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

22 June 2012

Ferrex plc ('Ferrex' or 'the Company' or 'the Group')
Interim Results

Ferrex plc, the AIM quoted African focused iron ore and manganese development company in Africa, is pleased to announce its interim results for six months to 31 March 2012.

Overview:

- Continuing to build position as a significant low-capex iron ore and manganese exploration and development company in Africa
- Focussed on targeting assets close to infrastructure which offer near-term value uplift through rapid resource development and an early route to production
- Malelane iron ore project, South Africa:
  - Maiden JORC code compliant inferred resource of 139Mt at 37% Fe – potential to develop an initial 16.6 year mine life at an estimated production rate of 3Mtpa
  - Scoping study indicates NPV of US$513 million on a pre tax basis with a discount rate of 10%
- Nayega manganese project, Togo:
  - Maiden JORC code compliant inferred resource of 6.3Mt @ 14.1% manganese - initial testwork suggests ore easily amenable to low cost upgrade through screening and gravity to produce a saleable manganese concentrate of 38% manganese
  - Definitive Feasibility Study on track for completion in late 2012 with a view to production in 2013
- Leinster manganese project, South Africa: secured final farm and increased interest to 74% - exploration programme due to commence Q3 2012 to further explore the project's economic potential
- Reviewing acquisition opportunities for further iron ore and manganese deposits primarily in West Africa
- Strengthened Board and management team with the appointment of James Carter as CFO on the Board and Justin Longley as General Manager of West Africa

Chairman's Statement

I am delighted to report on the significant operational progress Ferrex has made during the period as it continues to build the Company as a leading low-capex iron ore and manganese exploration and development company in Africa.

Our business model is focussed on targeting assets close to established infrastructure which offer near-term value uplift through rapid resource development and an early route to production. With this in mind we have a solid portfolio divided between iron ore and manganese, and geographically between Southern and West Africa.

Iron Ore

Malelane – South Africa

Our Malelane iron ore project incorporates prospecting rights over a 4,192Ha tenement in the prospective Mpumalanga region in South Africa, part of the Archean Barberton Greenstone Belt, which comprises volcanic, clastic and chemical sedimentary rocks including three distinct banded iron formation ('BIF') horizons with a combined strike length of 14km and mapped horizontal widths of up to 300m. The project is located close to excellent infrastructure, just 6km away from an electrified railway line 170km from the deep-water port of Maputo making it an ideal project for Ferrex to develop as a potential low-capex mining operation.

Since I last reported in our results for the period ended 30 September 2011 on 20 December 2011, we have made great strides at Malelane advancing the project up the development curve with a view to production in the mid-term. In 2012 we successfully completed a second drilling programme based on 18 drill holes (four diamond drill and 13 reverse circulation) for 2,651m focussed on the northern-most BIF which measures 1.1km of the identified 14km strike. This successfully enabled us to announce a maiden JORC code compliant Inferred Resource of 139Mt at 37% Fe (40.1% calcined iron - CaFe) in March 2012. Of this resource 4.9Mt has been calculated at 52.2% Fe (56.7% CaFe) and 50.9Mt at 44.3% Fe (47.7% CaFe), illustrating both direct shipping ore ('DSO') and beneficiate before shipping ore potential ('bBSO'). Also worth noting is that with a large width deposit such as Malelane, drill intercepts greater than 200m are common which will result in very low strip ratios as the orebody outcrops on the top of a ridgeline. We also believe that the 1.1km resource area alone is capable of supporting the bulk of an initial 16.6 year mine life at an estimated production rate of 3Mtpa.

Furthermore, we also carried out metallurgical testwork on samples obtained from the drilling campaign and we are currently optimising the potential process route in conjunction with our metallurgical consultants. Results are positive with a very coarse crush/grind size required for pre-concentration which could significantly reduce capital and operating costs.

On 16 May 2012 we announced the results of a desktop scoping study. This scoping study showed a Net Present Value for the project (before tax and at a discount rate of 10%) of over USD500 million and an Internal Rate of Return of 39%. We consider both of these to be very satisfactory and from here we will set out to complete a pre-feasibility study by the end of 2012.

