



**washington**

## WASHINGTON RESOURCES LIMITED

ABN 58 097 532 137

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# PROSPECTUS – FCL ACQUISITION

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**For an offer to issue to shareholders of Ferrum Crescent Limited ACN 128 777 444 (“FCL”) up to 102,000,000 WRL shares in consideration for the acquisition of all shares in FCL on the basis of 12 WRL shares for every 10 FCL shares held by FCL shareholders; and**

**For an offer to issue to optionholders of FCL up to 52,187,500 WRL options in consideration for the acquisition of all options in FCL on the basis of 1 WRL option for every FCL option held by FCL optionholders.**

**The offers under this Prospectus are subject to the satisfaction of a number of conditions, and to the merger agreement not otherwise having been, or being terminated by either WRL or FCL, and are therefore conditional offers. No securities will be issued pursuant to this Prospectus unless and until the conditions are satisfied or waived.**

### **Important Notice**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares and Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares and Options offered by this Prospectus should be considered as speculative.

# WASHINGTON RESOURCES LIMITED

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## **Important Notice**

This Prospectus is dated 30 September 2009. A copy of this Prospectus was lodged with the ASIC on 30 September 2009. The ASIC and ASX takes no responsibility for the contents of this Prospectus.

No Shares or Options will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will be made within seven (7) days after the date of this Prospectus for permission for Shares and Options offered by this Prospectus to be listed for Quotation.

Applications for Shares or Options offered pursuant to this Prospectus can only be submitted on an original Acceptance and Application Form which accompanies this Prospectus. If you are an FCL Shareholder or Optionholder and did not receive a personalised Acceptance Form, please contact the Company on (08) 9485 0755. By making an Application, shareholders and optionholders declare that they were given access to the Prospectus together with an Acceptance Form.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No person is authorised to give information or make any representations in connection with this Prospectus which is not contained in this Prospectus. Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to transfer their securities in FCL and apply for Shares or Options. There are risks associated with an investment in Washington Resources Limited and the Shares and Options offered under this Prospectus must be regarded as a speculative investment. The Shares and Options offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares or Options.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors whom potential investors may consult.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 13 of this Prospectus.

The Corporations Act prohibits any person from passing onto another person an Acceptance Form unless it is attached to a hard copy of this Prospectus or if it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

## **Exposure period**

The Corporations Act 2001 (Cth) prohibits the acceptance of an application for, or issue of, securities under this Prospectus in the seven day period after the lodgement of the Prospectus with ASIC (Exposure Period). The Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants before the commencement of the Offer Period. That examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act 2001.

Applications for securities under this Prospectus will not be processed until after the expiry of the exposure period. No preference will be conferred upon applications received during the exposure period. All applications received during the exposure period will be treated as if they were simultaneously received on the date on which the Offer Period opens.

### **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.washingtonresources.com.au](http://www.washingtonresources.com.au). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

## SECTION 1 - CORPORATE DIRECTORY

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### DIRECTORS

Glenn Whiddon	Non-Executive Chairman
Gino D'Anna	Executive Director
Matthew Sutcliffe	Non-Executive Director
Richard Jarvis	Executive Director

### CONTACT DETAILS

Website:  
[www.washingtonresources.com.au](http://www.washingtonresources.com.au)

Email:  
[info@washingtonresources.com.au](mailto:info@washingtonresources.com.au)

Telephone: (08) 9485 0755

Facsimile: (08) 9324 2977

### COMPANY SECRETARY

Michael Langoulant  
Andrew Nealon

### STOCK EXCHANGE LISTING

Australian Stock Exchange  
(Home Exchange: Perth, Western  
Australia)

**Code: WRL**

### REGISTERED OFFICE

Ground Floor  
Suite 2  
5 Ord Street  
WEST PERTH WA 6005

**\*THESE ENTITIES HAVE BEEN INCLUDED FOR  
INFORMATION PURPOSES ONLY. THEY HAVE  
NOT BEEN INVOLVED IN THE PREPARATION OF  
THIS PROSPECTUS.**

### AUDITORS\*

Ernst & Young  
Ernst & Young Building  
11 Mounts Bay Road  
PERTH WA 6000

### SHARE REGISTRY\*

Computershare Investor Services Pty Ltd  
Level 2, Reserve Bank Building  
45 St George's Terrace  
PERTH WA 6000

Telephone: 1300 557 010  
Facsimile: (08) 9323 2033

## SECTION 2 - LETTER FROM THE EXECUTIVE DIRECTOR

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30 September 2009

Dear Ferrum Crescent Limited Shareholder and/or Optionholder,

### Background

On 17 September 2009, Ferrum Crescent Limited (ACN 128 777 444) ("**FCL**") made a joint announcement with Washington Resources Limited (ACN 097 532 137) ("**WRL**" or the "**Company**") in respect of the signing of a Merger Agreement, which provides for a proposed merger between the two companies. FCL Shareholders and Optionholders should refer to the ASX announcement for further information.

WRL is an Australian incorporated ASX listed company which has been actively seeking a significant project for acquisition or investment. As you would be aware, FCL is an Australian incorporated non-listed public company which (through its wholly owned South African subsidiary, Nelesco) has the rights to 74% of the shareholding in the company that holds the Turquoise Moon Iron Project in South Africa.

The intention is that WRL and FCL be merged to form an ASX listed company with the Turquoise Moon Iron Project as its main undertaking. The merger is proposed to be implemented by WRL acquiring all of the shares and options in FCL in return for the issue of shares and options in WRL. If the merger proceeds, it is envisaged that WRL will seek the approval of its shareholders to change its name to "Ferrum Crescent Limited" and that Adrian Griffin (FCL's managing director) will become the managing director of the merged entity.

Details of WRL's capital structure (both at present and following the proposed merger) are set out in Section 5.4 of this Prospectus. The post merger capital structure also takes into account an underwritten rights issue of new WRL options (as announced by the Company on 21 September 2009) that is to be made to WRL shareholders prior to the implementation of the merger, and an issue of shares that will be made to Hartleys contemporaneously with the implementation of the merger. Other than as set out in or contemplated by Section 5.4 of this Prospectus, both WRL and FCL have agreed that they will not issue any further shares or options until after the merger takes place (or the Merger Agreement is terminated).

Please note that if the merger proceeds it is proposed that WRL undertake a capital raising as soon as reasonably possible to pursue the business of that Company. Please see Section 6 and 10.1 of this Prospectus for further details.

### Conditions

The obligations of FCL and WRL to proceed with the merger (and in the case of WRL, the obligation to acquire FCL shares or options) are conditional on certain matters set out in the Merger Agreement (the "**Conditions**"). These are essentially as follows:

- (a) that each of WRL and FCL conducts a due diligence exercise on the other and be satisfied that no matter exists that has not been publicly disclosed and that would have the effect of materially reducing the value of that party;
- (b) that WRL receives confirmation, to its reasonable satisfaction, from South African counsel that all South African regulatory approvals required for WRL to acquire all of the shares and options in FCL have been obtained;
- (c) that WRL obtains all shareholder approvals that may be required under the ASX Listing Rules or the Corporations Act (for it to be able to acquire FCL shares and options and to issue WRL shares and options);

- (d) that ASX provides conditional approval (on terms satisfactory to WRL and FCL acting reasonably) to the ASX quotation of the new WRL shares and new WRL options to be issued to current FCL shareholders and optionholders upon implementation of the merger; and
- (e) that WRL receives acceptances (to the offer to acquire FCL shares and options) in respect of at least 90% of the FCL shares and 90% of the FCL options within 20 Business Days of WRL having made its offers.

The Merger Agreement provides that (unless another period is specified) the Conditions are to be satisfied by 31 December 2009 (or such other date as the parties may agree), and that each party will otherwise comply with the timetable set out in the Merger Agreement. If not, either party may terminate the Merger Agreement by giving the other written notice. It is currently anticipated that all Conditions should be able to be satisfied, and the merger implemented, by the end of November 2009.

