
FIRST QUARTER ACTIVITY REPORT
For the period ending 30 September 2009

Highlights

- Appointment of Mike Amundsen as Managing Director and CEO
- Marra Mamba trend discovered at Davidson Creek – strike length of three kilometres
- China Railway Materials (CRM) Agreement

CORPORATE ACTIVITY

On 1 July 2009 the Company announced that Mr Michael Amundsen had been appointed as the Managing Director and Chief Executive Officer of the Company.

On 8 September 2009, the Company announced that an agreement had been reached on strategic iron ore focused cooperation between the Company and China Railway Materials Commercial Corporation (CRM).

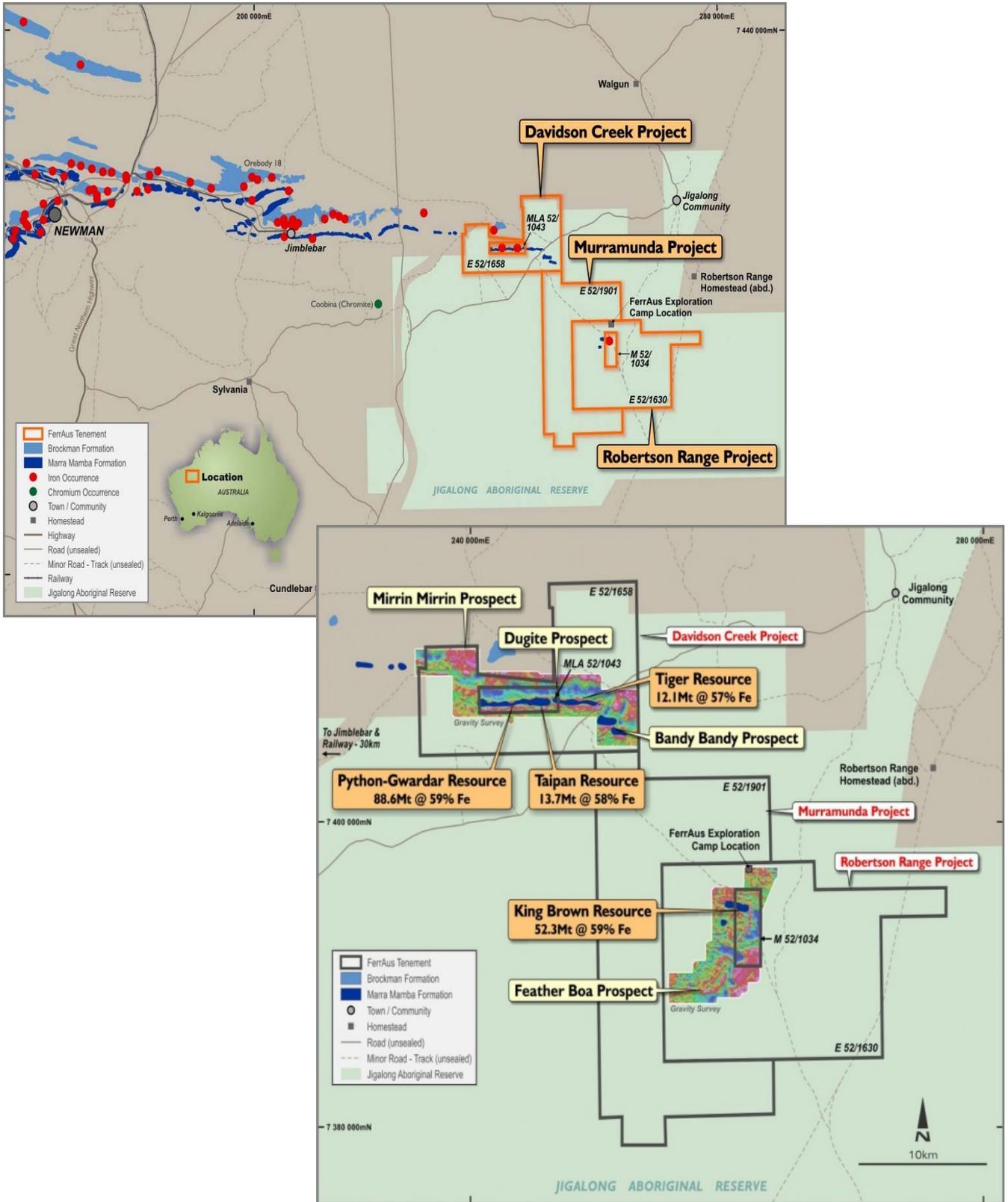
Under the arrangement, CRM (through its wholly owned subsidiary Union Park Company Limited) is to take a placement in the Company equal to 12 per cent of the fully diluted enlarged capital structure at the time the transaction is complete. Based on the current capital structure of the Company, the investment would be approximately \$12.6 million.

