



**washington**

17 November 2005

The Manager  
Company Announcement Office  
Australian Stock Exchange Limited  
Level 8  
2 The Esplanade  
Perth WA 6000

Dear Sir,

**Re: Uranium exploration and rights issue**

*Uranium exploration subsidiary*

Washington Resources Limited has entered into an agreement pursuant to a Letter of Intent that will expand its uranium potential through exploration by a new subsidiary (“Newco”), which will focus solely on uranium exploration. The Letter of Intent with Polaris Metals NL A.C.N. 085 223 570 (“Polaris”) was executed on 16 November 2005.

Under the terms of the Letter of Intent, Washington will vend the uranium potential of its current tenement holdings in the Tanami-Granites region of the Northern Territory in return for 50% equity in Newco. The remaining 50% of Newco’s capital will be issued to Polaris in consideration for Polaris vending the uranium rights of its Gardiner Range and Tanami projects. The addition of the Gardiner Range project extends the exploration targets well into Western Australia. Washington and Polaris will jointly appoint a board of directors, and Polaris will be assigned the role of project management.

Previous uranium exploration at Gardiner Range by BHP Minerals and others in the 1980s established similarities with the rich Canadian Athabasca Basin, which is the host environment of the highest grade uranium deposits identified to date. Numerous uranium targets occur within the Gardiner Range, Granites/Tanami area. The most prominent target zone is the Gardiner Sandstone unconformity which has extensive distribution throughout the enlarged project area.

The capital supplied by Washington to Newco will be by way of loan funds and will be matched dollar for dollar by Polaris.

Initially Newco will remain unlisted. However, the corporate future of that company will be determined as exploration progresses.

The potential opportunity to enter into this new venture was only recently presented to the Company by Polaris, but the Directors of the Company believe that the Company’s chances of being successful in uranium exploration are considerably strengthened by the arrangement. Polaris is familiar with the uranium potential of the area through the previous work background of its Managing Director, Kevin Schultz. In 1975-6 Mr Schultz was Darwin-based Director of Operations for the Australian Atomic Energy Commission’s Uranium Branch Exploration Division; and from 1977 to 1981, he

was the Exploration Manager for Nord Resources Corporation, being responsible for uranium exploration in various parts of Western Australia and the Northern Territory.

Both companies wish to complete full documentation to effect the arrangement as soon as practicable. The transfer of the Washington and Polaris interests to Newco is subject to due diligence and all necessary regulatory approvals.

*Rights issue*

As the proposed uranium exploration is outside the scope of the prospectus issued for the recent Washington initial public offering, additional funding will be required. It is therefore intended to raise \$290,000 for working capital by way of a pro rata non-renounceable offer of options to Washington shareholders. The issue will be subject of a new prospectus and will be fully underwritten.

Subject to ASX approval of the offer timetable, Washington's option issue will be on the basis of 4 options for every 5 shares held at the record date (being 5pm WST on 28 February 2006). The subscription price will be 1cent for each option, and each option will entitle the holder to acquire 1 Washington share at 25 cents at any time on or before 28 February 2008.

Yours faithfully  
**Washington Resources Limited**

A handwritten signature in black ink, appearing to read 'Adrian Griffin', written over a horizontal line.

**Adrian Griffin**  
**Chairman and Managing Director**

**For further contact, please ring Adrian Griffin on 0418 927 658**