

6 February 2012

Ferrex plc ('Ferrex' or 'the Company')
Malelane Iron Ore South Africa and Nayega Manganese Togo Exploration Update

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, announces a positive update on its 4,192ha Malelane Iron Ore Project ('Malelane') located in the Mpumalanga Province of South Africa and its 92,390ha Nayega Manganese Project ('Nayega') located in northern Togo.

Overview

Malelane Iron Ore Project – South Africa

- 1,731m drill programme and preliminary metallurgical testwork confirms potential for low capex iron-ore development at Malelane
- Further high grade intercepts recorded down dip of historical workings: 17.29m @ 59% iron ('Fe') (60% CaFe*) and 6m @ 62% Fe (67% CaFe), with additional high grade intercepts both east, 19m @ 56% Fe (61% CaFe) and west, 13m @ 56% Fe (61% CaFe) of the historical workings
- Wide intervals of the main zone banded iron formation ('BIF') iron mineralisation intersected over a strike length of 900m of the 14km BIF package identified including 198m @ 48% CaFe and 120m @ 47% CaFe
- Maiden inferred resource on track for Q1 2012, with further drilling planned to commence in Q2 2012 aimed at both increasing the resource and upgrading to the Indicated category
- Positive preliminary metallurgical testwork – very coarse grind size is optimal for pre-concentration to 55% CaFe, which could significantly reduce capital and operating costs

Nayega Manganese – Togo

- Systematic test pitting has been completed, depths excavated confirm historically reported widths of manganese ('Mn') mineralisation
- Initial assay results average 14.4% Mn and peak at 28% Mn, consistent with exploration target grades
- Bulk metallurgical sample will be collected and shipped to a commercial laboratory for preliminary testwork
- Maiden resource and preliminary metallurgical testwork targeted for Q2 2012
- Management believe Nayega ore has the potential to be easily mined and upgraded via a low capex gravity plant

Ferrex Managing Director Mr. Dave Reeves said, "Resource delineation programmes at both our Malelane Iron Ore Project in South Africa and Nayega Manganese Project in Togo have returned impressive results and we are on track to deliver maiden resources at both projects in Q1 2012 and Q2 2012 respectively.

“At Malelane, in addition to high grade intersections such as 17.29m at 59% Fe (61% CaFe), the recent drill programme has encountered unexpected high grade mineralisation at depth over 500m away from the historically known high grade mineralisation, and highlights direct shipping ore (DSO) potential which we'll further investigate through an additional drilling programme in Q2 2012. I am also excited at the initial metallurgical test results which demonstrate the opportunity for significant capital and operating cost savings through the potential to pre-concentrate the ore to 55% CaFe via a crush or coarse grind. Savings should be achieved through lower power consumption and smaller plant requirements, and when combined with the proximity to existing transport infrastructure, both rail and port, improves the already compelling economic potential of this project.

“At Nayega pitting has confirmed the results of historic exploration and it is the Company's belief that ore has the potential to be easily mined and upgraded via a low capex gravity plant. Importantly, this project also has the potential to supply significant early cash flow to the Company if the metallurgical testwork supports on-ground observations.

“With these developments in mind, we look forward to advancing both projects up the development curve with a target of completing the bankable feasibility on Nayega and the pre-feasibility study on Malelane by the end of 2012.”

Malelane Iron Ore Project – South Africa

Resource Drilling

Ferrex has completed a five hole (four complete holes and one tail), 618.75m diamond drill programme designed to test areas of high grade mineralisation identified in the previous 920m Reverse Circulation ('RC') drilling programme (intercepts included 16m at 60% (61% CaFe) and 14m at 55% Fe (57% CaFe)). Drill hole SPDD011, drilled under the centre of the historical workings, intersected intervals of high grade kenomagnetite-martite and hematite-goethite mineralisation (enriched BIF) adjacent to the causative syenite dyke, with intercepts of 17.29m at 59% Fe (60% CaFe) and 6m at 62% Fe (67% CaFe) returned from either side of the dyke. Three of the holes (SPDD013-015) were drilled on the same section line at the southern end of the mineralised trend. One of these holes (SPDD013) cut a barren dyke injected into the BIF sequence for its entire length. Holes SPDD014 and SPDD015 intersected the BIF and mineralising dyke, as expected, however iron enrichment was relatively weak, with samples returning a peak value of 50% Fe over 0.75m. After 618.75m of diamond drilling the rig was demobilised because of poor core recovery and due to this poor recovery the diamond drill results should be treated with caution.

