

29 November 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 further assay results from the diamond drilling campaign recently completed at its 309 sq km Mebaga DSO Iron Ore Project in northern Gabon. Results are listed in Table 1.

**Overview**

- All four holes intersected mineralisation which returned DSO\* grades and generally returned low levels of deleterious elements
- Best intercepts were returned in holes NGDH004, NGDH006<sup>1</sup>:
  - 23.05m @ 56.5% Fe from 6.1m in NGDH004
  - 13.8m @ 60.2% Fe from 12.4m in NGDH006
- These latest assay results add to the previously reported results of:
  - 25.8m @ 57.8% Fe from surface in NGDH002
  - 37.76m @ 53.4% Fe from 10.44m in NGDH003
- Exploration Target<sup>2</sup> 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 positive drill results, in addition to those reported previously, underpin our belief that Mebaga, which has established infrastructure in place, has the potential to host a significant DSO grade iron ore deposit. Results for hole NGDH008, which based on geological logging is expected to return an intercept similar to hole NGD002, are due to be received in the next 10 days. Importantly, our resource drill programme has so far focussed on only 1km of a 20 km strike; with this in mind, and based on the quality of the grades returned to date, we are confident that this asset holds significant upside potential to deliver value to shareholders.”

**Further Information**

The drill programme comprised nine holes (including one that had to be abandoned at a shallow depth because of drilling problems) for a total of 580.82m. The Company has received results for seven holes, all of which intersected DSO-grade iron mineralisation (see table 1 for intercepts in the four holes for which assays have recently been received).

Results for hole NGDH008, drilled to test the potential along strike to the southeast, are pending, while core from the metallurgical hole was not submitted for assay. Results for hole 8 are expected within 10 days, and core from the metallurgical hole will be submitted for initial testwork in the new year.

**Table 1: Assay results for holes NGDH004, NGDH005, NGDH006 and NGDH007 goe = goethite; mar = martite (hematite); ita = friable itabirite; lat = lateritised; det = detritals; bif = weathered, Fe-enriched banded iron formation.**

Hole	From	To	Interval (m) <sup>3</sup>	Lithology	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	Recovery %
NGDH004	6.1	10.35	4.25	lat det	47.0	4.1	16.1	0.05	64
NGDH004	10.35	29.15	18.8	goe-mar	58.7	1.1	7.8	0.05	36
NGDH005	1.7	8.9	7.2	lat det	43.5	5.1	18.4	0.05	68
NGDH005	21.8	24	2.2	goe-mar	60.2	2.2	4.2	0.10	74
NGDH005	26.05	27.3	1.25	goe-mar	60.3	1.3	4.9	0.12	73
NGDH005	37.2	42.3	5.1	Ita	49.6	8.5	9.3	0.06	79
NGDH005	42.3	45	2.7	Bif	39.3	35.4	4.8	0.04	77
NGDH006	1.3	6.4	5.1	lat det	54.0	2.8	9.9	0.05	83
NGDH006	12.4	15	2.6	lat det	50.6	4.7	10.3	0.14	47
NGDH006	15	26.2	11.2	goe-mar	62.4	1.8	3.4	0.05	72
NGDH007	1.4	11.3	9.9	lat det	50.8	4.4	11.6	0.05	85
NGDH007	45.7	51.9	6.2	Ita	50.7	15.3	5.8	0.06	72

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.

As reported previously, core recovery is poor in sections of mineralised intervals in all holes drilled, with runs up to 3m 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 of the 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.

On the whole, low values of deleterious elements were returned in samples and intervals of DSO grade bedded ore. Intercepts results are listed in Table 1.

\*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.

<sup>1</sup>Soft, friable nature of material has lead to above average core loss; core recovery for each intercepts is listed in Table 1.

<sup>2</sup>The 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.

<sup>3</sup>Intervals uncertain due to poor core recovery, may require 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](http://www.ferrexplc.com) or contact the following:

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### **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 completed a diamond drill programme and a 2014 drill exploration programme is being planned to focus on understanding the true potential of Mebaga by undertaking a regional mapping and sampling programme followed by a targeted drill campaign next year.

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.