Ferrex plc / Index: AIM / Epic: FRX / Sector: Mining

4 March 2014

Ferrex plc ("Ferrex" or "the Company" or "the Group")
Final Results

Ferrex plc, the AIM quoted exploration and development company focussed on advancing low capital-intensive iron ore and manganese deposits in Africa through the development cycle and into production, is pleased to announce final results for the year ended 30 September 2013.

Overview:

- Initial diamond drilling programme and geological mapping programme completed at Mebaga direct shipping ore ("DSO") Iron Ore Project in Gabon
  - Definition of an exploration target of 90-150 million tonnes ("Mt") @ 35 to 65 % iron
  - Total of 9 diamond drill holes drilled, with a best intercept of 28.7m @ 61.4% iron from surface
- Total JORC resource at the Nayega Manganese Project in Togo increased to 11Mt @ 13% manganese ("Mn"), to ultimately produce an upgraded marketable 38% product
  - Work ongoing to complete a Definitive Feasibility Study ("DFS") in 2014
  - Mining permit application submitted in October 2012, Ferrex continues to engage positively with the Togolese authorities to complete discussions
- Upgraded Exploration Target at Malelane Iron Ore Project in South Africa to 1.6 to 2.0 billion tonnes ("Bt")
  - Pre-feasibility work on environmental, social and labour studies currently underway
- Post year end, a binding term sheet executed with Anglo American and Kumba to fund exploration works at Mebaga over a two year period
- Fund raising of £2.2 million completed in February 2013 and a further £0.7 million fund raising completed post year end in December 2013

Chairman's Statement

I am pleased to report that the positive operational developments made by Ferrex during the past year, despite the difficult conditions for the resources industry globally, have left Ferrex well positioned to generate significant value for our shareholders from our manganese and iron ore portfolio in West and Southern Africa.

Our portfolio comprises three primary projects. Firstly, our Mebaga DSO Iron Ore Project located in Gabon in West Africa; secondly our the Nayega Manganese Project in northern Togo where a DFS is currently underway with a view to also taking the project through to production to generate cash in the near-term; and our third and longer-term development asset is the Malelane Iron Ore Project in South Africa, where a Scoping Study was successfully completed illustrating its robust economics.

It was only last year that we were awarded the Mebaga DSO iron ore project in Gabon and in this time we have completed our first drilling programme, defined a sizeable exploration target and entered into a potentially transformational term sheet with Anglo American Plc ("Anglo American") and Kumba Iron Ore (Pty) Limited ("Kumba"). Mebaga has been assessed by their due diligence teams on both a geological and logistical level and, subject to outstanding conditions precedent, this investment from one of the major diversified mining groups not only underpins the quality of this asset but will secure funding for Mebaga for the next two years. We hope to finalise this agreement in the first quarter of 2014.

In Togo, work on completing the DFS at our Nayega Manganese Project progressed well with several capital and operating cost savings identified. We continue to work with the Togolese Ministry of Mines in progressing the award of the mining permit so we can commence development of our first project.

In South Africa, work continues at the Malelane Iron Ore Project, which is located just 6km from a major rail line that runs to the port of Maputo in Mozambique, 170 km away. We have only completed drilling over 1.1km of the 14km strike leading to the Inferred Resource of 139Mt at 37% Fe, on which a scoping study illustrating the robust economics of developing Malelane as an initial 1.8Mtpa open pit, low strip ratio operation with a 57% Fe product over a 16.6 year LOM has been based. During 2013, we also defined a total Exploration Target of 1.6 Bt to 2.0 Bt at 28-30%, which illustrates our ability to expand Malelane in the future.

With a multi-project portfolio offering significant near-term value uplift potential through resource and mine development programmes; a strong future project pipeline with additional low-capex manganese and iron-ore projects targeted; and a proven management team with an aggressive strategy to drive the Company forward to become a medium scale, low cost producer of minerals for the steel industry, Ferrex offers a compelling investment opportunity.

I look forward to meeting shareholders at the Annual General Meeting, which is to be held on 28 March 2014.

Operations Review

Ferrex has a multi-project portfolio of iron ore and manganese assets in Africa offering significant growth potential for investors as the Company advances them up the development curve through the resource to feasibility stages and into production to become a low-cost producer of minerals for the steel industry.

