

Washington Resources Limited

ACN 097 532 137

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT TO SHAREHOLDERS

FOR AN ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 30 NOVEMBER 2009 AT TUART ROOM, HOLIDAY INN, 778 – 788 HAY STREET, PERTH WESTERN AUSTRALIA AT 12:00PM.

You are encouraged to attend the meeting, but if you cannot, you are requested to complete and return the enclosed Proxy Form without delay (and no later than 48 hours before the meeting) to Computershare Investor Services Pty Ltd at GPO Box 242, Melbourne, Victoria, 3001, or by facsimile on facsimile number 1800 783 447 (within Australia) or +613 9473 2555 (outside Australia).

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the members of WASHINGTON RESOURCES LTD (“**Washington**” or “**the Company**”) will be held on the date and at the location and time specified below:

DATE: 30 November 2009

LOCATION: Tuart Room, Holiday Inn, 778 - 788 Hay Street, Perth, Western Australia

TIME: 12:00 PM

BUSINESS: The business to be transacted at the Annual General Meeting is the proposal of the Resolutions set out below:

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of Shareholders of Washington Resources Limited will be held at 12.00pm (Perth time) on Monday 30 November at:

Tuart Room, Holiday Inn, 778 – 788 Hay Street, Perth, WA.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

Proxies:

Please note that:

- a. a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- b. a proxy need not be a member of the Company;
- c. a Shareholder may appoint a body corporate or an individual as its proxy;
- d. a body corporate appointed as a Shareholders proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- e. Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the total votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

To vote by proxy, please complete and sign the proxy form enclosed and either:

- a. deliver the proxy form:
 - i. by hand to the Company's share registry, Computershare Investor Services Pty Ltd at Level 2, 45 St Georges Terrace, Perth WA 6000; or
 - ii. by post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001;
- b. fax the form to Computershare Investor Services Pty Ltd on facsimile number 1800 783 447 (within Australia) or +61 3 9473 2555.

so that it is received not later than 12.00 pm on 28 November 2009. Proxy forms received later than this time will be invalid.

Your proxy form is enclosed as a separate document.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Washington Resources Limited will be held at 12.00pm (Perth time) on Monday 30 November 2009 at the Tuart Room, Holiday Inn, 778 – 788 Hay Street, Perth, WA.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at the close of business on the day which is 2 days before the date of the Annual General Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

FINANCIAL STATEMENTS

To receive the financial report of the Company for the year ended 30 June 2009, together with the directors' report and the auditor's report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding ordinary resolution**:

“That, for the purposes of Section 250R (2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report.”

Short Explanation:

The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

RESOLUTION 2 – ISSUE OF SHARES TO ACQUIRE FERRUM CRESCENT LIMITED SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 3 and 4, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue 102,000,000 Shares to the shareholders of Ferrum Crescent Limited in consideration for the acquisition by the Company of all the Ferrum Crescent Limited Shares on issue on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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RESOLUTION 3 – ISSUE OF OPTIONS TO ACQUIRE FERRUM CRESCENT LIMITED OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 2 and 4, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue 52,187,500 Options to the optionholders of Ferrum Crescent Limited in consideration for the acquisition by the Company of all the Ferrum Crescent Limited Options on issue on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 4 – ACQUISITION OF FERRUM CRESCENT LIMITED - CHANGE IN SCALE OF ACTIVITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 2 and 3, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to acquire all issued Ferrum Crescent Limited Shares and Options (and to the potential resultant significant change in the scale of the Company’s activities) as described in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any person associated with these persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 – FUTURE ISSUE OF SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the Company to allot and issue up to 50,000,000 fully paid ordinary shares in the capital of the Company at an issue price which is at least 80% of the average market price for the Company’s shares on the ASX over the 5 trading days preceding the date on which the issue is made (or if issued pursuant to a disclosure document, over the last 5 trading days on which sales were recorded before the date of the disclosure document) and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed and any person associated with these persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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RESOLUTION 6 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Exception 9 to Listing Rule 7.2 of the ASX Listing Rules and for all other purposes, approval is given for the Company to adopt an employee share option plan and to administer, and issue securities under, that plan on the terms and conditions set out in the Explanatory Statement.”

Short Explanation:

Listing Rule 7.1 provides that shareholder approval is required before the company may issue certain securities representing more than 15% of the capital of the company within a 12 month period. Securities issued to persons participating in an employee share option plan are exempt from Listing Rule 7.1 where the issue of securities under the plan has been approved by shareholders at a general meeting held not more than 3 years before the date of issue.

Prior to making a decision with respect to Resolution 6, members should refer to Section 8 of the Explanatory Statement which accompanies this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by any Director of the Company (except any Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of these persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 7 – APPROVAL OF EMPLOYEE SHARE INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Exception 9 to Listing Rule 7.2 of the ASX Listing Rules, section 260C(4) of the Corporations Act, and for all other purposes, approval is given for the Company to adopt an employee share incentive plan and to administer, and issue Shares under, that plan on the terms and conditions set out in the Explanatory Statement.”

Short Explanation:

Listing Rule 7.1 provides that shareholder approval is required before the company may issue certain securities representing more than 15% of the capital of the company within a 12 month period. Securities issued to persons participating in an employee incentive plan are exempt from Listing Rule 7.1 where the issue of securities under the plan has been approved by shareholders at a general meeting held not more than 3 years before the date of issue.

Prior to making a decision with respect to Resolution 7, members should refer to Section 9 of the Explanatory Statement which accompanies this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director of the Company (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of these persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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RESOLUTION 8 – ELECTION OF DR ZOLA SKWEYIYA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 2 to 4, and Completion of the acquisition of Ferrum Crescent Limited, for the purposes of clause 11.2 of the Company’s Constitution and for all other purposes, Dr Zola Skweyiya, having been nominated and given his consent to act, be elected as a director of the Company.”

No Voting Exclusion

RESOLUTION 9 – ELECTION OF MR ADRIAN GRIFFIN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 2 to 4, and Completion of the acquisition of Ferrum Crescent Limited, for the purposes of clause 11.2 of the Company’s Constitution and for all other purposes, Mr Adrian Griffin, having been nominated and given his consent to act, be elected as a director of the Company.”

No Voting Exclusion

RESOLUTION 10 – ELECTION OF MR ROBERT HAIR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 2 to 4, and Completion of the acquisition of Ferrum Crescent Limited, for the purposes of clause 11.2 of the Company’s Constitution and for all other purposes, Mr Robert Hair, having been nominated and given his consent to act, be elected as a director of the Company.”

No Voting Exclusion

RESOLUTION 11 – ELECTION OF MR SCOTT HUNTLY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 2 to 4, and Completion of the acquisition of Ferrum Crescent Limited, for the purposes of clause 11.2 of the Company’s Constitution and for all other purposes, Mr Scott Huntly, having been nominated and given his consent to act, be elected as a director of the Company.”

No Voting Exclusion

RESOLUTION 12 – ELECTION OF MR MATODZI NESONGOZWI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 2 to 4, and Completion of the acquisition of Ferrum Crescent Limited, for the purposes of clause 11.2 of the Company’s Constitution and for all other purposes, Mr Matodzi Nesongozwi, having been nominated and given his consent to act, be elected as a director of the Company.”

No Voting Exclusion

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RESOLUTION 13 – ELECTION OF MR PHILIP KIRCHLECHNER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 2 to 4, and Completion of the acquisition of Ferrum Crescent Limited, for the purposes of clause 11.2 of the Company’s Constitution and for all other purposes, Mr Philip Kirchlechner, having been nominated and given his consent to act, be elected as a director of the Company.”

No Voting Exclusion

RESOLUTION 14 – RE-ELECTION OF MR RICHARD JARVIS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr Richard Jarvis, having been appointed a director of the Company on 1 December 2008 and who retires in accordance with clause 11.12 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.”

No Voting Exclusion

RESOLUTION 15 – RE-ELECTION OF MR GINO D’ANNA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr Gino D’Anna, having been appointed a director of the Company on 28 August 2009 and who retires in accordance with clause 11.12 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.”

