



27 April 2010

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

Interim Management Statement incorporating a production statement for the three months to 31 March 2010

Highlights:

- Ferrochrome (FeCr) production of 54,394 tonnes (t) for the quarter to 31 March 2010, up 48% on the prior year comparative quarter but down 6% on the previous quarter
- Sales of 64,063t for the quarter, up 76% on the prior year comparative quarter and up 85% on the previous quarter. Sales include 15,735t that is subject to pricing revisions based on subsequent benchmark pricing
- Inventory of 22,748t at 31 March 2010 (32,504t as at 31 December 2009)
- Electricity co-generation plant is on schedule and on budget for commissioning during the second half of calendar 2010
- UG2 ore supply agreement concluded with Anglo Platinum which will significantly reduce input costs and extend Lesedi life of mine
- Net borrowings of ZAR26 million as at 31 March 2010, principally due to increased working capital requirements (net cash of ZAR248 million as at 31 December 2009)
- European benchmark FeCr price increased from US\$1.01 per pound in the first quarter of 2010 to US\$1.36 per pound in the second quarter of 2010

	Three months to 31 March 2010 (tonnes)	Three months to 31 December 2009 (tonnes)	Three months to 31 March 2009 (tonnes)
Ferrochrome			
Production tonnes	54,394	57,942	36,773
Sales tonnes	64,063	34,553	36,383
Stock at period end	22,748	32,504	9,752

Commenting on the operational update, Chief Executive David Kovarsky said:

“Stable and improving market conditions resulted in a healthy price increase and good sales growth during the quarter. While production was less than the previous quarter due to variability in the grade of bought in ore feed, we expect these issues to be resolved as mining operations ramp up and for sales and production tonnages to be in line with management forecasts. The Company remains confident that IFL is well placed to take advantage of the continuing improvement in market conditions.”

Ferrochrome Market Conditions

Reflecting global stainless steel production growth, the European benchmark ferrochrome price increased by US\$0.35 per pound from US\$1.01 per pound in the first quarter of 2010 to US\$1.36 per pound in the second quarter.

The strong South African Rand continues to impact the Company, but Management are working to control those costs which it can influence, through innovations and measures such as the co-generation plant and the UG2 ore off-take agreement with Anglo Platinum.

Production

Production for the quarter (54,394t) decreased by 6% compared with the previous quarter (57,942t). The lower production was principally due to inconsistencies in the grade of bought in ore feed while underground mining operations are ramped up. Over the last two quarters, IFL has focussed on the development of the underground mine to ensure long term sustainability and the provision of high grade ore. As a result, the output from the mine has declined in the short term. Increasing mine production and the creation of larger stockpiles of bought in ore allowing for improved blending and better ore feed consistency, will result in an improvement of production by July 2010.

Sales

Sales for the quarter to March (64,063t) increased by 85% compared with the previous quarter (34,553t). This included 15,735t sold but which still bears pricing exposure; final pricing for these tonnages will be fixed based on the benchmark price for the quarter in which it is consumed by the customer. It is expected that about 70% will be consumed in the second quarter of 2010 at the higher benchmark price of US\$1.36 and the balance in the subsequent quarter, giving IFM the benefit of both having reduced its inventory and providing pricing upside.

Inventory

As announced in February 2010, the Company increased ferrochrome stock levels to higher than the normal level of one month's production in order to take advantage of the then expected increase in ferrochrome prices in the second quarter of 2010. The reduced inventory level of 22,748t at the end of March 2010, from 32,504t at the end of December 2009, reflects 15,735t of sales with ongoing pricing exposure as described above held as a debtor balance at Q1 pricing with an anticipated price adjustment to be accounted for in Q2 and Q3 of 2010.

UG2 Ore Supply

As announced in February 2010, the Company concluded a UG2 ore supply agreement with Rustenburg Platinum Mines Limited ("RPM"), a subsidiary of Anglo Platinum Limited. Under the agreement IFL will pay approximately R150m for a chrome re-treatment plant ("CRP") to extract chrome concentrate from RPM's UG2 concentrator tailings. The contract has a 10 year life commencing on the construction start date and entitles IFL to 15,000t per month

concentrate (about 30% of IFL's beneficiated ore requirements) from the commissioning date at an effective cost per tonne significantly below underground mining cost. Construction is expected to start in June 2010 with commissioning in July 2011. The project is to be funded using existing cash facilities.

Capital expenditure

Capital expenditure budgeted for the remainder of the financial year is ZAR218 million which includes ZAR134 million for the electricity co-generation plant, ZAR30 million for mine development and ZAR 15 million for the metal recovery plant, in line with previous announcements.

Cash balance

As at 31 March 2010, the Company's net borrowings were ZAR26 million, against net cash of ZAR248 million at 31 December 2009. The decrease of ZAR274 million was principally due to increased working capital (mostly trade receivables) of ZAR160m and planned capital expenditure of ZAR83m, principally on our co-generation plant and mine development. The Company has a working capital facility of ZAR500m and expects to generate significant operating cash inflows during the quarter ending June 2010, under current market conditions.

Outlook

The demand for ferrochrome has increased over the quarter with corresponding improvement in stainless steel demand, as is reflected in the current premium in the spot ferrochrome price over the contract price. IFL expects this trend to continue as demand from the USA and Europe continues to improve.

Other than as detailed above in this Interim Management Statement, there have been no material events or transactions in the period from 1 January 2010 to 27 April 2010.

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About International Ferro Metals:

International Ferro Metals produces ferrochrome, the essential ingredient in stainless steel, from its integrated chromite mine and ferrochrome processing operations in South Africa. International Ferro Metals is listed on the London Stock Exchange under the symbol IFL.

Forward Looking Statements

This announcement contains certain forward looking statements which by nature, contain risk and uncertainty because they relate to future events and depend on circumstances that occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements.