

8 May 2013

Ferrex plc ('Ferrex' or 'the Company')
Issue of Shares

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, announces that pursuant to the agreement announced on 14 January 2013 ('the Agreement') regarding the Company being granted the 309 sq km Mebaga iron project in Gabon in West Africa ('Mebaga'), Ferrex has agreed to purchase an additional 17% of Ressources Equatoriales SARL ('Equatorial'), from minority shareholders for 40 million new Ordinary Shares of 0.5p each in the Company ('the Consideration Shares'), bringing its interest in Megaba to 82%.

Under the terms of the Agreement, 40 million new Ordinary Shares will be issued at a price of 2.5 pence per share. Application has been made to the London Stock Exchange for the Consideration Shares to be admitted to trading on AIM ('Admission') and it is expected that Admission will occur, and dealings in the Consideration Shares will commence, on 10 May 2013. The Consideration Shares will, when issued, rank *pari passu* in all respects with the existing issued Ordinary Shares.

Following Admission, the Consideration Shares will represent 4.97% of the enlarged issued Ordinary Share capital of Ferrex, which will then comprise 805,179,963 Ordinary Shares, with each Ordinary Share carrying the right to cast one vote.

The number of Ordinary Shares quoted above may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company.

****ENDS****

For further information and the full Admission document visit 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 which is due for completion in H1 2013, and expects to be developing it into production by the end of 2013/Q1 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 other projects, limiting likely future share dilution.

In parallel, Ferrex is focussed on proving up resources at its Mebaga concession in Gabon. Historical work at Mebaga by the BRGM, the French public earth sciences institution, lead to estimation of an exploration target totalling 20Mt @ 60% iron (Direct Shipping Ore* ('DSO')). Ferrex has full access to the BRGM records and plans to define a JORC Code compliant resource and Scoping Study 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.