

WASHINGTON RESOURCES LIMITED (ASX: WRL)

QUARTERLY REPORT 30 JUNE 2008

HIGHLIGHTS

- **JOINT VENTURE WITH WESTERN DESERT RESOURCES LIMITED TO EXPLORE FOR MINERALS EXCLUDING TIN, TUNGSTEN AND MOLYBDENUM ON EL 25434**
 - **JOINT VENTURE WITH NORTHERN URANIUM LIMITED EXPANSION TO INCLUDE EXPLORATION FOR PHOSPHATE POTENTIAL AT KURUNDI**
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JOINT VENTURE AGREEMENT WITH WESTERN DESERT RESOURCES LTD

During the quarter, Washington Resources Limited (ASX: WRL) ('Washington' or 'the Company') negotiated a joint venture agreement with Western Desert Resources Limited (ASX:WDR) ('Western Desert'), whereby the latter will explore for minerals other than tin, tungsten and molybdenum on Washington's Exploration Licence Application EL 25434, located in the Musgrave Ranges area of the Northern Territory. See Figure 1.

As part of the Musgrave Block, one of the least explored areas of Australia, the tenement application area lies in a province prospective for nickel-copper-platinoid mineralization, as evidenced by exploration work on prospects in adjoining South Australia and Western Australia.

Under the terms of the agreement, Red Desert Minerals Pty Ltd (a wholly owned subsidiary of Western Desert) can earn up to an 80% interest in the prospect by funding exploration expenditure totalling Au\$1.05 million within five years of date of grant of the tenement.

The agreement reflects Washington's policy of spreading risk by minimizing expenditure on tenure while retaining the rights to minerals in which it has a strategic interest, in this case, tungsten, tin and molybdenum. This approach has proved very effective elsewhere, in particular at Kurundi in the Northern Territory.

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Figure 1. Aerial view of WRL Exploration Licence Application EL 25434, Musgrave Ranges, Northern Territory.

NORTHERN URANIUM LIMITED KURUNDI PROJECT EXPANDED

During the quarter, Northern Uranium Limited (ASX: NTU) ('Northern') announced it would be undertaking an investigation of phosphate potential at its Kurundi project in the Northern Territory, following a new farm-in and joint venture heads of agreement with tenement holder Washington.

The north-eastern part of the Kurundi tenements lies within the Georgina Sedimentary Basin, which hosts several major phosphate deposits, including Duchess and D Tree in Queensland and Alexandria, Alroy, Highland Plains and Wonarah in the Northern Territory (Figure 2).

Under the new heads of agreement with Washington, Northern Uranium will undertake an investigation of the possibility of phosphate and uranium co-existing in commercially interesting concentrations in the Georgina Basin sediments, and also explore directly for rock phosphate deposits.

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The farm-in and joint venture heads of agreement with Northern Uranium recognizes that, whilst Northern Uranium holds uranium rights, Washington holds the rights to all other commodities in Kurundi tenements including phosphate. Under the terms of the new heads of agreement, Northern is allowed a maximum two years to earn 60% interest in phosphate mineral rights by sole funding a \$250,000 exploration programme including reconnaissance mapping and sampling, followed by widely-spaced drilling in areas determined prospective for phosphate.

Should Northern Uranium earn a 60% interest in rights to phosphate within the Kurundi tenements, Washington may either contribute to maintain a 40% interest or elect to dilute to a 20% interest allowing Northern Uranium to earn a further 20% through the completion of a pre-feasibility study or the expenditure of another \$1,000,000, whichever is the greater.

Should Northern Uranium reach an 80% interest in rights to phosphate within the Kurundi tenements, Washington may elect to contribute to maintain a 20% interest or elect to be diluted pro-rata until Northern Uranium reaches 90% interest, at which time Washington may elect to exchange its interest for a 2% royalty.

