WEST AUSTRALIAN METALS LTD

ABN 71 001 666 600

NOTICE OF GENERAL MEETING

and

EXPLANATORY STATEMENT

TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF RESOLUTIONS TO BE PUT AT A GENERAL MEETING OF THE COMPANY TO BE HELD AT 129 EDWARD STREET, PERTH ON FRIDAY 27 JUNE 2003 AT 11.30 AM

THIS DOCUMENT IS IMPORTANT

If you do not understand this document or are in any doubt as to how to deal with this document, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

WEST AUSTRALIAN METALS LTD

ABN 71 001 666 600

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of West Australian Metals Ltd (the "Company") will be held at 129 Edward Street, Perth WA on Friday 27 June 2003 at 11.30 am for the purpose of transacting the following business: -

BUSINESS

To consider and if thought fit to pass the following resolutions as ordinary resolutions: -

1. **Ratification of past placement**

That, for the purposes of Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited, and for all other purposes, the Company ratify and confirm the issue of 6,000,000 fully paid ordinary shares in the Company at an issue price of 10 cents ($0.10) each, together with 7,500,000 options to acquire ordinary shares in the Company, on the terms and conditions set out in Scedule 1, to the following persons:

	Shares	Options
S J Quinlivan Pty Ltd	2,000,000	2,000,000
Mr Gysbertus Kommer	1,000,000	1,000,000
Uniwire Investments Pty Ltd	1,000,000	1,000,000
MAPD Nominees Pty Ltd	2,000,000	2,000,000
Morkim Pty Ltd	-	1,000,000
Mr Nassir Uddin Ahmed	-	500,000
	6,000,000	**7,500,000**

The Company will disregard any votes cast on this resolution by the personsnamed above and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

2. **Placement of shares and options**

That, for the purposes of Rule 7.1 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the directors of the Company be authorised to issue, not later than three months after the date of this meeting:

(a) up to 15,000,000 fully paid ordinary shares in the Company at an issue price of not less than 80% of the average market price calculated over the last 5 days on which sales in the Company's ordinary shares were recorded before the day on which the issue is made; and

(b) up to 15,000,000 free attaching options to acquire ordinary shares in the Company on the terms and conditions set out in Schedule 1 of the notice convening this meeting;

(c) to investors determined at the discretion of the directors.

The Company will disregard any votes cast on this resolution by any persons who may participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of a securityholder) if the resolution is passed or any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

3. **Options to Executive Director**

That, for the purposes of Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited, and for all other purposes, the directors of the Company be authorised to grant to the Executive Director, Mr Michael Buckland or his nominee, 2,000,000 options to subscribe for fully paid shares in the capital of the company, within one month of the date of the meeting, on the terms and conditions set out in Schedule 2 of the Notice convening this meeting.

The Company will disregard any votes cast on this resolution by Mr Michael Buckland and any associate of Mr Buckland. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Dated this 21st day of May 2003
By order of the Board of Directors

L A Colless
Secretary

SCHEDULE 1

Terms and conditions of the options proposed to be issued under Resolutions 1 and 2 are:

(a) Each Option will entitle the holder to subscribe for one fully paid ordinary share in the Company at an exercise price of 20 cents.
(b) The Options are exercisable at any time on or before 31 March 2005 wholly or in part by delivering a duly completed form of notices of exercise to the Company accompanied by payment of the exercise price.
(c) All shares allotted on exercise of the Options will rank equally in all respects with the Company's then existing ordinary fully paid shares.
(d) The Options are freely transferable.
(e) Application will be made to Australian Stock Exchange Limited ("ASX") for official quotation of the Options not later than 10 business days after the date of issue of the Options. Application will be made to ASX for official quotation by ASX of all shares allotted pursuant to the exercise of Options not later than 10 business days after the date of allotment.
(f) Holders may only participate in new issues of securities to holders of ordinary shares in the Company if an Option has been exercised and shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give at least 7 business days' notice to holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules of ASX.
(g) There will be no change to the exercise price of an Option or the number of shares over which an Option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).
(h) If there is a bonus issue ("Bonus Issue") to the holders of ordinary shares in the Company, the number of shares over which an Option is exercisable will be increased by the number of shares which the holder would have received if the Option had been exercised before the record date for the bonus issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class at the date of issue of the Bonus Shares.
(i) If, prior to the expiry of any options, there is a reorganisation of the issued capital of the Company, the Options shall be reorganised in the manner set out in the Listing Rules of ASX.

