

20 July 2012

Ferrex plc ('Ferrex' or the 'the Company')
Raises £1.015m through the Conditional Placing of Ordinary Shares

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to announce that it has raised an aggregate £1.015m through a conditional placing of 45,111,112 ordinary shares in the Company at 2.25p per share ('the Placing Shares') to new and existing investors ('the Placing').

The funds raised will be used to advance the Company's portfolio of iron ore and manganese assets up the development curve and towards production. This includes completing a Definitive Feasibility Study at its Nayega Manganese Project in Togo ('Nayega') which has direct access to the major deepwater port of Lome. The Company believes that Nayega can be developed into a low capital and operating cost open pit manganese mine in the near term with production in the region of 250,000 tonnes at an expected saleable grade of 38% manganese through simple beneficiation. Additionally the funds will be utilised to advance the Pre-feasibility Study on Ferrex's flagship Malelane Iron Ore Project ('Malelane') in South Africa. Malelane is located in the Mpumalanga Province with direct access to the port of Maputo in Mozambique and has an Inferred JORC Code compliant resource of 139Mt at 36.9% iron. It is the Company's intention to develop a low capital cost; up to 3 million tonne iron per annum operation in the mid term at Malelane.

Commenting on the Placing, Dave Reeves, Managing Director of Ferrex, said, "We are delighted to have received this support from existing and new shareholders, especially given current market conditions, which demonstrates their belief in our current portfolio of low-capex iron ore and manganese development projects in Africa.

"The coming year is set to be an exciting time for the Company as we advance both our key projects, Nayega and Malelane, with a view to commencing production and generating future cashflow in the near to mid term. In addition we continue to review acquisition opportunities for further low-capex assets in Africa to complement our existing portfolio and look forward to updating on these developments in due course. With this in mind, I believe Ferrex has a solid platform to deliver strong growth and in turn deliver shareholder value for the year ahead and beyond."

The Placing is being undertaken in two tranches and each tranche is conditional on admission of the relevant Placing Shares to trading on AIM. It is anticipated that the first tranche of 20,666,666 Placing Shares will be admitted to trading on or around 26 July 2012 with the second tranche of 24,444,446 Placing Shares being admitted on or around 9 October 2012.

For every two Placing Shares issued under the terms of the Placing, investors will receive one warrant over the, exercisable at 3.25 pence per share for a period of 36 months from 9 October 2012 (each a 'Warrant'). The Warrants will not be admitted to trading on AIM.

Following the issue of the first tranche of Placing Shares, the Company will have 609,645,240 ordinary shares of 0.5 pence ('Ordinary Shares') with voting rights in issue and will have 634,089,686 Ordinary Shares with voting rights in issue following the issue of the second tranche of Placing Shares.

The directors of Ferrex are participating in the Placing, and details of their commitments under to the Placing and their shareholdings in the Company before and after the Placing are set out in the table below:

Director	Existing shareholding in the Company:	% of current issued share capital :	Number of Placing Shares subscribed for:	Number of Placing Shares subscribed for in first tranche:	% of enlarged issued share capital after issue of first tranche :	Number of Placing Shares subscribed for in second tranche:	% of enlarged issued share capital after issue of second tranche :	Number of Warrants in the Company:
Dave Reeves	96,446,523	16.38	4,444,445	2,222,222	16.18	2,222,223	15.91	2,222,223
Russell Lamming	40,833,333	6.93	1,111,111	1,111,111	6.88	-	6.61	555,556
Roy Pitchford	75,833,333	12.88	2,222,222	2,222,222	12.80	-	12.31	1,111,111
James Carter	1,666,667	0.28	1,111,111	1,111,111	0.46	-	0.44	555,556

The issue of shares to directors constitutes a related party transaction under the AIM Rules for Companies. The Company's independent director, Brian Moritz, having consulted with the Company's Nominated Adviser, considers that the terms of the transaction are fair and reasonable insofar as the Company's shareholders are concerned.

For further information and the full Admission document visit www.ferrexp.com or contact the following:

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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 of an iron ore project (Malelane) and two manganese projects – The Leinster project in South Africa and Nayega in Togo 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.