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

19 July 2005

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

Dear Sir,

PLACEMENT PROSPECTUS

The Board of West Australian Metals Ltd wishes to advise that a prospectus dated 19 July 2005 has been lodged with Australian Securities and Investments Commission today for an offer of:

- 70,000,000 Offer Shares at an issue price of 2.4 cents ($0.024) each per Offer Share to raise $1,680,000;
- 70,000,000 Options each to acquire a fully paid ordinary share in the Company at an issue price of 0.1 cent ($0.001) each per Option and each Option with an exercise price of 5.0 cents ($0.05) to raise $70,000; and
- 40,000,000 Partly Paid Shares at an issue price of 2.4 cents ($0.024) each and paid to 0.1 cent ($0.001) on application to raise $40,000

for a total of $1,790,000 before deducting costs of the offer.

The offer, which is fully underwritten by RM Capital Pty Ltd, is subject to and conditional upon receiving shareholder approval for the Placement Resolution at the General Meeting of the Company that has been convened for 11.00am (WST), 4 August, 2005.

The purpose of the issue is to provide funds for exploration and development of the Company's existing mineral projects; to fund the evaluation and purchase of potential new mineral and resources projects; to fund the corporate and administrative activities of the Company; and to provide working capital.

A provisional Appendix 3B application for quotation of the additional securities will be lodged within seven days of the issue of the prospectus.

The prospectus, which is attached, is also available for perusal during the exposure period on the Company's website **www.wametals.com.au.**

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

David Hamlyn
Executive Director

WEST AUSTRALIAN METALS LTD

ABN 71 001 666 600

PROSPECTUS

An offer of:

- 70,000,000 Offer Shares at an issue price of 2.4 cents ($0.024) each per Offer Share to raise $1,680,000 and
- 70,000,000 Options each to acquire a fully paid ordinary share in the Company at an issue price of 0.1 cent ($0.001) each per Option and each Option with an exercise price of 5.0 cents ($0.05) to raise $70,000 and
- 40,000,000 Partly Paid Shares at an issue price of 2.4 cents ($0.024) each and paid to 0.1 cent ($0.001) on application to raise $40,000,

to raise a total of $1,790,000 before deducting the costs of the Offer.

The Offer is subject to and conditional upon receiving shareholder approval for the Placement Resolution at the General Meeting of the Company that has been convened for 11.00am (WST), 4 August, 2005.

The Offer is fully underwritten by:

R M CAPITAL PTY LTD
ABN 74 065 412 820

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The securities offered by this Prospectus should be considered as speculative.

CONTENTS

SECTION 1

1. SUMMARY OF IMPORTANT INDICATIVE DATES AND IMPORTANT NOTES

1.1 Summary of Important Indicative Dates

EVENT	*DATE*
Announcement of Proposed Placement	Monday, 30 May 2005
Lodge Notice of General Meeting with ASX	Friday, 1 July 2005
Lodge Prospectus with ASX and ASIC	Tuesday, 19 July 2005
OFFER OPENING DATE	9.00am (WST), Wednesday, 27 July 2005
General Meeting to approve Placement Resolution	11.00am (WST), Thursday, 4 August 2005
OFFER CLOSING DATE#*	5.00pm (WST), Friday, 12 August 2005
Anticipated Allotment and Offer of Placement Securities	Thursday, 18 August 2005
Despatch Date for holdings. Deferred settlement market ends	Friday, 19 August 2005

All dates are subject to change and, accordingly, are indicative only.

The closing of the Offer and allotment of Securities pursuant to the Offer are subject to and conditional upon Shareholders approving the Placement Resolution at the General Meeting of the Company convened for 4 August, 2005. In the event that Shareholder approval is not obtained for the Placement Resolution then the Company will not proceed to allot and issue any Securities under this Prospectus, and any application monies received by investors will be refunded, without interest, and the Prospectus will be withdrawn.

* This timetable is indicative only. The Board reserves the right, subject to the Listing Rules, to vary the dates and times of the Offers without prior notice, which may have a consequential effect on other dates. As such, the date the Offer Shares, Partly Paid Shares and Options and are allotted may vary with any change in the Closing Date. Investors are therefore encouraged to submit their Application Form(s) together with a cheque as early as possible.

1.2 Important Notes

This Prospectus is dated 19 July, 2005 and a copy of this Prospectus was lodged with the ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a short form prospectus for the purposes of section 712 of the Corporations Act 2001. A copy of any document listed in Section 7 of this Prospectus will be provided free of charge to anyone who asks for it during the application period of the Prospectus

The Offer is subject to and conditional upon receiving Shareholder approval for the Placement Resolution at the General Meeting of the Company that has been convened for 11.00am, 4 August, 2005.

The expiry date of the Prospectus is 5:00pm on that date which is 13 months after the date this Prospectus was lodged with ASIC ("**Expiry Date**"). No Securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus will be made generally available in electronic form during the Offer Period by being posted on the Company's website, www.wametals.com.au. In addition, copies of the Prospectus will be available on request to members of the public by calling the Company on (08) 9227 1186 during the Offer Period.

The Company will make application within 7 days of the date of this Prospectus for Official Quotation by ASX of the Offer Shares and Options offered pursuant to this Prospectus. The Company is admitted to the Official List of ASX.

This Prospectus contains Application Forms which Applicants must complete in making an Application for Securities offered by this Prospectus. The Application Forms are only available with this Prospectus.

Applicants should read this Prospectus in its entirety before deciding to apply for Securities offered pursuant to this Prospectus. If, after reading this Prospectus, Applicants have any questions as to how to deal with this Prospectus, they should contact a professional advisor.

Potential investors should carefully consider whether the Securities offered by this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. The Securities offered pursuant to this Prospectus should be considered speculative. Please refer to Section 6 for details relating to risk factors.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of GST.

Please refer to the Glossary for terms and abbreviations used in parts of this Prospectus.

1.3 Exposure Period

Applications for Securities under this Prospectus will not be processed until after the expiry of the Exposure Period for this Prospectus under the Corporations Act. No preference will be conferred on Applications received during the Exposure Period. All Applications received during the Exposure Period will be treated as if they were simultaneously received on the date on which the Offers open. If the Exposure Period is extended by the ASIC, Applications will not be processed until after the expiry of the extended Exposure Period.

