



**washington**

23 January 2006

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

Dear Sir,

**Re: Bulla Iron Ore Joint Venture**

Washington Resources Limited has completed negotiations and executed the Bulla Joint Venture Agreement with Reedy Lagoon Corporation Limited ("Reedy") to explore for iron ore on Exploration Licence Applications 70/2719 and 70/2720. The tenement applications are located 70km east of Perth, Western Australia and cover an area prospective for iron ore which was identified by Western Mining Corporation Limited in the 1970s.

At the commencement date the equity proportions in the joint venture will be 50% Washington and 50% Reedy. Under the terms of the agreement, Reedy may, by sole funding the joint venture activities, earn 1.2% equity in the joint venture for every \$10,000 spent. The sole funding provision will allow Reedy to increase its equity in the joint venture to a maximum of 80%, at which time Washington must contribute or be diluted.

Washington will retain the sole rights to all commodities other than iron ore, and Reedy will not earn any direct equity in the tenements. Washington will continue to focus on the base and precious metal potential of ELA70/2719 and ELA70/2720.

For further information, please contact Adrian Griffin on 0418 927 658.

Yours faithfully  
**Washington Resources Limited**