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Ferrex plc ('Ferrex' or 'the Company')
Confirms high grade iron ore mineralisation at Mebaga in Gabon

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to announce that initial field work has confirmed the presence of high grade iron ore DSO mineralisation at its recently granted 309 sq km "Ngama" exploration licence area in west Gabon which covers the Mebaga iron ore deposit.

Overview

- Direct Shipping Ore ('DSO') values up to 67.9% iron ('Fe') reported by a Niton XRF Analyzer on rock samples collected from Mebaga
- Successfully located majority of historic BRGM pits dug in and around the main zone of high grade iron ore mineralisation - historic assay results for these pits include:
 - 27m @ 58.4% Fe (mineralisation still open at bottom of pit)
 - 18.5m @ 57.5% Fe (mineralisation still open at bottom of pit)
 - 10.5m @ 61.4% Fe (mineralisation still open at bottom of pit)
- Geological mapping has identified intermittent outcrop of lateritised detrital iron ore mineralisation over a total strike length of about 2km
- Detrital blocks comprise a combination of the iron ore mineralshematite (in the form of martite and kenomagnetite)and goethite
- A 3,000m drill programme has been planned to test the main zone of mineralisation - field locations scouted and discussions with potential drilling contractors have commenced
- Exploration target* of 20Mt @ 60% Fe and a larger, lower grade target of 50Mt @ 47% Fe
- Excellent infrastructure in place – 30km from a sealed highway, 100km north of the Trans-Gabon railway

*The potential quality and quantity is conceptual in nature and there has been insufficient work completed at present to define a Mineral Resource in this area under the JORC (2004) Code. The nature of an Exploration Target is such that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Ferrex Managing Director Mr. Dave Reeves said, "I am delighted to report that we have confirmed the presence of outcropping DSO high grade iron ore mineralisation at our recently granted Mebaga project in Gabon. In addition to this, we have successfully located the majority of mineralised historic BRGM pits and have planned a comprehensive drill programme to test the prospectivity of the deposit.

"We are committed to our strategy to rapidly advance development at Mebaga up the resource development curve with a view of future production. The next phase of exploration is particularly exciting, with drilling

scheduled to commence in the next eight weeks. I look forward to reporting on results as they are received, in tandem with developments across the rest of our portfolio. This includes the Nayega manganese project in Togo, which is at the Definitive Feasibility stage, and the Malelane iron ore project in South Africa where we have completed a Scoping Study."

Geological Mapping:

Geological mapping has been completed across the main zone of iron ore mineralisation identified in the BRGM pitting programme. Mapping was conducted via traverses cut across ridges at a nominal spacing of 150m roughly orthogonal to the strike of the particular section of ridge and traverses along the crest of the ridge to locate additional outcrops.

No primary outcrop of iron ore mineralisation was located, but the programme successfully identified intermittent outcrop of lateritised detrital iron ore mineralisation over a combined strike length of approximately 2km. Mineralisation consists of angular blocks of iron ore up to several metres across in a typical clay-rich nodular laterite matrix (Figure 1). The detrital blocks essentially comprise a combination of kenomagnetite, martite and goethite (Figure 2).

Figure 1: Outcropping iron ore blocks



Figure 2: Typical high grade mineralisation



During mapping, the majority of pits (Figure 3) dug in the main ore zone by the BRGM during its evaluation programme in the 1960s were located. A total of 33 pits were found, including all but one that the BRGM reported returned intercepts of high grade mineralisation along the main trend. Outcrops of lateritised detrital mineralisation outline this mineralised trend, occurring along the length of the trend and rarely more than 100-150m from it.

Figure 3: BRGM Pit 26



Topographic evaluation indicates that mineralisation along the main trend follows a WNW striking structure, which cuts an east-west striking fold closure. Indications are that mineralisation is widest where the structure intersects the fold closure, and that mineralisation tracks around the fold closure away from the structure for several hundred metres.

Niton Readings:

A Niton XRF Analyzer was used to provide an indication of Fe values in the detrital blocks. Niton readings of high grade mineralisation ranged up to 67.9% Fe.

A total of 25 rock samples, including several samples of weathered, unenriched BIF, were collected along the trend of the main zone of mineralisation identified by BRGM. As the aim of the exercise is to determine the likely grade of underlying mineralisation, samples were collected to limit laterite and clay contamination. Some of the samples are affected by both laterite and clay contamination and Niton readings were negatively impacted as a result.