The purpose of the Exposure Period is to enable examination of this Prospectus by market participants prior to acceptance of Applications and raising of funds. That examination may result in identification of deficiencies in the Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

SECTION 2

2. CORPORATE DIRECTORY

DIRECTORS

Robert P Martin	**Non-Executive Chairman**
David A Hamlyn	**Executive Director**
Lindsay A Colless	**Non-Executive Director and Company Secretary**
Rodger S Johnston	**Non-Executive Director**

REGISTERED OFFICE

129 Edward Street, PERTH WA 6000
Tel: 08 9227 1186 Fax: 08 9227 8178

POSTAL ADDRESS

PO Box 8178, PERTH BUSINESS CENTRE WA 6849

OPERATIONS OFFICE

Level 13, BGC Centre, 28 The Esplanade, PERTH WA 6000
Tel: 08 9322 7903 Fax: 08 9322 7796

SHARE REGISTRY
Advanced Share Registry Services
110 Stirling Highway, NEDLANDS WA 6009
(PO Box 1156, NEDLANDS WA 6909)
Tel: 08 9389 8033 Fax: 08 9389 7871

HOME STOCK EXCHANGE
Australian Stock Exchange Limited (ASX) *
PERTH WA

LAWYERS
Clayton Utz
Level 27, QV1 Building, 250 St Georges Terrace,
PERTH WA 6000

AUDITORS
Rothsay Chartered Accountants*
Level 1, 2 Barrack Street,
SYDNEY NSW 2000

ISSUED CAPITAL (at 19 July 2005)

	Number	*Details*
Shares	**114,922,746**	
Options – unlisted	250,000	– Exercisable on or before 31 October 2005 at 19.2 cents each.
	1,000,000	– Exercisable on or before 24 November 2007 at 19.2 cents each.
	2,000,000	– Exercisable on or before 31 October 2007 at 19.2 cents each.

* *These entities have not been involved in the preparation of any part of this Prospectus and have not consented to be named in the Prospectus. Their names are included for information purposes only.*

SECTION 3

3. DETAILS OF THE OFFER

3.1 Offer of Offer Shares, Partly Paid Shares and Options

The Directors have resolved, subject to receiving shareholder approval for the Placement Resolution at the General Meeting of the Company convened for 4 August, 2005, to issue by way of placement:

- 70,000,000 Offer Shares at an issue price of 2.4 cents ($0.024) per Offer Share;
- 70,000,000 Options each to acquire a fully paid ordinary shares in the Company at an issue price of 0.1 cent per Option and each Option with an exercise price of 5.0 cents ($0.05); and
- 40,000,000 Partly Paid Shares at an issue price of 2.4 cents ($0.024) each and paid to 0.1 cent ($0.001) on application,

to raise a total of $1,790,000 before deducting the costs of the Offer.

The Securities will be allotted at the discretion of the Directors. Those parties allotted Securities will be approved and selected by the Directors on the basis that they are clients of R M Capital Pty Ltd.

This Prospectus invites investors to apply for the 70,000,000 Offer Shares, 70,000,000 Options and 40,000,000 Partly Paid Shares to raise $1,790,000 before deducting the costs of the Offer.

All of the Offer Shares, Options and Partly Paid Shares will be issued on the terms set out in Section 5 of this Prospectus.

Subject to certain terms and conditions, the Offer is fully underwritten by RM Capital Pty Ltd.

3.2 Opening and Closing Dates of the Offer

The Opening Date and Closing Date of the Offer are set out in Section 1 of this Prospectus. The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

3.3 Application for Offer Shares, Partly Paid Shares and Options

Applications for Offer Shares, Partly Paid Shares and Options must each be made using the separate Application Forms accompanying this Prospectus.

Payment for the Offer Shares must be made in full at the issue price of 2.4 cents ($0.024) per Share. Applications for Offer Shares must be for a minimum of 100,000 Offer Shares. Thereafter applications for Offer Shares must be in multiples of 50,000 Offer Shares.

Payment for Partly Paid Shares must be made in full at the application price of 0.1 cent ($0.001) per partly Paid Share. Applications for Partly Paid Shares must be for a minimum of 100,000 Partly Paid Shares. Thereafter applications for Partly Paid Shares must be in multiples of 50,000 Partly Paid Shares.

Payment for the Options must be made in full at the issue price of 0.1 cent ($0.001) per Option. Applications for Options must be for a minimum of 100,000 Options. Thereafter applications for Options must be in multiples of 50,000 Options.

Completed application forms and accompanying cheques must be mailed or delivered to:

Delivery Address: -
West Australian Metals Ltd
c/o Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6909

Postal Address: -
Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

Cheques should be made payable to "West Australian Metals Ltd – Placement Account" and crossed "Not Negotiable". Completed Application Forms must be received by no later than the Closing Date.

The proposed allottees of Offer Shares, Options and Partly Paid Shares are not known. The allottees will be approved and selected by the Directors at their discretion, on the basis that they are clients of R M Capital Pty Ltd.

Detailed instructions on the correct method of completing each of the Application Forms will be set out on the reverse side of each the Application Forms.

3.4 Allotment of Offer Shares, Options and Partly Paid Shares

Subject to receiving Shareholder approval for the Placement Resolution at the General Meeting of the Company convened for 4 August, 2005, allotment of Offer Shares, Options and Partly Paid Shares will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until allotment. This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place and each applicant waives the right to claim any interest.

Where the number of Offer Shares, Options and Partly Paid Shares allotted is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no allotment is made (including as a result of not receiving shareholder approval of a placement authority at the general meeting convened for 4 August, 2005), the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

The Directors reserve the right to reject any Application and to allot a lesser number of Securities under the Offers than applied for. If the number of Securities allotted is less than the number applied for under the Offers, the surplus Application Monies will be refunded to the Applicant within 14 days of the allotment date.

3.5 Australian Stock Exchange Listing

Application will be made within 7 days after the date of issue of this Prospectus to ASX for permission for the Offer Shares and Options to be issued pursuant to this Prospectus to be listed for official quotation by ASX.

Application will not be made to ASX for permission for the Partly Paid Shares issued pursuant to this Prospectus to be listed for Official Quotation by ASX. The allotment and issue of the Partly Paid Shares is not dependent upon permission being granted by ASX for the Partly Paid Shares to be quoted on the official list of ASX. The Company at its discretion may in the future make application with the ASX to have the Partly Paid Shares quoted on the official list of the ASX should the criteria for quotation be met. In the event the Partly Paid Shares are paid up, the Company will, in accordance with Chapter 2 of the Listing rules, apply to ASX to have the issued Shares, within 10 business days after the date of the final payment of any unpaid capital owing, quoted on the official list.

In the event that ASX does not grant permission for the Official Quotation of the Offer Shares and Options within 3 months after the date of issue of this Prospectus (or such period as is varied by the ASIC), none of the Offer Shares or Options offered by this Prospectus will be allotted or issued and the Company will repay all application monies for the Offer Shares and Options within the time period set out under the Corporations Act, without interest.

3.6 Restrictions on the Distribution of the Prospectus

The distribution of this Prospectus outside Australia may be restricted by law.

