

16 October 2014

Ferrex plc ('Ferrex' or 'the Company')
Nayega Manganese Togo Project Exploration Update

Ferrex plc, the AIM quoted manganese and iron-ore development company focused in Africa, announces a positive exploration update from pit sampling aimed at increasing the current combined Measured and Indicated mineral resource of 11.0Mt @13.1% Mn at the 92,390Ha Nayega Manganese Project ('Nayega' or 'the Project') located in northern Togo held through Societe Generale de Mines.

The Company recently announced proposals for a two-phase development programme at Nayega where an initial low-cost 250,000 tonnes per annum open-pit mine producing a 38% marketable manganese product, which the Company has already demonstrated as having strong economics, followed by a second phase smelting facility to produce a valuable 74% High Carbon Ferromanganese alloy in the medium term.

Overview

- Positive exploration results from pit sampling (49 pits for 171.5m) at two priority targets in the vicinity of Nayega – T48 and T27; best intercepts include: (see figure 2)
- Target T48, located 1km northwest of the Nayega deposit
 - 2.8m @ 23.1% Mn from surface
 - 1.9m @ 23.0% Mn from surface
 - 1.15m @ 19.4% Mn from surface
- Target T27, located 7km east-northeast of the Nayega deposit
 - 1.4m @ 13% Mn from surface
 - 1.15m @ 11.8% Mn from surface
 - 2.23m @ 11.7% Mn from surface
- Additional pitting aimed at defining new JORC Code compliant resources for the two target areas will commence later this month
 - T48 exploration target of 100-200Kt @ 15-20% Mn – has the potential to provide initial, easily-accessible high grade manganese ore to feed the 250,000 tpa production development
 - T27 exploration target of +1Mt @ 8-12% Mn – has the potential to provide additional feed to extend the life of the operation
- Reconnaissance work is ongoing to ascertain the wider value potential of Nayega deposit

Ferrex Managing Director Mr. Dave Reeves said, "These latest exploration results have confirmed a number of exciting targets which have the potential to add substantial value by increasing the current JORC Code compliant resource of 11.0Mt @ 13.1% Mn. Importantly, the T48 and T27 targets are located within easy trucking distance of the planned plant at Nayega and have the potential to

provide additional high-grade feedstock for both the proposed low-capex open-pit 250,000 tonnes per annum manganese mine and subsequently the proposed ferromanganese smelting operation. Over the coming months we plan to conduct additional mapping, sampling and pitting to advance these two target areas. With the Definitive Feasibility Study nearing completion for the Phase 1 open-pit operation and the Environmental Permit on track to be granted in Q4 2014 we look forward to reporting on these milestones in due course.

“In addition, with the imminent granting of the Nayega Mining Licence and the current reduction in iron ore prices, the Company has decided to primarily focus on its manganese assets and developing it towards production in the near term whilst continuing to advance its iron ore assets in South Africa and Gabon using in house skills to keep expenditure to a minimum. We will continue to engage with interested parties in terms of strategic alliances for our iron projects; however will only enter into such agreements if it is in the best interest of our shareholders, as we believe our projects are not only viable at this price level, they are even more attractive in the current iron market due to their very low capex requirements.”

Regional target identification and pitting - Nayega

Initial evaluation of Ferrex’s 92,930 Ha licence area surrounding the Nayega deposit was based on interpretation of Landsat imagery by remote sensing specialist Geoimage, with the aim of identifying areas having similar spectral patterns to the deposit. Targets were defined by selecting the strongest anomalies (size and intensity) on the vector map supplied by Geoimage, then comparing the anomalies with the appearance of known manganese mineralisation on the true colour Landsat image. A total of 47 targets were identified and assigned a priority rating based on appearance and likely source.

All 47 targets were evaluated in the field, with two targets (School and T27) selected for follow-up test pitting because of the presence of eluvial manganese mineralisation. Both of these targets are located within 10km of the Nayega deposit.

