WEST AUSTRALIAN
METALS LTD

West Australian Metals Ltd
ABN 71 001 666 600

**Registered Office
and Administration**
129 Edward Street
Perth WA 6000
Phone (08) 9227 1186
Fax (08) 9227 8178

Postal Address
PO Box 8178
Perth Business Centre WA 6849

29 October 2003

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

Dear Sir,

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2003

Summary

- Company progressing the de-merger of the engineering and mineral assets through the spin-off and listing of Austin Engineering, subject to shareholder approval at the Annual General Meeting.
- Share placement raises $350,000 for working capital, de-merger funding and Laverton drilling programs.
- Austin Engineering secures in excess of $10 million worth of new contracts since acquisition in March 2003.
- Austin Engineering on track to contribute positive earnings for the first half of the financial year.
- King of Creation soil sampling defines anomalies over 1.2km zone parallel to main mineralised King of Creation shear. Further sampling and drilling to follow.
- Anchor drilling program planned to test possible extensions of Moolart Well mineralisation.
- Detailed aeromagnetic data interpretation in progress to define structural controls and drill targets at Anchor.

CORPORATE

DE-MERGER PROPOSAL

On 16 October 2003, West Australian Metals announced that the Company had resolved to de-merge its engineering and mineral assets through the spin-off of the Company's wholly owned subsidiary, Austin Engineering Pty Ltd, into a new public listed company.

The de-merger is subject to shareholder approval at the Company's Annual General Meeting to be held on 28th November 2003 and will involve: -

- Partial conversion of the existing loan from West Australian Metals to Austin to complete the original acquisition of the engineering business, into equity through the creation of approximately 22.2 million shares in Austin Engineering.
- In-specie distribution of all the shares in Austin Engineering to WME shareholders, at no cost to shareholders, on a basis of two Austin shares for every nine West Australian Metals shares
- Issue of a prospectus in Austin Engineering Limited offering a further 9,000,000 shares at an issue price of A$0.20 to raise A$1.8 million with capacity to accept oversubscriptions for an additional 2,000,000 shares.
- Funds raised to be applied to full repayment of West Australian Metals' loan to Austin; leaving both companies debt-free and with funding to pursue opportunities in their individual areas of activity.
- Apply for listing of Austin on the Australian Stock Exchange.
- The public subscription offer will be made on a preferential basis to existing West Australian Metals shareholders with minority shareholders having an entitlement to round up to a minimum marketable parcel.

Further details of the de-merger are contained in the Company's Notice of Annual General Meeting and Explanatory Statement dated 27th October 2003.

SHARE PLACEMENT

On 23rd October 2003 the Company announced the successful placement of 3,500,000 fully paid shares at an issue price of 10 cents each, together with 3,500,000 free options to a non-related private investor. The options (WMEOA) will be exercisable at 20 cents each at any time on or before 31 March 2005.

Proceeds from the placement which amount to $350,000, will be applied to working capital requirements, costs associated with the proposed de-merger of the Company's engineering asset, Austin Engineering, and drilling programs in progress at the Anchor and Ben Hur projects to the north of Laverton.

CAPITAL STRUCTURE

Issued capital (post placement of 23rd October 2003)

	Number	*Details*
Shares	**99,925,823**	
Options – listed	45,956,604	– Exercisable on or before 31 March 2005 at 20 cents each.
Options – unlisted	250,000	– Exercisable on or before 31 October 2005 at 20 cents each.
	1,000,000	– Exercisable on or before 24 November 2007 at 20 cents each.
	2,000,000	– Exercisable on or before 31 October 2007 at 20 cents each.

AUSTIN ENGINEERING

West Australian Metals completed the purchase of Austin Engineering Pty Ltd on 31 March 2003 and since taking over the engineering business on 1 April, the Company has been successful in securing in excess of $10 million in orders in addition to the existing product lines which currently has work loading until the end of February.

A significant number of tenders are also in progress with excellent prospects. Austin is also continuing to speak with a number of engineering companies regarding major projects in Australia and overseas.

In the first half of the year, Austin Engineering received a Letter of Intent for a major engineering contract for the fabrication and supply of potshells and superstructures for the new Aldoga Aluminium Smelter Project in Gladstone, Queensland.

