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Ferrex plc ('Ferrex' or 'the Company') **Nayega Manganese Update**

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to provide a positive update from its 85% owned 92,390 Ha Nayega Manganese Project in northern Togo ('Nayega'). The Board believes that the project, which has direct access to the major deepwater port of Lome, has the potential to be developed into a low capital and operating cost open pit manganese mine in the near term.

Overview

- Initial metallurgical testwork now complete - simple beneficiation route confirmed to produce a saleable product equating to South African Manganese Export Grade
- Straight forward scrubbing, screening, crushing and gravity produces a final saleable product grading 38% Mn
- Very low capital cost envisaged - initial figures suggest that the capital cost will be less than USD15m for up to 250,000 tonnes per annum of product
- Logistics solution in place – internal studies indicate that there is more than 350,000 tonnes of backload availability on nearby Highway 1 to the Port of Lome in southern Togo
- Additional regional geological target review underway with 30 of 47 targets investigated with initial results indicating manganese outcrops – potential for future resource expansion programme

Ferrex Managing Director Dave Reeves said, "This is a very encouraging development update following close on the heels of the recent maiden resource at our Nayega Project, which we are aiming to be our first near-term low-capex mining operation to bring cashflow to the Company.

"Results to date from initial metallurgical testwork have been positive with a simple scrubbing, screening, crushing and gravity circuit producing a saleable manganese concentrate at economic grades. Additional testwork is now planned to further optimise recoveries and grade to allow finalisation of the best process route for Nayega. Based on the current flowsheet, we estimate that the total capital for the project will be less than USD15m which will allow us to produce up to a maximum of 250,000 tonnes per annum of manganese product. This low capital requirement will be of great benefit to the project's economics. Additionally, independent studies have shown that there is more than 350,000 tonnes of backload availability on the nearby Highway 1 that would be able to transport any product produced to the Port of Lome in southern Togo, where existing manganese blending operations are already in place for containerisation and shipping to China. This will also substantially reduce the capital and operating costs of a mining operation at Nayega.

"Furthermore, regional exploration is also underway focussed on 47 targets surrounding the main Nayega deposit. A total of 30 targets have been investigated at present indicating interesting manganiferous outcrops and although at an early stage, we hope to delineate additional resources

at these areas which will enable us to increase the scale of this already exciting project in the future.”

Further Information

Metallurgical Testwork

Initial metallurgical testwork has been conducted under the guidance of Consulmet, a South African gravity processing specialist. The testwork has consisted of screening and dense media separation processes.

The screening results show that when the -850 micron fines are removed, a mass recovery of 44% and a manganese recovery of 86% were achieved. This results in the grade of the feed material being upgraded from 14% to 28% Mn via simple scrubbing and cleaning whilst capturing the bulk of the manganese mineralisation.

A series of heavy liquid separation tests were then run on the screened product utilising both uncrushed and crushed material. The best results were obtained by crushing the entire plus 850 micron screened product to minus 6mm. An average mass recovery of 56% and a manganese recovery of 75% were achieved. This resulted in an average product of 38% Mn being produced. This equates to a standard South African manganese export ore grade which is readily traded in the market.

From the results to date, it is believed that the process at Nayega has the ability to be optimised in respect to both recoveries and concentrate grade produced. As a result, another round of testwork will now be undertaken to finalise the process route for the bankable study.

Cost Estimates

Initial scoping cost estimates have now been received for the majority of the operating and capital costs components of developing a mine at Nayega. These costs are broadly in line with previous expectations and will form the basis of the full scoping study which is targeted to be finalised with the next round of metallurgical testwork in Q3 2012. Initial figures suggest that the capital cost will be less than USD15m which will benefit project economics and allow multiple sources of finance to be investigated.

Infrastructure Investigation

Initial investigations have shown that the deposit is located in a rapidly developing area. A new road is currently being built within a few kilometres of the mine from the regional centre of Dapaong. In addition, power lines are planned to the same area at a rated capacity of 33 kVA.

US Aid studies suggested that in 2009, there was up to 350,000 tonnes of empty backload capacity on the Dapaong to Lome route as this is the main import route from neighbouring Burkina Faso,

with recent figures suggesting that this capacity is increasing by 10% per annum. This empty capacity will be targeted to transport the product back to Lome where manganese from Burkina Faso is already transported to a packing yard. This facility provides a receiving, containerisation and dispatch service. In addition, the Port of Lome has recently announced the construction of a third container pier of 450m in length to facilitate the increased demands from the area.

Regional Evaluation

The geological team at Nayega has now visited 30 of the 47 targets defined from Satellite imagery. Target 27 and a local trend have shown areas of detrital manganese mineralisation and alluvial manganese rubble. These appear to be similar to the mineralisation at Nayega although the extent of the mineralisation is not yet fully known and will be more fully investigated once initial target reviews are completed in the next six weeks. A map of the targets is shown in Figure 1.

****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 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.