In addition to the 25 samples collected from the main zone of mineralisation, three samples were collected from the vicinity of the P18 pit located several kilometers to the southwest. Pit P18 returned an historic intercept of 11m @ 55.8% Fe and is 1km away from the nearest BRGM pit. Encouraging results from P18 and these three samples highlight the potential of the district to host additional high grade mineralisation.

Figure 4: Sample Locations

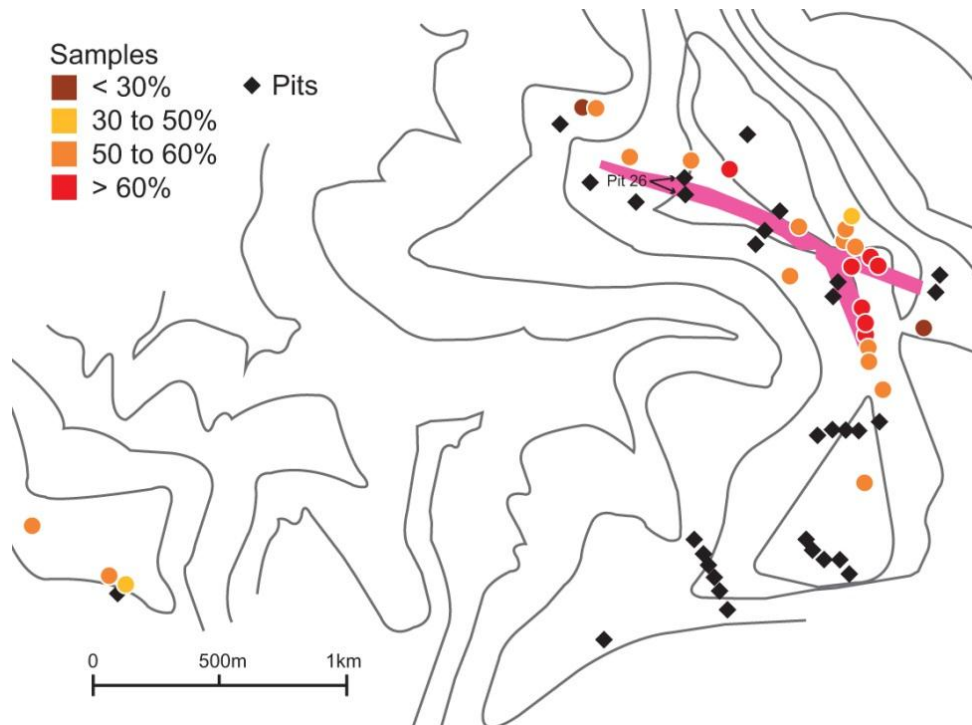


Table 1: Sample descriptions and Niton readings. mag = magnetite, ken = kenomagnetite, mar = martite, goe = goethite.

