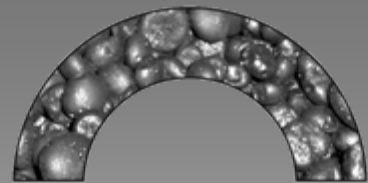


# ASX Announcement



**FERROWEST**  
LIMITED

5 February 2009

## **ALLOTMENT OF SHARES** **APPENDIX 3B AND SECTION 708A NOTICE**

Ferrowest Limited is pleased to announce that it has completed a placement of 4,000,000 ordinary fully paid shares at \$0.05 per share to raise an amount of \$200,000 that will be used as further working capital. These additional funds, combined with the operating cost reductions announced in the December 2008 Quarterly Report ensure the Company can continue to meet its business objectives of securing cornerstone investment and off-take agreements for the Yalgoo Iron Project and to advance negotiations in respect of the Western Haematite Project.

An Appendix 3B is attached detailing the placement of the shares.

Ferrowest Limited gives notice pursuant to Section 708A (5) of the Corporations Act 2001 (“the Act”).

The shares were issued without disclosure to investors under Part 6D.2, in reliance of Section 708A (5) of the Act.

Ferrowest Limited, as at the date of this notice, has complied with:

- (a) the provision of Chapter 2M of the Act as they apply to the Company; and
- (b) Section 674 of the Act.

As at the date of this notice, there is no “excluded information” (as defined in Section 708A (7) and (8) of the Act), required to be disclosed by the Company.

Yours sincerely,

**Brett Manning**  
Managing Director

# 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   | Ordinary Shares Fully Paid            |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 4,058,143 ordinary fully paid shares  |
| 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) | Equal with existing fully paid shares |

| <p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>Yes – Ordinary fully paid shares</p>   |        |                    |            |                            |            |   |
|---|---|--------|--------------------|------------|----------------------------|------------|---|
| <p>5 Issue price or consideration</p>   | <p>(a) 4,000,000 at \$0.05 per share<br/> (b) 9,578 at \$0.123 per share<br/> 48,565 at \$0.0519 per share</p>  |        |                    |            |                            |            |   |
| <p>6 Purpose of the issue<br/> (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>  | <p>(a) To fund working capital expenditure.<br/> (b) Interest conversion right on Convertible Note.</p>   |        |                    |            |                            |            |   |
| <p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>  | <p>5 February 2009</p>  |        |                    |            |                            |            |   |
| <p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>  | <table border="1"> <thead> <tr> <th data-bbox="695 1294 995 1328">Number</th> <th data-bbox="995 1294 1401 1328"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1328 995 1429">66,970,466</td> <td data-bbox="995 1328 1401 1429">Ordinary Fully Paid Shares</td> </tr> <tr> <td data-bbox="695 1429 995 1545">26,900,561</td> <td data-bbox="995 1429 1401 1545">Options exercisable at 25 cents each on or before 1 June 2010</td> </tr> </tbody> </table> | Number | <sup>+</sup> Class | 66,970,466 | Ordinary Fully Paid Shares | 26,900,561 | Options exercisable at 25 cents each on or before 1 June 2010 |
| Number  | <sup>+</sup> Class  |        |                    |            |                            |            |   |
| 66,970,466  | Ordinary Fully Paid Shares  |        |                    |            |                            |            |   |
| 26,900,561  | Options exercisable at 25 cents each on or before 1 June 2010   |        |                    |            |                            |            |   |

