



ABN 14 074 009 091

**11 June 2010**

## **ASX Announcement**

### **NOTICE OF MEETING**

**It has become necessary for the Company to call a General Meeting on 14 July 2010.**

**Please find the Notice of Meeting and Proxy Form attached that has been dispatched to Shareholders today.**

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

# NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT



Date of Meeting: **Wednesday, 14 July 2010**  
Time of Meeting: **10am**  
Place of Meeting: **Unit 18, 28 Belmont Ave, BELMONT WA**

Notice is hereby given that a General Meeting of shareholders of Ferrowest Limited ("Ferrowest" or "the Company") will be held on Wednesday, **14 July 2010 at 10:00AM, at Unit 18, 28 Belmont Avenue, BELMONT, Western Australia** ("the Meeting").

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 12 July 2010 at 5:00PM (WST). The following agenda item to be considered at the Meeting is discussed in the Explanatory Statement to shareholders included in this Notice.

**To consider and, if thought fit, pass the following as an ordinary Resolution:**

**RESOLUTION 1 – APPROVAL FOR DIRECTORS AND RELATED PARTIES TO TAKE UP THEIR ENTITLEMENT UNDER THE OPTION ISSUE**

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Directors and related parties of the Company that were holders of listed options on the Record Date of 31 May 2010 be entitled to apply for and take up their pro-rata entitlement to new options under the option issue approved by members of the Company at a General Meeting held on 20 May 2010 on the same terms and conditions as the other option holders in that class and as set out in the Explanatory Statement accompanying this Notice of General Meeting, is approved."*

*For the purposes of Listing Rule 10.13.6, the Company will disregard any votes cast on this resolution by any Director or related party of the Company who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of an ordinary security holder, if the resolution is passed, and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of General Meeting.

Dated at Perth this 9<sup>th</sup> of June 2010.

By order of the Board of Directors.



Brett Manning  
Managing Director



## EXPLANATORY STATEMENT

### 1. INTRODUCTION

This Explanatory Statement is intended to provide shareholders with sufficient information to assess the merits of the Resolution contained in the accompanying Notice of General Meeting for Ferrowest Limited.

The Directors recommend that shareholders read this Explanatory Statement before determining whether to support the Resolution or otherwise.

Shareholders should note that all the Directors approved the proposal to put the Resolution to shareholders as outlined in the Notice of General Meeting and to prepare this Explanatory Statement.

### 2. DEFINITIONS USED IN THIS STATEMENT

**ASX** means ASX Limited.

**ASX Listing Rules** or **Listing Rules** means the official listing rules of ASX as amended from time to time.

**Board** means the board of Directors of the Company.

**Company or Ferrowest** means Ferrowest Limited (ABN 14 074 009 091).

**Corporation Act** means the Commonwealth *Corporations Act 2001* as amended from time to time

**Director** means a director of the Company as at date of the Notice of Meeting.

**Explanatory Statement** means the explanatory statement to the Notice.

**Meeting** or **General Meeting** means the meeting convened by the Notice.

**Notice** or **Notice of General Meeting** means the notice of meeting accompanying this Explanatory Statement.

**Offer** means the pro-rata offer of options approved by shareholders of the Company on 20 May 2010

**Resolution** means a shareholder resolution contained in the Notice.

### 3. INFORMATION RELATING TO RESOLUTION 1

On 20 May 2010, shareholders of the Company approved the pro-rata issue of new options to the holders of listed options ("the Offer").

On 21 May 2010 the ASX advised the Company in writing that:

*"ASX treats the Pro-rata Offer as akin to a placement because no exemption applies from listing rules 7.1 and 10.11. Given the Company is not seeking shareholder approval under listing rule 10.11 for the issue of securities under the Pro-rata Offer, related parties of the Company are prohibited from participating in the Pro-rata Offer."*

Listing Rule 10.11 requires shareholder approval of benefits to Directors and related parties of the Company.

There are a series of exceptions to Listing Rule 10.11 for circumstances where shareholder approval is not required. Relevantly, Listing Rule 10.12 Exemption 1 provides exemption from Listing Rule 10.11 where:

*"The person receives securities under a pro rata issue."*

On 24 May 2010 the Company wrote to ASX identifying that Listing Rule 10.12 Exception 1 applied to the Offer and that as a result Listing Rule 10.11 and 7.1 did not apply.

