

12. ADDITIONAL INFORMATION

12.1 Rights Attaching to Shares

(a) Introduction

The rights attaching to the Shares arise from a combination of the Company's Constitution, statute and general law. Copies of the Company's Constitution are available for inspection during business hours at its registered office.

This summary is not exhaustive; nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(b) Voting at general meetings

Subject to any special rights or restrictions for the time being attached to any class or classes of Shares in the Company, at a general meeting every member present in person or by proxy, representative or attorney has a vote on a show of hands and, on a poll, one vote for each fully paid Share held. On a poll, partly paid shares confer a fraction of a vote in proportion to the amount paid up on the Share.

(c) Meetings of members

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution or the Corporations Act and the Listing Rules.

(d) Dividends

Subject to the rights of the holders of any shares created or raised under any special arrangement as to dividend (such as preference shares), any dividend as declared shall be payable on all shares in proportion to the amount of capital for the time being paid up or credited as paid up in respect of such shares, unless it was a term of the issue of such shares that they would carry full dividend rights and such shares were issued on a pro rata basis to all Shareholders.

(e) Winding Up

Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company all monies and property that are to be legally distributed among holders of Shares will be distributed in proportion to the amounts paid up (or which at the commencement of the winding up ought to have been paid up) on those Shares compared with the total paid up capital of the Company.

(f) Transfer of Shares

Shares in the Company may be transferred by a proper transfer effected in accordance with the ASTC Settlement Rules, by any other method of transferring or dealing in Shares introduced by the ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or the ASX that is otherwise permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASTC Settlement Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must give the party lodging the transfer (and any broker lodging the transfer) written notice in accordance with the Listing Rules of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASTC Settlement Rules.

(g) Preference Shares

Under the Constitution, the Company's Directors are empowered without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares to issue shares with preferred, deferred or other rights.

12.2 Terms of Existing Options

A summary of the key terms of the Existing Options is set out below.

- (a) The exercise price of each Existing Option is 20 cents (\$0.20).
- (b) The Existing Options are exercisable on or before 30 June 2006 in whole or in part by multiples of 100.
- (c) The Existing Options are transferable.
- (d) Each Existing Option may be exercised by notice in writing to the secretary of the Company.
- (e) Upon the payment of the exercise price of an Existing Option, the holder of the Existing Option will be issued, within seven (7) Business Days from receipt of such payment, one Share (which will rank equally in all respects with the existing Shares).
- (f) The holder of an Existing Option cannot participate in a bonus or entitlement issue without first exercising the Existing Option.
- (g) In the event of any reorganisation of the issued capital of the Company, the rights of any Existing Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

12.3 Option Plan and Share Plan

The Directors have established the Washington Option Plan ("Option Plan") and the Washington Share Plan ("Share Plan") ("Plans"). Pursuant to the terms of the Plans, the Board or a duly appointed committee of the Board ("Committee") may, at such time as it determines, issue invitations to officers, employees or consultants of the Company to apply for Shares or Options.

The purpose of the Plans is to provide incentives for officers and employees of, and consultants to, the Company to participate in the future growth of the Company and, upon becoming Shareholders, to participate in the Company's profits and development.

Who will be issued invitations to apply for Options under the Option Plan and Shares under the Share Plan, and the number of Shares or Options the subject of an invitation, is at the discretion of the Committee. Offers of Options and Shares by the Board or the Committee are subject to the limits imposed by the Plans. Neither the Board nor the

Committee may offer or issue Options or Shares under the Plans where the effect would be that the number of securities offered or granted, when aggregated with the number of:

- (a) Shares issued on the exercise of Options granted within the previous three (3) years under any share option scheme;
- (b) Shares remaining issuable in respect of Options granted on the same date or within the previous three (3) years under any share option scheme, and
- (c) Shares issued on the same date or within the previous three (3) years under any Share incentive scheme

would exceed 10% of the total number of Shares on issue at the date of the proposed offer, issue or grant.