The Company and CRM have agreed to cooperate in respect of other potential iron ore resource opportunities in the eastern Pilbara region of Western Australia that, together with the Company's existing resources, can be used to support the financing and construction of necessary rail and port infrastructure for the development of the iron ore resources assembled.

EXPLORATION ACTIVITY

As a statutory requirement annual returns have been completed for all tenements

East Pilbara Iron Ore Projects - Location Plans



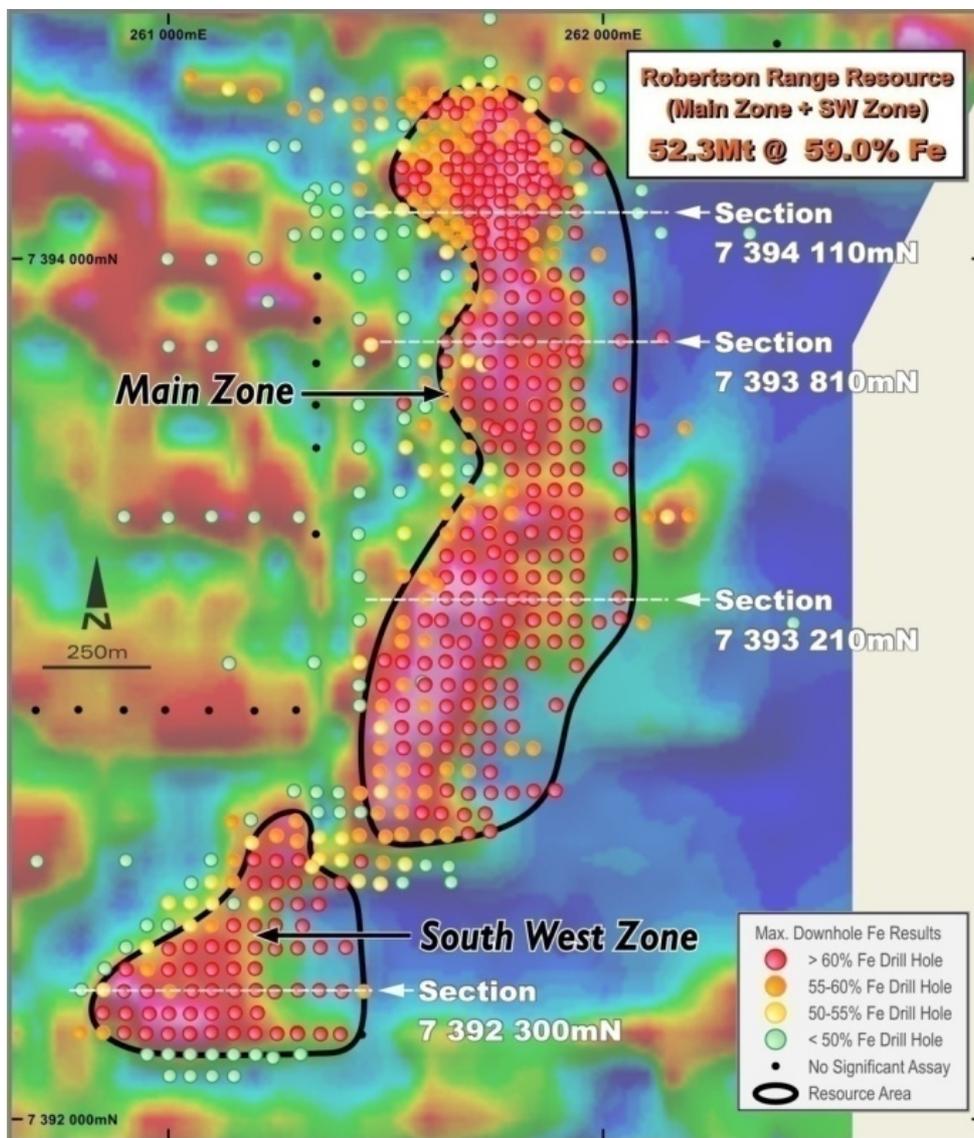
(Note: gravity geophysical surveys are the coloured base images)