In addition to Ferrex's three primary projects, which offer the potential for significant near-term value uplift, Ferrex also has an interest in the Leinster manganese project. This covers an outlier of the prolific Kalahari Manganese Field in South Africa.

Mebaga Iron Ore Gabon – 82%

Mebaga is a DSO iron ore project located in the north of Gabon within an extensive iron ore province, which extends from Gabon into the Republic of Congo ("ROC") and Cameroon. Iron ore mineralisation in the district is hosted in Archean Banded Iron Formation ("BIF") horizons belonging to the Belinga Supergroup. Major deposits in the region include Belinga in Gabon (1Bt @ 60% Fe); Mbalam in Cameroon (775Mt @ 57% Fe) and Avima in the ROC (690Mt @ 58% Fe).

Work completed at Mebaga during the year included reconnaissance, regional and detailed geological mapping; acquisition, processing and interpretation of magnetic data and diamond drilling. Geological mapping and magnetic interpretation led to the definition of high priority drill targets and an Exploration Target comprised of 90 to 150Mt @ 35 to 65% Fe as oxide (weathered) material and 550 to 900Mt @ 25% to 40% Fe primary (fresh) material. The target was defined over 12km of BIF strike, with up to 19km of BIF strike identified in the project area, which highlights the significant upside exploration potential.

A total of 9 diamond holes were drilled for 580.82m in 2013. Holes were drilled along four-section lines oriented perpendicular to the strike of underlying BIF over a strike length of about 800m. All nine holes intersected DSO grade mineralisation, with a best intercept of 28.7m @ 61.4% Fe from surface in NGDH008. Mineralisation is open both along strike and at depth.

With these positive drill results and the upside potential in mind, post period end we signed a binding term sheet with mining major Anglo American and its subsidiary Kumba to fund exploration work at Mebaga over a two year period. This will potentially provide Ferrex with access to substantial value accretion, as well as Anglo American's leading technical expertise, without the need to fund exploration.

The terms of the deal include the provision to refund Ferrex for the majority of the exploration to date and provide Anglo American and Kumba with the option to move to 100% ownership of the project at its election via a purchase agreement. Alternatively, it allows for Ferrex to retain ownership of Mebaga if Anglo American and Kumba do not elect to purchase the project. The agreement is targeted for execution in the first half of 2014 at which point full details of Anglo American and Kumba's investment and the commercial valuations of the transaction will be announced.

To have the interest of a major mining house naturally reinforces the Group's confidence in Mebaga as a leading DSO iron ore project in West Africa, and of Gabon as a desirable mining investment destination.

Exploration planned for 2014 will include geological mapping followed by a targeted drill programme designed to assess the true scale and potential of Mebaga. The additional drilling will also provide a base to commence a Scoping Study with a view to rapidly developing the project as a small-scale start-up mining operation if the project reverts to Ferrex.

Nayega Manganese, Togo – 85%

The Company owns 85% of the 92,390Ha Nayega Manganese Project in northern Togo, held through Societe Generale de Mines. Based on work conducted to date (the majority of a DFS), we believe that the project, which has direct access to the regionally important deep water port of Lome, has the potential to provide cashflow for the Group through the rapid development of a low-capex, open pit, 250,000tpa manganese ('Mn') operation.

Because manganese mineralisation at Nayega starts from surface and only extends to 10m deep, the deposit is amenable to development as a shallow open pit operation with no waste stripping required. Additionally, the ore is easily beneficiable via a low cost process of screening and gravity concentration to produce a marketable 38% manganese product. These geological factors, along with the project's close proximity to infrastructure, positively impact the capital and operating cost for developing a 250,000 tpa operation and our studies to date have highlighted that a low capital expenditure of US$15 million and cash operating costs of US$2/Dry Metric Tonne Unit ("DMTU") FOB is achievable. Once in production, this scale of operation has excellent payback credentials of just 18 months.

A total of 39 infill pits were dug and sampled at the Nayega deposit during the year in order to upgrade part of the JORC Code compliant resource from the Indicated to Measured category. The Measured Resource totals 2.0Mt @ 17.1% Mn, enough to cover the first three years of proposed mine life. The total resource for Nayega now stands at 11.0Mt @ 13.1% Mn, all in the Indicated and Measured categories. Exploration outside of the resource area has defined additional targets, which have the potential to increase the size of the Mn resource.

