FERROWEST
LIMITED

ABN 14 074 009 091

20 June 2011

ASX Announcement

ALLOTMENT OF SHARES
APPENDIX 3B AND SECTION 708A NOTICE

The Company is pleased to advise that it has completed the issue and allotment of the initial securities issued pursuant to the Share Purchase and Convertible Security Agreement announced to the market earlier today.

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

Ferrowest Limited gives this notice pursuant to Section 708A (5)(e) of the *Corporations Act 2001(Cth)* ("the Act").

The shares were issued without disclosure to the investor 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

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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 Fully Paid Shares (Ordinary Shares) Unlisted options over Ordinary Shares (Options) Unlisted convertible security (Convertible Security)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1,048,256 Ordinary Shares 1,500,000 Options $250,000 Convertible Security

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)	<u>Ordinary Shares</u> Ordinary Shares will rank pari passu with existing Ordinary Shares <u>Options</u> The Options will exercisable at $0.1967 per Option into Ordinary Shares on or before 21 December 2013 <u>Convertible Security</u> The amount of the Convertible Security is $250,000 (Amount) The Convertible Security is unsecured and non-interest bearing with a redemption date, if not converted into Ordinary Shares, of 21 December 2013 On conversion, the Convertible Security shall convert into new Ordinary Shares of the Company determined by dividing the Amount to be converted by the lesser of: - a premium of the average of the daily VWAPs per Share for a specified period prior to 17 June 2011; and - a discount to the VWAP per Share during a specified period prior to the conversion date of the Convertible Security. The Convertible Security does not carry any voting rights at meetings of shareholders of the Company and the Convertible Security holder has no right of participation in any rights issue undertaken by the Company prior to conversion of the Convertible Security.

4	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	Yes – The Ordinary Shares rank pari passu with existing Ordinary Shares The Options will not be quoted. On exercise of the Options, the Ordinary Shares will rank pari passu with existing Ordinary Shares On conversion of the Convertible Securities, the Ordinary Shares issued will rank pari passu with the existing Ordinary Shares .
5	Issue price or consideration	Ordinary Shares - $129,250 Options – Options are issued for nil consideration Convertible Security - $250,000
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets	The Ordinary Shares and Options were issued to secure the Share Purchase and Convertible Security Agreement, details of which were announced to the market on 20 June 2011 The purpose of the issue is to provide funding to the Company for working capital purposes. .
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	20 June 2011

8 Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
97,799,597	Ordinary Fully Paid Shares
26,891,560	Options exercisable at 25 cents each on or before 28 June 2012

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 2012
1,500,000	Options with exercise price of $0.1967 on or before 21 December 2013
725,000	Convertible Notes
1	$250,000 Convertible Security

Employee Options

Number	Exercise Price	Vesting Date	Expiry Date
84,000	$0.18	21/08/09	21/08/11

Employee Options

Number	Exercise Price	Vesting Date	Expiry Date
36,000	$0.185	08/11/09	08/11/11

Employee Options

Number	Exercise Price	Vesting Date	Expiry Date
22,500	$0.20	23/10/09	01/08/11

Employee Options

Number	Exercise Price	Vesting Date	Expiry Date
19,500 19,500	$0.565	19/11/09	19/11/11
12,000	$0.565	19/11/10	19/11/12

Employee Options

Number	Exercise Price	Vesting Date	Expiry Date
51,000 38,250 38,250	$0.205	23/10/09	23/10/11

Employee Options

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

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	
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 (Ordinary Shares only)

(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

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)	

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

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: .... (Director) Date: 20 June 2011

Print name: ..Brett Manning..

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