This Prospectus is not intended to, and does not constitute an offer of, or invitation to apply for, securities in any place which, or to any person to whom, the making of such offer or invitation would not be lawful under the laws of any jurisdiction outside Australia.

3.7 Taxation

The Company does not propose to give any taxation advice and neither the Company, its Directors nor its officers accept any responsibility or liability for any taxation consequence to applicants. Applicants should consult their own professional tax advisers in regard to taxation implications of the Offer.

3.8 Privacy Act

If you complete an application for Offer Shares, Options or Partly Paid Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder Securities and facilitate distribution payments and corporate communications to you as a holder of Securities and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the Application Forms for Offer Shares, Options or Partly Paid Shares, the Company may not be able to accept or process your application efficiently, or at all.

3.9 Online Prospectus

This Prospectus will be made generally available in electronic form during the Offer Period by being posted on the Company's website, www.wametals.com.au.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. The Application Forms may not be submitted electronically.

Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company from the commencement of the Offer Period up to the Closing Date on 12 August 2005.

3.10 Minimum Subscription

There is no minimum subscription.

3.11 Underwriting

R M Capital Pty Ltd has entered into an underwriting agreement ("**Underwriting Agreement**") with the Company and, subject to certain terms and conditions, agreed to fully underwrite the Offer in consideration of the payment of an underwriting fee of 5%. The Company has also agreed to reimburse the Underwriter for all reasonable out of pocket expenses incurred by the Underwriter in connection with the Offer.

The Company also indemnifies the Underwriter, its related bodies corporate, directors, officers, employees, agents and advisers against all actions in respect of or in connection or arising out of, whether directly or indirectly, the Offer or this Prospectus or a breach of any provision of the Underwriting Agreement.

The termination provisions of the underwriting agreement are set out in Annexure A of this Prospectus.

3.12 Enquiries

Any questions concerning the Offer should be directed to Mr David Hamlyn at the Company's Operations Office, telephone (08) 9322 7903 or the underwriter, R M Capital Pty Ltd, telephone (08) 9321 3277.

SECTION 4

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately $1,790,000. The proceeds from the Offer will be used as follows:

	Activity	Full Subscription
(a)	Funds for exploration and development of the Company's existing gold and mineral sand exploration projects;	$800,000
(b)	Fund the evaluation and purchase of potential new mineral and resources projects;	$500,000
(c)	Fund the corporate and administrative activities of the Company	$250,000
(d)	Provide working capital; and	$104,684
(e)	Meet the costs of the Offer.	$135,316
Total		$1,790,000

The Company will continue to work towards identifying potential new mineral exploration and resource projects in line with its strategy to secure an interest in, and, or acquire mineral and resource projects, both in Australia and overseas, which add to shareholder value.

4.2 Effect of the Offer and Pro Forma Consolidated Statement of Financial Position

The principal effect of the Offer will be to:

a) increase cash reserves by approximately $1,790,000 immediately after completion of the Offer and before estimated expenses of the Offer, assuming all the Securities offered under this Prospectus are issued; and

b) increase the number of Shares on issue by 70,000,000 to 184,922,746 assuming the Offer closes fully subscribed.

c) increase the number of options on issue to 70,000,000 listed options and 3,250,000 unlisted options assuming the Offer closes fully subscribed.

d) increase the number of Partly Paid Shares on issue to 40,000,000 assuming the Offer closes fully subscribed.

The Company has lodged with the ASIC its Annual Financial Report which incorporates the independent audit report and the Directors' report, and the Directors' declaration, being the reports for the financial year ended 30 June 2004.

The Company has lodged with the ASIC its Financial Statements for the Half Year to 31 December 2004 which incorporates the Directors' report, the auditor's declaration, the independent auditor's review report and the Directors' declaration.

The Company has also lodged its Quarterly Cashflow Report for the quarter ended 31 March 2005 with the ASIC.

The above reports are referred to in this Prospectus and are taken by Section 712(3) of the Corporations Act to be included in this Prospectus.

Set out below is:

a) an unaudited pro-forma consolidated statement of financial position of the Company as at 30 April, 2005; and

b) an unaudited pro-forma consolidated statement of financial position of the Company as at 30 April, 2005 incorporating the effect of the issue.

Basis of Preparation

These following statements have been prepared to provide shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Pro-Forma Condensed Consolidated Statement of Financial Position

	Note	Audit review as at 31 Dec 2004 $	Unaudited as at 30 April 2005 $	Pro-Forma as at 30 April 2005 $
Current Assets				
Cash	6	**492,791**	392,191	2,046,875
Receivables		**0**	18,143	18,143
Investments	1&2	**367,281**	617,281	117,281
Total Current Assets		**860,072**	1,027,615	2,182,299
Non-Current Assets				
Property, plant & equipment		**12,539**	12,539	12,539
Other - exploration tenements		**663,000**	777,114	777,114
Total Non-Current Assets		**675,539**	789,653	789,653
Total Assets		**1,535,611**	1,817,268	2,971,952
Current Liabilities				
Creditors and borrowings		**59,818**	62,193	62,193
Total Current Liabilities		**59,818**	62,193	62,193
Non-Current Liabilities				
Creditors and Borrowings		-	-	-
Total non-current liabilities		-	61,193	-
Total Liabilities		**59,818**	62,193	62,193
Net Assets		**1,475,793**	1,755,075	2,909,759
Equity				
Contributed equity	3&4	**10,805,668**	11,160,110	12,450,110
Reserves		**810,000**	810,000	810,000
Cost of issue	5			(135,316)
Accumulated losses		**(10,139,875)**	(10,215,035)	(10,215,035)
Total Shareholders' Equity		**1,475,793**	1,755,075	2,909,759

NOTES: The unaudited consolidated pro forma balance sheet has been prepared by the Company on the basis of the Company's unaudited consolidated balance sheet at 30 April 2005, adjusted for the following:

1) Current Assets in the Unaudited accounts as at 30 April 2005 reflect the issue to the Company of 2,000,000 Astop Biohealth Ltd (ABL) Shares at $0.125 each and 2,000,000 ABL Convertible Notes at $0.125 each which have subsequently been converted to fully paid ABL Shares for no additional consideration.
2) The Pro Forma incorporates the in specie distribution of 4,000,000 ABL shares by the Company to its shareholders (Capital Reduction) and assumes that Shareholders approve the Capital Reduction at the Company's General Meeting.
3) None of the existing Unlisted Options outstanding as at the date of this Prospectus are exercised on or prior to the allotment and issue of Securities pursuant to this Prospectus. If all the existing Unlisted Options were exercised prior to the allotment and issue of the Securities pursuant to this Prospectus, cash and Shareholders' funds would increase by an additional $611,000 and 3,250,000 Shares.
4) All Offer Shares, Options and Partly Paid Shares are subscribed for and issued;
5) The amount raised under the Prospectus will be $1,790,000 less costs of $135,316.
6) The pro-forma statement of financial position's assume that the costs of the Issue have been paid and that the net proceeds of the Offer have been received as cash, but does not reflect the application of funds as those additional expenditures will be made over time.

