



FERROWEST

LIMITED

ACN 074 009 091

2 February 2015

OFFER DOCUMENT

For a non-renounceable pro rata Entitlement issue of one (1) New Share for every two (2) Shares held by Shareholders registered at 5:00PM (WST) on 6 February 2015 at an issue price of \$0.005 per New Share to raise approximately \$562,050.00 (Offer).

Ferrowest Limited ('Ferrowest' or 'the Company') will apply for quotation of the New Shares on the Australian Securities Exchange ('the ASX'). The New Shares will rank equally with the existing ordinary fully paid shares and will be traded under the ASX code: **FWL**.

IMPORTANT NOTICE

This document is not a prospectus.

It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Securities offered under the terms of this Offer Document.

This Offer Document is important and requires your immediate attention.

It should be read in its entirety. If you do not understand its content or are in doubt as to the course of action you should follow, please consult your stockbroker or professional advisor without delay.

This offer opens on 11 February 2015 and closes at 5:00PM (WST) on 27 February 2015.

Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

Investment in the Securities of Ferrowest Limited should be considered speculative.

IMPORTANT INFORMATION

Any information that is not contained in this Offer Document may not be relied on as having been authorised by the Company in respect of this Offer. No person has been authorised by the Company to give information in respect of this Offer that is not contained in this Offer Document. The Offer Document may contain reference to plans, intentions and/or expectations of the Company, which may or may not occur. They are based on assumptions that may or may not turn out to be correct or on views that may differ. Different factors, including factors beyond the control of the Company, may impact the actual results. Neither the Company nor any of its directors, officers or agents make any representations or warranty (expressed or implied) that any plans, intentions or expectations will be achieved, either totally, partially or at all.

The Offer has been prepared in accordance with Section 708AA of the Corporations Act 2001 ('the Act'). The class of Shares to which the Offer relates have been continuously quoted on the Australian Securities Exchange for more than 12 months. Section 708AA permits qualifying companies to make an offer of Securities without a prospectus or other disclosure document in specific circumstances. As a result the level of disclosure in this Offer Document is significantly less than is required for a prospectus and Eligible Shareholders should therefore consider whether the securities offered under this Offer Document are a suitable investment in light of their own investment objectives and financial circumstances and the merits of the risks involved, having regard to their own knowledge of the Company and the disclosures to the ASX made by the Company. Eligible Shareholders should study the disclosures made by the Company to the ASX and discuss the Offer with their professional advisor before deciding whether to accept their Entitlement.

Neither ASX nor ASIC takes any responsibility for the contents of this Offer Document or the merits of the investment to which the Offer Document relates.

Further information about the Company can be obtained from the announcements made by the Company to the ASX and from the Company's web site at www.ferrowest.com.au.

ELIGIBILITY TO PARTICIPATE IN THE OFFER

An original Entitlement and Acceptance Form will be forwarded to all Eligible Shareholders. An application for Securities under the terms of this Offer can only be made by an Eligible Shareholder on an original Entitlement and Acceptance Form. Each original Entitlement and Acceptance Form sets out the Entitlement for an Eligible Shareholder.

Overseas Shareholders should be aware that it is not practical, due to the complexity and cost, for the Company to comply with the securities laws of foreign jurisdictions. Therefore this Offer does not, and is not intended to, constitute an offer in any jurisdiction in which it would not be lawful to do so. Shareholders who are resident outside Australia and New Zealand should consult their professional advisors to determine if they require any government consent or other compliance requirement in order to enable them to participate in the Offer.

PRIVACY

In order to make an application under the terms of the Offer, an Eligible Shareholder will be required to provide certain personal information. This information will be used by the Company and/or its contractors (including the Company's share registry) in order to manage shareholdings and communicate with shareholders as required in the normal course of its business. If you do not provide the personal information, the Company may be unable to process your application.

The Company manages personal information in accordance with its Privacy Policy (that may be viewed at www.ferrowest.com.au), the Commonwealth Privacy Act 1998, the Act and the ASTC Settlement Rules.

