

HIGHLIGHTS

- **PROGRESS OF DRILLING AT KURUNDI, NT**

Successful reconnaissance drilling for tungsten at Kurundi in Northern Territory

Introduction

During the quarter, Washington Resources Limited ("Washington" or "the Company") announced that it had been conducting tungsten exploration on EL23937 at its Kurundi Project, 80km south of Tennant Creek in the Northern Territory (see Figure 1). The exploration programme involving shallow drilling demonstrated widespread mineralization, with the best intersection exceeding 0.5% tungsten oxide ("WO₃"). Sampling on that licence by Northern Uranium Limited (of which Washington is a substantial shareholder) had shown potential for gold and copper and uranium mineralization.

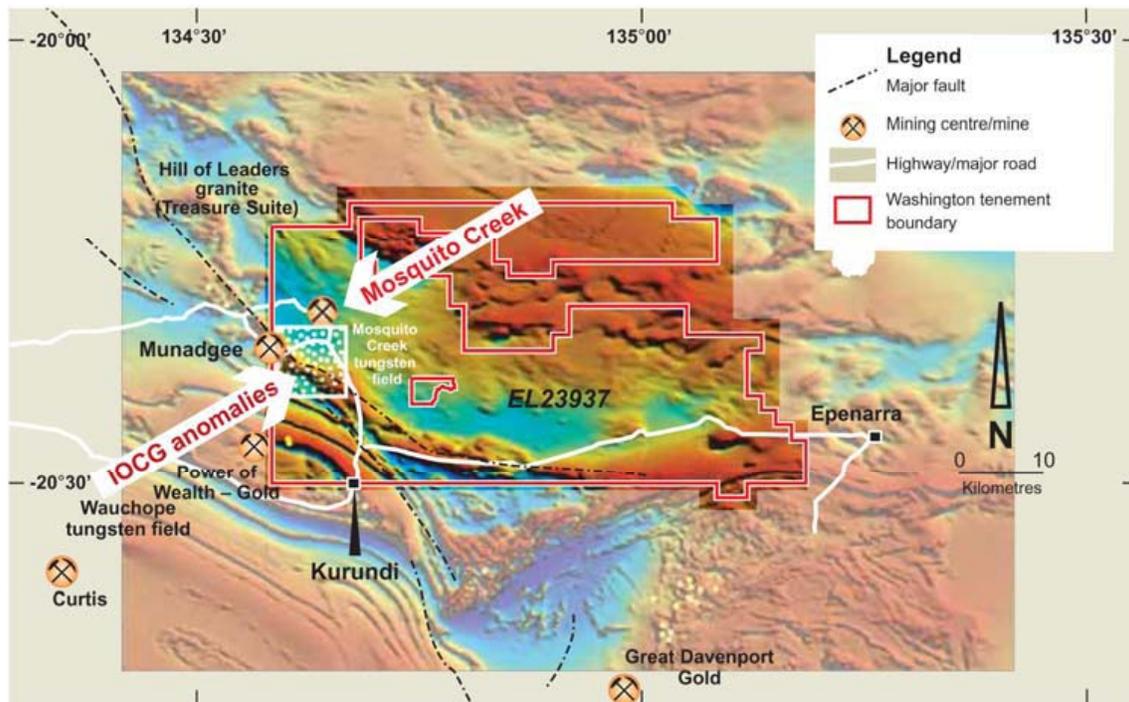


Figure 1 - EL23937 showing the location of historic tungsten fields at Mosquito Creek (Hill of Leaders) about 5km NE of recently discovered copper, gold and uranium mineralization (IOCG anomalies).

WASHINGTON RESOURCES LIMITED (ASX: WRL)

QUARTERLY REPORT 31 MARCH 2008

Background to the use of tungsten

Tungsten is an important metal with applications in high-temperature alloys, tool steel, wear components, lighting (incandescent filaments) and electronics. Lesser applications include catalysts and pigment. Tungsten carbide, which has a hardness close to that of diamond, is used extensively in drilling and cutting of many industrial and natural materials

The tungsten market

China is the largest consumer of primary tungsten, and in the past it has been the largest producer. Increased demand and reduced production capacity resulted in trebling of tungsten prices from 2005 to 2006. Prices have remained relatively stable since that time at about US\$240/MTU. The high demand and constrained production have made low grade deposits attractive exploration targets, and Washington has taken the opportunity to commence examination of extensive mineralized systems at Kurundi, including the Hill of Leaders Prospect

Drilling at Hill of Leaders Prospect (also known as Mosquito Creek)

A reconnaissance aircore drill programme was carried out at Kurundi. 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.

Approximately 938 metres were drilled in 119 vertical bores, 98 centimetres 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 5,989 parts per million ("ppm") 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 bore results all show a definite pattern in 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 Figure 2.

