



washington

12 December 2007

The Manager
Company Announcement Office
Australian Stock Exchange Limited
Level 8
2 The Esplanade
Perth WA 6000

Dear Sir

Re: Option to acquire interest in Zambian copper dump treatment project

Highlights

- Option to acquire 51% of copper dump treatment project
- Historical mining suggests dumps are comprised of 6 million tonnes of material with an average grade in excess of 1% copper
- Potential to acquire further dumps in the Zambian Copper Belt

The directors of Washington Resources Limited (“**Washington**” or “**Company**”) are pleased to announce that the Company has entered into an agreement giving it the option to acquire a 51% interest in the Rephidim Copper Dump Treatment Project (“**Project**”) based in Chingola, Zambia.

The Mimbula and Fitula copper dumps which form part of the Project were created as a result of historical mining by Konkola Copper Mines Plc (“**KCM**”), which is the largest mining and metals company in Zambia and which is owned by Vedanta Resources Plc. Like other copper dumps in the region, these dumps have not previously been treated, but were formed by removal and discarding of the supergene oxide cap from the underlying primary sulphide orebody, together with waste rock from KCM’s mining operations. KCM mine records indicate that a total of approximately 6 million tonnes of material has been disposed of in the Mimbula and Fitula dumps, with an average grade exceeding 1% copper (resulting in approximately 60,000 tonnes of contained copper in the dumps).

Large-scale copper mining in the Zambian Copperbelt commenced in the 1930s and the region is estimated to comprise a total mineral resource of over two billion tonnes. Since the turn of the 20th century, the Copperbelt has produced over 27Mt of copper. As with

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many other mining projects, such as platinum and gold, vast resources of copper waste dumps are now in existence, offering the opportunity for treatment and further copper extraction. The main benefits of processing such dumps as opposed to underground resources are the lower capital costs and the removal of mining risk. There are many additional waste dumps throughout the Copperbelt which may provide Washington with excellent future growth opportunities.

Washington will undertake a technical and legal due diligence and verification programme on the Project before committing to the exercise of the option, which would see the Company acquire 51% of Rephidim Enterprises (Zambia) Limited (the entity which holds the Mimbula dump and the rights to acquire the Fitula dump) for a total consideration of 12 million Washington shares plus a capital injection by way of loan funds into the Project of approximately US\$7.5 million.

The Company has until 31 March 2008 to undertake its due diligence and verification work and has paid an exclusivity and option fee of US\$250,000 to the vendors. If it is not satisfied with the results of its investigations, Washington can elect not to proceed with the Project, without further liability.

Speaking today in relation to the Project, Melissa Sturgess, Director of Washington said:

“We are very excited about this opportunity, given the strong global market for copper at present and the Project’s location in the Zambian Copperbelt, one of the richest sources of copper in the world. The fact that the resource is on-surface is particularly attractive from both an economic and Project timing perspective and we are confident that our further work over the coming months will lead to a positive outcome for our shareholders”.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Adrian Griffin, who is a Member of the Australasian Institute of Mining and Metallurgy and the Geological Society of Australia. Mr Griffin is a full time employee of Washington Resources Limited. Mr Griffin has sufficient expertise which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is 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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information please contact:

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