RISKS

The Directors urge you to seek appropriate professional advice in relation to your particular financial circumstances and investment objectives before you make any decisions in respect of this Offer. The Directors also draw your attention to Section 6 of this Offer Document that deals with Risk Factors.

CORPORATE DIRECTORY

Directors

Bryan Kevin Hughes
Brett Lee Manning
Robert (Wei) Sun
Barry Edward Wyatt
Graeme Godsman Johnston

Share Registry *

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Ph: +61 8 9315 2333
Email: registrar@securitytransfer.com.au

Securities Exchange Listing

ASX Limited
(Perth Home Branch)
ASX Code: **FWL**

Company Secretary

Daniel Bredenkamp

Company Solicitor *

Jeremy Shervington

Ferrowest Registered Office

3 Camden Street
BELMONT WA 6104

Auditors *

HLB Mann Judd
Level 4, 130 Stirling St PERTH WA 6000
PH: +61 8 92277500

Ferrowest Contact Information

Telephone: +61 8 9277 2600
Facsimile: +61 8 9277 5303
Email: info@ferrowest.com.au
Website: www.ferrowest.com.au

* These parties are included for information purposes only. They have not been involved in the preparation of this Offer Document.

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2. GLOSSARY OF DEFINED TERMS

Capitalised terms in this Offer Document are defined terms. They have the following meanings:

Act means the *Australian Corporations Act 2001 (Cth)*

Applicant means a person who submits an original Entitlement and Acceptance Form

Application means the submission of an Entitlement and Application Form

ASX means the Australian Securities Exchange operated by ASX Limited

Closing Date means 5:00PM WST on 27 February 2015.

Company means Ferrowest Limited (ACN 074 009 091)

Directors means the directors of the Company

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and that are eligible to participate in the Offer under the terms specified herein.

Entitlement or **Entitlements** means the entitlement to subscribe for New Shares under this Offer

Entitlement and Acceptance Form means the form titled 'Entitlement and Acceptance Form' and that is accompanying this Offer Document

Listing Rules means the Listing Rules of the ASX

New Shares means a new Share proposed to be issued pursuant to this Offer

Offer means the offer of securities under the terms of this Offer Document

Offer Document means this Offer Document dated 2 February 2015

Opening Date means 11 February 2015

Record Date means 6 February 2015

Securities means the New Shares offered under the terms of this Offer Document

Share means an ordinary fully paid share in the capital of the Company

Shortfall means those New Shares proposed to be issued under the terms of the Offer that are not applied for by Shareholders under their Entitlement

Shortfall Offer means the offer for the Shortfall on the terms set out in Section 3.9 of this Offer Document

Shareholder means a holder of Shares of the Company

WST means Western Standard Time

3. DETAILS OF THE OFFER

3.1 The Offer

The Company is making a non-renounceable pro rata Offer of New Shares at an issue price of 0.5 cents per New Share on the basis of one (1) New Share for every two (2) Shares held by Shareholders on the Record Date (the Offer) to raise approximately \$562,050.

3.2 Use of Funds

The Company intends to apply the funds raised from the Offer (after costs) to:

- (a) Continued exploration of the Company's projects;
- (b) Investigation and due-diligence of new mineral project opportunities; and
- (c) For working capital purposes including the retirement of some debt.

Details of the proposed Use of Funds is set out in Section 5 of this Offer Document.

The costs of this Offer are estimated at \$8,050 if fully subscribed.

3.3 The Current Capital Structure of the Company

As at 2 February 2015, the Company had the following securities on issue:

- o 224,819,808 listed Shares (ASX Code: FWL);
- o 3,500,000 unlisted options (exercisable at 25 cents on or before 19 April 2015)
- o 1,078 unlisted convertible notes (redeemable in September 2015)

A person is not entitled to participate in the Offer by virtue of options or convertible notes held in the Company unless they choose to exercise those options or convert the convertible notes before the Record Date. The capital structure above may vary if any options are exercised or any convertible notes are converted prior to the Record Date. Any increase in the number of Shares on issue prior to the Record Date will increase the number of New Shares that may be issued under the terms of this Offer.

New Shares, upon issue, will be fully paid ordinary Shares that will rank equally with existing Shares.

