

washington

Washington Resources Limited
ACN 097 532 137

**Interim report
For the half-year ended
31 December 2007**

Washington Resources Limited
ACN 097 532 137

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Washington Resources Limited

ACN 097 532 137

Directors' report

Your directors present their report on Washington Resources Limited ("Washington" or the "Company") for the half-year ended 31 December 2007.

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report:

Adrian Griffin
Grant Button
K. Scott Huntly
Robert Hair

Melissa Sturgess and Mark Burchnall were appointed as directors on 27 August 2007.

Review and results of operations

Operating Results

During the December 2007 half-year, the Company recorded a net profit/(loss) of \$113,169 (2006: \$1,101,636).

Principal Activities

(a) Share issues

The Company under its Share Plan on 17 December 2007 allotted and issued a total of 1,800,000 shares to employees and consultants at \$0.265 per share and extended loans for that purpose of \$477,000 in total.

The shares issued under the Share Plan may not be transferred or otherwise dealt with, and will not be quoted on ASX, until any loan in respect of the shares has been repaid and a period of 12 months (in relation to one third of the shares offered), 24 months (in relation to another one third of the shares offered) and 36 months (in relation to the other one third of the shares offered) has elapsed from the date of issue.

(b) End of restriction period for securities

The Company announced on 31 October 2007 that the escrow period that has applied since the Company's initial public offering to 11,286,942 ordinary Washington shares would cease to apply on 19 November 2007 and that those securities would be released from restriction on that date. Those shares were subsequently released from restriction.

Directors' report (continued)

Principal Activities (continued)

(c) Exploration activities at Yarawindah Brook, WA (Washington 80%)

Washington announced during the period that it had completed down-hole electromagnetic ("DHEM") surveys in 5 areas at its 80% owned Yarawindah Brook polymetallic deposit located 135 kilometres north of Perth in Western Australia. DHEM uses a fixed surface loop and a downhole probe to explore for conductive bodies, such as massive sulphides, in the vicinity of a drill hole.

The DHEM survey has generated targets for further drilling within the zone of identified mineralization at Yarawindah. The zone has the potential to host a significant tonnage of low-grade disseminated mineralization within which localized high-grade massive sulphide shoots exist.

During the period, the Company also completed geochemical surveys at Yarawindah Brook. For comparison, the surveys were conducted over areas of known mineralization as well as soil-covered areas in which magnetic anomalies suggest the presence of mafic and ultramafic rocks prospective for base- and precious-metal mineralization.

Samples of iron-rich laterites were collected for analysis. As these were precipitated from soil waters, base and precious metals may also have been co-precipitated according to their respective local abundance and solubility. Consequently, such laterites can be used to identify the presence of favourable rock assemblages. Elevated base- and precious-metals content may also report in vegetation covering the mineralized areas. The second part of the programme involved the collection and analysis of leaves from previously identified responsive species of marri and wandoo.

The laterite samples were assayed for nickel ("Ni"), copper ("Cu"), chromium ("Cr"), manganese ("Mn"), vanadium ("V"), zinc ("Zn"), gold ("Au"), platinum ("Pt") and palladium ("Pd"), while the leaf samples were assayed for base metals only. Magnetic anomalies characteristic of mafic and ultramafic rocks were identified at Yarawindah Brook by an earlier airborne magnetic survey. Subsequent drilling located Ni- and Cu-sulphide, plus Au, Pt and Pd mineralization in a mafic and ultramafic bedrock complex to the northeast of Old Plains Road.

Results from the surveys have indicated potential for mineralization associated with the western magnetic anomaly. Ground-based electro-magnetic surveys are now planned for this area, to locate bodies of sulphide mineralization for evaluation by drilling.

(d) Exploration activities at Kurundi, NT (Washington 100%)

Washington announced during the period that it had completed reconnaissance exploration of the Mosquito Creek tungsten occurrence located on its Kurundi exploration licence (EL23937), 80km south of Tennant Creek (NT). Tungsten mineralization is extensive and the location has been the site of past production. Shallow drilling of the deposits was also carried out in the half year.