As at the date of this Prospectus, no Shares have been offered or issued under the Share Plan and no Options have been offered or granted under the Option Plan.

Pursuant to the Listing Rules, any issue of securities under the Plans to a related party of the Company, including a Director, will require prior Shareholder approval.

Option Plan

There will be no offer price for the options granted pursuant to the Option Plan. The exercise price of Options granted pursuant to the Option Plan is at the discretion of the Board or the Committee, provided that the exercise price is not less than the weighted average sale price of Shares sold through the ASX during the one (1) week period up to and including the offer date, or, if there were no transactions in Shares during that one (1) week period, the last price at which an offer was made to purchase Shares on the ASX.

The expiry date of Options granted under the Option Plan is at the discretion of the Committee. Subject to any vesting periods imposed by the Board or the Committee in an invitation, a person holding Options granted pursuant to the Option Plan can exercise the Options at any time prior to the expiry date of the Options, subject to the lapse of Options:

- (a) six (6) months after the Retirement or Retrenchment (as those terms are defined under the Option Plan), bankruptcy or insolvency, or death of the Option holder or the person through whom the Option holder is entitled to such Options, and

- (b) one (1) month after an Option holder ceases to be a person entitled to hold Options under the Option Plan.

Options granted under the Option Plan are not transferable.

Shares allotted upon the exercise of an Option granted under the Option Plan will be of the same class and will rank equally with the existing issued Shares in the Company.

Share Plan

The issue price for Shares offered under the Share Plan is at the discretion of the Board or the Committee, provided that the issue price is not less than the weighted average sale price of Shares sold through the ASX during the one (1) week period up to and including the offer date, or, if there were no transactions in Shares during that one (1) week period, the last price at which an offer was made to purchase Shares on the ASX.

An officer, employee or consultant ("Participant") who is invited to subscribe for Shares under the Share Plan may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted, on the following terms.

- (a) Loans must be made solely to the Participant and in the name of that Participant.
- (b) Loans will be interest-free.
- (c) Any loan made available to a Participant must be applied by the Company directly toward payment of the issue price of the Shares to be acquired under the Share Plan.
- (d) The term of the loan, the time in which repayment of the loan must be made by the Participant and the manner for making such payments must be determined by the Board or the Committee and set out in the invitation.
- (e) The amount repayable on the loan by the Participant will be the lesser of:
 - (i) the issue price of the Shares less any cash dividends paid in respect of the Shares and applied by the Company in accordance with paragraph 12.3(g) below and any amount of the Loan repaid by the Participant, and
 - (ii) the last sale price of the Shares on the ASX on the date of repayment of the Loan or, if there are no transactions on that day, the last sale price of the Shares prior to that date, or, if the Shares are sold by the Company, the amount realised by the Company from the sale.

- (f) A Participant may elect to repay the loan in whole or in part at any time.
- (g) Cash dividends which are paid in respect of Shares the subject of a Loan will be applied by the Company on behalf of the Participant to repayment of the amount outstanding under the Loan and any surplus of the cash dividend will be paid to the Participant.
- (h) Any fees, charges and stamp duty payable in respect of a loan will be payable by the Participant.
- (i) The Company will have a lien over each Share acquired pursuant to the loan until such time as the loan in respect of that Share is repaid. The Company will be entitled to sell those Shares in accordance with the terms of the Share Plan.
- (j) Each Share issued under the Share Plan may not be transferred and will not be quoted on the ASX until the loan in respect of that Share is repaid.

If, prior to repayment of a loan by a Participant, the Participant dies, becomes bankrupt or is no longer an officer or employee of, or consultant to, the Company or its subsidiaries, then the Participant is required either to repay the loan within three (3) months or to allow the Company to sell the Shares on the ASX and apply the proceeds of sale in repayment of the loan.

If the proceeds of sale of the Shares are less than the amount outstanding in relation to the loan (including the expenses associated with the sale of the relevant Shares), the Company will forgive the amount of the shortfall.