ROBERTSON RANGE IRON ORE PROJECT (E 52/1630) Pilbara Region, WA

As part of the restarted iron ore exploration activity, which commenced in July, further drilling was conducted on the Robertson Range Resource during this quarter.

The drilling was focused on the south west zone of the orebody targeting detrital iron ore following interpretation of earlier drilling work completed in 2008.

Robertson Range Project Resource



DAVIDSON CREEK IRON ORE PROJECT (E53/1658) Pilbara Region, WA

In July the company restarted iron ore exploration activity at Davidson Creek with an initial RC drilling programme of 4,500 meters to test new targets in both Marra Mamba and Brockman iron formations.

These drill results have the potential to add significantly to the Company’s 166.6 million tonne iron ore resource.

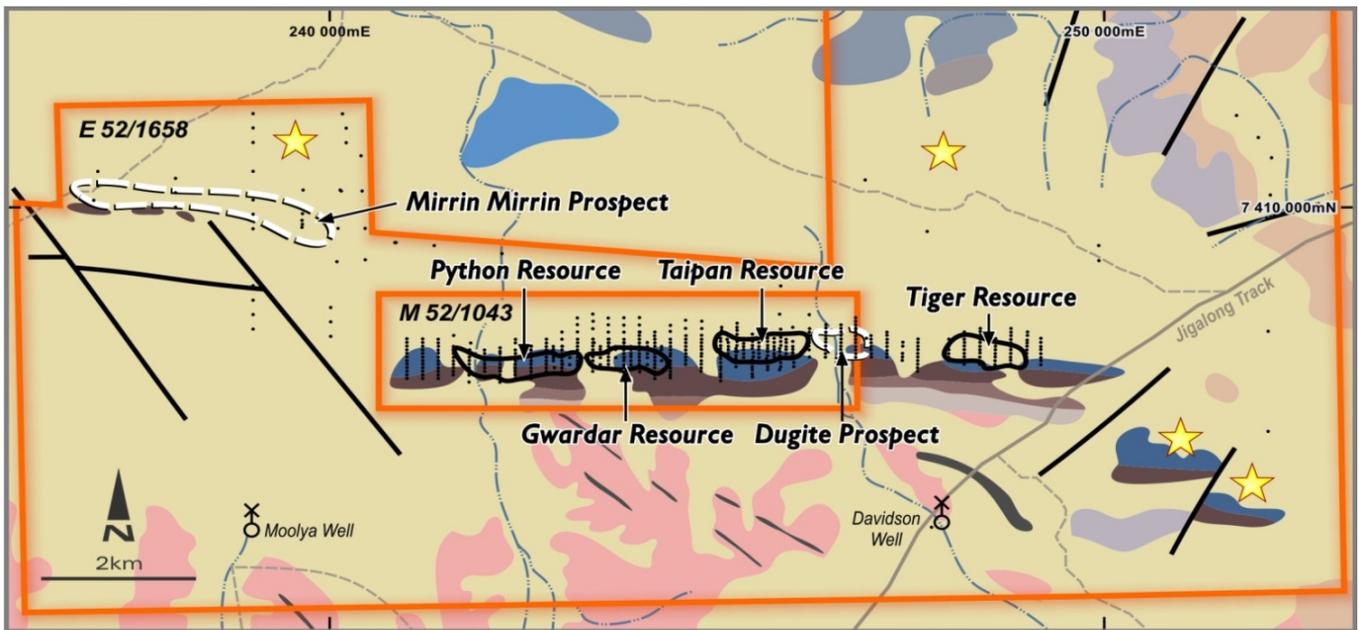
Results from an 18 hole reverse circulation (RC) drilling program, targeting the Marra Mamba formation within the Company’s Mirrin Mirrin prospect trend, displayed anomalous iron mineralisation extending some three kilometres along strike.