The Company has applied to the ASX to have the New Shares quoted on the ASX under the existing ASX Code 'FWL'.

Where an Entitlement results in a fractional number of New Shares that fraction will be rounded up to the nearest whole number.

3.4 Effect of the Offer on the Capital Structure and Financial Position of the Company

Currently, an agreement approved by shareholders at the General Meeting in November 2014 ("the Funding Agreement") is yet to reach settlement as it is awaiting Chinese Government approvals that are expected in February 2015. Settlement will result in further shares being issued to TFA International Pty. Ltd. ("TFA") and existing convertible notes being converted to shares (Please refer to the ASX Announcement dated 30 April 2014 for details). As a consequence, two tables are provided below to show the changes to the capital structure of the Company as a result of the Offer being fully subscribed; one in relation to the current share structure and the other showing the cumulative result of the fully subscribed Offer being completed and then the Funding Agreement reaching settlement.

It should be noted that no shares will be issued pursuant to the Funding Agreement before the Record Date of this Offer. Therefore no entitlement will arise under this Offer in respect of the Shares that will be issued to TFA in the future under the terms of the Funding Agreement.

Capital Structure – Fully Subscribed Offer – Prior to Settlement of the Funding Agreement

Security Type	Before the Offer	Issued under the Offer	After the Offer
Shares (FWL)	224,819,808	112,410,000	337,229,808
Unlisted Options	3,500,000	-	3,500,000
Convertible Notes	1,078	-	1,078

Capital Structure – Fully Subscribed Offer – Following Settlement of the Funding Agreement

Security Type	Before the Offer	Issued under the Offer	After the Offer	After Settlement of the Funding Agreement
Shares (FWL)	224,819,808	112,410,000	337,229,808	510,525,410
Unlisted Options	3,500,000	-	3,500,000	3,500,000
Convertible Notes	1,078	-	1,078	198

If any current options are exercised or any convertible notes are converted prior to the record date the number of Shares on issue will increase and the number of options or convertible notes (as the case may be) will reduce. Also as a result of more existing Shares being on issue, the total number of New Shares being offered under the Offer will also increase.

The cash reserves of the Company will increase by approximately \$562,050.00 (before costs) if the Offer is fully subscribed.

3.5 Timetable for the Offer

The following timetable will apply in respect of the Offer:

Event	Timetable
Release of Offer Document, Appendix 3B & Section 708AA Notice to ASX	2 February 2015
Notice sent to Shareholders	3 February 2015
Ex Date (The date from which the Securities will trade without the Entitlement)	4 February 2015
Record Date (The date for determining Entitlements for Eligible Shareholders)	6 February 2015
Offer Document dispatched to Shareholders	11 February 2015
Rights Issue Opens	11 February 2015
Last date to extend the Offer Closing Date	24 February 2015
Closing Date* (5:00PM WST)	27 February 2015
Shares quoted on a deferred settlement basis*	2 March 2015
ASX notified of under subscriptions*	4 March 2015
Issue Date*	6 March 2015
Dispatch of holding statements*	6 March 2015

* Subject to compliance with the Listing Rules, the Directors reserve the right to extend the Closing Date and alter the balance of the timetable accordingly.

3.6 Entitlements and Acceptances

The Entitlement of Eligible Shareholders was determined on the Record Date based upon the Company's share register and your Entitlement is specified on the Entitlement and Acceptance Form.

Your acceptance must not exceed your maximum acceptance specified in the Entitlement and Acceptance Form although you may accept a lesser amount. Your Entitlement to apply for Securities under the terms of the Offer are non-renounceable and therefore you are not permitted to dispose of or transfer your Entitlement to another person and there will be no trading of Entitlements on the ASX.

If you do not wish to take up any part of your Entitlement, you are not required to take any action.

3.7 Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form and insert the number of New Shares which you wish to accept (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

3.8 Underwriting

This Offer is not underwritten.

3.9 Shortfall Offer

Any Entitlements not taken up by Eligible Shareholders will form part of a separate offer ('the Shortfall Offer') under which any available New Shares not taken up under the Offer can be placed at the Directors discretion at the same issue price as applied to the Offer.