12.4 Material contracts

Set out below are summaries of contracts to which the Company is a party which are or may be material to the Offer or the operations of the business of the Company or otherwise are or may be relevant to a potential investor in the Company. The following material contracts are in addition to the material contracts set out in the Solicitors' Report in Section 8 or otherwise set out in this Prospectus.

(a) Sallies Option Agreements

Parties	Date	No. of Sallies shares ("Sallies Shares")	No. of Washington shares ("Washington Shares")
Washington and Dwyka	24/2/2005	1,804,500	601,500
Washington and Fisherstreet Management Ltd	24/2/2005	3,630,100	1,210,033
Washington and Hereford Group Ltd	24/2/2005	2,852,675	950,892
Washington and Mundi Investments Pty Ltd	24/2/2005	844,900	281,633
Washington and Padstock Ltd	16/2/2005	14,429,289	4,809,763
Washington and Penally Management Ltd	24/2/2005	2,725,600	908,533
Washington and Sylvania Resources Ltd	24/2/2005	285,897	95,966

Washington has entered into seven (7) Sallies Option Agreements with holders of Sallies Shares ("Share Owners").

For a nominal fee, Washington has acquired options to acquire from the Share Owners the Sallies Shares in consideration for the issue to the Share Owner of the Washington Shares.

The exercise period expires at 5.00 pm on 31 October 2005. However, if Sallies is suspended from trading, Washington may extend the exercise period by the period of the suspension. Washington must be admitted to the ASX before it can exercise the option. Partial exercise is permitted.

(b) Strategic Alliance Agreement with Dwyka

The Company has formed an alliance with Dwyka ("Alliance") aimed at a coordinated effort in respect of their respective mining interests in Africa (together with any other areas mutually agreed, "Designated Area").

Pursuant to the Alliance Agreement dated 11 November 2004 ("HOA"), the Company and Dwyka have agreed that:

- (i) Dwyka will introduce to Washington projects that are not considered to be part of Dwyka's core business;
- (ii) Dwyka is bound to offer to the Alliance all opportunities within the Designated Area in which Dwyka has the opportunity of acquiring an interest, which it does not wish to acquire in its own right;
- (iii) Washington has discretion as to whether or not it will proceed with any proposal;

(iv) if Washington elects to proceed with a project ("Alliance Project"), Washington is responsible for all costs up to and including completion of a feasibility study (which will be supervised by a review committee);

(v) upon completion of a feasibility study, the parties (unless a party withdraws) will form a joint venture. The participating interests in the Alliance Project will initially be Washington as to 80% and Dwyka as to 20%. However, Dwyka may elect to increase its participating interest to 49% by paying Washington 145% of Washington's feasibility study expenditure;

(vi) Dwyka will hold Alliance Projects on trust, for the benefit of the Alliance;

(vii) a review committee will be formed consisting of two representatives from each party, and

(viii) during the term of the HOA, Dwyka may appoint a nominee to the board of Washington.

(c) Convertible Note Agreement with Dwyka

On 11 November 2004 the Company entered into a Convertible Note Agreement ("Note Agreement") with Dwyka, pursuant to which Washington issued a convertible note ("Note") to Dwyka on the following terms:

- (i) the Note has a face value of \$250,000 and is convertible into 2,500,000 Shares in Washington at \$0.10 per Share at any time during the Conversion Period (as defined below);

- (ii) Dwyka may convert the Note to Shares by giving notice to Washington ("Conversion Notice") during the Conversion Period, being the period commencing on 1 July 2005 and ending on the earlier of:
 - A. the date of issue of Shares to Dwyka as a result of Dwyka giving a Conversion Notice;
 - B. repayment of the Note by Washington, or
 - C. 5.00 pm on 30 June 2006 ("Conversion Period");
- (iii) subject to Dwyka exercising its conversion right, Washington may repay the note at any time prior to 5.00 pm on 30 June 2006. Where Washington elects to repay, it must give notice to Dwyka. Where Washington receives a Conversion Notice from Dwyka within five (5) Business Days after Washington gives its notice, the Conversion Note prevails;
- (iv) if Washington elects to repay the debt before commencement of the Conversion Period, Washington must repay the Note, together with interest, within 20 days of giving the notice, and
- (v) the Note is repayable with interest at the rate of LIBOR plus 2%.

