



ABN 14 074 009 091

20 July 2010

ASX Announcement

OPTION ENTITLEMENT ISSUE

The Company is pleased to advise that its option entitlement issue to option holders closed last Friday (16 July 2010) significantly oversubscribed.

The maximum of \$134,457.80 was raised before costs. A total of 26,891,560 new options have been allotted today and holding statements will be dispatched tomorrow, once an ASX Code has been allocated. An Appendix 3B in respect of the new options is attached.

The Company thanks participating option holders for their ongoing support.

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

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

FERROWEST LIMITED

ABN

14 074 009 091

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 26,891,560 Options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Options exercisable at \$0.25 each on or before 28 June 2012 |

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No, new class of listed options</p>							
<p>5 Issue price or consideration</p>	<p>\$0.005 per Option</p>							
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To pursue the Company's exploration and feasibility study activities and to provide working capital.</p>							
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>20 July 2010</p>							
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="703 1240 987 1263">Number</th> <th data-bbox="995 1240 1402 1263">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 1274 987 1308">80,851,367</td> <td data-bbox="995 1274 1402 1308">Ordinary Fully Paid Shares</td> </tr> <tr> <td data-bbox="703 1375 987 1408">26,891,560</td> <td data-bbox="995 1375 1402 1408">Options exercisable at 25 cents each on or before 28 June 2012</td> </tr> </tbody> </table>	Number	+Class	80,851,367	Ordinary Fully Paid Shares	26,891,560	Options exercisable at 25 cents each on or before 28 June 2012	
Number	+Class							
80,851,367	Ordinary Fully Paid Shares							
26,891,560	Options exercisable at 25 cents each on or before 28 June 2012							

+ See chapter 19 for defined terms.

9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)

Number	+Class												
3,325,000	Options with exercise price of \$0.20 on or before 1 January 2011												
	Employee Options												
	<table border="1"> <thead> <tr> <th>Exercise Price</th> <th>Vesting Date</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>\$0.18</td> <td>21/08/08</td> <td>21/08/10</td> </tr> <tr> <td>\$0.18</td> <td>21/08/09</td> <td>21/08/11</td> </tr> </tbody> </table>	Exercise Price	Vesting Date	Expiry Date	\$0.18	21/08/08	21/08/10	\$0.18	21/08/09	21/08/11			
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\$0.18	21/08/08	21/08/10											
\$0.18	21/08/09	21/08/11											
84,000													
84,000													
	Employee Options												
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\$0.185	08/11/08	08/11/10											
\$0.185	08/11/09	08/11/11											
36,000													
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\$0.20	23/10/08	01/08/10											
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22,500													
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Exercise Price	Vesting Date	Expiry Date											
\$0.565	19/11/08	19/11/10											
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26,000													
19,500													
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Exercise Price	Vesting Date	Expiry Date											
\$0.205	23/10/08	23/10/10											
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12,000													
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\$0.21	6/08/09	6/08/11											
\$0.21	6/08/10	6/08/12											
\$0.21	6/08/11	6/08/13											
51,000													
38,250													
38,250													

	1,250,000	Unlisted Incentive Options with exercise price of \$0.47 on or before 31 January 2011
	1,250,000	Unlisted Incentive Options with exercise price of \$0.57 on or before 31 January 2011
	1,250,000	Unlisted Incentive Options with exercise price of \$0.67 on or before 31 January 2011
	1,725,000	Convertible Notes
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|--|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |

+ See chapter 19 for defined terms.

- 18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents
- Note: Security holders must be told how their entitlements are to be dealt with.
- Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺security holders
- 25 If the issue is contingent on ⁺security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do ⁺security holders sell their entitlements *in full* through a broker?
- 31 How do ⁺security holders sell *part* of their entitlements through a broker and accept for the balance?

32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

Attached

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

Attached

37 A copy of any trust deed for the additional ⁺securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

--

39 Class of +securities for which
quotation is sought

--

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date:20/7/10.....
(Director)

Print name: ..Brett Manning..
=====

+ See chapter 19 for defined terms.

FERROWEST LIMITED

20 LARGEST OPTION HOLDERS

As At 20 July 2010

Rank	Shareholder Name	Holding	%
1	JOHNSTON GRAEME + M	2,287,500	8.51%
2	EVERS PHILIP JAMES	2,167,500	8.06%
3	NATIONAL NOM LTD	1,625,000	6.04%
4	HIPETE PL	1,533,500	5.70%
5	CASSIDY MICHAEL + J E	1,402,000	5.21%
6	HIPETE PL	1,049,104	3.90%
7	TUXEDO INV PL	1,000,000	3.72%
8	MARTIN PLACE SEC STAFF S/	977,500	3.63%
9	MARTIN PLACE SEC NOM PL	800,000	2.97%
10	JARRETT DECLAN	558,000	2.08%
11	IRRAWADDY INV PL	500,000	1.86%
12	ALOIZOS JOHN + MURIEL P	495,000	1.84%
13	LIBBIE PL	436,450	1.62%
14	CARLTON ANTONY	433,538	1.61%
15	BURFORD MATTHEW DAVID	379,150	1.41%
16	ANDROMEDA ENTERTAINMENT P	370,247	1.38%
17	HIPETE PL	350,000	1.30%
18	SARGON ANDREW	345,000	1.28%
19	GOFFACAN PL	332,500	1.24%
20	KROON WILLIAM GEOFFREY	297,587	1.11%
		17,339,576	64.48%

DISTRIBUTION SCHEDULE

1 - 1,000	1
1,001 - 5,000	10
5,001 - 10,000	1
10,001 - 100,000	65
100,001 and Over	<u>55</u>
	132