

**ASX  
Announcement**

**2 July 2009**

**Current Capital  
Structure:**

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

**Market Capitalisation:**  
(fully diluted)  
~\$ 83m @ 50c per share

**Enquiries to:**

John Berry  
Project Director  
Tel: (08) 9474 3770  
Mob 0439 953 624

John Nvyllt  
Non Executive Chairman  
Tel: (08) 8232 8000  
Mob: 0411 043 898

FerrAus Limited  
ABN 86 097 422 529

Unit 5  
60 Hindmarsh Square  
Adelaide SA 5000

Tele: (08) 8232 8000  
Fax: (08) 8232 0077

Email: [info@ferraus.com](mailto:info@ferraus.com)  
Web: [www.ferraus.com](http://www.ferraus.com)

**ASX code: FRS**

**W.A NICKEL & GOLD PROJECT OWNERSHIP  
REVERTS BACK TO 100% FERRAUS**

**FOLLOW-UP GOLD EXPLORATION PLANNED**

**Ownership of the Silver Swan North nickel & gold project  
near Kalgoorlie reverts to 100% FerrAus**

**Significant previous gold intersections include:**

**12 metres @ 2.9 g/t Au  
4 metres @ 8.6 g/t Au  
5 metres @ 20.6g/t Au (open at depth)**

**Gold mineralisation is of similar style and stratigraphic position to  
nearby Kanowna Belle gold mine.**

**FerrAus plans to assess gold potential and review nickel strategy.**

**FerrAus' primary focus remains the development of its iron ore  
projects in the East Pilbara.**

The Silver Swan North nickel and gold project comprises four mining licenses M27/262-265 and exploration licence E27/345 located approximately 45 kilometres northwest of Kalgoorlie, Western Australia (refer Figures 1 & 2).

Ownership of the Silver Swan North project has reverted 100% to FerrAus Limited (ASX: "FRS") following the withdrawal from the joint venture by Mithril Resources Limited and BHP Billiton Nickel West effective 30<sup>th</sup> June 2009. Mithril Resources has agreed to transfer its joint venture interest to FerrAus in return for the grant of a 1.5% 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 will pay Mithril \$15,000.

The Silver Swan North project – located near the producing Kanowna Belle gold mine – will now be the focus of a more intense assessment by FerrAus of the gold potential, including a review of previous high grade gold intersections.

While remaining committed and focussed on iron ore and development in the East Pilbara region of WA, FerrAus plans to review the gold exploration potential of the Silver Swan project with the objective of follow-up gold exploration or a farm-in exploration agreement.

The Company views the gold exploration potential favourably and aims to assess the opportunity to add shareholder value by exploration or divestment.

Recent exploration by the prior joint venture parties (~\$2 million expenditure) has focussed on identifying nickel sulphide deposits similar in style to the Silver Swan and Black Swan deposits and mining operations located ~ 5 kilometres southeast. The Silver Swan North Project remains prospective for these types of nickel deposits.

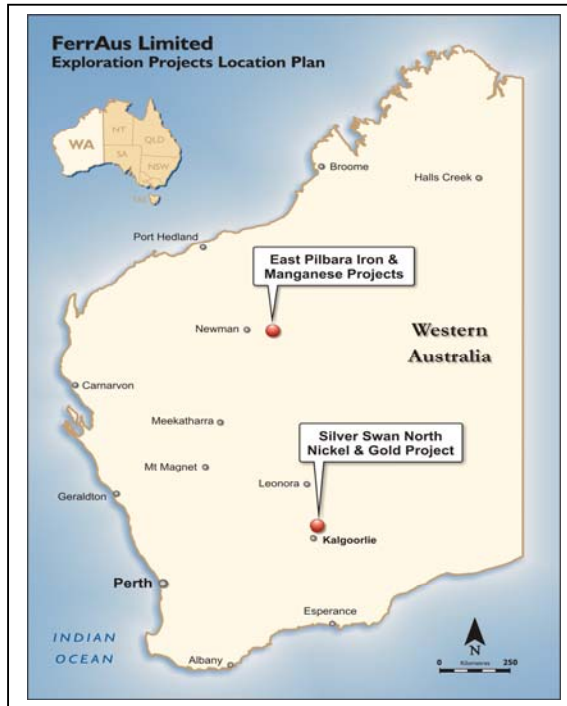
Previous exploration had identified two areas of significant gold mineralisation (refer Figures 2, 3 & 4). The Tyrells gold prospect comprises several RAB drill holes containing >1g/t Au with a best intersection of **4 metres @ 8.58 g/t Au** in weathered basement clays. The East Samson Dam gold prospect (also known as Lawsons Prospect) comprises 9 RAB drill holes with intersections >1g/t Au within a zone of anomalous gold (>0.1g/t Au) ~400 metres long x 150 metres wide. RC drilling has intersected gold mineralisation including **12 metres @ 2.9 g/t Au** from 64 metres and **5 metres @ 20.6 g/t Au** from 72 metres (open at depth).