On 28 May 2010 the ASX advised the Company is writing that:

*"ASX has decided that in accordance with Listing Rule 19.2, the spirit and intent of listing rule 10.11 requires shareholder approval prior to related party participation in the Offer. The operation of listing rule 10.11 is at the least intended to be as stringent as that of listing rule 7.1."*

Listing Rule 19.2 allows ASX to determine the "spirit and intent" of any Listing Rule, as they have done on this occasion. Listing Rule 7.1, that ASX holds as the standard that Listing 10.11 should be compared with, also contains an exemption for Directors and related parties participating in a pro rata issue.

It is the Company's view that the drafting of the Listing Rules is such that it is not intended to make Directors and related parties clear an additional hurdle before being able to participate in a pro-rata offer on the same terms as other security holders and that the spirit and intent of Listing Rules 7.1 and 10.11 are consistent with that view.

However, the Listing Rules require the Company to comply with ASX rulings and therefore in order for Directors and related parties to be able to exercise their right to participate in the option issue, the Company has had to call a General Meeting to gain shareholder approval under Listing Rule 10.11.

Resolution 1, if passed, will provide such approval.

It should be noted that the securities held by Directors and related parties that have provided their entitlement in this instance were all purchased for cash under a pro-rata issue to shareholders or have since been purchased on the share market on normal commercial terms. For the avoidance of doubt, this entitlement does not apply to any options issued to Directors for nil consideration. Therefore the same financial price has been paid for this entitlement by Directors and related parties as any other shareholder.

Shareholders should also be aware that in accordance with the terms of the Listing Rules and the Offer, Directors and related parties are not permitted to participate in any shortfall placement of these options even if Resolution 1 is passed. This resolution only applies to the pro-rata entitlement of Directors and related parties.

#### **4. APPROVAL FOR DIRECTORS AND RELATED PARTIES TO TAKE UP THEIR ENTITLEMENT UNDER THE OPTION ISSUE – Resolution 1**

Resolution 1 of the Notice of General Meeting proposes approval for the Directors and related parties of the Company to apply for and be allotted their entitlement to new options under the Offer approved by shareholders at General Meeting on 20 May 2010.

If approval is granted by members in respect of the requirements of ASX Listing Rule 10.11 as proposed in Resolution 1, approval is not required under ASX Listing Rule 7.1. The parties to which Resolution 1 applies are considered "related parties" for the purposes of Listing Rule 10.11 and the issue of options to them constitutes a "financial benefit" for this purpose.

ASX Listing Rule 10.13 sets out the information to be provided to shareholders in the notice of meeting. In compliance with the information requirements of ASX Listing Rule 10.13 shareholders are advised of the following particulars in relation to the offer:

- (a) Number of securities proposed to be issued and allotted:  
Up to 5,810,050 options to Directors and related parties as detailed in (f) below for their pro-rata entitlement.
- (b) The date by which the Company will issue and allot the securities:  
The securities will be issued within five (5) business days of the close of the Offer and within 1 month of the date of the meeting.
- (c) Price at which the securities will be issued:  
The issue price is \$0.005 per option.
- (d) Terms of the securities:  
The option terms shall be as specified in the Notice of Meeting for the General Meeting of the Company held on 20 May 2010 which approved the Offer. Key terms are an exercise price of \$0.25 each on or before 28 June 2012.
- (e) The intended use of funds raised:  
Funds raised under the Offer, after expenses, will be used for exploration activities associated with the Company's projects and for working capital.