No Voting Exclusion

RESOLUTION 16 – RE-ELECTION OF MR GLENN WHIDDON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr Glenn Whiddon, having been appointed a director of the Company on 19 August 2009 and who retires in accordance with clause 11.12 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.”

No Voting Exclusion

RESOLUTION 17 – RE-ELECTION OF DR MATTHEW SUTCLIFFE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Dr Matthew Sutcliffe, having been appointed a director of the Company on 19 August 2009 and who retires in accordance with clause 11.12 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.”

No Voting Exclusion

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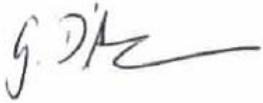
RESOLUTION 18 – CHANGE OF NAME TO FERRUM CRESCENT LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, subject to the passing of Resolutions 2 to 4, and Completion of the acquisition of Ferrum Crescent Limited, for the purposes of Section 157 (1) of the Corporations Act and for all other purposes, the name of the Company be changed to “Ferrum Crescent Limited”.”

No Voting Exclusion

BY ORDER OF THE BOARD



Gino D'Anna
Executive Director

DATED 26 October 2009

NOTES

A member entitled to vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote for the member at the Annual General Meeting. A proxy need not be a member. If the member is entitled to cast 2 or more votes at the Annual General Meeting the member may appoint 2 proxies. If a member appoints 2 proxies and the appointment does not specify the proportion or number of the members votes each proxy may exercise, each proxy may exercise half of the votes. A proxy form is attached to the back of this booklet.

For the purposes of determining voting entitlements at this Annual General Meeting, Shares will be taken to be held by persons who are registered as holding Shares at 5.00pm (Perth time) on the day which is 2 days before the date of the Annual General Meeting. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

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

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**EXPLANATORY STATEMENT TO
SHAREHOLDERS**

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 12.00 pm (WST) on 30 November 2009 at the Tuart Room, Holiday Inn, 778 – 788 Hay Street, Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of Washington Resources Limited in connection with Resolution 1 to 18 to be considered at the Annual General Meeting of members to be held at the Tuart Room, Holiday Inn, 778 - 788 Hay Street, Perth at 12.00 pm (Perth time) on 30 November 2009.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Annual General Meeting. Please refer to this Explanatory Statement for the glossary of terms.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND DIRECTORS' REPORTS

The Corporations Act requires the reports of the Directors and of the auditor and the annual financial report, including the financial statements, to be put before the Meeting. The Corporations Act does not require a vote of Shareholders at the Meeting on the reports or statements. However, Shareholders will be given an opportunity to raise questions on the reports and statements for the year ended 30 June 2009 at the Meeting.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the Directors' Report in the Company's 2009 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Meeting. Section 250R(2) of the Corporations Act requires that a resolution that the Remuneration Report be adopted must be put to the vote. Resolution 1 seeks this approval.

However, in accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" resolution which does not bind the Directors of the Company.

Following consideration of the Remuneration Report, the Chairman, in accordance with section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

3. ACQUISITION OF FERRUM CRESCENT LIMITED

3.1 Overview of the Acquisition

As announced by the Company to ASX on 17 September 2009, the Company has entered into a conditional Merger Agreement to acquire Ferrum Crescent Limited. Prior to the date of the Meeting, the Company has issued a prospectus for the offer of Shares and Options to Ferrum Security Holders in return for the acquisition of their Ferrum Securities. A copy of the Prospectus is available on the Company's website (www.washingtonresources.com.au).

Ferrum is an unlisted public company that, through 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 Mr Matodzi Nesongozwi, Ferrum Crescent's

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South African partner. Turquoise Moon complies with the requirements under South African law for Black Economic Empowerment (BEE).

A brief description of the mining interests held by Ferrum is set out in Section 3.2 below.

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 [as set out in this Notice of Meeting]), 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 Ferrum Shares currently held. This will potentially result in the issue of a further 102,000,000 new WRL Shares. 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 Ferrum Option currently held. This will potentially result in the issue of a further 52,187,500 new WRL Options. These Options will be issued on the terms and conditions set out in Schedule 1.
- Ferrum Crescent Limited must use its best endeavours to obtain signed acceptances and associated documents from all Ferrum Shareholders and Ferrum Optionholders as soon as possible after the offers are made.
- Once Washington Resources has received acceptances under the offer in respect of at least 90% of Ferrum Shares and 90% of Ferrum Options, along with the duly executed relevant share and option transfer forms, WRL must use best endeavours to procure shareholder approval for the transaction.
- Ferrum Crescent Limited will procure mandatory restriction agreements from former Ferrum 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 Ferrum 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. At this stage it is envisaged that restriction agreements will be entered into with each of the Ferrum Security Holders and Washington Resources.
- 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 Ferrum Shareholders and Ferrum Optionholders of the specified numbers of WRL Shares and WRL Options in return for the transfer to WRL of their Ferrum Shares and Ferrum Options. WRL will use best endeavours to procure the quotation of the new WRL Shares and WRL Options.

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- 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 the Republic of South Africa 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 Ferrum Crescent Limited 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. 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.
- 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.

As at the date of this Notice of Meeting, legal, financial and project due diligence has been completed and offers have been made to all Ferrum Security Holders. The directors believe that the Ferrum Security Holders will be accepting the offers shortly, with the Company having already received a proportion of the offers and ASX restriction agreements from Ferrum Security Holders. The terms of the offers provide that it is intended that the acquisition of Ferrum Shares and Options will occur as soon as reasonably practicable after the satisfaction (or waiver) of the last of the conditions of the offer. It is currently anticipated that, subject to the approval of shareholders to the resolutions set out in this Notice of Meeting, Completion will occur as soon as practicable after the annual general meeting on or about 4 December 2009.

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3.2 Background on Ferrum Mining Interests

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

A summary of the key features of the acquisition of Ferrum and the Turquoise Moon Iron Project is as follows:

- The Moonlight Deposit contains a **JORC-compliant Inferred Resource of 320Mt at 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**
- It is considered that the 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

The information in this section 3.2 was previously set out in the Company's ASX announcement of 17 September 2009, and shareholders are referred to that announcement and to the Competent Person's Statement contained therein.

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.

¹The 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.

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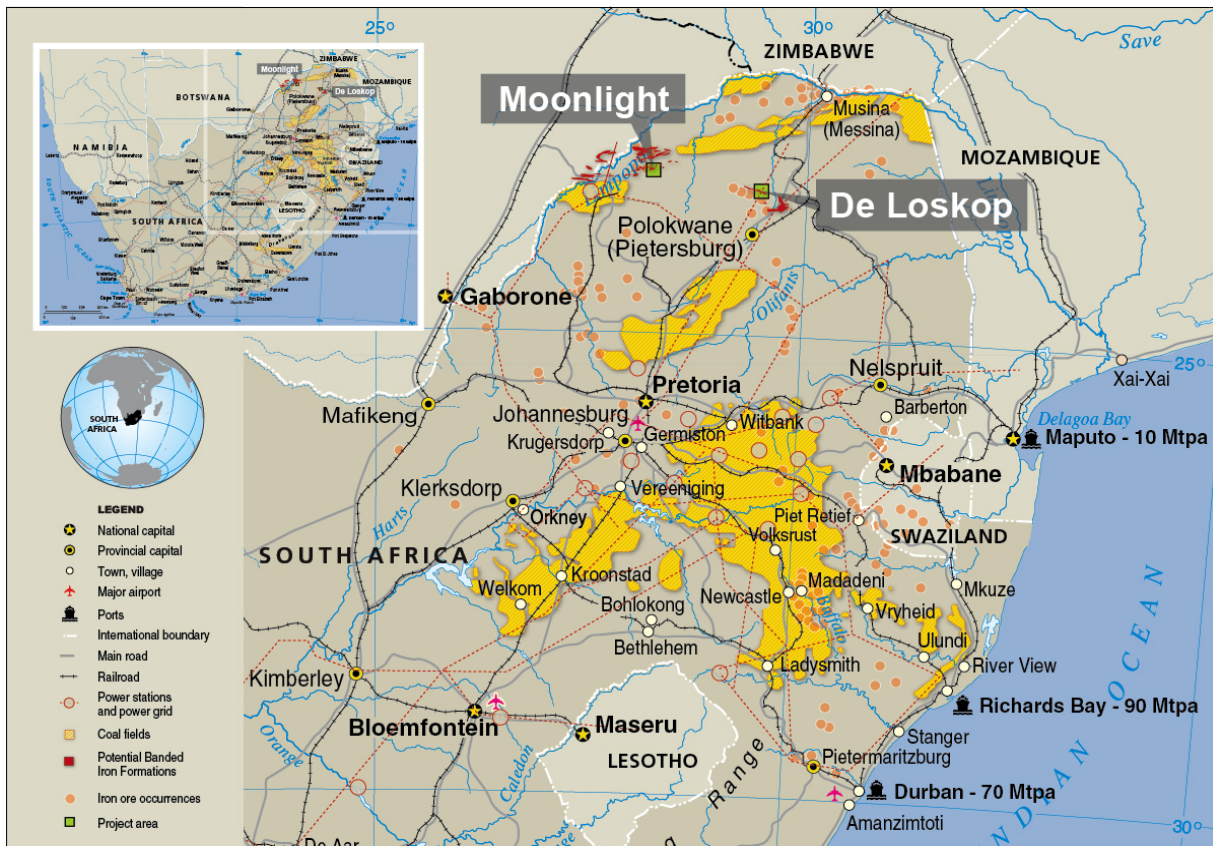


