

14 October 2013

Ferrex plc ('Ferrex' or 'the Company')
Initial Drill Results Return DSO Grades from Mebaga Iron Ore Project in Gabon

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to announce assay results for the first two holes completed from the diamond drilling programme at its 309 sq km Mebaga DSO Iron Ore Project in northern Gabon. Full results are contained in table 1 below.

Overview

- Both holes cut mineralisation which returned DSO* grades, with a best assay of 62.7% Fe, intercepts returned low levels of deleterious elements Hole NGDH002 intersected¹:
 - From 0m to 9.66m (9.66m) @ 53.9% Fe of weathered detrital mineralisation
 - From 9.66m to 25.8m (16.14m) @ 60.2% Fe of goethite-hematite mineralisation
 - For a total intercept of 25.8m @ 57.8% Fe
- Hole NGDH003 intersected¹:
 - From 10.44m to 17.9m (7.46m) @ 52.1%Fe of weathered detrital mineralisation
 - From 17.9m to 28.5m (10.6m) @ 59.2% Fe of goethite-hematite mineralisation
 - From 28.5m to 48.2m (19.7m) @ 50.7% Fe of friable and semi friable itabarite mineralisation
 - For a total intercept of 37.76m @ 53.4% Fe
- A total of nine holes have been completed, including one metallurgical hole that will be sent for initial metallurgical testwork
- Drilling programme to recommence in H1 2014 when the rainy season passes
- Exploration Target² of 90-150Mt DSO and bBSO* oxide material grading 35 to 65% Fe (includes 20Mt @ 60% Fe in the area currently being drilled) and 540-900Mt primary (fresh) material grading 25 to 40% Fe
- Excellent infrastructure in place – 30km from a sealed highway, 100km north of the Trans-Gabon railway

Ferrex Managing Director Mr. Dave Reeves said, "These exciting first drill results underpin the Company's belief that Mebaga has the potential to host a significant DSO grade iron ore resource. When you combine these drill results with our stated exploration target of 90mt to 150mt of oxide material which has been calculated over 11km of the 20km of the strike length of Mebaga, the very exciting upside potential that this project has to offer soon becomes evident. Based on regional experience and visual review, we believe that a simple screening/washing process will remove the bulk of any deleterious elements (silica and clay) allowing a premium grade product to be produced.

"Drilling has now finished because the wet season has arrived and we will look at mobilising a small track mounted Reverse Circulation (RC) drill rig for next season's programme, anticipated H1 2014, which we believe will improve productivity and sample recovery and reduce costs. In addition, we will continue with our regional mapping and look at extending our drill area from the current zone. We will continue to release assay results from the completed drill programme as we receive them."

Further Information

The first hole completed to target depth (NGDH002) finished at 96.6m and intersected:

- weathered (lateritised) detrital iron ore from 0m to 9.66m, which averages 53.9% Fe (range from 49.7-54.3% Fe) with 90% core recovery
- in situ bedded goethite-hematite mineralisation from 9.66m to 25.8m, which averages 60.2% Fe (range from 57.1-62.5% Fe) with 64% core recovery

The second hole completed to target depth (NGDH003) finished at 72.1m and intersected:

- nodular laterite from 0 to 10.44m.
- weathered (lateritised) detrital iron ore from 10.44m to 17.9m, which averages 52.1% Fe (range from 51.4-54.5% Fe) with 77% core recovery.
- in situ bedded goethite-hematite mineralisation from 17.9m to 28.5m, which averages 59.2% Fe (range from 57.0-62.7% Fe) with 56% core recovery.
- friable and semi-friable itabarite from 28.5m to 48.2m, which averages 50.7% Fe (range from 43.5-54.7% Fe) with 57% core recovery.

Core recovery is poor in sections of mineralised intervals in all holes drilled to date, with runs up to 2m thick down hole where no sample was recovered at all. Mineralisation is often extremely friable, so much so that agitation and washing by drill fluids in the core tube during the drilling process has led to extensive loss of core. Because of demonstrated geological continuity on all three drilled section lines, these zones of core loss are considered to be mineralised.

Commonly, sludge of fine drill chips (significant core loss) was recovered at the start of a drill run, with coherent core recovered at the end of a drill run. This variability in sample quality (caused by different residence times in the core tube during drilling) was taken into account in sample selection, with distinct samples of sludge and samples of coherent core collected where possible. In instances where coherent mineralised core followed on from an interval of similarly mineralised sludge, assay results for both samples returned similar results. This suggests there was little, if any, upgrading during the drilling process as a result of agitation and provides confidence in assay results from intervals of poor recovery.

Low values of deleterious elements were returned in samples and intervals of DSO grade bedded ore. Assay results are listed in Table 1.

Table 1: Assay results for holes

goe = goethite; mar = martite (hematite); ita = friable itabirite; lat = lateritised; det = detritals.

