

WASHINGTON RESOURCES LIMITED (ASX: WRL)

HIGHLIGHTS

- **GOLD, COPPER AND TUNGSTEN MINERALIZATION IDENTIFIED AT KURUNDI (NT)**
 - **APPLICATION MADE FOR NEW URANIUM PROSPECTIVE TENEMENTS IN WA**
 - **POSITIVE RESULTS FROM YARAWINDAH BROOK DOWN-HOLE ELECTROMAGNETIC SURVEYS (WA)**
 - **TWO NEW BOARD APPOINTMENTS**
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YARAWINDAH BROOK PROJECT

Results of Down-Hole Electromagnetic Surveys

Washington announced during the quarter 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, Figure 1. 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. The Company will evaluate the prospective drill targets after the completion of scheduled drilling at its Mosquito Creek tungsten project in the Northern Territory (drilling of the latter scheduled for October).

Results of geochemical programs carried out over parallel repetitions of the ultramafic contact at Yarawindah are being assessed and preliminary interpretation was released subsequent to the end of the quarter.

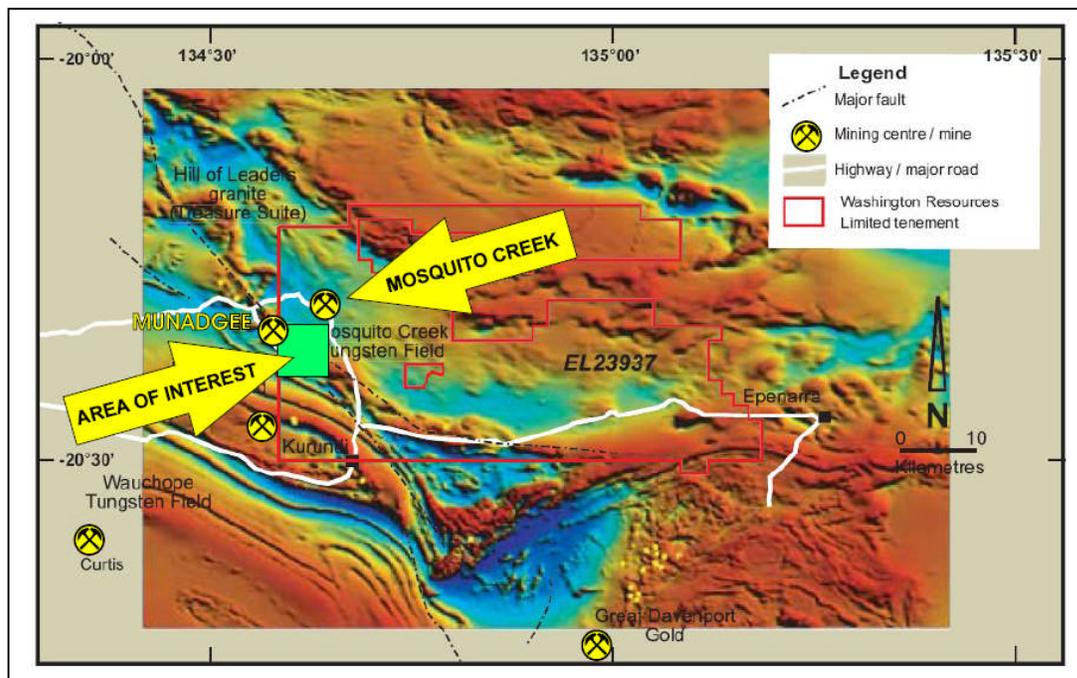
KURUNDI EXPLORATION (NT)

Gold, Copper and Tungsten Mineralization

Washington announced during the quarter that it had completed reconnaissance exploration of the Mosquito Creek tungsten occurrence located on its Kurundi exploration licence, 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 will commence in October 2007.

In addition to tungsten exploration, Washington, through its 20% associate, Northern Uranium Limited (“NTU”), has been conducting 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 its 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%.

NTU commissioned geological consultants CSA Australia Pty Ltd (“CSA”) to examine the controls on uranium mineralization utilizing geological mapping, aeromagnetic interpretation, structural analysis and multi element geochemistry. Investigations focussed on 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.



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 and gold (up to 4.5g/t). 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 as well as an apparent Au – Cu – Bi association.

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. WRL has completed a detailed aeromagnetic survey and the results show 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 plan gravity and/or 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.

Application for New Uranium Prospective Tenements

Washington announced during the quarter that it had made application for six Exploration Licences covering ground prospective for uranium mineralization in the western Yilgarn Craton of Western Australia, Figure 1 and 2. The tenements have a total area of 949.4 km².

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 U 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 U, 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, Figure 2.

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 will eventually be undertaken using RAB and aircore drilling.

CORPORATE

Management and Board appointments

Ms Melissa Sturgess and Mr Mark Burchnall were appointed as directors of the Company during the quarter.

The Washington board now comprises of the following:

Mr Adrian Griffin	Chairman and Managing Director
Mr Robert Hair	Executive Director/Joint Company Secretary
Mr Grant Button	Non Executive Director
Mr Scott Huntly	Non Executive Director
Ms Melissa Sturgess	Non Executive Director
Mr Mark Burchnall	Non Executive Director

Mr Andrew Nealon retains the role of Joint Company Secretary but is not a member of the board.

Issue of Shares

During the quarter, 200,000 fully paid ordinary shares were issued pursuant to the exercise of 200,000 options.

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 experience 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 September 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(88)	(88)
(b) development		
(c) production		
(d) administration	(387)	(387)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	76	76
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(399)	(399)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects		
(b)equity investments		
(c) other fixed assets	(1)	(1)
1.9 Proceeds from sale of: (a)prospects		
(b)equity investments	1,800	1,800
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other		
Net investing cash flows	1,799	1,799
1.13 Total operating and investing cash flows (carried forward)	1,400	1,400

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	1,400	1,400
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	50	50
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	50	50
Net increase (decrease) in cash held			
		1,450	1,450
1.20	Cash at beginning of quarter/year to date	3,825	3,825
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,275	5,275

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	85
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	150
4.2 Development	-
Total	150

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	5,275	3,825
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	5,275	3,825

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	NIL			
6.2 Interests in mining tenements acquired or increased	E58/361 E70/3284 E70/3285 E70/3286 E70/3287 E70/3288 E70/3289 E70/3290	New Applications	nil	100%

+ 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	200,000	200,000	\$0.25	
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:



Date: 25 October 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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