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14 September 2011

**Ferrex plc ('Ferrex' or 'the Company')
Resource Drilling Commences at the Malelane Iron Ore Project, South Africa**

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to announce that resource drilling has commenced at its Malelane Iron Ore Project ('Malelane' or 'the Project') located in the prospective Mpumalanga Province of South Africa.

Overview

- 2,700m diamond drilling programme commenced at Malelane – aim to delineate a JORC compliant resource in Q1 2012
- Drilling to follow-up previously intersected high grade iron ore mineralisation (including 16m at 60% iron ('Fe') and 14m at 55% Fe – potential for Direct Shipping Ore ('DSO'))
- Resource drilling will also test the northern banded iron formation ('BIF') where previous intercepts of 212m at 37% Fe and 200m at 34% Fe were recorded
- Exploration target (as defined in the JORC code) of between 775 and 930Mt at 34-36% Fe calculated by Coffey Mining in Q1 2011
- Project located 6km from a direct rail link to the port of Maputo in Mozambique 175km away

Ferrex Managing Director Mr. Dave Reeves said, "This programme, designed to delineate a maiden JORC compliant resource in Q1 2012, follows a successful drilling campaign earlier in the year, which yielded high grade intersections including 16m at 60% Fe, highlighting Malelane's DSO potential. The drilling campaign forms part of a larger exploration programme which should allow resources to be defined over both the high grade zones and the main deposit enabling rapid assessment of the economic potential of the Project. With an overall exploration target of 775-930Mt at 34-36% Fe we look forward to fast-tracking the development of this project with a view to early production."

Systematic exploration undertaken by Ferrex since 2008 has identified a significant and potentially beneficiable iron ore deposit hosted in three distinct BIF horizons (northern, central and southern). The BIF horizons range up to 300m wide and have a combined strike length of 14km within the Project area.

The four month 2,700m drill campaign will initially target the previously intersected high grade iron ore mineralisation (including 16m at 60% Fe and 14m at 55% Fe) located near the old mine workings highlighting the DSO potential of the Malelane deposit. The drillhole density is expected to allow a resource to be calculated over this area.

In addition to the DSO target, resource drilling will also be completed on the northern BIF where previous high grade intercepts including 212m at 37% Fe and 200m at 34% Fe were recorded. This drilling should add sufficient density to allow a JORC compliant resource to be calculated over the bulk of this portion of the deposit by Q1 2012.

In addition, three test holes are planned on the southern BIF area to gain an understanding of the geology and grade distribution of this area which has not been previously drilled.

For further information and to view location and infrastructure maps visit <http://www.ferrexplc.com/ironore-southafrica.aspx>

Further Information

Malelane lies approximately 350km east of Johannesburg in the Mpumalanga Province of South Africa. The Project area is ideally located in terms of transport infrastructure and is 6km from a direct rail link to the port of Maputo in Mozambique 175km away. Malelane hosts an exploration target (as defined in the JORC code) of between 775 and 930Mt at 34-36% Fe, which was calculated by Coffey Mining in early 2011.

High grade hematite mineralisation was discovered in 1954 at the Spago area of the Project. During the 1950s and 1960s, 28,155t of high grade iron ore was extracted from Spago, with grades ranging up to 66% Fe.

Competent Person Statement

Information in this release that relates to exploration results is based on information compiled by Ferrex Exploration Manager Mr Mark Styles. Mr Styles is a qualified geologist, a member of the Australian Institute of Geoscientists and is a Competent Person as defined in the Australasian Code for Reporting of Exploration Results. Mr Styles consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Caution Regarding Forward Looking Statements: Information included in this release constitutes forward-looking statements. There can be no assurance that ongoing exploration will identify mineralisation that will prove to be economic, that anticipated metallurgical recoveries will be achieved, that future evaluation work will confirm the viability of deposits that may be identified or that required regulatory approvals will be obtained.

****ENDS****

For further information and the full Admission document visit www.ferrexplc.com or contact the following:

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Notes

Ferrex plc is an AIM quoted exploration and development company focused on advancing low capex iron ore and manganese projects in Africa through the development cycle and into production. Our current property portfolio comprises iron ore (Malelane) and manganese (Leinster) projects in South Africa and a manganese project (Changara) in Mozambique, all of which offer the potential for significant near-term value uplift.

The Company's growth strategy is centred on advancing its current assets, utilising its Board and management team's considerable experience in developing resource projects across Africa and expanding its portfolio through acquisitions to build Ferrex into a mid-tier, low-cost producer of iron ore and manganese.