In addition to tungsten exploration, Washington, through its 20% associate, Northern Uranium Limited ("NTU"), conducted exploration for uranium about 6km to the south-west of the Hill of Leaders, in the vicinity of the historic Munadgee uranium mine. Uranium rights pertaining to the project are governed by the "Uranium Tenements and Uranium Rights Assignment Deed" between the Company, NTU, Polaris Metals NL, and Polaris' wholly-owned subsidiary, Eclipse Minerals P/L. Under the terms of this deed, NTU maintains a priority right to mineral deposits where the potential commercial value of uranium constitutes more than 40% of economic minerals discovered.

Directors' report (continued)

Principal Activities (continued)

NTU commissioned geological consultants CSA Australia Pty Ltd ("CSA") to examine the controls on uranium mineralization at Kurundi utilizing geological mapping, aeromagnetic interpretation, structural analysis and multi element geochemistry. Investigations focussed on an outcrop close to the Munadgee mine and over an area of approximately 5 x 5km to the east and south-east of the historic workings. Twenty-four rock-chip samples were taken and submitted for multi-element analysis.

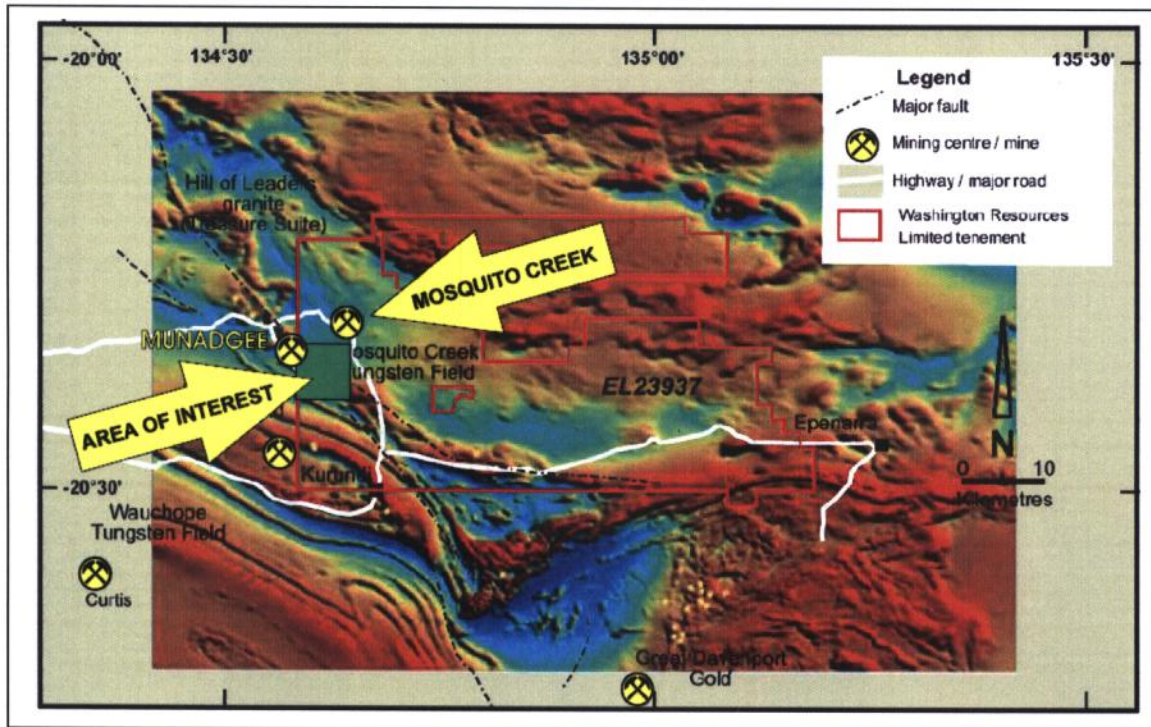


Figure 1 - Location of the Mosquito Creek tungsten field, Munadgee uranium mine, and recent field surveys undertaken by Northern Uranium Limited

The areas in which the rock-chip samples were taken show brecciation, widespread quartz and hematite veining and in some cases exhibit anomalous bismuth ("Bi") and up to 4.5g/t gold. Copper carbonate was also observed as thin coatings on joint planes in some locations. The association of hydrothermal hematite, anomalous gold and copper within the Warramunga Group is characteristic of the Tennant Creek mineral field, approximately 130km to the north. Within that field, iron-oxide, copper, gold ("IOCG") deposits have been exploited since the 1930s. The district rates as one of Australia's largest gold producers and hosts over 600 IOCG occurrences of which over 25% have gold, copper or bismuth of ore grade.

