

30 March 2015

Ferrex plc ('Ferrex' or 'the Company')
Nayega Mining Convention Negotiations Concluded

Ferrex plc, the AIM quoted manganese development and iron ore exploration company focused in Africa, is pleased to announce a positive update on activities at the Nayega Manganese Project ('Nayega' or 'the Project') in northern Togo held through its 85% owned subsidiary SGM SARL.

Highlights

- **Mining Convention negotiations concluded – document forms the basis for the proposed development of Nayega**
 - Consisted of negotiations between the Company and the Government of the Republic of Togo through its appointed "Point Focal" group
 - Positive outcome for both the Company and the Government as the document outlines the significant contribution that Nayega will make to community development, skills transfer and fiscal uplift in return for tax stabilisation and other fiscal incentives
 - Next step is the grant of an exploitation permit anticipated by the end of Q2 2015
- **Definitive Feasibility Study nearing completion**
 - Focused on accelerated start-up model to export 250,000 tonnes per annum of manganese ore to generate early cashflow
 - Initial numbers indicate significantly less capital and lower operating costs
 - Awaiting final costing inputs prior to anticipated announcement at the end of April 2015
- **Discussions with project financiers and manganese off-takers progressing positively**
 - Company is in continuing discussions with a number of parties to provide finance for project development
 - Also in manganese off-take discussions with a number of parties interested
- **Major tenders for Nayega development to be drawn up**
 - Tenders for process plant and other major items to be drafted and released to allow winning contractor to be appointed simultaneous with the award of the exploitation permit
- **Updated resource and maiden ore reserve report**
 - Assay results received - resource upgrade targeted before the end of March 2015
 - Finalisation of the DFS for the accelerated start-up model will allow estimation of maiden ore reserve
- **Regional strategy adopted**
 - Management focus shifting to regional manganese opportunities to leverage Nayega knowledge and infrastructure base

Ferrex Managing Director Dave Reeves said, “We have made some major advances in progressing the Nayega Manganese Project towards development over the last two months. The recent conclusion of the Company’s detailed negotiations with the Government’s appointed representative group, Point Focal, is a significant step forward and we are pleased to have achieved a win-win outcome for both parties. The convention, which covers a wide variety of issues including taxes, environmental and community requirements and state participation, details the Company’s support of the government’s desire to achieve more from the minerals industry. Togo’s government aims to achieve this through a significant community programme, local skills transfer commitments and government participation whilst supporting the Company through tax stabilisation and other fiscal incentives.

“In parallel with these discussions, the Company will soon complete the modelling and documentation of the accelerated start-up option. The results of this re-modelling are yet to be finalised but initial indications appear compelling. This model, combined with the recent terms agreed in the Mining Convention, will allow finalisation of the full feasibility results and a maiden ore reserve for the Project.

“In addition, as per the previously stated focus for Ferrex on manganese, the Company is now actively pursuing several opportunities in the region that it intends to leverage through its infrastructure at Nayega when it is developed. I look forward to updating the market on this initiative as it develops.”

Further Information

Mining Convention

The Mining Convention is a comprehensive document that outlines the Company’s and Togolese Government’s commitments to each other with regard to fiscal, environmental and social issues. The negotiations for the Government were conducted by Point Focal, a group of Government departments under the supervision of the Ministry of Mines and Energy. As such, the document has received input from numerous Ministries in Government during its drafting.

The document, which has been agreed between Ferrex and the Government but not yet executed, outlines the significant contribution that the Company will make to community development, skills transfer and fiscal uplift and forms the basis for the proposed development of Nayega that will see over 500 jobs created directly and indirectly in Togo. In consideration, the Government, through the Mining Convention, has agreed in principle to grant the Company a stable tax rate and provide other fiscal incentives. These agreements will be made legally binding upon the grant of an exploitation permit from the Government to Ferrex. The Company will give further details on the terms of the Mining Convention and the exploitation permit at this stage.

The Republic of Togo is due to hold a Presidential election on 15 April 2015 and as such, it is likely that the Council of Ministers and President will only be able to consider the granting of the exploitation permit after the conclusion of elections and the appointment of the Council of Ministers. During this time, the Company will prepare tender documents for some of the long lead items such as the process plant manufacture and will seek to award a preferred contractor who will be appointed immediately on award of the permit. The Company also intends to finalise marketing and financing arrangements during this period so construction can commence immediately on award of the exploitation permit.

Accelerated Start-up

The accelerated start-up option has now been formally adopted by the Company as the optimal way to develop the Project. The simplification of the process circuit is the main driver to this operation, which reconfigures the way product is generated using the specified scrubbing, screening and DMS circuit. Initial indications are that the overall capital costs associated with the Project can be reduced by almost 50% due to a combination of circuit simplification, competitive tender environment, weakening rand and modular construction reducing civil works and on site erection costs. The Company intends to finalise these costs in the next month and will publish the full results of this when complete.

Resource Update and Reserve Announcement

Samples collected from the recent pits were delayed out of West Africa, which pushed back the estimation of updated resources. Results have now been received and the resource is due to be reported in early April.

A maiden Ore Reserve statement is being compiled. Once costs around the accelerated start-up operation have been finalised, Ore Reserves will be announced.

Regional Strategy

The Company is now investigating unlicensed manganese deposits and is in active discussions with lease holders of known manganese deposits with a view to creating a regional manganese producer. This strategy will be based around exploiting the know-how the Company has gained in progressing Nayega and the infrastructure the Company will develop in Togo. Ferrex intends to target deposits that will allow beneficial blending of ore to maximise sales revenues and meet customer needs.

****ENDS****

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Notes

Ferrex plc is an AIM quoted, leading manganese development and iron-ore exploration 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 concluding a Definitive Feasibility Study and expects award of the mining permit in mid 2015. A Scoping Study indicates that Nayega could produce 250,000 tonnes per year of manganese concentrate at 38%. A Scoping Study on a ferro manganese plant in Togo has also been concluded and shows a lowest quartile operation with robust economics. The company is focussed on bringing the mine into production on grant of the mining permit whilst advancing the ferro manganese studies.

In parallel with this, Ferrex is focussed on proving up resources at its Mebaga concession in Gabon. An exploration target comprising 90 to 150Mt @ 35 to 65% Fe (oxide material) and 550 to 900Mt @ 25% to 40% Fe (primary material) has been estimated for Mebaga. The oxide target will incorporate both DSO* and bBSO* material. Ferrex completed a preliminary drill programme at Mebaga that intersected significant widths of both DSO and bBSO mineralisation.

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.

Ferrex has 1,101M shares on issue. The Directors have subscribed for and purchased approximately 26% of the issued share capital of the Company and are thus aligned with shareholders' interests.