Either party may also terminate the Merger Agreement by giving the other written notice if:

- (a) an insolvency event occurs in relation to the other party;
- (b) a material adverse change occurs in relation to the other party (being an event that occurs or becomes apparent and that will, or would be reasonably likely to, have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses or prospects of that party); or
- (c) the other party breaches certain 'conduct pending completion' undertakings that it has given (which oblige each party to, for example, not alter their capital structure, not amend their constitution, not pay a dividend, not acquire or dispose of material assets, not borrow additional moneys or encumber assets etc until such time as the merger is completed, or the Merger Agreement is terminated).

Please note that WRL and FCL may agree to waive any of the Conditions, or to extend any applicable time period, under the Merger Agreement.

### Offer

In accordance with the Merger Agreement, this Prospectus contains an offer to you of shares and/or options in WRL in return for the acquisition of all of Your FCL Shares and Your FCL Options.

The offer is for **twelve (12) fully paid ordinary WRL shares for each ten (10) FCL shares held and one (1) new WRL Option in return for each FCL Option held.**

The number of WRL Shares and Options you are being offered is set out on the personalised Acceptance and Application Form. However, to the extent that the number shown on the Acceptance and Application Form is wrong, you are being offered WRL Shares and Options in accordance with the agreed ratio.

The offer is being made to all FCL Shareholders and Optionholders. If each FCL Shareholder and Optionholder accepts the offer, the Company will issue 102,000,000 WRL shares and 52,187,500 new WRL options, assuming no further FCL Shares or FCL Options are issued (refer to section 5.4 of this Prospectus).

The terms of the offer are set out in section 4.4 of this Prospectus. You are encouraged to read this Prospectus in full before deciding whether to accept the offer and, if in any doubt, consult with your professional advisor(s).

The offer is subject to the satisfaction or (waiver) of each of the Conditions, and to the Merger Agreement not otherwise having been, or being, terminated by either WRL or FCL (including

where due to the failure of a party to comply with the merger timetable or because of an insolvency event, material adverse charge or breach of the 'conduct pending completion undertakings').

The Closing Date for the offer is 5.00pm WST on 4 November 2009 (unless extended by WRL).

The offer is not available to persons other than FCL Shareholders and Optionholders to whom the Company issues a personalised Acceptance and Application Form. If you believe you hold FCL shares or FCL options and have not received a personalised Acceptance Form and Application Form properly identifying your FCL Shares or FCL Options, please contact the Company Secretary, Andrew Nealon or Michael Langoulant on (08) 9485 0755 or fax (08) 9324 2977 or contact your professional advisor.

If you have any queries, please do not hesitate to contact me on +61 8 9486 4036. Otherwise, we look forward to welcoming you as a shareholder and optionholder in the enlarged WRL.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'G. D'Anna', with a long horizontal flourish extending to the right.

Gino D'Anna  
Executive Director  
Washington Resources Limited

## SECTION 3 - TIMETABLE AND IMPORTANT DATES

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EVENT	DATE
Prospectus lodged with ASIC and ASX	30 September 2009
Record Date for determining holders of FCL shares and options	5 October 2009
Dispatch Prospectus	7 October 2009
Opening Date	8 October 2009
Closing Date *	4 November 2009
Shareholders meeting to approve the merger	30 November 2009
Proposed date for transfer of FCL securities and issue of new WRL shares and WRL options)	2 December 2009

These dates are indicative only and may be subject to change.

\* The Directors may extend the Closing Date by giving at least 5 business days notice to ASX prior to the Closing date. As such, the date the Shares and Options are expected to commence trading on ASX may vary.

## SECTION 4 - DETAILS AND OFFERS

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### 4.1 Purpose of the Offer

The purpose of the Offer is to implement a merger of FCL and WRL by WRL offering to acquire all of the shares and options in FCL in return for the issue of shares and options in WRL. No funds will be raised pursuant to the Offer.

### 4.2 The Offer

By this Prospectus, the Company makes an Offer to FCL shareholders (“**FCL Shareholders**”) and FCL optionholders (“**FCL Optionholders**”) who are registered at 5 October 2009.

WRL Shares are offered on the basis of twelve (12) WRL shares for every ten (10) FCL Shares held. WRL Options are offered on the basis of one (1) WRL option for every one (1) FCL Option held and will have an exercise price of 40 cents. The rights attaching to WRL Shares are set out in Section 8.2 of this Prospectus. The terms and conditions of the WRL Options are set out in Section 8.1 of this Prospectus.

By accepting, FCL Shareholders and Optionholders agree to transfer all of their FCL Shares and FCL Options to WRL, and to be issued with WRL Shares and WRL Options.

The terms of the Offer are set out in Section 4.3 of this Prospectus.

### 4.3 Offer terms

- 4.3.1 WRL hereby makes an offer to purchase all of Your FCL Shares and Your FCL Options (free of encumbrances and together with all rights, accreditations or benefits attaching to those shares). This offer is subject to the satisfaction (or waiver) of each of the Conditions, and to the Merger Agreement not otherwise having been, or being, terminated by either WRL or FCL (including where due to the failure of a party to comply with the merger timetable or because of an insolvency event, material adverse change or breach of the ‘conduct pending completion’ undertakings). The Conditions and circumstances in which the Merger Agreement can be terminated are set out in further detail in Section 2 (“**Letter from Executive Director**”) and Section 10.1 (“**Ferrum Crescent Limited Merger Agreement**”).
- 4.3.2 The purchase price for Your FCL Shares will be the issue to you of **twelve (12) fully paid ordinary WRL Shares for each ten (10) FCL Shares held**. A summary of the rights attached to Shares is set out at section 8.2 of this Prospectus. The purchase price for Your FCL Options will be the issue to you of **one (1) new WRL Option in return for each FCL Option held**. The terms of the new WRL Options are set out in Section 8.1 of this Prospectus.
- 4.3.3 The WRL Shares to be issued will, from the date of their issue, rank equally with all other WRL Shares on issue. WRL will apply to ASX for the quotation of the new WRL Shares and use its best endeavours to procure such quotation in accordance with the timetable set out in the Merger Agreement and this Prospectus. The new WRL Options to be issued will, from the date of their issue, rank equally with all other WRL Options with the same terms that may be issued (including those to be issued pursuant to the WRL underwritten entitlements issue referred to in Section 2 of this Prospectus).
- 4.3.4 Any duty that may be payable on the transfer of Your FCL Shares or Your FCL Options to WRL will be borne by WRL.
- 4.3.6 Provided that the Merger Agreement has not been terminated, it is intended that Your FCL Shares or Your FCL Options will be transferred to WRL, and your name will be entered into the WRL register of members or optionholders as the holder of the relevant

number of new WRL Shares or new WRL Options, as soon as practicable after the satisfaction (or waiver) of the last of the Conditions (such transfer date being the “**Settlement Date**”). WRL will (where applicable) then arrange for its share registrar to issue you with a holding statement or option certificate (as soon as practicable after the Settlement Date) evidencing your holding of new WRL Shares or new WRL options.