Dwyka has confirmed to the Company in writing that it will not exercise its rights to convert to equity until after the Shares are listed for quotation or 31 October 2005, whichever occurs earlier.

(d) Agreement with Elegant Global

By virtue of the introductory role of Elegant Global, Washington was able to identify certain tenements in the Northern Territory that ultimately became the subject of a tenement acquisition agreement (see Section 8 of this Prospectus).

Washington agreed that, upon successful acquisition of the tenements and Washington proceeding to a successful initial public offering, Elegant Global would be entitled to subscribe for Shares during a period of two (2) months from the close of the Offer. The subscription price would be \$0.001 per Share. Elegant Global has agreed to subscribe for Shares on or before the date on which Washington is admitted to the Official List of the ASX.

If the Offer closes fully subscribed, Elegant Global will be entitled to subscribe for 4,000,000 Shares. If it closes and only the Minimum Subscription is reached, Elegant Global would be entitled to subscribe for 2,000,000 Shares. If the Offer closes between the Minimum Subscription and being fully subscribed, the entitlement would be calculated pro rata between 2,000,000 and 4,000,000.

12.5 Disclosure of Interests of Directors

Other than as disclosed in this Prospectus:

- (a) no Director has or during the last two (2) years had any interest in:
 - (i) the formation or promotion of the Company, or
 - (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer, or
 - (iii) the Offer, and
- (b) no amounts (whether in cash or shares or otherwise) have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person to a Director of the Company to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or in connection with the promotion or formation of Washington or the Offer.

Directors' interests in securities in Washington

No Director as at the date of this Prospectus has any direct or indirect interest in securities in the Company other than as set out in the table below.

Name	Shares	Options
Adrian Griffin	625,000	–
Grant Button	–	–
K. Scott Huntly	–	–

Remuneration of Directors

Shareholders of the Company will be asked at the Company's next scheduled general meeting to approve the maximum annual Non-executive Director remuneration. The current maximum, as determined by the Directors, is \$100,000 per annum collectively. Non-executive Directors of the Company will be paid \$2,000 per month.

Agreement with Chairman and Managing Director

By agreement dated 8 April 2005, the Company and Mr Adrian Griffin entered into an agreement containing the terms and conditions under which he will provide his services as chief executive officer of the Company.

The agreement:

- (i) has a term of three (3) years;
- (ii) requires the payment to Mr Griffin of a fee of \$10,000.00 per month (increasing by reference to the consumer price index each year) and reimbursement of expenses;
- (iii) has provision for six (6) months' notice for termination, and
- (iv) otherwise contains standard terms relating to confidentiality, conflicts of interest, termination and representations and warranties.

Deeds of Indemnity and Access

The Company has entered into a deed of indemnity and access with each of its Directors and the Company Secretary ("Deeds"). Under the Deeds, the Company will indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company may maintain insurance policies for the benefit of the relevant officer for the term of the appointment and for a period of seven (7) years after retirement or resignation. The Deeds also provide for the right to access Board papers.

12.6 Disclosure of Interests of Experts and Other Named Parties

Other than as disclosed in this Prospectus:

- (a) no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation and distribution of this Prospectus, nor any firm in which any of those persons is or was a partner, or had, in the two (2) year period ending on the date of this Prospectus, an interest in:
 - (i) the formation or promotion of the Company, or
 - (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer, or
 - (iii) the Offer, and
- (b) no amounts (whether in cash or shares or otherwise) have been paid or agreed to be paid by any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this

Prospectus, nor any firm in which any of those persons is or was a partner, or had, in the two (2) year period ending on the date of this Prospectus, and no benefits have been given to any such person for services rendered in connection with the promotion or formation of Washington or the Offer.