In the Munadgee area, a Tennant Creek style IOCG analogy has been interpreted by CSA, based largely on the large amount of hematite alteration and veining seen in the region, the presence of Warramunga Group volcanics at this location and as an apparent Au – Cu – Bi association.

Directors' report (continued)

Principal Activities (continued)

The high specific gravity of both hematite / magnetite and copper relative to any surrounding lithologies provides adequate contrast for gravity surveys, a successful prospecting technique in many of the terrains hosting IOCG deposits. The fact that mineralization is often hosted within magnetite-rich bodies is significant as aeromagnetic data can be employed in conjunction with gravity to define and rate targets. During the period Washington completed a detailed aeromagnetic survey, the results of which showed a swarm of "bullseye" magnetic anomalies within the Warramunga sediments, below surficial cover, adjacent to outcrop with hematite veining and geochemical anomalism characteristic of the Tennant Creek IOCG deposits.

The Company will conduct gravity and drilling programs to evaluate these targets. Given the likely style of mineralization, the field work will be undertaken by Washington as a non-uranium target, and if successful will be retained for the sole benefit of Washington.

The drilling programme at the Hill of Leaders (Mosquito Creek tungsten field) targeted mineralization in halos surrounding high-grade, historic mine workings. Approximately 3,000 metres of aircore drilling was used to test scheelite occurrences previously identified in the field by ultraviolet fluorescence. This was the Company's first drilling programme undertaken in the area.

The principal tungsten mineral identified in the alteration halo was scheelite. This mineral fluoresces strongly under ultraviolet ("UV") light, which is a convenient means of identifying the mineralization in drill cuttings.

The drilling provided positive results and identified widespread mineralization extending over 3 km of strike, on two or more parallel structures. A light aircore drill rig was used, drilling only to "blade refusal". This technique was selected to rapidly develop an appreciation of the size of the mineralized system, rather than attempting to quantify the grade of the fresh host rocks.

938 metres were drilled in 119 vertical bores 98 millimetres in diameter, at approximately 50 x 200-metre spacings, in areas masked by alluvial cover. The bores were drilled through alluvium and weathered bedrock to blade refusal. Fresh bedrock was not penetrated in any hole because of the drilling technique used.

The highest grade over a 1-metre sampling interval was 5989 parts per million ("ppm") tungsten oxide (" WO_3 "), a result comparable to grades of rock-chip samples from the historic workings. In 34 x 1-metre sample intervals in 23 bores, grades exceeded 500 ppm WO_3 , while in 35 x 1-metre intervals in a further 12 bores, grades ranged from 250 to 500 ppm WO_3 .

Surface mapping, samples from old workings and the drilling results all show a definite pattern of tungsten distribution. Significantly, potentially commercial grades were located some hundreds of metres from historic workings and along a strike length of over one kilometre (see Figure2).

Directors' report (continued)

Principal Activities (continued)