Figure 1: Project Location Map

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 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.

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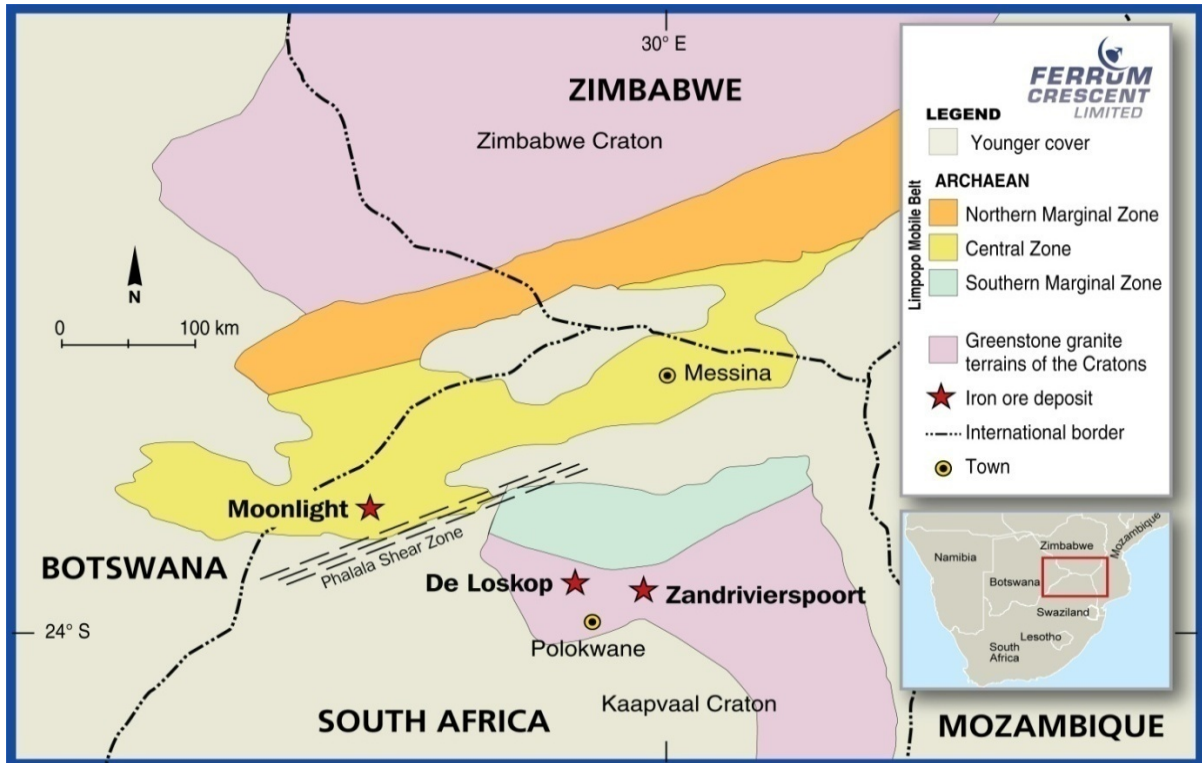


Figure 2: Geology and Mineralisation of Project Areas

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.

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 dominated, 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

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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

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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.

3.3 Pro-forma Balance Sheet

Set out below, for the purposes of illustration only, is a pro-forma balance sheet of the Company as at 30 June 2009 (based on the assumptions set out below).

| | Audited Balance Sheet 30 June 2008 | Unaudited Balance Sheet 30 June 2009 | Proforma Balance Sheet 30 June 2009 |
|---|---|---|--|
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 2,945,288 | 1,956,341 | 1,678,849 |
| Receivables | 123,806 | 128,984 | 148,935 |
| Total current assets | 3,069,094 | 2,085,325 | 1,827,784 |
| Non-current assets | | | |
| 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 |
| Total non-current assets | 3,750,483 | 3,745,801 | 10,925,801 |
| Total assets | 6,819,577 | 5,831,126 | 12,753,585 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 79,844 | 54,644 | 162,674 |
| Provisions | 11,572 | 8,036 | 8,036 |
| Total current liabilities | 91,416 | 62,680 | 170,710 |
| Non-current liabilities | | | |
| Deferred tax liability | 212,515 | - | - |
| Total non-current liabilities | 212,515 | - | - |
| Total liabilities | 303,931 | 62,680 | 170,710 |
| Net assets | 6,515,646 | 5,768,446 | 12,582,875 |

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Equity

| | | | |
|---------------------|------------------|------------------|-------------------|
| 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 |
| Total equity | 6,515,646 | 5,768,446 | 12,582,875 |

Notes to Balance Sheet:

The pro-forma balance sheet has been prepared to reflect the financial position of the Company as if completion of the acquisition of all issued capital in Ferrum had occurred at 30 June 2009.

| | | | |
|----------|--|-----------|-------------------|
| 1 | Cash | | |
| | 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 |
| | Closing Balance | \$ | 1,678,849 |
| 2 | Receivables | | |
| | Opening Balance | \$ | 128,984 |
| | Add: FCL Receivables Balance | \$ | 19,951 |
| | Closing Balance | \$ | 148,935 |
| 3 | Trade and Other Payables | | |
| | Opening Balance | \$ | 54,644 |
| | Add: FCL Creditor and Accrual Balance | \$ | 108,030 |
| | Closing Balance | \$ | 162,674 |
| 4 | Investment in wholly owned subsidiary - Ferrum Crescent Limited | | |
| | Opening Balance | \$ | - |
| | Issue of shares and options at 6.5 cents (deemed) (FCL Offer) | \$ | 6,630,000 |
| | Closing Balance | \$ | 6,630,000 |
| 5 | Issued Capital | | |
| | 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 |
| | Closing Balance | \$ | 14,438,265 |

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| | | | |
|----------|--|------------|------------------|
| 6 | Available-for-sale Investments | | |
| | Opening Balance | \$ | 2,055,352 |
| | Add: Investment in Northern Uranium Limited (Rights Issue) (market value - 25/09/2009) | \$ | 550,000 |
| | Closing Balance | \$ | 2,605,352 |
| 7 | Reserves | | |
| | Opening Balance | \$ | 1,864,294 |
| | Add: Net unrealised gain reserve on available-for-sale investments | \$ | 175,000 |
| | Closing Balance | \$ | 2,039,294 |
| 8 | Accumulated Losses | | |
| | 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 |
| | Closing Balance | -\$ | 3,894,684 |

Capital Structure on Completion of Merger with Ferrum

The capital structure of the Company following implementation of all of the Resolutions contained in this Notice is set out below:

| 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 | |

4. RESOLUTION 2 – ISSUE OF SHARES TO ACQUIRE FERRUM CRESCENT LIMITED SHARES

4.1 General

Resolution 2 seeks Shareholder approval for the issue of 102,000,000 Shares to Ferrum Shareholders in part consideration for the acquisition of Ferrum pursuant to the Merger Agreement (as summarised in Section 3.1 of the Explanatory Statement).