A RC drill rig was mobilised to complete the drilling programme planned to infill and extend the previously drilled BIF or 'main zone' mineralisation on the northern ridge. A total of 1,112m of drilling was completed in seven holes, with all of the holes intersecting the prospective BIF package. In

addition to an intercept of 194m @ 33% Fe (36% CaFe) in the main zone of mineralisation, hole SPRC010 intersected 13m @ 56% Fe (61% CaFe) within its 120m at 44% Fe (47% CaFe) in a new area of high grade mineralisation, whilst hole SPRC016 intersected 198m @ 45% Fe (48% CaFe) including 19m @ 56% Fe (61% CaFe) located 500m east historical high grade excavation. Note that some of the holes ended in mineralisation due to the depth limitations of the drill rig. Assay results are still outstanding for two holes with results received to date being above management's expectations.

Results from this latest drill programme will allow for the estimation of a maiden JORC code compliant resource at Malelane by the end of Q1 2012.

Drill hole details are listed in Table 1 and drill hole locations are shown on Figure 1.

Table 1: Malelane Project drill hole details for last programme

Hole ID	Hole type	UTM East	UTM North	Elevation	Depth	Dip	Azimuth	From (m)	To (m)	Length (m)	Fe%	CaFe%	Comments
SPDD011	Diamond	348586	7172051	657	138.43	-50	244.5	50.8	68.1	17.3	59%	60%	Only sampled high grade portions
								128.1	134.1	6	62%	67%	Only sampled high grade portions
SPDD013	Diamond	348536	7171946	638	63.77	-50	260	No Significant Intersections					
SPDD014	Diamond	348595	7171959	632	149.42	-50	260	No Significant Intersections					
SPDD015	Diamond	348641	7171931	624	250	-50	260	No Significant Intersections					
SPRCD018	RC/diamond	349066	7172164	648	167.13	-60	150	0	150	150	33%	35%	Finished in Mineralisation
SPRC008	RC	349312	7172198	542	139	-50	92.5	Awaiting Results					
SPRC009	RC	348663	7172077	681	46	-50	255	No samples assayed					
SPRC010	RC	348527	7171950	638	153	-50	317.5	33	153	120	44%	47%	Incl 13m @ 56% Fe (61% CaFe) from 118m
SPRC012	RC	349298	7172207	543	175	-50	50	Awaiting Results					
SPRC016	RC	348749	7172090	669	199	-60	330	0	198	198	45%	48%	Incl 19m @56% Fe (61% CaFe) from 168m
SPRC017	RC	348749	7172083	669	250	-60	150	0	194	194	33%	36%	

Drill hole collars were surveyed with a differential GPS unit that has a certified accuracy of less than 1m. Analytical samples for diamond drill holes comprised half core or quarter core (for field duplicates); for RC drill holes riffle split sub-samples were collected each metre. Sample preparation was undertaken by Genalysis (Johannesburg) and analyses by Genalysis (Perth) using lithium borate fusion with an XRF finish. Ferrex employs a comprehensive QA/QC programme, comprising analytical standards, blank samples and field duplicates inserted in to the sample stream at regular intervals. Core recovery in diamond drill holes was poor, so intercepts in the diamond holes should be treated with caution.