SCHEDULE 2

Terms and conditions of the options proposed to be issued under Resolution 3 are:

(a) Each option entitles the holder to subscribe for a fully paid ordinary share in the Company.
(b) The exercise price of each Option is 20 cents.
(c) The options expire at 5pm Western Standard Time on 31 October 2007 ("Expiry Date"). Any options not exercised on or before the Expiry Date will automatically lapse.
(d) The options may be exercised at any time prior to the Expiry Date wholly or in part by delivering a duly completed form of notice of exercise together with payment of the exercise price to the Company.
(e) All shares allotted on the exercise of options will rank equally in all respects with the Company's then existing fully paid ordinary shares.
(f) The options are freely transferable but no application will be made to Australian Stock Exchange Ltd ("**ASX**") for quotation of the options. If the Company's ordinary shares are quoted by ASX, the Company must apply for quotation of all shares allotted pursuant to the exercise of options not later than 10 business days after the date of allotment.
(g) Holders may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give to holders at least 7 business days' notice of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules of ASX.
(h) There will be no change to the exercise price of the option or the number of shares over which the option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).
(i) If there is a bonus issue ("Bonus Issue") to the holders of ordinary shares in the Company, the number of shares over which the option is exercisable will be increased by the number of shares which the holder would have received if the option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue as the date of issue of the Bonus Shares.
(j) If prior to the expiry date, there is a reorganisation of the issued capital of the Company, the Options shall be reorganised in the manner set out in the Listing Rules of ASX.

EXPLANATORY STATEMENT

RESOLUTIONS

This explanatory statement is prepared to assist shareholders to better understand the resolutions to be put to the General Meeting of the Company to be held on Friday 27 June 2003 at 11.30 am.

The resolutions to be put to the General Meeting of the Company are explained below:

RESOLUTION 1 – RATIFICATION OF SHARE PLACEMENT

This resolution ratifies the issue of a total of 6,000,000 fully paid ordinary shares and 7,500,000 options to those persons named in the resolution. The purpose of this resolution is to ratify the placement and restore the Company's ability to place up to 15% of its issued capital without specific shareholder approval in accordance with Australian Stock Exchange Listing Rules. The issue price of the shares was 10 cents each.

The following additional information is provided to shareholders to assist in assessing resolution 1:

a) The number of securities allotted was 6,000,000 fully paid ordinary shares and 7,500,000 options.
b) The price at which the shares were issued was 10 cents ($0.10) each. The options were issued free.
c) The terms of the ordinary shares are the same as those governing the current issued ordinary shares in the Company.
d) The names of the allottees are set out in the resolution.
e) The shares issued were used for working capital requirements for the Company's engineering business, Austin Engineering Pty Ltd, and the Company's mineral exploration activities.

The shares and options were allotted on 13 May 2003 and application for listing was made on that date.

This resolution is an ordinary resolution requiring a simple majority.

RESOLUTION 2 – SHARE AND OPTION PLACEMENT

This resolution seeks shareholder approval for the placement of up to 15,000,000 fully paid ordinary shares at an issue price of not less than 80% of the average market price calculated over the last 5 days on which sales in the Company's ordinary shares were recorded before the day on which the issue is made, and up to 15,000,000 free attaching options exercisable at 20 cents each at any time on or before 31 March 2005. The following additional information is provided to shareholders to assist in assessing Resolution 2:

(a) A maximum of 15,000,000 ordinary shares and 15,000,000 free attaching options to subscribe for ordinary shares will be issued pursuant to resolution 2.
(b) The shares and options will be allotted to investors determined at the discretion of directors. As at the date of this Explanatory Statement those investors have not been identified.
(c) The shares and options will be issued no later than three months after the date of the meeting. Allotment will take place progressively.
(d) The shares will be issued at a price of not less than 80% of the average market price calculated over the last 5 days on which sales in the Company's ordinary shares were recorded before the day on which the issue is made. The options will be issued free.
(e) The shares to be issued will be fully paid ordinary shares in the capital of the Company and will rank, from the date of allotment, in all respects equally with the then existing issued ordinary shares in the capital of the Company.
(f) The terms and conditions of the options are set out in Schedule 1 to the Notice of Meeting.
(g) The funds raised will be used for the purpose of funding the Company's exploration and investments and to provide working capital for the day to day operating costs of the Company.
(h) The securities to be issued constitute in excess of 15% of the Company's issued share capital and shareholder approval is sought under ASX Listing Rule 7.1.
(i) Application will be made for quotation of the shares. In accordance with their terms, application will be made for quotation of the options.
(j) No director or their associates will take up shares in the placement.

This resolution is an ordinary resolution requiring a simple majority.