+ 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  |                |              |             |         |               |          |         |          |          |         |          |          |
|                | <b>Employee Options</b>  |                |              |             |         |               |          |         |          |          |         |          |          |
|                | <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>Date of grant</td> <td>21/08/09</td> </tr> <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  | Date of grant | 21/08/09 | \$0.18  | 21/08/08 | 21/08/10 | \$0.18  | 21/08/09 | 21/08/11 |
| Exercise Price | Vesting Date   | Expiry Date    |              |             |         |               |          |         |          |          |         |          |          |
| \$0.18         | Date of grant  | 21/08/09       |              |             |         |               |          |         |          |          |         |          |          |
| \$0.18         | 21/08/08   | 21/08/10       |              |             |         |               |          |         |          |          |         |          |          |
| \$0.18         | 21/08/09   | 21/08/11       |              |             |         |               |          |         |          |          |         |          |          |
| 112,000        |  |                |              |             |         |               |          |         |          |          |         |          |          |
| 84,000         |  |                |              |             |         |               |          |         |          |          |         |          |          |
| 84,000         |  |                |              |             |         |               |          |         |          |          |         |          |          |
|                | <b>Employee Options</b>  |                |              |             |         |               |          |         |          |          |         |          |          |
|                | <table border="1"> <thead> <tr> <th>Exercise Price</th> <th>Vesting Date</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>\$0.185</td> <td>Date of grant</td> <td>08/11/09</td> </tr> <tr> <td>\$0.185</td> <td>08/11/08</td> <td>08/11/10</td> </tr> <tr> <td>\$0.185</td> <td>08/11/09</td> <td>08/11/11</td> </tr> </tbody> </table> | Exercise Price | Vesting Date | Expiry Date | \$0.185 | Date of grant | 08/11/09 | \$0.185 | 08/11/08 | 08/11/10 | \$0.185 | 08/11/09 | 08/11/11 |
| Exercise Price | Vesting Date   | Expiry Date    |              |             |         |               |          |         |          |          |         |          |          |
| \$0.185        | Date of grant  | 08/11/09       |              |             |         |               |          |         |          |          |         |          |          |
| \$0.185        | 08/11/08   | 08/11/10       |              |             |         |               |          |         |          |          |         |          |          |
| \$0.185        | 08/11/09   | 08/11/11       |              |             |         |               |          |         |          |          |         |          |          |
| 48,000         |  |                |              |             |         |               |          |         |          |          |         |          |          |
| 36,000         |  |                |              |             |         |               |          |         |          |          |         |          |          |
| 36,000         |  |                |              |             |         |               |          |         |          |          |         |          |          |
|                | <b>Employee Options</b>  |                |              |             |         |               |          |         |          |          |         |          |          |
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| Exercise Price | Vesting Date   | Expiry Date    |              |             |         |               |          |         |          |          |         |          |          |
| \$0.20         | Date of grant  | 01/08/09       |              |             |         |               |          |         |          |          |         |          |          |
| \$0.20         | 23/10/08   | 01/08/10       |              |             |         |               |          |         |          |          |         |          |          |
| \$0.20         | 23/10/09   | 01/08/11       |              |             |         |               |          |         |          |          |         |          |          |
| 30,000         |  |                |              |             |         |               |          |         |          |          |         |          |          |
| 22,500         |  |                |              |             |         |               |          |         |          |          |         |          |          |
| 22,500         |  |                |              |             |         |               |          |         |          |          |         |          |          |
|                | <b>Employee Options</b>  |                |              |             |         |               |          |         |          |          |         |          |          |
|                | <table border="1"> <thead> <tr> <th>Exercise Price</th> <th>Vesting Date</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>\$0.565</td> <td>19/11/08</td> <td>19/11/10</td> </tr> <tr> <td>\$0.565</td> <td>19/11/09</td> <td>19/11/11</td> </tr> <tr> <td>\$0.565</td> <td>19/11/10</td> <td>19/11/12</td> </tr> </tbody> </table>      | Exercise Price | Vesting Date | Expiry Date | \$0.565 | 19/11/08      | 19/11/10 | \$0.565 | 19/11/09 | 19/11/11 | \$0.565 | 19/11/10 | 19/11/12 |
| Exercise Price | Vesting Date   | Expiry Date    |              |             |         |               |          |         |          |          |         |          |          |
| \$0.565        | 19/11/08   | 19/11/10       |              |             |         |               |          |         |          |          |         |          |          |
| \$0.565        | 19/11/09   | 19/11/11       |              |             |         |               |          |         |          |          |         |          |          |
| \$0.565        | 19/11/10   | 19/11/12       |              |             |         |               |          |         |          |          |         |          |          |
| 26,000         |  |                |              |             |         |               |          |         |          |          |         |          |          |
| 19,500         |  |                |              |             |         |               |          |         |          |          |         |          |          |
| 19,500         |  |                |              |             |         |               |          |         |          |          |         |          |          |
|                | <b>Employee Options</b>  |                |              |             |         |               |          |         |          |          |         |          |          |
|                | <table border="1"> <thead> <tr> <th>Exercise Price</th> <th>Vesting Date</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>\$0.205</td> <td>Date of grant</td> <td>23/10/09</td> </tr> <tr> <td>\$0.205</td> <td>23/10/08</td> <td>23/10/10</td> </tr> <tr> <td>\$0.205</td> <td>23/10/09</td> <td>23/10/11</td> </tr> </tbody> </table> | Exercise Price | Vesting Date | Expiry Date | \$0.205 | Date of grant | 23/10/09 | \$0.205 | 23/10/08 | 23/10/10 | \$0.205 | 23/10/09 | 23/10/11 |
| Exercise Price | Vesting Date   | Expiry Date    |              |             |         |               |          |         |          |          |         |          |          |
| \$0.205        | Date of grant  | 23/10/09       |              |             |         |               |          |         |          |          |         |          |          |
| \$0.205        | 23/10/08   | 23/10/10       |              |             |         |               |          |         |          |          |         |          |          |
| \$0.205        | 23/10/09   | 23/10/11       |              |             |         |               |          |         |          |          |         |          |          |
| 16,000         |  |                |              |             |         |               |          |         |          |          |         |          |          |
| 12,000         |  |                |              |             |         |               |          |         |          |          |         |          |          |
| 12,000         |  |                |              |             |         |               |          |         |          |          |         |          |          |
|                | <b>Employee Options</b>  |                |              |             |         |               |          |         |          |          |         |          |          |
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| Exercise Price | Vesting Date   | Expiry Date    |              |             |         |               |          |         |          |          |         |          |          |
| \$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 |
|    | 1,875,000  | Convertible Notes   |
|    | 1,875,000  | Unlisted Options (30 June 2010); \$0.60   |
| 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  |  |

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+ See chapter 19 for defined terms.

- 18 Names of countries in which the entity has <sup>+</sup>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 <sup>+</sup>security holders
- 25 If the issue is contingent on <sup>+</sup>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 <sup>+</sup>security holders sell their entitlements *in full* through a broker?
- 31 How do <sup>+</sup>security holders sell *part* of their entitlements through a broker and accept for the balance?

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

33 <sup>+</sup>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 <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>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

37  A copy of any trust deed for the additional <sup>+</sup>securities

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+ 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

|  |
|--|
|  |
|--|

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)

|  |
|--|
|  |
|--|

|   | Number | +Class |
|---|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including 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: .....05/02/09.....  
(Director)

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

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+ See chapter 19 for defined terms.