

15 October 2012

Ferrex plc ('Ferrex' or 'the Company')
Manganese and Iron Ore Portfolio Update – Togo and South Africa

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to provide a positive update on activities at its Nayega Manganese Project ('Nayega') located in northern Togo, its Malelane Iron Ore Project ('Malelane') located in the Mpumalanga Province of South Africa and its Leinster Manganese Project ('Leinster') located in the Northern Cape and Northwest Provinces of South Africa.

Overview

Nayega Manganese Project – Togo

- Regional evaluation of 92,930Ha area enveloping Nayega deposit has delineated additional targets for Manganese (Mn) mineralisation
- Selective rock samples collected close to Nayega (but outside the defined Indicated Resource 7.3Mt at 14.3% Mn) returned Mn values up to 39%
- Test pitting programme on two targets underway (both within 10 kilometres of the Nayega deposit)
- Optimisation metallurgical testwork on Nayega bulk samples commenced, due for completion before end November 2012
- Exploitation permit application will be submitted in October 2012
- Definitive feasibility study targeted for completion in Q1 2013
- Potential to be developed into a low capital and operating cost manganese mine by the end of 2013

Malelane Iron Ore Project – South Africa

- Strengthened the project's operational team – appointed mining engineer Gus Simbanegavi as Project Manager for Malelane
- Detailed geological mapping of the Spago ridge by structural geological consultant completed; should improve understanding of the deposit setting and aid drill targeting - both map and report pending
- Environmental Studies and Social and Labour Plan drafting has commenced in preparation for a mining licence application
- Metallurgical testwork on-going - fines optimisation work is now underway to further assist the project economics and reduce the overall operating cost
- Continuing to fast-track with a view to production in 2014

Leinster Manganese Project – South Africa

- High resolution airborne magnetic/radiometric survey flown by Xcalibur Airborne Geophysics ('Xcalibur') - data are currently being processed

- Products to provide significant improvements in resolution over existing products, expected to enhance understanding of local geology and assist with drill targeting of high grade Mn mineralisation in the district

Ferrex Managing Director Mr. Dave Reeves said, “We have been highly active at our key manganese and iron ore projects as we continue to develop our portfolio with a view of low-capex production in the near to mid term. In Togo at our Nayega manganese project, where we envisage moving into production by the end of 2013, our regional evaluation programme has successfully identified additional targets for Mn mineralisation which could add to our current resource of 7.3Mt at 14.3%. Moving on to South Africa, at our Malelane Iron Ore Project, we are confident that results of a detailed geological mapping campaign will improve our understanding of the iron ore deposit and help us target higher grade mineralisation whilst we continue with the environmental and social and labour plan drafting. At Leinster, results of the high resolution geophysical survey will assist our drill planning and potentially identify new targets.

“I would also like to extend a warm welcome to Gus Simbanegavi, our recently appointed Project Manager for the Malelane Iron Ore Project. Gus will manage the feasibility study at Malelane as we fast-track the project up the development curve and towards production. Gus brings with him an abundance of experience in both open pit mining and operating in South Africa.”

Nayega Manganese – Togo

Regional evaluation

Remote sensing specialist Geoimage was contracted to procure and process Landsat imagery centred on the subcropping Nayega manganese deposit. Processing was aimed at identifying areas with similar spectral patterns to Nayega.

Several images were produced, based on processing different spectral bands, and a vector map highlighting pixels with spectral characteristics similar to the pixels over the Nayega deposit was generated. Geoimage noted that there is considerable interference from burn scars and vegetation anomalies in the region, which hindered the vectoring process.

Subsequently, targets were defined by picking the strongest anomalies (size and intensity) on the vector map, then comparing with the appearance of known Mn mineralisation on the true colour Landsat image. A total of 47 targets were identified and assigned a priority rating based on appearance and likely source. Field evaluation was structured so that targets were assessed in approximate order of priority.

A total of 112 rock samples were collected during the evaluation programme and submitted to Intertek-Genalysis for assay by lithium borate fusion with XRF finish. In addition, 10 rock samples

were collected from within the vicinity of the Nayega deposit earlier in the year and submitted to SGS for assay by lithium borate fusion with XRF finish. The 122 samples returned Mn values ranging up to 39%.

Two targets were selected for follow up test pitting, which is in progress. To date, 23 pits have been dug for 95m and 103 continuous vertical channel samples (maximum interval of 0.6m) collected. The samples will be submitted to Intertek for assay in a single batch once pitting is completed and all of the channel samples collected.

