

5 March 2007

International Ferro Metals Limited
(“IFM” or the “Company”)

Interim Results for the 6 months ending 31ST December 2006

International Ferro Metals Limited announces its Interim Financial Statements for the six months ended 31 December 2006.

Highlights for the six months ended 31 December 2006 and since the period end are as follows:

- The Company’s Lesedi chromite mine was successfully commissioned in July 2006. Chromite production at Lesedi is progressing well and is ahead of the production schedule.
- The integrated ferro chrome production facility’s ore beneficiation plant was commissioned during January 2007. This plant is currently operating at full capacity.
- The first and second furnaces were commissioned during January 2007 and after a two week ramp-up period were operating at their design capacity.

Audited results for the six months ended 31 December 2006 report a consolidated loss of £5.1m (ZAR 70.9m), of which £2.3m (ZAR 31.8m) is attributable to finance costs. This loss was in line with budgeted expenditure for this construction period.

The current price of Charge Chrome is US\$0.77/lb (Heinz Pariser 12 Feb. 07).

IFM’s forecast production costs at steady state full production still remain below US\$0.40/lb.

Stephen Turner, Managing Director of International Ferro Metals said, "This has been an excellent period for IFM. Throughout the construction of the integrated ferrochrome facility costs have remained within budget. The Lesedi mine was opened in July 2006 and production has exceeded budget. In January 2007 both our ferrochrome furnaces were switched-on three months earlier than scheduled. We are very proud of our workforce and contractors who have worked tirelessly to achieve a quicker than anticipated increase in productivity of these furnaces to their design capacity. The furnaces are now able to operate at a combined rate to produce 267,000 tonnes per annum of Charge Chrome. It is pleasing to be able to supply IFM’s ferrochrome into a relatively strong stainless steel market. IFM’s first product sales are to China and Japan and our guaranteed offtake agreements are working well. IFM has a strong and committed management team and we are highly confident and positive about the future performance of the Company".

The December 2006 Interim Financial Statements are available on the International Ferro Metals Limited website at www.ifml.com. Extracts from these financial statements follow.

Condensed Income Statement

FOR THE HALF-YEAR ENDING 31 DECEMBER 2006

	CONSOLIDATED	
	Audited	Unaudited
	2006	2005
	ZAR'000	ZAR'000
Revenue		
Sales Revenue	4,441	635
Cost of goods sold	(3,600)	(123)
Gross profit	<u>841</u>	<u>512</u>
Other income/(expenses)		
Interest Income	17,709	12,305
Other Income	2,031	-
Finance costs	(31,818)	(4,718)
Other expenses	(60,391)	(223,207)
Loss before income tax	<u>(71,628)</u>	<u>(215,108)</u>
Loss attributable to minority interests	701	-
Net loss attributable to members of parent	<u><u>(70,927)</u></u>	<u><u>(215,108)</u></u>
Earnings / (loss) per share (cents per share)		
– basic loss per share	(17.29)	(90.81)
– diluted loss per share	(17.29)	(90.81)

Condensed Balance Sheet

AS AT 31 December 2006

CONSOLIDATED

	Audited 31 Dec 2006 ZAR'000	Audited 30 June 2006 ZAR'000
ASSETS		
Current Assets		
Cash and cash equivalents	11,197	85,348
Trade and other receivables	31,034	51,945
Inventories	20,472	772
Other current assets	35,522	198,530
Total Current Assets	<u>98,225</u>	<u>336,596</u>
Non-current Assets		
Receivables	16,656	13,797
Property, plant and equipment	1,448,173	882,723
Mineral Resources	61,601	65,775
Other non current assets	274,780	236,576
Total Non-current Assets	<u>1,801,210</u>	<u>1,198,871</u>
TOTAL ASSETS	<u>1,899,434</u>	<u>1,535,467</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	119,461	208,414
Derivative liability	26,472	-
Provisions	15,850	5,852
Total Current Liabilities	<u>161,783</u>	<u>214,266</u>
Non-current Liabilities		
Interest Bearing Loans and Borrowings	706,129	224,381
Non Current Provisions	7,414	5,022
Derivative liability	21,975	19,598
Total Non-current Liabilities	<u>735,518</u>	<u>249,002</u>
TOTAL LIABILITIES	<u>897,301</u>	<u>463,268</u>
NET ASSETS	<u>1,002,133</u>	<u>1,072,199</u>
EQUITY		
Share Capital	1,341,463	1,340,492
Share based payments reserve	(3,618)	(4,209)
Accumulated losses	(354,401)	(283,474)
Parent Entity interests	<u>983,444</u>	<u>1,052,808</u>
Minority interests	<u>18,689</u>	<u>19,390</u>
Total Shareholders equity	<u>1,002,133</u>	<u>1,072,199</u>