The resource upgrade from Measured to Indicated was an essential milestone as we work towards completion of the DFS. A mining permit application was submitted in October 2012 and the Board is continuing to engage positively with the Togolese authorities on this matter.

In terms of Nayega's future development, we are actively pursuing strategic alliances, off-take and JV opportunities to de-risk the project's future path.

Malelane Iron Ore, South Africa – 74%

Malelane is located in the mineral rich Mpumalanga region of South Africa. Ferrex holds a 74% interest in the project, which incorporates prospecting rights over a 4,192 Hectare area.

Malelane hosts a JORC Code compliant Inferred Resource of 139Mt at 37% Fe, which importantly is only defined over 1.1km of the 14km BIF strike identified within the project area. A scoping study completed by Ferrex utilising this maiden resource in 2012 illustrated the robust economics of developing Malelane as an initial 1.8Mtpa open pit, low strip ratio operation with a 57% Fe product over a 16.6 year LOM. At these production rates, the project has a NPV of US$523m and an IRR of 72%, with a capital cost of US$139m and capital intensity of US$77/t, which places it in the lowest quartile for capital intensity of new iron ore projects globally.

Ferrex intends to advance the project into production as rapidly as possible. However, it is worth bearing in mind that the Exploration Target for Malelane totals 1.6bt to 2.0bt at 28-30% Fe, as announced on 4 June 2013, which highlights the potential for a much larger and more exciting development opportunity.

Importantly, the project is located in an area that has excellent infrastructure, access to water and power and just 6km from a reliable rail line that runs to the Port of Maputo in Mozambique 170 km away. Proximity to existing, reliable infrastructure is imperative for developing a bulk commodity project.

Environmental, social and labour studies are currently underway ahead of the Company's mining licence application. The results from these studies will be fed into Ferrex's Pre-Feasibility Study ('PFS') at the project.

Leinster South Africa – 74%

The 47,004-hectare Leinster project is our second manganese project, located in the Northern Cape and North West Provinces of South Africa. The project covers the entire Leinster Basin, an erosional outlier of the Kalahari Manganese Field, which is the largest manganese metallogenic province in the world.

The Leinster deposit lies at an average depth of 80m below surface and is envisaged as an underground operation with ore trucked or railed to port for the export market. Anglo American, who drilled 51 holes on the Leinster property between 1977 and 1988, previously held the property. Using this information, Coffey Mining calculated an exploration target of 5.5 to 8.7Mt at 28.6 to 31% Mn for Leinster on behalf of Ferrex. The target is open in all directions.

Our understanding of the sub-surface geology at Leinster was significantly enhanced in late 2012 through the acquisition, processing and interpretation of high-resolution airborne magnetic/radiometric data. As a direct result of this work, possible (previously unrecognised) occurrences of Hotazel Formation were identified and additional licence applications were submitted over these areas. A proposed drill programme has been deferred until the licence applications have been processed and granted.

Financial and Performance Review

The Group is not yet in production and so has no income other than a small amount of bank interest. Consequently the Group is not expected to report profits until it disposes of or is able to profitably develop projects.

The results of the Group are set out in detail in the financial statements. The Group reports a loss of £1.6m for the year (2012: £1.5m) after administration and exploration costs of £1.7m (2012: £1.5m).

The financial statements show that, at 30 September 2013, the Group had total assets of £5.4m (2012: £3.4m). Total assets also include £5.0m of intangible assets of the Group. This comprises exploration, evaluation and development expenditure on the Group's projects.

Expenditure such as pre-licence and reconnaissance costs is expensed. The loss reported in any year can also include expenditure for specific projects that was carried forward in previous reporting periods as an intangible asset but which the Board determines is "impaired" in the reporting period.

In the reporting period the Directors have assessed the carrying value of the Company's projects and there have been no impairments.