The Directors reserve the right, under the terms of the Offer, to issue any Shortfall at their discretion.

Shareholders may make an application for Shortfall New Shares by completing the relevant section of the Entitlement and Acceptance Form accompanying this Offer Document.

Eligible Shareholders who wish to acquire more than their Entitlement should complete **both** their **Entitlement** section of the Entitlement and Acceptance Form (to ensure that they secure their Entitlement) and the **Shortfall** Offer section for any further Shares they wish to apply for from any available Shortfall.

Note – Small Entitlements

As many Entitlements provided under the Offer will be for investment amounts of less than \$500 in value, Eligible Shareholders in this situation, who are considering taking up their Entitlement, are encouraged to consider whether it would be appropriate to round up their shareholding with New Shares (using their Entitlement and a Shortfall Application) to at least a marketable parcel of \$500 or more. There is no obligation for Shareholders to take this approach and it will depend entirely on the Shareholder's personal circumstances. Please seek advice from your financial advisor if you are unsure.

Shortfall shares may be placed, entirely at the discretion of the Directors, to parties permitted to subscribe for shortfall shares under the Act and the terms of the Offer with the following limitations:

1. Shortfall shares will not be placed with Related Parties of the Company;
2. No one party shall be issued more shortfall shares, when combined with any other shareholding of ordinary shares in the Company, that would result in that party holding more than 15% of the total ordinary shares on issue at completion of the rights issue; and
3. In the event that there are applications for more shortfall shares from eligible shareholders than the directors determine to allot, then, subject to 1 and 2 above, the applications shall be scaled back on a pro-rata entitlement basis, where practicable, as determined by the Directors.

In the event that the Directors do not allot Shortfall New Shares in respect of any Shortfall Application or part thereof, then the application moneys in respect of any unsuccessful portion of the application will be refunded in full to the Applicant without interest in accordance with the requirements of the Act.

3.10 AFS Licensees

The Company will pay 5% commission in respect of any Shortfall Shares that are placed in respect of an Entitlement and Acceptance Form bearing the stamp of an AFS Licensee.

3.11 Opening and Closing of the Offer

The Offer will open on the Opening Date, 11 February 2015. Entitlement and Acceptance Forms (and the relevant application monies) will be accepted until 5:00PM WST on the Closing Date (currently 27 February 2015) or such other date as the Directors, in their absolute discretion may decide (subject to compliance with the Listing Rules).

3.12 Dispatch of Holding Statements

Holding Statements pursuant to the Offer are expected to be dispatched on the date specified in the timetable however this may change without notice. Shareholders who sell Securities before they receive their holding statements confirming their allotment do so at their own risk.

3.13 ASX Listing of the New Shares

The Company has made application to the ASX for quotation of the New Shares (ASX Code: FWL).

The fact that the ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the Securities being issued under this Offer.

New Shares will only be issued after ASX has granted permission for their quotation.

3.14 CHES and Issuer Sponsorship

The Company uses electronic sub-registers for its Shares and options and as a result the Company will not be issuing share certificates. Investors will receive a Holding Statement specifying their shareholdings following the completion of the Offer process.

The Company will allot the New Shares to either the CHES or Issuer Sponsored sub register based on the information provided by the Shareholder on the Entitlement and Acceptance Form.

3.15 Taxation Implications of the Offer

The Directors are unable to provide Shareholders advice on the taxation implications (if any) of investing in the Offer because each Shareholders' circumstances are different. Shareholders should seek advice from a professional taxation advisor before deciding to invest.

The Company, its Director, Officers and employees do not accept any responsibility or liability for any taxation consequences to Shareholders.

3.16 Effect on Control

The Company has lodged a 708AA Notice with ASX in accordance with the requirements of the Act, which advises, in part, the effect of this Offer on control of the Company.

The 708AA Notice is available on both the ASX and Company websites.

If all Shareholders take up their Entitlements in full, then the Offer will not diminish the voting power and shareholding of any Shareholder. If not all Shareholders take up their Entitlements in full, then those persons' voting power and relative percentage holding of the Company's Shares will be diluted accordingly.