- (c) Ernst & Young has acted as Auditor to the Company. The Company estimates that it will pay Ernst & Young a total of \$15,000 for these services. Subsequently, fees will be charged in accordance with normal charge-out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Ernst & Young has received \$8,250.
- (d) Ernst & Young has acted as Independent Accountant to the Company and has prepared an Independent Accountant's Report, included as Section 10 of this Prospectus. The Company estimates that it will pay Ernst & Young a total of \$25,000 for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Ernst & Young has received no other fees.
- (e) Clayton Utz has prepared the Solicitors' Report included as Section 8 of this Prospectus and has acted as legal adviser to the Company in relation to this Prospectus and associated due diligence. The Company estimates that it will pay Clayton Utz a total of \$90,000 for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Clayton Utz has received fees for services as legal adviser to the Company of \$30,144. Subsequently, fees will be charged in accordance with normal charge-out rates.
- (f) Mr Al Maynard has acted as Independent Geologist to the Company in relation to the Offer. Mr Maynard has prepared the Independent Geologist's Report included as Section 7 of this Prospectus. The Company estimates that it will pay Mr Maynard a total of \$14,000 for these services.

12.7 Consents and Involvement in the Preparation of the Prospectus

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus, or on which a statement made in this Prospectus is based, other than as specified in this section, and

(b) has not authorised or caused the issue of this Prospectus and, to the maximum extent permitted by the law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and, where applicable, a report and references thereto included in the Prospectus with the consent of that party, as specified in this section.

The following have given their written consents to the issue of this Prospectus with their reports, and references to them, included in the form and context in which they are included, and did not withdraw those consents before lodgement of this Prospectus with ASIC:

- (a) Ernst & Young;
- (b) Clayton Utz, and
- (c) Mr Al Maynard.

The following have given their written consents to the issue of this Prospectus with their names included and did not withdraw their consents before lodgement of this Prospectus with ASIC:

- (a) Computershare Investor Services Pty Limited;
- (b) Dwyka, and
- (c) Sallies.

Neither of such parties has had any involvement in the preparation of any part of the Prospectus other than being named in the Prospectus in the capacity in which it is so named.

12.8 Litigation

As at the date of this Prospectus, the Company is not engaged in any litigation and, insofar as the Directors of the Company are aware, no litigation involving the Company is threatened.

12.9 Taxation

The taxation obligations and the effects of participating in the Issue can vary depending on the circumstances of each individual Shareholder, the particular circumstances relating to their holdings of securities and the taxation laws applicable to Shareholders as residents of different jurisdictions.

Shareholders who are in doubt as to their taxation position should seek professional advice. It is solely the responsibility of individual applicants to inform themselves of their taxation position resulting from participation in the Issue.

12.10 Expenses of the Issue

The total expenses of the Issue and associated costs payable by the Company are estimated to be approximately \$215,000, made up as follows.

ASX fees	\$ 45,000
Legal fees and disbursements	\$ 90,000
Independent Accountant's fees	\$ 25,000
Independent Geologist's fees	\$ 14,000
ASIC fees	\$ 2,010
Printing and associated costs	\$ 35,000
Share Registry costs	\$ 3,500
Total	\$214,510

12.11 Goods and Services Tax

All amounts cited in this Prospectus are, unless otherwise stated, exclusive of the Goods and Services Tax.

12.12 Directors' Responsibility Statement and Consents

The Directors state that they have made all reasonable enquiries and have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect of any other statement made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiry and have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements, those persons having given their consent to the issue of this Prospectus and having not withdrawn their consent before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

Each Director has given and has not, at the date of this Prospectus, withdrawn his consent to the lodgement with ASIC and the ASX of this Prospectus.

This Prospectus is issued by Washington Resources Limited. Its issue was authorised by a resolution of the Directors and is signed by a Director on behalf of all Directors.

Dated 19 August 2005



Adrian Griffin