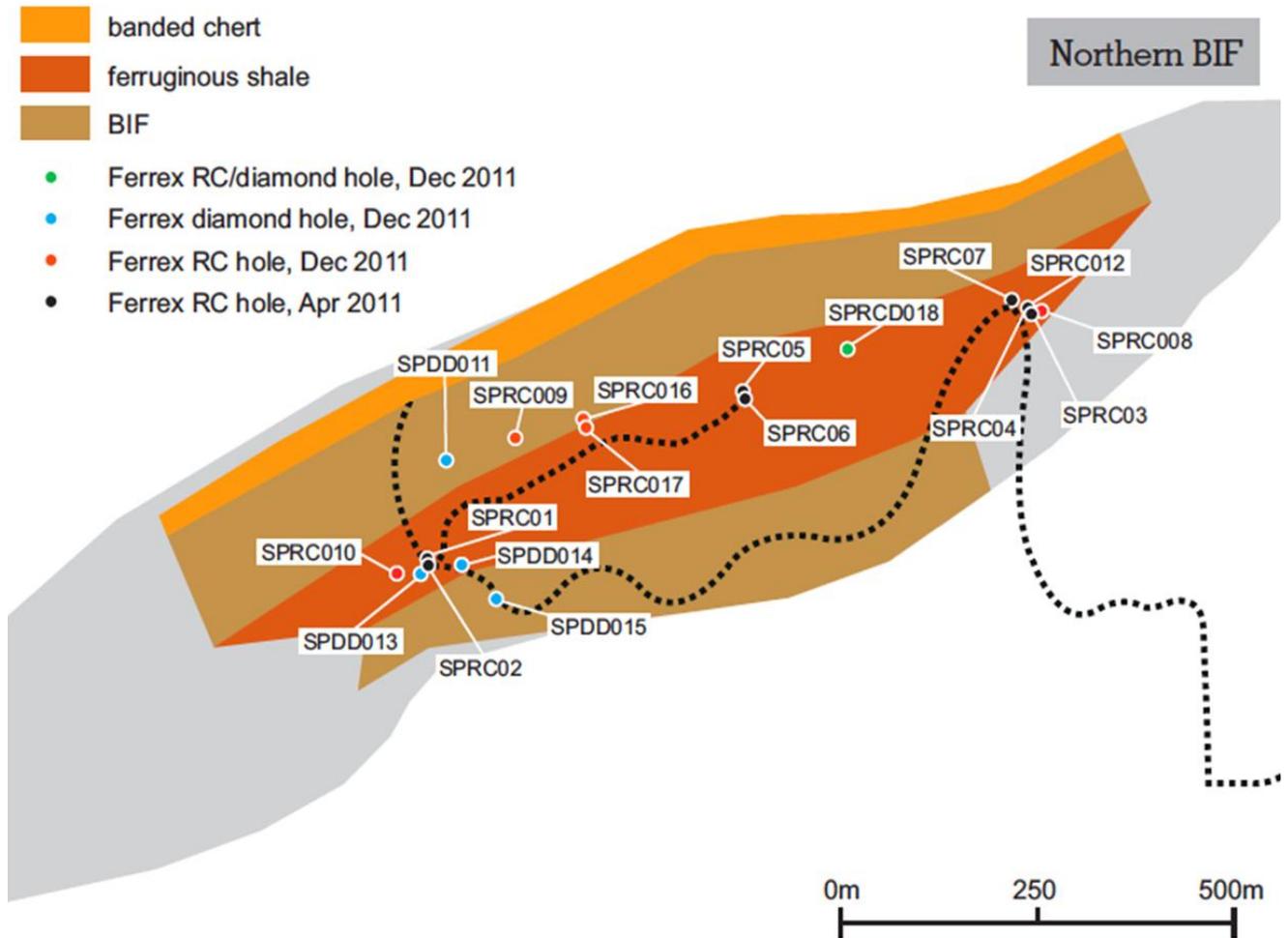


Figure 1: Hole locations.

A second diamond drill programme is currently being planned and is expected to commence at the end of the rainy season in Q2 2012 to target depth extensions to mineralisation from the current 200m below the top of the ridge level to 300m below the top of the ridge. Drilling will also look to follow up the recent high grade intersections received in this latest drilling programme, located away from the historical workings and will ascertain whether significant tonnage of DSO material lies at depth along the main ridge. Targeted strike length is 1km, with widths averaging 200m and the planned drill programme should allow estimation of sufficient resources to advance Malelane through pre-feasibility. The additional drill programme should also allow the resource category to be upgraded from Inferred to Indicated and will provide drill core suitable for final metallurgical testwork.