In addition, we are also planning to commence a further drilling programme for 3,000m at Malelane in Q3 2012 to upgrade the majority of the Inferred Resource to the Indicated category, to better define the high grade areas discovered in the maiden resource and to undertake preliminary testing of the Southern BIF to provide information on the tenor of mineralisation in this area. We look forward to reporting on these developments as we continue to advance Malelane up the development curve and unlock its intrinsic value.

In compliance with South African law our interest in Malelane is 74%, with the balance of 26% being owned by our BEE partners. In conjunction with our BEE partners we are also applying for further prospecting rights in the Mpumalanga province of South Africa.

Manganese

Our current manganese projects comprise the Nayega project in Togo and the Leinster project in South Africa.

Nayega – Togo

Substantial progress has been made in advancing our Nayega Manganese project in northern Togo, which comprises the Nayega deposit and five additional surrounding Exploration Permits over 92,390 hectares. The project is ideally located and has direct access to the major deepwater port of Lome.

The Nayega deposit is unique due the manganese minerals, spread over an area of 2.5km by 1km, ranging in size from flakes to cobbles, overlying a manganiferous clay horizon in which hard manganese oxide fragments are distributed. The clay horizon is up to 10m thick and the hard fragments are thought to be derived from narrow veins of massive manganese mineralisation that cut the underlying sandstone. This mineralisation suggests suitability for a shallow open pit operation. This, plus the Company's belief that the deposit has the potential to be easily mined and upgraded via a low capex gravity plant, will likely mean that Nayega will be our first production project and in turn our first cash flow generative asset in our portfolio.

In this vein, we completed a systematic pitting and sampling programme over the 2.5km by 1km area, the results from which provided us with a Maiden JORC Code compliant resource of 6.3Mt @ 14.1% manganese, proving the economic viability of the project. We dug 77 pits dug pits ranging from 0.15-9.85m deep with an average depth of 4.22m on 100m centres along east-west lines spaced 200m apart.

Importantly, metallurgical testwork, consisting of screening and dense media separation, has also been completed. Results to date from initial metallurgical testwork have been positive with a simple scrubbing, screening, crushing and gravity circuit producing a saleable manganese concentrate at economic grades of 38% Mn. This equates to a standard South African manganese export ore grade which is readily traded in the market. Additional testwork is now planned to further optimise recoveries and grade to allow finalisation of the best process route for Nayega.

Additionally, based on the current flowsheet, we estimate that the total capital for the project will be less than USD15m which will allow us to produce up to a maximum of 250,000 tonnes per annum of manganese product. In terms of logistics, internal studies have estimated that there is more than 350,000 tonnes of backload availability on the main highway near to Nayega which runs direct to the Port of Lome in southern Togo, 600km away. This will also substantially reduce the capital and operating costs of a mining operation at Nayega.

With positive results highlighting the economic prospectivity of this project, we plan to launch directly into a Definitive Feasibility Study to be completed late 2012. In tandem, we are also conducting exploration across 47 targets surrounding the main Nayega deposit. A total of 30 targets have been investigated at present indicating interesting manganiferous outcrops and although at an early stage, we hope to delineate additional resources at these areas which will enable us to increase the scale of this already exciting project in the future.

Leinster – South Africa

Our 46,868 hectare Leinster manganese project based in the Northern Cape and North West Provinces of South Africa is our third development asset in our portfolio. The project area covers the Leinster Basin, an erosional outlier of the Kalahari Manganese Field, which is the largest metallogenic province of manganese mineralisation in the world. It is in the right address being only 20 km north of Aquila Resources' Avontuur project, which hosts a JORC resource of 108.9Mt at 39% Mn. Our Leinster deposit lies at an average depth of 80m and is envisaged to be a small underground operation with ore trucked or railed to port for the export market.

