

3 June 2015

**Ferrex plc ('Ferrex' or "the Company" or 'the Group')**  
**Interim Results**

Ferrex plc, the AIM quoted manganese development and iron ore exploration company focussed in Africa, is pleased to announce its interim results for the six months ended 31 March 2015.

**Overview:**

- Accelerated Definitive Feasibility Study ('DFS') at the Nayega Manganese ('Mn') Project in northern Togo complete
  - Full DFS results to be released pending review by third party (as part of financing due diligence) and issue of Mining Permit
- Negotiation of terms in the Nayega Mining Convention finalised, clearing the way for grant of the Mining Permit
- Discussions with several parties on funding for construction of Nayega commenced and ongoing
- Strengthened cash position through £835,000 placing in February 2015

**Chairman's Statement**

During the six months under review Ferrex focussed on advancing its Nayega Mn Project in Togo ('Nayega'), which has the greatest potential for near-term production amongst the Company's manganese and iron ore project portfolio in Africa. Our goal is to bring our low cost Nayega project into production as rapidly as possible, allowing Ferrex to begin generating cash flows.

The DFS exploring the viability of a 250,000 tonne per annum ("tpa") 38% manganese product operation was further advanced during the reporting period, and as announced in May 2015, has now been completed. Negotiations over the Mining Convention, which outlines the fiscal, environmental and social issues governing the Company's and Togolese Government's commitments to each other were finalised as announced in March 2015. This was a highly positive milestone as it clears the way for issue of the Mining Permit, which is expected to happen soon after the appointment of the new Prime Minister and Ministers now that the Presidential elections are complete. Discussions with several parties over funding the capital costs for construction of the Nayega mine are underway and projected to continue with due diligence evaluation and field visits in the next reporting period.

Ferrex has a proven team with an excellent track record of advancing resource assets, developing mining operations and completing value-accretive trade sales. Your board is aligned with shareholder interests through substantial investment, with our Directors holding 25% of the issued shares in the Company. We look forward to reporting good news in the next period - grant of the Nayega Mining Permit, funding secured for development and a definite timeline to construction.

**Nayega Manganese, Togo – 85%**

Nayega is a 92,390Ha Mn Project in northern Togo, held through local subsidiary Societe Generale de Mines. Work on the project by the Company has comprised exploration, definition of compliant resources and technical studies required to underpin a DFS into developing the deposit. Based on outcomes of the DFS, the project has the potential to provide cash flow to Ferrex in the near term via a low capex open pit operation.

The DFS to develop an open pit 250,000tpa export manganese operation has now completed. Additional testwork during the period has led to improved understanding of how the mineralised material responds to beneficiation; as a result, the Company assessed an 'accelerated startup' option which employs a modified process flow-route for Mn product. The accelerated startup option results in substantially lower capital and operating costs and has been formally adopted by the Company as the preferred development method. Full details of the DFS, including economics, will be released once a third party review has been conducted and the Mining Permit granted.

Negotiations with Togolese Government representatives over the Mining Convention have concluded. The Mining Convention is a comprehensive document outlining the Company's and Government's commitments to each other on fiscal, environmental and social issues. This is a significant step for the Company, and in conjunction with issue of the Environmental Permit last period, clears the way for the Mining Permit to be granted. We expect the Mining Permit to be issued in the next reporting period.

Additional pitting at exploration targets T27 and T48 allowed the estimation of resources for these two prospects. Inferred Resources of 220,000t @ 15.6% Mn and 2.75Mt @ 9.2% Mn were defined at T48 and T27, respectively. Both areas are within easy trucking distance (T48 is <1km northwest, T27 is 6.5km east) of the Nayega deposit and are likely to have a substantial positive impact on development. Nayega's total JORC Code compliant resource in all categories is now 14Mt @ 12.4% Mn. This includes the 8.48m @ 14% reserve that was announced in 21 May announcement.

Discussions with several parties on funding for construction of the operation are underway. Technical and legal documentation is under review, with due diligence evaluation and field visits expected to continue in the next reporting period.

### **Mebaga DSO Iron Ore, Gabon – 78%**

Mebaga is a DSO iron ore project located in the north of Gabon within an extensive iron ore province extending from Gabon into the Republic of Congo ('ROC') and Cameroon. Major deposits in the region include Belinga in Gabon (1Bt @ 60% Fe); Mbalam in Cameroon (775Mt @ 57% Fe) and Avima in the ROC (690Mt @ 58% Fe). Mebaga has a significant advantage, being the closest DSO project in the iron ore province to the port of Libreville.

