

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

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### **HIGHLIGHTS**

- **Placement of 5 million shares to raise approx AUD\$1.1 million**
  - **Washington becomes Substantial Shareholder of Reedy Lagoon**
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### **Private Placement**

On 14 June 2007 the Company announced the issue of 5 million fully paid ordinary shares at \$0.22 per share (total \$1,100,000.00) by way of private placement to institutional clients of Montagu Stockbrokers.

Washington Chairman and Managing Director, Adrian Griffin, welcomed these new institutional investors to the Company, adding that Washington is looking forward to a long and mutually beneficial relationship. The funds from the issue will be added to working capital, for further exploration and evaluation and potential advancement of new opportunities.

### **Reedy Lagoon Corporation Ltd**

Further to the announcement on 8 February 2007 in relation to an agreement with Reedy Lagoon Corporation Limited A.C.N. 006 639 514 ("RLC") and RLC's intention to carry out an initial public offering ("IPO") and to seek admission to ASX Limited, Washington announced that RLC on 11 May 2007 lodged a prospectus with the Australian Securities & Investments Commission for the purpose of the IPO.

Under the agreement with RLC, Washington's interest in the Bulla Joint Venture was 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 the IPO.

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

As stated in RLC's prospectus, that company has projects that amongst other things target iron in Western Australia and uranium in a region straddling the Northern Territory and Western Australia border.

As also stated in the RLC prospectus, RLC shareholders and Washington shareholders whose priority application forms were received before the priority allocation closing date were given priority in the allocation of shares offered under the offer.

The directors of RLC announced that the offer closed early oversubscribed and that the ASX listing date had been brought forward to Friday 22 June 2007. A copy of the statement that was posted on RLC's website ([www.reedylagoon.com.au](http://www.reedylagoon.com.au)) is below:

*Media Release, 18 June 2007*

*IPO with uranium and iron ore focus Closes Early Oversubscribed ASX listing brought forward to Friday 22 June 2007.*

*Due to strong interest in its \$4,000,000 IPO, Reedy Lagoon has closed the offer early oversubscribed and has brought forward the ASX listing date to Friday 22 June 2007. Trading in Reedy Lagoon will commence at 11.00am (AEST) on Friday 22 June 2007 under the ASX code RLC.*

*Reedy Lagoon received significant interest from its existing shareholders and Washington Resources shareholders as part of the Priority Offer and from clients of ABN AMRO Morgans Limited. ABN AMRO Morgans Limited was the Sponsoring Broker to the IPO. Reedy Lagoon's primary focus is iron and uranium at the Bullamine Iron Project in WA, and Tanami Uranium Project in WA and NT. Reedy Lagoon is also targeting uranium, gold and copper projects located in the Gawler Craton in SA, and the Lachlan Fold Belt in VIC and NSW. The company will use the proceeds from the raising to further exploration on these projects and for working capital. The company is led by experienced geologist, Geof Fethers who founded Reedy Lagoon in 1986 and worked for De Beers Australia Exploration prior to this. Exploration Director Hugh Rutter is a geophysicist and mineral explorer and has previously spent 10 years with Western Mining Corporation.*

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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 2007

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(133)	(862)
(b) development		
(c) production		
(d) administration	(264)	(865)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	45	154
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
<b>Net Operating Cash Flows</b>	<b>(352)</b>	<b>(1573)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		(100)
(c) other fixed assets	(3)	(13)
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		2,853
(c)other fixed assets		
1.10 Loans to other entities		(44)
1.11 Loans repaid by other entities		199
1.12 Other (Payment for listed company – Shares & Options)	(250)	(250)
<b>Net investing cash flows</b>	<b>(253)</b>	<b>2645</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(605)</b>	<b>1072</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(605)	1072
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	1208	1208
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	(66)	(66)
<b>Net financing cash flows</b>		1142	1142
<b>Net increase (decrease) in cash held</b>		537	2214
1.20	Cash at beginning of quarter/year to date	3287	1,610
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	3824	3824

**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	81
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

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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

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+ 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	3,824	3287
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>3,824</b>	<b>3287</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	P70/1497	Withdrawn 13/04/2007	Application	Nil
	P70/1498	Withdrawn 13/04/2007	Application	Nil
	P70/1499	Withdrawn 13/04/2007	Application	Nil
	E70/3076	Withdrawn 13/04/2007	Application	Nil
6.2 Interests in mining tenements acquired or increased	E70/2719	Granted 13/06/2007	Application	Granted
	E70/2720	Granted 13/06/2007	Application	Granted

+ 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 <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>				
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,000,000	5,000,000	\$0.22	Fully Paid
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>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	1,000,000	-	\$0.35	31 May 2010
7.9 Exercised during quarter	432,000	432,000	\$0.25	
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:



Date: 23 July 2007

Company Secretary

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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