Austin Engineering is awaiting the final schedule from the client which is expected during the next month following the signing of an agreement between Aldoga and N.F.C of China for a $771 million finance/ engineering package. Following this Austin Engineering is expecting to enter into negotiations regarding final pricing/ delivery and contracts.

Austin is anticipating the project to be fast tracked from this point to ensure that Aldoga's project targets are achieved.

The Aldoga contract will ensure solid earnings and an excellent foundation for the next three (3) years adding significantly to Austin's existing profitable contracts and product lines.

As advised in May 2003, Austin Engineering was invited to participate in a consortium to construct a major overseas aluminium smelter. The consortium was not successful in securing the contract, however Austin is continuing negotiations with the successful tenderer (Bechtel) with whom Austin management has a good historic working relationship which stands the company in good stead for ongoing participation in this particular project.

Austin Engineering has received a $110,000 grant from the Queensland Government for the implementation of a research cell to further the company's innovative welding technology. The first robot has arrived at Austin and has commenced welding on production items with excellent results.

EXPLORATION ACTIVITIES

DUKETON BELT

BEN HUR/KING OF CREATION

M38/339, M38/160
WME 100%

The **King of Creation Project** is located 50 km north of Laverton and is secured by Mining Lease M38/160 covering 855 ha. The project lies 1.5 km to the east of the Ben Hur lease (M38/339).

The project area covers a north trending sequence of intensely deformed and altered quartz poor sediments, banded chert's and intermediate to basic volcanic's. A major trans-current shear zone is localised within and transects this sequence which hosts the King of Creation, Queen of Creation, Spes Unica and Mighty Atom prospects.

The central part of the mineralised shear was previously mined by Hillmin Gold Mines and produced 57,693.3 ozs of gold from 811,500 tonnes of ore from an open pit up to December 1990. The mine is located on a tenement (ELA38/1375) which is excised from M38/160 and which is the subject of a joint venture agreement between the owner, Heron Resources Limited, and West Australian Metals' subsidiary Bronzewing Gold NL.

Current indicated and inferred resource estimates for M38/160 total 435,000 tonnes grading 1.45g/t for 20,000ozs Au.

Exploration during the quarter concentrated on the north-west part of the mining lease where the soil sampling grid which covers the southern part of the project area was extended to the north to test previously identified structural targets. The soil sampling program covered an area 2km north-south by 800 metres east-west and 604 samples were collected at 25 metre intervals on lines 100 metres apart.

The survey delineated a series of anomalies over a 1.2 kilometre zone on the western margin of a low, north trending, chert ridge which parallels the main King of Creation shear. Peak gold values up to 40ppb were recorded in a background of 5ppb Au with coincident anomalous arsenic values. Further infill soil sampling and geological mapping will be undertaken to improve drill target definition.

The **Ben Hur Project** to the west of King of Creation covers four kilometres of strike of the Ben Hur shear where mineralisation is hosted in an east dipping, sheared quartz dolerite unit 40 to 50 metres wide. High grade mineralisation is associated with narrow, north plunging veins within a broad south plunging mineralised zone at the Ben Hur and Ben Hur North deposits.

Resource estimates, based on three-dimensional block modelling, using a 1.0g/t lower cut, no top cut and a variable SG between 1.9 and 2.7 reflecting degree of oxidisation, are

Indicated Resource	*877,000 tonnes @ 1.95g/t*
Inferred Resource	*1,285,000 tonnes @ 2.1g/t*
Total	*2,162,000 tonnes @ 2.04g/t for 142,000ozs Au*

An additional inferred polygonal resource of 130,000 tonnes @ 2.8g/t Au (12,000ozs) remains current for the Kennecott East zone on a parallel structure to the north east of the Ben Hur mineralisation and modelling of the deposit has been commenced to facilitate further resource definition drilling and potential mining studies.

Work also concentrated on identifying drill positions to test the continuity and orientation of the high grade zones within the main Ben Hur deposit. The high-grade shoots have a shallow plunge to the north within the mineralised envelope that has an overall plunge to the south. Correct modelling of the high grade structures will improve grade estimations within the block model and enhance open pit optimisation studies. Drilling is planned in the December quarter to further evaluate the high grade shoots.