We were delighted to announce in February 2012 that we had been granted the Prospecting Right over the Tweed Farm, representing the final of ten farms to be granted within the highly prospective tenement area. We also received approval from the Department of Mineral Resources of South Africa, under section 11 of the MPRDA to take control of Umbono Minerals Holdings (Pty) Limited which held the exploration rights over the project area and which subsequently has increased our interest in Leinster from 49% to 74%. With both the Prospecting Right and exploration rights now in hand we can start a fast tracked drilling campaign to delineate a maiden JORC code compliant resource in Q3 2012.

In terms of previous exploration, Anglo American drilled 51 holes on the Leinster property between 1977 and 1988. 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.

We now plan to implement an exploration programme consisting of an airborne magnetic survey and confirmatory drilling intended to twin historic drill holes.

In terms of our manganese portfolio of assets, with the completion of the resource estimate and the possibility of developing a near term manganese mining operation at Nayega and the issuance of the final farm at out Leinster project, we have decided to focus the companies attention on these projects and as a result decided not to proceed with the Changara joint venture in Mozambique. Costs incurred up to 31 March 2012 in relation to Changara have therefore been written off in the period.

Corporate

Over recent months, we have strengthened our Board and management team through the appointment of Chief Financial Officer James Carter to the Board and Justin Longley as General Manager of West Africa.

James has been a huge support to the Company since listing and with 18 years of commercial, financial and M&A experience in the resource industry, we look forward to gaining further from his experience during this highly active time for the Company.

In May 2012, we were also delighted to welcome Justin, whose extensive experience evaluating and developing commercial mining and processing operations in Africa will be highly beneficial as we continues to fast-track our Nayega manganese project in northern Togo and continues to evaluate other potential assets in West Africa.

Financial Results

The loss before and after tax for the six months ended 31 March 2012 was £762,000. As the Group only commenced full operations following AIM admission in July 2011 the results for the period ended 31 March 2011 do not provide a meaningful comparison. The loss comprises costs not specifically attributable to the enhancement of any exploration project, which have been capitalised, and amount to £686,000, and the total costs incurred up to 31 March 2012 in respect of the Changara joint venture of £76,000.

Summary

During the period we made excellent progress with the development of our three key assets including; defining a maiden resource at Malelane which we believe will be sufficient to develop an operation with an initial 16.6 year mine life at an estimated production rate of 3Mtpa; successfully defining a second maiden resource at our Nayega manganese deposit and fast-tracking development to take the deposit into production in the near-term; and securing the final farm licence at Leinster which allows us to start exploration and development work to further explore the project's economic potential.

In tandem with developing our existing licences, expansion is also a key focus for us. Our highly competent Board has been involved in developing mining projects with investments in excess of US$1 billion, ideally placing it to develop the Company into a low-cost producer of minerals for the steel industry. We are actively reviewing acquisition opportunities for further iron ore and manganese deposits, primarily in West Africa, to complement our existing portfolio and fit our investment strategy, and look forward to updating on these developments

I believe the rest of 2012 will be highly active in terms of news flow and value drivers for Ferrex. With a multi-project portfolio offering significant near-term value uplift potential through milestone driven development programmes with a view to near term production at Nayega followed by Malelane; a strong pipeline of potential future projects with additional low-capex iron-ore and manganese projects targeted; and a proven management team, Ferrex offers a strategy that has the potential to deliver significant value for shareholders.

Finally I would like to thank my fellow directors, management and our shareholders for their ongoing support as we continue to consolidate our position as a mid-tier, low-capex steel-feed exploration, development and future production company. I believe that Ferrex has the foundations in place from which to deliver significant value and I look forward to updating the market on our progress in throughout the remainder of 2012.

