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11 December 2013

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

Additional DSO Grade Drill Results from Mebaga Iron Ore Project in Gabon

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to announce the final assay results from the 9 hole diamond drilling campaign recently completed at its 309 sq km Mebaga DSO Iron Ore Project in northern Gabon. Results are listed in Table 1.

Overview

- Wide intercept of DSO[1] grade iron ore mineralisation in hole NGDH008; low levels of deleterious elements
- Thickest interval of +55% Fe mineralisation encountered to date:
    - 28.7m @ 61.4% Fe from surface in NGDH008
- Furthest hole along strike, with widest intercept provides excellent launch pad for 2014 drilling
- Previously reported results include:
    - 25.8m @ 57.8% Fe from surface in NGDH002
    - 37.76m @ 53.4% Fe from 10.44m in NGDH003
    - 23.05m @ 56.5% Fe from 6.1m in NGDH004
    - 13.8m @ 60.2% Fe from 12.4m in NGDH006
- Exploration Target[2] of 90-150Mt DSO and bBSO* oxide material grading 35 to 65% Fe and 540-900Mt primary (fresh) material grading 25 to 40% Fe estimated over an 8km strike length - a further 11km of strike has been identified outside this target area
- Initial drilling concentrated on 1km of the potential 19km strike highlighting significant exploration potential for 2014 exploration programme
- Excellent infrastructure in place – 30km from a sealed highway, 100km north of the Trans-Gabon railway

Ferrex Managing Director Mr. Dave Reeves said, "Results from our initial drilling programme at Mebaga are highly encouraging and serve to underpin the potential for Mebaga to host a significant DSO grade iron ore deposit. The intercept in hole 8 is the most encouraging of all received from this programme. As the furthest south-east hole to be drilled to date, the thick interval of DSO grade mineralisation at +55% Fe highlights the potential for along-strike extensions.

"The on-going exploration programme into 2014 will involve testing for strike extensions in the 1km drilled area, plus testing high-priority targets identified along the full 19km of strike Based on the quality of results to date, I am looking forward to reporting on our exploration programme for the year ahead as we continue to unlock the value inherent in this exciting DSO iron ore asset in West Africa."