The 305 square km project, which covers prospective Banded Iron Formation ('BIF') over a strike length of 19km, hosts an Exploration Target of 630Mt to 1,050Mt @ 25% – 65% Fe, including 90Mt to 150Mt @ 35% – 65% Fe oxide (weathered). The target has been estimated by independent experts over 11km of the 19km BIF strike length. DSO potential was confirmed in Ferrex's 2013 drill campaign, where all nine diamond holes intersected DSO grade iron ore mineralisation; the best intercept was 28.7m at 61.4% Fe from surface in the final exploration hole of the programme, NGDH008. Given the characteristics of the ore, independent experts have confirmed that this material would trade at a premium to the 62% benchmark price. In early 2014, geological mapping successfully identified high grade iron ore mineralisation in the eastern half of the licence, 3km east of the easternmost BRGM historical pit (pit P72) and 7km east of the area drilled by Ferrex in 2013. Rock samples collected during this programme returned grades up to 63.6% Fe.

Planning is underway for an auger exploration programme to evaluate prospective BIF ridges in the coming dry season (mid-2015). The programme will identify targets for drill testing in the following dry season.

Alternative, innovative options for the potential funding and development of Mebaga are being evaluated. We look forward to reporting on this in due course, and work completed on the project, as information comes to hand.

### **Malelane Iron Ore, South Africa – 74%**

Malelane is located in the mineral-rich Mpumalanga region of South Africa. Ferrex holds a 74% interest in the project, which incorporates prospecting rights over a 4,192 Hectare area. The project is located in an area that has excellent infrastructure, access to water and power and is only 6km from a rail line that runs to the Port of Maputo in Mozambique 170 km away.

Malelane hosts a JORC Code compliant Inferred Resource of 139Mt at 37% Fe, which is only defined over 1.5km of the 14km BIF strike identified within the project area. There is significant upside potential, which is clear in the compliant Exploration Target of 1.6Bt to 2.0Bt at 28% - 30% Fe. A Scoping Study completed by Ferrex in 2012 utilising the resource illustrated the robust economics of developing Malelane as an initial 1.8Mtpa open pit, low strip ratio operation with a 57% Fe product over a 16.6 year Life of Mine (“LOM”).

Because of the iron ore pricing environment, the work programme at Malelane is currently on hold.

### **Leinster South Africa – 74%**

The 47,004 hectare Leinster Manganese Project is located in the Northern Cape and North West Provinces of South Africa. The project area spans the entire Leinster Basin, which is an erosional outlier of the Kalahari Manganese Field - the largest manganese metallogenic province in the world.

The Leinster deposit lies at an average depth of 80m below surface and would be developed as an underground operation with ore trucked or railed to port for the export market. Anglo American held the area in the past and drilled 51 holes for manganese on the Leinster property between 1977 and 1988. Using this information, Coffey Mining calculated an exploration target of 5.5Mt to 8.7Mt at 28.6% to 31% Mn for Leinster on behalf of Ferrex. The target is open in all directions.

Ferrex flew a high-resolution airborne magnetic/radiometric survey across the project area in late 2012. As a direct result of this work, possible (previously unrecognised) occurrences of Hotazel Formation were identified and additional licence applications filed over these areas. The applications are pending; no work will be completed until the applications are processed.

### **Financial Review**

The Group is not yet in production and so has no income other than a small amount of bank interest. Consequently the Group is not expected to report profits until it disposes of or is able to profitably develop projects.

The accounting loss before and after tax for the six months ended 31 March 2015 was £713,000.

As at 31 March 2015 the Group had cash of £452,000. During the period, Ferrex raised a total of £1,135,000, via a placing in February 2015 of £835,000 and a £300,000 loan provided by our Managing Director Mr David Reeves. The majority of cash expenditure during the six month period was expended on advancing our Nayega manganese project

DFS, legal expenses associated with finalising the mining convention, listing & corporate expenses and to a lesser extent expenditure on our iron projects in Gabon and South Africa. Further information of the financial results is contained later within this announcement.