Gold mineralisation at the Silver Swan North Project is associated with quartz veining hosted by meta-sedimentary and acid-intermediate volcanic rocks. Significantly, gold mineralisation is of similar style and occurs in a similar stratigraphic position to the Kanowna Belle gold mine, located ~20 kilometres to the south and operated by Barrick Gold (2008 gold production 267,000 ounces, proven & probable gold reserves reported end 2009 = 1.3 million ounces. (Note: reserves reported at end 2005 were 14.9 Million tonnes grading 5.1 g/t Au for a total of 2.4 million ounces).

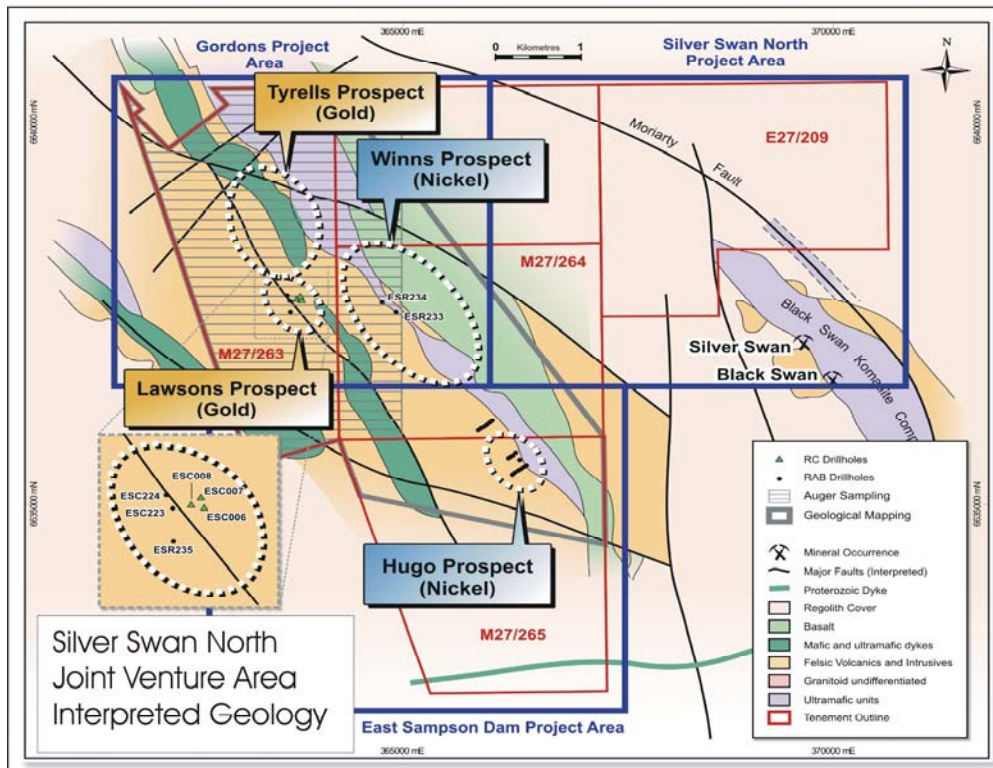
*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr David Turvey - BSc (Hons), MAusIMM, who is Non Executive Director of FerrAus Limited with over 27 years experience in mineral exploration and resource project 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: FerrAus Limited: Project Location Plan, Western Australia**