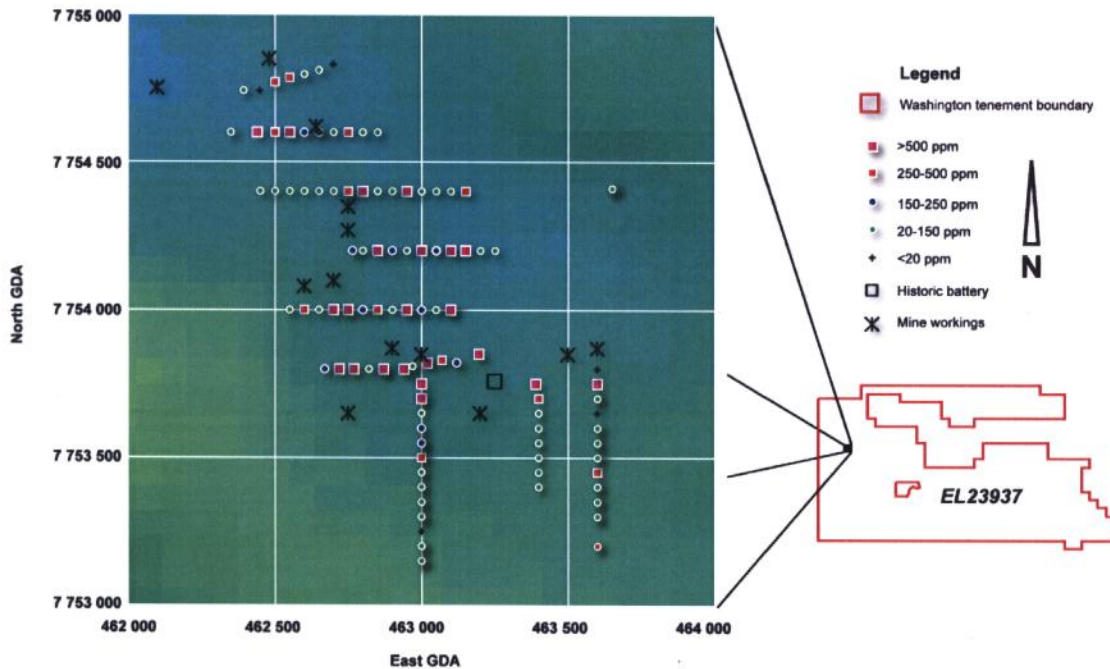


Figure 2 - Hill of Leaders prospect area: aircore bores and maximum WO_3 grades.

In the balance of the exploration licence, 52 bores were drilled adjacent to station tracks in areas masked by alluvium and considered prospective for tungsten mineralization. Due to boggy conditions following storms, this drilling was limited to the western parts of the exploration licence. To date, assays have been returned for 10 of those bores.

In three bores, in 3 x 1-metre intervals, grades exceeded 100 ppm WO_3 . The highest grade was 176.5 ppm WO_3 in a bore some 1500 metres south of the nearest historic mine workings. In a further three bores, in 8 x 1-metre intervals, grades exceeded 20 ppm WO_3 , and these are considered anomalous.

(e) Other exploration activities

Washington announced during the period that it had 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).

Directors' report (continued)

Principal Activities (continued)

Washington has been undertaking a technical and legal due diligence and verification programme on the Project before committing to the exercise of the option, which if exercised 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 complete 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.

During the half-year, the Company also announced that it had made application for six exploration licences covering ground prospective for uranium mineralization in the western Yilgarn Craton of Western Australia. The tenements have a total area of 949.4 sq km.

The applications were made on the basis of CSIRO research. Final results of laterite geochemical sampling of the western Yilgarn Craton were released by CSIRO in 2007, with the database consisting of a 53 element data set for approximately 3150 laterite samples. Samples were collected at nominal intervals of 9km on a semi-regular grid and were designed to provide an indication of broad geochemical dispersion patterns arising from mineralised systems.

While uranium is the principal target base on the geochemistry, the regional geology is also prospective for hosting other commodities. The western Yilgarn Craton consists of variably metamorphosed mafic volcanic rocks, less common ultramafic rocks, sedimentary and felsic volcanic rocks. Mineralization includes the Boddington gold deposit, nickel sulphide deposits in the Forrestania region and iron ore deposits in the mid-west. Platinum group minerals and chromite mineralization have been reported from the area and the world class Greenbushes tin-tantalum-lithium deposit is located 270km south of Perth.

Washington has analysed the distribution of uranium and thorium assays in the database with the aim of delineating areas of uranium enriched felsic igneous rocks. All known uranium deposits exhibit clear spatial relationships with uranium enriched bedrocks. The regional distribution of uranium, based on the CSIRO survey, shows a number of broad concentrations of high uranium in the central part of the area with generally low abundances in the southeast and the north. The Company has applied for tenure in this central zone, targeting regional trends, in areas where assays are generally greater than 10ppm uranium, which is more than twice that average for felsic igneous rocks. Two of the applications are for exploration in granite gneiss terrain west-southwest of Merredin over areas of anomalous thorium concentrations.

The western Yilgarn Craton contains source rocks having high levels of uranium in areas of much younger, Miocene-Pliocene, paleodrainage systems having the potential to provide suitable depositional environments for concentration of uranium mineralization.

On grant of the tenements, the Company will obtain all available geophysical data and undertake interpretation to better understand the distribution and morphology of the paleodrainages. Sampling and testing for uranium mineralization are intended eventually to be undertaken using RAB and aircore drilling.

Directors' report (continued)

Principal Activities (continued)

Events subsequent to balance date

Apart from other events to the extent described elsewhere in this Directors' report, there has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect;

- (i) The Company's operations in future financial periods; or
- (ii) The results of those operations in future financial periods; or
- (iii) The Company's state of affairs in future financial periods.

