

30 January 2013

**Ferrex plc ('Ferrex' or 'the Company')**  
**Forfeiture of Shares**

Ferrex plc wishes to advise the forfeiture of 4,444,445 ordinary shares and 2,222,223 warrants allotted to Perpetual Growth Holdings Ltd. on 9 October 2012 under a fund raising of £1,015,000 announced by the Company on 20 July 2012. The forfeiture is due to non payment by Perpetual Growth Holdings Ltd of the subscription monies of £100,000.

Following the forfeiture, the Company has 629,867,463 ordinary shares on issue. The Company does not hold any shares in treasury. This figure of 629,867,463 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FSA's Disclosure and Transparency Rules.

**\*\*ENDS\*\***

For further information visit [www.ferrexplc.com](http://www.ferrexplc.com) or contact the following:

Dave Reeves	Ferrex plc	+ 61 (0) 420 372 740
finnCap		+44 (0)20 7220 0500
Elizabeth Johnson / Joanna Weaving	Broking	
Matthew Robinson / Ben Thompson	Corporate Finance	
Felicity Edwards / Elisabeth Cowell	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177

**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 Bankable Feasibility Study which is due for completion in H1 2013, and expects to be developing it into production by the end of 2013/Q1 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 additional projects.

In parallel with this, Ferrex is focussed on proving up resources at its Mebaga concession in Gabon. Earlier work at Mebaga by the BRGM, the French public earth sciences institution, produced an exploration target of 20Mt @ 60% iron (Direct Shipping Ore\* ('DSO')). 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.

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 will have 809m shares on a fully diluted basis after completion of the Mabega acquisition. The Directors have subscribed for and purchased approximately 35% of the issued share capital of the Company and thus 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.