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Media ASX Announcement

To: Company Announcements Office
Australian Securities Exchange
Level 4 Exchange Centre
20 Bridge Street
Sydney NSW 2000

WASHINGTON ACQUIRES MAGNETITE IRON PROJECT, LIMPOPO, SOUTH AFRICA

The Directors of Washington Resources Limited (**Washington Resources** or **Company**) are pleased to announce the Company has entered into a conditional agreement to acquire Ferrum Crescent Limited (**Ferrum Crescent**), a company that has a 74% interest in the advanced Turquoise Moon Iron Project (**Project**), which consists of the Moonlight Deposit and the De Loskop Prospect, located in the Limpopo region of South Africa.

Highlights:

- The Moonlight Deposit contains a **JORC-compliant Inferred Resource of 320Mt a grade of 32% Fe**
- The De Loskop Prospect, which hosts taconite iron mineralisation with an **exploration potential of 200Mt to 1,000Mt¹ grading between 30% Fe and 40% Fe**
- Existing JORC-compliant Inferred Resource at Moonlight Deposit can be upgraded by **systematic exploration and resource development work**
- Magnetite occurs close to the surface within Banded Ironstone Formations (BIF), with the **BIF having widths of up to 50 metres**
- Metallurgical tests confirm low intensity magnetic separation used for optimum separation, achieving **80% passing through a size of 150µ** and a mass yield of 50%, final product grades of **69.7%Fe, 2.05%SiO₂, 0.40%Al₂O₃, and 0.01%P (Fe recovery 88%)**
- Moonlight Deposit lies **150km NW of Polokwane** (formerly Pietersburg) and only **8km south of Marnitz Township** on major highway N1. De Loskop Prospect is **50km north of Polokwane**
- **Large deposit, long mine life and lower contaminant levels** compared with most Australian mines

¹ The potential quantity and grade of the De Loskop Deposit is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.



The Moonlight Deposit and the De Loskop Prospect present the Company with a significant opportunity to access an advanced exploration project in close proximity to infrastructure with the ability to fast-track development through the expansion of the existing JORC compliant Inferred Resource. The Projects have the potential to host economic resources of high quality magnetite iron, from which export grade iron pellets and pig iron can be developed and produced.

The project is considered to have significant potential to support commercial scale operations in the medium term, with the results from preliminary metallurgical testwork considered excellent, displaying high recoveries and low contaminant levels.

Summary of the Transaction - Acquisition and Structure

Pursuant to the Merger Agreement, Washington Resources agrees to make offers to acquire 100% of the shares and options in Ferrum Crescent, an Australian public unlisted Company which, via its wholly owned subsidiaries, owns a 74% interest in Turquoise Moon Trading 157 (Pty) Ltd, which holds a 100% interest in the Turquoise Moon Iron Project. The remaining 26% is held by Matodzi Nesongozwi, Ferrum Crescent's South African partner. Turquoise Moon complies with the requirements under South African law for Black Economic Empowerment (**BEE**).

As a result of the merger between Washington Resources and Ferrum Crescent, Washington Resources will have acquired a 74% interest in the Turquoise Moon Iron Project.

The merger is subject to a number of conditions precedent including obtaining acceptances from at least 90% of Ferrum Crescent shareholders and option holders, execution of voluntary restriction agreements, completion of due diligence and Washington Resources shareholder approval.

The consideration payable for the acquisition of the Ferrum Crescent shares and options is as follows:

- The issue of new fully paid ordinary shares in Washington Resources to Ferrum Crescent shareholders on the basis of 12 new Washington Resources shares for every 10 Ferrum Crescent shares currently held, on a pro-rata basis. The total number of shares to be issued will equate to **102,000,000 new Washington Resources shares**; and
- The issue of new listed options in Washington Resources to Ferrum Crescent option holders on the basis of 1 new Washington Resources option for every 1 Ferrum Crescent option currently held, on a pro-rata basis. The total number of listed options to be issued will equate to **52,187,500 new Washington Resources options**, exercisable at 40 cents per share on or before 31 December 2013.

There will also be an issue of 833,333 shares to Hartleys Limited in connection with corporate advisory services provided.

The new Washington Resources shares issued to the shareholders of Ferrum Crescent pursuant to the acquisition will be subject to escrow restrictions on the following basis:

- 50% of the new Washington Resources shares to be issued will be held under escrow restrictions for a period of 6 months from the date of issue; and



- The remaining 50% of the new Washington Resources shares to be issued will be held under escrow restrictions for a period of 12 months from the date of issue.

Following completion of the merger, the name of the Company will be changed to Ferrum Crescent Limited, subject to the granting of shareholder approval.