Summary of significant accounting policies

The accounting policies adopted in the preparation of the pro forma Statement of Financial Position are consistent with the accounting policies adopted and described in the Company's Annual Report for the year ended 30 June 2004.

The Australian Accounting Standards Board (AASB) has adopted International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to International Accounting Standards Board (IASB) interpretations originated by the International Financial Reporting Interpretations Committee or the former Standards Interpretations Committee. The Australian equivalents to IFRS are referred to hereafter as AIFRS.

AIFRS will be adopted in the annual report for the year ending 30 June 2006 and the comparative information presented in that report for the year ending 30 June 2005. In preparation for the transition, opening balances as at 1 July 2004 for the comparative year ending 30 June 2005 will be converted to AIFRS in accordance with new accounting standard AASB 1 "First Time Adoption of Australian International Financial Reporting Pronouncements".

No major changes have been identified, to date, that will be required to the Company's existing accounting policies.

A Taxation

Under AASB 112, the Australian equivalent to IAS 12 "Income Taxes", a balance sheet approach will be adopted for calculating taxation, replacing the "statement of financial performance approach". This method recognizes deferred tax balances for all temporary differences arising between the carrying value of an asset or liability and its tax base. Whilst there will be enhanced disclosure of the composition of the deferred tax assets and liabilities it is not expected that there will be any significant impact in terms of the statement of financial position or performance.

The Company will not bring to account the estimated future income tax benefits attributable to tax losses and temporary differences as a deferred tax asset, as it is not yet considered probable that future taxable profit will be available for utilisation.

B Impairment of Assets

Under the Australian equivalent to IAS 36 "Impairment of Assets" the recoverable amount of an asset is determined as the higher of net selling price and value in use.

Property plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses (the cost method). The fair value of property plant and equipment, as determined by reference to observable prices, is not materially different to the carrying amount.

The fair value of investments, is not materially different to the carrying amount.

C Exploration and Evaluation Expenditure

The IASB has released AASB6 "Exploration for the Evaluation of Mineral Resources" which sets out the framework to deal with accounting for exploration and evaluation costs and in particular the impairment testing model to be applied for such expenditure. No impact is expected from adopting the new AASB6.

Although the known or reliably estimatable impacts are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and IASB. Therefore until the Company prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

Upon completion of the Offers (assuming the Offers are fully subscribed), the capital structure of the Company will be:

	PRE-ISSUE		**ISSUE**	**POST-ISSUE**	
Class of Security	***Current Issued Capital***	***Exercise/ Conversion Price***	***Proposed Issue***	***Expanded Issued Capital***	***Exercise/ Conversion Price***
Fully Paid Shares	**114,922,746**	-	70,000,000	**184,922,746**	-
Listed Options	-	-	70,000,000	**70,000,000**	5.0 cents
Unlisted Options	**3,250,000**	19.2 cents	-	**3,250,000**	18.8 cents*
Partly Paid Shares	-	-	40,000,000	**40,000,000**	2.3 cents**
TOTAL CAPITAL* **	**118,172,746**		180,000,000	**298,172,746**	

* provided the Capital Reduction is approved by Shareholders at the General Meeting on 4 August 2005.

** this amount represents the difference between the issue price of 2.4 cents ($0.024) and the amount paid up on application of 0.1 cents ($0.01).

*** on conversion of all options and partly paid shares

SECTION 5

5. RIGHTS ATTACHING TO OFFER SHARES, PARTLY PAID SHARES AND OPTIONS

The following is a summary of the more significant rights attaching to Offer Shares, Partly Paid Shares and Options. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 Rights attaching to Offer Shares

Offer Shares to be issued pursuant to this Prospectus and those to be issued following the exercise of the Options and the conversion of the Partly Paid Shares offered pursuant to this Prospectus will rank equally in all respects with the existing Shares on issue. The rights attaching to all such Shares include:

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at the General Meeting of West Australian Metals Ltd every holder of fully paid ordinary Shares present in person or by an attorney, representative or proxy shall have one vote on a show of hands and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to such number of votes as bears the same proportion to the total of those Shares registered in the Shareholder's name as the amount of the issue price of shares paid bears to the total issue price. In the case of joint holders of Shares, the vote of the senior who tenders a vote, whether in person or by proxy, attorney or representative, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Shareholders.

Dividend Rights

The Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend. Subject to the terms of issue of shares, the Company may pay a dividend on 1 (one) class of shares to the exclusion of the other class. Each share of a class on which the Board resolves to pay a dividend carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share bears to the total issue price of the share.

Rights of Winding Up

Subject to the terms of issue of shares, the surplus assets of the Company remaining after payment of its debts are divisible among the members in proportion to the number of fully paid shares held by them. For this purpose, a partly paid share is counted as a fraction of a fully paid share equal to the proportion which the amount paid on it bear to the total issue price of the share.

However, if the Company is wound up, the liquidator may, with the sanction of a special resolution:

a) divide the assets of the Company among the members in kind;

b) for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different classes of members; and

c) vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

Transfer of Shares

Subject to the Constitution of West Australian Metals Ltd, the Corporations Act and the Listing Rules, ordinary Shares are freely transferable.

Creation and Issue of Further Shares

The allotment and issue of any new Shares is under the control of the Directors and, subject to any restrictions on the allotment of Shares imposed by West Australian Metals Ltd's Constitution, the Listing Rules or the Corporations Act, the Directors may allot, issue, grant options over, or otherwise dispose of, those Shares to such persons on such terms and conditions and with such rights and privileges as they may from time to time determine.

Variation of Rights

At present, West Australian Metals Ltd only has on issue ordinary Shares and Unlisted Options. Any variation of rights to shares shall be subject to Part 2F.2 of Chapter 2F of the Corporations Act and clause 22.6 of the Constitution, which clause states that the Company may only vary or cancel rights attached to shares in any class (subject to section 246C and 246D of the Corporation Act) with the written consent of the holders of 75% of the issued shares at the allotted class or by a special resolution passed at a separate meeting of the holders of the issued shares of the allotted class. Subject to the terms of issue of shares, the rights attached to the class of shares are not treated as varied by the issue of further shares of that class.

General Meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of West Australian Metals Ltd and to receive all notices, accounts and other documents required to be furnished to shareholders under West Australian Metals Ltd's Constitution, the Corporations Act or the ASX Listing Rules.

