



20 July 2010

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

Production report for the three months to 30 June 2010

Highlights:

- Ferrochrome (FeCr) production 51,331 tonnes (t) for the quarter to 30 June 2010, down 6% on the previous quarter but up 178% on the corresponding period last year
- Sales of 55,433t for the quarter, down 13% on the previous quarter but up 32% on the corresponding period last year
- FeCr inventory of 17,976t at 30 June 2010 (22,748t as at 31 March 2010)
- Net cash of ZAR47 million as at 30 June 2010 (net borrowings of ZAR26 million as at 31 March 2010) with a working capital facility of ZAR500m
- Benchmark European FeCr price of US\$1.36/lb for the June 2010 quarter up 35¢ from March 2010 quarter

	Q4 FY2010	Q3 FY2010	% change	Q4 FY2009	FY2010	FY2009	% change
Ferrochrome							
Production tonnes	51,331	54,394	-6%	18,437	200,440	110,364	82%
Sales tonnes	55,433	64,063	-13%	41,916	190,432	101,835	87%
Stock at period end	17,976	22,748		9,362	17,976	9,362	

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

“The Company benefited from higher ferrochrome prices during the quarter although the full potential wasn’t realised because of lower production levels and delayed shipments resulting from the Transnet strike. Since the last quarter, however, greater operational efficiencies have been achieved that should increase production levels, lower costs and will help us to meet future challenges.”

Ferrochrome Market Conditions

The substantial FeCr price increase of 35¢ to US\$1.36/lb in the quarter to 30 June 2010 reflected increased stainless steel production and subsequent ferrochrome demand. The 2010 Q3 price has softened by a 6¢ decline in the September quarter price to \$1.30/lb, reflecting a slowing down of stainless production for the quarter particularly in Europe and China. However, with the combination of low global ferrochrome inventories and South African production cuts during its high electricity winter tariff months we expect the ferrochrome market to stabilise over the next quarter.

Production

Production for the year to 30 June 2010 amounted to 200,440t compared with 110,364t for the previous financial year. The lower ferrochrome production figure in FY2009 was due to

the global financial crisis, which resulted in IFL shutting down both furnaces. Production for the quarter of 51,331t decreased by 6% compared with 54,394t for the previous quarter. This reduction over the quarter was mainly due to ore feed inconsistencies and an unscheduled shutdown for four days to repair a furnace roof. Since the beginning of July furnace production has significantly improved as a result of more consistent ore feed and more stable furnace conditions resulting from the repaired roof.

The furnaces are on track to approach nameplate capacity during the September 2010 quarter, subject to the Company being able to utilise its maximum electricity requirements. Currently electricity constraints are voluntary; legislation is expected in the fourth quarter of 2010 which would enforce supply constraints. The construction of the electricity co-generation plant is within budget and on track to be commissioned in October 2010 and should be fully ramped up by the end of November 2010.

Sales

Sales for the year to 30 June 2010 amounted to 190,432t compared with 101,835t for the previous financial year. Sales for the quarter of 55,433t were 13% lower than the 64,063t for the previous quarter. At 30 June 2010, sales of 27,541t have ongoing pricing exposure and we expect pricing to be settled in the September quarter of 2010.

At the beginning of May 2010, the union members of Transnet, the South African state owned transportation company that transports goods to and from South Africa's ports, announced they were to go on strike over wages. The strike lasted for three weeks and during this time, IFL avoided declaring force majeure with no sales being cancelled.

Inventory

The Company reduced FeCr stock levels to 17,976t at the end of June 2010 from 22,748t at the end of March 2010.

Cash balance

As at 30 June 2010, the Company's net cash balance was ZAR47 million (ZAR397 million cash on balance sheet less ZAR350 million drawn on the ZAR500 million working capital facility), against net borrowings of ZAR26 million at 31 March 2010.

DMR Consultation

As widely reported, South Africa's Department of Mineral Resources ("DMR") has recently conducted a series of meetings with the platinum and chrome industries regarding the impact of bord and pillar mining on mine safety. IFL was one of the companies involved in these consultations which involved mining companies operating in the North West province. IFL has always regarded safety as an issue of paramount importance and has made it a priority when planning the extraction method and rate at our underground mine.

Following this consultation, the DMR initially required amendments to IFL's mine plan through changes to the size of our bord (mining face) and, to a lesser extent, pillars, which together suggested a materially reduced extraction rate.

However, at a meeting on 15th July between the DMR and the Company it was agreed that the Company would deploy ground penetrating radar ("GPR") that would indentify hanging wall conditions as mining is conducted and so enable remedial measures to be taken if required. The Company has been able to source GPR equipment that should be operational by 26th July.

As a result, IFL's mine plan has remained essentially unchanged and any loss of production should therefore be immaterial.

Outlook

According to CRU, stainless steel demand is expected to strengthen over the next quarter with a corresponding increase in FeCr demand, further supported by South African FeCr production cuts during the winter tariff period. Market commentators expect a market tightness to develop over the next two years due to expansion constraints in South Africa as a result of power shortages.

IFM expects to announce its preliminary financial results for the year to 30 June 2010 during September 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.