Hole	From	To	Interval (m)	Lithology	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	Recovery %
NGDH001*	0	8.37	8.37	lat det	53.5	4.2	8.7	0.06	51
NGDH001	8.37	11.32	2.95	goe-mar	60.4	2.5	3.8	0.11	39
NGDH002	0	9.66	9.66	lat det	53.9	4.7	10.6	0.06	90
NGDH002	9.66	25.8	16.14	goe-mar	60.2	4	2.1	0.06	60
NGDH003	10.44	17.9	7.46	lat det	52.1	4.1	11.1	0.07	77
NGDH003	17.9	28.5	10.66	goe-mar	59.2	3.5	5.1	0.06	56
NGDH003	28.5	48.2	19.70	ita	50.7	24.8	0.6	0.07	63

HoleID	East	North	RL	Depth	Hole Type	Dip	Mag_Azi	Comments
NGDH001	817935	94960	855	11.32	DD	-60	60	Hole abandoned
NGDH002	817937	94962	855	96.6	DD	-60	60	Redrill of NGDH001
NGDH003	817890	94920	845	72.1	DD	-60	60	
NGDH004	817650	95120	860	64.65	DD	-60	20	
NGDH005	817635	95075	840	91.9	DD	-60	20	
NGDH006	817300	95210	865	67.9	DD	-60	20	
NGDH007	817285	95160	855	80.15	DD	-60	20	
NGDH008	817970	94775	845	47.7	DD	-60	60	
NGDHMET001	817890	94920	845	48.5	DD	0	90	

* Hole NGDH0011 was abandoned and hole NGDH002 was re-drilled adjacent to it

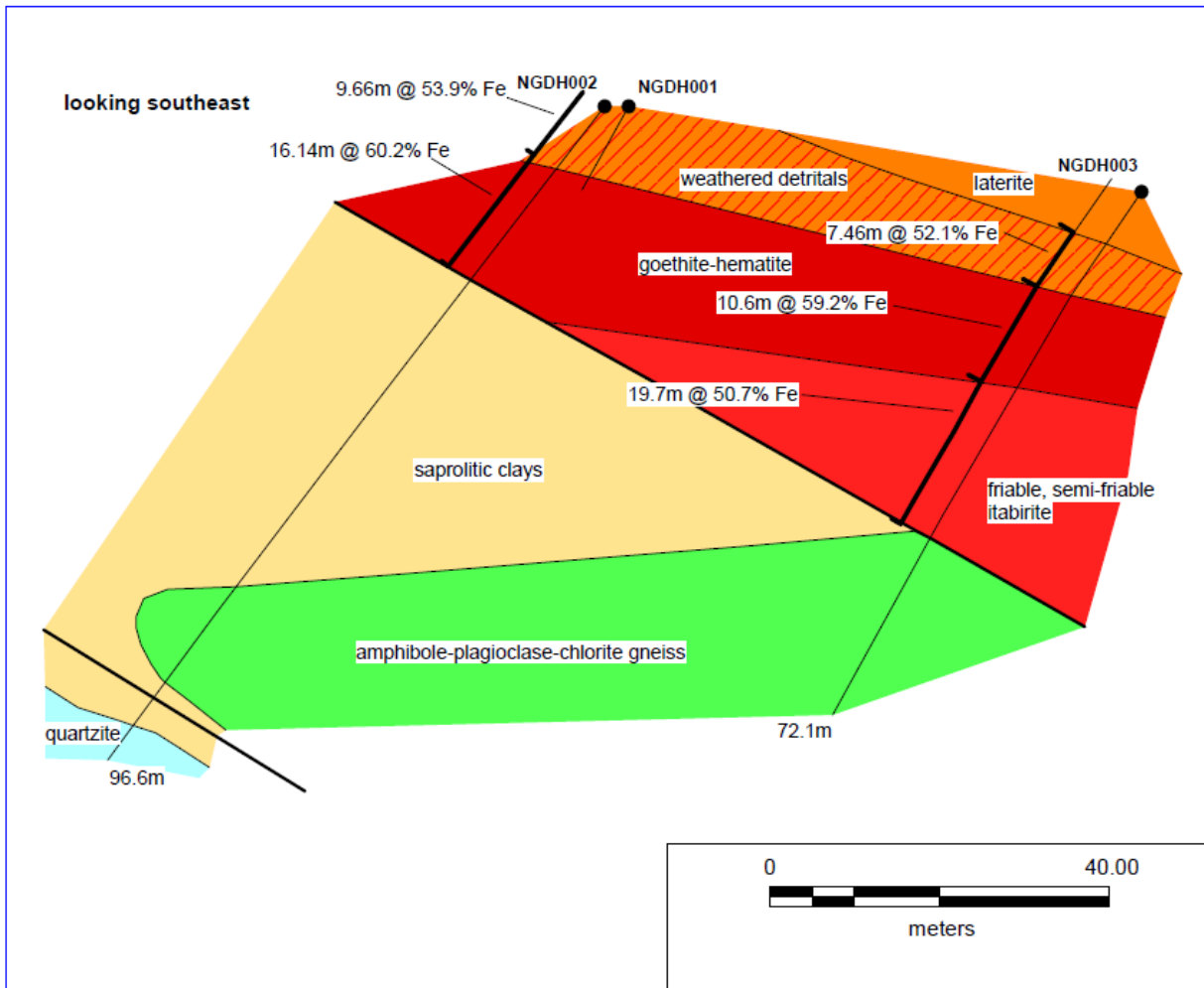
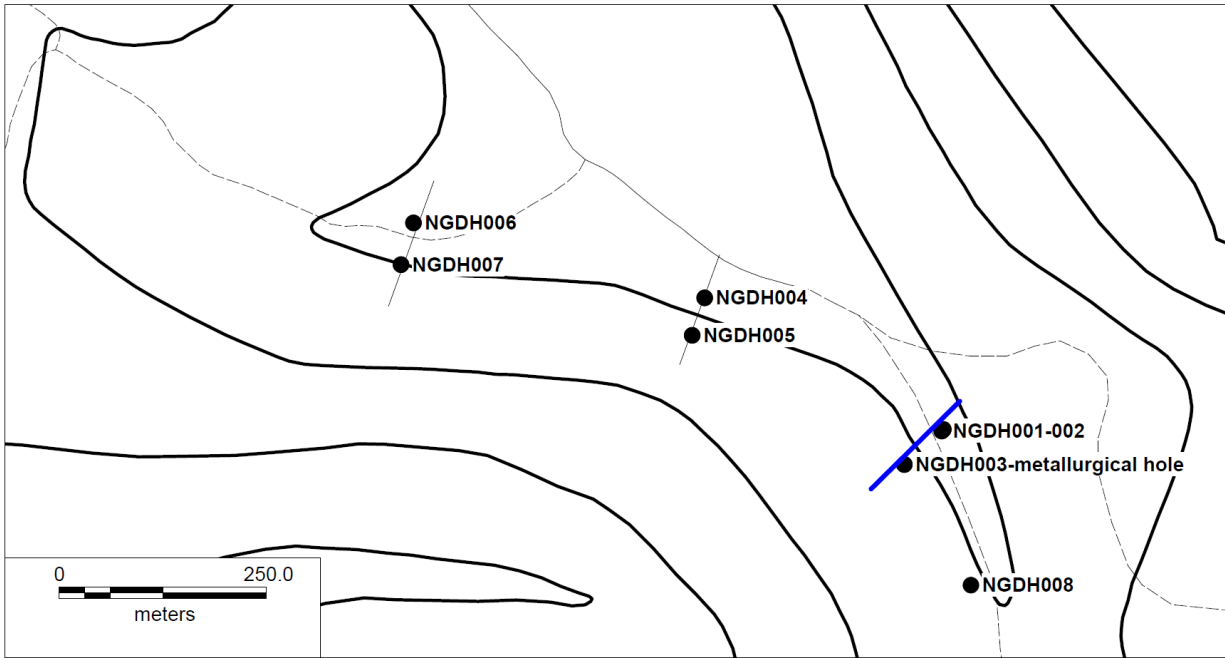
Core samples were submitted to Intertek's Johannesburg laboratory and assayed for a suite of elements specifically tailored for iron ore exploration by lithium borate fusion with an XRF finish. Industry-standard QA/QC programmes were employed by Ferrex and by Intertek.