Board and Senior Management appointments

Washington Resources has agreed to the appointment of the following parties to the Board and senior management, subject to shareholder approval:

- The appointment of Dr Zola Skweyiya as Chairman and Non-executive Director;
- The appointment of Mr Adrian Griffin as Managing Director;
- The appointment of Mr Scott Huntly as Executive Director;
- The appointment of Mr Robert Hair as Company Secretary and Executive Director;
- The appointment of Mr Matodzi Nesongozwi as Non-executive Director;
- The appointment of Mr Philip Kirchlechner as Non-executive Director;
- The appointment of Mr Richard Webb as Chief Financial Officer;
- The appointment of Mr Lindsay Cahill as Exploration Manager; and
- The appointment of Mr Rainer Dreier as Engineering Director.

Shareholders meeting

Following satisfactory completion of due diligence, Washington Resources will convene a meeting of shareholders to approve the transaction, and the appointment of Dr Skweyiya, Mr Griffin, Mr Huntly, Mr Hair, Mr Nesongozwi and Mr Kirchlechner to the Board of the Company.

Shareholders will receive the Notice of Meeting documents in due course and will receive further information concerning the specific approvals required pursuant to the transaction with Ferrum Crescent.

Capital Structure on Completion of Transaction

The table below outlines the capital structure of the Company post the completion of the transaction with Ferrum Crescent:

Securities	Number	Funds
Ordinary Shares		
Current Shares on Issue	54,921,366	\$1,200,000
Shares to be Issued to the shareholders of Ferrum Crescent	102,000,000	
Shares to be Issued to Hartleys Limited	833,333	
Shares on Issue Post Completion	157,754,699	\$1,200,000
Options		
Existing Options on Issue (unlisted)	1,400,000	
Options to be Issued pursuant to rights issue entitlements offer (listed)	49,429,229	
Options to be Issued to the option holders of Ferrum Crescent (listed)	52,187,500	
Options on Issue Post Completion	103,016,729	



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Rights Entitlement Issue of Options

Pursuant to the merger between Washington Resources and Ferrum Crescent, the Company will undertake a pro-rata non-renounceable rights issue of options to existing Washington Resources Shareholders on the basis of 9 options issued for every 10 shares currently held in the Company. These options will be issued at a nominal issue price of \$0.001 per option and will have an exercise price of 40 cents per share and an expiry date of 31 December 2013. The Company will apply for quotation of these options under the ASX code WRLO.

Overview of Moonlight Deposit and De Loskop Prospect

Through a wholly owned subsidiary Ferrum Crescent acquired the rights to a 74% interest of the Turquoise Moon Iron Project in South Africa (**Project**). The Project areas consist of the Moonlight Deposit and the De Loskop Prospect, located in the Limpopo province of South Africa (see Figure 1). Ferrum Crescent has a South African partner with extensive experience in the mining industry in South Africa, which provides the Company with additional insights into the mining laws and operations in South Africa.

