



**WEST AUSTRALIAN
METALS LTD**

West Australian Metals Ltd
ABN 71 001 666 600

**Registered Office
and Administration**
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7 May 2003

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir,

SHARE PLACEMENT

The Board of West Australian Metals Ltd wishes to advise that they have agreed to place to non-related parties, up to 6,000,000 fully paid shares at an issue price of 10 cents each, together with up to 7,500,000 free options. The options will be exercisable at 20 cents each at any time on or before 31 March 2005. The funds raised will amount to \$600,000, less costs.

The issue of shares and options is made under Listing Rule 7.1 and is not subject to shareholder approval.

Proceeds from the placement will be used for working capital requirements for West Australian Metals' engineering business, Austin Engineering Pty Ltd and the Company's mineral exploration activities.

The placement, when completed, will expand the issued capital of the Company to 96,425,823 fully paid shares and 42,456,604 options exercisable at 20 cents on or before 31 March 2005.

Yours faithfully,
for **WEST AUSTRALIAN METALS LTD**

[signed]

David Hamlyn
Executive Director