WASHINGTON RESOURCES LIMITED (ASX: WRL)

QUARTERLY REPORT 31 MARCH 2008

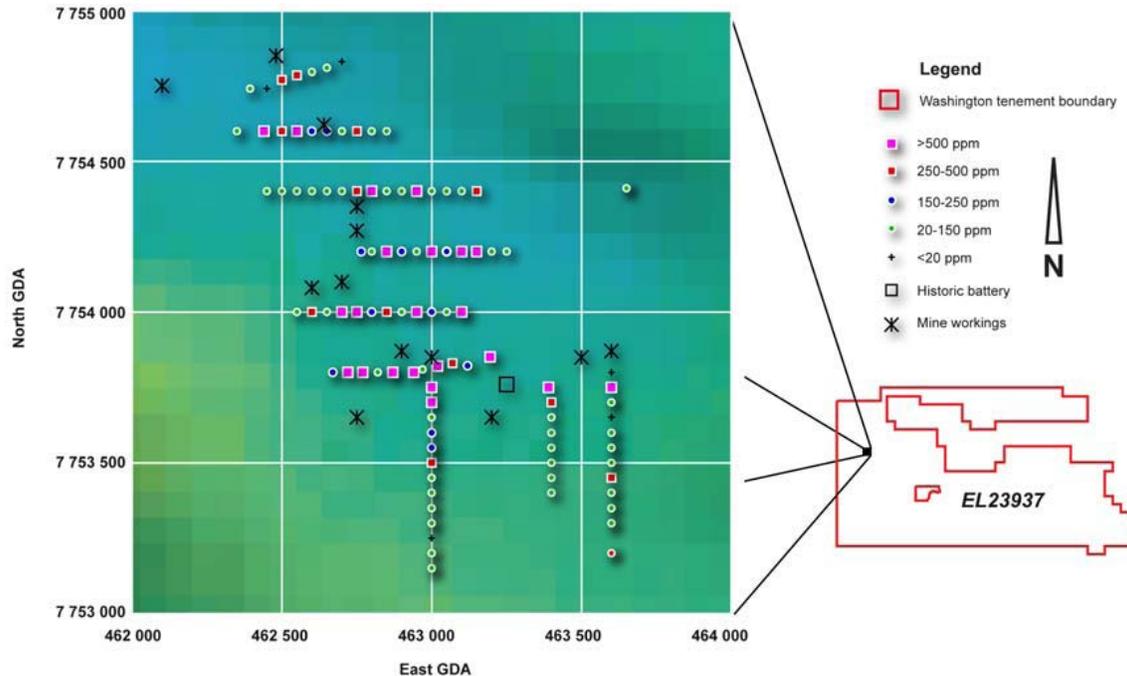


Figure 2 - Hill of Leaders prospect area: aircore bores and maximum WO_3 grades.

Drilling in balance of EL

In all, 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.

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.

Final assay results have not yet been returned.

Zambia

As previously announced, Washington has been undertaking a technical and legal due diligence and verification programme on the Rephidim Copper Dump Treatment Project ("Project") based in Chingola, Zambia before committing to the exercise of the option, which would 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. Whilst discussions have taken place as to whether to seek a formal extension of the option period for the Company to conduct further technical and legal due diligence, the Directors have determined that in the current economic and

WASHINGTON RESOURCES LIMITED (ASX: WRL)

QUARTERLY REPORT 31 MARCH 2008

political climate in Zambia such an extension will not be sought. The option will now lapse, and the Company will have no further rights or obligations in respect of the Project.

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.

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")

31 March 2008

Consolidated statement of cash flows

Cash flows related to operating activities	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	(288)	(441)
(b) development		
(c) production		
(d) administration	(328)	(1,059)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	66	219
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(550)	(1,281)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		(344)
(c) other fixed assets	(9)	(10)
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	(22)	(397)
Net investing cash flows	(31)	1,049
1.13 Total operating and investing cash flows (carried forward)	(581)	(232)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(581)	(232)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	9	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	9	59
	Net increase (decrease) in cash held	(572)	(173)
1.20	Cash at beginning of quarter/year to date	4,224	3,825
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,652	3,652

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	101
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	3,652	4,224
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,652	4,224

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	E70/2301	Lapsed 26/03/2008*	Live	Dead
6.2 Interests in mining tenements acquired or increased	E70/3056 E70/3080	Granted 18/01/2008 Granted 26/03/2008* Replaces E70/2301	Pending Pending	Granted 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.

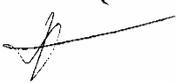
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities				
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	36,040	36,040	\$0.25	Issued as a result of exercise of options
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	35,638,660	35,638,660		
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: 30 April 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.

== == == == ==