

## **WASHINGTON RESOURCES LIMITED (ASX: WRL)**

### **HIGHLIGHTS**

#### ***Operations:***

- **Preliminary Drilling Results from Yarawindah Brook (Washington 80%)**

#### ***Corporate:***

- **Sale of Northern Uranium Limited Options**
  - **Bulla Joint Venture and Reedy Lagoon Initial Public Offering**
  - **Appointment of New Officers**
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## **OPERATIONS**

### **Yarawindah Exploration**

Washington Resources Limited ('Washington' or 'the Company') began work on the Yarawindah Brook polymetallic sulphide deposit shortly after the Company's admission to the ASX in November 2005. The Yarawindah project lies within the Jimperding Igneous Complex, approximately 130 kilometres north of Perth.

Initial drilling at Yarawindah intersected massive sulphides, close to the surface, in three drill holes. The mineralization included nickel, copper, cobalt and platinum group metals.

The Company announced on 19 March 2007 that it had completed a 28 hole reverse circulation drilling programme at Yarawindah Brook. The intervals assayed peak at 2.89% nickel and 1.52% copper. As with previous drilling, cobalt values were consistently high (best 1 metre interval returning 0.16%).

The drilling programme was designed to test the source of geophysical anomalies that drilling by Washington had previously shown to be associated with mineralization. The drill holes were collared in mafic/ultramafic host rocks, or more recent, overlying sedimentary cover. Most holes were targeted to penetrate the footwall of the host rocks. However, some holes were terminated in barren mafic rocks, close to target depth.

The polymetallic mineralization occurs within massive to disseminated pyrrhotite (an iron sulphide), which is widespread through the ultramafic rocks. Some of the mineralized material has been deformed and structurally redistributed, locally resulting in the injection of sulphides into material above and below the source horizons.

A down-hole geophysical survey to test continuity of individual lenses of mineralized sulphides commenced on 5 March 2007. The Company awaits final interpretation of the survey. However, initial results suggest some of the drill holes not penetrating the footwall should be extended, as they are above material with a positive electrical response, interpreted to be further sulphide bodies.

*The information in this report is based on information compiled by Mr Peter Burger, exploration geologist for Washington Resources Limited.*

*Mr Burger has sufficient experience relevant to the style of mineralization and type of deposit under consideration and the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). This report is issued with Mr Burger's consent as to the form and context in which the exploration results appear.*

## **CORPORATE**

### **Sale of Northern Uranium Limited Options**

As previously announced, the Company holds 10 million shares in Northern Uranium Limited A.C.N. 119 966 353 ("NTU"), which carried out an initial public offering in 2006.

Pursuant to previous disclosures provided by NTU, that company during the quarter confirmed its intention to carry out a non-renounceable rights issue of options on the basis of one option for every two NTU shares held ("Proposed Options Rights Issue").

The options will be issued at an issue price of 1 cent (\$0.01) per option. These options will expire on 31 December 2009 and be exercisable at 25 cents (\$0.25) per option.

During the quarter, NTU also announced the formation of a strategic alliance with French nuclear group Areva NC, via its wholly owned subsidiaries, Cogema Australia Pty Ltd and Afmeco Mining and Exploration Pty Ltd (together "Areva"). It was announced in conjunction that the Company has entered into a binding agreement with Areva whereby that company will acquire from Washington 4 million options when allotted under the Proposed Options Rights Issue. Subject to NTU issuing the options, Washington agreed to subscribe for its entitlements and to sell the options to Areva at 45¢ per option. Offers under the Proposed Rights Issue have since the end of the quarter been made, and the Company has subscribed for its full entitlement.

### **Reedy Lagoon Corporation Limited**

During the quarter, Washington announced that it had entered into an agreement with Reedy Lagoon Corporation Limited A.C.N. 006 639 514 ("RLC"), whereby Washington's interest in the Bulla Joint Venture will be sold to RLC in consideration of the issue by RLC to Washington of 4 million fully paid ordinary shares in RLC at the time of RLC's initial public offering ("IPO").

The Bulla Iron Ore Joint Venture is an unincorporated joint venture between the Company and RLC and relates to ELA 70/2419 and ELA 70/2420 in Western Australia. Minerals other than iron are excluded from the joint venture.

In return for the conversion of the joint venture interest to equity in RLC, Washington Directors hope to unlock some of the value in the Bulla Joint Venture for WRL shareholders by providing a priority entitlement to IPO subscriptions in RLC.

RLC plans to carry out the IPO in the first half of this year. RLC's main focus will be WA based iron and uranium exploration. RLC also has copper-gold-uranium exploration acreage in the Gawler Craton (South Australia).

## New Officers

Washington announced on 7 March 2007 the appointment of two new officers of the Company. Mr. Bob Hair, who has been Company Secretary since the Company's initial public offering in November 2005, accepted an invitation to join the Washington Board as a non-executive director. He continues to hold the position of Company Secretary.

Mr. Andrew Nealon was also appointed as Company Secretary of Washington. He will be sharing the responsibilities of that position with Mr. Hair.

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**Appendix 5B**

**Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

WASHINGTON RESOURCES LIMITED

ACN or ABN

58 097 532 137

Quarter ended ("current quarter")

31 March 2007

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(537)	(729)
(b) development		
(c) production		
(d) administration	(282)	(601)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	55	109
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Other		
<b>Net Operating Cash Flows</b>	<b>(764)</b>	<b>(1,221)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects		(100)
(b)equity		(10)
investments	(5)	
(c) other fixed assets		
1.9 Proceeds from sale of: (a)prospects		2,853
(b)equity		
investments		
(c)other fixed assets		
1.10 Loans to other entities		(44)
1.11 Loans repaid by other entities		199
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(5)</b>	<b>2,898</b>
1.13 Total operating and investing cash flows (carried forward)	(769)	1,677
1.13 Total operating and investing cash flows (brought forward)	(769)	1,677
<b>Cash flows related to financing activities</b>		

+ See chapter 19 for defined terms.

1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – capital raising costs		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(769)	1,677
1.20	Cash at beginning of quarter/year to date	4,056	1,610
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	3,287	3,287

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	80
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 relates to Directors Remuneration and Fees.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
<b>Total</b>	<b>300</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,287	4,056
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,287</b>	<b>4,056</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	E70/2985 E70/3080	Application Pending Application Pending	- -	100% 100%

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

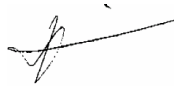
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	36,100,006	36,100,006	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	36,706,660	36,306,660	<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 30 April 2007

Print name: Robert Hair

### Notes

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1 This quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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