## Outlook

Subsequent to the reporting period we have announced completion of the DFS and a maiden reserve at the Nayega manganese project. We remain confident and look forward to the mining permit for the project being issued in the coming months – this is the major condition to finalising funding to commence development of the project. We continue to engage to potential funders and product offtakers and would like to have this concluded shortly after the award of the mining permit.

I would like to thank investors for their support during the year and look forward to the coming six months with anticipation.

Chairman  
Brian Moritz

For further information please the Company's website please visit [www.ferrexplc.com](http://www.ferrexplc.com) or contact the following:

Dave Reeves	Ferrex plc	+ 61 (0) 420 372 740 +44 (0)20 7220 0500
William Vandyk	Northland Capital Partners	+44 (0)20 7382 1121
Felicity Winkles/ Elisabeth Cowell	St Brides Partners	+44 (0) 20 7236 1177

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE SIX MONTHS ENDED 31 MARCH 2015**

	31-Mar-15 (unaudited) £'000	31-Mar-14 (unaudited) £'000	30-Sep-14 (audited) £'000
<b>Continuing operations</b>			
<b>Revenue</b>	-	-	-
Cost of sales	-	-	-
<b>Gross profit</b>	-	-	-
Administrative and exploration expenses	(568)	(745)	(1,488)
<b>Loss from operating activities</b>	(568)	(745)	(1,488)
Finance income	-	-	-
Finance costs	(91)	-	(426)
<b>Net finance costs</b>	(91)	-	(426)
Extraordinary gain on acquisition	-	-	-
<b>Loss before taxation</b>	(659)	(745)	(1,914)
Taxation	-	-	126
<b>Loss for the period</b>	(659)	(745)	(1,788)
<b>Other comprehensive income</b>			
Exchange translation on foreign operations	(54)	(112)	(217)
<b>Other comprehensive (loss)/income for the period, net of tax</b>	(54)	(112)	(217)
<b>Total comprehensive loss for the period</b>	(713)	(857)	(2,005)
<b>Loss attributable to:</b>			
Owners of the Company	(631)	(707)	(1,692)
Non-controlling interests	(28)	(38)	(96)
<b>Loss for the year</b>	(659)	(745)	(1,788)
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company	(616)	(819)	(1,909)
Non-controlling interests	(97)	(38)	(96)
<b>Total comprehensive loss for the year</b>	(713)	(857)	(2,005)
<b>Loss per share – continuing operations</b>			
Basic loss per share (pence)	(0.065)	(0.085)	(0.192)
Diluted loss per share (pence)	(0.065)	(0.085)	(0.192)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>AS AT 31 MARCH 2015</b>		<b>31-Mar-15 (unaudited) £'000</b>	<b>31-Mar-14 (unaudited) £'000</b>	<b>30-Sep-14 (audited) £'000</b>
	<b>Notes</b>			
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	7	5,621	5,218	5,526
Property, plant and equipment	8	39	84	65
Trade and other receivables	9	-	75	-
		<u>5,660</u>	<u>5,377</u>	<u>5,591</u>
<b>Current assets</b>				
Trade and other receivables	9	47	579	73
Cash and cash equivalents		452	927	107
		<u>499</u>	<u>1,506</u>	<u>180</u>
<b>Total assets</b>		<u><u>6,159</u></u>	<u><u>6,883</u></u>	<u><u>5,771</u></u>
<b>Equity</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	10	5,504	4,669	4,669
Share premium	10	6,371	6,439	6,439
Reserves		461	177	425
Retained deficit		(6,456)	(4,514)	(5,825)
		<u>5,880</u>	<u>6,771</u>	<u>5,708</u>
Non-controlling interests		(434)	(279)	(337)
<b>Total equity</b>		<u><u>5,446</u></u>	<u><u>6,492</u></u>	<u><u>5,371</u></u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	12	300	-	-
Trade and other payables	13	413	391	400
		<u>713</u>	<u>391</u>	<u>400</u>
<b>Total liabilities</b>		<u><u>713</u></u>	<u><u>391</u></u>	<u><u>400</u></u>
<b>Total equity and liabilities</b>		<u><u>6,159</u></u>	<u><u>6,883</u></u>	<u><u>5,771</u></u>