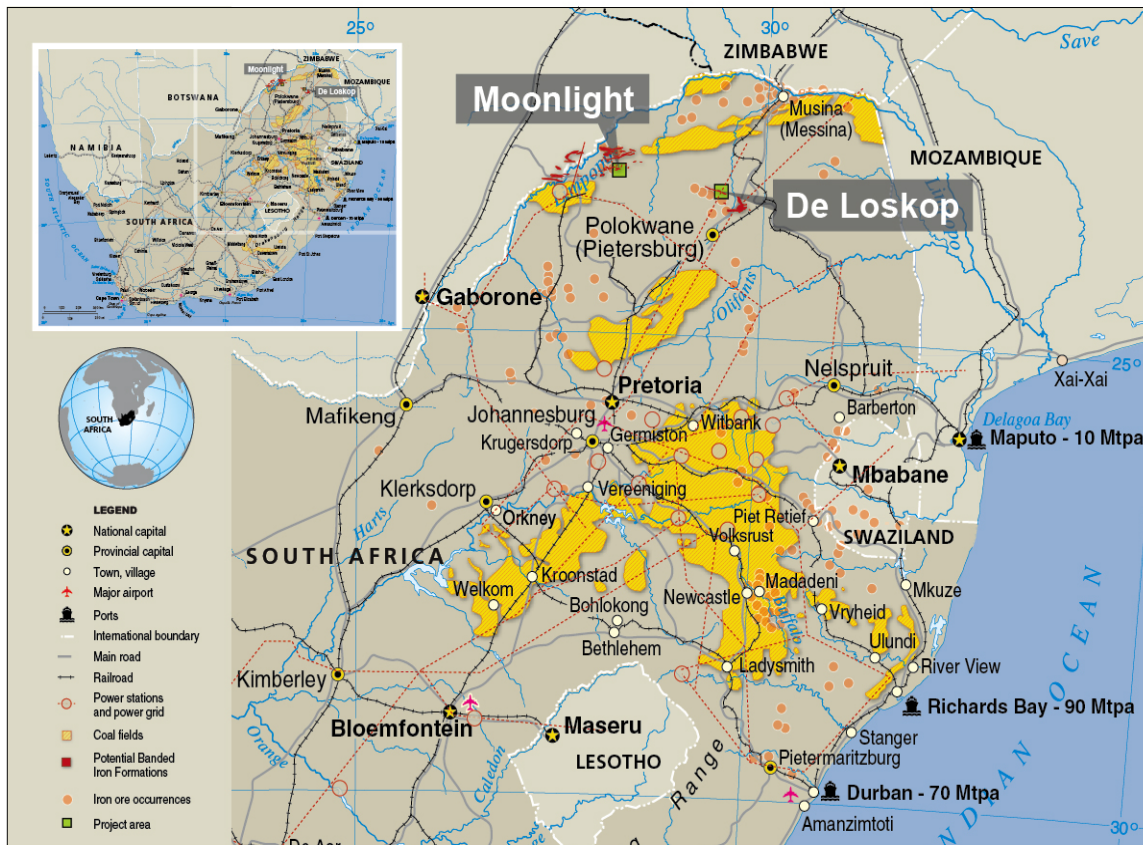


Figure 1: Project Location Map

The Project's Moonlight Deposit was explored by the South African, Iron and Steel Corporation (ISCOR) between 1983 and 1997. This work detailed and included extensive drilling campaigns and metallurgical and engineering testwork, culminating in resource estimates and mining studies. Historical Project data has been verified by confirmation drilling and resource estimates, resulting in



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an initial JORC-compliant Inferred Resource of 320Mt grading at 32% Fe in respect of the Moonlight Deposit.

The De Loskop Prospect contains an exploration target of iron-ore mineralisation ranging from 200Mt to 1,000Mt at a grade of between 30% Fe and 40% Fe. The target formation, the Zandriverspoort Banded Ironstone Formation (BIF), hosts mineralisation at a locality 35km to the SE at a grade of 34.9% Fe where the geology of the deposits is well understood as a result of historical exploration having been undertaken by ISCOR.

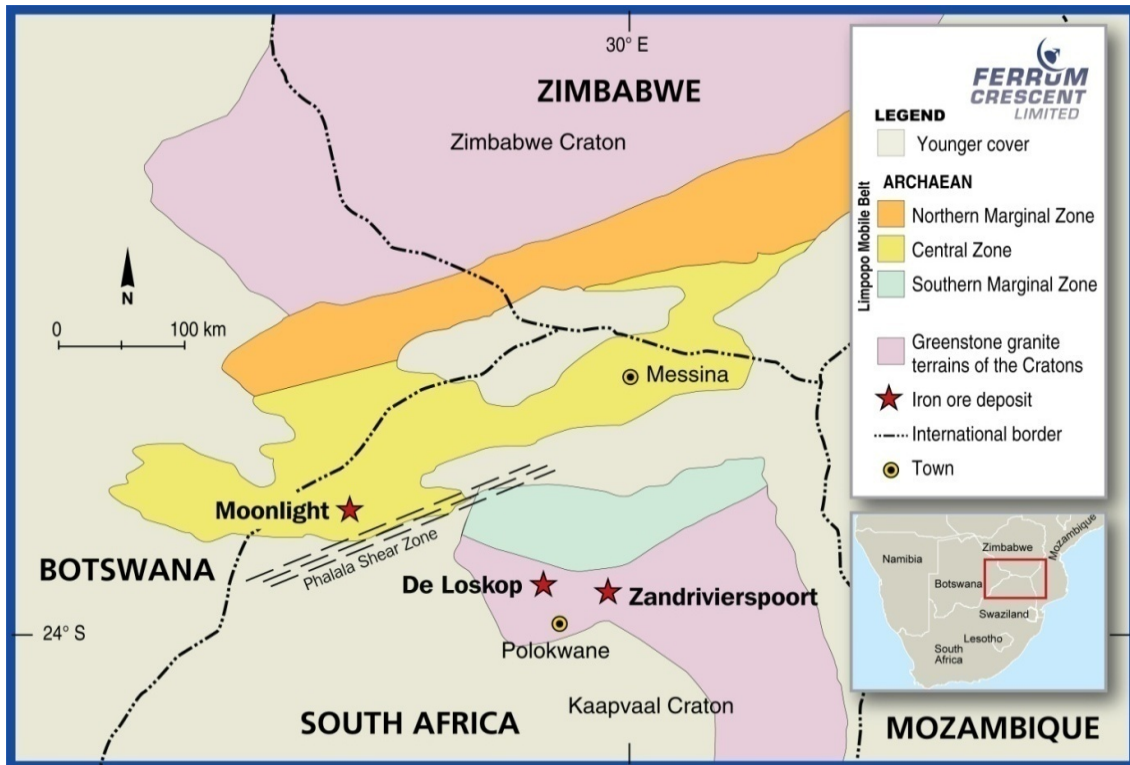


Figure 2: Geology and Mineralisation of Project Areas

Access to the Projects is available via the use of sealed roads, unsealed roads and tracks. The Moonlight Deposit lies 150km North-West of Polokwane (formerly Pietersburg) and only 8km South of Marnitz Township on major highway N1.