Condensed Cash Flow Statement

FOR THE HALF-YEAR ENDED 31 December 2006

	CONSOLIDATED	
	Audited	Unaudited
	2006	2005
	ZAR'000	ZAR'000
Cash flows from operating activities		
Receipts from customers	4,441	635
Payments and advances to suppliers and employees (inclusive of GST)	(53,378)	(25,271)
Interest paid	(15,418)	(2,686)
	<u>(64,355)</u>	<u>(27,322)</u>
Net cash flows used in operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(492,096)	(415,064)
Investment in Mineral Resources	(7,168)	(3,729)
Interest received	16,053	12,305
	<u>(483,211)</u>	<u>(406,488)</u>
Net cash flows used in investing activities		
Cash flows from financing activities		
Proceeds from issue of shares (net of issue costs)	-	1,055,978
Payment for Treasury shares	(10,365)	-
Repayment of shareholder loans	-	(16,512)
Environmental deposit	-	(11,700)
Proceeds from borrowings	480,669	(11,881)
	<u>470,304</u>	<u>1,015,885</u>
Net cash flows from financing activities		
Net increase/(decrease) in cash and cash equivalents	(77,262)	582,075
Cash and cash equivalents at beginning of the period	85,348	15,574
Effects of exchange rate changes on cash	3,105	2,538
	<u>11,191</u>	<u>600,187</u>
Cash and cash equivalents at end of period		

Condensed Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

CONSOLIDATED	Attributable to equity holders of the parent					Minority Interest ZAR'000	Total equity ZAR'000
	Share Capital ZAR'000	Convertible note ZAR'000	Accumulated losses ZAR'000	Share-Based Payments Reserve ZAR'000	Total ZAR'000		
At 1 July 2005	48,212	5,977	(65,080)	410	(10,481)	-	(10,481)
Loss for the period	-	-	(215,108)	-	(215,108)	-	(215,108)
Share placement costs	(55,538)	-	-	-	(55,538)	-	(55,538)
Total income / (expense) for the period	(55,538)	-	(215,108)	-	(270,646)	-	(270,646)
Cost of share based payments	-	-	-	7,472	7,472	-	7,472
Issue of shares	1,328,158	-	-	-	1,328,158	-	1,328,158
Conversion of Global Eagle	-	-	-	-	-	20,000	20,000
Conversion of RAB convertible	19,659	(5,977)	-	-	13,682	-	13,682
At 31 December 2005	1,340,492	-	(280,188)	7,882	1,068,185	20,000	1,088,185
At 1 July 2006	1,340,492	-	(283,474)	(4,209)	1,052,808	19,390	1,072,199
Loss for the period	-	-	(70,927)	-	(70,927)	(701)	(71,627)
Total income / (expense) for the period	-	-	(70,927)	-	(70,927)	(701)	(71,627)
Cost of share based payments	-	-	-	591	591	-	591
Purchase of Treasury shares	(10,366)	-	-	-	(10,366)	-	(10,366)
Issue of Treasury shares	11,337	-	-	-	11,337	-	11,337
At 31 December 2006	1,341,463	-	(354,401)	(3,618)	983,444	18,689	1,002,133

Progress at the integrated ferrochrome facility can be viewed on the Company's web site at www.ifml.com/Project%20Photos.aspx

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