The intangible asset value of a project should not be confused with the realisable or market value of a particular project, which will, in the Director's opinion, be at least equal in value and often considerably higher. Hence the Company's market capitalisation on the AIM market of the London Stock Exchange is usually in excess of the net asset value of the Group.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2013 £'000	**2012 £'000**
Revenue	-	-
Cost of sales	-	-
Gross Profit	-	-
Administrative and exploration expenses	(1,674)	(1,500)
Loss from operating activities	(1,674)	(1,500)

Finance income	-	-
Finance costs	-	-
Net finance costs	-	-
Loss before tax	(1,674)	(1,500)
Taxation	-	-
Loss or the year	(1,674)	(1,500)
Other comprehensive income		
Exchange translation on foreign operations	55	14
Total comprehensive loss for the year	(1,619)	(1,486)
Loss attributable to:		
Owners of the Company	(1,555)	(1,428)
Non-controlling interests	(119)	(72)
Loss for the year	(1,674)	(1,500)
Total comprehensive loss attributable to:		
Owners of the Company	(1,500)	(1,414)
Non-controlling interests	(119)	(72)
Total comprehensive loss for the year	(1,619)	(1,486)
Loss per share		
Basic and diluted loss per share (pence)	(0.213)	(0.251)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	2013 **£'000**	**2012** **£'000**
Assets		
Property, plant and equipment	92	36
Intangible assets	5,022	3,160
Non-current assets	5,114	3,196
Loans	-	-
Trade and other receivables	83	76
Cash and cash equivalents	226	127
Current assets	309	203
Total assets	5,423	3,399
Equity		
Share capital	4,026	3,049
Share premium	4,912	2,369
Other reserves	262	95
Retained deficit	(3,807)	(2,252)
Equity attributable to owners of the Company	5,393	3,261
Non-controlling interests	(241)	(122)
Total equity	5,152	3,139
Liabilities		
Trade and other payables	271	260
Current liabilities	271	260
Total liabilities	271	260
Total equity and liabilities	5,423	3,399

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Attributable to owners of the Company							
	Share capital £'000	**Share premium £'000**	**Share option reserve £'000**	**Exchange reserve £'000**	**Retained deficit £'000**	**Total £ '000**	**Non-controlling interests £'000**	**Total equity £'000**
Balance at 1 October 2012	3,049	2,369	63	32	(2,252)	3,261	(122)	3,139
Loss for the year	-	-	-	-	(1,555)	(1,555)	(119)	(1,674)
Total other comprehensive income	-	-	-	55	-	55	-	55
Total comprehensive loss for the period	-	-	-	55	(1,555)	(1,500)	(119)	(1,619)
Issue of ordinary shares	977	2,638	-	-	-	3,615	-	3,615
Costs of share issue	-	(95)	-	-	-	(95)	-	(95)
Share based payment transactions	-	-	112	-	-	112	-	112
	977	2,543	112	-	-	3,632	-	3,632
Balance at 30 September 2013	4,026	4,912	175	87	(3,807)	5,393	(241)	5,152

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2013 £'000	**2012 £'000**
Cash flows from operating activities		
Loss for the period	(1,674)	(1,500)
Adjustments for:		
Depreciation	31	14
Foreign exchange differences	134	89
Equity-settled share-based payment transactions	112	50
Provisions against loans	-	-
	(1,397)	(1,347)
Changes in:		
- trade and other receivables	(7)	81
- trade and other payables	11	140
Cash used in operating activities	(1,393)	(1,126)
Interest received	-	-
Net cash used in operating activities	(1,393)	(1,126)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(88)	(27)
Exploration expenditure	(940)	(844)
Net cash used in investing activities	(1,028)	(871)
Cash flows from financing activities		
Net proceeds from issue of share capital	2,520	465
Net cash flows from financing activities	2,520	465
Net increase/(decrease) in cash and cash equivalents	99	(1,532)

Cash and cash equivalents at beginning of year	127	1,683
Effect of exchange rate fluctuations on cash held	-	(24)
Cash and cash equivalents at 30 September	226	127

1. The financial information contained in this announcement does not comprise full statutory accounts.

2. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. The financial statements have been prepared on the historical cost basis.

3. No dividend is proposed in respect of the period.

4. The Annual General Meeting will be held on 28 March 2014 at 11am at The Hilton Hotel, Seven Hills Road South, Cobham, Surrey KT11 1EW . A formal notice of AGM along with the Annual Report and Accounts will be sent to shareholders shortly and will be uploaded to the Company's website www.ferrexplc.com.

For further information please the Company's website please visit www.ferrexplc.com or contact the following:

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****ENDS****