The De Loskop Prospect is 50km North of Polokwane, and can be accessed by secondary roads and farm tracks. There is additional infrastructure in the way of air, rail and energy (coal and coal seam gas). There is a main arterial road within 100km of the project and there is a railway line within 160km. These can provide access to intermediate storage facilities prior to export via a port such as Maputo or Richards Bay.

In 2008, RC samples from the Moonlight Deposit were evaluated for determination of concentrate grade and weight % recovery of magnetite. This confirmed the magnetite was amenable to magnetic separation at very coarse grind sizes, with excellent recovery and low contaminants. A mass yield of 46% was achieved at a grind size between 220 and 238 μ with concentrate grades of 67% Fe and 4.57% SiO₂.



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Magnetite occurs close to the surface within Banded Ironstone Formations (BIF) interbedded with granitic gneisses and granulites. Metamorphism had resulted in a coarse grained, magnetite quartz rock, with widths of up to 50 meters of BIF occurring in the locality.

The geology of the deposits is also very well understood and domained, with historical exploration being undertaken by ISCOR over the period 1983 and 1986, which was later verified by Ferrum Crescent.

The host is a quartz-magnetite rock producing outstanding recovery of magnetite with very low levels of contaminants at coarse grind sizes. The Company has conducted testwork on three samples which yielded exceptionally good results with silica levels in concentrate less than 5% at a very coarse grind size of 220 microns.

Metallurgical testwork carried out at the Moonlight Project has confirmed that low intensity magnetic separation can be used for optimum separation. Separation was achieved with 80% passing through a size of 150 μ and a mass yield of 50% with final product grades of 69.7%Fe, 2.05%SiO₂, 0.40%Al₂O₃, and 0.01%P (Fe recovery 88%).



Figure 3: Large BIF boulder on ridge in NE of Moonlight Area - Note the banding and folding (CRM, 2009)

The grain size of the Project's mineralisation is coarser than in comparable deposits worldwide, so production of a commercial concentrate is estimated to cost less and require less energy. The potential viability of iron production of 1 million tonnes per annum on site, in the form of pig iron or magnetite pellets, will be investigated through preliminary scoping studies, as a matter of priority by the Company following completion of the acquisition.



Proposed Future Work Program

Washington Resources will focus on adding value to the existing JORC-compliant Inferred Resource 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. This will form the basis for a reserve sufficient to support a 10 year mine plan. 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.

For further information, please contact Mr Gino D'Anna on + 61 8 9486 4036.

Gino D'Anna
Executive Director
Washington Resources Limited
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For more information on the Company visit www.washingtonresources.com.au

Competent Persons Statement:

The information in the report is based on information compiled by Parmesh Vakil and John Doepel who are Members of the Australasian Institute of Mining and Metallurgy with a minimum of five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Vakil is a contract employee of Washington Resources Pty Ltd and Mr Doepel is Principal Geologist at Continental Resource Management Pty Ltd. Both Mr. Vakil and Mr Doepel have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.



Appendix 1: Detailed Geological Review

Moonlight Deposit – Geological Review and Background

Exploration at the Moonlight Deposit commenced in 1981, when the South African Government owned, integrated steel manufacturer, ISCOR evaluated the economic potential of a number of relatively low-grade, but favourably located, iron ore deposits, despite having a large high-grade reserve at its flagship Sishen mine and smaller high-grade reserves at Thabazimbi.

In 2001 ISCOR was unbundled to form Kumba Resources, which was split into Kumba Iron Ore (Kumba) that controls iron ore assets and Exxaro that has coal, mineral sands, and base metal assets. Between 1983 and 1986, ISCOR drilled 247 holes at the Moonlight Deposit, for a total of 10,987m of diamond core drilling and 10,360m of percussion drilling.

