

25 February 2015

Ferrex plc ('Ferrex' or 'the Company')

Placing and Subscription of 167 million new Ordinary Shares to raise £835,000

Ferrex plc, the AIM quoted manganese development and iron-ore exploration company focused in Africa, announces that it has raised £835,000, before expenses (£768,250 net of expenses) through the placing ('the Placing') of 127,500,000 new Ordinary Shares ('Ordinary Shares') and subscription (the "Subscription" and, together with the Placing, 'the Fundraising') of 39,500,000 million new Ordinary Shares at 0.5p each in the capital of the Company ('New Ordinary Shares') at 0.5p per New Ordinary Share ('the Issue Price').

Highlights

- Proceeds will be used to provide working capital as Ferrex moves towards finalising full financing for the construction of its 250,000tpa Nayega Manganese Project in Togo ('Nayega')
- Finalised an accelerated startup production plan for Nayega that will provide manganese ore production and near term cash flow within eight months of commencement of works
- Shares issued from existing shareholder authorities
- Support from new and existing shareholders and Board participation by way of subscription, further aligning the Directors with Ferrex shareholders

Dave Reeves Chief Executive of Ferrex said, "We are delighted to have received such strong support from our shareholders for this Placing. With these funds secured we will be well positioned to fully examine all financing options for the accelerated construction of our flagship Nayega manganese project as we progress towards an initial production, currently anticipated at the beginning of 2016, subject to finalise the Mining Convention and secure the Mining Permit. We are in discussions with numerous interested parties in respect to the funding of Nayega as a low-capex, open pit, 250,000tpa manganese mining operation. We look forward to providing further updates on this in due course, including finalisation of funding, as we announce the next stages of development and mine construction for Nayega."

Fundraising and Use of Proceeds

Over the past year, the Company has made significant progress at its Nayega Manganese Project in Togo ('Nayega'), not least of which has been the completion of modelling for Phase 1 of the Definitive Feasibility Study which has led to further examination of a potential accelerated start up. This option sees a simpler plant built either as a 250,000tpa plant or in stages using cashflow generated from mining operations to fund incremental expansion.

At the same time, the Company continues to progress discussions with numerous parties regarding the potential financing of the entire production project at Nayega. The Company intends to enter into

an MOU in the near future with one or more preferred parties to finalise these discussions. In particular, one party has progressed to providing a term sheet to Ferrex which, if the transaction was concluded would see an equity investment into the Company at a significant premium to the Issue Price in return for a substantial stake in the Company.

Accordingly, the proceeds of the Fundraising give the Company cash headroom to consider the options available to it. These proceeds will therefore be used primarily to provide general working capital to Ferrex until these discussions are concluded. The Directors may, however, decide to commit some of the funds towards the conduct of due diligence by one or more of the third parties considering providing financing for Nayega at either the project or Company level.

In the meantime, the Company continues to work with the Government of Togo towards the conclusion of the Mining Convention which is the penultimate item for the issuance of the Mining Permit over Nayega. The Company still expects to conclude the Mining Convention by the end of Q1 2015.

Directors' Shareholdings and Related Party Transaction

Brian Moritz and David Reeves, each directors of the Company, will be subscribing for Ordinary Shares in the Subscription. The interests of the Directors following the Fundraising will be as follows:

Director	Existing number of Ordinary Shares held	Number of Subscription Shares subscribed for in the Subscription	Resulting number of Ordinary Shares held after Admission	Resulting holding as a percentage of the Ordinary Shares in issue immediately after Admission
Brian Moritz	14,583,333	11,250,000	25,833,333	2.3%
David Reeves	117,327,876	11,250,000	128,577,876	11.7%

The Subscription for New Ordinary Shares by the Directors is considered to be a related party transaction pursuant to the AIM Rules for Companies. The Independent Directors, being James Carter, Roy Pitchford and Russell Lamming, consider, having consulted with finnCap, the Company's nominated adviser, that the terms of the Subscription and the Directors' participation therein, are fair and reasonable insofar as the Company's shareholders are concerned.

In addition, the Company has, with the agreement of the Directors and management, cancelled 42,500,000 options over Ordinary Shares that were held by certain of the Directors and management of the Company. Following this cancellation, none of the Directors hold any options or warrants over Ordinary Shares.

Admission

Application has been made for admission of the 167,000,000 New Ordinary Shares to trading on the AIM Market of the London Stock Exchange ("Admission"). It is anticipated that Admission will occur and dealings will commence in the New Ordinary Shares on 11 March 2015. The New Ordinary Shares will rank pari passu with the existing Ordinary Shares currently traded on AIM. Following Admission, there will be 1,100,794,390 Ordinary Shares in issue.

General Meeting

On 19 February 2015 the Company made its Annual Report and Accounts available on the Company's website. The Annual Report and Accounts were posted to shareholders and contain the Notice of the Company's General Meeting to be held at Craven House, West Street, Farnham, Surrey, GU9 7EN on Thursday 19 March 2015 at 11.00 am.

****ENDS****

For further information visit www.ferrexplc.com or contact the following:

Dave Reeves finnCap	Ferrex plc	dave@ferrexplc.com +44 (0)20 7220 0500
Joanna Weaving Christopher Raggett Beaufort Securities	Broking Corporate Finance	
Elliot Hance/Saif Janjua	Broking	+44(0)207382 8415
Felicity Edwards/ Elisabeth Cowell	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177

Notes

Ferrex plc is an AIM quoted, leading manganese development and iron-ore exploration 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 concluding a Bankable Feasibility Study and expects award of the mining permit in early 2015. A Scoping Study indicates that Nayega could produce 250,000 tonnes per year of manganese concentrate at 38%. A Scoping Study on a ferro manganese plant in Togo has also been concluded and shows a lowest quartile operation with robust economics. The company

is focussed on bringing the mine into production on grant of the mining permit whilst advancing the ferro manganese studies.

In parallel with this, Ferrex is focussed on proving up resources at its Mebaga concession in Gabon. An exploration target comprising 90 to 150Mt @ 35 to 65% Fe (oxide material) and 550 to 900Mt @ 25% to 40% Fe (primary material) has been estimated for Mebaga. The oxide target will incorporate both DSO* and bBSO* material. Ferrex completed a preliminary drill programme at Mebaga that intersected significant widths of both DSO and bBSO mineralisation.

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.

Ferrex has 1,101M shares on issue. The Directors have subscribed for and purchased approximately 26% of the issued share capital of the Company and are thus aligned with shareholders' interests.