- 4.3.7 If any of the Conditions are not satisfied (or waived), or if the Merger Agreement is otherwise terminated by one of the parties prior to the Settlement Date, then the merger will not proceed and WRL will not acquire Your FCL Shares or Your FCL Options (even if you have accepted this Offer). In this case, this Offer (and any agreement that has arisen upon its acceptance) will automatically lapse and be void, FCL will continue as an independent entity, and you will continue to hold Your FCL Shares and Your FCL Options.
- 4.3.8 Where WRL separately notifies you, you will be required to enter into a mandatory restriction agreement or any voluntary restriction agreement contemplated by the terms of the Merger Agreement in respect of new WRL Shares or new WRL Options to be issued to you. Where this is the case, it is a condition of the issue of new Shares or new Options by WRL that you enter into such restriction agreements in respect of new WRL Shares or new WRL Options to be issued to you.
- 4.3.9 You acknowledge, agree and warrant to WRL that, as at both the time you accept this Offer and at the Settlement Date:
- (a) you are the registered and (unless your address details on the Acceptance and Application Form show you as holding in a trustee capacity) beneficial owner of Your FCL Shares and Your FCL Options;
  - (b) you own the number of FCL Shares and FCL Options shown on the Acceptance and Application Form and those shares and options are all fully paid (in the case of options, to the extent that any payment was required upon their grant);
  - (c) there are no encumbrances of any type (including mortgages, charges or other security interests) over Your FCL Shares or Your FCL Options;
  - (d) you have the power and capacity and are authorised to sell Your FCL Shares and Your FCL Options and have obtained any consents necessary to sell Your FCL Shares and Your FCL Options and are able to deliver good title to Your FCL Shares and Your FCL Options to WRL; and
  - (e) you are not insolvent or bankrupt, and nothing has occurred and no proceedings have been commenced (or threatened), or are anticipated by you, that may lead to this.
- 4.3.10 Where the Acceptance and Application Form shows you as holding Your FCL Shares or Your FCL Options in a trustee capacity, you further acknowledge, agree and warrant to WRL that (both as at the time you accept this offer, and at the Settlement Date):
- (a) you are the only trustee of that trust and no action has been taken or is proposed to remove you as trustee;
  - (b) you have the power under the terms of the trust to enter into and comply with your obligations under this agreement (including the power to sell Your FCL Shares and Your FCL Options);
  - (c) you have carefully considered the purpose and effect of this Offer and consider that acceptance of this Offer (and the sale of Your FCL Shares and Your FCL Options) is for the benefit of the beneficiaries of the trust, whose consent has (where necessary) been obtained;

- (d) you have a right to be fully indemnified out of trust assets in respect of obligations incurred by you upon acceptance of this Offer, and the assets of the trust are sufficient to satisfy that right of indemnity; and
  - (e) you are not, and have not been, in default under the terms of the trust and no action has been taken or proposed to terminate the trust.
- 4.3.11 You warrant to WRL that you do not reside in a jurisdiction in which it would be unlawful (or unduly onerous) for WRL to make this Offer to you, for you to accept this Offer (in its current form), or for WRL to issue new WRL Shares or new WRL Options to you.
- 4.3.12 You expressly agree to waive any pre-emptive rights which you may have in relation to FCL, whether under the FCL constitution or otherwise.
- 4.3.13 You understand that an investment in WRL is risky and must be considered highly speculative.
- 4.3.14 You acknowledge that WRL and its related bodies corporate and their officers, directors, employees, advisers and agents will rely on the truth and accuracy of the agreements, representations and warranties given by you herein.
- 4.3.15 You agree to indemnify and to keep indemnified WRL and its related bodies corporate and their officers, directors, employees, advisers and agents against any loss, damage and costs incurred and arising out of or relating to any breach by you of any agreements or warranties given by you herein.
- 4.3.16 You request that your address to be shown on the WRL share or option register is the address stated on the Acceptance and Application Form.
- 4.3.17 Where you are an FCL Shareholder, you agree to become a member of WRL and to be bound by the constitution of WRL. Where you are an FCL Optionholder, you agree to take the WRL Options on, and subject to, the option terms. You further agree (upon any exercise of WRL options) to become a member of WRL and to be bound by the constitution of WRL.
- 4.3.18 This Offer (and any agreement arising upon its acceptance) is governed by the laws in force in Western Australia, and you submit to the non-exclusive jurisdiction of the Western Australian courts.
- 4.3.19 You may only accept this Offer in respect of all of Your FCL Shares and Your FCL Options.
- 4.3.20 Subject to the Corporations Act and the ASX Listing Rules, your acceptance of this Offer is irrevocable, and the contract so arising will be binding on you.
- 4.3.21 By accepting the Offer, you will be deemed to have irrevocably accepted the Offer in respect of all FCL Shares and FCL Options held by you, despite any difference between that number and the number of FCL Shares or FCL Options shown on the Acceptance and Application Form.
- 4.3.22 This Offer is made on the basis that the original share certificate/s for Your FCL Shares and the original option certificates for Your FCL Options are attached to the Acceptance and Application Form used for acceptance. If the original share certificate/s and option certificate/s for all of Your FCL Shares and Your FCL Options are not attached to the Acceptance and Application Form, you will be deemed to warrant that the certificate/s for the same have been lost or destroyed, that proper searches have been made but that you have not been able to locate them, and that the certificate/s have not been pledged, sold or otherwise disposed of. You undertake that if the certificate/s are found or

received by you they will be provided to WRL or destroyed and subject to the terms of the Offer they will not evidence any title or other entitlement to FCL Shares or FCL Options.

- 4.3.23 Subject to the terms of this Offer, WRL agrees to accept Your FCL Shares and Your FCL Options, to become a member of FCL and to be bound by the constitution of FCL on being registered as the holder of the securities.

#### **4.4 How to accept**

To accept the Offer, complete and sign the Acceptance and Application form accompanying this Prospectus and return it to the Company at PO Box 966, West Perth, WA 6872, Australia. Acceptances must be received prior to the close of the Offer Period at 5.00 pm WST on 4 November 2009 (unless extended by the Company).

If you do not wish accept the Offer, you do not need to take any action.

By accepting the Offer, you will be agreeing to transfer all of Your FCL Shares and Your FCL Options to WRL and to receive WRL Shares and WRL Options in return.

The Company reserves the right to reject any Acceptance and Application Form if the person named in the Acceptance and Application Form does not hold the number of FCL Shares or FCL Options set out in the form or if original FCL share certificate/s and option certificate/s are not attached to the Acceptance and Application Form.

#### **4.5 Closing Date**

The Closing Date for the Offer is 5.00 pm WST on 4 November 2009 (unless extended by the Company).

#### **4.6 Offer Period**

The Opening Date of the Offer will be 8 October 2009. The Offer closes on 4 November 2009 (unless extended by the Company).

#### **4.7 Allotment**

The Shares and Options will be allotted and issued as soon as practicable after the satisfaction (or waiver) of the last of the Conditions (such transfer date being the "Settlement Date") at which date your FCL Shares and Options will also be transferred to WRL.

Statements of holding or option certificates for the Shares or Options (the subject of this Prospectus) will be mailed as soon as possible after the Settlement Date. Shareholders or Optionholders trading Shares and Options before they receive their statements will do so at their own risk.

No Shares or Options will be allotted or issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

#### **4.8 Stock Exchange Quotation**

Application for official quotation of the Shares and Options (the subject of this Prospectus) by the ASX will be made by the Company within seven (7) days of the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by ASIC) the Company will not issue any Shares or Options and you will continue to hold Your FCL Shares and Your FCL Options.

Application for official quotation of Shares allotted and issued as a result of the exercise of Options issued under this Prospectus will be made within three (3) business days of allotment and issue.

#### **4.9 Overseas shareholders and optionholders**

FCL Shareholders and Optionholders resident outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their entitlements.

This Prospectus does not constitute an offer in any place in which or to any person whom it would not be lawful to make such an offer.

#### **4.10 Clearing House Electronic Sub-Register System (“CHESS”) and Issuer Sponsorship**

The Company will not be issuing share certificates. The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic register means that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (HIN) or Securityholder Reference Number (SRN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders in circumstances in which there have been any changes in their security holding in the Company during the preceding month.

#### **4.11 Risk factors**

FCL Shareholders and Optionholders should be aware that subscribing for Shares and Options the subject of this Prospectus involves a number of risks. Some of the more important risks are set out in section 6 of this Prospectus. FCL Shareholders and Optionholders are urged to consider these risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company.

#### **4.12 Privacy**

If you complete an application for Shares and Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a shareholder, facilitate distribution payments and corporate communications to you as a shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorized securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the AST Settlement Rules. You should note that if you do not provide the information required on the application of Shares and Options, the Company may not be able to accept or process your application.

#### **4.13 Enquiries**

If you have any questions concerning your holding of FCL Shares and Options, or the corresponding number of WRL Shares and Options to which you would be entitled, please contact the Company Secretary, Andrew Nealon or Michael Langoulant on (08) 9485 0755 or fax (08) 9324 2977 or contact your professional adviser.

## SECTION 5 – PURPOSE AND EFFECT OF THE OFFER

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### 5.1 Purpose of the offer

The purpose of the Offer is to implement a merger of FCL and WRL by WRL offering to acquire all of the shares and options in FCL in return for the issue of shares and options in WRL. No funds will be raised pursuant to the Offer.

