



30 October, 2014

ASX Announcement

51% of Arafura Iron Pty Ltd Secured

Yalyirimbi Iron Project

Ferrowest Limited ("Ferrowest" or "the Company") is pleased to advise that it has secured 51% share ownership in the private company, Arafura Iron Pty Ltd ("AIPL").

The Company has been progressing work in relation to the **Yalyirimbi Iron Project** to earn up to a 60% interest in the iron ore rights on EL 24548 in the Northern Territory through an incorporated joint venture. The iron rights are held by AIPL, which is a subsidiary of Arafura Resources Limited ("Arafura" ASX Code: ARU).

Ferrowest has previously announced an estimate of Indicated and Inferred Mineral Resources for Yalyirimbi, thereby qualifying for a 51% interest in AIPL. Arafura and Ferrowest have now completed the share transfer paperwork for the Company's 51% shareholding in AIPL and have appointed two Ferrowest nominated directors, being Mr. Brett Manning and Mr. Graeme Johnston to the Board of AIPL. AIPL has two existing Arafura Board nominee directors who will remain on the AIPL Board. The on-going management of AIPL is governed by a shareholder agreement between Arafura and Ferrowest.

In order to earn the remaining 9% for a total of 60%, the Company must complete a Bankable Feasibility Study for the Yalyirimbi Iron Project at its own cost. Work on this study is expected to continue over the coming 12 months.

"We are pleased to complete this milestone and are looking forward to the continuing excellent cooperation that has developed between Ferrowest and Arafura since we acquired rights to the Yalyirimbi Iron Project last year," said Managing Director of Ferrowest, Mr Brett Manning.

For further information please contact: Brett Manning – Managing Director, +61 8 9277 2600