



ABN 14 074 009 091

18 May 2009

## ASX Announcement

# SHARE PURCHASE PLAN

As previously advised to the market, Ferrowest Limited ("Ferrowest" or "the Company") currently has an offer open to eligible shareholders (those who held Ferrowest shares at 5:00PM (WST) on 22 April 2009) to participate in a Share Purchase Plan ("SPP") pursuant to which the Company plans to raise up to \$1,500,000 through the issue of up to 18,750,000 shares to eligible shareholders at a price of 8 cents per share.

The SPP is expected to close as planned at **5:00PM WST this Friday the 22<sup>nd</sup> of May 2009**. Applications received after the closing date will not be accepted.

Shareholders based on the east coast are advised that it is the Company's experience that mail to Western Australia from the east coast (even capital city to capital city) can take between two and five days. Therefore the Company urges east coast based shareholders that are intending to participate in the SPP to lodge their applications and monies as soon as practicable in order to avoid missing the Friday deadline.

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

### **The Yalgoo Iron Project - Outline**

Ferrowest Limited is developing the Yalgoo Iron Project aimed at producing seaborne traded merchant pig iron (96%Fe) from the Yogi magnetite deposit near Yalgoo in the mid west region of Western Australia. Proposed initial production is 1,000,000 tonnes per annum. The plan to process the iron ore to pig iron is premised on the ITmk3<sup>®</sup> technology and excellent existing infrastructure servicing the Project area. The resulting value added merchant pig iron product will be a relatively high margin, high quality, low volume product for export to quality electric arc furnace steel making plants worldwide.

### **The Western Haematite Prospect – Outline**

Ferrowest Limited has identified a potential zone of direct shipping ore ("DSO") grade haematite at its Yogi iron ore deposit 14 km east of Yalgoo in the mid west of Western Australia. The prospect is to the west of the main magnetite ore body that forms the basis of the Yalgoo Iron Project. With a surface expression of 2km in length and with varying widths up to 50m wide it has significant potential as a DSO project. Surface rock chip sampling along the Western Haematite Prospect produced an average grade of 57-58% Fe.

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