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Ferrex plc ('Ferrex' or 'the Company')
Resource Increase at Nayega Manganese Togo

Ferrex plc, the AIM quoted manganese development and iron ore exploration company focused in Africa, is pleased to announce that total JORC Code compliant resources have increased to 14Mt @ 12.4% manganese ('Mn') at the Nayega Manganese Project in Northern Togo, held through its 85% owned subsidiary SGM SARL. This is a significant milestone for the Company as it continues to develop Nayega into a 250,000tpa Mn mining operation providing cash flow to the Company within a year following receipt of the Mining Licence.

Highlights

- Additional JORC Code compliant resources defined at two target areas <7km from the main Nayega deposit and planned processing plant
- Maiden Inferred Resource at T48 target of 220,000t @ 15.57% Mn
    - <1km north of the Nayega deposit
    - Easily-accessible high grade ore to feed the initial 250,000tpa development
- Maiden Inferred Resource at 27 target of 2.75Mt @ 9.21% Mn
    - 6.5km east of the Nayega deposit
    - Potential feed to extend the life of mine
- Nayega total JORC Code compliant resource for all categories is now 14Mt @12.4% Mn

Ferrex Managing Director Mr. Dave Reeves said, "These newly defined JORC Code compliant resources have the potential to significantly enhance the already robust economics of our Nayega mining operation. Both resources are within easy trucking distance of the main Nayega deposit and proposed processing plant and should see the total minable material increase. We will now complete additional pitting and metallurgical testing to determine beneficiation characteristics of the ore and in turn increase confidence in the resources.

"In conjunction with the recently-concluded Mining Convention negotiations with the Government of Togo and pending completion of modelling and documentation for the accelerated start-up option for the 250,000tpa manganese operation, this is just one of a number of positive developments for the Company. I look forward to reporting on our continuing progress in due course as we move closer to commencing first production and cash generation at Nayega."

Nayega Manganese Project – Togo

Resource model

Resource modelling was undertaken by Mr. L. Widenbar of Widenbar and Associates. Mr. Widenbar is an experienced resource consultant responsible for reporting all of Ferrex's resources.

Pitting and sampling

Pits were hand-dug in the T27 and T48 areas to allow collection of analytical samples for resource estimation. A total of 61 irregularly-spaced pits were dug across both areas, for a cumulative total of 210m. All pit locations were surveyed with a DGPS.

Pits were sampled along continuous vertical chip-channels from top to bottom. Channels were cut 10cm wide and 10cm deep to a maximum vertical interval of 50cm. A total of 479 primary samples were collected from pits dug in both areas.

Assaying and QA/QC

Samples were transported by SGM personnel to Intertek's preparation facility in Tarkwa, Ghana, where pulps were prepared and flown to Intertek's laboratory in Maddington, Australia. Pulps were assayed by lithium borate fusion with XRF finish for Al_2O_3, BaO, CaO, Cr_2O_3, Cu, Fe_2O_3, K_2O, MgO, Mn, Na_2O, P_2O_5, Pb, SO_3, SiO_2, TiO_2, V_2O_5 and LOI.

Blanks, analytical standards and field duplicates were inserted in the sample stream at regular intervals by SGM personnel, and laboratory duplicates were generated by the preparation facility in Ghana. Any issues with results were promptly raised with the laboratories and resolved.

Database Management and Data Validation

Pit, sample and geology data were captured in the field by SGM's geologist and entered in to Excel spreadsheets. Field spreadsheets were emailed to Perth, where data were validated, compiled in to a master Excel spreadsheet and subsequently imported in to an Access database.

Geological Interpretation and Wireframing

Manganese mineralisation at Nayega is residual, occurring at (or near) surface within the weathered profile of fine to medium grained sandstone (greywacke to arenite) and lesser siltstone in the upper part of the Neoproterozoic Bombouaka Supergroup.

Pits were logged as they were dug, with SGM's geologist reviewing the spoil piles and entering the pit to review material in situ if necessary.

Pit sample intervals were coded as detrital, laterite, laterite/saprolite transition, saprolite and basement. The coded geological data were subsequently used to generate DTM wireframes representing the base of each unit.

Statistical Analysis

Statistical analysis was completed to verify the domain sub-divisions. Density was assigned on the basis of previous work at the Nayega deposit.

Block Model Estimation

Block model estimation was carried out using Micromine 2014 software. Inverse distance cubed interpolation was used for Mn, SiO_2, Al_2O_3, CaO, MgO, Fe_2O_3, K_2O, MnO, Na_2O, P_2O_5, TiO_2, Cr_2O_3, V_2O_5 and LOI.

