



washington

28 February 2006

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

Dear Sir,

Re: Exercise of Sallies Options

Washington Resources has exercised options to acquire 26,572,961 shares in the Johannesburg-listed company, Sallies Limited, registration number 1903/001879/06 by the issue to the current holders of 8,858,320 Washington shares.

Sallies is the owner of the Witkop fluorspar mine near Zeerust in the North West Province of South Africa., and the acquisition of the Sallies shares will result in Washington holding approximately 10% of Sallies' share capital. Washington held options to acquire the Sallies shares by virtue of agreements with seven companies, and the terms of these agreements have been described in the prospectus for Washington's initial public offering in 2005 and in the prospectus for the Company's entitlements issue dated 27 January 2006.

Washington has issued the shares with the benefit of a waiver granted by the ASX from listing rule 7.1 to the extent necessary for the Company to issue the shares in return for 26,572,961 shares in the capital of Sallies pursuant to the option agreements with the seven Sallies shareholders.

Yours faithfully
Washington Resources Limited