The voting power and relative percentage holding of the Company's Shares for any Shareholder that is not an Eligible Shareholder will also be diluted.

TFA International Pty. Ltd. ("TFA") currently holds a 29.17% interest in the Company. This will increase to 60% following settlement of the Funding Agreement (see 3.4 for further details) approved by shareholders in November 2014.

It should be noted that no shares will be issued pursuant to the Funding Agreement before the Record Date of this Offer. Therefore no entitlement will arise under this Offer in respect of the Shares that will be issued to TFA in the future under the terms of the Funding Agreement.

TFA has indicated that it currently intends to invest in the Offer, proportionally to match the relative percentage take-up from the balance of the Shareholders.

TFA has also given a written undertaking not to increase its relative percentage holding (and therefore voting power) via the Offer.

3.17 Rights and Liabilities Attaching to New Shares

The New Shares will rank equally in all respects with existing Shares (including, for example, with respect to dividends, voting and bonus issues). The Company's Constitution sets out the full details of the rights and liabilities attaching to Shares. A copy of the Constitution of the Company is available for inspection at the Company's registered office during normal business hours.

3.18 Risk Factors

There are risks associated with the investment in securities, including investment in the Company's Shares. Accordingly before deciding to invest in the Company, investors should read the Offer Document in its entirety and consider their individual circumstances and investment objectives. The Directors urge potential investors to seek professional advice and pay particular attention to **Section 6** of the Offer Document headed "**Risk Factors**" and review ASX Announcements made by the Company before making any decision to invest in the Company.

3.19 Other Legal Matters

The lodgement of a completed Entitlement and Acceptance Form or a BPay application in accordance with this Offer Document creates a contract under Western Australian law. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia.

The Directors may, at any time, withdraw this Offer Document and the Offer. In such an event, any applications monies will be (without interest) returned to Applicants within 28 days of the Offer being withdrawn.

Persons holding Shares on behalf of persons residing in jurisdictions outside Australia or New Zealand are responsible to ensure that any Application made on behalf of such persons does not breach regulations in the relevant jurisdiction. Any Application will be taken by the Company to constitute a representation that the Application does not breach any such regulations.

Where a person holds Shares on behalf of a number of Shareholders, the Company will honour the underlying Entitlement where the person can show the name and beneficial Shareholding of the underlying Shareholder to the reasonable satisfaction of the Company's Share Registry.

3.20 Enquiries concerning this Offer Document

Enquiries concerning the Offer should be directed to the Company either by:

Phone on 08 9277 2600; or

Email on info@ferrowest.com.au

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of your Entitlement must be made on the original Entitlement and Acceptance Form provided with this Offer Document. Your acceptance must not exceed your Entitlement but may be some lesser portion. If your acceptance exceeds your Entitlement it will be deemed to be your maximum Entitlement only and the balance of any application monies (in excess of that required for your Entitlement) will be refunded to you.

Please note that if you wish to apply for more than your Entitlement, please complete the Shortfall Application section as well as your entitlement section on the Entitlement and Acceptance Form.

Allotment of New Shares under the Shortfall will be subject to their being a Shortfall available and the discretion of the Directors in allotting that Shortfall. In the event that your Shortfall application is unsuccessful the relevant application monies will be refunded in full, without interest, in accordance with the requirements of the Act.

To participate in the Offer:

1. Please complete the Entitlement and Acceptance Form (and if you wish to apply for more than your Entitlement, the Shortfall application section of the Entitlement and Acceptance Form);
2. Attach your cheque for the appropriate monies (at \$0.005 per New Share), made out to 'FERROWEST LIMITED SHARE ISSUE ACCOUNT' and crossed 'Not Negotiable'; and
3. Forward the Form(s) and cheque to :

By Mail to either: Ferrowest Limited
REPLY PAID 383
BELMONT WA 6984

In Person to: Ferrowest Limited
3 Camden Street
BELMONT WA 6104

Those Shareholders that elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and will not be required to return their completed Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms, the relevant application monies or payment by BPAY must be received by no later than 5:00PM (WST) on the Closing Date.

If you do not wish to participate in the Offer then you do not need to take any action.