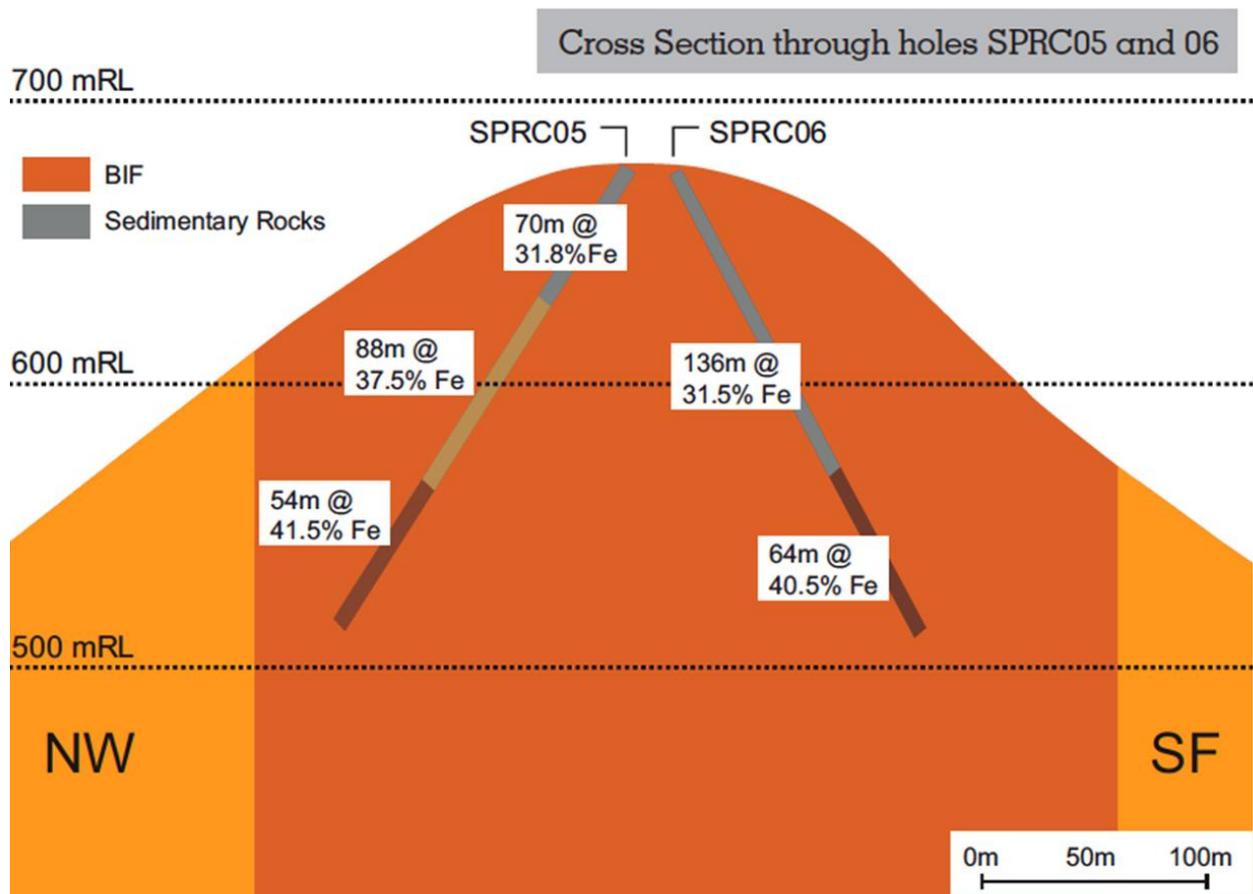


Figure 2: Typical cross section of mineralisation at Malelane.

Metallurgical Testwork

Initial metallurgical testwork has commenced on a composite bulk sample from the main zone of iron mineralisation. The sample was obtained by compositing retained drill chips for one of the first phase RC holes collected from 155 to 200m below collar. The programme has included Bond work index tests, gravity, WHIMS ('Wet High Intensity Magnetic Separation') and flotation tests.

Results to date have shown that recovery improves at coarser grind sizes, which is unusual for iron deposits of this type where generally a grind size to less than 100 micron is necessary to achieve acceptable Fe recovery. High levels of goethite, even at depths of almost 200m below surface, are thought to be the reason. Further work is required to optimise the grind size, as maximum recovery has been achieved at 425 micron (0.425mm), which is the coarsest fraction tested so far. The preliminary flowsheet has material being ground to 80% passing 425 micron before treatment by WHIMS, which produces a concentrate grading 55% calcined Fe* at a weight recovery of 64%. Silica is further reduced by grinding the concentrate to 45 micron and reverse floating this material to produce a final concentrate grading between 60 and 65% calcined Fe.

The next phase of the testwork programme will include evaluating the use of jigs to pre-concentrate a crushed sample, continuing the WHIMS tests at coarser grind sizes and additional tests to provide a cleaner concentrate.