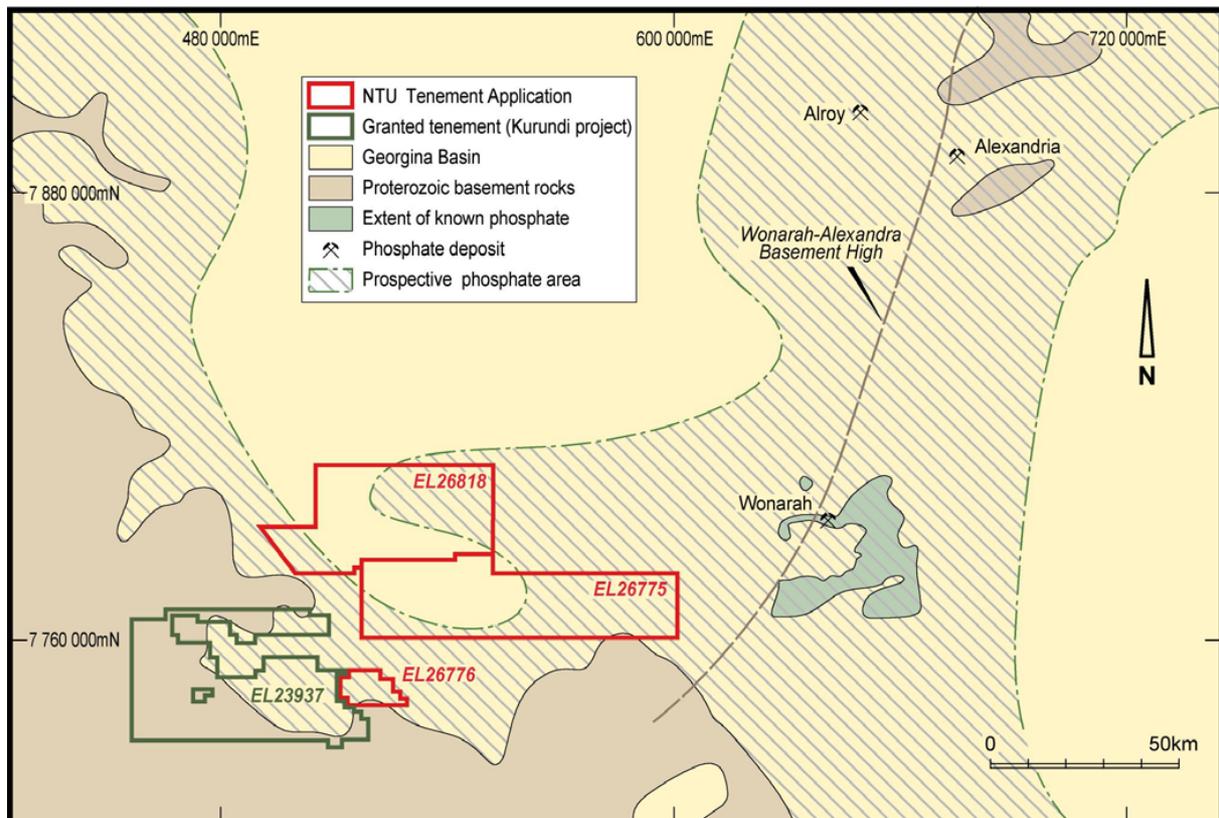


Figure 2. Kurundi Phosphate Target Areas

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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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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")

30 June 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(116)	(557)
(b) development		
(c) production		
(d) administration	(353)	(1,413)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	57	276
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(298)	(298)
1.7 Other		
Net Operating Cash Flows	(710)	(1,992)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		(344)
(c) other fixed assets	(3)	(13)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		1,800
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other		(397)
Net investing cash flows	(3)	1,046
1.13 Total operating and investing cash flows (carried forward)	(713)	(946)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(713)	(946)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		59
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		
	Net financing cash flows		59
	Net increase (decrease) in cash held	(713)	(887)
1.20	Cash at beginning of quarter/year to date	3,652	3,826
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,939	2,939

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	119
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, Fees and Superannuation Contributions.

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	250
4.2 Development	-
Total	250

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	2,939	3,652
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,939	3,652

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			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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.

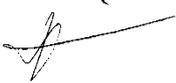
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities				
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<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 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <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: 22 July 2008

Print name:

Robert Hair

Notes

- 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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