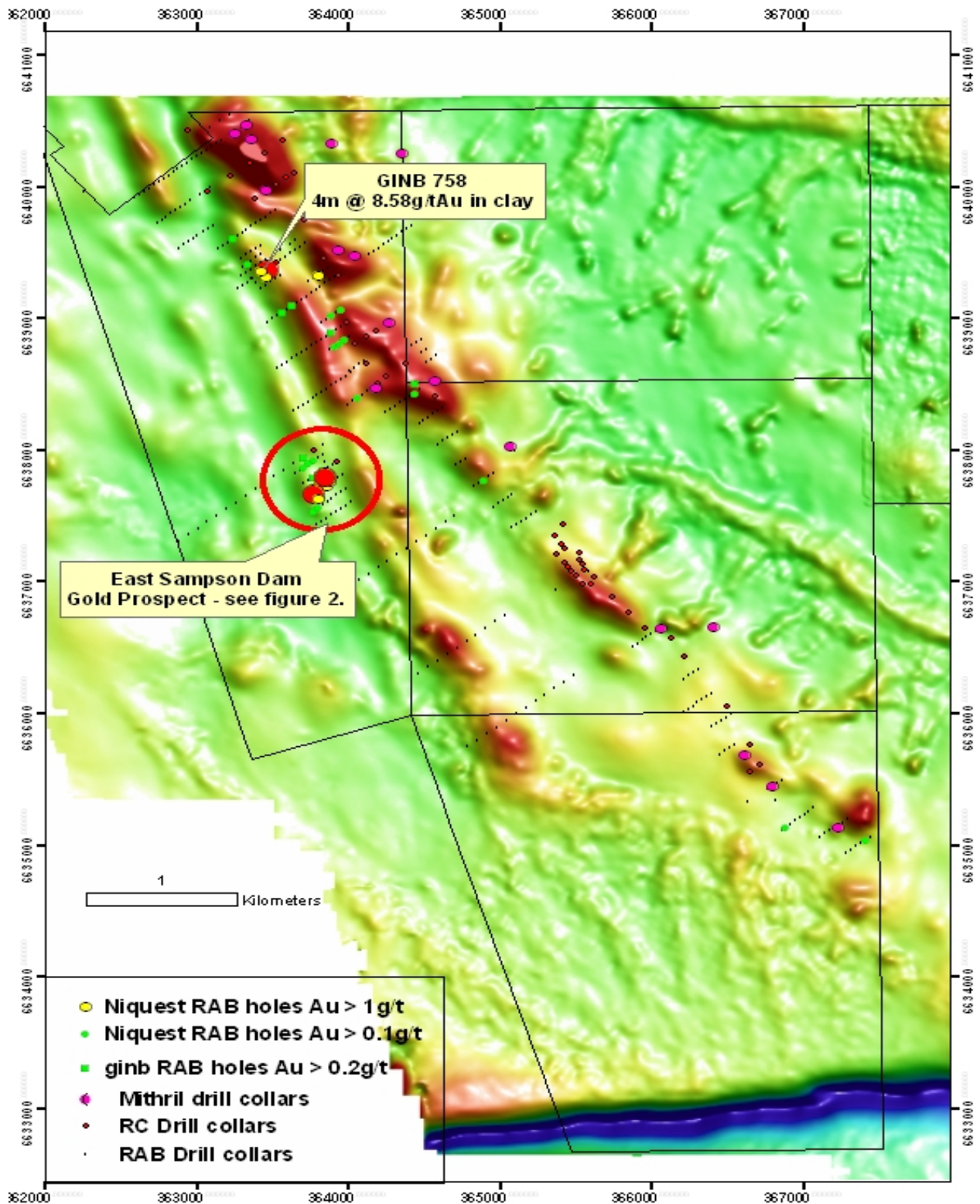


**Figure 2: Silver Swan North Nickel & Gold Project Tenement Location Plan and Regional Geology**



Note: Lawsons Prospect (Gold) is also known as East Samson Dam Gold Prospect

**Figure 3: Silver Swan North Nickel & Gold Project**  
**Drill Hole Locations and Anomalous Gold Exploration Results**  
**(Base plan is an aeromagnetic image)**



**Figure 4: Silver Swan North Nickel & Gold Project  
East Sampson Dam Gold Prospect**

**Drill Hole Locations and Anomalous Gold Exploration Results**  
**(Base plan is an aeromagnetic image)**