**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 $CaFe = Fe\% \div (100-LOI) \times 100$. CaFe gives a better view of the iron units contained in the mineralisation due to the predominance of goethite as the main iron carrying mineral which is a hydrated iron oxide.*

Further information

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

Three distinct BIF iron formations horizons have been identified on the property with a combined strike length of 14km and mapped horizontal widths of up to 300m. As previously calculated by mining consultants Coffey Mining, Malelane hosts a potential exploration target between 775 and 930Mt at 34 - 36% Fe. This latest drilling programme over the northern most BIF identified represents 1.5km of the 14km package.

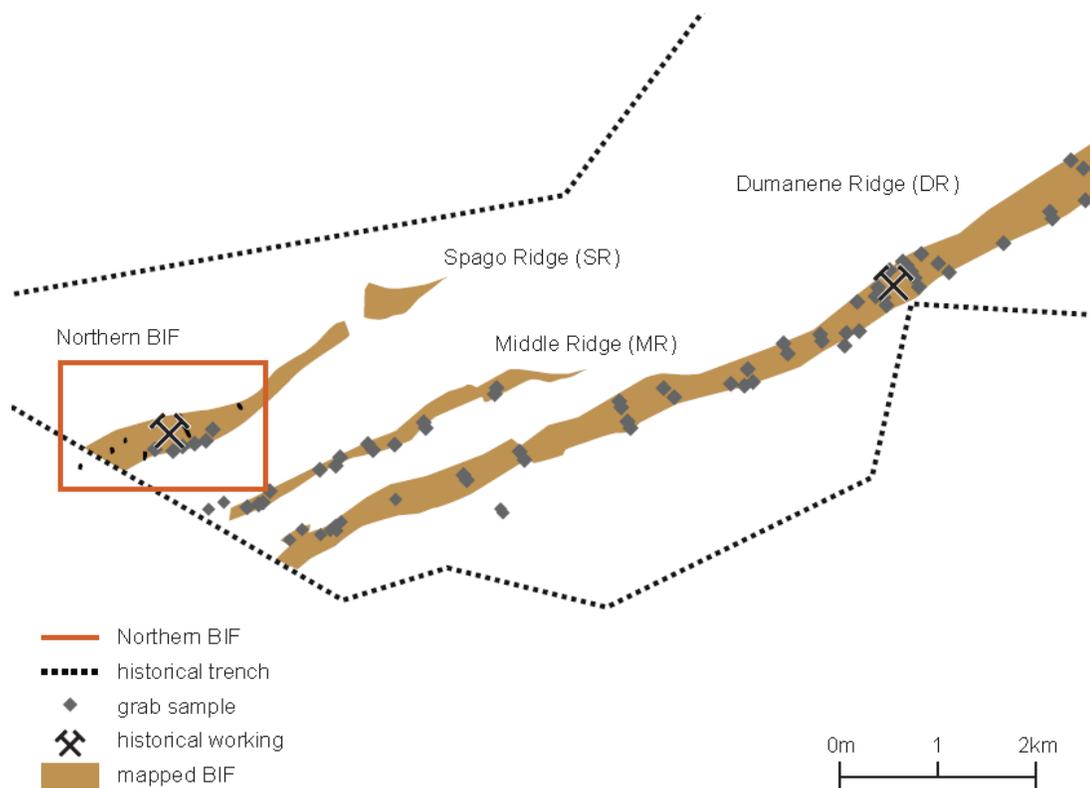


Figure 3: Three distinct BIF iron formations 14km at Malelane.

Nayega Manganese – Togo

Resource Delineation

Systematic test pitting has been completed in the core area of mineralisation of the Nayega deposit. Mineralised widths of up to 9.85m are in line with expectations based on assessment of historical work.

Initial assay results average 14.4% Mn with a peak of 28%, consistent with exploration target grades of 14 to 25.5% as calculated by Coffey Mining. These results are for a total of 5 pits and were assayed to check on repeatability and accuracy of the pit sampling technique. With the confirmation of the accuracy of the technique, all other samples will now be submitted for assay.

Mineralisation encountered falls into two main types, detrital and in situ. Detrital mineralisation comprises 30% of the deposit and is characterised by cobbles of manganese oxide to 30+cm across (typically <10cm) in a lateritic clay matrix. In situ mineralisation comprises stratified, supergene-enriched accumulations of sedimentary manganese.

All pits in this resource delineation programme were hand dug, demonstrating the ease with which mining could be undertaken. Visual inspection of the pits lends support to the Company's view that ore has the potential to be easily upgraded via a low capex gravity plant.