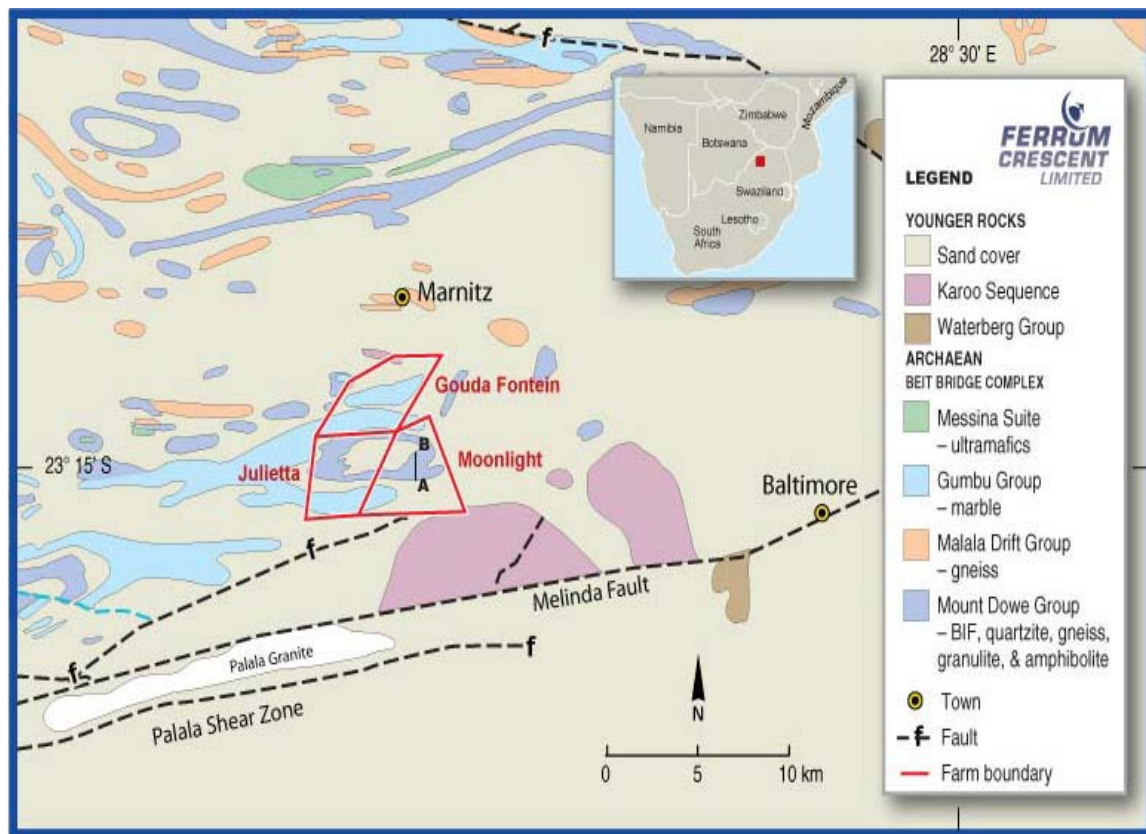


Figure 4: Moonlight Deposit – Geological setting

The holes, all of which were vertical, comprised:

- 79 Diamond core holes – the MT series;
- 26 Reverse circulation drill holes – the MTL series; and
- 142 Halco Wagon drill holes to a maximum depth of 50m – the MTH series.



Significant intersections from ISCOR drilling programmes are illustrated below:

Hole	From (m)	Length (m)	Fe (%)	Sio2 (%)	AL2O3 (%)	P (%)	S (%)	CaO (%)	MgO (%)	K2O (%)	TiO2 (%)
MT15AD	0	37.1	42.4	39.3	0.2	0.02	0	0.46	0.61	0.03	0.1
MT25	48	32.9	30.3	48.43	2.39	0.05	0.02	0.87	2.77	0.3	0.13
MT26	0	46	38.9	39.3	0.59	0.2	0.01	0.31	0.6	0.2	0.08
MT32	136.7	43.7	28.5	45.92	1.32	0.05	0.02	1.31	3.16	0.26	0.08
MT35	189.2	38.3	31	47.29	2.6	0.06	0.01	1.09	2.7	0.55	0.18
MT51	154.3	43.6	38.4	43.07	0.43	0.05	0	1.53	1.93	0.03	0.03
MT56	256.2	62.4	34.2	44.64	1.19	0.06	0	1.69	2.25	0.28	0.13
MT57	115	50.5	41.1	37.74	0.34	0.05	0	1.3	0.07	0.07	0.1
MT08L	0	44	37.6	42.66	0.65	0.03	0.04	1.59	2.71	0.03	0.39
MT09L	0	43	37.3	43.27	0.64	0.03	0.01	0.4	0.73	0.14	0.05
MT21L	144	30	33.5	46.94	1.9	0.05	0	1.43	2.39	0.37	0.17
MT22L	103	41	32.8	46.49	1.99	0.05	0	1.89	2.41	0.54	0.07

During 2008, Ferrum Crescent drilled 20 reverse circulation holes on the Moonlight Deposit for a total of 2,087 metres. The holes were designed to twin a range of ISCOR drill-holes. The locations of the Ferrum Crescent and ISCOR drill holes are shown on Figure 5 below.

