



washington

19 October 2006

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

Dear Sir,

**EL70/2301 (WASHINGTON INTEREST 80%):
YARAWINDAH BROOK POLYMETALLIC SULPHIDES, WESTERN AUSTRALIA**

Washington Resources Limited ('Washington' or 'Company') began work on the Yarawindah Brook polymetallic sulphide deposit shortly after the Company's admission to the ASX in November 2005. The Yarawindah project lies within the Jimperding Igneous Complex, approximately 130 kilometres north of Perth.

Initial drilling at Yarawindah intersected massive sulphides, close to the surface, in three drill holes. The mineralization included nickel, copper, cobalt and platinum group metals.

To gain a better understanding of this mineralization, the Company commissioned various studies. Geophysical studies in particular are intended to optimize the grade and recovery of concentrates from the Yarawindah mineralization.

Details of geophysical results to date are set out below.

GEOPHYSICS

A SMARTem electro-magnetic (Sem) survey was completed over 1800 metres of strike of the mafic/ultramafic complex. Four conductors, possibly related to sulphide mineralization, were located.

Two conductors were each in close proximity to the Washington bores YWRC 29 and YWRC 55 respectively, which, as previously reported, intersected massive Ni/Cu-sulphide mineralization. The geology in these areas is complex and an infill Sem survey is required to define potential drill targets here. This programme is planned to begin late in October.

A third conductor was traced for 700 metres along strike. Within a 200m long zone in the mid-section of this length, the response was comparatively strong. This zone has never been drilled but is considered sufficiently well defined for drill planning.

The 100 metres of strike immediately to the north of this middle zone returned a moderate response, and there are two bores by earlier explorers here. One of these bores (PNN13) intersected 4 metres @ 1.5% Cu but did not penetrate the full extent of the mineralization. A second bore (DDH 7) intersected multiple Ni/Cu-sulphide horizons including: 0.5metres @ 2.23% Cu 840ppm Ni and 1.03 metres @ 0.38% Cu 0.93% Ni.

Less intensive responses were returned for the respective 200 metres long zones to the north and south of these central zones. These areas have never been drilled.

The 4th conductor returned a strong response on a single Sem line but is open on strike.

Additional Sem surveys to trace and better define this conductor are included in the late October programme.

GEOCHEMISTRY

Much of the EL bedrock is masked by laterite cover, commonly over 30 metres thick. A reconnaissance programme over areas of known geology has indicated there is some potential for the sampling of surface ironstones and deep-rooted vegetation to provide information on bedrock geology and the location of mineralization. Such surveys could therefore be useful accessories to geophysics for the planning of initial drill programmes.

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.

Yours faithfully
Washington Resources Limited