

SE News in Brief
HD **Australia's Ferrowest is continuing with the due diligence process that could...**

BY Staff

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Australia's Ferrowest is continuing with the due diligence process that could result in its largest shareholder, TFA International, lifting its stake in the miner from 29.1% to 60% through a series of share placement and investment deals, Ferrowest Managing Director Brett Manning said Wednesday. TFA International is the Australian subsidiary of Taifeng Group of Sichuan, China. TFA would deliver A\$100,000/month (US\$92,588) to Ferrowest over the next six months and as part of the deal. Ferrowest would also receive a 21.8% stake in one of Taifeng's proposed residential and commercial development called Taifeng International City, being built in Jia Yu, just south of Wuhan, the capital of the Hubei province. "Funding from Taifeng International City will be used to provide cashflow to develop Ferrowest's iron ore projects in Australia," Manning said.

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Manning recently completed a visit the Taifeng International City, where around 80% of the units in the first residential tower have already been sold at planned prices, he said. "There has been much recent discussion in the press about falling property prices in China, but there was no sign of falling prices at the development," he said. Ferrowest is developing several projects in Western Australia with the closest to production being the Yogi magnetite mine. Yogi has potential to be in production within three years at a rate of 4.5 million mt/year, Manning said. Ferrowest is also developing the smaller Yalirimbi iron ore project in the Northern Territory, which is set to produce at rate of 2 million mt/year over a 10-year period.

Staff

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