A metallurgical drill hole has been completed. Drill core will be used to assess characteristics of the various mineralisation types, including bedded ore, itabirite and lateritised detrital material.

Drilling has stopped for the wet season, and the drill rigs have been demobilised. Drilling will likely recommence in December or January; discussions are underway to source a small, track mounted RCdrill rig to ensure improved recovery in near-surface material.

Cross section of drilling showing the reported assay results below:

CROSS SECTION NGDH002-003



*Terminology

DSO - Direct Shipping Ore is of high enough grade that it can be mined, crushed to a uniform size, transported and sold.

bBSO - Beneficiate Before Shipping Ore can be upgraded using simple processing techniques to produce a saleable product. Grinding is not required in the beneficiation process.

¹ Soft, friable nature of material has lead to above average core losses with full details provided in table 1

²The potential quality and quantity is conceptual in nature and there has been insufficient work completed at present to define a Mineral Resource in this area under the JORC (2004) Code. The nature of an Exploration Target is such that it is uncertain if further exploration will result in the determination of a Mineral Resource.

³Interval uncertain due to poor core recovery, requires confirmatory drilling.

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:

Dave Reeves	Ferrex plc	+ 61 (0) 420 372 740
finnCap		+44 (0)20 7220 0500
Elizabeth Johnson / Joanna Weaving	Broking	
Matthew Robinson / Ben Thompson	Corporate Finance	
Felicity Edwards/ Elisabeth Cowell	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177

Notes

Ferrex plc is an AIM quoted, leading iron-ore and manganese 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 to be developing Nayega during 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. The Company anticipates that cash generated from production at Nayega will be used to assist in the future funding of development at its additional projects.

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 full access to the BRGM records and plans to delineate a initial JORC Code compliant resource and Scoping Study on a small scale startup before the end of 2013 at which time it will apply for a Mining Licence.

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. Conceptually, cash generation from Nayega and Mebaga will be utilised to obtain finance for Malelane once again limiting share dilution.

Ferrex has 805m shares on a fully diluted basis. The Directors have subscribed for and purchased approximately 32% of the issued share capital of the Company and are thus aligned with shareholders interests.