5.2 Partly Paid Shares

(a) each Partly Paid Share will have an issue price of 2.4 cents each ($0.024) with 0.1 cent ($0.001) per Partly Paid Share payable on application.

(b) each Partly Paid Share will entitle the holder to convert to one fully paid ordinary Share in the Company on payment of the outstanding price of 2.3 cents ($0.023) per Partly Paid Share.

(c) the Partly Paid Shares are convertible at any time on or before third anniversary of the issue date wholly or in part by payment of the outstanding price.

(d) all shares allotted on conversion of the Partly Paid Shares will rank equally in all respects with the Company's then existing ordinary fully paid Shares.

5.3 Terms and Conditions of Options

Each Option will entitle the holder to subscribe for a Share in the Company at five (5) cents per Share on the following terms:-

(a) Each Option will be issued at a price of 0.1 cent ($0.001) per Option

(b) Each Option will entitle the holder to subscribe for one fully paid ordinary Share in the Company at an exercise price of 5.0 cents ($0.05) per Option.

(c) The Options are exercisable at any time on or before third anniversary of the issue date wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise price.

(d) All Shares allotted on exercise of the Options will rank equally in all respects with the Company's then existing ordinary fully paid Shares.

(e) The Options are freely transferable.

(f) Application will be made to Australian Stock Exchange Limited ("ASX") for official quotation of the Options not later than 7 business days after the date of this Prospectus. 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.

(g) 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.

(h) 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 for 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 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.

(j) 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.

SECTION 6

6. RISKS

The business activities of the Company are subject to various risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Shares and Options will trade and should be considered speculative.

The offer of Shares, Partly Paid Shares and Options pursuant to this Prospectus should be considered speculative because of the uncertainties of success in procuring interests in mineral tenements and the exploration, evaluation and development of such tenements or any other investment. Such activities will form a substantial part of the activities of the Company.

The offer of Shares, Partly Paid Shares and Options should be considered speculative for reasons including, but not limited to, the following:

a) Fluctuations in the price of commodities including but not limited to base, precious and rare metals, rare earths, precious gemstones, uranium and mineral sands.

b) Inflation, movements on the domestic and international stock markets, exchange rates, interest rates, general domestic and international economic changes, industrial disputes and political factors in Australia and overseas, war, global hostilities and acts of terrorism likely to affect the Australian equities markets.

c) Exploration and mining by its nature contains elements of significant risk in that success depends on discovery and delineation of recoverable and economic ore reserves, design of suitable processes for recovery of minerals and construction of an efficient operation at a remote location. There is also the aspect of obtaining long term markets for any mineral product.

d) The Company's success in obtaining the renewal of its existing mineral licences from time to time, and in having applications for new mineral licences granted by relevant government departments in the countries that the Company currently operates, or operates sometime in the future.

e) The market price of the Company's securities being affected by varied, unpredictable and often indefinable influences for equities in general and mining and exploration stocks in particular.

f) It is possible that there will exist on the Company's tenement areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the Aboriginal Heritage Act or areas subject to the Native Title Act. As a result land within the mining tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title.

g) Possible sovereign risks including but not limited to social or political upheaval, indigenous peoples claims, and changes in laws relating to foreign ownership, government participation, monetary policies, taxation, royalties, duties, rules of exchange and controlled land and water use and mine safety.

h) For reporting periods beginning on or after 1 January 2005 the Company must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting

Standards Board. These changes will affect the way in which certain items are reported in the Company's financial statements.

i) The Directors of the Company believe its available cash, and the net proceeds of the Offer will be adequate to fund the current exploration and corporate activities of the Company as stated in this Prospectus. Any inability to obtain additional finance as required for subsequent exploration and corporate activities following the use of the Company's presently available funds and those to be raised pursuant to this Prospectus would have a material adverse effect on the Company.

j) Exploration and mining can be potentially environmentally hazardous giving rise to substantial costs for environmental rehabilitation, damage control, and losses.

k) Insurance of all risks associated with exploration and mining is not always available and, where available, the cost can be high. The Company will have insurance in place considered appropriate for the Company's needs. The Company will not be insured against all possible losses, whether because of the unavailability of cover or because the premiums may be excessive relative to the benefits that would accrue.

l) The Company may become a party to joint venture operating agreements. Under these agreements, the Company may be voted into programmes and budgets which it does not necessarily agree with or have the cash resources to fund. It may also be required to contribute to any increases in capital expenditure requirements and/or operating costs. Furthermore, the situation could arise where any or all of the joint venture parties are unable to fund their pro rata contributions to expenditure, in which case the Company may have to make increased contributions to ensure that the program succeeds.

m) The financial failure by any participant in a joint venture (or contractor) to which the Company is a party may have a significant and adverse impact on the Company.

n) The Company is reliant on third parties for certain key services including resource and reserve calculation, mine planning, mining, blasting and other services. Industrial disputes, natural disasters, financial failure or default or inadequate performance in the provision of services, or the inability to provide services by such third parties has the potential to cause a financial loss to the Company.

o) As part of its business strategy, the Company may make acquisitions of or significant investments in complementary companies, products or assets. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products or assets.

SECTION 7

7. ADDITIONAL INFORMATION

7.1 Short Form Prospectus

This Prospectus is a short form prospectus that refers to information that is contained in and forms part of certain documents lodged with the ASIC.

Notice of Meeting

Sections 3, 4, 5, 6 and 9 of the Notice of Meeting are referred to and are taken by section 712(3) of the Corporations Act to be included in this Prospectus.

Other Documents

The following documents are referred to and are taken by section 712(3) of the Corporations Act to be included in this Prospectus:

- the Annual Financial Report of the Company for the year ended 30 June 2004;
- the Financial Report for the Half Year ending 31 December 2004;
- the Quarterly Activities Report for the quarter ended 31 March 2005;
- Quarterly Cashflow Report (Mining Exploration entity quarterly report) for the quarter ended 31 March 2005; and
- the ASX Announcements made by the Company as set out in the table below:

Date	**Description of Announcement**
25 October, 2004	Annual Report
12 November, 2004	Asthmastop Investment
22 November, 2004	Change of Directors Interest Notice
26 November, 2004	Results of Annual General Meeting
15 December, 2004	Change in substantial holding
2 February, 2005	Unmarketable Parcel Sale Facility
18 April, 2005	Appendix 3B – Placement Shares
2 May, 2005	Response to ASX Query – Share Price
12 May, 2005	Ceasing to be a substantial holder
13 May, 2005	Becoming a substantial holder
24 May, 2005	Director Appt/Notice of Initial Directors Interest Notice
30 May, 2005	New mineral sands exploration options & proposed placement
11 July 2005	Change in Substantial Shareholding/Change of Director's Interest Notice

As required by section 712(1) of the Corporations Act, the Company will provide free of charge, a copy of any of the documents (or parts) taken to be included in this Prospectus as listed in this Section 7 to a person who asks for it during the application period of this Prospectus. Copies of the Notice of

Meeting, the Annual Report, the Quarterly Reports and the ASX Announcements referred to above are posted on the Company's website at www.wametals.com.au.