A total of 23 pits totalling 107m were dug across the two targets areas. As at the Nayega deposit, continuous vertical channel samples 10cm wide by 10cm deep were collected at 50cm intervals (maximum) from the top to the bottom of each pit; 258 primary samples were collected from the pits. A total of 373 samples, of which more than 30% were QA/QC samples as part of a rigorous regime to ensure veracity of the results, were transported to Lome for initial preparation at the DGMG laboratory before being shipped to Intertek in Ghana for further processing and analysis. The pit locations are shown in Figure 1.

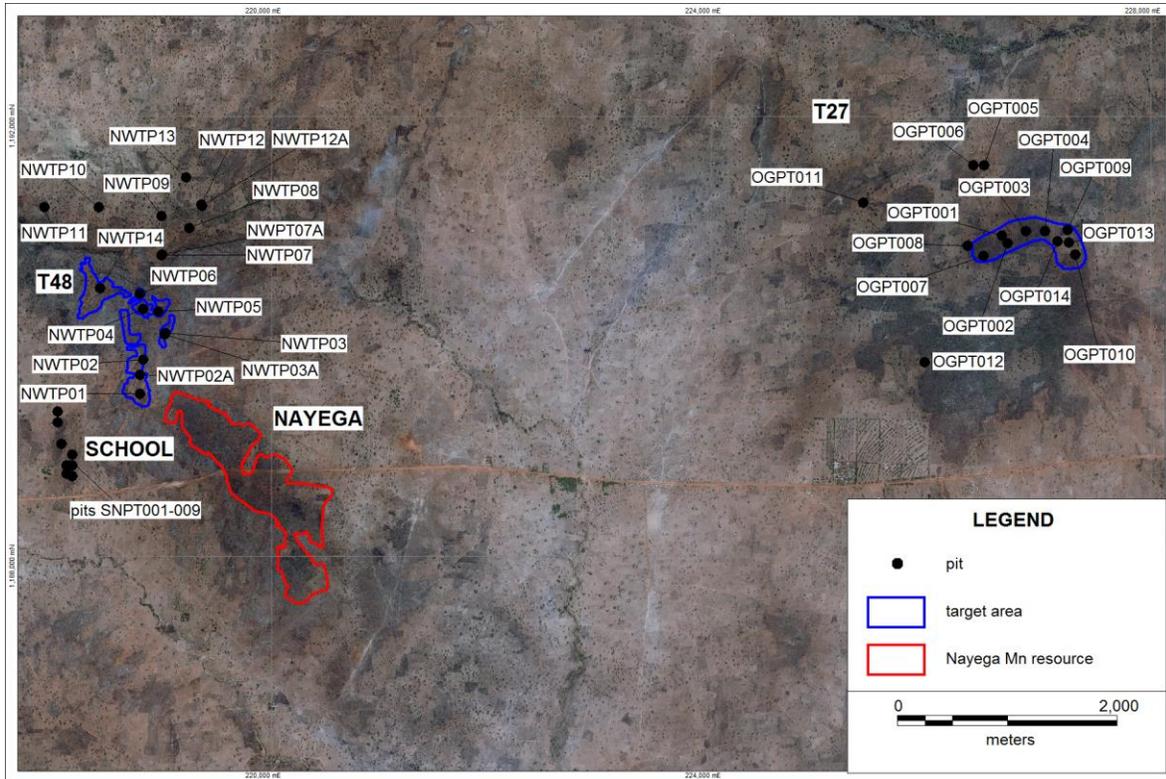


Figure 1: Nayega high resolution satellite image, deposit and test pit locations.

Assay results have been received for all of the samples, with significant manganese intercepts returned in 9 of 13 pits dug in the T27 area. The best intercepts include: 1.4m @ 13% Mn, 1.15m @ 11.8% Mn and 2.16m @ 10.8% Mn, with Mn values ranging up to 15.2% over half a metre. Intercept values are listed in Table 1. Note that none of the School target pits returned significant intercepts.