### 5.2 Effect of the Offer and Pro Forma Consolidated Balance Sheet

The principal effect of the Offer (assuming no existing WRL unlisted options are exercised prior to the Settlement Date and the merger is implemented) will be to:

- (a) Increase the number of WRL Shares on issue by up to 102,000,000 WRL Shares (refer to section 5.4 of this Prospectus) (being the number of WRL Shares to be issued under the Offer);
- (b) Increase the number of WRL Options on issue by up to 52,187,500 (refer to section 5.4 of this Prospectus) (being the number of WRL Options to be issued under the Offer);
- (c) Merge WRL and FCL (by making FCL a wholly owned subsidiary of WRL); and
- (d) Change the business of the Company as referred to in Section 5.5.

A further 833,333 Shares will be issued to Hartleys Limited contemporaneously with the implementation of the merger.

It has been assumed that all FCL Shares and FCL Options are acquired and that no further FCL Shares or FCL Options are issued.

Set out below is:

- (a) an audited Balance Sheet of the Company at 30 June 2008;
- (b) an unaudited Balance Sheet of the Company at 30 June 2009; and
- (c) an unaudited pro-forma Balance Sheet at 30 June 2009 incorporating the effect of the entitlement issue and Offer.

The proposed transactions adjusting the Balance Sheet of the Company in the pro forma Balance Sheet are the issue of up to 102,000,000 Shares and 52,187,500 Options (refer to section 5.4 of this Prospectus) pursuant to this Prospectus, the issue of a further 833,333 Shares to Hartleys, the receipt of funds of \$49,429 in relation to the WRL entitlement issue referred to in Section 2, the payment of costs of \$15,000 in relation to the entitlement issue, the acquisition of the entire issued share capital of FCL and the payment of costs of \$25,000 in relation to the Offer.

### 5.3 Pro Forma Balance Sheet

The following statement has been prepared to provide shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The unaudited pro-forma financial information presented in this section 5.3 is for illustrative purposes only. It is provided as a guide to assist FCL Shareholders and Optionholders in considering the effect of the Offer. The pro-forma balance sheet of the Company at 30 June 2009 has been prepared to reflect the financial position of the Company as if the entitlement issue had closed fully subscribed and WRL had acquired all of the FCL Shares under the Offer as at that date.

It should be noted that no forecast information in relation to the financial performance of the Company post Merger is being provided, as WRL is not able to provide any such forecast information which is sufficiently meaningful and reliable to include in this Prospectus. In this regard, the Company's performance in any period will reflect a number of factors that cannot, at this stage, be predicted with a high level of confidence and are outside its control. Section 6 sets out risks relevant to the performance of the Company's business.

	<b>Audited Balance Sheet 30 June 2008</b>	<b>Unaudited Balance Sheet 30 June 2009</b>	<b>Proforma Balance Sheet 30 June 2009</b>
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2,945,288	1,956,341	1,678,849
Receivables	123,806	128,984	148,935
<b>Total current assets</b>	<b>3,069,094</b>	<b>2,085,325</b>	<b>1,827,784</b>
<b>Non-current assets</b>			
Plant and equipment	20,993	2,113	2,113
Investment in an associated company	453,589	-	-
Investment in wholly owned subsidiary – Ferrum Crescent Limited	-	-	6,630,000
Available-for-sale investments	735,425	2,055,352	2,605,352
Deferred exploration and evaluation costs	2,540,476	1,688,336	1,688,336
<b>Total non-current assets</b>	<b>3,750,483</b>	<b>3,745,801</b>	<b>10,925,801</b>
<b>Total assets</b>	<b>6,819,577</b>	<b>5,831,126</b>	<b>12,753,585</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	79,844	54,644	162,674
Provisions	11,572	8,036	8,036
<b>Total current liabilities</b>	<b>91,416</b>	<b>62,680</b>	<b>170,710</b>
<b>Non-current liabilities</b>			
Deferred tax liability	212,515	-	-
<b>Total non-current liabilities</b>	<b>212,515</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>303,931</b>	<b>62,680</b>	<b>170,710</b>
<b>Net assets</b>	<b>6,515,646</b>	<b>5,768,446</b>	<b>12,582,875</b>
<b>Equity</b>			
Issued Capital	7,754,098	7,754,098	14,438,265
Accumulated losses	(2,158,265)	(3,815,517)	(3,894,684)
Reserves	919,813	1,829,865	2,039,294
<b>Total equity</b>	<b>6,515,646</b>	<b>5,768,446</b>	<b>12,582,875</b>

## Notes to Balance Sheet:

<b>1</b>	<b>Cash</b>		
	Opening Balance	\$	1,956,341
	Add: Funds received under WRL Entitlements Options Issue	\$	49,429
	Add: Cash at Bank Balance within FCL (at 30 June 2009)	\$	88,079
	Less: Expenses of WRL Entitlements Options Issue	-\$	15,000
	Less: Expenses of FCL Offer	-\$	25,000
	Less: Investment in Northern Uranium Limited (Rights Issue)	-\$	375,000
	<b>Closing Balance</b>	<b>\$</b>	<b>1,678,849</b>
<b>2</b>	<b>Receivables</b>		
	Opening Balance	\$	128,984
	Add: FCL Receivables Balance	\$	19,951
	<b>Closing Balance</b>	<b>\$</b>	<b>148,935</b>
<b>3</b>	<b>Trade and Other Payables</b>		
	Opening Balance	\$	54,644
	Add: FCL Creditor and Accrual Balance	\$	108,030
	<b>Closing Balance</b>	<b>\$</b>	<b>162,674</b>
<b>4</b>	<b>Investment in wholly owned subsidiary - Ferrum Crescent Limited</b>		
	Opening Balance	\$	-
	Issue of shares and options at 6.5 cents (deemed) (FCL Offer)	\$	6,630,000
	<b>Closing Balance</b>	<b>\$</b>	<b>6,630,000</b>
<b>5</b>	<b>Issued Capital</b>		
	Opening Balance	\$	7,754,098
	Issue of shares and options at 6.5 cents (deemed) (FCL Offer)	\$	6,630,000
	Issue of shares at 6.5 cents (deemed) (Hartleys)	\$	54,167
	<b>Closing Balance</b>	<b>\$</b>	<b>14,438,265</b>
<b>6</b>	<b>Available-for-sale Investments</b>		
	Opening Balance	\$	2,055,352
	Add: Investment in Northern Uranium Limited (Rights Issue) (market value - 25/09/2009)	\$	550,000
	<b>Closing Balance</b>	<b>\$</b>	<b>2,605,352</b>
<b>7</b>	<b>Reserves</b>		
	Opening Balance	\$	1,864,294
	Add: Net unrealised gain reserve on available-for-sale investments	\$	175,000
	<b>Closing Balance</b>	<b>\$</b>	<b>2,039,294</b>
<b>8</b>	<b>Accumulated Losses</b>		
	Opening Balance	-\$	3,815,517
	Less: Cost associated with the issue of shares at 6.5 cents (deemed) (Hartleys)	-\$	54,167
	Less: Cost associated with the FCL Offer	-\$	25,000
	<b>Closing Balance</b>	<b>-\$</b>	<b>3,894,684</b>

## 5.4 Effect on Capital Structure

Under the Offer, up to 102,000,000 Shares and 52,187,500 Options are available for issue and will be issued if the Conditions are satisfied (or waived) and the Settlement Date occurs.

It has been assumed that all FCL Shares and FCL Options are acquired and that no further FCL Shares or FCL Options are issued. In the event that further FCL Shares are issued pursuant to the exercise of FCL Options, the number of Shares that could be issued pursuant to this Offer could increase to a maximum of 164,625,000 (assuming all existing FCL Options are exercised) and the maximum number of Options that could be issued would decrease accordingly.