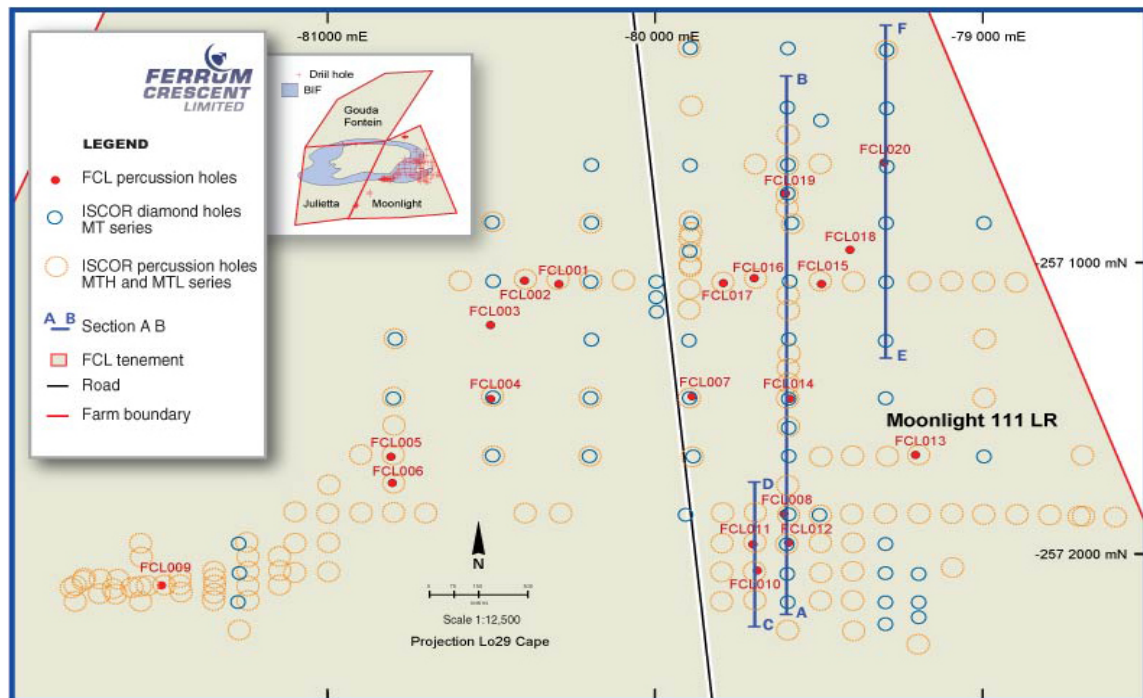


Figure 5: Moonlight Deposit – Drill-hole location plan

The main ore mineral is coarse-grained magnetite, which, within the zone of weathering, is oxidized to haematite, goethite, limonite, and maghemite. Due to the presence of maghemite, the iron



minerals are highly magnetic within a few metres of the surface. Beneficiation testwork indicated that a simple process of low intensity magnetic separation is suitable for optimum concentration. Separation at a grind size of 80% passing 150µ achieved a mass yield of 50%, with final product grades of 69.7% Fe, 2.05% SiO₂, 0.40% Al₂O₃, and 0.01% P (Fe recovery 88%).

A typical section across the shallower oxidized portion of the Moonlight Deposit is shown in Figure 6, and a section across the deeper un-weathered portion of the mineralisation is shown in Figure 7.

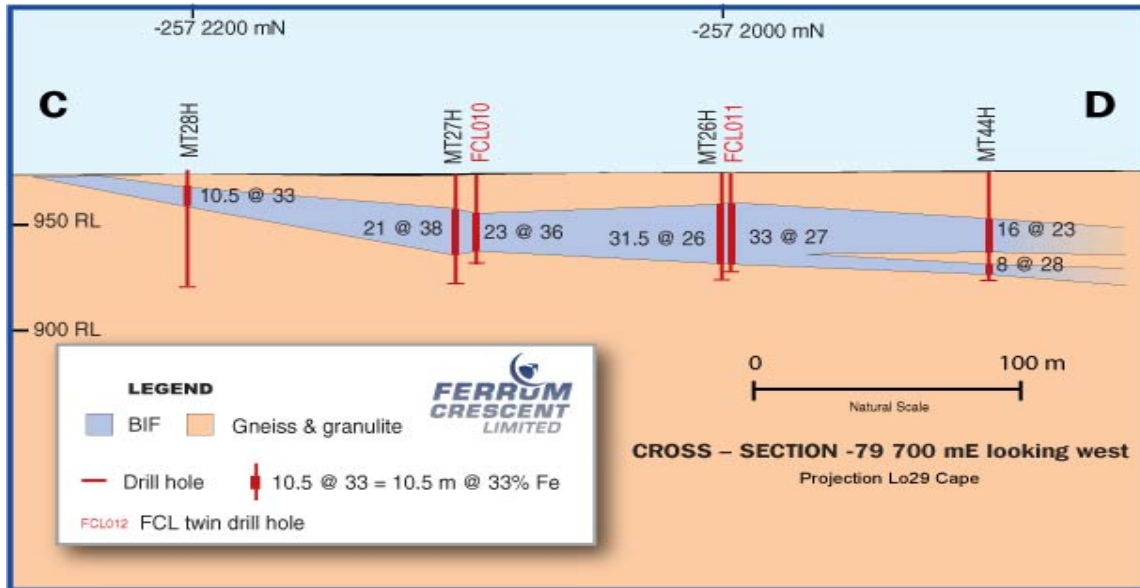


Figure 6: Cross-section along -79,700mE – showing twinned near surface oxide-zone mineralisation

