

12 March 2012

**Ferrex plc ('Ferrex' or 'the Company')**  
**Maiden Resource Malelane Iron Ore South Africa**

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to announce a maiden JORC Code compliant resource on its 4,192ha Malelane Iron Ore Project ('Malelane') located in the Mpumalanga Province of South Africa.

**Overview**

- Inferred Resource of 139Mt at 40.1% calcined iron ('CaFe'), (36.9% iron ('Fe'))
  - 4.9Mt at 56.7% CaFe (52.2% Fe) – potential direct shipping ore ('DSO')
  - 50.9Mt at 47.7% CaFe (44.3% Fe) – potential beneficiate before shipping ore ('bBSO')
- Resource calculated over 1.1km strike length of the northern banded iron formation (BIF) - total BIF strike length on the property is 14km, which highlights significant resource upside potential
- Size of resource should be sufficient for Ferrex's objective of developing an operation with an initial 20 year mine life at an estimated production rate of 3Mtpa
- Further drilling to commence in Q2 2012 predominately aimed at upgrading the resource to higher confidence categories, ahead of commencement of a prefeasibility study towards the end of the year
- Desktop scoping study scheduled to be complete early Q2 2012

**Ferrex Managing Director Mr. Dave Reeves said,** "To have delivered this maiden resource on schedule and within eight months of admission to AIM is a significant achievement for the Company. The resource has been calculated over 1.1km of an identified 14km BIF strike length at Malelane and highlights the size and grade potential of the deposit. We believe that the current JORC Code compliant resource should be capable of supporting the bulk of an initial 20 year mine life at an estimated production rate of 3Mtpa. The considerable tonnage of potential DSO in the resource is also particularly exciting and we will target higher grade areas in the upcoming drill campaign due to commence in Q2 2012, which is primarily aimed at upgrading the resource to the Indicated category.

"This resource, when combined with the positive results gained to date from the on-going metallurgical testwork, will allow a desktop scoping study to be completed in the near future. Importantly, this will provide the basis for on-going work as well as giving the Company a first insight into what it believes will be the project's attractive economics, particularly because of its close proximity to working infrastructure, as we develop the project towards feasibility status with a view to production."

## Malelane Iron Ore Project – South Africa

### ***Resource Model***

The resource modelling was undertaken by Mr L. Widenbar of Widenbar and Associates. Below is an extract from the report provided by Mr Widenbar.

“The model is based on 18 drill holes, of which four are diamond, 13 reverse circulation (‘RC’) and one RC with a diamond tail for a total of 2,651m of drilling.

Initially a rock model was constructed with 25m (East) by 10m (North) by 5m (vertical) cells, with sub-celling at geological and topographic boundaries to 2.5m x 1m by 1m. This “empty” rock model became the input for subsequent interpolation.

The raw drill hole assay data were coded by geological unit, then composited to 1m intervals; this was used as input to the interpolation process, which used an Inverse Distance Squared methodology.

A first search ellipse was set up on a strike of 067° with searches of 50m along strike, 10m across strike and 50m vertically (down-dip). A minimum of four and a maximum of 20 samples were used in this first search, which was deliberately set at less than the maximum hole spacing in order to minimise the effect of high grade assays. Unestimated blocks were then interpolated using a second search ellipse with radii of 250m by 15m by 250m, and a minimum of two and maximum of 16 samples.

Variables estimated in this preliminary model were Fe%, SiO<sub>2</sub>%, Al<sub>2</sub>O<sub>3</sub>%, LOI%, P%, MnO% and S%. In addition, the search pass, number of data points used and average distance were also stored for each block.”

Table 1: Malelane Inferred Resource at various cut-offs

<b>Cut-Off (%)</b>	<b>Tonnes (M)</b>	<b>Fe %</b>	<b>CaFe %</b>	<b>Al<sub>2</sub>O<sub>3</sub> %</b>	<b>SiO<sub>2</sub> %</b>	<b>P %</b>	<b>S %</b>	<b>LOI 1000</b>
50	4.9	52.2	56.7	1.4	10.8	0.08	0.018	8.0
40	50.9	44.3	47.7	2.0	22.3	0.07	0.020	7.3
20	138.9	36.9	40.1	4.0	30.1	0.06	0.029	8.0

The full resource report compiled by Mr Widenbar can be found on the Company's website [www.ferrexplc.com](http://www.ferrexplc.com).

### ***Planned Drilling***

Ferrex is planning to resume drilling at Malelane in Q2 2012 with a work programme of approximately 3,000m of diamond drilling. The aims of this programme to upgrade the majority of the Inferred Resource to the Indicated category, better define the high grade areas and undertake preliminary testing of the Southern BIF to provide information on the tenor of mineralisation in this area.

### ***Further information***

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

Three distinct BIF horizons have been identified on the property with a combined strike length of 14km and mapped horizontal widths of up to 300m. A maiden JORC Code compliant Inferred Resource of 139Mt at 40.1% CaFe 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 34-36% Fe.

### ***Iron Ore Terminology***

#### **CaFe**

CaFe is an abbreviation for calcined Fe, which is the Fe content as a percentage of the total mass minus water and organics (which are burnt off in the blast furnace) and is calculated using the formula  $CaFe = \frac{Fe\%}{(100-LOI)} \times 100$ . Since the principal iron-bearing mineral at Malelane is goethite, which is a hydrated iron oxide, the CaFe value provides a clearer picture of the actual contained iron units.

#### **DSO**

DSO is an abbreviation for direct shipping ore. This is typically ore above 55% CaFe that is simply crushed and sized prior to sale.

#### **bBSO**

bBSO is an abbreviation for beneficiate before shipping ore. This is material that has a higher grade than typical run-of-mine ore but is lower than DSO quality and requires minor beneficiation (crush and gravity concentration) prior to shipping.

## 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 release 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 release 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 please visit the Company's website [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, a manganese project (Nayega) in Togo and a manganese project (Changara) in Mozambique, 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.