

FERROWEST
LIMITED

ACN 074 009 091

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

Date of Meeting: **30 November 2015**

Time of Meeting: **9:00AM**

Place of Meeting: **Level 1, 914 Hay Street, PERTH, WA**

Notice is hereby given that the Annual General Meeting of Shareholders of Ferrowest Limited ("Ferrowest" or "the Company") will be held on **Monday, 30 November 2015** at 9:00AM, at **Level 1, 914 Hay Street, PERTH, 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 28 November 2015 at 5.00pm WST. The following agenda items are to be considered at the Meeting and Resolutions 1 to 3 inclusive are discussed in the Explanatory Statement to shareholders included in this Notice.

FINANCIAL AND OTHER REPORTS

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report of Ferrowest Limited for the year ended 30 June 2015.

RESOLUTIONS

To consider and, if thought fit, pass the following as ordinary Resolutions:

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company's 2015 Annual Report for the financial year ended 30 June 2015 be adopted."

Please Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.

Voting Exclusion Statement:

Pursuant to section 250R(4) of the Corporations Act, the Company is required to disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of any of the following persons:

- (a) member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or*
- (b) a Closely Related Party of such a member (together "prohibited persons").*

However, the Company will not disregard a vote if:

- (a) the prohibited person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and*
- (b) the vote is not cast on behalf of a prohibited person.*

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BRYAN KEVIN HUGHES

“To elect to the office of director of the Company, Mr. Bryan Kevin Hughes, who retires by rotation in accordance with the Constitution of the Company and being eligible, offers himself for re-election.”

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – BARRY EDWARD WYATT

“To elect to the office of director of the Company, Mr. Barry Edward Wyatt, who retires by rotation in accordance with the Constitution of the Company and being eligible, offers himself for re-election.”

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

Dated at Perth this 21st day of October, 2015

By order of the Board of Directors

A handwritten signature in black ink, appearing to read "Brett Manning". The signature is stylized with a large, looping initial "B" and a long, sweeping underline.

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 Resolutions contained in the accompanying Notice of Annual General Meeting for Ferrowest Limited.

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

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

2. DEFINITIONS USED IN THIS STATEMENT

Act means the *Corporations Act 2001 (Cth)*, as amended from time to time.

ASIC means Australian Securities and Investment Commission.

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).

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

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

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Resolution means a shareholder resolution contained in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

WST means Western Australian Standard Time

3. 2015 ANNUAL REPORT

In accordance with the requirements of the Company's Constitution and the Act, the 2015 Annual Report will be tabled at the Meeting. Shareholders will have the opportunity to discuss the Annual Report, make comments and raise any questions in relation to the report. There is no requirement for a formal resolution on this item.

Representatives from the Company's auditors, HLB Mann Judd, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

4. ADOPTION OF THE REMUNERATION REPORT – Resolution 1

The Act requires that a resolution be put to the shareholders that the Remuneration Report be adopted at the annual general meeting of a listed company. The resolution is advisory only and does not bind the Directors of the Company. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the 2015 Annual Report of the Company for the financial year ended 30 June 2015.

The Act states that if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and the same occurs again at the Company's 2016 Annual General Meeting, the Company will be required to put a resolution to Shareholders proposing the calling of an extraordinary General Meeting to consider the appointment of directors of the Company (a "Spill Resolution").

If more than 50% of the Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (the "Spill Meeting") within 90 days of the Company's 2016 Annual General Meeting. All of the directors who were in office when the Company's 2016 Directors Report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Special Proxy Appointment Considerations

Pursuant to the Act, if you elect to appoint the Chair, or another member of the Key Management Personnel or any Closely Related Party (defined below) as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the Chair, or another member of the Key Management Personnel or Closely Related Party on how to vote on this Resolution 1, the proxy is prevented by the Act from exercising your vote and your vote will not be counted in relation to Resolution 1.