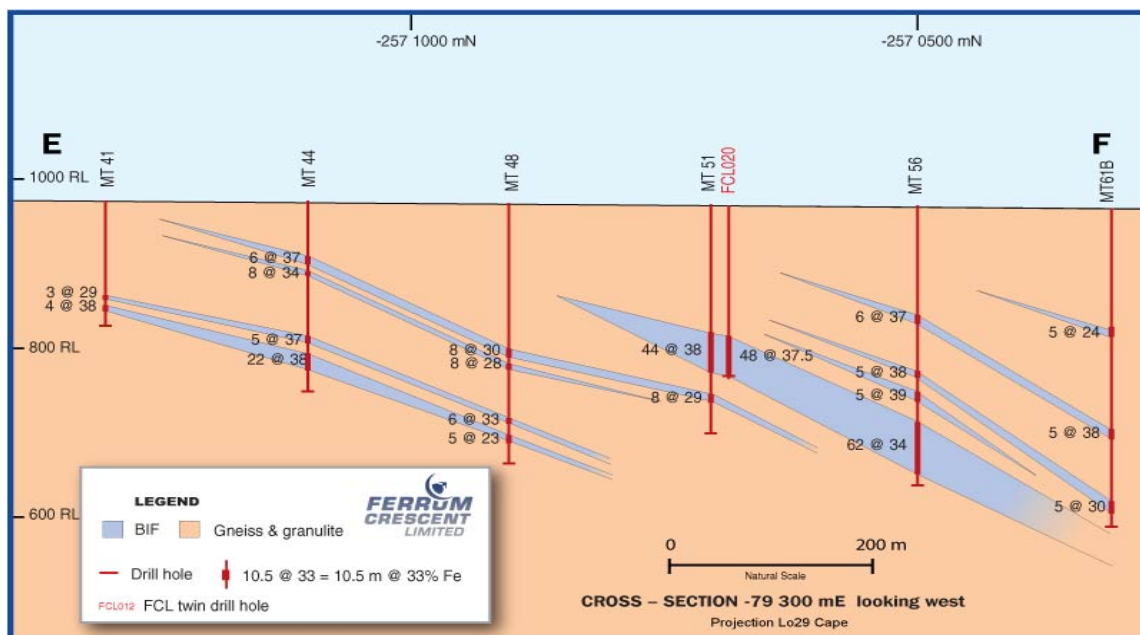


Figure 7: Cross-section along -79,300mE – showing sulphide-zone mineralisation



Moonlight Deposit - Resource

The Moonlight Deposit contains an Inferred Resource of 320Mt of iron mineralisation at a grade of 32% (based on a 21% Fe cut-off), comprised of 81Mt of oxide mineralisation (to about 65m depth) @ 33% Fe (6.8% FeO) and 240Mt of magnetite mineralisation @ 32% Fe (14% FeO).

Classification	Oxide State	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)
Inferred	Oxide	81	33	46.15	2.07	0.095
Inferred	Fresh	240	32	46.57	2.43	0.13
Total Moonlight Inferred Resource		320	32	46.35	2.25	0.11

Within the area of the Moonlight Deposit, the BIFs strike east-northeast and dip north at angles of between 1°, near the surface in the south, and 30°, at depth in the north.

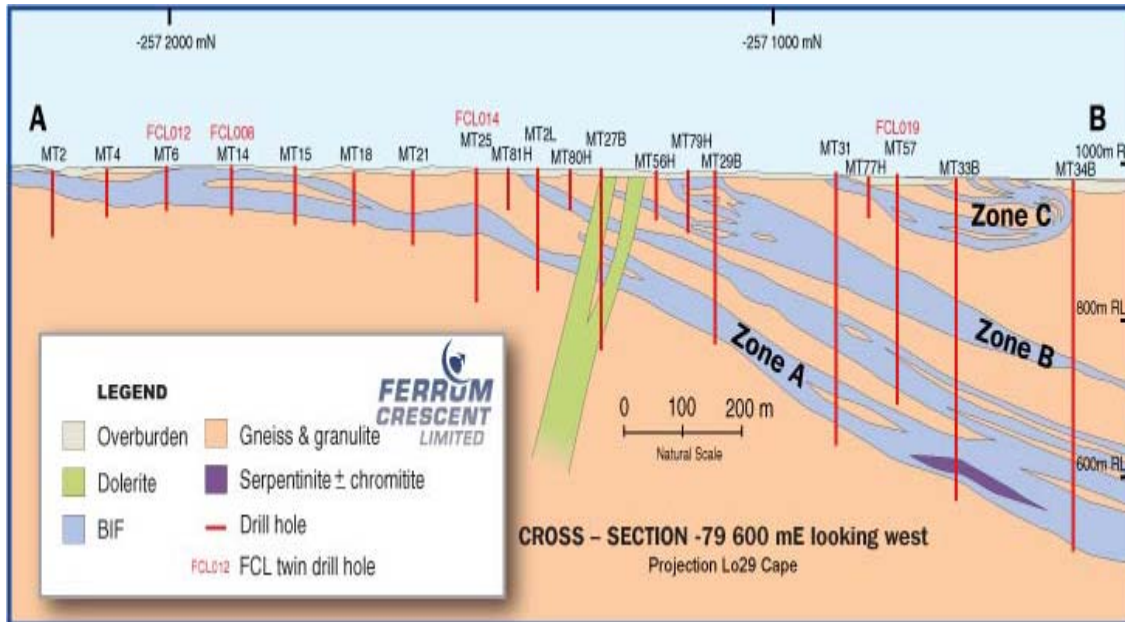


Figure 8: Moonlight Deposit – Cross-section along -79,600E

The ISCOR concentration results for the Moonlight Deposit are shown below:

