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Ferrex plc ('Ferrex' or 'the Company')
Additional High Grade Intercept Returned in First Drilling at the Malelane Iron Ore Project, South Africa

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, announces further positive results from the maiden drilling programme at its Malelane Iron Ore Project ('Malelane' or 'the Project') located in the Mpumalanga Province of South Africa. All assay results from the drilling programme have now been received.

Highlights

- Near surface high grade iron ore highlights the potential for Malelane to contain direct shipping ore (DSO)
- High grade iron ore intercept returned:
 - Hole SPRC02: 14m @ 55% Fe (individual samples to 62% Fe) from surface
 - Hole SPRC01: 16m @ 60% Fe (individual samples to 63% Fe) from surface – as previously announced
- Wide intervals of iron mineralisation
 - Hole SPRC02: 94m @ 38% Fe from 24m
 - Hole SPRC06: 200m @ 34% Fe from surface to the end of hole
- Exploration target (as defined in the JORC code) of between 775 and 930Mt at 34-36% Fe - calculated by Coffey Mining in early 2011
- Intention to define a maiden JORC compliant resource by Q1 2012

Ferrex CEO Mr. Dave Reeves said, "In addition to significant widths of iron mineralisation, we intersected near surface high grade iron ore in the vicinity of the historical mine workings, which highlights the potential for Malelane to host DSO. A larger drill programme to investigate the area of high grade mineralisation, extensions of the northern banded iron formation, and an initial portion of the southern BIF horizons will follow up on these highly encouraging initial results with the aim of delineating a maiden JORC compliant resource by Q1 2012."

Ferrex has completed a reconnaissance drilling programme, comprising seven Reverse Circulation ('RC') holes for a total of 920m to investigate a section of the northern banded iron formation ('BIF') in the vicinity of the historical mine workings at Malelane. Two of these holes intersected high grade mineralisation, with intercepts of 16m @ 60% iron ('Fe') and 14m @ 55% Fe.

Four of the holes intersected BIF and the other three cut an unmineralised dolerite dyke and were stopped at shallow depths. Drill holes SPRC01 and SPRC02 intersected intervals of high grade

kenomagnetite-martite and hematite-goethite mineralisation within BIF; holes SPRC05 and SPRC06 intersected BIF with intercalated ferruginous shale. Holes SPRC01, SPRC05 and SPRC06 had to be stopped in mineralisation as the drill rig could not penetrate to the planned depth of 250m, which helps to emphasise the significant widths of BIF mineralisation encountered.

Drill hole intercepts are listed below and drill hole details are listed in Table 1, and hole locations are shown in Figure 1.

Malelane Project drill intercepts:

- SPRC01 from 0 to 177m (EOH), **177m @ 45% Fe**, including an interval from surface of **16m @ 60% Fe**
- SPRC02 from 0 to 14m, **14m @ 55% Fe**, from 24 to 118m, **94m @ 38% Fe**
- SPRC 05, from 0 to 212m (EOH), **212m @ 37% Fe**
- SPRC06, from 0 to 200m (EOH), **200m @ 34% Fe**
- SPRC 03, 04 and 07 intersected barren dyke and were abandoned

Table 1: Malelane Project drill hole details						
Hole ID	UTM East	UTM North	Elevation	Depth	Dip	UTM Azimuth
SPRC01	348,560	7,171,957	642	177	-50	360
SPRC02	348,562	7,171,955	647	140	-55	180
SPRC03	349,299	7,172,197	561	50	-50	331
SPRC04	349,299	7,172,198	563	50	-50	151
SPRC05	348,942	7,172,119	667	212	-50	327
SPRC06	348,943	7,172,113	669	200	-55	147
SPRC07	349,272	7,172,210	566	91	-50	306

Analytical samples comprised 2m composites of riffle split sub-samples. Sample preparation was undertaken by Genalysis (Johannesburg) and analyses by Genalysis (Perth) using lithium borate fusion with an XRF finish. Ferrex employs a comprehensive QA/QC programme, comprising analytical standards, blank samples and field duplicates inserted in to the sample stream at regular intervals. EOH abbreviation means End of Hole. Intercepts above 25% Fe are reported.

Figure 1: Hole locations see link to view.

http://www.rns-pdf.londonstockexchange.com/rns/1214L_-2011-7-26.pdf

A bulk sample of 250kg material from drill hole SPRC06 has been submitted to mining consultants ProMet Engineers in Perth for metallurgical test work. Test work will comprise assessment of the effectiveness of various beneficiation procedures to determine the optimum route to producing a saleable product; results are expected in 2-3 months. The average Fe grade of the bulk sample is approximately 40% Fe.

Further Information

Malelane lies approximately 350km east of Johannesburg in the Mpumalanga Province of South Africa. In compliance with South Africa's Black Economic Empowerment ('BEE') legislation, Ferrex holds 74% of the Prospecting Right over Malelane. The Prospecting Right, issued for iron ore, covers 4,192Ha. The Project area is ideally located in terms of transport infrastructure, as it is just 6km from a direct rail link to the port of Maputo in Mozambique 175km away. Malelane hosts an exploration target (as defined in the JORC code) of between 775 and 930Mt at 34-36% iron, which was calculated by Coffey Mining in early 2011. Ferrex intends to define a maiden resource compliant with the JORC Code by Q1 2012.

The Project covers part of the Archean Barbeton Greenstone Belt, which is comprised of volcanic, clastic and chemical sedimentary rocks including BIF. High grade hematite mineralisation was discovered in 1954 at the Spago area of the Project. During the 1950s and 1960s, 28,155t of high grade iron ore was extracted from Spago, with grades ranging up to 66% Fe.

Systematic exploration undertaken by the South African subsidiary of Ferrex has identified a significant and potentially beneficiable iron ore deposit hosted in three distinct BIF horizons (northern, central and southern). The BIF horizons range up to 300m wide and have a combined strike length of 14km within the Project area.

For further information and to view location and infrastructure maps visit <http://www.ferrexplc.com/ironore-southafrica.aspx>

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
Russell Lamming	Ferrex plc	+ 44 (0) 781 0870 587
Colin Aaronson	Grant Thornton Corporate Finance	+44 (0) 207 383 5100
David Hignell	Grant Thornton Corporate Finance	+44 (0)207 383 5100
Jen Hatter	Grant Thornton Corporate Finance	+44 (0)207 383 5100
Guy Wilkes	Ocean Equities Limited	+44 (0) 207 786 4370
Felicity Edwards	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177

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 (Changara) in Mozambique, 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.