Shareholder approval is required under Listing Rule 7.1 (see explanation below).

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4.2 Offer to Mr Griffin, Dr Skweyiya, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi

In the event that Resolutions 8 to 13 (inclusive) are passed by Shareholders and the acquisition of Ferrum Crescent Limited Completes, Mr Griffin, Dr Skweyiya, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi (**Proposed Directors**) will be appointed directors of the Company. The Proposed Directors, directly and through entities they control, are Ferrum Shareholders and are therefore entitled to participate in the offer of Shares pursuant to Resolution 2.

The Proposed Directors, directly and through entities they control, hold the following Ferrum Shares and therefore will be entitled to the following WRL Shares under the Offer:

| Proposed Director | Number of Ferrum Shares Held | Number of WRL Shares to be issued pursuant to the Offer |
|--------------------------|-------------------------------------|--|
| Adrian Griffin | 2,723,782 | 3,268,538 |
| Zola Skweyiya | 1,000,000 | 1,200,000 |
| Robert Hair | 2,920,633 | 3,504,760 |
| Scott Huntly | 2,872,506 | 3,447,007 |
| Philip Kirchlechner | 1,445,525 | 1,734,630 |
| Matodzi Nesongozwi | 14,793,452 | 17,752,142 |
| Total | 25,755,898 | 30,907,077 |

The Directors have determined that Shareholder approval is not required under Listing Rule 10.11 for the offer of Shares to the Proposed Directors due to the application of Exception 6 to Listing Rule 10.12 given that the Proposed Directors are only related parties of the Company by reason of the transaction which is the reason for the issue of the Shares.

In addition, the Directors have determined that Shareholder approval is not separately required under Chapter 2E of the Corporations Act as it is the view of the Directors that the arm's length terms exception under Section 210 of the Corporations Act applies to the offer of Shares to the Proposed Directors as the transaction was negotiated on an arm's length basis and an equivalent offer is being made to all other Ferrum Shareholders.

4.3 Listing Rule 7.1

Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue Shares to Ferrum Shareholders in consideration for the acquisition of Ferrum Shares held by them during the period of 3 months after the General Meeting (or a longer period, if allowed by the ASX), without using the Company's annual 15% placement capacity.

The following information is provided in relation to the issue of Shares pursuant to Resolution 2 in accordance with Listing Rule 7.3:

- a. the maximum number of securities to be issued is 102,000,000 Shares;
- b. the allottees of the Shares issued pursuant to Resolution 2 will be the existing Ferrum Shareholders pro-rata to their holding of Ferrum Shares. As detailed in Section 4.2, other

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than in the case of Mr Griffin, Dr Skweyiya, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi, none of the recipients of the Shares will be related parties of the Company;

- c. the Shares will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is intended that allotment of the Shares will occur on one date and as soon as practicable after the meeting (assuming that all relevant resolutions are approved);
- d. the Company will not be raising any funds from the issue of the Shares as they are being issued in consideration for the acquisition of all of the Ferrum Shares (on the basis of 12 Shares for every 10 Ferrum Shares held); and
- e. the Shares are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares.

4.3 Other

The Directors recommend that shareholders vote in favour of Resolution 2.

5. RESOLUTION 3 – ISSUE OF OPTIONS TO ACQUIRE FERRUM CRESCENT LIMITED

5.1 General

Resolution 3 seeks Shareholder approval for the issue of 52,187,500 Options to Ferrum Optionholders in part consideration for the acquisition of Ferrum pursuant to the Merger Agreement (as summarised in Section 3.1 of the Explanatory Statement).

Shareholder approval is required under Listing Rule 7.1

5.2 Offer to Mr Griffin, Dr Skweyiya, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi

As detailed in Section 4.2, if Resolutions 8 to 13 (inclusive) are passed, and the acquisition of Ferrum Crescent Limited Completes, the Proposed Directors will be appointed directors of the Company. The Proposed Directors, directly and through entities they control, are Ferrum Optionholders and are therefore entitled to participate in the offer of Options pursuant to Resolution 3.

The Proposed Directors, directly and through entities they control, hold the following Ferrum Options and therefore will be entitled to the following WRL Options under the Offer:

| Proposed Director | Number of Ferrum Options Held | Number of WRL Options to be issued pursuant to the Offer |
|---------------------|-------------------------------|--|
| Adrian Griffin | - | - |
| Zola Skweyiya | - | - |
| Robert Hair | 937,500 | 937,500 |
| Scott Huntly | - | - |
| Philip Kirchlechner | - | - |
| Matodzi Nesongozwi | 12,500,000 | 12,500,000 |
| Total | 13,437,500 | 13,437,500 |

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As detailed in Section 4.2, the Directors have determined that Shareholder approval is not required under Listing Rule 10.11 for the offer of Options to the Proposed Directors due to the application of Exception 6 to Listing Rule 10.12 as the Proposed Directors are only related parties of the Company by reason of the transaction which is the reason for the issue of the Options.

In addition, the Directors have determined that Shareholder approval is not required under Chapter 2E of the Corporations Act as it is the view of the Directors that the arm's length terms exception under Section 210 of the Corporations Act applies to the offer of Options to the Proposed Directors as the transaction was negotiated at arm's length and an equivalent offer is being made to all other Ferrum Optionholders.

5.3 Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

The effect of Resolution 3 will be to allow the Directors to issue the Options to Ferrum Optionholders in consideration for the acquisition of all Ferrum Options during the period of three (3) months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

The following information is provided in relation to the issue of Options pursuant to Resolution 3 in accordance with Listing Rule 7.3:

- a. the maximum number of securities to be issued is 52,187,500 Options;
- b. the allottees of the Options issued pursuant to Resolution 3 will be the Ferrum Optionholders pro-rata to their holding of Ferrum Options. As detailed in Section 4.3, other than in the case of Mr Griffin, Dr Skweyiya, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi, none of the recipients of the Options will be related parties of the Company;
- c. the Options will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is intended that allotment of the Options will occur on one date and as soon as practicable after the meeting (assuming that all relevant resolutions are approved);
- d. the Company will not be raising any funds from the issue of the Options as they are being issued in consideration for the acquisition of all of the Ferrum Options (on the basis of one Option for every one Ferrum Option held); and
- e. the Options will be issued on the terms and conditions set out in Schedule 1.

5.3 Other

The Directors recommend that shareholders vote in favour of Resolution 3.

6. RESOLUTION 4 – ACQUISITION OF FERRUM CRESCENT LIMITED - CHANGE OF SCALE

6.1 General

Resolution 4 seeks approval from Shareholders for a change in the scale of the activities of the Company. The proposed acquisition of Ferrum, as detailed in Section 3 of this Explanatory Statement, may constitute a significant change in the scale of the Company's activities, and consequently requires Shareholder approval pursuant to ASX Listing Rule 11.1.2.

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6.2 Listing Rule 11.1.2

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to the ASX as soon as practicable. ASX Listing Rule 11.1.2 provides that, if ASX requires, the entity must get the approval of shareholders and must comply with any requirements of ASX in relation to the notice of meeting.

ASX has advised the Company that given the potentially significant change in the scale of activities of the Company upon completion of the acquisition of Ferrum, the Company is required to obtain the approval of Shareholders for the purpose of ASX Listing Rule 11.1.2.

For this reason, the Company is seeking Shareholder approval for the Company to acquire Ferrum Crescent Limited and for the resultant change to the scale of its activities under ASX Listing Rule 11.1.2.

6.3 Other

The Directors recommend that shareholders vote in favour of Resolution 4.