Table 1: T27 pit locations and intercepts

Pit ID	North	East	Depth (m)	Intercept
OGPT001	1190922	226638	3.3	0.6m @ 7.6% Mn from surface
OGPT002	1190850	226690	8.3	2.3m @ 9% Mn from 1.7m
OGPT003	1190960	226860	4.3	1.4m @ 13% Mn from surface
OGPT004	1190960	227030	5.07	2.3m @ 9% Mn from 0.6m
OGPT005	1191560	226480	8	no significant intercept
OGPT006	1191560	226380	6.75	no significant intercept
OGPT007	1190736	226473	4.5	1.5m @ 7.2% Mn from surface
OGPT008	1190825	226332	2.3	no significant intercept
OGPT009	1190970	227240	5	1.15m @ 11.8% Mn from surface

OGPT010	1190748	227308	11	1m @ 8.3% Mn from 4.2m 2m @ 9.3% Mn from 6m
OGPT011	1191220	225380	4.2	no significant intercept
OGPT012	1189770	225940	6.3	no significant intercept
OGPT013	1190858	227253	5	2.16m @ 10.8% Mn from surface
OGPT014	1190870	227145	6.7	1.6m @ 8.6% Mn from 1.1m
NOGP02	1191171	227231	6.5	0.5m @ 6.2% Mn from 0.82m
NOGP03	1190970	227430	4.35	0.48m @ 8.2% Mn from 0.27m
NOGP04	1190751	227409	5.88	2.23m @ 11.7% Mn from surface 0.28m @ 16.8% Mn from 5.6m
NOGP05	1190600	227310	9	3.1m @ 10.4% Mn from 3.5m
NOGP06	226829	226829	3.65	0.5m @ 5.4% Mn from 0.9m

Analytical samples comprised vertical channel samples up to 0.5m long. Crushing of the samples was undertaken at the DGMG laboratory in Togo, the remainder of sample preparation was undertaken by Intertek (Tarkwa) with analysis by Intertek (Perth) using lithium borate fusion with an XRF finish.

Intercepts were calculated on intervals >5% Mn with no included internal waste.

Mineralisation is up to 2m thick, comprising manganiferous cobbles hosted in transported laterite grading 7-13% Mn over sampled intervals. Pits have intersected this material over an area in excess of 800m east-west by 200m north-south, with mineralisation closed off to the west. Mineralisation is open to the east and south, possibly concealed beneath barren laterite. Planned pitting will test for extensions to identified mineralisation and target an additional resource in excess of 1 million tonnes @ 8-12% Mn.

Targets identified northwest of the Nayega deposit (T48)

Outcrops of manganese mineralisation were identified by Ferrex in the T48 area northwest of the Nayega deposit in 2012. Selective samples collected from some of the outcrops returned Mn values ranging up to 42.3%.

High resolution satellite imagery was captured over Nayega, the T27 and T48 areas in early 2013 to better define the Nayega deposit boundary and to highlight targets in the vicinity. Remote sensing specialists Geoimage processed the images and created a detailed digital terrain model ('DTM') over the area. Geoimage's products were used to outline potential targets northwest of the deposit.

More detailed field evaluation of these targets and follow up test pitting was completed in late 2013. A total of 18 pits totalling 28.54m were dug. Continuous vertical channel samples 10cm wide by 10cm deep were collected at 50cm intervals (maximum) from the top to the bottom of each pit; 73 primary samples were collected from the pits. A total of 100 samples, which included 27 QA/QC samples, were transported to Lome for initial preparation at the DGMG laboratory before being shipped to Intertek in Ghana for further processing and analysis.

Assay results have been received, with significant manganese intercepts returned in 4 of 18 pits dug in the T48 area. Mineralisation comprises moderate to high grade detrital and lateritic material. Intercepts are listed in Table 2.

Additional pits are planned to define compliant resources in the vicinity of pits NWTP02, 03, 04, and 06. Based on work completed at T48 to date, a target for the area is 100-200Kt @ 15-20% Mn in two or three distinct deposits.

