

14 March 2012

**Ferrex plc ('Ferrex' or 'the Company')**  
**Ferrex moves to 74% of Leinster Manganese Deposit**

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, has now received approval from the Department of Mineral Resources of South Africa under Section 11 of the MPRDA to take control of Umbono Minerals Holdings (Pty) Limited, which holds exploration rights over the Leinster Manganese Project ('Leinster') in the Northern Cape Province, South Africa. Accordingly the Group's interest in Leinster has increased from 49% to 74%. No further consideration is payable by Ferrex in respect of the acquisition of this further 25% interest as the full consideration was paid previously.

**Overview**

- 46,868 hectare project located in the Leinster Basin, an erosional outlier of the Kalahari Manganese Field, the world's largest metallogenic province of manganese mineralisation
- Increased ownership from 49 to 74% at no additional expenditure
- Significant previous exploration undertaken at the project by Anglo American Corporation
- Total JORC Code compliant exploration target of 5.5 to 8.7Mt at 28.6% to 31.3% manganese defined by Coffey Mining
- Exploration and infill drilling to commence Q2 2012 to define a maiden JORC Code compliant resource targeted for Q3 2012

**Ferrex Managing Director Mr. Dave Reeves said,** "The granting of the Section 11 approval that allows Ferrex to move to a 74% ownership is a timely consent considering the recent grant of the final prospecting licence in the Leinster Project over the Tweed farm earlier this year. Exploration drilling to twin historic drill holes is due to commence Q2 2012 to define a maiden resource by Q3 2012, and in turn assess the economic potential of the project now that we have a majority interest in it."

***Further information***

Leinster consists of two Prospecting Rights covering ten farms totalling 46,868 hectares, located in South Africa, which hosts the largest metallogenic province of manganese mineralisation in the world. It covers the northernmost known erosional relict ('the Leinster Manganiferous Basin') of the Kalahari Manganese Field ('KMF'). Other operators in the region include Aquila Resources Limited, which has a defined resource of 109Mt at 39% manganese ('Mn') at Gravenhenge in the Avontuur Basin, another erosional remnant of the KMF located 20km south of the Leinster Project.

Manganese mineralisation and host lithologies in the KMF are concealed beneath soft, generally semi-consolidated sediments of the Kalahari Formation. In the Leinster Basin, the Kalahari Formation cover is between 70-150m thick.

Anglo American Corporation explored the Leinster Basin from 1977 to 1988. Exploration included ground magnetic, gravity and Induced Polarisation surveys followed by diamond and percussion drilling programmes. A total of 51 boreholes were drilled, which led to the estimation of an 'Indicated Resource' (non-JORC code compliant) of 7.8Mt at 34.8% Mn. Using this information, Coffey Mining calculated a JORC code compliant exploration target of 5.5 to 8.7Mt at 28.6% to 31.3% Mn at the project.

The deposit lies at an average depth of 80m and the Company envisages the project to be developed into a small underground operation with ore trucked or railed to port for the export market.

#### **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 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.