A member of the Company that is Key Management Personnel or a Closely Related party is not permitted to vote on Resolution 1. Please refer to the Voting Exclusions Statement accompanying Resolution 1 in this Notice.

Critical Definitions

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Closely Related Party of the Key Management Personnel means:

- (a) A spouse or child of Key Management Personnel;
- (b) A child of the Key Management Personnel's spouse;
- (c) A dependent of the Key Management Personnel or the Key Management Personnel's spouse;
- (d) Anyone else who is one of the Key Management Personnel's family and may be expected to influence the Key Management Personnel, or be influenced by the Key Management Personnel, in the member's dealing with the entity;
- (e) A company the Key Management Personnel controls; or
- (f) A person prescribed by the Corporations Regulations 2001 (Cth) to be a Closely Related Party of the Key Management Personnel.

Remuneration Report means the remuneration report set out in the Directors' Report section of the Company's 2015 Annual Report for the year ended 30 June 2015.

5. ELECTION OF DIRECTOR – BRYAN KEVIN HUGHES – Resolution 2

Shareholders will be asked to consider the ordinary Resolution 2 to elect to the office of Director Mr. Bryan Kevin Hughes who retires by rotation in accordance with Rule 11.2 of the Constitution and being eligible, offers himself for re-election.

Rule 11.2 provides that one third of the Directors, other than the Managing Director must resign by rotation at each Annual General Meeting of the Company.

A brief background of Mr. Hughes follows:

Mr. Bryan Kevin Hughes

Appointed 18 April 2012

Bryan is Chairman of the Board and a member of the Company's Audit Committee.

He is a Chartered Accountant with over 28 years' experience in the corporate and resources sectors. He has been the Managing Director of Pitcher Partners, Perth (and its preceding companies) for the last 18 years and during that time has been a member of, and consulted to, many Boards.

Bryan has overseen, and facilitated, the raising of significant amounts of capital, and played a pivotal role in the launching of some highly successful resource companies, such as Western Areas, Sinosteel Midwest Corporation, and Consolidated Minerals. He has expertise in resource project assessment, development and operations.

Further information about Mr. Hughes is available on the Company's website at www.ferrowest.com.au

6. ELECTION OF DIRECTOR – BARRY EDWARD WYATT – Resolution 3

Shareholders will be asked to consider the ordinary Resolution 3 to elect to the office of Director Mr. Barry Edward Wyatt who retires by rotation in accordance with Rule 11.2 of the Constitution and being eligible, offers himself for re-election.

Rule 11.2 provides that one third of the Directors, other than the Managing Director must resign by rotation at each Annual General Meeting of the Company.

A brief background of Mr. Wyatt follows:

Mr. Barry Edward Wyatt

Appointed 16 May 1996

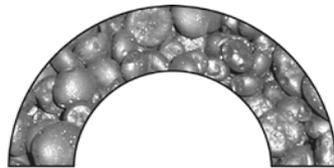
Barry is a member of the Audit Committee.

He has a Bachelor of Civil Engineering degree, previously was a member of both the Institute of Engineers Australia and the Australasian Institute of Mining and Metallurgy and was a foundation member and Fellow of the Institute of Arbitrators and Mediators Australia.

He has over 40 years' experience in engineering design and project management and was President of the Northern Territory Master Builders Association for three years at the time of Cyclone Tracy.

Further information about Mr. Wyatt is available on the Company's website at www.ferrowest.com.au

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FERROWEST
LIMITED

Phone: 08 9277 2600

Web: www.ferrowest.com.au

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 (3 Camden Street, BELMONT WA 6104) or sent by facsimile to that office on Fax: 08 9277 5303 to be received not less than 48 hours prior to the time of the Annual General Meeting.
5. Signing Instructions

Individual: where the holding is one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting.

6. The Chair of the Annual General Meeting intends to vote all undirected proxies in favour of the resolutions where he or she is entitled to cast such votes.
7. Reply paid postal address (no stamp required):

Ferrowest Limited
Reply Paid 383
BELMONT WA 6984