.01	0.11	62.58
	Total	**52.3**	**58.95**	**5.12**	**2.84**	**0.102**	**7.00**	**0.04**	**0.01**	**0.10**	**0.29**	**0.03**	**0.01**	**0.09**	**63.39**

**** Na_2O estimates are based on limited sampling information and are indicative only.***

Small discrepancies may occur in the tabulated resources due to the effects of rounding.

Yours sincerely

Snowden Mining Industry Consultants Pty Ltd

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16 April 2009

Managing Director
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Dear Sir

TIGER PROSPECT, DAVIDSON CREEK PROJECT

The initial Mineral Resource for the Tiger Prospect (Davidson Creek Project) is complete. The Mineral Resource Statement as at 25th March, 2009 is tabulated below in Table 1.

Table 1
Davidson Creek Project
Tiger Prospect
Grade Tonnage for Mineralised and Hardcap Horizons
55% Fe lower grade cut off is applied

JORC (2004) Resource Category	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)	CaFe† (%)	CaO (%)	K_2O (%)	MgO (%)	Mn (%)	S (%)	TiO_2 (%)
Hardcap													
Inferred	5.8	56.79	5.7	4.2	0.074	8.17	61.85	0.04	0.04	0.08	0.13	0.04	0.13
Mineralised													
Inferred	6.3	57.51	4.97	2.76	0.112	8.42	62.79	0.04	0.02	0.08	0.4	0.02	0.09
Combined													
Total Inferred	**12.1**	**57.16**	**5.32**	**3.45**	**0.094**	**8.3**	**62.34**	**0.04**	**0.03**	**0.08**	**0.27**	**0.03**	**0.11**

Notes: † CaFe or calcined Fe is calculated as follows, CaFe = (Fe% x 100) / (100 - LOI%); small discrepancies may occur due to the affects of rounding.

The Resource has been classified as Inferred in accordance with the guidelines set out in the JORC Code (2004).

The Mineral Resource documented in this letter is based on information compiled by Rebecca McCarthy (Resource Geologist) who is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and an employee of FerrAus Limited (FerrAus). The Resource was reviewed by Richard Sulway (Principal Consultant) who is a member of the AUSIMM and an employee of Snowden Mining Industry Consultants (Snowden). As such, Snowden accepts responsibility for the Resource modelling while FerrAus has assumed responsibility for the accuracy and quality of the underlying drilling data and the geological interpretation. Richard Sulway has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a competent person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Reserves".

The drilling data and estimation method used to compile the Tiger Resource estimate is summarised in the following points:

- Drilling has been completed at a spacing of 200m by 50m on north-south oriented cross sections. Some 33 reverse circulation (RC) drillholes have been completed by FerrAus intersecting the targeted Marra Mamba Iron Formation. All of the drilling data for these 33 holes was used in the resource estimate.
- FerrAus used a nominal 55% Fe cut off in conjunction with the geological logging to interpret the hardcap and primary mineralisation.
- The drilling results included a suite of quality control (QC) data (certified standards, blanks, and field duplicates). Examination of the QC results did not identify any significant issues.
- Prior to estimation the samples were composited using a 2m downhole sample interval.
- The Mn grade distribution is strongly skewed. Mn values in excess of 2% were cut to 2 to stop the smearing of isolated relatively high grades into the surrounding areas. The Mn estimates do not fully reflect localised high Mn grades because the current domains (based on Fe) do not accurately describe the distribution and variation in Mn values.
- The method used to obtain grade estimates within hardcap and mineralised horizons was ordinary kriging. There was insufficient data to compile variograms and so the Fe variogram model using to estimate the nearby Davidson Creek deposit in May 2008 was used to compile kriged estimates for all 11 elements.
- The dry in situ bulk density has been derived for the various horizons of similar style mineralisation at Davidson Creek and applied to the Tiger Prospect. A total of 132 direct diamond core measurements were obtained from 9 drillholes at the Davidson Creek Project. From this analysis, an average density of 2.72 t/m^3 was assigned to hardcap and 2.80 t/m^3 to the mineralised horizon.
- Resource classification was developed from the confidence levels of key criteria as listed in Table 1 of the JORC code.

Yours Sincerely

Rebecca McCarthy

Resource Geologist
FerrAus Limited