	Recovery %	Yield %	Fe Total %	SiO ₂ %	Al ₂ O ₃ %	K ₂ O %	P %	TiO ₂ %	CaO %	MgO %
Dry Rock (as received)			33.8	44.7	1.2	0.1	0.04	0.16	1.9	2.6
Dry magnetic concentrate	88%	50%	69.7	2.05	0.40	<0.02	0.01	0.07	0.16	0.22



De Loskop Prospect – Geological Review and Background

Taconite mineralisation at De Loskop is present within BIF horizons. The BIFs are within the Zandriverspoort Formation, which is flanked by granitic gneisses and which contains BIFs, schists, amphibolites, quartzites, and calc-silicate rocks (refer to Figure 9 below).

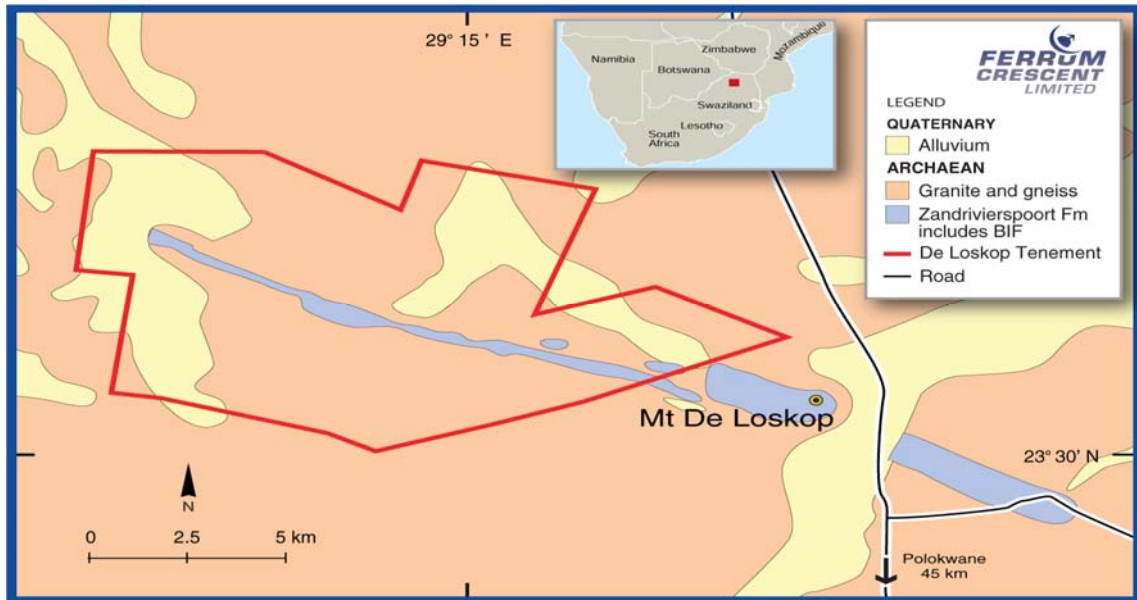


Figure 9: De Loskop Prospect – Geological map

The Zandriverspoort BIF hosts taconite iron ore mineralisation of the De Loskop Prospect immediately to the east of the Ferrum Crescent De Loskop tenement. The mineralisation, which outcrops over a width of about 100 metres on Mt De Loskop, was drilled by ISCOR in the 1990s. The Zandriverspoort Formation also hosts the Kumba Resources' Zandriverspoort iron ore deposit about 35km to the southeast. The Zandriverspoort Deposit contains an Indicated Mineral Resource of 447Mt at a grade of 34.9% Fe.

Relief within the prospect area is low, although the moderate to steeply dipping BIF units outcrop to various extents along a subdued west-northwest striking ridge, that has a length of 14km within the Ferrum Crescent De Loskop tenement.

De Loskop Prospect – Exploration Target

An exploration target for taconite iron mineralisation is present within the De Loskop Prospect. The potential mineralisation within the target area is within the range of **200Mt to 1,000Mt at a grade of between 30% Fe and 40% Fe.**

The target horizon is a meta-BIF unit within the Zandriverspoort Formation, which within the tenement area has a length of 14km and a steep dip, but incomplete outcrop. The width of the BIF unit is not known, but along strike, immediately to the east of the tenement, it has a thickness of about 100 metres at the De Loskop Deposit on Mt De Loskop, where it is reported to have an in-situ grade of 37.8% Fe.