The current issued capital of the Company comprises:

Fully paid ordinary shares on issue:	54,921,366
Unlisted options on issue:	1,400,000

Upon completion of the Offer, the issued capital of the Company will comprise:

Fully paid ordinary shares on issue:	157,754,699*
Unlisted options on issue:	1,400,000
Options on issue:	101,616,729**

\* This includes issue of 833,333 shares to Hartleys

\*\*This includes the take up of 49,429,229 Options under the WRL entitlement offer which is scheduled to close on 26 October 2009. That offer is fully underwritten, so the company has assumed the full number of options will be issued.

## 5.5 Effect on business of Company

The material terms of the Merger Agreement include the following:

- It is acknowledged and agreed that the parties intend that the business of the Company following the Merger consist principally of the Turquoise Moon Project and associated iron ore projects in RSA and elsewhere and that it will be necessary for the purposes of the business for the Company to carry out a capital raising as soon as reasonably possible after the completion of the Merger. It is acknowledged and agreed by the parties that the preferred name of the Merged Entity is Ferrum Crescent Limited and that the parties will (if this has not been achieved) cooperate in order to seek shareholder approval to the change of name accordingly.
- The Merged Entity will maintain certain existing FCL Contracts following the Merger (or, where necessary or appropriate, seek to assign or novate those contracts or agreements to WRL).
- The parties acknowledge and agree that following completion of the Merger, it is proposed that Adrian Griffin (the current managing director of Ferrum Crescent Limited) be appointed as managing director of the Merged Entity and subject to the overview of the board of directors, will have the responsibility to establish the appropriate management and organizational structure of the Merged Entity.
- It is also acknowledged and agreed that it is the mutual intention of the parties that the Merged Entity is to seek to list its shares for quotation on the JSE as soon as practicable. This will be subject to the rules and regulations of that exchange.

See section 9.5 and 10.1 of this Prospectus for further information.

If the merger is implemented the Company will focus on adding value to the existing JORC-compliant Inferred Resource at the Moonlight Deposit and to increase exploration target estimates incrementally. New work to be carried out by the Company will provide geological models incorporating new drilling, mapping, sampling and geophysical techniques. This combined with the improvement in the understanding of key Fe magnetite mineralisation controls, will also lead to defining additional local and regional exploration targets at the Moonlight Deposit and at the De Loskop Prospect.

At the Moonlight Project, the Company intends to undertake drill programs leading to the delineation of a JORC-compliant magnetite reserve, from which scoping studies will be developed encompassing the optimum treatment process. Aligned with the resource upgrade will be baseline environmental studies, metallurgical testwork, engineering studies and hydro-geological investigations resulting in feasibility assessments of integrated mining and production of beneficiated iron products.

The Company has planned an immediate RC and core drilling program to collect bulk samples for process testwork allowing preliminary design and evaluation of comminution circuits. This work will include Davis Tube recovery tests and various engineering tests.

## **SECTION 6 – RISK FACTORS**

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### **Introduction**

Set out below is a list of some of the risk factors which should be considered before subscribing for Shares or Options under this Prospectus. Some of these risk factors can be mitigated by the use of safeguards and appropriate systems and actions, but many are outside the control of the Company and cannot be mitigated. The Directors are of the view that the Shares and Options offered under this Prospectus should be considered speculative because of the nature of the Company's business and the Company's history. This list is not exhaustive and FCL Shareholders and Optionholders should examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares or Options.

### **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

### **Market conditions**

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equity stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **Future Capital Requirements**

The Company's activities will require substantial expenditures. There can be no guarantee that the Company will be able to raise sufficient funds to successfully achieve all the objectives of the Company's overall business strategy. In particular, the Company has announced that following the proposed acquisition of Ferrum Crescent Limited, it is proposed that the Company undertake a capital raising to pursue the business of that company. There can be no assurances that the Company will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

### **Reliance on Key Personnel and Need to Attract Qualified Staff**

The Company is dependent on its management and technical personnel, the loss of whose services could materially and adversely affect the Company and impede the achievements of its business objectives. The Company's ability to sell its products and services and maintain its research and development program will depend in part upon its ability to attract and retain suitably qualified management and technical personnel over time. There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis or retain its key management personnel.

### **Uncertainty of Future Profitability**

The Company's ability to operate profitably in the future will depend on its ability to achieve sufficient revenue from existing and new customers. This will depend on the ultimate demand for its products and services by customers which cannot be guaranteed.

Other factors that will determine the Company's profitability are its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company

operates in, competitive factors and regulatory developments. Accordingly, the extent of future profits is uncertain. Moreover, the level of such profitability cannot be predicted.

### **Exploration Success**

The mineral tenements in which the Company has an interest are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

### **Operating Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

### **Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

### **Commodity Price Volatility and Exchange Rate Risk**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

### **Environmental and Native Title Risks**

The operations and proposed activities of the Company are subject to regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Various Australian tenements in which the Company has an interest in are subject to native title rights of indigenous Australians. The ability of the Company to gain access to its tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase

to the development and mining phases of operations may be adversely affected by these native title rights.

### **Speculative Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares and Options offered under this Prospectus.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares or Options pursuant to this Prospectus.

## **SECTION 7 - OVERSEAS PARTICIPANTS**

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The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer.

## SECTION 8 - TERMS AND CONDITIONS OF OPTIONS AND RIGHTS ATTACHING TO SHARES

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### 8.1 Terms and Conditions of Options

The Options will entitle the holders to subscribe for fully paid ordinary shares in the Company on the following terms:

- a. Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the Company.
- b. The Options are exercisable at 40 cents each.
- c. The Options will expire on 31 December 2013 (the "Expiry Date").
- d. The Options are exercisable at any time on or prior to 5.00pm (WST) on the Expiry Date by notice in writing to the secretary of the company accompanied by payment of the exercise price (for the number of shares in respect of which Options are exercised).
- e. An Option that has not lapsed may be exercised at any time.
- f. The Options are freely transferable.
- g. All shares issued upon exercise of the Options will rank pari passu in all respects with the company's then existing ordinary fully paid shares. Shares will be issued not more than 10 business days after valid exercise of Options. The company will apply for Quotation by the ASX of all shares issued upon exercise of the Options.
- h. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the Expiry Date the company makes an issue of new shares to the holders of ordinary fully paid shares, the company will send a notice to each holder of Options at least ten (10) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- i. If from time to time on or prior to the Expiry Date the company makes an issue of shares to the holders of ordinary fully paid shares in the company by way of capitalisation of profits or reserves (a **bonus issue**), then upon exercise of their Options, Option holders will be entitled to have issued to them (in addition to the shares which would otherwise be issued to them upon such exercise) the number of shares of the class which would have been issued to them under that bonus issue (**bonus shares**) if on the record date for the bonus issue they had been registered as the holder of the number of shares of which they would have been registered as holder if, immediately prior to that date, they had duly exercised the relevant Options and the shares the subject of such exercise had been duly allotted and issued to them. The bonus shares will be paid up by the company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of the Options.

- j. There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- k. In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an Option Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.
- l. Subject to the Corporations Act, the ASX Listing Rules and the Company's constitution, the Options may be transferred at any time in whole or part.
- m. Application will be made to ASX for quotation of Options.

## **8.2 Rights attaching to Shares**

Full details of the rights attaching to Shares are set out in the Company's Constitution a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

All Shares issued pursuant to this Prospectus will from the time they are issued, rank pari passu with all the Company's existing Shares.

### **General Meetings and Notice**

Each Shareholder is entitled to receive notice of all general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules. Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act.

### **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for every fully paid Share, but in respect of partly paid Shares shall have a fraction of a vote equal to the proportion that the amount paid bears to the issue price of the Shares.

## **Dividend Rights**

The Directors may from time to time declare such dividends as appear to the Directors to be justified by the profits of the Company.

Subject to the rights of persons entitled to Shares with special rights as to dividends (at present there are none), all dividends are paid in the proportion that the amounts paid on those Shares bear to the issue price of the Shares.

## **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

## **Transfer of Shares**

Shares in the Company are freely transferable, subject to formal requirements, and so long as the registration of the transfer does not result in a contravention of or failure to observe the provisions of a law of Australia and the transfer is not in breach of the Corporations Act or the Listing Rules.

