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Media ASX Announcement

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

**FERRUM CRESCENT
DRILLING COMMENCES AT MOONLIGHT IRON ORE PROSPECT**

The Directors of Washington Resources Limited (**Washington Resources** or **Company**) are pleased to announce the following update regarding the proposed merger between the Company and Ferrum Crescent Limited (**Ferrum Crescent**), a company that has a 74% interest in the advanced Turquoise Moon Iron Project located in the Limpopo region of South Africa.

Highlights:

- **Ferrum Crescent commences a 3,200 metre drilling program at the Moonlight Deposit to upgrade a portion of the current JORC resource from Inferred to Indicated and Measured status**
- **The Moonlight Deposit contains a current JORC-compliant Inferred Resource of 320Mt at a grade of 32% Fe**
- **The Company believes the outcome will add confidence to the resource inventory and will form the basis for a reserve sufficient to support a 10 year mine plan**
- **Preparatory work commences for a Scoping Study on the Moonlight Deposit**

The commencement of the second round of drilling at Moonlight, in the Limpopo region of South Africa, is displaying encouraging results with the first assays anticipated in mid January 2010. The drilling is focused on mineralization, which previous owners, Iscor, recognised as producing magnetite concentrates comparable to the best in the world.

The Directors believe that the drilling will provide further assurances of the quality of the deposit at Moonlight and expect the results to add to the high quality, low contaminant resource base at Moonlight.

Two rigs under contract from Champ Drilling, a local South African company, have been engaged for the 3,200m program. Drilling is expected to be completed in January 2010. Locations of the drill holes are shown in the diagram below.



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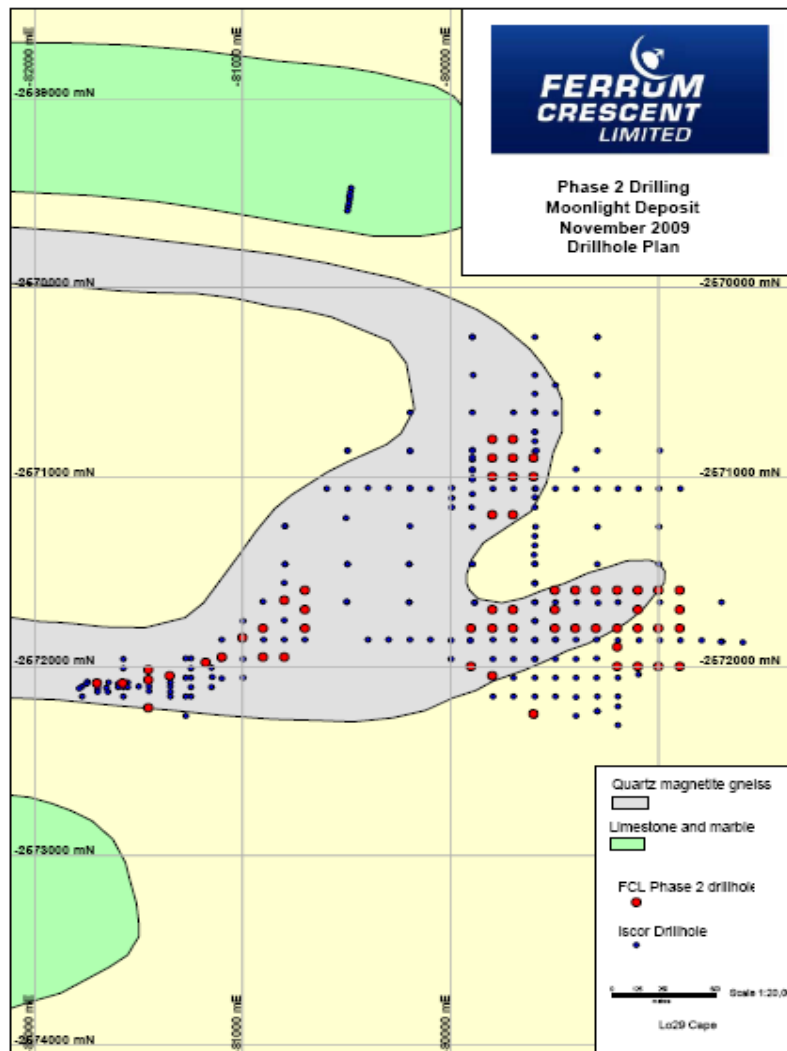
The aim of the programme is to elevate a significant portion of shallow mineralisation from an Inferred to Indicated and Measured categories under the guidelines of the JORC (2004) Code. An updated resource estimate is expected by the end of March 2010.

The north dipping mineralisation outcrops in the southern part of the deposit and presents an early stage mining target. A total of 56 holes are planned to reduce existing drill spacing to 50m and 100m centres with most holes having target depths less than 70m.

The Company believes the outcome will add confidence to the resource inventory and will form the basis for a reserve sufficient to support a 10 year mine plan. The area selected has abundant near-surface mineralization and will yield a resource with a low stripping ratio.

The budget for the programme is \$450,000 which includes project management costs, drilling, assaying, metallurgical testwork and resource estimation. Most of the project management will be undertaken by South African contractors, adding to the positive impact the project will have in the region.

Figure 1: Drill hole Location Map





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

Gino D'Anna
Executive Director
Washington Resources Limited
info@washingtonresources.com.au

For more information on the Company visit www.washingtonresources.com.au

Competent Persons Statement:

The information in the report is based on information compiled by Adrian Griffin who is a Member of the Australasian Institute of Mining and Metallurgy with a minimum of five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Griffin is a director of Ferrum Crescent Limited and consultant to the mining industry. Mr Griffin has consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.