5. PURPOSE OF THE OFFER AND USE OF FUNDS

On 19 December 2015, the Company announced an option to sell its Yogi Mine Project (please refer to the ASX announcement of that date for details). The proposed 'Use of Funds' detailed below is predicated on the assumption that the Yogi Mine Project will be sold.

Priority	Expenditure Item	Fully Subscribed	50% Subscribed
1	Costs of the Offer	\$8,050	\$7,025
2	Exploration of existing mineral projects	\$200,000	\$125,000
3	Investigation and due-diligence of new mineral projects	\$150,000	\$100,000
4	Debt Reduction	\$104,000	\$0
5	Working Capital Purposes	\$100,000	\$49,000
	Total	\$562,050	\$281,025

If the sale of the Yogi Mine Project is not approved by Shareholders, or in the event that Padbury does not exercise the option, it would be expected that a proportion of the proposed funding would be diverted to further exploration of the Yogi Mine Project in order to meet minimum holding costs and preserve the assets until an alternative arrangement can be determined.

If the Yogi Mine Project is sold, the Company will investigate the acquisition of new mineral project interests. The Board has determined that the current state of the market dictates that more advanced projects with a more defined route to production will be of primary interest to the Company. The Board believes that the timely application of funds now to identify and secure project opportunities will best place the Company to deliver solid growth in the short to medium term.

6. RISK FACTORS

6.1 General

The Securities offered under the terms of this Offer should be considered **speculative** because of the nature of the Company's business.

An investment in the Securities of the Company carries no guarantee with respect to the price at which the Securities will trade or any future capital returns or dividends.

The following is a summary of the more material matters to be considered in making an investment decision in regard to the Company's Securities but it is not an exhaustive list and needs to be considered in the context of the Company's announcements to the ASX. Investors should also consider this information in regard to their own personal investment objectives and are urged to seek professional advice before making any investment decision.

6.2 World Economic Situation

The world economy is currently experiencing a period of financial uncertainty. There are many external factors which may impact the future operations of the Company that are beyond its control. It is typical in uncertain financial periods that investment opportunities and investment risks both increase. External factors that need to be considered include currency fluctuations, interest rates, commodity prices and stock market share prices.

6.3 Exploration and Development

The business of exploration and mineral resource project development by its very nature contains significant risks. Mineral Resources and Reserves must be identified through exploration that may or may not be successful. Other factors such as security of tenure, operating and capital cost estimates, the appropriate physical state of minerals for recovery and the availability of development funding are all critical to the successful realisation of the Company's business plans.

Exploration expenditure by the Company may not result in identification in mineral Resources and Reserves and this may have a negative impact on the value of the Company's mineral tenement assets.

6.4 Environmental Risks

The exploration and mining industry has become subject to ever increasing environmental responsibility and liability. The potential liability for environmental issues is a constant part of doing business in the mining industry and changing government policy and legislation in respect to the environment can have a negative impact on the Company's business.

6.5 Land Access

Exploration and resource project development relies on access to prospective land. This access is governed by rights of tenure and other matters such as native title, heritage, other government approvals and the environment. Failure to be able to access the land or even periods of delay can have a negative impact on the Company's business.

6.6 Feasibility Study Risks

Studies are yet to determine if the Company's currently proposed projects will be technically, commercially and financially viable. If one or more of the Company's projects is not viable, then this may negatively impact the value of the Company's Securities.

6.7 Technology Risk

One of the Company's proposed projects, the Eradu MPI Project, proposes to use a new type of merchant pig iron manufacturing technology. This process may or may not be successful in the context of the Eradu MPI Project or it may suffer delays or the Company may not be able to access the rights to the technology at the time it is required. This would have a negative impact on the development of this project.

6.8 Funding Risk

The current world economic uncertainty has had a material affect on the availability of project development funding world wide. The Company has the need for short term operating funding while its projects are evaluated and studied, and in the future, the Company would need larger amounts of capital to develop projects into production. It is not possible to say at this time whether such funding will be available to the Company as and when it is required and on what terms. A lack of funding or undesirable funding terms may affect the future prospects of the Company and the value of its Securities on the ASX.

