



NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of FerrAus Limited (ACN 097 422 529) will be held in the Board Room at Ground Floor, 60 Hindmarsh Square, Adelaide, South Australia on Friday, 17 September 2010 at 9.00 am (Adelaide time).

Special Business

Resolution 1 - Approval of previous issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and all other purposes, the issue and allotment by the Company of 25,047,939 Shares, at an issue price of \$0.86 per Share, to Wah Nam International Australia Pty Ltd, a wholly-owned subsidiary of Wah Nam International Holdings Ltd, on 28 June 2010, is approved.”

Resolution 2 - Approval of issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, the issue and allotment by the Company of 3,005,753 Shares, at an issue price of \$0.86 per Share, to Union Park Company Limited, a wholly-owned subsidiary of China Railway Materials Commercial Corporation, on the terms and conditions set out in the Explanatory Notes accompanying the notice of this meeting, is approved.”

Explanatory Notes

The Explanatory Notes accompanying this Notice of Extraordinary General Meeting are incorporated in and comprise part of this Notice of Extraordinary General Meeting, and should be read in conjunction with this Notice.

Shareholders are specifically referred to the Glossary in the Explanatory Notes which contains definitions of capitalised terms used both in this Notice of Extraordinary General Meeting and the Explanatory Notes.

Voting Exclusions

Resolution 1

The Company will disregard any votes cast on Resolution 1 by Wah Nam International Australia Pty Ltd and any associate of Wah Nam International Australia Pty Ltd, including Wah Nam International Holdings Ltd. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or



- (b) 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 relevant proxy form to vote as the proxy decides.

Resolution 2

The Company will disregard any votes cast on Resolution 2 by Union Park Company Limited, any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any of their respective associates, including China Railway Materials Commercial Corporation. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) 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 relevant proxy form to vote as the proxy decides.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Please read carefully the instructions on the enclosed Proxy Form and consider how you wish to direct the proxy to vote on your behalf. You may direct the proxy to vote "for" or "against" or to "abstain" from voting or you may leave the decision to the appointed proxy after discussion at the meeting.

To record a valid vote Shareholders will need to complete and lodge the Proxy Form (and the power of attorney or other authority (if any) under which it is signed, or a certified copy of it) at the share registry of the Company, Computershare Investor Services Pty Ltd, at any of the following addresses, by no later than 48 hours before the time for the holding of the meeting.

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne, Victoria 3001

Fax number (within Australia): 1800 783 447
Fax number (outside of Australia): +61 3 9473 2555

For intermediary online subscribers only (Custodians): www.intermediaryonline.com

“Snap-shot” Time

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting. The Company’s directors have determined that all Shares of the Company that are quoted on ASX as at 7.00pm CST on 16 September 2010 shall, for the purposes of determining voting entitlements at the Extraordinary General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Extraordinary General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company and/or registry in advance of the Extraordinary General Meeting or handed in at the meeting when registering as a corporate representative.

Dated 11 August 2010

**BY ORDER OF THE BOARD
FERRAUS LIMITED**

A handwritten signature in black ink, appearing to be "Christopher Hunt", written over a faint, irregular scribble.

**CHRISTOPHER HUNT
COMPANY SECRETARY**

Voting

A Proxy Form is enclosed with this Notice.

EXPLANATORY NOTES

1 Introduction

These Explanatory Notes set out information in connection with the business to be considered at the Extraordinary General Meeting of Shareholders to be held in the Board Room at Ground Floor, 60 Hindmarsh Square, Adelaide, South Australia on Friday, 17 September 2010 at 9.00 am (Adelaide time).

These Explanatory Notes should be read in conjunction with the Notice of Extraordinary General Meeting. Capitalised terms in these Explanatory Notes are defined in the Glossary.

2 Resolution 1: Approval of previous issue of Shares

2.1 Background

Resolution 1 seeks shareholder approval under ASX Listing Rule 7.4 to the issue and allotment of 25,047,939 Shares to Wah Nam International Australia Pty Ltd.

Wah Nam International Australia Pty Ltd is a wholly-owned subsidiary of Wah Nam International Holdings Ltd, a Hong Kong listed investor with an existing substantial iron ore investment in the Pilbara region of Western Australia.