## **Variation of Rights**

The Company may, subject to the Corporations Act and with the sanction of a special resolution passed at a meeting of Shareholders, or with the written consent of the majority of Shareholders in the affected class, vary or abrogate the rights attaching to Shares.

## **Future Increase in Capital**

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

## SECTION 9 - ADDITIONAL INFORMATION

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### 9.1 Market Prices of Ordinary Shares

Official quotation of the Company's Shares commenced on 17 November 2005 and consequently, the trading history on ASX as at the date of this Prospectus is limited to that period.

The highest and lowest recorded market sale prices of the Company's Shares quoted on ASX during the period from commencement of official quotation to the date of this Prospectus were 39 cents on 4 July 2007 and 2.8 cents on 17 October 2008 respectively.

The last market sale price of the Company's Shares on ASX on the last day that trading took place in these shares prior to the date of this Prospectus was 12.0 cents on 28 September 2009.

The Company has no options over Shares currently quoted on ASX.

### 9.2 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before accepting this Offer agreeing to transfer their FCL Shares and FCL Options or agreeing to take Shares or Options. Taxation consequences will depend on particular circumstances. Neither Washington Resources nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with a disposal of FCL securities or the acquisition of WRL securities under this Offer.

### 9.3 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

### 9.4 Continuous Disclosure and Documents Available for Inspection

The Company is listed on ASX and its Shares are quoted on ASX. This Prospectus contains an offer to acquire Options to acquire such Shares.

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- a. it is subject to regular reporting and disclosure obligations;
- b. copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- c. it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - i. the financial statements of the Company for the financial year ended 30 June 2008 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
  - ii. any half-year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the year ended 30 June 2008 lodged with ASIC before the issue of this Prospectus; and
  - iii. any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from or inspected at, an office of the ASIC or at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2008 audited financial statements:

**2009:**

<b>Date</b>	<b>Headline</b>	<b>Pages</b>
24/09/2009	Letter to Eligible Option holders regarding Rights Issue	2
24/09/2009	Letter to Eligible Shareholders regarding Rights Issue	2
22/09/2009	Amended Rights Issue Timetable	1
21/09/2009	Entitlement Offer Prospectus	38
21/09/2009	Appendix 3B	7
21/09/2009	Non-Renounceable Issue	1
17/09/2009	Washington Acquires Advanced Magnetite Iron Project	12
15/09/2009	Trading Halt	2
28/08/2009	Initial Director`s Interest Notice	2
28/08/2009	Board Changes - Correction	1
19/08/2009	Final Director`s Interest Notice	4

<b>Date</b>	<b>Headline</b>	<b>Pages</b>
19/08/2009	Initial Director`s Interest Notice	4
19/08/2009	Board Changes	1
16/07/2009	Quarterly Activities Report	7
13/07/2009	Change in substantial holding for NTU	3
14/05/2009	Ceasing to be a substantial holder	3
08/05/2009	Change in substantial holding	4
28/04/2009	Quarterly Activities and Cashflow Report	8
24/04/2009	Change in substantial holding	4
12/03/2009	Half Year Accounts	17
29/01/2009	Quarterly Activities and Cashflow Report	7

## **2008:**

<b>Date</b>	<b>Headline</b>	<b>Pages</b>
03/12/2008	Appendix 3X	2
03/12/2008	Appendix 3Z	4
01/12/2008	Change of Officers	1
28/11/2008	Results of Meeting	1
13/11/2008	NTU: NT Phosphate Results	4
28/10/2008	Quarterly Activities and Cashflow Reports	8
27/10/2008	Notice of Annual General Meeting/Proxy Form	79
27/10/2008	Director Appointment/Resignation	1
29/09/2008	Full Year Statutory Accounts	70

### **9.5 Interests of Directors, proposed Directors and Experts**

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director has or had within two years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares or Options pursuant to this Prospectus; or
- (c) the offer of Shares or Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or proposed Director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him in connection with the promotion or formation of the Company of the offer of Shares or Options pursuant to this Prospectus.

The interest of the Directors in the securities of the Company at the date of this Prospectus is as follows:

<b>Director</b>	<b>No. of Shares</b>	<b>No. of Options</b>
Glenn Whiddon	2,600,000	
Gino D'Anna	-	-
Matthew Sutcliffe	-	-
Richard Jarvis	250,000	

The Directors have indicated they will take up their full entitlement under the WRL entitlement offer. On that basis the interest of the Directors in the securities of the Company following the closing of that offer will be follows:

<b>Director</b>	<b>No. of Shares</b>	<b>No of Options</b>
Glenn Whiddon	2,600,000	2,340,000
Gino D'Anna	-	-
Matthew Sutcliffe	-	-
Richard Jarvis	250,000	225,000

The Company's constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting (currently set at \$150,000). Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include travel and out of pocket expense and disbursements made on behalf of the Company.

The table below sets out the remuneration provided to the Directors and their associated entities during the last financial year prior to the date of this Prospectus and their current and annual remuneration at the date of this Prospectus, inclusive of directors' fees.

<b>Director</b>	<b>Monthly Remuneration</b>
Glenn Whiddon	\$2,000
Gino D'Anna	\$4,000
Matthew Sutcliffe	\$2,000
Richard Jarvis	\$4,000

Under the Merger Agreement, the parties acknowledge and agree that following completion of the Merger, it is proposed that Adrian Griffin (the current managing director of Ferrum Crescent Limited) be appointed as managing director of the Merged Entity. In addition, Robert Hair will be appointed company secretary and executive director of the Merged Entity, Scott Huntly will be appointed executive director of the Merged Entity, Matodzi Nesongozwi will be appointed non-executive director of the Merged Entity, Philip Kirchlechner will be appointed non-executive director of the Merged Entity and Zola Skweyiya will be appointed chairman and non-executive director of the Merged Entity.

The interests of the proposed directors in the securities of the Company at the date of this Prospectus are as follows:

<b>Proposed Director</b>	<b>No. of Shares</b>	<b>No. of Options</b>
Adrian Griffin	750,000	-
Robert Hair	530,000	
Scott Huntly	-	
Matodzi Nesongozwi	-	
Philip Kirchlechner	-	
Zola Skweyiya	-	

The interest of the proposed directors in the securities of FCL at the date of this Prospectus is as follows:

<b>Proposed Director</b>	<b>No. of Shares</b>	<b>No. of Options</b>
Adrian Griffin	2,723,782	-
Robert Hair	2,920,633	937,500
Scott Huntly	2,872,506	-
Matodzi Nesongozwi	14,793,452	12,500,000
Philip Kirchlechner	1,445,525	-
Zola Skweyiya	1,000,000	-

The proposed directors have indicated that they will accept the Offer in respect of all of their FCL Shares and FCL Options. On that basis the interest of the proposed directors in the securities of the Company at the Settlement Date will be as follows:

	<b>No. of Shares</b>	<b>No of Options</b>
Adrian Griffin	3,268,538	-
Robert Hair	3,504,760	937,500
Scott Huntly	3,447,007	-
Matodzi Nesongozwi	17,752,142	12,500,000
Philip Kirchlechner	1,734,630	-
Zola Skweyiya	1,200,000	-

By agreement dated 26 August 2009, FCL engaged the services of Adrian Griffin to work in the position of Managing Director of FCL. The services are to be provided for a term of 3 years commencing on the date that the Shares of FCL are admitted to the Official List or FCL becomes listed by means of a corporate merger or similar. WRL has agreed to maintain this agreement in place following the merger (or, where necessary or appropriate, seek to assign or novate the agreement to WRL). The benefits payable to Mr Griffin under this agreement may represent an interest the promotion of the Company or an amount that WRL has paid or agreed to pay, or benefit that WRL has given or agreed to give, to induce Mr Griffin to become a director of WRL or for services in connection with the Offer.

