

18 September 2012

Ferrex plc ('Ferrex' or 'the Company')
Indicated Resource Nayega Manganese Project Togo

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to announce that a JORC Code compliant Indicated Resource has been defined on its 85% owned 92,390Ha Nayega Manganese Project ('Nayega' or 'Project') located in northern Togo. The Board believes the project, which has direct access to the regionally important deep water port of Lome, has the potential to be developed into a low capital and operating cost open pit manganese mine in the near term.

Overview

- Indicated Resource of 7.3Mt @ 14.7% manganese ('Mn'), a 16% increase in tonnage, 4% increase in grade and 21% increase in contained Mn tonnes from the initial Inferred Resource
- Ore easily beneficiable via low cost process of screening and gravity concentration
- Resource estimated on results of 153 pits dug on 100m centres along east-west lines spaced 100m apart
- Deposit is amenable to development as a shallow open pit operation with no waste stripping required
- Definitive feasibility study on track to be completed Q1 2013
- Nayega has access to good infrastructure - direct road access to the regionally important deep water port of Lome 600km to the south of the deposit

Ferrex Managing Director Mr. Dave Reeves said, "I am pleased to report the first Indicated Resource for the company on our Nayega manganese deposit in Togo. The Indicated Resource is an essential stepping stone on the path to completion of the definitive feasibility study that is currently underway."

Nayega Manganese Project – Togo

Resource Model

Resource modelling was undertaken by Mr L. Widenbar of Widenbar and Associates. Mr Widenbar generated two models for the deposit:

- an unconstrained version where the model dictates ore/waste boundaries via grade cut-offs, and
- a constrained version where a hard ore/waste boundary was defined and the model generated within this boundary.

The Inferred Resource for Nayega was defined using a constrained model, which provides a more precise limit to ore.

Each of the models is based on the results of 153 pits ranging from 0.15-9.85m deep with an average depth of 4.38m. Continuous vertical channel samples 10cm wide by 10cm deep were collected at 50cm intervals

(maximum) from the top to the bottom of each pit. Samples were analysed for major element oxides by lithium borate fusion with an XRF finish at SGS laboratories in Johannesburg. A rigorous QA/QC programme incorporating field duplicates, laboratory duplicates, blanks and analytical standards was employed to monitor all facets of the sampling and sample preparation process. A total of 94 samples were collected for bulk density determination. Using these data, the average density was calculated for each ore type.

Wireframes were created for four ore type domains – detrital, lateritic, transitional (laterite to saprolite) and saprolitic. Empty blocks 25m long by 25m across and 0.5m thick were generated and interpolated by domain using inverse distance cubed. Tonnage and major oxide grades were calculated for each domain at cut-off grades ranging up to 25% Mn.

The Indicated Resource estimate is detailed in Tables 1 (constrained) and 2 (unconstrained).

Table 1: Summary of Nayega Indicated Resource – constrained model.

Cut-off (Mn %)	Volume (m ³)	Tonnes	Mn %	Mn (Tonnes)	Fe %	P2O5 %	SiO2 %	Al2O3 %	LOI %
0	3,610,000	7,324,000	14.7	1,065,000	5.9	0.18	46.1	12.7	9.2

Table 2: Summary of Nayega Indicated Resource – unconstrained model.

Cut-off (Mn %)	Volume (m ³)	Tonnes	Mn %	Mn (Tonnes)	Fe %	P2O5 %	SiO2 %	Al2O3 %	LOI %
10	3,850,000	7,718,000	15.0	1,157,000	5.9	0.18	45.8	12.7	9.2
5	5,311,000	10,611,000	13.0	1,380,000	5.8	0.17	48.9	12.8	8.7
0	6,659,000	13,292,000	10.9	1,442,000	5.9	0.16	52.3	12.9	8.2

Further information

Ferrex has an 85% interest in Société Générale de Mine, a Togolese company that owns the Exploration Permit over the Nayega manganese deposit in northern Togo. Nayega is a residual manganese deposit, comprising lateritic and saprolitic mineralisation extending up to 10m below surface blanketed by a veneer of detrital material that averages 0.5m thick. Pitting by Ferrex has revealed that mineralisation occurs over a strike length of 2.2km at widths of up to 500m.

The deposit is situated in northern Togo and has direct access to the regionally important deep water port of Lome located 600km to the south.

The Republic of Togo is a French speaking country that lies adjacent to Ghana (to the west) and Burkina Faso (to the north). Togo is a large scale producer of phosphate and cement that is exported from its two deep water ports. The government of Togo is actively seeking foreign investment and investment in mining and has been very supportive of Ferrex.

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 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 (Nayega) in Togo, 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.