Brian Moritz
Chairman

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

Dave Reeves	Ferrex plc	+ 61 (0) 420 372 740
Russell Lamming	Ferrex plc	+ 44 (0) 781 0870 587
Colin Aaronson / David Hignell	Grant Thornton Corporate Finance	+44 (0) 20 7383 5100
John Prior / Sebastian Jones	Canaccord Genuity Limited	+44 (0) 20 7523 8350
Felicity Edwards/ Elisabeth Cowell	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months ended 31-Mar-12 (unaudited) £'000	23-Aug-10 to 31-Mar-11 (unaudited) £'000	23-Aug-10 to 30-Sep-11 (audited) £'000
Continuing operations				
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Technical and Administrative expenses		(794)	(241)	(885)
Results from operating activities		(794)	(241)	(885)
Finance income		21	-	5
Finance costs		-	(4)	-
Net finance income/(costs)		21	(4)	5
Extraordinary gain on acquisition	**7**	11	-	-
Loss before taxation		(762)	(245)	(880)
Taxation		-	-	-
Loss for the period		(762)	(245)	(880)
Other comprehensive income				
Foreign currency translation differences – foreign operations		(4)	-	24
Other comprehensive (loss)/income for the period, net of tax		(4)	-	24
Total comprehensive loss for the period		(766)	(245)	(856)
Loss attributable to:				
Owners of the Company		(727)	(239)	(824)
Non-controlling interests		(35)	(6)	(56)
		(762)	(245)	(880)
Total comprehensive loss attributable to:				
Owners of the Company		(732)	(239)	(806)
Non-controlling interests		(34)	(6)	(50)
		(766)	(245)	(856)
Loss per share – continuing operations				
Basic loss per share (pence)	**8**	(0.137)	(0.847)	(0.177)
Diluted loss per share (pence)	**8**	(0.137)	(0.847)	(0.177)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	6 months ended 31-Mar-12 (unaudited) £'000	23-Aug-10 to 31-Mar-11 (unaudited) £'000	23-Aug-10 to 30-Sep-11 (audited) £'000
Assets				
Non-current assets				
Goodwill and other intangible assets	**9**	2,792	1,774	1,925
Property, plant and equipment	**10**	27	28	21
Investments	**11**	-	111	111
		2,819	1,913	2,057
Current assets				
Trade and other receivables	**12**	112	73	157
Cash and cash equivalents		689	646	1,683
		801	719	1,840
Total assets		3,620	2,632	3,897
Equity				
Equity attributable to owners of the Company				
Share capital	**13**	2,945	2,264	2,598
Share premium account	**13**	2,008	487	1,922

Other components of equity		38	-	31
Accumulated losses		(1,551)	(239)	(824)
		3,440	2,512	3,727
Non-controlling interests		(84)	(17)	(50)
Total equity		3,356	2,495	3,677
Liabilities				
Current liabilities				
Trade and other payables	**15**	264	137	220
		264	137	220
Total liabilities		264	137	220
Total equity and liabilities		3,620	2,632	3,897

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2011

	Total attributable to owners of the Company							
	Share capital £'000	**Share premium £'000**	**Share option reserve £'000**	**Foreign exchange reserve £'000**	**Accumulated losses £'000**	**Total £'000**	**Non-controlling interests £'000**	**Total equity £'000**
Balance at 23 August 2010 (unaudited)	-	-	-	-	-	-	-	-
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(239)	(239)	(6)	(245)
Acquired with subsidiary company	-	-	-	-	-	-	(11)	(11)
Total other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(239)	(239)	(17)	(256)
Transactions with owners of the Company recognised directly in equity								
Issue of ordinary shares	2,264	487	-	-	-	2,751	-	2,751
Total contributions by and distributions to owners of the Company	2,264	487	-	-	-	2,751	-	2,751
Balance at 31 March 2011 (unaudited)	2,264	487	-	-	(239)	2,512	(17)	2,495

