

WASHINGTON RESOURCES LIMITED (ASX: WRL)

QUARTERLY REPORT 30 SEPTEMBER 2008

HIGHLIGHTS

- **EXPLORATION EXPENDITURE STRATEGY TO CONSERVE CASH**
 - **BOARD RESIGNATIONS**
-

FUTURE EXPLORATION EXPENDITURE STRATEGY FORMALIZED

During the quarter, the Board adopted a revised exploration expenditure strategy, in light of the economic turmoil affecting world stock markets and the financial sector generally.

In the interest of preserving capital through the economic downturn, Washington's exploration activities will for the time being be such as to meet the minimum statutory requirements applying to the Company's tenements, whilst at the same time the Company will continue to search for suitable acquisition opportunities that would add value for the benefit of Washington shareholders.

BOARD RESIGNATIONS

Mr Scott Huntly resigned as a director of the Company during the quarter, and Mr Robert Hair has resigned as a director since the end of the quarter.

The Washington Board now comprises the following:

Ms Melissa Sturgess	Chair and Non Executive Director
Mr Adrian Griffin	Managing Director
Mr Grant Button	Non Executive Director
Mr Mark Burchnall	Non Executive Director

Joint Company Secretaries are Mr Robert Hair and Mr Andrew Nealon.

WASHINGTON RESOURCES LIMITED (ASX: WRL)

QUARTERLY REPORT 30 SEPTEMBER 2008

For further information please contact:

Adrian Griffin
Washington Resources Limited
(+618) 9485 0755
(+614) 18 927 658

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 September 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for	(17)	(17)
(a) exploration and evaluation		
(b) development		
(c) production		
(d) administration	(264)	(264)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	49	49
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(232)	(232)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other		
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(232)	(232)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(232)	(232)
	Cash flows related to financing activities		
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		
	Net financing cash flows		
	Net increase (decrease) in cash held	(232)	(232)
1.20	Cash at beginning of quarter/year to date	2,939	2,939
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,707	2,707

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	105
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	20
4.2 Development	-
Total	20

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	2,707	2,939
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,707	2,939

+ See chapter 19 for defined terms.

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	M70/1263 M70/1264 M70/1265 M70/1266 M70/1267	Application Application Application Application Application	Pending Pending Pending Pending Pending	NIL NIL NIL NIL NIL
		E51/1059 E51/1061 E51/1112	Joint Venture Farm In Joint Venture Farm In Joint Venture Farm In	22% 10% 10%	NIL NIL NIL
	6.2	Interests in mining tenements acquired or increased	NIL	NIL	NIL

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 (description)			
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 (description)			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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>	-	-		

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: 28 October 2008

Print name:

Robert Hair

+ See chapter 19 for defined terms.

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.

== == == == ==