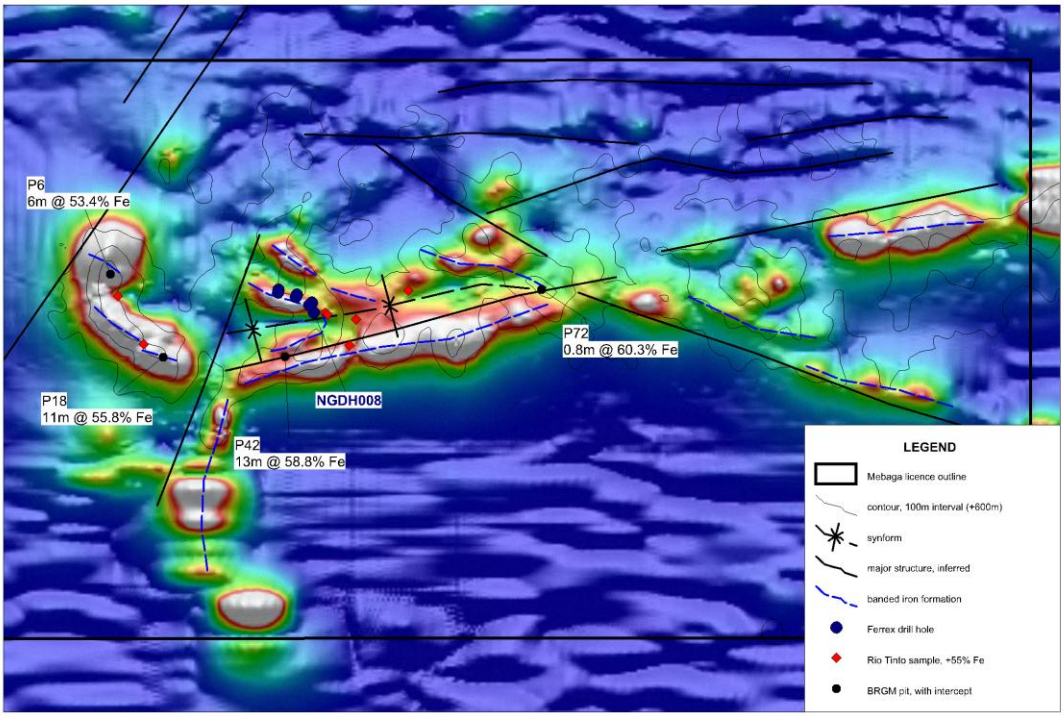
Further Information

The drill programme comprised 9 holes (including one that had to be abandoned at a shallow depth because of drilling problems) for a total of 580.82m. The Company has now received results for all drill samples submitted for assay from the programme. Table 1 lists the intercept returned in NGDH008.

Table 1: Assay results for NGDH008. goe = goethite; mar = martite (hematite); ita = friable itabirite; lat = lateritised; det = detritals; bif = weathered, Fe-enriched banded iron formation.

Hole	From	To	Interval (m) [3]	Lithology	Fe%	SiO_2%	Al_2O_3%	P%	Recovery %
NGDH008	0	3.7	3.7	lat det	57.2	1.8	7.7	0.09	100
NGDH008	3.7	28.7	25	goe-mar	62.0	2.0	2.5	0.05	57

Figure 1 is a magnetic image of the licence area, showing Ferrex drill hole locations and occurrences of DSO grade mineralisation indentified by previous explorers. DSO grade mineralisation is associated with magnetic highs (indicative of underlying BIF) both east and west of the drilled area, highlighting the potential of the Mebaga project. Activities next year will focus on investigating these occurrences through a programme of detailed geological mapping and drilling, as well as evaluating the other prospective magnetic highs as part of a regional geological mapping campaign.



Core samples were submitted to Intertek's Johannesburg laboratory and assayed for a suite of elements specifically tailored for iron ore exploration by lithium borate fusion with an XRF finish. Industry-standard QA/QC programmes were employed by Ferrex and by Intertek.

As reported previously, core recovery is poor in sections of mineralised intervals in all holes drilled, with runs up to 3m thick down hole where no sample was recovered at all. Mineralisation is often extremely friable, so much so that agitation and washing by drill fluids in the core tube during the drilling process has lead to extensive loss of core. Because of demonstrated geological continuity on all of the drilled section lines, these zones of core loss are considered to be mineralised.

Commonly, sludge of fine drill chips (significant core loss) was recovered at the start of a drill run, with coherent core recovered at the end of a drill run. This variability in sample quality (caused by different residence times in the core tube during drilling) was taken into account in sample selection, with distinct samples of sludge and samples of coherent core collected where possible. In instances where coherent mineralised core followed on from an interval of similarly mineralised sludge, assay results for both samples returned similar results. This suggests there was little, if any, upgrading during the drilling process as a result of agitation and provides confidence in assay results from intervals of poor recovery.

On the whole, low values of deleterious elements were returned in samples and intervals of DSO grade bedded ore.

*Terminology

DSO - Direct Shipping Ore is of high enough grade that it can be mined, crushed to a uniform size, transported and sold.

bBSO - Beneficiate Before Shipping Ore can be upgraded using simple processing techniques to produce a saleable product. Grinding is not required in the beneficiation process.

[1]Soft, friable nature of material has lead to above average core loss; core recovery for intercepts is listed in Table 1.

[2]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 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.

[3]Intervals uncertain due to poor core recovery, may require confirmatory drilling.

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 and expects to be developing Nayega during 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. A recent review has lead to the estimation of an exploration target comprising 90 to 150Mt @ 35 to 65% Fe (oxide target) and 550 to 900Mt @ 25% to 40% Fe (primary target) for Mebaga. The Oxide target will incorporate both DSO* and bBSO* material. Ferrex has completed targeted geological mapping, geological reconnaissance and a diamond drilling programme. Planning for 2014 will see a work programme designed to better understand the full potential of Mebaga by undertaking geological mapping and sampling across the entire licence followed by a drill campaign that will test a number of high priority targets.

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 has 805m shares on a fully diluted basis. The Directors have subscribed for and purchased approximately 32% of the issued share capital of the Company and are thus aligned with shareholders interests.