CORK TREE WELL

M38/346, G38/4, P38/3158, M38/917, M38/918, E38/1563
WME 100%
CORK TREE WELL SOUTH JOINT VENTURE
E38/949
WME earning 60%

The Cork Tree Well tenements are 32 kilometres north of Laverton and cover 760 hectares in a sequence of Archaean basic volcanics, tuffs and meta-sediments with banded iron formation. Mineralisation occurs mainly in interflow cherts and shales, which dip steeply to the east and become subsidiary to graphitic shale in the primary zone.

The Cork Tree Well open pits on M38/346 were mined by Austwhim Resources NL between 1985 and 1988 and produced 699,115 tonnes at a grade of 2.3 g/t Au. Current inferred resource estimates within the Cork Tree tenements total 243,000 tonnes @ 2.2 g/t Au.

West Australian Metals Ltd entered into a Joint Venture agreement with Pocketmail International Pty Ltd and Media Fusion Limited on exploration licence E38/949 situated immediately to the south of the Cork Tree Well mining lease. The tenement covers 5.6 square kilometres over potential strike extensions of the units hosting the Cork Tree mineralisation.

Work on the Cork Tree South joint venture E38/949 was completed during the quarter. Field evidence and data research found the project area has been extensively explored in the past; including air and ground magnetic surveys, soil sampling and systematic drilling covering the whole area of E38/949.

No significant mineralisation was reported in any of the past drilling and the units hosting the Cork Tree Well mineralisation are stoped out by granites to the south of the mined deposits.

The potential for E38/949 to host open pitable resources is low and in the absence of further drill targets, West Australian Metals has withdrawn from the joint venture agreement.

ANCHOR

M38/302

West Australian Metals Ltd (WME) 100%

The Anchor project, located 108 km north of Laverton, consists of Mining Lease 38/302 covering an area of 936 hectares extending six kilometres over a prospective ultramafic contact which hosts high grade gold mineralisation.

The Anchor deposit, in the north east of the lease, produced 29,000 tonnes of high-grade ore grading 26g/t Au from a small open pit in 2000/2001. The gold mineralisation is associated with a highly altered siliceous chert zone, up to four metres in width on the ultramafic contact and is controlled by northwest trending cross faulting.

Indicated mineral resources in the vicinity of the open pit, based on 0.5g/t lower cut-off, no top cut and SG of 2.4 are 76,700 tonnes @ 4.4g/t for 10,800 ozs Au.

The Anchor tenement lies immediately to the south of Newmont Australia's Moolart Well exploration project where recent drilling has identified extensive gold mineralisation over four kilometre strike within similar units to those hosting mineralisation at Anchor.

Newmont Australia, in joint venture with Johnson's Well Mining, have delineated a shallow "lateritic" mineral concentration containing in excess of 500,000 ounces of gold at Moolart Well with deeper higher grade drill intercepts below this zone yet to be evaluated. The area is a priority exploration target for Newmont with the broad zone of mineralisation currently identified holding potential for the definition of a major new gold resource.

Aircore drilling is proposed to test mafic units in the western portion of M38/302 which represent the southern strike extensions to units hosting mineralisation at Moolart Well, within a structural corridor which controls the high grade mineralisation at the Anchor deposit.

A detailed, low-level aeromagnetic survey has been flown by Newmont over the Moolart Well and Anchor tenements. Data from this survey is currently being processed and will assist in the understanding of the structural controls on mineralisation within the Anchor area and in the identification of additional drill targets on the prospective ultramafic contact.

FAMOUS BORE

M38/384

WME 100%

Located approximately 120 kilometres north of Laverton, the project covers an area of 107 hectares at the northern end of the Duketon greenstone belt.

Mineralisation is associated with quartz veining within deeply weathered, sheared felsic tuff similar to the mineralisation at the Famous Blue deposit, two kilometres to the south. An indicated and inferred resource of 4.7 million tonnes at 1.8 g/t gold has been established by Johnson's Well Mining NL at Famous Blue.

Structural interpretation of the Famous Bore mining lease and its relationship with the nearby Famous Blue mine was completed using aeromagnetic data and landsat thematic mapping. The interpretation showed the Famous Blue's north-west structures most likely pass through the north-west part of the Famous Bore mining lease.