Mr Griffin will be required to work a minimum average of 40 hours per week for FCL (or the Company). Mr Griffin will not, during the course of his contract maintain any executive positions with other listed companies without approval by the Board of FCL. It is acknowledged that Mr Griffin is an active member of the mining industry and that he holds a number of non-executive positions with listed and unlisted companies associated with the mining industry. He will maintain those positions provided they do not result in a conflict of interest and provided he supplies his services on a priority basis to FCL. Remuneration for his role as Managing Director will initially be \$260,000 inclusive of superannuation, if applicable, per annum. In the event that the Company's market capitalization increases at any time during the first year of the term above \$20 million, then the annual remuneration for the second year will increase from \$260,000 to a maximum of \$320,000 (with the maximum being paid if the Company's market capitalization has during the year reached \$100 million and the increase in remuneration above \$260,000 being calculated otherwise pro rata between nil and \$60,000 by reference to the level of the Company's market capitalization at its highest point in the year). The remuneration payable per annum is in any event to be indexed according to an appropriate reference index and may with the approval of the Board be adjusted in the event that the Company raises further capital for the purposes of its business plan.

The services may be terminated by either party without cause by giving not less than three months' notice.

Mr Griffin is invited under the terms of the agreement to participate in an option plan. Corporate and individual performance goals are identified, and if one or more of those goals are attained, Mr Griffin or his nominee will be eligible to apply for and be granted for a nominal consideration (being \$10.00) a specified number of options, in each case with the invitation remaining open for a period of one year after the Qualification Date, the exercise being three years from the date of grant and the exercise price being 5% above VWAP for the ten Business Day period immediately preceding the relevant Qualification Date. The grant of options to related parties requires prior shareholder approval obtained in accordance with the Corporations Act and the Listing Rules.

By agreement dated 18 August 2009, FCL engaged the services of Scott Huntly to work in the position of Executive Director of FCL. The services are to be provided for a term of 3 years commencing on the date that the Shares of FCL are admitted to the Official List or FCL becomes listed by means of a corporate merger or similar. WRL has agreed to maintain this agreement in place following the merger (or, where necessary or appropriate, seek to assign or novate the agreement to WRL). The benefits payable to Mr Huntly under this agreement may represent an interest the promotion of the Company or an amount that WRL has paid or agreed to pay, or benefit that WRL has given or agreed to give, to induce Mr Huntly to become a director of WRL or for services in connection with the Offer.

Mr Huntly will be required to work as required to fulfil the role of General Manager – South African Operations for FCL (or the Company). It is acknowledged that Mr Huntly is an active member of the mining industry and that he holds a number of consulting roles with listed and unlisted companies associated with the mining industry. He will maintain those roles provided they do not result in a conflict of interest and provided he supplies his services on a priority basis to FCL. Remuneration for the role of Executive Director will be ZAR820,000 inclusive of superannuation, if applicable, per annum. The remuneration payable per annum is to be indexed according to an appropriate reference index and may with the approval of the Board be adjusted in the event that the Company raises further capital for the purposes of its business plan.

The services may be terminated by either party without cause by giving not less than three months' notice.

Mr Huntly is invited under the terms of the letter agreement to participate in the Company's Option Plan. Corporate and individual performance goals are identified, and

if one or more of those goals are attained, Mr Huntly or his nominee will be eligible to apply for and be granted for a nominal consideration (being \$10.00) a specified number of Options, in each case with the invitation remaining open for a period of one year after the Qualification Date, the exercise being three years from the date of grant and the exercise price being 5% above VWAP for the ten Business Day period immediately preceding the relevant Qualification Date. The grant of options to related parties requires prior shareholder approval obtained in accordance with the Corporations Act and the Listing Rules.

By agreement dated 26 August 2009 with a company associated with Robert Hair ("Camcove"), FCL secured the services of Robert Hair as Company Secretary and an Executive Director of FCL. The services are to be provided for a term of 3 years commencing on the date that the Shares of FCL are admitted to the Official List or FCL becomes listed by means of a corporate merger or similar. WRL has agreed to maintain this agreement in place following the merger (or, where necessary or appropriate, seek to assign or novate the agreement to WRL). The benefits payable to Mr Hair under this agreement may represent an interest the promotion of the Company or an amount that WRL has paid or agreed to pay, or benefit that WRL has given or agreed to give, to induce Mr Hair to become a director of WRL or for services in connection with the Offer.

Mr Hair or another individual acceptable to the Directors will be required to work as required to fulfil the role of Company Secretary and Executive Director for FCL (or the Company). It is acknowledged that Mr Hair is an active member of the mining industry and that he holds a number of non-executive positions with listed and unlisted companies associated with the mining industry. He will maintain those positions provided they do not result in a conflict of interest and provided he supplies his services on a priority basis to FCL.

Fees payable to Camcove for the role of Company Secretary will be \$14,000 per month. In the event that the Company's market capitalization increases at any time during the first year of the term above \$20 million, then the fees for the second year will increase from \$14,000 per month to a maximum of \$18,000 per month (with the maximum being paid if the Company's market capitalization has during the year reached \$100 million and the increase in fees above \$14,000 per month being calculated otherwise pro rata between nil and \$60,000 by reference to the level of the Company's market capitalization at its highest point in the year).

The fees payable per month are in any event to be indexed according to an appropriate reference index and may with the approval of the Board be adjusted in the event that the Company raises further capital for the purposes of its business plan.

The services may be terminated by either party without cause by giving not less than three months' notice.

Mr Hair is invited under the terms of the letter agreement to participate in the Company's Option Plan. Corporate and individual performance goals are identified, and if one or more of those goals are attained, Mr Hair or his nominee will be eligible to apply for and be granted for a nominal consideration (being \$10.00) a specified number of Options, in each case with the invitation remaining open for a period of one year after the Qualification Date, the exercise being three years from the date of grant and the exercise price being 5% above VWAP for the ten Business Day period immediately preceding the relevant Qualification Date. The grant of options to related parties requires prior shareholder approval obtained in accordance with the Corporations Act and the Listing Rules.

Other than as set out below or elsewhere in this Prospectus, no person referred to in section 711(4) of the Corporations Act has or had within two years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares or Options pursuant to this Prospectus; or
- (c) the offer of Shares or Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any such person, either to induce him to become, or to qualify him as, an expert, advisor or underwriter or otherwise for services rendered by him in connection with the promotion or formation of the Company of the offer of Shares or Options pursuant to this Prospectus.

#### **9.6 Expenses of the Offer**

The total expenses of the Offer are estimated to be approximately \$25,000, comprising underwriting fees, ASIC lodgment fees, legal and due diligence costs and printing and other administrative expenses, including ASX quotation fees.

## SECTION 10 - MERGER AGREEMENT

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### 10.1 Ferrum Crescent Limited Merger Agreement

On 9 September 2009, Washington Resources entered into a conditional merger agreement ("Merger Agreement") with Ferrum Crescent Limited. Pursuant to the Merger Agreement, Washington Resources agreed to make offers to acquire all of the shares and options comprising the capital of Ferrum Crescent Limited, a company that has a 74% interest in the advanced Turquoise Moon Magnetite Pig Iron Project, which consists of the De Loskop Deposit and the Moonlight Deposit, located in the Limpopo region of South Africa.