The block model was validated using several methods, including:

- section review;
- model versus data statistics by domain, and
- swathe plots by level and northing.

Resource Classification

Mineral Resources for the T27 and T48 areas have been classified in the Inferred category in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). A range of criteria were considered in determining this classification, including:

- geological and mineralisation continuity;
- data quality;
- pit spacing;
- modelling technique, and
- estimation properties including search strategy, number of informing data and average distance of data from blocks.

A qualitative risk assessment review was conducted to indicate in relative terms the levels of risk or uncertainty that may exist with respect to resource estimation which have cumulative effects on project outcomes.

Overall the risk level is considered to be moderate.

Resource Estimate

Resources for both areas were defined at various cut-off grades. Estimates for T27 are listed in Table 1 and for T48 in Table 2.

Table 1: Summary of T27 Inferred Resource.

Cut-off (Mn %)	Volume (m^3)	Density	Tonnes	Mn %	SiO_2 %	Al_2O_3 %	Fe_2O_3 %	P %
10	560,000	2.00	1,130,000	11.54	37.54	18.91	13.65	0.06
5	**1,370,000**	**2.01**	**2,750,000**	**9.21**	**40.64**	**18.94**	**14.48**	**0.05**
0	5,650,000	2.00	11,330,000	3.30	51.31	18.70	14.31	0.04

Table 2: Summary of T48 Inferred Resource.

Cut-off (Mn %)	Volume (m^3)	Density	Tonnes	Mn %	SiO_2 %	Al_2O_3 %	Fe_2O_3 %	P %
25	10,000	2.06	20,000	26.87	28.41	10.58	9.44	0.10
20	30,000	2.08	50,000	24.19	31.11	11.84	9.53	0.09
15	60,000	2.09	140,000	19.35	44.03	8.99	8.55	0.10
10	80,000	2.08	170,000	18.02	46.47	8.91	8.48	0.09
5	**100,000**	**2.07**	**220,000**	**15.57**	**50.87**	**8.88**	**8.32**	**0.08**
0	290,000	2.02	590,000	6.60	70.75	7.52	6.11	0.04

Glossary

Al_2O_3 – alumina

arenite – clastic sedimentary rock, low clay fraction

CaO – calcium oxide

cm – centimetre

Cr_2O_3 – chromium oxide

detrital – transported, loosely bound clastic sediment

DGPS – differential global positioning system

Fe_2O_3 – iron oxide

greywacke – clastic sedimentary rock, moderate clay fraction

km - kilometres

K_2O – potassium oxide

laterite – oxidation product developed in tropical environments

LOI – loss on ignition

MgO – magnesium oxide

Mn – manganese

MnO – manganese oxide

Mt – million tonnes

Na_2O – sodium oxide

Neoproterozoic – between 1 billion and 540 million years old

P_2O_5 – phosphorous oxide

residual deposit – mineral deposit formed by oxidation

saprolite – weathered bedrock

SiO_2 – silica

t – tonnes

TiO_2 – titanium dioxide
tpa – tonnes per annum
V_2O_5 – vanadium oxide
XRF – X Ray fluorescence

Further information

Ferrex has an 85% interest in SGM, a Togolese company that holds the exploration permit over the Nayega manganese project in northern Togo. Nayega is a residual manganese deposit, comprising lateritic and saprolitic mineralisation extending up to 10m below surface blanketed by a veneer of detrital material that averages 0.5m thick. Pitting by SGM has revealed that mineralisation occurs over a strike length of 2.2km at widths of up to 500m.

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

The Republic of Togo is a French speaking country that lies adjacent to Ghana (to the west) and Burkina Faso (to the north). Togo is a large scale producer of phosphate and cement that is exported from its two deep water ports. The government of Togo is actively seeking foreign investment and investment in mining and has been very supportive of SGM.

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.

The information in this report that relates to Mineral Resources has been compiled by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimate based on data and geological information supplied by Ferrex. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information 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 visit www.ferrexplc.com or contact the following:

Dave Reeves	Ferrex plc	dave@ferrexplc.com
finnCap		+44 (0)20 7220 0500
Joanna Weaving	Broking	
Christopher Raggett	Corporate Finance	
Beaufort Securities		
Elliot Hance/Saif Janjua	Broking	+44(0)207382 8415
Felicity Winkles/ Elisabeth Cowell	St Brides Partners	+44 (0) 20 7236 1177

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 Bankable Feasibility Study and expects award of the mining permit in early 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.