

WASHINGTON RESOURCES LIMITED ACN 097 532 137

Supplementary Prospectus

This is a Supplementary Prospectus intended to be read with the Short Form Prospectus dated 27 January 2006 for a fully underwritten non-renounceable entitlements issue of 4 New Options, each exercisable at 25 cents on or before 28 February 2008, for every 5 Shares held by Shareholders at an issue price of 1 cent per New Option to raise approximately \$400,000 (**Prospectus**). Terms that are defined in the Prospectus will when used in this Supplementary Prospectus have the same meaning, unless the context indicates otherwise.

This Supplementary Prospectus is dated 1 March 2006 and was lodged with the Australian Securities and Investments Commission (ASIC) on 1 March 2006. ASIC and ASX take no responsibility for the contents of this Supplementary Prospectus.

Pursuant to section 719(4) of the Corporations Act, the Prospectus is taken to include this Supplementary Prospectus.

The Offer is only available to Shareholders on the Record Date receiving an original Acceptance Form which accompanies the Prospectus and Supplementary Prospectus.

Only Shareholders at the Record Date with registered addresses in Australia, New Zealand, the United Kingdom, Channel Islands, Singapore and Hong Kong will be able to participate in the Offer. To make the Offer in any other jurisdiction may constitute a violation of applicable securities laws. The Directors believe that it is unreasonable to make the Offer to the Foreign Shareholders, having had regard to the number of Shareholders in the relevant jurisdictions, the number and value of New Options those Shareholders would be offered and the cost of complying with the securities legislation of those jurisdictions.

Accordingly, the Offer is not being made, and no New Options will be issued, to any Shareholder whose registered address is in a country other than Australia, New Zealand, the United Kingdom, Channel Islands, Singapore or Hong Kong. This Prospectus is being sent to the Foreign Shareholders for information purposes only. No Entitlement and Acceptance Form will be sent to the Foreign Shareholders.

This Supplementary Prospectus may, for information purposes only, be viewed online at www.washingtonresources.com.au. During the Offer Period, any person may obtain a hard copy of the Prospectus and the Supplementary Prospectus by contacting the Company.

1. Indicative Timetable

The indicative timetable for the Entitlements Issue as set out in Section 3 of the Prospectus has been amended such that the commencement date for deferred settlement trading is 20 March 2006, not 18 March 2006 as set out in the Prospectus. The indicative timetable in Section 3 of the Prospectus is replaced by the following indicative timetable:

EVENT	DATE
Prospectus lodged with ASIC and ASX	27 January 2006
Notification of Existing Option holders of right to exercise Existing Options and participate in Entitlements Issue	27 January 2006
“Ex” Date	22 February 2006
Record Date for determining entitlements	28 February 2006
Opening Date and Despatch of Prospectus	2 March 2006
Closing Date*	17 March 2006
Deferred settlement trading commences	20 March 2006
Despatch date and deferred settlement trading ends	22 March 2006

These dates are indicative only and may be subject to change.

* The Directors (in conjunction with the Underwriter) may extend the Closing Date by giving at least 6 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date on which the New Options are expected to commence trading on ASX may vary.

2. Sallies Options

As set out in Section 6 of the IPO Prospectus, the Company held options to acquire shares in Sallies. The Company has exercised the Sallies Options in full and thereby agreed to issue and allot 8,858,320 Shares in consideration of the transfer to it of 26,572,961 Sallies shares. These Shares were issued on 28 February 2006 and are included in determining eligibility for entitlements.

Section 6.2 of the Prospectus is supplemented by the disclosure in Section 2 of this Supplementary Prospectus. Refer to Section 4 of this Supplementary Prospectus for the Company's updated capital structure.

3. Exercise of Existing Options

Valid exercise notices and payment in full were received by the Company in respect of 425,000 Existing Options, and the Company on 27 February 2006 issued and allotted to the holders of those Existing Options 425,000 Shares. These Shares are included in determining eligibility for entitlements. Refer to Section 4 of this Supplementary Prospectus for the Company's updated capital structure.

4. Updated Capital Structure

The capital structure of the Company set out in Section 8 of the Prospectus is replaced by the following:

Number of Shares on issue on the date of this Supplementary Prospectus ¹	45,383,326
Existing Options at the date of this Supplementary Prospectus	5,000,000
Maximum number of New Options that may be issued pursuant to the Prospectus and Supplementary Prospectus	36,306,660

¹ On or after 17 March 2006 an additional 2,110,000 Shares and 400,000 options to subscribe for Shares will be offered to eligible employees, directors, officers and consultants of and to the Company under the Company's Share Plan and Option Plan, of which 1,150,000 Shares and 400,000 options will be offered to directors, subject to shareholder approval.