The placement to Wah Nam International Australia Pty Ltd was completed at A\$0.86 per Share, which represents an 8% premium to the closing share price of the Company's Shares on ASX on the day before the subscription agreement was entered into and has provided the Company with an additional A\$21.5 million to further progress its feasibility studies and exploration programs.

The placement of 25,047,939 Shares represented approximately 14% of the Company's issued share capital at the time of issue.

2.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of Shareholders is required for the issue of equity securities if the equity securities will, when aggregated with the equity securities issued by the Company during the previous 12 months, exceed 15% of the number of equity securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 states that an issue by a company of equity securities made without prior approval under Rule 7.1 is treated as having been made with approval for the purpose of Rule 7.1 if the issue did not breach Rule 7.1 and the Company's members subsequently approve it.

The Share issue to Wah Nam International Australia Pty Ltd came within the Company's 15% placement limit under ASX Listing Rule 7.1 and shareholder approval was not required in relation to the issue. This Share issue has, however, used up the majority of the Company's 15% placement limit under ASX Listing Rule 7.1.

Accordingly, in order to refresh the Company's capacity under ASX Listing Rule 7.1, Resolution 1 seeks approval by Shareholders of the issue of the 25,047,939 Shares to Wah Nam International Australia Pty Ltd for the purposes of ASX Listing Rule 7.4. If Resolution 1 is passed then those Shares will be deemed to have been issued with Shareholder approval and will not be counted towards the 15% limit prescribed by ASX Listing Rule 7.1.

Resolution 1 is to be considered as an ordinary resolution.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purposes of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of securities issued under the placement was 25,047,939 Shares;
- (b) the issue price for the securities was \$0.86 per Share;
- (c) the Shares were allotted as fully paid and rank equally with the existing Shares on issue;
- (d) the Shares were issued and allotted to Wah Nam International Australia Pty Ltd, a wholly-owned subsidiary of Wah Nam International Holdings Ltd; and
- (e) funds raised from the issue have been and will be used to progress the company's feasibility studies and its exploration program.

If Resolution 1 is not passed, the Shares the subject of the Resolution 1 will be counted towards the 15% limit under ASX Listing Rule 7.1 for a period of 12 months from the date of issue of those Shares.

3 Resolution 2: Approval of issue of Shares to Union Park Company Limited

Resolution 2 seeks Shareholder approval to the subscription by Union Park Company Limited (**UPC**) of 3,005,753 Shares at an issue price of A\$0.86 per Share.

3.1 Background

On 7 September 2009 the Company entered into a Share Subscription Agreement (**UPC Subscription Agreement**) with UPC, a Hong Kong incorporated company and wholly-owned subsidiary of China Railway Materials Commercial Corporation (**CRM**), a company incorporated in People's Republic of China.

Pursuant to the UPC Subscription Agreement and following shareholder approval at the Company's 2009 Annual General Meeting, the Company issued and allotted to UPC 22,940,664 Shares at \$0.55 per Share, representing 12% of the Company's fully diluted share capital as at the time of issue.

Also on 7 September 2009, the Company entered into a Co-operation and Support Agreement (**Co-operation and Support Agreement**) and a non-binding Strategic Alliance Agreement (**Strategic Alliance Agreement**) with CRM.



The Co-operation and Support Agreement provides that the Company and CRM will co-operate and mutually seek to develop other potential iron ore resource opportunities in the Eastern Pilbara region of Western Australia with the intention of assembling a sufficient quantity of quality iron ore resources to support the financing and construction of rail and port infrastructure necessary for the development of the iron ore resources assembled.

Pursuant to the Strategic Alliance Agreement, it was agreed between the Company and CRM, on a non-binding basis, that CRM would assist the Company in sourcing financing for construction of supporting rail infrastructure for the Company's East Pilbara Iron Ore projects, in consideration of which CRM would receive a substantial entitlement to iron ore offtake from the Company's East Pilbara iron ore projects at market terms to be negotiated.

As a key component of the intended strategic co-operation between the Company and CRM, Mr Guoping Liu, Vice President of CRM, was appointed to the Board on 15 December 2009.

A further fundamental component of the strategic co-operation between the Company and CRM is the right given to CRM (via UPC) to maintain a significant shareholding in the Company. The UPC Subscription Agreement provides that if the Company issues further Shares (**Share Issue**), UPC will have the right, but not the obligation, to subscribe for up to an additional number of Shares that is equal to 12% of the number of Shares issued under the Share Issue at the same issue price as those Shares were issued or, in the case of Shares issued on conversion of convertible securities, at the volume weighted average sale prices of Shares sold on ASX during the 10 ASX trading days preceding the date of the Company notifying UPC of the Share Issue (**Right**).