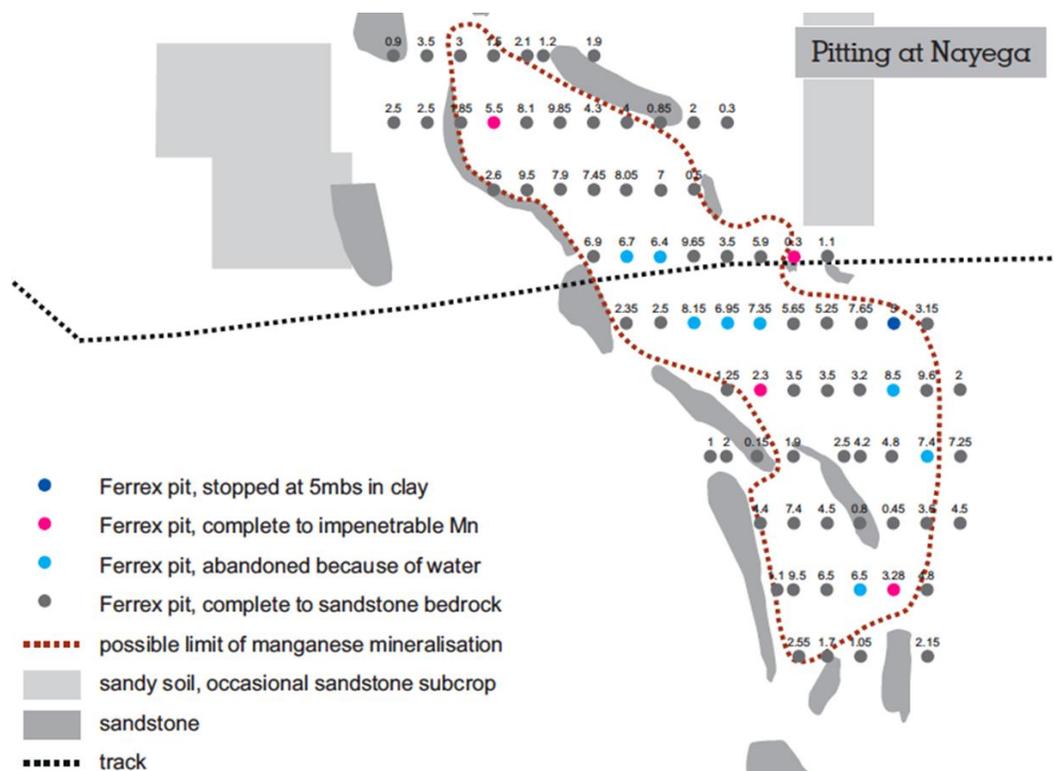


Figure 4: Pitting completed at Nayega.

A JORC code compliant maiden resource and preliminary metallurgical testwork results are targeted for Q2 2012. Assuming positive results from both these exercises, the Company plans to undertake a Definitive Feasibility Study with a view to completing Q4 2012.

Metallurgical Testwork

Two samples of 400kg each (one of the detrital and one of the in situ mineralisation) are being collected and will be sent to a South African laboratory for preliminary metallurgical testwork. The testwork programme will evaluate the effectiveness of scrubbing, sizing and gravity methods for concentrating the manganese ore.

Further Information

Ferrex has an 85% interest in Société Générale de Mine ('SGM'), a Togolese company that owns the Exploration Permit over the Nayega manganese deposit ('Nayega') in northern Togo. The project which has direct access to the major deepwater of Lome in Togo, has an historic exploration target of 6 - 8.5Mt at 14-25.5% Mn.

Nayega consists of elluvial rubble of manganese minerals spread over an area of 2.5km by 1km ranging in size from flakes to cobbles overlying a manganiferous clay horizon, in which hard manganese oxide fragments are distributed. The clay horizon is up to 10m thick and the hard fragments are thought to be derived from narrow veins of massive manganese mineralisation that cut the underlying sandstone.

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.ferreexplc.com or contact the following:

Dave Reeves	Ferrex plc	+ 61 (0) 420 372 740
Russell Lamming	Ferrex plc	+ 44 (0) 781 0870 587
Colin Aaronson/ David Hignell	Grant Thornton Corporate Finance	+44 (0) 20 7383 5100
John Prior / Sebastian Jones	Collins Stewart Europe Limited	+44 (0) 20 7523 8350
Felicity Edwards	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177

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.