5. Share Plan and Option Plan

Pursuant to the Company's Share and Option Plans for eligible employees, directors, officers and consultants, the Board has determined that invitations will be made to specified individuals to subscribe for specified numbers of fully paid ordinary shares in the Company or options to subscribe for fully paid shares in the Company, and to apply for a loan in each case up to the amount payable for such Shares.

The invitations will be made within the requirements described in Section 12.3 of the IPO Prospectus. The offers are proposed to be made on or after Friday 17 March 2006. The price at which the offers will be made, being the purchase price in the case of shares and the strike price in the case of options, will be the higher of 25 cents per Share or the weighted

average sale price of Shares sold through the ASX during the one week period up to and including the offer date, or, if there were no transactions in Shares during that one week period, the last price at which an offer was made to purchase Shares on the ASX. A total of 2,110,000 Shares and a total of 400,000 options are proposed to be offered to employees, directors, officers and consultants under the Plans, including 750,000 Shares to be offered to Adrian Griffin, 400,000 Shares to be offered to Grant Button and 400,000 options to be offered to Scott Huntly.

The offers to the directors will be made subject to shareholder approval, and neither the issue and allotment of Shares or options to directors nor any loan will be made to a director until such shareholder approval has been obtained.

Section 10.4 of the Prospectus is amended by adding the following paragraph after Table 5.

"The Company plans to offer 750,000 Shares to Adrian Griffin, 400,000 Shares to Grant Button and 400,000 options to subscribe for Shares to Scott Huntly pursuant to the Washington Share Plan and Option Plan on or after 17 March 2006. The Shares and options will be offered subject to shareholder approval and in accordance with the terms of the Share Plan and the Option Plan."

6. Drilling at Yarawindah Brook

The Company on 17 February 2006 announced to the market further details in relation to its drilling programme at Yarawindah Brook, following receipt of assay results from an additional 28 vertical, reverse circulation drill holes of the 76-hole programme completed on 11 February 2006.

Several drill holes intersected massive sulphides over a down-hole thickness of up to 2-m, with values up to 3.94% nickel and 1.03% copper over a 1 m interval. Negotiations with landowners – to obtain access to the continuation of the recently defined zone and investigate other zones within the project that have a similar magnetic signature – are ongoing.

Details of the significant 1 m intersections are outlined in Table 1 below. YWRC 29 shows disseminated sulphide mineralization whereas the reported intersections in both YWRC 55 and YWRC 58 occur within massive sulphides. The intersections are considered to be part of the same mineralized body. These holes are located over a distance of 550 metres. Based on the results to hand, as well as evaluation of historical exploration, several areas of potential economic mineralization have been outlined for investigation using ground-based geophysics and follow-up drilling.

Samples from the remaining 16 holes of the programme are at the date of this Supplementary Prospectus at the assay laboratory, with the results

expected to be announced to ASX within two to three weeks.

Table 1 Yarawindah Brook 1m intersections

Hole	East (GDAm)	North (GDAm)	East		Dept (m)	From (m)	To (m)	Ni (%)	Cu (%)	Co ppm	Au+Pt+ Pd (ppm)
			(Local m)	North (Local m)							
YWRC 029	429,767	6,559,823	10,000	10,850	57	45	46	0.87	1.98	825	0.21
						46	47	0.47	0.97	470	0.47
						47	48	0.13	0.07	121	0.06
						48	49	0.22	0.42	229	0.09
						49	50	0.17	0.25	173	0.11
YWRC 055	429,873	6,559,535	9,950	10,550	50	33	34	1.91	1.01	1418	0.24
						34	35	0.75	0.15	562	0.48
						35	36	0.10	0.13	95	0.12
						36	37	0.22	0.26	185	0.29
						37	38	2.31	0.90	1692	0.40
						38	39	0.82	0.90	635	0.23
YWRC 058	429,559	6,559,989	9,900	11,100	50	35	36	0.77	0.44	531	0.05
						36	37	3.94	1.03	2621	0.23
						37	38	3.40	0.93	2405	0.59
						38	39	0.35	0.64	257	0.22

The information set out in Table 1 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 relevant to the style of mineralization and type of deposit under consideration and the activity which 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"). Table 1 is contained in this Supplementary Prospectus with Mr Griffin's consent as to the form and context in which the exploration results appear.

The disclosure in Section 6 of this Supplementary Prospectus supplements Section 6.2 of the Prospectus.

This Supplementary Prospectus has been approved by unanimous resolution of the Directors of Washington Resources Limited. Each Director of Washington Resources Limited has given, and has not withdrawn, their consent to the lodgment of this Supplementary Prospectus.

It is noted that the Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor.

Dated: 1 March 2006

A handwritten signature in black ink, appearing to read 'Griffin', is written over a faint, light-colored rectangular stamp or watermark.

Signed for and on behalf of
Washington Resources Limited
by Adrian Griffin