7. RESOLUTION 5 – FUTURE ISSUE OF SECURITIES

7.1 General

Resolution 5 seeks Shareholder approval for the allotment and issue of a further 50,000,000 Shares at an issue price which is at least 80% of the average market price for the Company's shares on the ASX over the 5 trading days preceding the date on which the issue is made (or where issued pursuant to a disclosure document, over the last 5 trading days on which sales of Shares are recorded before the date of the disclosure document) (**Future Share Issue**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 5 will allow the Directors to issue the Shares pursuant to the Future Share Issue during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by the ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Future Share Issue:

- a. the maximum number of Shares to be allotted and issued is up to 50,000,000;
- b. the Shares will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment of all Shares will occur on the same date;
- c. the issue price of the Shares proposed to be allotted and issued will be a price which is at least 80% of the weighted average market price of the Company's Shares on ASX over 5 trading days preceding the day on which the issue is made (or where issued pursuant to a

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disclosure document, over the last 5 trading days on which sales of Shares are recorded before the date of the disclosure document);

- d. the allottees will be subscribers to either a disclosure document to be issued by the Company or pursuant to an excluded offer under Section 708 of the Corporations Act. It is expected that the offer will be made to parties known to the Company and clients of Hartleys, none of whom are related parties;
- e. the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- f. the Company intends to use the funds raised by the issue of the Shares for the purpose of providing capital for the exploration and development at the Turquoise Moon Iron Project, and for other working capital purposes.

7.3 Other

The Directors recommend that shareholders vote in favour of Resolution 5.

8. RESOLUTION 6 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

8.1 General

The Company has established an Employee Share Option Plan, the material terms of which are set out below (**Plan**). Resolution 6 is a resolution which seeks shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Plan without prior shareholder approval and in reliance on the exception to Listing Rule 7.1.

Listing Rule 7.1 places certain restrictions on the extent to which a listed company may issue certain securities, including options. The effect is that shareholder approval is required before the company may issue certain securities representing more than 15% of the capital of the company within a 12 month period. However, certain issues are exempt from the restrictions of Listing Rule 7.1 and are effectively disregarded for the purposes of determining the number of securities which a company may issue within a 12 month period.

Exempt issues include an issue of securities to persons participating in an employee share option plan where shareholders have approved the issue of securities under the plan as an exemption from Listing Rule 7.1. Shareholder approval must be given in a general meeting held not more than 3 years before the date of issue when the notice of meeting contains or is accompanied by certain prescribed information (set out below) (Exception 9 of Listing Rule 7.2).

In order to take advantage of the exemption from Listing Rule 7.1 and allow the Company flexibility to issue securities, shareholders are requested to approve the issue of securities under the Plan as an exemption from Listing Rule 7.1. This approval will be effective for a period of 3 years from the date of the Resolution. It should be noted that Resolution 6 does not grant approval for the issue of any Plan Options to any Director of the Company. Plan Options cannot be granted to Directors of the Company or their associates unless prior approval of shareholders is obtained in accordance with the Listing Rules.

Please note that the Company will take reasonable steps to ensure that the number of Shares the subject of Plan Options, when aggregated with any Shares the subject of offers or invitations under any employee share schemes and any Shares issued during the previous five years pursuant to employee shares schemes, does not exceed 5% of the number of issued securities of the

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Company as at the date of the relevant offer (in accordance with ASIC requirements and the terms of the Option Plan).

The main purpose of the Plan is to give an additional incentive to Eligible Persons (being full or part time employees or directors of the Company or its associated bodies corporate or approved nominees of such persons) to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward such Eligible Persons.

If Plan Options are exercised, it will have the effect of increasing the Company's cash position by the amount of the exercise price multiplied by the number of options exercised. It will also increase the number of Shares that are on issue by the number of options exercised. Shares issued pursuant to the exercise of the Plan Options will rank pari passu in all respects with the Company's existing Shares.

Plan Options will not be listed for quotation on ASX, however, the Company will make application for the official quotation of Shares issued on the exercise of Plan Options to ASX and to each other Stock Exchange on which Shares are listed at the time.

In accordance with Listing Rule 7.2, Shareholders are provided with the following information. A summary of the significant terms of the Employee Share Option Plan follows:

- a. the Board Committee administering the Plan will determine participation in the Plan having regard to factors such as seniority, length of service, record of employment and potential contribution. Such participation (by way of an issue of an invitation inviting an application for options) may be subject to the satisfaction of corporate or personal goals;
- b. once an invitation is accepted the Company will issue the number of Plan Options applied for and an option certificate for them;
- c. each Plan Option entitles the Option holder, on exercise, to one Share;
- d. there is no issue price for the Plan Options. The exercise price for the Plan Option will be such price as determined by the Board Committee (in its discretion) being not less than:
 - i. (if there was at least one transaction in the Shares on ASX during the 10 Business Day period immediately before the date of the invitation to take up Plan Options) the VWAP determination for that period; or
 - ii. (if there were no transactions in the Shares on ASX during the 10 Business Day period immediately before the date of the invitation to take up Plan Options) the last price at which an offer was made on ASX to purchase a Share;
- e. the expiry date for a Plan Option is the date determined by the Board Committee at the time of issue, which will be no later than 10 years from the date of issue;
- f. Shares issued as a result of the exercise of any Plan Options will rank equally in all respects with Shares;
- g. Plan Options may not be transferred other than with the prior written approval of the Board Committee. Quotation of Plan Options on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of Shares issued on the exercise of Plan Options;

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- h. a Plan Option may only be exercised by written notice to the Company together with payment in full (unless other arrangements have been approved by the Committee). A Plan Option may be exercised at any time before it lapses. An Option will lapse upon the expiry date (being 10 years from the grant date or such shorter period specified by the Board Committee) or one month after the holder ceases to be an Eligible Person (though if the holder ceases to be an Eligible Person by reason of retirement or retrenchment, bankruptcy or death, not until twelve months after such event);
- i. there are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in any bonus issues or new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that optionholders will be given such notice period determined by the ASX Listing Rules to determine whether to exercise their Plan Options so as to participate in any bonus or entitlement issue;
- j. in the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each Option holder is entitled or the exercise price of his or her options, or both, or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules;
- k. Annexure 1 to the Plan Rules sets out particular rules applicable only to South African employees which permit, with the Board Committee's consent, certain 'Option Vesting Rights' which are rights to take delivery of and make payment for Shares in periods specified by the Board.

The Board Committee will administer the Plan and the Board has general powers to amend the Plan Rules from time to time.

No options have yet been issued under the Plan.

8.2 Other

The Directors recommend that shareholders vote in favour of Resolution 6.

9. RESOLUTION 7 – APPROVAL OF EMPLOYEE SHARE INCENTIVE PLAN

9.1 General

Approval is sought pursuant to ASX Listing Rule 7.2 exception 9 for the future issue of ordinary shares to employees of the Company pursuant to the Company's Employee Share Plan (the "Incentive Plan").

ASX Listing Rule 7.2 exception 9 provides that an issue under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if shareholders approved the issue of securities under an employee incentive scheme as an exception to Listing Rule 7.1 no more than three years before the date of issue.

Under the terms of the Incentive Plan, to assist employees to participate in the Incentive Plan the Company may offer loans to employees to finance the acquisition price of Plan Shares.

The provision of such loans may constitute the giving of financial assistance in connection with an acquisition of shares in the Company. Such financial assistance may be prohibited unless an exemption from section 260A of the Corporations Act applies.

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One exemption from section 260A of the Corporations Act (set out in section 260C(4)) is financial assistance given under an employee share scheme approved by a resolution passed at a general meeting of the Company. Accordingly, the Company is also seeking shareholder approval in respect of the Incentive Plan for the purposes of section 260C(4) of the Corporations Act.

Please note that the Company will take reasonable steps to ensure that the number of Shares the subject of any invitation under the Incentive Plan, when aggregated with any Shares the subject of offers or invitations under any employee share schemes and any Shares issued during the previous five years pursuant to employee share schemes, does not exceed 5% of the number of issued securities of the Company as at the date of the relevant offer (in accordance with ASIC requirements and the terms of the Incentive Plan).