(f) Names of the allottees:

1. Allottee's Name 2. Relationship to the Company 3. Person(s) who would receive a benefit	Maximum Entitlement
<b>1. BL &amp; E Manning ATF The BL &amp; E Manning Superannuation Fund</b> 2. A related party of Brett Manning, a Director of the Company 3. Brett Manning	<b>61,500</b>
<b>1. Brett Manning</b> 2. A Director of the Company 3. Brett Manning	<b>255,000</b>
<b>1. GG &amp; MA Johnston ATF The G &amp; M Johnston Super Fund</b> 2. A related party of Graeme Johnston, a Director of the Company 3. Graeme Johnston	<b>2,312,500</b>
<b>1. Graeme Godsman Johnston</b> 2. A Director of the Company 3. Graeme Johnston	<b>5,000</b>
<b>1. Philip James Evers</b> 2. A Director of the Company 3. Philip Evers	<b>2,172,500</b>
<b>1. Irrawaddy Investments Pty Ltd &lt;Duffin Family A/C&gt;</b> 2. A related party of Robert Duffin, a Director of the Company 3. Robert Duffin	<b>500,000</b>
<b>1. Irrawaddy Investments Pty Ltd &lt;Wotron Pty Ltd S/F A/C&gt;</b> 2. A related party of Robert Duffin, a Director of the Company 3. Robert Duffin	<b>125,000</b>
<b>1. Kathleen Blanche Wyatt</b> 2. A related party of Barry Wyatt, a Director of the Company 3. Barry Wyatt	<b>33,000</b>
<b>1. Kirsten Christine Schweder</b> 2. A related party of Philip Evers, a Director of the Company 3. Philip Evers	<b>125,000</b>
<b>1. Margaret Anne Johnston</b> 2. A related party of Graeme Johnston, a Director of the Company 3. Graeme Johnston	<b>83,050</b>
<b>1. Eugenia Manning</b> 2. A related party of Brett Manning, a Director of the Company 3. Brett Manning	<b>137,500</b>
	<b>5,810,050</b>

**FERROWEST LIMITED**  
**PROXY FORM**



The Secretary  
Ferrowest Limited  
Reply Paid 383  
BELMONT WA 6984

I/We (full name) \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Ferrowest Limited, hereby appoint as my/our proxy

\_\_\_\_\_

of \_\_\_\_\_

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the general meeting of the Company to be held at **10:00AM on Wednesday, 14 July 2010** and at an adjournment thereof in respect of \_\_\_\_\_% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

	<b>RESOLUTION</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
<b>1</b>	Approval for Directors and related parties to take up their Option Entitlement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**INSTRUCTIONS AS TO VOTING**

If the <u>Chairperson of the meeting is appointed as your proxy</u> , or may be appointed by default <b>and you do not wish to direct your proxy how to vote</b> as your proxy in respect to the resolution, please place a mark in the box.	<input type="checkbox"/>
By marking this box, you acknowledge that the Chairperson of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and that votes cast by the Chairperson of the meeting other than as proxy holder will be disregarded because of that interest.	
If you do not mark the box, and you have not directed your proxy how to vote, the Chairperson cannot cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.	

***If the member is an individual or joint holder:***

\_\_\_\_\_  
Usual Signature

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

***If the member is a Company:***

Signed in accordance with the Constitution of the company in the presence of:

\_\_\_\_\_  
Director/Sole Director

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

\_\_\_\_\_  
Director/Secretary

## **INSTRUCTIONS ON RETURNING YOUR PROXY FORM**

### **MAILING**

Your Proxy may be posted to Ferrowest Limited using our **Reply Paid Service** (no need for a stamp) by posting the completed and signed Proxy Form to:

**The Secretary  
Ferrowest Limited  
Reply Paid 383  
BELMONT WA 6984**

### **HAND DELIVERY**

You may also deliver your Proxy Form to the Company's office prior to the date and time specified in the Notice of Meeting for lodging a Proxy Form by delivering the completed and signed Proxy Form during normal business hours to:

**Ferrowest Limited  
Unit 18, 28 Belmont Avenue  
BELMONT WA 6104**

### **FAXING**

You may also fax your Proxy Form to the Company's office prior to the date and time specified in the Notice of Meeting for lodging a Proxy Form on **08 9277 2655**.

### **NOTES**

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (Unit 18, 28 Belmont Avenue, BELMONT WA 6104) or sent by facsimile to that office on Fax: 08 9277 2655 to be received not less than 48 hours prior to the time of the meeting.
5. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution.
6. The Chairperson intends to vote all undirected proxies in favour of all resolutions.