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2011

	Total attributable to owners of the Company							
	Share capital £'000	**Share premium £'000**	**Share option reserve £'000**	**Foreign exchange reserve £'000**	**Accumul ated losses £'000**	**Total £'000**	**Non-controlling interests £'000**	**Total equity £'000**
Balance at 23 August 2010 (unaudited)	-	-	-	-	-	-	-	-
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(824)	(824)	(56)	(880)
Total other comprehensive income	-	-	-	18	-	18	6	24
Total comprehensive loss for the period	-	-	-	18	(824)	(806)	(50)	(856)
Transactions with owners of the Company								

recognised directly in equity								
Issue of ordinary shares	2,598	2,154	-	-	-	4,752	-	4,752
Floatation costs	-	(232)	-	-	-	(232)	-	(232)
Share-based payment transactions	-	-	13	-	-	13	-	13
Total contributions by and distributions to owners of the Company	2,598	1,922	13	-	-	4,533	-	4,533
Balance at 30 September 2011 (audited)	2,598	1,922	13	18	(824)	3,727	(50)	3,677

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2012

	Total attributable to owners of the Company							
	Share capital £'000	**Share premium £'000**	**Share option reserve £'000**	**Foreign exchange reserve £'000**	**Accumulated losses £'000**	**Total £'000**	**Non-controllin g interests £'000**	**Total equity £'000**
Balance at 1 October 2011 (audited)	2,598	1,922	13	18	(824)	3,727	(50)	3,677
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(727)	(727)	(35)	(762)
Total other comprehensive income	-	-	-	(5)	-	(5)	1	(4)
Total comprehensive loss for the period	-	-	-	(5)	(727)	(732)	(34)	(766)
Transactions with owners of the Company recognised directly in equity								
Issue of ordinary shares related to business combinations	333	-	-	-	-	333	-	333
Issue of ordinary shares	14	86	-	-	-	100	-	100
Share-based payment transactions	-	-	12	-	-	12	-	12
Total contributions by and distributions to owners of the Company	347	86	12	-	-	445	-	445
Balance at 31 March 2012 (unaudited)	2,945	2,008	25	13	(1,551)	3,440	(84)	3,356

	6 months ended 31-Mar-12 (unaudited) £'000	**23-Aug-10 to 31-Mar-11 (unaudited) £'000**	**23-Aug-10 to 30-Sep-11 (audited) £'000**
Cash flows from operating activities			
Loss for the period	(762)	(245)	(880)
Adjustments for:			
Depreciation	6	2	6
Discount on acquisition	(11)	-	-
Foreign exchange gains	28	1	86
Impairment of loans	-	-	119
Impairment losses on investments	76	-	-
Net finance (income)/costs	(21)	4	(5)
Equity-settled share-based payment transactions	12	-	13
	(672)	(238)	(661)
Changes in:			
- trade and other receivables	39	(43)	(254)
- trade and other payables	49	137	222
Cash used in operating activities	(584)	(144)	(693)

Interest paid	-	(4)	-
Net cash used in operating activities	(584)	(148)	(693)
Cash flows from investing activities			
Interest received	21	-	-
Payments for property, plant and equipment	(12)	(29)	(29)
Acquisition of intangible assets	-	(8)	(184)
Investment in associate undertaking	(76)	-	(111)
Cash acquired with subsidiary	-	-	3
Payments for exploration expenditure	(299)	-	-
Net cash used in investing activities	(366)	(37)	(321)
Cash flows from financing activities			
Proceeds from issue of shares	-	862	2,741
Loans	-	(31)	-
Net cash flows from financing activities	-	831	2,741
Net (decrease)/increase in cash and cash equivalents	(950)	646	1,727
Cash and cash equivalents at beginning of period	1,683	-	-
Effect of foreign exchange rate changes	(44)	-	(44)
Cash and cash equivalents at end of period	689	646	1,683

1. Reporting entity

Ferrex plc (the "Company") is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 March 2012 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities. The Group primarily is involved in the exploration of iron ore and manganese in Africa.

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all of the information required for full annual financial statements.

The interim financial information for the six months ended 31 March 2012 and the period from incorporation on 23 August 2010 to 31 March 2011 is unaudited and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

The information for the period from incorporation on 23 August 2010 to 30 September 2011 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006, but has been derived from those accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The Auditor's Report on those financial statements was not qualified, and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These condensed consolidated interim financial statements were approved by the Board of Directors on 21 June 2012.