Table 2: T48 target pit locations and intercepts

Pit ID	North	East	Depth (m)	Intercept	Comments
NWTP01	1189480	218800	1.4	no significant intercept	barren laterite, sandstone
NWTP02	1189790	218830	2.6	1m @ 14.0% Mn from surface	detrital Mn on sandstone
NWTP02A	1189651	218801	2.34	1.15m @ 19.4% Mn from surface	detrital Mn on sandstone
NWTP03	1190030	219030	0.4	0.4m @ 6.8% Mn from surface	detrital Mn on sandstone
NWTP03A	1190024	219028	0.6	0.35m @ 6.5% Mn from surface	detrital Mn on sandstone
NWTP04	1190250	218830	2.8	1.9m @ 23.0% Mn from surface	lateritic Mn on sandstone
NWTP05	1190230	218970	0.7	no significant intercept	barren laterite, sandstone
NWTP06	1190390	218800	4	2.8m @ 23.1% Mn from surface	lateritic Mn on sandstone
NWTP07	1190740	219000	0.8	no significant intercept	barren laterite, sandstone
NWTP07A	1190747	219003	0.6	no significant intercept	barren laterite, sandstone
NWTP08	1190990	219250	0.7	no significant intercept	barren laterite, sandstone
NWTP09	1191100	219000	3.2	no significant intercept	barren laterite, sandstone
NWTP10	1191180	218430	2.8	no significant intercept	barren laterite, sandstone
NWTP11	1191180	217930	2	no significant intercept	barren laterite, sandstone
NWTP12	1191200	219360	0.2	no significant intercept	sandstone
NWTP12A	1191191	219366	0.5	no significant intercept	barren laterite, sandstone
NWTP13	1191450	219220	0.7	no significant intercept	barren laterite, sandstone
NWTP14	1190440	218440	2.2	no significant intercept	barren laterite, sandstone

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Intercepts were calculated on intervals >5% Mn with no included internal waste.

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.

The information in this report that relates to Mineral Resources has been compiled by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimate based on data and geological information supplied by Ferrex. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information 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****

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Notes

Ferrex plc is an AIM quoted, leading manganese and iron-ore exploration and development company in Africa. The Company is focussed on advancing low capex deposits, which benefit from proximal established infrastructure, up the development curve and into production. Ferrex has a solid portfolio of assets including three primary projects: Nayega Manganese Project in Togo ('Nayega'), Mebaga Iron Ore Project in Gabon ('Mebaga'), and Malelane Iron Ore Project in South Africa ('Malelane').

At Nayega, Ferrex is currently conducting a Bankable Feasibility Study and expects award of the mining permit in 2014. A Scoping Study indicates that Nayega could produce 250,000 tonnes per year of manganese concentrate at 38% with an initial capital expenditure of under \$15m. A Scoping study on a ferro manganese plant in Togo has also been concluded and shows a lowest quartile operation with robust economics. The company is focussed on bringing the mine into production on grant of the mining permit whilst advancing the ferro manganese studies.

In parallel with this, Ferrex is focussed on proving up resources at its Mebaga concession in Gabon. A recent review has led to the estimation of an exploration target comprising 90 to 150Mt @ 35 to 65% Fe (oxide target) and 550 to 900Mt @ 25% to 40% Fe (primary target) for Mebaga. The Oxide target will incorporate both DSO* and bBSO* material. Ferrex has recently completed an initial drill programme at Mebaga that has intersected significant widths of DSO and bBSO mineralisation.

The Company also holds the Malelane Iron Ore concession in eastern South Africa. A Scoping Study on Malelane has demonstrated its potential to produce 1.8Mtpa of beneficiated ore per year, with initial capital expenditure of \$139m, a payback of 1.9 years, a Net Present Value of US\$523m (10% discount rate) and a 16.6 year life-of-mine.

Ferrex has 934M shares in issue and the Ferrex's Directors have subscribed for and purchased approximately 28% of the issued share capital of the Company and are thus aligned with shareholders interests.