The Company is a disclosing entity under the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a company admitted to the Official List of ASX, the Company is subject to the ASX Listing Rules which requires continuous disclosure to ASX of any information held by the Company which a reasonable person would expect to have a material effect on the price or value of the Company's shares. Section 713 of the Corporations Act allows a company to issue a prospectus with an alternative general disclosure test, relying upon documents lodged with the ASIC pursuant to this obligation. However, as the Partly Paid Shares to be issued pursuant to this Prospectus are not continuously quoted securities, the Prospectus is issued in accordance with section 712 of the Corporations Act.

In accordance with continuous disclosure obligations, the Company may from time to time make further ASX announcements which will be posted on its website, www.wametals.com.au.

7.2 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any organisation in which such a Director is a partner or director, has or had within two years before the lodgement of this Prospectus with the ASIC, any interest in:

(a) the promotion or formation of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Securities pursuant to this Prospectus; or

(c) the offer of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any Director or to any organisation in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

Each Director's interests in the Company's securities at the date of this Prospectus are:

Director	Fully Paid Shares	Un-Listed Partly Paid Shares	Listed Options	Unlisted Options
Robert P. Martin	15,188,250	-	-	-
David A. Hamlyn	1,102,000	-	-	1,000,000 exercisable at 19.2 cents before 24/11/07*
Lindsay A. Colless	5,538	-	-	-
Roger S. Johnston	-	-	-	-

** The exercise price of the Unlisted Options will be reduced to 18.8 cents if the Capital Reduction to be undertaken by the Company pursuant to Resolution 4 of the Notice of Meeting is approved by Shareholders at the General Meeting on 4 August 2005.*

The Constitution of the Company provides that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, where notice of the amount of the suggested increase and the maximum sum that may be paid shall have been given to shareholders in the notice convening the meeting.

In total, the Directors presently receive remuneration of $40,000 per annum (plus statutory superannuation) allocated amongst them as they determine.

Mr Colless has a significant financial interest in Mineral Administration Services Pty Ltd, a company that provided secretarial, accounting and financial administration services to the economic entity and was paid fees of $46,000 in 2003/4 including directors fees (2002/3 $46,000). Mr Martin has a significant financial interest in a company that provided consulting services to the economic entity and was paid fees of $50,900 during 2003/4 including directors fees and superannuation (2002/3 $60,000). All dealings are in the ordinary course of business and on normal commercial terms and conditions.

No Directors or their Associates will take up Securities offered pursuant to this Prospectus.

7.3 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert nor any organisation in which such expert has an interest, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

(a) the promotion or formation of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Securities pursuant to this Prospectus; or

(c) the offer of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert or to any firm in which any such expert is a partner, either to induce him to become, or to qualify him as, a expert or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

Clayton Utz have acted as lawyers to the Company in relation to the Offers and this Prospectus. The Company has paid or agreed to pay Clayton Utz $25,000 exclusive of GST for the provision of services in relation to this Prospectus up to the date of this Prospectus. Clayton Utz may continue to receive fees for other services provided to the Company from time to time on normal commercial rates. Over the last two years, Clayton Utz has not received any fees from the Company in relation to legal services.

Advanced Share Registry Services has agreed to provide share registry services to the Company in respect to the Offers and the Company has paid or agreed to pay approximately $705 for these services up to the date of this Prospectus. Over the last two years, Advanced Share Registry Services have received fees of $24,183 from the Company.

All fees stated above are exclusive of GST.

7.4 Estimated Expenses of Offer

The estimated expenses of the Offer are as follows:

	Full Subscription $
ASX Listing Fees	14,806
ASIC Fees	2,010
Consulting Fees	3,000
Legal fees	25,000
Underwriting	89,500
Printing and Postage	1,000
Total	**$135,316**

7.5 Market Price of Fully Paid Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: 7.0 cents per Share on 13 July, 2005.

Lowest: 2.1 cents per Share on 18 April, 2005.

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was 6.8 cents per share on 18 July, 2005.

7.6 Litigation

In November 2003, West Australian Metals' Shareholders approved the de-merger of the Company's engineering and mineral assets which resulted in the successful ASX listing of Austin Engineering in March 2004. The de-merger involved a return of capital to West Australian Metals' Shareholders through the pro rata, in specie distribution of approximately 22 million Austin Engineering Ltd shares, and repayment by Austin Engineering of the loan from West Australian Metals which facilitated the purchase of the engineering business in March 2003.

Austin Engineering Ltd successfully raised $2.7 million through an initial public offer of Austin shares and was admitted to the Official List of ASX in March 2004. The Austin IPO funds were partially utilised to repay approximately $1.53 million to West Australian Metals in satisfaction of the loan and $150,000 towards the costs of the Austin initial public offer.

Austin Engineering initiated proceedings in the District Court of Queensland for the recovery of $83,570.88 plus interest for claimed overpayment of costs related to the Austin initial public offer made to West Australian Metals.

West Australian Metals rejects Austin's claim, which was served on the Company on 4 January 2005, and will defend the action as aggressively as it requires to ensure shareholders interests are protected.

7.7 Consents

The following consents have been given in accordance with the Corporations Act:

Clayton Utz have given and have not, before lodgement of this Prospectus, withdrawn their consent to be named as lawyers to the Company in this Prospectus in the form and context in which they are named in this Prospectus. Clayton Utz were not involved in the preparation of this Prospectus, did not authorise or cause the issue of this Prospectus and take no responsibility for any material in, or omission from this Prospectus other than references to their name.

R M Capital Pty Ltd have given and have not, before lodgement of this Prospectus, withdrawn their consent to be named as Underwriter to the Offer in this Prospectus in the form and context in which they are named in this Prospectus. R M Capital Pty Ltd were not involved in the preparation of this Prospectus, did not authorise or cause the issue of this Prospectus and take no responsibility for any material in, or omission from this Prospectus other than references to their name.

Advanced Share Registry Services has given and has not, before lodgement of this Prospectus, withdrawn its consent to be named as Share Registry to the Company in this Prospectus in the form and context in which it is named in this Prospectus. Advanced Share Registry was not involved in the preparation of this Prospectus, did not authorise or cause the issue of this Prospectus and takes no responsibility for any material in, or omission from this Prospectus other than references to its name.

