



14 April, 2015

ASX Announcement

SALE OF YOGI TO PADBURY TERMINATED

The previously announced sale of the Yogi Mine Project to Padbury Mining Limited ("Padbury") in accordance with the contract of sale between Ferrowest Limited ("Ferrowest" or "the Company") and Padbury dated 18 December 2014 ("the Agreement") was scheduled to settle on 31 March 2015.

Ferrowest was ready, willing and able to settle the sale, however, Padbury advised it was unable to complete the sale and needed more time. Ferrowest had already previously granted 33 days of extension from the original settlement date of 28 February 2015 to 31 March 2015.

The failure by Padbury to settle the transaction constituted an event of default under the terms of the Agreement and Ferrowest issued a notice of default to Padbury requesting that the contract of sale be honoured. Padbury has failed to rectify the default in the prescribed time and, as a consequence, the contract of sale formed pursuant to the Agreement has now terminated.

This is a very unsatisfactory result for Ferrowest and in light of these developments, the Board will review the Company's options and assess how this will effect it's plans and business going forward. The Board believes it is appropriate for the voluntary suspension of its shares to remain in place until the Company can provide further information in regard to this review.

The Board has determined that it will continue to entertain offers to purchase the Yogi Mine Project outright for A\$750,000 in cash in the short term but reserves the right withdraw its potential sale from the market and/or vary the terms of any possible sale at any time.

Ferrowest will keep the market apprised of any further developments.

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