Summary of the Incentive Plan

The Board is committed to maintaining and incentivising executives and employees. Under the Incentive Plan, which enables participation by all eligible employees as determined by the Board Committee administering the Plan, employees may be offered the opportunity to subscribe for ordinary shares in the Company.

Except insofar as is necessary to comply with the provisions of an employment contract or other contract approved by the Board whereby executive or technical services are provided to the Company, the issue price for each Plan Share will be not less than:

- a. (if there was at least one transaction in the Shares on ASX during the 10 Business Day trading period immediately before the date of the invitation to take up Plan Shares) the price determined by VWAP determination of the Shares on ASX during that period; or
- b. (if there were no transactions in the Shares on ASX during the 10 Business Day trading period immediately before the date of the invitation to take up Plan Shares) the last price at which an offer was made on ASX to purchase a Share.

The Company will apply to ASX for quotation of all Shares issued pursuant to the Incentive Plan.

Loans

To assist employees to participate in the Incentive Plan, the Company may offer loans to employees to finance the acquisition price of the shares.

The Company will have the discretion to determine whether to offer a loan and also to determine how much the employee should subscribe using their own funds and how much of the total purchase price will be made available by a loan.

The principal amount outstanding under loans made by the Company will be interest free. The loans will be of a limited recourse nature such that the Company will accept in full satisfaction of repayment of a loan the amount of the market value of the shares at the time the loan is due to be repaid (less any transaction costs relating to the disposal of the shares) in the event that the market value of the shares is less than the amount of the loan outstanding. The loan is to be repaid within such period as is specified by the Committee at the time of making the invitation.

Rights and entitlements

From the date Shares are acquired under the Incentive Plan, employees will have full entitlements to all dividends and bonus shares, and voting rights, although, unless otherwise determined by the

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Board, the amount of any cash dividend will be applied against repayment of any loan which may have been made available to assist the acquisition of the shares.

Restrictions on disposal of shares

An eligible employee may not sell or otherwise deal with an Incentive Plan Share until the loan amount in respect of that Incentive Plan Share has been repaid and until the expiry of the qualifying period in respect of the Incentive Plan Shares, if any, that may be imposed by the Committee and set out in the Invitation, and the Company:

- a. will retain the Share Certificate (if any) and an executed Share Transfer Form in respect of the Loan Shares;
- b. may apply a Holding Lock; and
- c. may refuse to register a transfer of Loan Shares.

until the loan amount has been repaid and any applicable qualifying periods have passed. The Company will also have a lien over any Plan Shares in relation to which a loan remains outstanding.

If an eligible employee wishes to sell any Plan Shares prior to repayment in full of the loan amount and prior to the expiry of any qualifying period then the eligible employee may give written notice to the Company requesting the Company to sell the relevant Plan Shares. In the absolute discretion of the Committee, in the case of hardship or otherwise, and provided the Committee is of the opinion that the proceeds from the sale of the Plan Shares are reasonably likely to exceed the amount outstanding in relation to the loan, the Company may, within 30 days after receipt of such a notice, arrange for the sale of the Plan Shares and apply the proceeds of the sale in repayment of the loan (together with reasonable expenses).

Repayment of loan upon ceasing to be an eligible employee

If, prior to the repayment in full of the loan by an eligible employee, the eligible employee dies, becomes bankrupt or ceases to be an eligible employee, then the eligible employee (or his personal representative) must elect between one of the following (and if no election is made the first is deemed to apply):

- a. to have the Company sell on ASX, or place, the relevant Plan Shares and apply the proceeds of the sale in repayment of the loan (together with reasonable expenses); or
- b. to repay the loan and, upon repayment in full of the loan, have the relevant Plan Shares fully vested in their name. If this election is made then the loan must be repaid within 12 months in the event of the death, bankruptcy, retirement or retrenchment, or within one month in the event that the eligible employee resigns, is terminated or otherwise ceases to be an eligible employee.

The Board Committee will administer the Plan and has general powers to amend the Plan Rules from time to time.

No shares have yet been issued under the Incentive Plan.

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9.2 Other

The Directors recommend that shareholders vote in favour of Resolution 7.

10. RESOLUTION 8 TO 13 (INCLUSIVE) – ELECTION OF DIRECTORS

10.1 General

Resolution 8 to 13 (inclusive) seeks the election of Dr Skweyiya, Mr Griffin, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi as directors of the Company.

In the event that Resolution 8 to 13 (inclusive) are passed and the acquisition of Ferrum Crescent Limited is Completed it is intended that Dr Skweyiya will be appointed Chairman and Non-executive director of the Company, Mr Griffin will be appointed Managing Director of the Company, Mr Hair will be appointed Company Secretary and Executive Director of the Company, Mr Huntly will be appointed Executive Director of the Company and Mr Kirchlechner and Mr Nesongozwi will be appointed Non-executive Directors of the Company.

Under the terms of the Merger Agreement, Washington Resources Limited has agreed to maintain certain existing Ferrum Crescent Limited Contracts following the merger (or, where necessary or appropriate, seek to assign or novate those contracts or agreements to WRL). These Ferrum contracts include agreements with certain of the individuals intended to be appointed as directors of WRL. Profiles of each of Dr Skweyiya, Mr Griffin, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi and the details of relevant agreements entered into between them and Ferrum (if applicable) are provided below.

Zola Skweyiya

Zola Sidney Themba Skweyiya (born 14 April 1942 in Simonstown) is a South African politician who was Minister of Public Service and Administration from 1994 to 1999 and Minister of Social Development from 1999 to 2009. Dr Skweyiya was re-elected to the National Executive Committee of the African National Congress in 2007.

Dr Skweyiya has directed the Department of Legal and Constitutional Affairs. He has helped to set up the Centre for Development Studies and the South African Legal Defence Fund, both at the University of the Western Cape. Dr Skweyiya also serves on the board of trustees of the National Commission for the Rights of Children. He was also elected as president of UNESCO's Management of Social Transformations.

Dr Skweyiya holds a doctorate degree in law from the University of Leipzig.

Adrian Griffin

Adrian Griffin, aged 56, is a founding director of Ferrum and has extensive mining and exploration and management experience in iron ore, base metals and precious metals, gems and mineral sands. He has managed mining projects from exploration to production on site and at corporate management levels.

Mr Griffin worked in iron ore exploration and production with BHP in the 1970s. In the 1980s, he was operations manager for a number of public companies involved in the mining and production of gold and base metals throughout Australia and southeast Asia. In 1988, he managed the commissioning of underground production at the Bellevue gold mine in Western Australia. He began consulting to the mining industry in 1990 and has held board positions with a number of public companies since then.

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Mr Griffin presently holds non-executive positions with Empire Resources Limited, Northern Uranium Limited and Reedy Lagoon Corporation Limited.

Mr Griffin's management experience is broad, encompassing as it does exploration, financing, development, commissioning and the production of a wide range of mineral commodities. Mr Griffin is a member of the Australasian Institute of Mining and Metallurgy and the Geological Society of Australia.

By agreement dated 26 August 2009, Ferrum Crescent Limited engaged the services of Adrian Griffin to work in the position of Managing Director of Ferrum. The services are to be provided for a term of 3 years commencing on the date that the shares of Ferrum Crescent Limited are admitted to the Official List or Ferrum Crescent Limited 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).

Mr Griffin will be required to work a minimum average of 40 hours per week for Ferrum Crescent Limited (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 Ferrum Crescent Limited. 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 Ferrum Crescent Limited. 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.

Robert Hair

Mr Hair is 56 years of age and is by background a lawyer with over 20 years' experience in the resources sector. He has held different roles as an international commercial lawyer and commercial manager and general manager for the MIM (Mount Isa Mines) group, in various capacities in Australia and overseas. During 1996/97 he was based for about six months in Argentina, where he led an organizational review at the Alumbrera copper/gold mine. After he left the MIM group in May 1997, he was GM Commercial and CFO for the ASX listed Highlands Pacific Limited.

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Mr Hair currently consults to various companies principally in the resources industry and is on the boards of ASX-listed Northern Uranium Limited and Carpentaria Exploration Limited. He is company secretary of Ferrum Crescent Limited and brings to that Company expertise in financing and capital raising, as well as experience in international legal and commercial dealings, corporate organization and risk management, corporate governance and compliance programmes within small, medium and large public companies.