Auditor's Independence Declaration

We have obtained, as set out on page 10, the independence declaration from our auditors, Ernst & Young, which forms part of this report.

Dated at Perth this 11 day of March 2008

Signed in accordance with a resolution of the Directors.



Adrian Griffin

Chairman and Managing Director

Auditor's Independence Declaration to the Directors of Washington Resources Limited

In relation to our review of the financial report of Washington Resources Limited for the half-year ended 31 December 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read 'Ernst & Young', written over the printed name.

Ernst & Young

A handwritten signature in black ink, appearing to read 'R A Kirkby', written over the printed name.

R A Kirkby

Partner

Perth

11 March 2008

Washington Resources Limited

Income statement

For the half-year ended 31 December 2007

		Half-year	
	Note	2007 \$	2006 \$
Revenue from continuing operations			
Revenue - Interest income		153,132	61,774
Other income	3(i)	1,870,337	2,625,338
Total revenue		2,023,469	2,687,112
Other expenses		(1,281,391)	(624,117)
Share of loss of an associate		(471,017)	(251,299)
Profit before income tax		271,061	1,811,696
Income tax expense		(157,892)	(710,060)
Net profit attributable to members		113,169	1,101,636
		Cents per share	Cents per share
- basic earnings per share		0.22	2.43
- diluted earnings per share		0.21	2.43

The above income statement should be read in conjunction with the accompanying notes

Washington Resources Limited

Balance sheet

As at 31 December 2007

	Note	31 December 2007 \$	30 June 2007 \$
Current Assets			
Cash and cash equivalents		4,224,307	3,824,915
Trade and other receivables		50,074	111,078
Total Current Assets		4,274,381	3,935,993
Non-current Assets			
Plant and equipment		21,442	13,142
Available-for-sale-investment		1,323,395	1,558,709
Investment in an associated company		734,082	1,134,762
Exploration and evaluation expenditure		2,753,915	2,150,854
Deferred tax asset		3,461	3,461
Total Non-current Assets		4,836,295	4,860,928
Total Assets		9,110,676	8,796,921
Current Liabilities			
Trade and other payables		141,874	128,460
Provisions		304,905	293,360
Total Current Liabilities		446,779	421,820
Non-current Liabilities			
Deferred tax liability		145,518	63,405
Total Non-current Liabilities		145,518	63,405
Total Liabilities		592,297	485,225
NET ASSETS		8,518,379	8,311,696
Equity			
Contributed equity	5	7,743,567	7,693,567
Reserves		1,097,226	1,053,712
Accumulated losses		(322,414)	(435,583)
TOTAL EQUITY		8,518,379	8,311,696

The above balance sheet should be read in conjunction with the accompanying notes

Washington Resources Limited

Statement of changes in equity

For the half-year ended 31 December 2007

	Issued capital \$	Accumulated losses \$	Option reserve \$	Employee Benefits Reserve \$	Net unrealized Gains (losses) Reserve \$	Total equity \$
At 1 July 2006	6,511,000	(2,112,903)	363,066	-	893,447	5,654,610
Reversal of net unrealised gains reserve on disposal of available-for-sale investments	-	-	-	-	(893,447)	(893,447)
Profit for the period	-	1,101,636	-	-	-	1,101,636
Employee benefits reserve	-	-	-	303,870	-	303,870
At 31 December 2006	6,511,000	(1,011,267)	363,066	303,870	-	6,166,669
At 1 July 2007	7,693,567	(435,583)	358,747	303,870	391,096	8,311,697
Net unrealised loss on revaluation of available-for-sale investments	-	-	-	-	(139,270)	(139,270)
Profit for the period	-	113,169	-	-	-	113,169
Employee benefits reserve	-	-	-	182,783	-	182,783
Issue of share capital	50,000	-	-	-	-	50,000
At 31 December 2007	7,743,567	(322,414)	358,747	486,653	251,826	8,518,379

*The above statement of changes in equity should be read in conjunction
with the accompanying notes*

