

18 December 2013

**Ferrex plc ('Ferrex' or 'the Company')**  
**£700,000 Placing to Advance Iron Ore and Manganese Assets in Africa**

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to announce that it has raised approximately £700,000 before costs by way of a placing of 36,114,427 new ordinary shares in the Company ('the Placing Shares') at a price of 1.95 pence per Placing Share ('the Placing') with institutional investors ('the Placees'). Additionally, for every two Placing Shares, Placees will receive a warrant to subscribe for a new ordinary share at 2.5 pence per share valid for two years. The funds raised will be used to advance the Company's low capex iron ore and manganese deposits in Africa, all of which are ideally located close to established infrastructure, up the development curve, as well as for working capital purposes.

**Ferrex's CEO Dave Reeves said,** "I am delighted with the support we have received in this raising from current and new shareholders which further underpins our strategy of developing low capex iron ore and manganese deposits, close to infrastructure in Africa. The coming year will be an active one for Ferrex with further drilling at the Mebaga DSO Iron Ore Project, the conclusion of the Nayega bankable study and the commencement of its development through to production. In addition, we have a range of other project level funding initiatives in the pipeline which, if implemented, we believe will complement this Placing and enable us to further advance our key projects in Africa and unlock value for shareholders for the year ahead."

**Further Information**

Ferrex's primary focus is its flagship Mebaga Iron Ore Project in Gabon ('Mebaga'), a high grade DSO project located in an extensive iron ore rich province in the north of the country. Mebaga has an exploration target of 90 to 150mt @ 35 to 65% Fe (Oxide target) and 550mt to 900mt @ 25% to 40% Fe (Primary target) defined over an 8km strike length, and a further 11km of strike has been identified where the Board believes significant upside potential lies. An initial nine hole drilling programme completed in Q4 2013 has been conducted over 1km of the identified 19km strike and has recorded significant DSO (+55% Fe) grades in all holes. The planned 2014 exploration programme will focus on undertaking a regional mapping and sampling campaign followed by a targeted drill programme along the full strike to understand the true scale and potential of Mebaga. The additional drilling will also provide a base to commence a Scoping Study with a view to rapidly developing the project as a small scale startup mining operation. The Company is in advanced discussions with an industry player to fund Mebaga at project level and anticipates an imminent announcement.

Ferrex has two other projects also currently in development. The Nayega Manganese Project in Togo, which is being advanced as a low capex manganese mine with a view to generating early cashflow for the Company. Nayega, is 30km away from a main road which has >500,000t per annum back loading capabilities and direct access to the regionally important deepwater port of Lome 600km away. The project has a JORC Inferred resource of 11Mt @ 13.1% Mn and an internal desktop Scoping Study indicated low capital costs of circa

US\$15million to establish a 250,000t per annum mining operation with operating costs of approximately US\$2 /dmu FOB. A Definitive Feasibility Study is underway and is due to be completed on receipt of the Mining Licence which is under application. Ferrex's third and larger development project is a potential DSO iron ore project in South Africa, Malelane, which is located just 6km from a reliable rail line that runs to the Port of Maputo in Mozambique, 170 km away. A Scoping Study has been successfully completed in 2012 illustrating the robust economics of developing Malelane as an initial 1.8Mtpa open pit, low strip ratio operation with a 57% Fe product over a 16.6 year LOM. At these production rates, the project has a NPV of US\$523m and an IRR of 72%, with a capital cost of US\$139m and capital intensity of US\$77/t, which places it in the lowest quartile of new iron ore projects globally. In terms of exploration, three distinct BIF horizons have been identified having a combined strike length of 14km. Ferrex has only completed drilling over 1km of the 14km strike leading to the Inferred Resource of 139Mt at 37% Fe (from which the scoping study has been based upon), however the project has a total exploration target of 1.6bt to 2.0bt at 28-30% which illustrates the expansive nature of Malelane for the future.

The Placing Shares will, when issued, rank *pari passu* in all respects with the existing ordinary shares of the Company. Application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM ('Admission'). It is expected that Admission will become effective and that dealings in the Placing Shares will commence at 8am on 7 January 2014. The number of ordinary shares in the Company in issue following Admission will be 841,294,390. The above figure may be used by shareholders as the denominator for the calculations by which they will determine whether they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

**\*\*ENDS\*\***

For further information and the full Admission document visit [www.ferrexplc.com](http://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: Mebaga Iron Ore Project in Gabon ('Mebaga'), Nayega Manganese Project in Togo ('Nayega'), and Malelane Iron Ore Project in South Africa ('Malelane').