Sample	East	North	Description	XRF 1 Fe%	XRF 2 Fe%	XRF 3 Fe%
STD A			expected value: 58.45	61.6		
STD B			expected value: 63.15	65.4		
M0031	816905	95556	mag BIF	26.6	26.1	6.7
M0032	816935	95555	goe; clay coated	57	55.2	45.1
M0033	817087	95383	ken-mar-(goe)	55.3	66.2	55.3
M0034	817380	95296	ken-mar; laterite contamination	64.4	64.1	60.6
M0035	817325	95366	ken-goe-mar	55.7	53.1	57.9
M0036	817479	95339	ken-mar-goe	57.1	63.4	62.4
M0037	817749	95138	ken-mar-goe	54.5	54.8	54.8
M0038	817924	95072	mar-goe	57.2	62.3	59.6
M0039	817938	95131	goe-ken-mar; clay coated	58.3	60.1	44.6
M0040	817950	95162	partly enriched, goe BIF; clay coated	37.4	43.8	39
STD A			expected value: 58.45	61.9		
STD B			expected value: 63.15	64.1		
M0041	817974	95076	goe; laterite contamination	58.3	47.9	45.2
M0042	818033	95034	ken-mar-goe	67.1	62.1	67
M0043	817961	95005	ken-mar-goe	64	64.1	66.3
M0044	818002	94858	ken-mar-goe	65.4	67.9	66.8
M0045	818042	94854	partly enriched BIF; ken-mar, remnant chert	31.9	39.8	27.4
M0046	818061	95010	ken-mar-(goe)	63.4	57.1	65.5
M0047	815087	93916	banded goe; clay coated – P18	53.6	44.7	43.4
M0048	815065	93939	banded goe; clay coated – P18	63.2	65.6	41.9
M0049	814737	94121	banded goe with intercalated schist – P18	57.9	52.7	62.8
M0050	818244	94789	mag BIF	27	29.9	32.5
STD A			expected value: 58.45	62		
STD B			expected value: 63.15	64		
M0051	818017	94766	ken-goe; clay coated	64.5	58.8	66.1
M0052	818018	94806	ken-mar-(goe); clay coated	56.1	61.1	64.3
M0053	818028	94719	ken-mar-(goe)	63.8	49.1	58.6
M0054	818022	94691	ken-mar	67.4	66.2	59.4
M0055	818034	94678	ken-mar; clay coated	58.4	53.2	60.9
M0056	818083	94574	goe-ken-(mar); clay coated	55	50.8	62.7
M0057	818011	94248	mar-goe; laterite contamination	59.2	38.3	64.3
M0058	817751	95142	goe-ken-mar; laterite contamination	64.4	45.6	47.1
STD A			expected value: 58.45	62.5		
STD B			expected value: 63.15	63.5		

Three readings were taken from each of the samples to obtain an indication of the likely average Fe value. Readings were also taken from two analytical standards to confirm that the analyzer was reading correctly. The standards were read before any of the samples, after every tenth sample and after all samples were read.

Although the Niton is not as accurate as laboratory assaying, because of limitations owing to relative aperture size of the analyzer and grain size of the rock plus the depth of penetration (particularly relevant if samples were coated with a thin layer of clay) and difficulty in obtaining accurate results from irregular surfaces, the readings have confirmed the presence of high grade iron ore mineralisation at Mebaga. Note that some of the samples (M0032, M0039, M0041, M0047, M0048, M0053, M0057, M0058) returned lower than expected values in at least one of the three readings, possibly because of these issues. Sample descriptions and Niton readings are listed in Table 1.

Samples will be sent to Intertek in South Africa for confirmatory assay by lithium borate fusion with XRF finish, the industry standard for iron ore analyses.

On-going Work Programme

A drill programme has been planned to test the main zone of mineralisation identified by the BRGM at Mebaga. The programme constitutes up to 24 holes for up to 3,000m, with drill collars spaced at 50m intervals along lines 200m apart cut orthogonal to strike. Discussions are in progress with a number of contractors to expedite commencement of the programme as soon as possible.

To assist with lithostructural assessment and target identification, available magnetic data will be purchased and then processed and interpreted by the company's geophysical consultant.

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****

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Notes

Ferrex plc is an AIM quoted, leading iron-ore and manganese exploration and development 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 conducting a Bankable Feasibility Study which is due for completion in H1 2013, and expects to be developing it into production by the end of 2013/Q1 2014. A Scoping Study indicates that Nayega could produce 250,000 tonnes per year of manganese concentrate at 38% with an initial capital expenditure of under \$15m. The Company anticipates that cash generated from production at Nayega will be used to assist in the future funding of development at its additional projects.

In parallel with this, Ferrex is focussed on proving up resources at its Mebaga concession in Gabon. Earlier work at Mebaga by the BRGM, the French public earth sciences institution, produced an exploration target of 20Mt @ 60% iron (Direct Shipping Ore* ('DSO')). Ferrex has full access to the BRGM records and plans to produce a JORC resource and Scoping Study before the end of 2013 at which time it will apply for a Mining Licence.

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. Conceptually, cash generation from Nayega and Mebaga will be utilised to obtain finance for Malelane once again limiting share dilution.

Ferrex will have 765,179,963 shares on a fully diluted basis after completion of the 82% Mebaga interest. The Directors have subscribed for and purchased approximately 35% of the issued share capital of the Company and thus aligned with shareholders interests.

*Direct Shipping Ore is ore which is high enough grade that the iron does not need capital intensive processing into concentrate at the mine. Conceptually it can simply be dug up, crushed to a uniform size, transported and sold.