7.8 Directors' Responsibility Statement and Consent

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 Directors, the Directors have made reasonable enquiry and have reasonable grounds to believe 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 have not withdrawn their consent, before lodgement of this Prospectus with the ASIC, or to the Directors' knowledge, before any issue of Securities pursuant to this Prospectus.

Each Director of the Company has given and has not, at the date of this Prospectus, withdrawn his consent to the lodgement with the ASIC and ASX of this Prospectus pursuant to which the Company is offering its Securities.

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

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with the ASIC.

Dated Tuesday, 19 July 2005

Robert P. Martin
For and on behalf of
West Australian Metals Ltd

GLOSSARY

Applicant means an investor that applies for Offer Shares, Partly Paid Shares or Options using an Application Form pursuant to this Prospectus.

Application Form means the application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691).

Board means the board of Directors as constituted from time to time.

Business Day means a day on which trading takes place on the stock market of ASX.

Capital Reduction means the equal capital reduction to be undertaken by the Company pursuant to Resolution 4 of the Notice of Meeting which is more fully described in Section 5 of the Explanatory Statement to the Notice of Meeting and which Notice of Meeting is a document referred to in this Prospectus for the purposes of section 712 of the Corporations Act.

Closing Date means 5.00pm (WST) Friday, 12 August 2005, being the last date by which Applications will be accepted for the Offer or such other date as the Board determines without prior notice.

Company or **West Australian Metals Ltd** means West Australian Metals Ltd (ABN 71 001 666 600).

Constitution means the Company's Constitution as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means directors of the Company at the date of this Prospectus.

Dollar or "**$**" means Australian dollars.

Exposure Period means, in accordance with Section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC to up to 14 days after lodgement of this Prospectus with ASIC), during which the Company may not process applications.

General Meeting means the meeting of Shareholders of the Company proposed to be held on Thursday, 4 August 2005 at 11.00am, or any adjournment thereof.

GST has the meaning ascribed to it by the New Tax System (Goods and Services Tax) Act 1999 of Australia or any replacement or other relevant legislation and regulations.

Listing Rules or **ASX Listing Rules** means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Notice of Meeting or **Notice** means the notice of meeting of the Company dated 1 July 2005.

Offer means the proposed issue of Offer Shares, Partly Paid Share and Options referred to in the "Details of the Offer" section of this Prospectus.

Offer Period means the period, inclusive, between the Opening Date and the Closing Date.

Offer Shares means a Share offered pursuant to this Prospectus.

Official List means the official list of ASX.

Official Quotation means the quotation of securities on the Official List.

Opening Date means 9.00am (WST), Wednesday, 27 July 2005 or such other date as determined by the Board without prior notice.

Option means an option to acquire a Share at an exercise price of 5 cents ($0.05) each exercisable at any time on or before the third anniversary of the issue date and issued on the terms and conditions specified in section 5.3 of this Prospectus.

Placement Resolution means resolution 3 of the General Meeting and as set out in the Notice of Meeting.

Prospectus means this Prospectus.

Securities means the Shares, Offer Shares, Options and Partly Paid Shares as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Underwriter means R M Capital Pty Ltd ABN 74 065 412 820.

Unlisted Option means a freely transferable option to acquire a Share at an exercise price of $0.20 each (reduced to $0.192 pursuant to the capital reduction dated 8 December 2003) on or before 24 November, 2007, which is not quoted on ASX. The exercise price of the unlisted options will be reduced to 18.8 cents if the capital reduction to be undertaken by the Company pursuant to Resolution 4 of the Notice of Meeting is approved by Shareholders at the General Meeting on 4 August 2005.

Partly Paid Share means an ordinary share in the capital of the Company issued at 2.4 cents and paid to 0.1 cent ($0.001), which is not quoted on ASX and is subject to the terms and conditions set out in section 5.2 of this Prospectus.

WST means Western Standard Time.

ANNEXURE A

TERMINATION PROVISIONS OF UNDERWRITING AGREEMENT BETWEEN WEST AUSTRALIAN METALS LTD AND RM CAPITAL PTY LTD

TERMINATION BY THE UNDERWRITER

Termination Events

If any one or more of the events listed below happens after the date of the Underwriting Agreement and up to the allotment date of the Securities, the Underwriter may by written notice to the Company and without cost or liability to the Underwriter terminate this agreement:

(a)

(i) **Misleading statement in the Prospectus:** a Court finds that there is a serious question to be tried as to whether a material statement in the Prospectus is untrue, misleading or deceptive or as to whether the Prospectus contains a material omission;

(ii) **Injunction:** a Court grants an injunction in respect of the Prospectus pursuant to section 1324 or 1324B of the Corporations Act;

(iii) **ASIC stop order or hearing:** ASIC issues a stop order under section 739(1) or (3) of the Corporations Act or gives notice of intention to hold a hearing in relation to the Prospectus pursuant to section 739(2) of the Corporations Act;

(iv) **Notices concerning the Prospectus:** any person gives a notice under section 730 or section 733(3) of the Corporations Act in relation to the Prospectus;

(v) **Lodgement of supplementary Prospectus:** when a supplementary or replacement Prospectus is required to be lodged under the Corporations Act and the Company fails to lodge such in a form acceptable to the Underwriter;

(vi) **Changes in prospects of the Company:** in the reasonable opinion of the Underwriter any material and adverse change occurs in the condition or financial position or prospects of the Company;

(vii) **Breach of Constitution:** the Company or any of its subsidiaries (if any) breaches its Constitution;

(viii) **Breach of Material Contract:** any person breaches any material contract or any material contract is altered from the form presented in the due diligence process;

(ix) **Termination of Material Contracts:** a material contract is terminated (whether by breach or otherwise), rescinded, altered or amended, without the prior consent of the Underwriter, or any such contract is found to be void, voidable or unenforceable;

(x) **Breach of Law or regulation:** the Company or any of its subsidiaries or any officer of the Company or a subsidiary is found by a Court to have contravened any provision of the Corporations Act, the Listing Rules or the Business Rules or any other legislation of the Commonwealth of Australia or any State or Territory of Australia in a manner that is materially adverse to the Underwriter;

(xi) **Prescribed Occurrence:** a prescribed occurrence occurs in relation to the Company or any of the Company's subsidiaries. A prescribed occurrence is any event listed in s.652C(1) or (2) of the Corporations Act but substituting the Company for "target";

(xii) **Scheme of Arrangement:** the Company enters into any scheme of arrangement with its creditors or any class of them or indicates its intention of endeavouring to do so;

(xiii) **Insolvency:** the Company suspends payment of its debts or is insolvent within the meaning of section 95A of the Corporations Act;

(xiv) **Administration or Receivership:** the Company is placed under official management or voluntary administration or into receivership or an official manager or administrator is appointed;