The Famous Bore lease becomes strategically important with the recent listing of South Boulder Gold Mines Ltd which holds the Famous Blue Project. South Boulder is committed to the development of the Famous Blue deposit in conjunction with other satellites deposits in the region.

NO MISTAKE

P38/2659 (M38/802)
WME 100%

The No Mistake mining lease application covers an area of 11.25 hectares and is located 75 kilometres north of Laverton.

The area holds significant potential for gold mineralisation associated with veining within a sheared doleritic unit which has been extensively drilled immediately to the north and south by the Newmont Australia/Johnson's Well Mining joint venture.

This Erlistoun Project is a priority target for Newmont during 2003 where drilling will be targeted at definition of higher grade structures within the mineralised zone which currently hosts resources of 4.6 million tonnes grading 2.0g/t for 300,000 ounces of gold. The mineralisation is associated with a flat west dipping quartz lode within a granophyric unit of a layered dolerite sill, strike extensions of which have yet to be drill tested in the No Mistake tenement.

LEONORA PROJECTS

PERSEVERANCE

M37/487, M37/422, P37/4018 (M37/538), (M37/926), (M37/927)
WME 100%

The Perseverance tenements are located 35 kilometres east of Leonora and cover 1,616 hectares of faulted and folded sequence of mafic extrusive and intrusive units with interlayered tuffs and sediments. Gold mineralisation is associated with quartz veining in a variety of lithologies and the prospect incorporates the historic Prince of Wales Mine, the Perseverance - Webster's Find mines and the Benalla Mine.

The Webster's Find and nearby Perseverance mines produced a total of 21,529 tonnes of ore at an average grade of 18.26g/t of gold between 1897 and 1909.

This project is currently the subject of joint venture discussions with an interested party with other tenement holdings in this area.

WINDSOR WELL/KISMET

M39/334, (M39/528), P39/3132 (M39/529), (M39/382), P39/3133, M39/530, (M39/381), (M39/367), (M39/663), (M39/482), (M39/483)
WME 100%

The tenements are located 50 kilometres east of Leonora and cover 14 square kilometres over a sequence of mafic and ultramafic intrusive rocks with narrow sedimentary and volcanic units and occasional felsic intrusives. Gold mineralisation is evident from numerous shallow workings in the area and is frequently associated with high-grade quartz veining on the mafic-sediment contacts.

No work was carried out on these tenements during the quarter and the project is the subject of joint venture discussions.

LINGER AND DIE PROSPECT

M37/787
WME 100%

The prospect is located 28 kilometres north of Leonora and is secured by a mining lease covering 200 hectares over the old Dodgers Well Mining Centre. The area produced 2,000 ounces of gold from 1,400 tonnes of ore from 1897 and more recent mining in the 1980's extracted 2,007 tonnes at an average grade of 11.77g/t, the ore being mined from small pits along the old line of historical workings.

No work was carried out on these tenements during the quarter.

NORTHAMPTON BASE METAL PROJECT

Victoria Locations 833 and Part 118,119
WME 100%

West Australian Metals currently holds approximately 282 hectares of the Northampton copper-lead-zinc province near Geraldton in Western Australia. The mineral field hosts numerous small Pb-Zn-Ag and Cu deposits which have been intermittently mined since 1850.

The Victoria Locations 833, 118 and 119 freehold titles surround and cover the potential strike extensions to the Protheroe and Narra Tarra Pb-Zn mines which were among the deepest, richest and most prolific producers in the region.

The area holds potential for modest tonnages of high-grade Pb-Zn-Cu mineralisation.

No work was carried out on this project during the quarter.

BADGEBUP

WME 1.125% gross product share
West Australian Metals Ltd holds a 1.125% interest in gross production income from the Badgebup Gold Project in the South West Mineral Field of WA.

No gold royalty was received during the quarter.

Leases in brackets are applications going through the Native Title process.

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

[signed]

D A Hamlyn
Executive Director

NOTE: This report is based on information compiled by Mr N Taylor MAusIMM, an employee of the Group, who is a competent person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, September 1992. This report accurately reflects the information compiled by the relevant competent person and is released with their permission.