**FOR THE SIX MONTHS ENDED 31 MARCH 2015**

	Total attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Share option reserve	Foreign exchange reserve	Accumulated losses	Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2013 (audited)	4,026	4,912	175	87	(3,807)	5,393	(241)	5,152
<b>Total comprehensive income for the period</b>								
Loss for the period	-	-	-	-	(707)	(707)	(38)	(745)
Total other comprehensive income	-	-	-	(112)	-	(112)	-	(112)
<b>Total comprehensive loss for the period</b>	-	-	-	(112)	(707)	(819)	(38)	(857)
<b>Transactions with owners of the Company recognised directly in equity</b>								
Issue of ordinary shares	643	1,726	-	-	-	2,369	-	2,369
Issue costs	-	(199)	-	-	-	(199)	-	(199)
Share based payment transactions	-	-	27	-	-	27	-	27
<b>Total contributions by and distributions to owners of the Company</b>	643	1,527	27	-	-	2,197	-	2,197
<b>Balance at 31 March 2014 (unaudited)</b>	4,669	6,439	202	(25)	(4,514)	6,771	(279)	6,492

	Total attributable to owners of the Company							Total equity £'000
	Share capital £'000	Share premium £'000	Share option reserve £'000	Foreign exchange reserve £'000	Accumulated losses £'000	Total £'000	Non-controlling interests £'000	
Balance at 1 April 2014 (unaudited)	4,669	6,439	202	(25)	(4,514)	6,771	(279)	6,492
<b>Total comprehensive income for the period</b>								
Loss for the period	-	-	-	-	(985)	(985)	(58)	(1,043)
Total other comprehensive income	-	-	-	221	(326)	(105)	-	(105)
<b>Total comprehensive loss for the period</b>	-	-	-	221	(1,311)	(1,090)	(58)	(1,148)
<b>Transactions with owners of the Company recognised directly in equity</b>								
Issue of ordinary shares	-	-	-	-	-	-	-	-
Issue costs	-	-	-	-	-	-	-	-
Share based payment transactions	-	-	27	-	-	27	-	27
<b>Total contributions by and distributions to owners of the Company</b>	-	-	27	-	-	27	-	27
<b>Balance at 30 September 2014 (audited)</b>	<b>4,669</b>	<b>6,439</b>	<b>229</b>	<b>196</b>	<b>(5,825)</b>	<b>5,708</b>	<b>(337)</b>	<b>5,371</b>



	Total attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Share option reserve	Foreign exchange reserve	Accumulated losses	Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2014 (audited)	4,669	6,439	229	196	(5,825)	5,708	(337)	5,371
<b>Total comprehensive income for the period</b>								
Loss for the period	-	-	-	-	(631)	(631)	(28)	(659)
Total other comprehensive income	-	-	-	15	-	15	(69)	(54)
<b>Total comprehensive loss for the period</b>	-	-	-	15	(631)	(616)	(97)	(713)
<b>Transactions with owners of the Company recognised directly in equity</b>								
Issue of ordinary shares	835	-	-	-	-	835	-	835
Issue costs	-	(68)	-	-	-	(68)	-	(68)
Share based payment transactions	-	-	21	-	-	21	-	21
<b>Total contributions by and distributions to owners of the Company</b>	835	(68)	21	-	-	788	-	788
<b>Balance at 31 March 2015 (unaudited)</b>	5,504	6,371	250	211	(6,456)	5,880	(434)	5,446

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 31 MARCH 2015**

	<b>31-Mar-15</b> <b>(unaudited)</b> <b>£'000</b>	<b>31-Mar-14</b> <b>(unaudited)</b> <b>£'000</b>	<b>30-Sep-14</b> <b>(audited)</b> <b>£'000</b>
<b>Cash flows from operating activities</b>			
Loss for the period	(659)	(745)	(1,488)
Adjustments for:			
Depreciation	13	9	25
Profit on disposal of property, plant and equipment	(2)	-	-
Foreign exchange differences	-	(64)	(81)
Finance cost	91	-	-
Equity-settled share-based payment transactions	21	27	54
	<u>(536)</u>	<u>(773)</u>	<u>(1,490)</u>
Changes in:			
- trade and other receivables	17	(571)	19
- trade and other payables	105	120	129
<b>Cash used in operating activities</b>	<u>(414)</u>	<u>(1,224)</u>	<u>(1,342)</u>
Finance income	-	-	-
Finance cost	(32)	-	(8)
Taxes paid	-	-	126
<b>Net cash used in operating activities</b>	<u>(446)</u>	<u>(1,224)</u>	<u>(1,224)</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	-	(6)	(7)
Proceeds from sale of property, plant and equipment	12	-	-
Exploration expenditure	(146)	(239)	(631)
<b>Net cash used in investing activities</b>	<u>(134)</u>	<u>(245)</u>	<u>(638)</u>
<b>Cash flows from financing activities</b>			
Net proceeds from issue of share capital	655	2,170	1,743
Proceeds from short term borrowings	270	-	-
<b>Net cash flows from financing activities</b>	<u>925</u>	<u>2,170</u>	<u>1,743</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	345	701	(119)
Cash and cash equivalents at beginning of period	107	226	226
Effect of foreign exchange rate changes	-	-	-
<b>Cash and cash equivalents at end of period</b>	<u>452</u>	<u>927</u>	<u>107</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2015 (CONTINUED)