(b) Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the period ended 30 September 2011.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the period ended 30 September 2011.

4. Financial risk management

Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the period ended 30 September 2011.

5. Segment information

Up until September 2011 the Group engaged in exploration activities solely in South Africa and therefore was considered to operate in a single geographical and business segment.

Following the acquisition of an 85% interest in Société Générale de Mine, a Togolese company that owns the exploration permit over the Nayega manganese deposit in northern Togo in November 2011, and interests in Mozambique through the Group's Changara manganese project; the Group is considered to operate in three distinct geographic areas. These geographic areas form the basis of the Group's operating segments. For each segment, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit and loss before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit and loss is used to measure performance as management believes such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. There are no inter-segment sales within the Group.

6 months ended 31 March 2012 (unaudited)

	South Africa £'000	Togo £'000	Mozambique £'000	Group £'000
Total revenues	-	-	-	-
Segment result (loss before tax)	(543)	(90)	(129)	(762)
Depreciation and amortisation	6	-	-	6
Segment assets	3,531	89	-	3,620
Capital expenditure	300	87	-	387

6. Seasonality of operations

The Group is not subject to seasonal fluctuations and no material transactions have occurred in the extended comparative interim period between 23 August 2010 and 30 September 2010.

7. Acquisition of subsidiary

Umbono Mineral Holdings (Pty) Limited

On 1 December 2010, the Company acquired 49% of the share capital of Umbono Mineral Holdings (Pty) Limited ("Umbono"). Subsequently, on the 31 January 2011 the Company acquired a further 25%. The acquisition was satisfied by way of a deferred share issue. The consideration is described below. This transaction has been accounted for by the acquisition method of accounting.

	Book value	Fair value adjustments	Fair value

	£'000	£'000	£'000
Intangible assets	-	455	455
Goodwill			(11)
			444
Satisfied by:			
Share consideration			444

8. Loss per share

The calculation of loss per ordinary share is based on the following:

	6 months ended 31-Mar-12 (unaudited) £'000	23-Aug-10 to 31-Mar-11 (unaudited) £'000	23-Aug-10 to 30-Sep-11 (audited) £'000
Earnings for the purpose of earnings per share			
- Basic	(727)	(239)	(824)
- Diluted	(727)	(239)	(824)

	6 months ended 31-Mar-12 (unaudited)	23-Aug-10 to 31-Mar-11 (unaudited)	23-Aug-10 to 30-Sep-11 (audited)
Weighted average number of ordinary shares in issue during the period	529,462,007	28,216,204	466,091,520
Effect of dilutive options	-	-	-
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share	529,462,007	28,216,204	466,091,520

9. Goodwill and other intangible assets

	Goodwill £'000	Prospecting and exploration rights £'000	Total £'000
Cost			
Balance at 23 August 2010	-	-	-
Additions	-	1,774	1,774
Balance at 31 March 2011 (unaudited)	-	1,774	1,774
Balance at 1 April 2011	-	1,774	1,774
Additions	-	151	151
Balance at 30 September 2011 (audited)	-	1,925	1,925
Balance at 1 October 2011	-	1,925	1,925
Acquisitions through business combinations	11	445	456
Additions	-	411	411
Balance at 31 March 2012 (unaudited)	11	2,781	2,792

Impairment losses			
Balance at beginning and end of periods	-	-	-
Carrying amounts			
At 23 August 2010	-	-	-
At 31 March 2011	-	1,774	1,774

At 31 March 2012	11	2,781	2,792

10. Property, plant and equipment

Acquisitions and disposals
During the six months ended 31 March 2012 the Group acquired assets with a cost of £12,000 (period ended 31 March 2011: £29,000).

No asset disposals occurred during the interim period (period ended 31 March 2011: £nil).

Capital commitments
During the six months ended 31 March 2012 the Group had not entered into any contracts to purchase further items of property, plant and equipment (period ended 31 March 2011: £nil).