By agreement dated 26 August 2009 with a company associated with Robert Hair ("Camcove"), Ferrum Crescent Limited secured the services of Robert Hair as Company Secretary and an Executive Director of Ferrum. The services are to be provided for a term of 3 years commencing on the date that the shares of Ferrum Crescent Limited are admitted to the Official List or Ferrum Crescent Limited 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).

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 Ferrum Crescent Limited (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 Ferrum Crescent Limited.

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.

Scott Huntly

Mr. Huntly is 46 years of age with 28 years' experience in the mining industry. Mr. Huntly began his mining career as a Mine Surveyor where his main responsibilities included 5 year production forecasts, Mine layouts, Life of Mine reconciliation and the surveying of all surface infrastructure and determination of all underground workings.

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In 1996, Mr. Huntly joined the Department of Minerals and Energy in the RSA as an Inspector of Mines: Mine Economics. His primary function was to evaluate applications submitted by mining companies for prospecting and Mining rights. From 1997 – 2000 Mr. Huntly completed his Masters Degree in Mineral Economics. During this period he gained full insight into the administration system which applies to the application for new mineral tenements.

In October 2001, Mr. Huntly started his own consultancy and has consulted for Aquarius Platinum Ltd, Sylvania Resources Ltd, Dwyka Resources Ltd and Washington Resources Ltd. He sat on the Board of Directors of Sylvania Resources Ltd and Washington Resources Ltd.

Mr. Huntly's primary function is to identify and acquire new prospecting/mining tenements, to apply for such tenements and to ensure that the terms and conditions of such rights are maintained.

Mr. Huntly is registered as a Professional Mine Surveyor with PLATO and is fully qualified to sign off on resource/reserve statements.

By agreement dated 18 August 2009, Ferrum Crescent Limited engaged the services of Scott Huntly to work in the position of Executive Director of Ferrum. The services are to be provided for a term of 3 years commencing on the date that the shares of Ferrum Crescent Limited are admitted to the Official List or Ferrum Crescent Limited 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).

Mr Huntly will be required to work as required to fulfil the role of General Manager – South African Operations for Ferrum Crescent Limited (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 Ferrum Crescent Limited. 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.

Philip Kirchlechner

Philip Kirchlechner has 20 years' experience in marketing and business development in the iron ore and steel industry gained through positions with Voest-Alpine (VAI), J.P. Morgan, Hamersley Iron, and Rio Tinto Iron Ore.

Most recently Mr. Kirchlechner has been marketing iron ore for Aurox Resources Ltd, securing an offtake agreement for all of the company's production. Prior to Aurox Mr. Kirchlechner was Head of

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Marketing at Fortescue Metals Group (FMG) and instrumental in building relationships with key decision makers in the Asian steel industry, including iron ore end-users in Japan, Korea, Taiwan and mainland China.

While at Rio Tinto, Mr. Kirchlechner was based in Shanghai and in charge of iron sales and marketing activities to Chinese steel producers.

Mr. Kirchlechner has lived in China for 16 years and is fluent in Mandarin, German, and Dutch. Mr. Kirchlechner earned a Masters of Science from the Massachusetts Institute of Technology and a Bachelor of Arts from Reed College.

Matodzi Nesongozwi

Mr Nesongozwi started his career as a mining engineer as a trainee for South Era Resource at Klippringer Diamond Mine, Marsfontein Diamond Mine and Messina Platinum Mine. He was then hired as a site manager by Andru Open Cast (Pty) Ltd at their Bankfontein Coal Mine in 2002. Some of his responsibilities included leading the mining team in the cost effective optimization and extraction of coal, ensuring compliance with Mine Health and Safety Regulations, Mineral Act and Regulations, Labour Law and laws governing the mining industry in the RSA. He then moved to Anglo Platinum Ltd where he was a production coordinator or pit foreman at the Potgietersrus Platinum Mine. In 2005 he was promoted to a Graduate Mining Engineer (Resources coordinator).

In 2006 he founded Umthombo Resources (Pty) Ltd, which had been an 'idea' for a very long time. With the help of associates that he had made through his experience in the mining industry Mr Nesongozwi has since led the company in its path to strategic growth. The company is involved in a coal mining joint venture with an established Turkish company, Sumo Coal (Pty) Ltd and has been able to establish itself as an emerging and growing figure in the mining industry when it secured prospecting rights on ten farms for coal in the Mpumalanga Province.

Mr Nesongozwi is the Company's local partner.

10.2 Change to composition of Board

If Dr Skweyiya, Mr Griffin, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi are elected as Directors of the Company and the acquisition of Ferrum Crescent Limited is Completed, it is proposed that current Directors Mr Whiddon, Mr D'Anna, Dr Sutcliffe and Mr Jarvis will retire from office. Dr Skweyiya will act as Chairman and Mr Griffin as Managing Director. If the acquisition of Ferrum does not complete for any reason and the proposed directors do not become directors of the Company, the current directors will continue to hold office.

10.3 Other

The Directors recommend that shareholders vote in favour of Resolution 8 to 13 (inclusive).

11. RESOLUTION 14 – RE-ELECTION OF DIRECTOR – MR RICHARD JARVIS

11.1 General

Clause 11.12 of the Constitution provides that any director appointed under Clause 11.11 of the Company's Constitution (to fill a casual vacancy or as an addition to the existing directors) holds office until the next annual general meeting of the Company and is then eligible for re-election but is not to be taken into account in determining the Directors who are to retire by rotation at that meeting.

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Richard Jarvis, having been appointed a director of the Company on 1 December 2008, in accordance with Clause 11.12 of the Company's Constitution retires and being eligible, offers himself for re-election.

Shareholders should note that, as detailed in section 10.2 above, if Dr Skweyiya, Mr Griffin, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi are elected as Directors of the Company and the acquisition of Ferrum Crescent Limited is Completed, it is proposed that current Directors Mr Whiddon, Mr D'Anna, Dr Sutcliffe and Mr Jarvis will retire from office. Mr Jarvis therefore seeks re-election even though it is expected that he will resign shortly thereafter.

Richard Jarvis

Mr Jarvis is a Fellow member of the Institute of Chartered Certified Accountants (FCCA) and has over 10 years financial and accounting experience gained in public practice and industry. On immigrating to Australia from the UK in 2003 he worked as a Senior Accountant in the assurance and advisory division of a public practice based in Perth, providing advice on corporate administration and financial compliance related issues. In 2007 he established his own consulting business, which provides financial, accounting and company secretarial services to public companies in the resource sector.

11.2 Other

The Directors, other than Richard Jarvis (given his interest in this Resolution), recommend that shareholders vote in favour of Resolution 14.

12. RESOLUTION 15 – RE-ELECTION OF DIRECTOR – MR GINO D'ANNA

12.1 General

Clause 11.12 of the Constitution provides that any director appointed under Clause 11.11 of the Company's Constitution (to fill a casual vacancy or as an addition to the existing directors) holds office until the next annual general meeting of the Company and is then eligible for re-election but is not to be taken into account in determining the Directors who are to retire by rotation at that meeting.

Gino D'Anna, having been appointed a director of the Company on 28 August 2009, in accordance with Clause 11.12 of the Company's Constitution retires and being eligible, offers himself for re-election.

Shareholders should note that, as detailed in section 10.2 above, if Dr Skweyiya, Mr Griffin, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi are elected as Directors of the Company and the acquisition of Ferrum Crescent Limited is Completed, it is proposed that current Directors Mr Whiddon, Mr D'Anna, Dr Sutcliffe and Mr Jarvis will retire from office. Mr D'Anna therefore seeks re-election even though it is expected that he will resign shortly thereafter.

Gino D'Anna

Mr D'Anna graduated from the University of Western Australia (UWA) in 2005 with a Bachelor of Commerce (Honours), completing a thesis on investor relations and information asymmetry in Australian financial markets. Mr D'Anna completed a scholarship in Applied Finance at UWA, which was subsequently published in the Asia Pacific Journal of Finance. In addition Mr D'Anna has completed a Graduate Diploma of Applied Finance and Investment with FINSIA.