Metallurgical Testwork

Four bulk samples (detrital, lateritic, transitional and saprolitic material) of 200kg each were collected and shipped to Nagrom in Perth for additional metallurgical testwork. The testwork programme will optimise the quality of product. Work has commenced and is due to be complete by the end of November 2012.

Further Information

Ferrex has an 85% interest in Société Générale de Mine, a Togolese company that owns the Exploration Permit over the Nayega manganese deposit in northern Togo. The deposit is situated in northern Togo and has direct access to the regionally important deep water port of Lome located 600km to the south.

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 Ferrex has revealed that mineralisation occurs over a strike length of 2.2km at widths of up to 500m.

The Republic of Togo is a French speaking country that lies adjacent to Ghana (to the west), Benin (to the east) 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 Ferrex.

Malelane Iron Ore Project – South Africa

Geological Mapping

Consulting structural geologist Chris Jackson was contracted to complete a detailed mapping programme covering 1-1.5km strike of the Spago ridge at Malelane. Aims of the programme were to improve understanding of the lithostructural setting of mineralisation and help identify possible high grade targets for drill testing.

The mapping programme is complete and the products (map and report) are pending. Initial feedback from Mr. Jackson is positive and indications are that his work will significantly improve on the Company's current understanding of the lithostructural setting of the deposit and assist in vectoring to high grade mineralisation.

Environmental and Social and Labour Plans

Prime Resources, a specialist environmental consultancy based in Johannesburg, has commenced work on the environmental aspects of the project having recently compiled a desktop review of the project. Specialist consultants are now being appointed to undertake the detailed baseline studies required for the project.

Drafting of the Social and Labour plan by Leyanda Consulting has also commenced. Leyanda is a consultancy that has successfully drafted social and labour plans for other mining companies.

Metallurgical Testwork

Metallurgical testwork on the fines material from Malelane has continued to ensure recoveries of the processed ore are maximised. Initial testwork via Heavy Liquid Separation ('HLS') showed that the fines should produce a product in line with the lump ore at good recoveries. Testwork utilising spirals has not fully replicated this work so the Company's metallurgical consultants have recommended the trialling of the Ludowici reflux classifier which is more suited to the envisaged application. Any increase in the recovery of the fines from that already achieved will be factored in to the previously released scoping study and will further assist the project economics and reduce the overall operating cost.

Further information

Malelane is located over part of the Archaean Barberton Greenstone Belt, close to infrastructure and just 6km from an electrified rail line which services the deep water port of Maputo in Mozambique 170km away.

Three distinct banded iron formation horizons have been identified on the property with a combined strike length of 14km and mapped horizontal widths of up to 300m. A JORC Code compliant Inferred Resource of 139Mt @ 36.9% Fe has been calculated over 1.1km of the 14km strike length. Mining consultants Coffey Mining calculated a total exploration target at Malelane of between 775 and 930Mt at 34 to 36% Fe.

Leinster Manganese Project – South Africa

Airborne Geophysical Survey

A low level, high resolution fixed wing airborne magnetic/radiometric survey was flown over the Leinster Project by Xcalibur Airborne Geophysics ('Xcalibur') in September of 2012. The survey covered known Hotazel Formation (host to manganese mineralisation in the district, location confirmed by intercepts in historical drilling) and magnetic anomalies which could be additional, previously unrecognised, occurrences of Hotazel Formation.

The survey is in two parts covering a combined area of roughly 235km², with 2,665 line kilometres read on flight lines spaced 100m apart at a nominal terrain clearance of 30m. Data are currently being processed by Xcalibur.

Products of the survey will provide a significant improvement in resolution over existing products derived from public domain data. These new products are expected to enhance understanding of the local geology and assist in drill targeting of high grade Mn mineralisation in the district.

Further information

Leinster, located on the border between the Northern Cape and Northwest Provinces of South Africa, covers the entire Leinster Basin, an erosional outlier of the Kalahari Manganese Field, which is the largest manganese metallogenic province in the world.

Extensive exploration was completed on the project by Anglo American between 1977 and 1988, including a significant amount of drilling. Based on results of this work, Coffey Mining estimated an exploration target for Leinster (compliant with the JORC Code) of 5.5 to 8.7Mt @ 28.6 to 31% Mn.

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 2004 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 and the full Admission document visit www.ferreexplc.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 iron ore (Malelane) and manganese (Leinster) projects in South Africa and a manganese project (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.