RESOLUTION 3 - Issue of Options to Director

The Company proposes to grant 2,000,000 options to subscribe for shares to the Executive Director, Mr Buckland (or his nominee) as an incentive for the future success of the Company. Mr Buckland is the Executive Director – Engineering for West Australian Metals and Managing Director of the Company's wholly owned subsidiary, Austin Engineering Pty Ltd.

The terms and conditions of the options are set out in Schedule 2 of the Notice of Meeting.

The directors of the Company, other than Mr Buckland, recommend to shareholders that they approve Resolution 3 as they consider the grant of options to be in the best interests of the Company.

Mr Buckland is a related party of the Company for the purpose of Listing Rule 10.11.

In accordance with Listing Rule 10.13, shareholders are advised as follows:

(a) the Company will issue up to a maximum of 2,000,000 Options pursuant to Resolution 3;

(b) the Options will be issued to Mr Buckland on the one date no later than one month after the date of the Meeting;

(c) the Options will be issued for nil consideration;

(d) the exercise price of the Options is 20 cents per Option and the expiry date is 31 October 2007;

(e) the terms of the Options to be issued to Mr Buckland are set out in Schedule 2 to the Notice of Meeting;

(f) there will not be any funds raised as a result of the issue of the Options; and

(g) as shareholder approval is being sought for the purposes of Listing Rule 10.11, shareholder approval is not required for the purposes of Listing Rule 7.1.

RECOMMENDATION

The directors of the Company believe that all of the resolutions are in the best interests of the Company and recommend that shareholders vote in favour of all of the resolutions, with the exception of Resolution 3 on which Mr Buckland makes no recommendation.

WEST AUSTRALIAN METALS LTD

ABN 71 001 666 600

PROXY FORM

I ....of..
Name of shareholder Address of shareholder
being a member of WEST AUSTRALIAN METALS LTD hereby appoint

....of..
Name of proxy Address of proxy
or failing him

....of..
Name of proxy Address of proxy
or failing them, the Chairman of the meeting as my proxy to vote for me and on my behalf at the General Meeting of the Company to be held on Friday, 27 June 2003 and at any adjournment thereof.

If no person is named above or if the person named does not attend the meeting or is not a legally effective choice the Chairman of the meeting will be my/our proxy to vote for me/us on my/our behalf at the meeting or any adjournment of the meeting.

If you do not wish to direct your proxy how to vote, please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of resolutions 1 to 3 and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote those proxies without specific direction in favour of the resolutions. ☐

I/We understand that if I/we have not directed my/our proxy how to vote, my/our proxy may vote or abstain from voting as he or she thinks fit.

RESOLUTIONS

		FOR	AGAINST	ABSTAIN
1.	Ratify past placement	☐	☐	☐
2.	Placement of shares and options	☐	☐	☐
3.	Issue of Options to Director	☐	☐	☐

Dated this day of 2003

If the member is a company, then it shall affix its Common Seal overleaf or sign by a duly authorised officer.
If the member is an individual or joint holder , then please sign overleaf where indicated.

WEST AUSTRALIAN METALS LTD

ABN 71 001 666 600

PROXY FORM - page 2

EXECUTED by)
)
ACN/ABN)
In accordance with section 127 of the)
Corporations Law)

....	....
Director/Company Secretary*	Director/Sole Director and Sole Company Secretary*
....	....
Name of Director/Company Secretary* (BLOCK LETTERS)	Name of Director/Sole Director and Sole Company Secretary* (BLOCK LETTERS)

*Delete whichever is not applicable

OR

....	....
Signature	(Insert capacity in which duly authorised officer is signing for a member which is a company)

If the member is an individual or joint holders:

....	....
Signature	Signature

1. A member entitled to attend and vote at the General Meeting convened by the above Notice is entitled to appoint not more than 2 proxies to vote on the member's behalf.
2. Where 2 proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise half of the member's voting rights.
3. A proxy need not be a member.
4. Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be received at 129 Edward Street, Perth, Western Australia, fax number (08) 9227 8178 no later than 48 hours before the time fixed for holding the meeting.
5. Appointment of a proxy by a member being a natural person must be under the hand of the member or of an attorney appointed in writing by the member.
6. Appointment of a proxy by a member being a body corporate must be under the common seal of the body corporate or under the hand of an attorney appointed in writing by the body corporate.
7. If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.
8. The proxy appointment may be a standing appointment for all general meetings until it is revoked.
9. As permitted by the Corporations Act, the Company has determined that all securities of the Company registered as at 48 hours before the time appointed for the meeting will be taken for purposes of the meeting, to be held by the persons who are the registered holders thereof at 11.30am (WST) on 25 June 2003. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.