

23 September 2013

**Ferrex plc ('Ferrex' or 'the Company')**  
**Extension of Malelane Prospecting Right**

Ferrex, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to announce that the Prospecting Right covering the 4,192 hectare Malelane Iron Ore Project ('Malelane' or 'the Project'), located in the prospective Mpumalanga Province of South Africa has been extended and is now valid to 20 May of 2016.

The extension of the Prospecting Right is in line with the Company's strategy to continue to develop its Malelane project as a low-capex, initial 1.8Mtpa iron operation with a life of mine of 16.6 years. Malelane has a JORC code compliant Inferred Resource of 139 Mt @ 37% Fe which importantly is only modelled on 1.1 km of the 14 km of the BIF strike. The project has an upgraded total exploration target of 1.6bt to 2.0bt at 28-30 % Fe as announced on 4 June 2013. Additionally the project is well connected in terms of infrastructure with direct access to the port of Maputo in Mozambique.

**Ferrex Managing Director, Dave Reeves said:** "The extension of the Prospecting Right over the Malelane project is an important step in Malelane's development, and will ensure sufficient time for the pre-feasibility and bankable feasibility to be completed as we advance Malelane towards production. We continue to work on the social and environmental aspects of the project and are currently preparing the mining permit application. We look forward to reporting on these developments in due course."

**\*\*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: 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 conducting a Definitive Feasibility Study and expects to be developing Nayega during 2014. A Scoping Study indicates that Nayega could produce 250,000 tonnes per year of manganese concentrate at 38% with an initial capital expenditure of under \$15m. The Company anticipates that cash generated from production at Nayega will be used to assist in the future funding of development at its other projects.

In parallel with this, Ferrex is focussed on proving up resources at its Mebaga concession in Gabon. A recent review has calculated an exploration target of 90 to 150mt @ 35 to 65% Fe (Oxide target) and 550mt to 900mt @ 25% to 40% Fe (Primary target) for Mebaga. The Oxide target will comprise both DSO\* and bBSO\*\* material. Ferrex has full access to the BRGM records and plans to produce a JORC resource and Scoping Study before the end of 2013 at which time it will apply for a Mining Licence. A drill program is currently underway.

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. Conceptually, cash generation from Nayega and Mebaga will be utilised to obtain finance for Malelane, once again limiting share dilution.

Ferrex has 805m shares on a fully diluted basis. The Directors have subscribed for and purchased approximately 32% of the issued share capital of the Company and thus are aligned with shareholders interests.

\*Direct Shipping Ore is ore which is high enough grade that the iron does not need capital intensive processing into concentrate at the mine. Conceptually it can simply be dug up, crushed to a uniform size, transported and sold.

\*\*bBSO - Beneficiate Before Shipping Ore is ore that can be crushed and using screening and gravity techniques, can produce a saleable product. The material requires no grinding.