The Company currently does not have a source of income and therefore should this equity raising be unsuccessful and no Joint Venture, project sale or other agreements be secured in respect of the Company's projects to inject funds into the Company, then in such a confluence of negative outcomes, there would be uncertainty as to whether the Company will be able to realise the full potential of its business plans.

6.9 Ongoing Transactions

As described in Section 5, the Company has optioned the sale of the Yogi Mine Project. Whether this transaction concludes or not is yet to be determined. Depending on the outcome of this potential sale process, different risks exist for the different possible outcomes. For example, if Ferrowest sells the Yogi Mine Project it will have more cash, from which it will try to leverage new mineral project opportunities. These new opportunities may or may not be available to the Company on terms suitable to it. If Ferrowest retains the Yogi Mine Project, funds will be needed to sustain the assets of the project and these funds may be difficult to secure against an iron ore based project if iron ore prices remain weak.

While the Funding Agreement with TFA (described in Section 3.4) is currently proceeding toward settlement, it remains conditional on Chinese Government approvals that have not yet been received. If settlement proceeds, Company debt will be significantly reduced and Ferrowest will, in future, receive a potential dividend stream from its investment in a Chinese property development company. However, if Chinese Government approval is not forthcoming, the level of debt will remain unchanged and there will be no income forthcoming from the investment.

The investment in a property development company in China, while largely a passive investment, brings with it different risks, including but not limited to, property market risks such as property demand and construction risks, foreign jurisdiction risks and exchange rate risks.

These currently unresolved matters create certain risks and uncertainties that Shareholder should consider when assessing the future prospects of the Company and any decision to invest in the securities of the Company.

REGISTERED OFFICE:
3 CAMDEN STREET
BELMONT WA 6104
AUSTRALIA

FERROWEST LIMITED

ACN: 074 009 091

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd

All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»

Code:

Holder Number:

Eligible Holding as at 5.00pm WST
on 6 February 2015:

Entitlement to Securities 1:2:

Amount payable on acceptance
@ \$0.005 per Security:

NON-RENOUCEABLE SHARE OFFER CLOSING AT 5.00PM WST ON 27 FEBRUARY 2015

(1) I/We the above named being registered at 5.00pm WST on the 6 February 2015 as holder(s) of Shares in the Company hereby accept as follows:

	NUMBER OF NEW SHARES ACCEPTED/APPLIED FOR	AMOUNT ENCLOSED @ \$0.005 PER SHARE
Entitlement or Part Thereof	<input type="text"/> , <input type="text"/> , <input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
Additional new Shares*	<input type="text"/> , <input type="text"/> , <input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
TOTAL	<input type="text"/> , <input type="text"/> , <input type="text"/>	TOTAL \$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>

(* refer to the section 3.9 of the Offer Document)

- (2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).
- (3) I/We understand that if any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept this form, and how to construe, amend or complete it shall be final.
- (4) I/We authorise the Company to send me/us a substituted form if this form ceases to be current.
- (5) I/We declare that I/we have received a full and unaltered version of the Offer Document either in an electronic or paper format.
- (6) My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER
()

EMAIL ADDRESS

@

BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

You do not need to return this form if you have made payment via BPAY.

<p>PAYMENT INFORMATION - Please also refer to payment instructions overleaf.</p>		<p>REGISTRY DATE STAMP</p>
 <p>Billers code: 159483 Ref: EFT_REFERENCE_NUMBER</p>	<p>CHEQUE / MONEY ORDER</p> <p>All cheques (expressed in Australian currency) are to be made payable to FERROWEST LIMITED and crossed "Not Negotiable".</p>	
<p>BPAY® this payment via internet or phone banking. Your BPAY® reference number is unique to this offer and is not to be used for any other offer.</p>		<p>E & O.E.</p>

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LODGEMENT INSTRUCTIONS

PAYMENT INFORMATION



Billers code: 159483

BPAY® this payment via internet or phone banking.
Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

CHEQUE / MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd
PO Box 535, APPLECROSS WA 6953.

Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Securities and the price payable on acceptance of each Security.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Registrars Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email: registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.