

22 April 2013

**Ferrex plc ('Ferrex' or 'the Company')**  
**Gabon Iron Ore Project Update**

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 309 sq km Mebaga DSO Iron Ore Project in northern Gabon.

**Overview**

- Drill contract signed with Geoserve with two in-country rigs to be mobilised on site immediately to test the main 1.8km zone of iron ore mineralisation at the Mebaga deposit to depths of 250m (exploration target\* of 20Mt @ 60% iron ('Fe'))
- Targeting a maiden JORC resource in H2 2013 - initial drilling campaign expected to take two to three months
- Regional magnetic data have been acquired, with processing and interpretation complete
- Significant project upside potential - magnetic images emphasise that the Mebaga trend incorporates the most extensive outcropping of banded iron formation ('BIF') horizon in northern Gabon outside of the Belinga trend - images suggest that approximately 80% of the BIF horizon lies within Ferrex's Mebaga concession.
- Camp now operational, and secured a new local geologist (ex-SAMANCOR) employed as country and project manager
- Excellent infrastructure in place – 30km from a sealed highway, 100km north of the Trans-Gabon railway

\*The potential quality and quantity is conceptual in nature and there has been insufficient work completed at present to define a Mineral Resource in this area under the JORC (2012) Code. The nature of an Exploration Target is such that it is uncertain if further exploration will result in the determination of a Mineral Resource.

**Ferrex Managing Director Mr. Dave Reeves said,** "We have been highly active since acquiring the Mebaga DSO iron project in January 2013 having already announced the presence of DSO mineralisation with values up to 68% Fe as confirmed by Niton XRF results. The signing of the 3,000m drill contract is another significant step which will allow us to move this project forward and test the near term DSO resource potential. The camp construction is now complete and, having also employed an experienced local geologist to manage the project, we are well on the way to establishing an in-country framework to support this project as we develop it towards the Scoping Study stage later this year, with a view to future production.

"The processing of regional magnetic data is another milestone. Our technical team is confident that there are additional areas of high grade iron mineralisation to be found in the Mebaga trend. In addition magnetic images emphasise that we hold 80% of the Mebaga trend, which looks to be the

most extensive in northern Gabon outside of the Belinga trend. With these developments in mind I look forward to reporting on further positive results as the exploration programme at Mebaga progresses on a number of fronts.”

### **Drill contract**

A drill contract for 3,000m of drilling was put to tender with site visits undertaken by several drill companies. The drill contract has been awarded to Geoserve, a South African based drill contractor which has two rigs currently operating in Gabon. Both of these rigs will be mobilised immediately to site to commence drilling next week. The initial drill programme, which is planned to total 3,000m in 23 holes up to 250m deep, has been designed to provide sufficient information to allow estimation of an initial mineral resource compliant with the JORC Code in H2 2013. There is a historic exploration target of 20Mt @ 60% Fe estimated by BRGM which was based on pitting from surface to a maximum 30m depth. Mineralisation was not closed off at the bottom of a number of these pits, which Ferrex believes demonstrates the potential for additional mineralisation at depth.

The drilling will be undertaken using diamond drill rigs which will not only provide core for assay, but also geo-technical information and core that can be used for initial metallurgical testwork. This will assist greatly in the planned Scoping Study that is expected to be complete in H2 2013.

### **Acquisition of magnetic data**

Regional airborne magnetic and radiometric data has been acquired from Fugro Gravity & Magnetic Services. In excess of 40,000 line kilometres of data have been acquired, at a nominal line spacing of 1km and flying height of 120m. In addition, almost 2,000 line kilometres of data flown at a height of 196m and a nominal line spacing of 250m were acquired over the Mebaga BIF trend.

Ferrex's geophysical consultant Dr Duncan Cowan of Cowan Geodata Services has completed processing and interpretation of the data. Magnetic images emphasise the fact that the Mebaga trend incorporates the most extensive outcropping BIF horizon in northern Gabon outside of the Belinga trend, which hosts the giant Belinga iron ore deposit (over 1 billion tonnes of >60% Fe). These images suggest that approximately 80% of the footprint of the Mebaga BIF horizon lies within Ferrex's Mebaga concession.

A 3D model of the more detailed data shows there are intervals of demagnetisation along parts of the BIF trend, possibly indicative of near-surface oxidation and potential hematite mineralisation. Additionally, the model highlights a number of inferred fold closures and faults that cut the BIF and could have been important in the development of high grade iron ore mineralisation.

### **Camp construction and employment of local project manager**

A semi-permanent fly camp has been constructed by Ferrex in close proximity to the Mebaga main zone iron deposit.

An experienced local geologist, Guy Taty, has been employed to oversee the exploration and development programme at Mebaga and to supervise any other interests Ferrex develops in Gabon. For the past 3½ years, Mr. Taty was employed by SAMANCOR (the global BHP Billiton-Anglo American JV focussed on manganese).

### **Further Information – Mebaga**

Ferrex has an 82% interest in the 340 sq km high-grade DSO Mebaga iron ore deposit in Gabon, West Africa through its holding in Gabonese holding company Ressources Equatoriales SARL.. The Project, which has an Exploration Target of 20Mt at 60% Fe, is located in an extensive high grade iron ore province which extends from Gabon into the Republic of Congo (ROC) and Cameroon. Initial surface sampling has recorded assays up to 68% Fe.

The iron ore mineralisation in the province is hosted in Archean BIF horizons belonging to the Belinga Supergroup. Major deposits in the district include Belinga in Gabon (1Bt @ 60% Fe); Mbalam in Cameroon (775Mt @ 57% Fe) and Avima in the ROC (690Mt @ 58% Fe). Importantly, Mebaga is the nearest DSO iron ore project to the Atlantic of any deposits in this prolific iron province and has two infrastructure routes available. There is a working rail line 100km distant that runs to the Port of Owendo and is currently used to export 3.5mtpa of manganese.

### **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.

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.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 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 other projects, limiting likely future share dilution.

In parallel, Ferrex is focussed on proving up resources at its Mebaga concession in Gabon. Historical work at Mebaga by the BRGM, the French public earth sciences institution, lead to estimation of an exploration target totalling 20Mt @ 60% iron (Direct Shipping Ore\* ('DSO')). Ferrex has full access to the BRGM records and plans to define a JORC Code compliant 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.