



**HD (AEFWL) Ferrowest provides funding agreement update**

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Sydney - Monday - June 02 (RWE) - Ferrowest Limited (ASX: FWL) advises that the **company's** Managing Director, Mr Brett Manning and its Chief Financial Officer and **company** Secretary, Mr Daniel Bredenkamp have recently returned from a due- diligence visit to **China** in connection with the proposed Funding Agreement announced to the market on 30 April 2014.

It is a condition of the Funding Agreement that Ferrowest notifies the counterparty to the **transaction**, TFA International Pty Ltd (TFA), if it is satisfied with its due-diligence inquires in respect to the proposed investment by Ferrowest in the **Chinese company** Hubei Taifeng Investment and Development Co, Ltd ("HTDC").

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Subject to various conditions previously advised to the market, Ferrowest would acquire a 21.8% interest in HTDC through the issue of 111,251,158 Ferrowest shares to TFA at a total value of A\$2,002,520.

It is expected that the investment would then provide ongoing funding for Ferrowest's main business activities in Australia, being mineral exploration.

Importantly HTDC is not expected to require any further equity or funding from Ferrowest to conduct it's business going forward.

HTDC is a special purpose vehicle established by the parent **company** of TFA, Sichuan based Tai Feng **Group** ("Tai Feng") of **China**.

Tai Feng is a diversified **company** with **property** development at its core.

HTDC is undertaking the development of a **residential** and **commercial** precinct in Jia Yu, just south of Wuhan, the capital of the Hubei province.

The development is called the Taifeng International City.

The due-diligence visit by Ferrowest is part of a process whereby the **Board** of the **company** will assess the suitability of the investment and advise shareholders of its findings.

This process is expected to be completed in time for inclusion in the Notice of Meeting to be sent to shareholders for the vote on whether to proceed with the Funding Agreement.

The information will also assist the Independent Expert in the preparation of a report for shareholders that will also be included in the Notice of Meeting.

The **Board** will be required to notify TFA once it is satisfied with its due-diligence investigations.

This process is expected to be complete in the next few weeks.

**CO** frwt : Ferrowest Ltd

**IN** i211 : Metal Ore Mining | i2111 : Iron Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

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