Eleven of the drill holes intersected favourable host rocks, with 6 holes returning iron mineralisation > 50 per cent Fe. The best intersection returned a 34 metre intersection at 58.31%Fe from a depth of 104m.

The Mirrin Mirrin trend is located at the north western side of FerrAus’ Davidson Creek Project area and some 25 km to the Jimblebar rail head.

These results were interpreted to be hosted by the Mount Newman Member of the Marra Mamba Formation, the same host lithology present at the Davidson Creek and Robertson Range iron ore deposits.

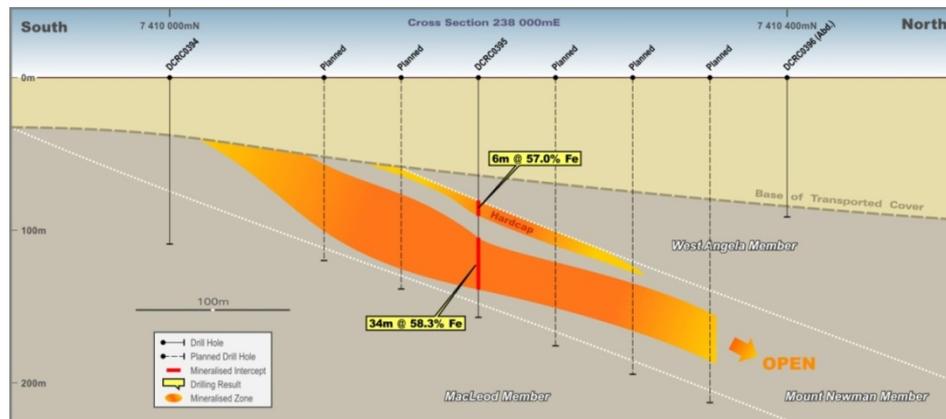
Davidson Creek Project: Outcrop Geology



Outcrop Geology by GSWA 1989

FerrAus Tenement	Resource	Fault	Hamersley Group	Fortescue Group
Drill Hole Location	Prospect Area	Quartz	Boolegeeda Iron Formation	Jeerinah Formation
Road (unsealed)	Target Area	Granite	Woongarra Volcanics	Mafic Volcanic Unit
Minor Road / Track (unsealed)		Stag Arrow Formation	Weeli Wolli Formation	Lower Metasedimentary Unit
Creek			Brockman Iron Formation	
Well			Mara Mamba Iron Formation	

Mirrin Mirrin Prospect – Cross Section 238,000mE, Results and Planned Drilling



MURRAMUNDA (E52/1901 Application) Pilbara Region, WA

No exploration activity was conducted during the first quarter.

ENACHEDONG MANGANESE PROJECT (E46/614) Pilbara Region, WA

No exploration activity was conducted during the first quarter.

SILVER SWAN NORTH NICKEL & GOLD PROJECT (EL27/209 and ML's 27/262-265) Kalgoorlie Area, WA

No exploration activity was conducted during the first quarter.

Ownership of the Silver Swan North project had reverted 100 per cent to FerrAus Limited following the withdrawal from the joint venture by Mithril Resources Limited and BHP Billiton Nickel West effective 30 June 2009.

Mithril Resources agreed to transfer its joint venture interest to FerrAus in return for the grant of a 1.5 per cent Net Smelter Return Royalty on all minerals produced from the licences. In addition, Mithril Resources has agreed to grant FerrAus an option to acquire the Royalty anytime in the next three years for \$225,000. In consideration for the option FerrAus has paid Mithril \$15,000.

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", "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