11. Investments

	6 months ended 31-Mar-12 (unaudited)	**23-Aug-10 to 31-Mar-11 (unaudited)**	**23-Aug-10 to 30-Sep-11 (audited)**
Cost			
Balance at beginning of period	111	-	-
Additions	-	111	111
Other additions	76	-	-
Disposals	(111)	-	-
Balance at end of period	76	111	111
Impairment losses			
Balance at beginning of period	-	-	-
Impairment loss	76		
	76	-	-
Carrying amounts			
Balance at end of period	-	111	111
Balance at beginning of period	111	-	-

The disposal of the investment arises as a result of Umbono becoming a subsidiary from 31 January 2012.

Changara Manganese Project
On 31 May 2012, Ferrex plc announced that with the completion of the resource estimate and the possibility of developing a near term operation at Nayega, the board has decided it is best to focus the Company's attention on this project and as a result has informed its joint venture partner Baobab Resources Plc that it will be withdrawing from the Changara joint venture in Mozambique. Ferrex will pay Baobab USD39,521 for the shortfall in expenditure committed as per the joint venture agreement. The impairment of [$76,000] reflects the Group's carrying value of this investment as at 31 March 2012
.

12. Trade and other receivables

	6 months ended 31-Mar-12 (unaudited)	**23-Aug-10 to 31-Mar-11 (unaudited)**	**23-Aug-10 to 30-Sep-11 (audited)**
Loan to Umbono Holdings (Pty) Limited	-	-	51
Other receivables	84	10	69
Prepayments	28	63	37
	112	73	157

Trade receivables and other receivables are stated at their nominal values less allowances for non recoverability.

13. Share capital and reserves

Issues of ordinary shares
On 25 January 2012, 266,667 ordinary shares were issued at 3 pence per share in consideration of an amount owed to a supplier.

On 10 February 2012, 66,687,790 ordinary shares were issued at 0.5 pence per share in consideration of the granting of the Tweed Prospecting Right to Umbono.

On 27 February 2012, 2,500,000 ordinary shares were issued at an exercise price of 4 pence per share in consideration of an introducer's fee payable to Mr. Mohammed Munkailah in connection with the acquisition of the Togo manganese project.

Dividends
No dividends were declared or paid in the six months ended 31 March 2012 (period ended 31 March 2011: £nil).

14. Share option programme (equity-settled)

The Company operates a share option programme that entitles key management personnel to purchase shares in the Company. The terms and conditions of the share option programme are disclosed in the consolidated financial statements as at and for the period ended 30 September 2011.

No further options have been granted in the six months ended 31 March 2012 (period ended 31 March 2011: nil).

15. Trade and other payables

	6 months ended 31-Mar-12 (unaudited)	23-Aug-10 to 31-Mar-11 (unaudited)	23-Aug-10 to 30-Sep-11 (audited)
Trade payables	155	2	179
Accruals	109	135	41
	264	137	220

There is no material difference between the fair value of trade and other payables and their book value.

16. Related parties

Parent and ultimate controlling party
The Directors do not consider there to be an ultimate controlling party.

Transactions with key management personnel
During the six months ended 31 March 2012 the Group paid professional fees to MSP Secretaries Limited, a company of which B M Moritz is a director, in relation to accounting services provided, totalling £7,206.

In addition, during the six months ended 31 December 2011 the Group paid professional fees to Share Registrars Limited, a subsidiary of MSP Secretaries Limited, in relation to the maintenance of the Company's share register, totalling £3,585.

All transactions with related parties take place on terms no more favourable than transactions with unrelated parties.

17. Subsequent event

On 31 May 2012, the Company announced that with the completion of the resource estimate and the possibility of developing a near term operation at Nayega, the board has decided it is best to focus the company's attention on this project and as a result has informed its joint venture partner Baobab Resources Plc that it will be withdrawing from the Changara joint venture in Mozambique. Ferrex will pay Baobab USD39,521 for the shortfall in expenditure committed as per the joint venture agreement.

ENDS