### 1. Reporting entity

Ferrex plc (the "Company") is a company domiciled in England and Wales. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities. The Group primarily is involved in the exploration of iron ore and manganese in Africa.

### 2. Basis of preparation

#### (a) Statement of compliance

This condensed consolidated interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial performance and position of the Group since the last annual consolidated financial statements as at and for the year ended 30 September 2014. This condensed consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

This condensed consolidated interim financial report was approved by the Board of Directors on 2 June 2015.

#### (b) Judgements and estimates

Preparing the interim financial report requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, significant judgements made by Management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2014.

### 3. Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 September 2014.

### 4. Financial instruments

#### Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 September 2014.

### 5. Segment information

The Group considers that it operates in two distinct business areas, being that of iron ore exploration, and that of manganese exploration. These business areas form the basis of the Group's operating segments. For each segment, the Group's Managing Director (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

Other operations relate to the group's administrative functions conducted at its head office and by its intermediate holding company together with consolidation adjustments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment results are used to measure performance as management believes such information is the most relevant in evaluating the performance of certain segments relative to other entities that operate within these industries.

**For the six months ended 31 March 2015 (unaudited)**

	<b>Iron Ore</b> £'000	<b>Manganese</b> £'000	<b>Other</b> <b>Segments</b> £'000	<b>Total</b> £'000
Total Revenues	-	-	-	-
Loss before tax	(62)	(92)	(505)	(659)
Segment assets	2,321	1,240	2,598	6,159

**For the six months ended 31 March 2014 (unaudited)**

	<b>Iron Ore</b> £'000	<b>Manganese</b> £'000	<b>Other</b> <b>Segments</b> £'000	<b>Total</b> £'000
Total Revenues	-	-	-	-
Loss before tax	(185)	(84)	(476)	(745)
Segment assets	890	537	5,456	6,883

**5. Segment information (continued)**

**For the twelve months ended 30 September 2014 (audited)**

	<b>Iron Ore</b> £'000	<b>Manganese</b> £'000	<b>Other</b> <b>Segments</b> £'000	<b>Total</b> £'000
Total Revenues	-	-	-	-
Loss before tax	(305)	(277)	(1,206)	(1,788)

Segment assets	1,382	934	3,455	5,771
----------------	-------	-----	-------	-------

Information about geographical segments:

**For the six months ended 31 March 2015 (unaudited)**

	South Africa £'000	West Africa £'000	Other Segments £'000	Total £'000
Total Revenues	-	-	-	-
Profit/(loss) before tax	(12)	(142)	(505)	(659)
Segment assets	619	2,942	2,598	6,159

**For the six months ended 31 March 2014 (unaudited)**

	South Africa £'000	West Africa £'000	Other Segments £'000	Total £'000
Total Revenues	-	-	-	-
Loss before tax	(36)	(233)	(476)	(745)
Segment assets	641	786	5,456	6,883

**For the twelve months ended 30 September 2014 (audited)**

	South Africa £'000	West Africa £'000	Other Segments £'000	Total £'000
Total Revenues	-	-	-	-
Loss before tax	(47)	(535)	(1,206)	(1,788)
Segment assets	649	1,667	3,455	5,771

**6. Seasonality of operations**

The Group is not considered to be subject to seasonal fluctuations.