Mr D'Anna has extensive experience in the financial markets of Perth and Australia as a whole, having been involved in the ASX listing of Total Staffing Solutions Ltd, Atom Energy Ltd,

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International Resource Holdings Ltd (formerly Balkans Gold Ltd) and Stonehenge Metals Ltd. Mr. D'Anna has also been involved in the reconstruction, recapitalisation and secondary capital raisings of various public companies and brings a wealth of knowledge in private funding vehicles, property investments, private equity and debt markets, and has specialist understanding and experience in dealing with ASX Listing Rules and compliance requirements.

12.2 Other

The Directors, other than Gino D'Anna (given his interest in this Resolution), recommend that shareholders vote in favour of Resolution 15.

13. RESOLUTION 16 – RE-ELECTION OF DIRECTOR – MR GLENN WHIDDON

13.1 General

Clause 11.12 of the Constitution provides that any director appointed under Clause 11.11 of the Company's Constitution (to fill a casual vacancy or as an addition to the existing directors) holds office until the next annual general meeting of the Company and is then eligible for re-election but is not to be taken into account in determining the Directors who are to retire by rotation at that meeting.

Glenn Whiddon, having been appointed a director of the Company on 19 August 2009, in accordance with Clause 11.12 of the Company's Constitution retires and being eligible, offers himself for re-election.

Shareholders should note that, as detailed in section 10.2 above, if Dr Skweyiya, Mr Griffin, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi are elected as Directors of the Company and the acquisition of Ferrum Crescent Limited is Completed, it is proposed that current Directors Mr Whiddon, Mr D'Anna, Dr Sutcliffe and Mr Jarvis will retire from office. Mr Whiddon therefore seeks re-election even though it is expected that he will resign shortly thereafter.

Glenn Whiddon

Mr Whiddon has extensive experience in banking and corporate advisory having worked for the Bank of New York in Sydney, Melbourne, Geneva and Moscow. In 1994 he established a boutique merchant bank in Moscow, providing corporate advice and undertaking direct investments and has continued this focus via public company resource investments in Australia, Europe and Canada.

13.2 Other

The Directors, other than Glenn Whiddon (given his interest in this Resolution), recommend that shareholders vote in favour of Resolution 16.

14. RESOLUTION 17 – RE-ELECTION OF DIRECTOR – DR MATTHEW SUTCLIFFE

14.1 General

Clause 11.12 of the Constitution provides that any director appointed under Clause 11.11 of the Company's Constitution (to fill a casual vacancy or as an addition to the existing directors) holds office until the next annual general meeting of the Company and is then eligible for re-election but is not to be taken into account in determining the Directors who are to retire by rotation at that meeting.

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Matthew Sutcliffe, having been appointed a director of the Company on 19 August 2009, in accordance with Clause 11.12 of the Company's Constitution retires and being eligible, offers himself for re-election.

Shareholders should note that, as detailed in section 10.2 above, if Dr Skweyiya, Mr Griffin, Mr Hair, Mr Huntly, Mr Kirchlechner and Mr Nesongozwi are elected as Directors of the Company and the acquisition of Ferrum Crescent Limited is Completed, it is proposed that current Directors Mr Whiddon, Mr D'Anna, Dr Sutcliffe and Mr Jarvis will retire from office. Dr Sutcliffe therefore seeks re-election even though it is expected that he will resign shortly thereafter.

Matthew Sutcliffe

Dr Sutcliffe graduated from the University of Nottingham in 1990 with a PhD in mining engineering. Dr Sutcliffe is also a chartered engineer and worked as a mining engineer in underground nickel mines from 1990 to 1994 with Inco Ltd, within its Manitoba division. Whilst with Inco Ltd, Dr Sutcliffe ran a 2,000tpd long hole open stoping operation. Dr Sutcliffe also has additional experience in operating gold and coal mines gained whilst working with Gencor and British Coal. In total he has 18 years experience in the mining industry, including 10 years in the City of London as a mining analyst and corporate financier specialising in the resources sector.

Dr Sutcliffe was a mining analyst at T Hoare & Co, head of mining at Williams De Broe and a director of corporate finance at Evolution Beeson Gregory (now Evolution Securities). At Evolution Beeson Gregory, Dr Sutcliffe advised a large number of public resources companies, as well as arranging a number of equity listings for junior and mid-tier mining and oil and gas companies on AIM. Whilst at both Williams De Broe and Evolution Beeson Gregory, he was recognised as one of the industry pioneers for listing mining companies on AIM.

14.2 Other

The Directors, other than Matthew Sutcliffe (given his interest in this Resolution), recommend that shareholders vote in favour of Resolution 17.

15. RESOLUTION 18 – CHANGE OF NAME TO FERRUM CRESCENT LIMITED

15.1 General

Section 157 of the Corporations Act requires the members to pass a special resolution to change the Company's name. Accordingly, Shareholder approval is sought pursuant to this Resolution.

The new name of the Company proposed to be adopted under Resolution 18 is "Ferrum Crescent Limited". The Directors reserve the right to withdraw the Resolution prior to the Meeting.

15.2 Other

The Directors recommend that shareholders vote in favour of Resolution 18.

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GLOSSARY

| | |
|-----------------------------------|--|
| ASX | means ASX Limited. |
| ASX Listing Rules | means the official listing rules of ASX. |
| Board | means the current board of directors of the Company. |
| Business Day | means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day. |
| Company | means Washington Resources Limited (ACN 097 532 197). |
| Completion | means WRL becoming registered as the holder of at least 90% of Ferrum Shares and 90% of Ferrum Options. |
| Constitution | means the Constitution of the Company, as amended from time to time. |
| Corporations Act | means the Corporations Act 2001 (Cth). |
| Directors | mean the current directors of the Company. |
| Explanatory Statement | means the explanatory statement accompanying the Notice of Meeting. |
| Ferrum or Ferrum Crescent | means Ferrum Crescent Limited (ACN 128 777 444) |
| Ferrum Option | means an option to acquire a Ferrum Share. |
| Ferrum Optionholder | means a holder of a Ferrum Option. |
| Ferrum Securities | means Ferrum Options and Ferrum Shares as the context permits. |
| Ferrum Security Holder | means the holder of Ferrum Securities. |
| Ferrum Share | means a fully paid ordinary share in the capital of Ferrum. |
| Ferrum Shareholder | means a holder of a Ferrum Share. |
| General Meeting or Meeting | means the meeting convened by the Notice of Meeting. |
| Group Company | means the Company or any of its Subsidiaries. |
| Holding Lock | has the same meaning as in the ASTC Settlement Rules. |
| Loan Share | means an Incentive Plan Share, the acquisition of which has been funded in whole or in part by a loan. |
| Merger Agreement | means the agreement entered into by the Company and Ferrum, summarised in Section 3.1 of the Explanatory Statement. |
| Notice of Meeting | means this notice of general meeting including the Explanatory Statement. |

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|-----------------------------|--|
| Option | means an option to acquire a Share on the terms and conditions set out in Schedule 1. |
| Resolutions | means the resolutions set out in the Notice of Meeting, or any of them, as the context requires. |
| Securities | mean Shares and Options. |
| Share | means a fully paid ordinary share in the capital of the Company and Shares has a corresponding meaning. |
| Shareholder | means a holder of Shares in the Company. |
| Subsidiary | has the meaning given to it by Section 46 of the Corporations Act 2001 of Australia. |
| WST | means Western Standard Time as observed in Perth, Western Australia. |
| WRL | means Washington Resources Limited (ACN 097 532 197). |
| Washington Resources | means Washington Resources Limited (ACN 097 532 197). |
| \$ | means Australian dollars. |

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SCHEDULE 1 – TERMS OF OPTIONS

Each Option issued pursuant to Resolution 3 will entitle the holder to subscribe for one fully paid ordinary Share 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.

WASHINGTON RESOURCES LIMITED

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NOTICE OF MEETING

- 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.