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Ferrex plc ('Ferrex' or 'the Company')
Secures 85% of the Nayega Manganese Exploration Permit in Togo

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, announces that it has acquired an 85% interest in Société Générale de Mine ('SGM'), a Togolese company that owns the Exploration Permit over the Nayega manganese deposit ('Nayega') in northern Togo.

Overview

- Acquisition of a majority interest in a significant manganese deposit in northern Togo
- Five Exploration Permits granted covering and surrounding Nayega total 92,390ha – significant potential for value uplift through exploration on the wider prospective area
- Known deposit spans 2.5km by 1km – average 4m thick from surface and has an exploration target of 6 to 8.5Mt at 14 to 15.5% manganese ('Mn')
- Historic exploration – 109 exploration pits previously excavated on the deposit
- Geology suggests suitability to a shallow open pit operation with manganese fragments hosted in a clay matrix
- Potential for low capex beneficiation process to yield a premium product providing high margins due to the potential simple beneficiation method
- Direct road access to the major deepwater port of Lome 600km to the south of Nayega

Ferrex Managing Director Mr. Dave Reeves said, "Nayega represents a substantial and exciting manganese development opportunity in the prospective northern region of Togo. The acquisition also marks a significant step for Ferrex, one that sees us delivering on our strategy of pursuing additional low capital iron and manganese projects in Africa.

"The Nayega deposit covers a large area, mineralisation is at surface and it possesses high grade manganese fragments. With these factors combined we believe Nayega has the potential to be developed into a very low capital and operating cost manganese mine. Significant investment has already been injected into the project through previous exploration which will allow us to rapidly and efficiently assess the resource potential and economics of the project, and in turn fast-track it up the value curve. In addition, SGM has been granted further Exploration Permits surrounding the Nayega deposit, consolidating our position in the area, and providing scope for potential resource expansion at Nayega in the future."

Terms of the Agreement

Ferrex will fund, through interest free shareholder loans, the entire project to the bankable feasibility stage and will pay a one off fee to the project introducer of £100,000. This fee will be used to subscribe for 2,500,000 shares in Ferrex at 4p per share.

Further Information

In the early 1960s, the United Nations completed a programme of pitting to test the manganese mineralisation at Nayega. 50 pits were dug, irregularly spaced on a 100m by 100m grid to cover the area that seemed to have the greatest potential. Pits were dug to the underlying sandstone, although nine were abandoned due to high water levels and one had to be abandoned at a bed of massive manganese mineralisation too hard to penetrate by hand. Continuous channel samples were collected from the walls of some pits and prepared for analysis on site. Not all of the prepared samples were assayed. Channel samples returned grades to 39.4% Mn over 1 foot, with Mn levels of selective grab samples ranging up to 50.0% Mn.

In the early 1980s, the Bureau de recherches géologiques et minières ('BRGM'), France's leading public institution involved in geoscience, completed another programme of pitting in the area, also on a 100m by 100m grid. A total of 59 pits were excavated, for a total depth of 61.53m. 17 channel samples collected from the pits were assayed, and returned Mn values ranging from 2.88-45.69%.

Based on both phases of work, the BRGM stated an exploration target at Nayega of 14Mt @ 12-35% Mn.

Individual assays of a manganese fragment taken by the UN programme returned the following values:

Mn	SiO ₂	Fe ₂ O ₃	Al ₂ O ₃	P ₂ O ₅	SO ₃	C	LOI
43.10%	6.90%	4.30%	7.40%	ND	0.13%	ND	12.49%

The deposit consists of eluvial rubble of manganese minerals ranging in size from flakes to cobbles overlying a manganiferous clay horizon, in which hard manganese oxide fragments (hard fragments) are distributed. The clay horizon is up to 7m thick. Hard fragments are thought to be derived from narrow veins of massive manganese mineralisation that cut the underlying sandstone.

Eluvial material is spread over an area of 2.5km N-S by 1km E-W (elongate NNW-SSE), which corresponds with subcrop of the manganiferous clay horizon. The clay layer, which occupies a shallow trough in the underlying sandstone, is unconsolidated.

Mineralisation at Nayega bears resemblance to OM Holdings' Bootu Creek deposit in the Northern Territory, Australia (pre-mining reserves and resources of 16Mt @ 25% Mn).

The deposit is situated in northern Togo and has direct access to the major deepwater port of Lome 600km to the south.

Ferrex will also undertake a regional exploration programme on its licences, which cover all known exposures of the geological sequence that hosts the Nayega deposit in Togo.

The Republic of Togo is a French speaking country located adjacent to Ghana and Burkina Faso. Togo has an active mining industry and is a large scale producer of phosphate and cement that it exports from its Atlantic coastline via its two deep water ports. The government of Togo is actively seeking foreign investment and investment in mining and has been very supportive of Ferrex and its applications.

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****

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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 iron ore (Malelane) and manganese (Leinster) projects in South Africa, a manganese project (Nayega) in Togo 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.