**7. Intangible assets**

	6 months 31 Mar 15 (unaudited) £'000	6 months 31 Mar 14 (unaudited) £'000	12 months 30 Sep 14 (audited) £'000
<b>Cost</b>			
Balance at beginning of period	5,526	5,022	5,022
Additions	148	239	631
Effect of movement in exchange rates	(53)	(43)	(127)
Balance at end of period	5,621	5,218	5,526

<b>Impairment losses</b>			
Balance at beginning and end of periods	-	-	-
<b>Carrying amounts</b>			
Balance at end of period	5,621	5,218	5,526
Balance at beginning of period	5,526	5,022	5,022

Intangible assets comprise the fair value of mineral exploration rights acquired and the cost of explorations studies.

## 8. Property, plant and equipment

### Acquisitions and disposals

During the six months ended 31 March 2015 the Group acquired assets with a cost of £nil (six months ended 31 March 2014: £6,000, twelve months ended 30 September 2014: £7,000).

Assets with a carrying amount of £10,000 were disposed of during the six months ended 31 March 2015 (six months ended 31 March 2014: £nil; twelve months ended 30 September 2014: £nil), resulting in a profit on disposal of £2,000 (six months ended 31 March 2014: £nil; twelve months ended 30 September 2014: £nil), which is included in 'administrative expenses' in the condensed consolidated statement of comprehensive income.

## 9. Trade and other receivables

	31-Mar-15 (unaudited)	31-Mar-14 (unaudited)	30-Sep-14 (audited)
Non-current other receivables	-	75	-
Other receivables	47	579	58
Prepayments	-	-	15
	<u>47</u>	<u>654</u>	<u>73</u>

Trade receivables and other receivables are stated at their nominal values less allowances for non recoverability.

## 10. Share capital and reserves

### Issues of ordinary shares

On 25 February 2015, 167 million ordinary shares were issued, of these, 144.5 million were issued for cash at a price of £0.005 per ordinary share and 22.5 million were issued at £0.05 per ordinary share to settle loans from D Reeves and B Moritz.

### Dividends

No dividends were declared or paid in the six months ended 31 March 2015 (period ended 31 March 2014: £nil, year ended 30 September 2014: £nil).

## 11. Share options and warrants

The Company operated a share option programme that entitled key management personnel to purchase shares in the Company. The terms and conditions of the share option programme were disclosed in the consolidated financial statements as at and for the year ended 30 September 2014. On 25 February 2015 all share options and warrants issued were cancelled, see note 14.

## 12. Loans and borrowings

	31-Mar-15 (unaudited)	31-Mar-14 (unaudited)	30-Sep-14 (audited)
Unsecured loan notes	300	-	-
	<u>300</u>	<u>-</u>	<u>-</u>

The loan notes carry interest at 10% per annum and are repayable on demand.

### 13. Trade and other payables

	31-Mar-15 (unaudited)	31-Mar-14 (unaudited)	30-Sep-14 (audited)
Trade payables	114	111	99
Accruals	273	165	166
Other payables	26	115	135
	<u>413</u>	<u>391</u>	<u>400</u>

There is no material difference between the fair value of trade and other payables and their book value. Other payables at 30 September 2014 included amounts advanced by D Reeves and B Moritz of £50,000 each to the Group. These amounts were converted to equity as part of the placement undertaken by the Company in February 2015.

### 14. Contingencies

On 28 March 2014, the company issued shares of which a proportion formed part of an equity swap agreement. The fair value of this instrument at the period end has been assessed based on a share price as at 31 March 2015 and should the agreement have been settled at 31 March then the Company would have had a liability of £197k, however, given volatility of Ferrex Plc share price and resource equity markets generally the directors are of the opinion that recognition of the amount as a contingent liability is the most appropriate classification as at the reporting date.

### 15. Related parties

#### Parent and ultimate controlling party

The Directors do not consider there to be an ultimate controlling party.

#### Transactions with key management personnel

D Reeves advanced £300,000 to the Group in the period via loan notes. As detailed in note 12 these loan notes carry interest at 10% per annum and are repayable on demand.

D Reeves and B Moritz each advanced £50,000 to the Group in the previous period. As detailed in note 10, these loans plus a premium of £12,500 in total were settled by the issue of ordinary shares.

### 16. Subsequent events

On the 21 May 2015 the Company announced that the Definitive Feasibility Study (“DFS”) had been completed on the Nayega Manganese Project maiden JORC compliant ore reserve had been defined. These are considered significant milestones for the Company as it continues to the develop Nayega into an export manganese

operation. Full details of the DFS are to be released on completion of third party reviews and mining permit issue.