The Right is subject to certain conditions, including UPC remaining a wholly owned subsidiary of CRM, UPC having fully exercised the Right on each previous occasion, UPC not disposing of any Shares subscribed by it on any previous operation of the Right and the parties obtaining all necessary regulatory and shareholder approvals in a timely manner and not later than 90 days after exercise of the Right (including approvals required under the *Foreign Acquisitions and Takeovers Act 1975* and all necessary Chinese regulatory approvals).

ASX has granted a waiver of ASX Listing Rule 6.18 in relation to the Right.

The recent Share Issue to Wah Nam International Australia Pty Ltd, as detailed in Resolution 1, triggered the Right, thereby giving UPC the right to acquire an additional 3,005,753 Shares at \$0.86 per Share for a total subscription price of approximately \$2.58 million (subject to the parties obtaining all necessary shareholder and regulatory approvals in relation to this). UPC has exercised this Right in full (subject to obtaining those approvals).

Other than obtaining all necessary shareholder and regulatory approvals, all other conditions to the exercise of this right have been satisfied.

UPC's shareholding in the Company following the issue of the 3,005,753 Shares to it would be 11.76% of the Company's fully diluted share capital.

3.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue any equity securities during a 12 month period if the number of those securities exceeds 15% of the number of issued fully paid ordinary securities 12 months before the date of issue, without shareholder approval.

The Company seeks approval under ASX Listing Rule 7.1 to the issue and allotment of 3,005,753 Shares to UPC, such that those Shares will not be counted towards the 15% limit.

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the maximum number of Shares that may be issued and allotted to UPC is 3,005,753;
- (b) the Shares will be issued and allotted within 5 business days of the Company and UPC obtaining all required shareholder and regulatory approvals, and in any case no later than 3 months after the date of the meeting;
- (c) the issue price for the Shares is A\$0.86 per Share;
- (d) the allottee of the Shares will be UPC;
- (e) each Share will be fully paid and will rank equally in all respects with the existing Shares on issue; and
- (f) it is intended that funds raised by the issue of the Shares will be used for the Company's ongoing general corporate and working capital requirements, including to progress the company's feasibility studies and its exploration program.

If Resolution 2 is not passed, but all other necessary regulatory approvals are obtained and Resolution 1 is passed, then if the Company has capacity under its 15% limit under ASX Listing Rule 7.1 and to the extent it is otherwise permitted under the ASX Listing Rules, the Company will issue and allot the 3,005,753 Shares to UPC. If so, those Shares will be counted towards that 15% limit for a period of 12 months from the date of issue of the Shares.

Recommendation of Directors

Each Director recommends and commends Resolution 2 to Shareholders as being in the best interests of the Company as a whole. The Directors voted unanimously in favour of recommending the Resolution 2 to Shareholders. Mr Guoping Liu, a Director, is the Vice President of CRM and Chairman of the Board of UPC.



Glossary

“ASX” means ASX Limited ACN 008 624 691.

“ASX Listing Rules” means the official listing rules of ASX.

“Board” means the board of Directors.

“Class B Performance Shares” means the performance shares in the capital of the Company that will each automatically convert into one Share on the achievement of certain milestones.

“Company” means FerrAus Limited ACN 008 624 691.

“Corporations Act” means Corporations Act 2001 (Cth).

“Director” means a director of the Company.

“Option” means an option to subscribe for one unissued Share.

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

“Shareholder” means a holder of a Share.

Lodge your vote:**By Mail:**

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 FRS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

 **For your vote to be effective it must be received by 9:00am (Adelaide time) Wednesday 15 September 2010**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

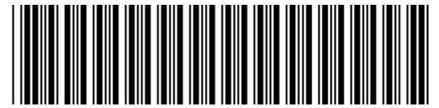
SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of FerrAus Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of FerrAus Limited to be held at the Board Room at Ground Floor, 60 Hindmarsh Square, Adelaide, South Australia on Friday, 17 September 2010 at 9:00am (Adelaide time) and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of previous issue of Shares to Wah Nam International Australia Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of Shares to Union Park Company Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____

FRS

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Computershare +