The material terms of the Merger Agreement include:

- The parties will act in good faith to satisfy all conditions precedent to the Merger Agreement on or before 31 December 2009. These conditions precedent include satisfaction of due diligence, Washington Resources shareholder approval (for the purposes of the ASX listing rules including but not limited to Listing Rules 7.1 and 11, and if required by ASX, Listing Rule 10.11), conditional approval from ASX to the listing of the WRL shares and options, and confirmation that certain South African regulatory approvals have been obtained.
- Pursuant to the Merger Agreement, Washington Resources will offer to acquire all of the fully paid issued capital of Ferrum Crescent Limited by offering 12 new WRL Shares for every 10 existing FCL shares currently held. This will potentially result in the issue of a further 102,000,000 new WRL Shares assuming no further FCL Shares or FCL Options are issued (refer to section 5.4 of this Prospectus). These Shares will rank pari passu with the existing WRL Shares currently on issue.
- In addition, Washington Resources will offer to acquire all of the options currently on issue in Ferrum Crescent Limited by offering 1 new WRL Option for every 1 existing FCL option currently held. This will potentially result in the issue of a further 52,187,500 new WRL Options assuming no further FCL Shares or FCL Options are issued (refer to section 5.4 of this Prospectus). These Options will have the same terms as the Options to be issued pursuant to this Prospectus.
- FCL must use its best endeavours to obtain signed acceptances and associated documents from all FCL shareholders and FCL option holders as soon as possible after the offers are made.
- Once WRL has received acceptances under the offer in respect of at least 90% of FCL shares and 90% of FCL options, along with the duly executed relevant share and option transfer forms, WRL must use best endeavours to procure shareholder approval for the transaction.
- FCL will procure mandatory restriction agreements from former FCL shareholders where required by ASX (on terms that comply with the requirements of the ASX Listing Rules or that are otherwise imposed by ASX), and will otherwise procure voluntary restriction agreements from those of the vendors and parties related to the FCL board. Voluntary restriction agreements will be on the basis of 50% of the vendor WRL Shares issued will be escrowed for 6 months from the date of issue with the balance being escrowed for 12 months from the date of issue.
- Following the obtaining of necessary approvals thereof (including ASX and shareholder approvals), the parties have agreed to complete the Merger as soon as practicable by the issue to accepting FCL shareholders and FCL option holders of the specified numbers of WRL Shares and WRL Options in return for the transfer to WRL

of their FCL shares and FCL options. WRL will use best endeavours to procure the quotation of the new WRL Shares and WRL Options.

- It is acknowledged and agreed that the parties intend that the business of the Company consist principally of the Turquoise Moon Project and associated iron ore projects in RSA and elsewhere and that it will be necessary for the purposes of the business for the Company to carry out a capital raising as soon as reasonably possible after the completion of the Merger. It is acknowledged and agreed by the parties that the preferred name of the Merged Entity is Ferrum Crescent Limited and that the parties will (if this has not been achieved) cooperate in order to seek shareholder approval to the change of name accordingly.
- The Merged Entity will maintain certain existing FCL Contracts following the Merger (or, where necessary or appropriate, seek to assign or novate those contracts or agreements to WRL).
- The parties acknowledge and agree that following completion of the Merger, it is proposed that Adrian Griffin (the current managing director of Ferrum Crescent Limited) be appointed as managing director of the Merged Entity and subject to the overview of the board of directors, will have the responsibility to establish the appropriate management and organizational structure of the Merged Entity.
- It is also acknowledged and agreed that it is the mutual intention of the parties that the Merged Entity will be listed for quotation of its shares on the JSE as soon as practicable.
- Pending the completion of the merger (or earlier termination of the Merger Agreement) the parties have agreed to certain 'conduct pending completion' restrictions (relating to, for example, not paying dividends, not altering their constitutions, not altering their capital structures, not acquiring, disposing or encumbering material assets, not incurring new debt etc). Either party may terminate the agreement if these are breached, or if the proposed timetable for the merger is not followed, or if an insolvency event or a material adverse change occurs in relation to the other.

The Company anticipates that the Merger will be completed on or before 31 December 2009. WRL Shareholders will, prior to such time, receive a notice of meeting seeking their approval to the merger and setting out further information about FCL and the proposed merger.

## SECTION 11 - CONSENTS

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Adrian Griffin has given and has not withdrawn his written consent to being named as a proposed director of the Company in this Prospectus in the form and context in which he is named. Adrian Griffin has not caused or authorised the issue of the Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. To the extent permitted by law, Adrian Griffin does not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

Scott Huntly has given and has not withdrawn his written consent to being named as a proposed director of the Company in this Prospectus in the form and context in which he is named. Scott Huntly has not caused or authorised the issue of the Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. To the maximum extent permitted by law, Scott Huntly does not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

Robert Hair has given and has not withdrawn his written consent to being named as a proposed director of the Company in this Prospectus in the form and context in which he is named. Robert Hair has not caused or authorised the issue of the Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. To the maximum extent permitted by law, Robert Hair does not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

Philip Kirchlechner has given and has not withdrawn his written consent to being named as a proposed director of the Company in this Prospectus in the form and context in which he is named. Philip Kirchlechner has not caused or authorised the issue of the Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. To the maximum extent permitted by law, Philip Kirchlechner does not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

Matodzi Nesongozwi has given and has not withdrawn his written consent to being named as a proposed director of the Company in this Prospectus in the form and context in which he is named. Matodzi Nesongozwi has not caused or authorised the issue of the Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. To the maximum extent permitted by law, Matodzi Nesongozwi does not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

Zola Skweyiya has given and has not withdrawn his written consent to being named as a proposed director of the Company in this Prospectus in the form and context in which he is named. Zola Skweyiya has not caused or authorised the issue of the Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. To the maximum extent permitted by law, Zola Skweyiya does not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

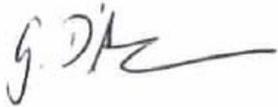
## SECTION 12 - AUTHORITY OF DIRECTORS

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This Prospectus has been issued by the Company and its issue has been authorised by a resolution of the Directors.

Each of the Directors of Washington Resources Limited has consented to the lodgment of this Prospectus in accordance with Section 720 of the Corporations Act 2001 and has not withdrawn that consent.

**Dated 30 September 2009**

A handwritten signature in black ink, appearing to read 'G. D'Anna', with a long horizontal stroke extending to the right.

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**Signed for and on behalf of**  
**WASHINGTON RESOURCES LIMITED**  
By Gino D'Anna

## SECTION 13 - DEFINITIONS

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**Acceptance and Application Form** means the acceptance and application form enclosed with this Prospectus.

**Applicant** means a person who submits an Application.

**Application** means a valid application to subscribe for Shares or Options.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691).

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

**CHESS** means ASX Clearing House Electronic Subregistry System.

**Closing Date** means the date on which the Offer closes.

**Company** means Washington Resources Limited (ACN 097 532 137).

**Conditions** has the meaning given in Section 2.

**Corporations Act** means the Corporations Act 2001 (Commonwealth).

**Directors** mean the directors of the Company from time to time.

**Dollars or \$** means Australian dollars unless otherwise stated.

**FCL** means Ferrum Crescent Limited (ACN 128 777 444).

**FCL Contracts** means the material contracts to which FCL is a party.

**FCL Option** means an option to subscribe for an FCL Share outstanding as at 5 October 2009.

**FCL Optionholder** means a holder of FCL Options.

**FCL Share** means one fully paid ordinary share in FCL.

**FCL Shareholder** means a holder of FCL Shares.

**Glossary** means this glossary.

**JSE** means the Johannesburg Stock Exchange.

**Listing Rules or ASX Listing Rules** means the official Listing Rules of ASX.

**Merger Agreement** means the merger agreement between FCL and WRL dated 16 September 2009 and announced to ASX on 17 September 2009.

**Merged Entity** means WRL following completion of the Merger.

**Merger** means the merger of WRL and FCL.

**Offer** means an offer to Shareholders and Optionholders who are registered at 5.00pm WST on 5 October 2009 on the basis of the acquisition of all FCL Shares and FCL Options held by them in consideration for an issue of twelve (12) WRL Shares for every ten (10) FCL Shares held and one (1) WRL Option for every one (1) FCL Option held.

**Offer Period** means the period within which the Offer may be accepted, commencing on the Opening Date and ending on the Closing Date.

**Official List** means the Official List of ASX.

**Opening Date** means the opening date for receipt of Acceptance and Application Forms under this Prospectus as set out in section 4.6.

**Option** means an option to subscribe for one Share in Washington Resources exercisable at 40 cents on or before 5:00pm WST on 31 December 2013 and issued on the terms and conditions set out in this Prospectus.

**Quotation and Official Quotation** means official quotation on ASX.

**Record Date** means 5 October 2009.

**RSA** means the Republic of South Africa.

**Share** means 1 fully paid ordinary share in Washington Resources Limited.

**Washington Resources** means Washington Resources Limited (ABN 58 097 532 137).

**WRL** means Washington Resources Limited (ACN 097 532 137).

**WST** means Western Standard Time, Perth, Western Australia.

**Your FCL Shares** means all of the FCL Shares held by an Applicant.

**Your FCL Options** means all of the FCL Options held by an Applicant.