Washington Resources Limited

Cash flow statement

For the half-year ended 31 December 2007

		Half-year	
	Note	2007	2006
		\$	\$
Cash flows from operating activities			
Interest received		153,133	61,774
Payments to suppliers and employees		(730,629)	(356,632)
Loan to an associate		-	(266,729)
Payments for exploration and evaluation		(153,566)	(180,265)
Net cash flows used in operating activities		(731,062)	(741,852)
Cash flows from investing activities			
Payments for plant & equipment		(1,359)	(4,711)
Payments for available-for-sale investments		(343,643)	-
Proceeds from sale of available-for-sale investments		1,800,000	2,852,710
Repayment of loan from an associate		-	340,319
Payment of investment costs		(374,544)	-
Net cash flows from investing activities		1,080,454	3,188,318
Cash flows from financing activities			
Proceeds from issue of shares		50,000	-
Net cash flows from financing activities		50,000	-
Net increase in cash and cash equivalents		399,392	2,446,466
Cash and cash equivalents at beginning of period		3,824,915	1,609,803
Cash and cash equivalents at end of period		4,224,307	4,056,269

The above cash flow statement should be read in conjunction with the accompanying notes

Washington Resources Limited

Notes to the financial statements

For the half-year ended 31 December 2007

1 Basis of preparation of half-year report

This general purpose condensed financial report for the interim half-year reporting period ended 31 December 2007 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to read in conjunction with the annual report for the year ended 30 June 2007 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of obligations of the *ASX listing rules* and the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in Accounting Policy

Since 1 July 2007 the Company has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2007. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Company.

- AASB 101 (revised October 2006) *Presentation of Financial Statements*
- AASB 7 *Financial Instruments: Disclosures*
- AASB 2005-10 *Amendments to Australian Accounting Standards* (AASB 132, 101, 114, 117, 133, 139, 1, 4, 1023 and 1038)
- AASB 2007-1 *Amendments to Australian Accounting Standards arising from Interpretation 11* (AASB 2)
- AASB 2007-4 *Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments*
- AASB 2007-7 *Amendments to Australian Accounting Standards* (AASB 1, AASB 2, AASB 4, AASB 5, AASB 107, & AASB 128)
- Interpretation 10 *Interim Financial Reporting and Impairment*
- Interpretation 11 AASB 2 – *Group and Treasury Share Transactions*

Washington Resources Limited

Notes to the financial statements

For the half-year ended 31 December 2007

2 Segment information

The Company operates in one business segment, being the mineral exploration business and one geographical area, being Australia.

3 Profit for the half-year

Profit for the half-year includes the following items that are unusual because of their nature, size or incidence:

	Half-year	
	2007	2006
	\$	\$
(i) Other income		
Profit on sale of available-for-sale investments	1,760,000	1,125,338
Net gain on disposal of tenements rights	-	1,500,000
Profit on deemed disposal of associate company	110,337	-
	1,870,337	2,625,338
(ii) Other expenses		
Other expenses include the following whose disclosure is relevant in explaining the performance of the company		
Cost of share based payments	182,783	303,870
Impairment loss on available for sale investment	380,000	-

4 Dividends

No dividends were paid or proposed during the period (2006: nil).

Washington Resources Limited

Notes to the financial statements

For the half-year ended 31 December 2007

5 Equity securities issued

	Half-year	
	2007	2006
	\$	\$
Ordinary shares fully paid	7,743,567	6,511,000
	Number	Number
Movements in shares on issue		
Beginning of the financial period	50,815,326	45,383,326
Employee share plan shares on issue	2,070,000	-
Exercise of 28 February 2008 Options	200,000	-
Allocation of Employee Share Plan shares	1,800,000	-
End of the financial period	54,885,326	45,383,326

6 Contingencies

There are no contingent assets or liabilities.

7 Events occurring after the balance sheet date

Apart from other events to the extent to which are described elsewhere in this report, there has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to effect;

- (i) The Company's operations in future financial periods; or
- (ii) The results of those operations in future financial periods; or
- (iii) The Company's state of affairs in future financial periods.

Washington Resources Limited
ACN 097 532 137

Directors' declaration

In accordance with a resolution of the directors of Washington Resources Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2007 and the performance for the half year ended on that date of the Company; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board,



Adrian Griffin

Chairman and Managing Director

Perth
11 March 2008

To the members of Washington Resources Ltd

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying period financial report of Washington Resources Ltd, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the period ended on that date, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the period financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2007 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Washington Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

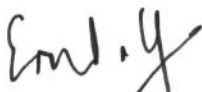
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

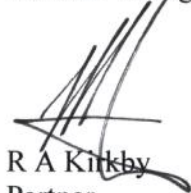
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Washington Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2007 and of its performance for the half year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



R A Kirkby

Partner

Perth

11 March 2008