(xv) **Appointment of inspector:** an inspector is appointed pursuant to the Corporations Act to investigate all or any part of the affairs of the Company;

(xvi) **Breach of agreement:** the Company is in breach of any material provision of this agreement;

(xvii) **Breach of warranty:** any warranty given by the Company under this agreement is not materially true or has ceased to be materially true;

(xviii) **Conviction of Officers:** any officer of the Company or any of its subsidiaries is charged with or convicted of any criminal offence involving fraudulent or dishonest conduct;

(xix) **Unapproved alteration of capital:** with the exception of the Capital Reduction set out in Resolution 4 of the Company's Notice of Meeting lodged with ASX I July 2005, the Company alters, or announces an intention to alter, its capital structure or its constitution without the prior consent of the Underwriter (such consent not to be unreasonably withheld);

(xx) **Unapproved encumbrances:** Outside the ordinary course of business, the Company gives security in favour of any person who is not a security holder at the date of this agreement;

(xxi) **Due Diligence File:** the due diligence file contains information which is false or misleading in a material sense or there is a material omission from the due diligence file;

(xxii) **False or misleading information given to the Underwriter:** any material information supplied at any time by or on behalf of the Company to the Underwriter in respect of any aspect of the Company or any of its subsidiaries or the Offer is or becomes misleading or deceptive in a material sense;

(xxiii) **Commencement of hostilities:** an outbreak of hostilities not presently existing or major escalation of hostilities occurs after the date of this agreement (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United Kingdom, the United States of America, the Peoples Republic of China (including the Special Economic Area of Hong Kong), the Russian Federation (excluding wars or hostilities within the Russian Federation), Indonesia, Japan, North Korea or South Korea;

(xxiv) **Changes of Law:** the Australian Government adopts or announces any change in fiscal or monetary or taxation policy which would materially and adversely affect companies generally or the Company in particular or investment in shares in Australia not including any change which is likely to materially affect interest rates;

(xxv) **Changes in Regulations:** a material change in any regulation relevant to the Company or the Offer is made or announced;

(xxvi) **Quotation on ASX:** Four weeks or such other period agreed by the Underwriter elapses after the date of issue of the Prospectus without ASX granting permission for the Shares and Options to be officially quoted on ASX;

(xxvii) **Permission of ASX:** any permission of ASX referred to in paragraph (xxvi) is withdrawn, qualified or is made subject to any conditions other than the Standard Conditions;

(xxviii) **Statements issued in breach of agreement:** during the term of this agreement a breach of clause 9.3(e) or 9.3(f) occurs;

9.3(e) ***No statements:*** *the Company will not during the period from the date of the Prospectus to the allotment date of the Securities, knowingly make any statement or communicate, publish, broadcast or issue by any means any notice, circular or advertisement (whether or not in writing), relating to the Company or its activities or the Offer which is prejudicial or which the Company might reasonably expect to be prejudicial to the prospects of the Offer being fully subscribed by persons other than the Underwriter, unless:*

(i) the statement or communication is required by law or by the Listing Rules; or

(ii) the statement or communication is made with the approval of the Underwriter, such approval not to be unreasonably withheld, although the Underwriter will be entitled to insist as a condition of any approval that it be named as Underwriter in any such statement or communication;

9.3(f) ***No statements by officers:*** *the Company will ensure that each person who is an officer of the Company does not do any act referred to in clause 9.3(e);*

(xxix) **Extension of Exposure Period:** ASIC extends the exposure period under section 727(3) of the Corporations Act;

(xxx) **Withdrawal of Prospectus:** the Company withdraws the Prospectus;

(xxxi) **Significant Change to Management or Board:** there is a significant change to the composition of the senior executives of the Company or of its board of directors without the approval of the Underwriter (which approval may not be unreasonably withheld); or

(xxxii) **Judgment:** A judgment in an amount exceeding $100,000 is obtained against the Company or any subsidiary and is not set aside or satisfied within 5 Business Days.

(b) **Requirement to repay Application Money:** any circumstance arises after the Prospectus is lodged a consequence of which is either that the Company is required to repay the money received from Applicants or to offer Applicants an opportunity to withdraw their Applications and receive a refund of their Application Money;

(c) **Movement in the S&P ASX 300 Index:** the S&P ASX 300 Index as determined at close of trading falls to less than 7.5 per cent below their respective levels at the close of trading on the date of this Underwriting Agreement for 3 trading days.

Registry Use Only

West Australian Metals Ltd
ABN 71 001 666 600

Application Form – Offer Shares

Broker Code

Adviser Code

To meet the requirements of the Corporations Act, this Application Form must not be handed on unless it is attached to or accompanies a complete and unaltered copy of the Prospectus.

A I/We apply for

Number of Shares in West Australian Metals Ltd

B I/We lodge full Application Money

$A

Amount calculated at $0.024 per share

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D Enter your postal address - Include State and Postcode

Unit Street Number Street Name or PO Box/Other Information

City/Suburb/Town State Postcode

E Enter your contact details

Contact Name

Telephone Number - Business Hours/After Hours

( )

Email Address

F CHESS Participant /Existing Issuer Sponsored Holder

Holder Identification Number (HIN) / Securityholder Reference Number (SRN)

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the Offer will be held on the Issuer Sponsored subregister.

Cheque details - Make your cheque or bank draft payable to "West Australian Metals Ltd – Placement Account"

G

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				$A
Drawer	**Cheque Number**	**BSB Number**	**Account Number**	**Amount of cheque**
				$A

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse side of this Application Form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

See back of form for completion guidelines.

How to complete this form

A Shares Applied for

Enter the number of shares you wish to apply for. The application must be for a minimum of 100,000 shares. Applications for greater than 100,000 shares must be in multiples of 50,000 shares.

B Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of shares by the price per share of $0.024.

C Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHESS HIN (if applicable) or SRN

West Australian Metals Ltd (the Company) participates in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owed subsidiary of Australian Stock Exchange Limited. In CHESS, the Company operates an electronic CHESS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of shares allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. If you have an existing holding on the Issuer Sponsored Subregister enter your existing Securityholder Reference Number (SRN). Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated an SRN.

G Payment

Make your cheque or bank draft payable to "West Australian Metals Ltd Placement Account" in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Pin (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

A ready reckoner of amounts payable for different numbers of Shares applied for is as follows:

Number of Offer Shares Applied For	Amount
100,000	$2,400
150,000	$3,600
300,000	$7,200
500,000	$12,000
1,000,000	$24,000

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for shares in West Australian Metals Ltd is upon and subject to the terms of the Prospectus and the Constitution of West Australian Metals Ltd, agrees to take any number of shares that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

To meet the requirements of the Corporations Act, this application form must not be distributed unless included in, or accompanied by, the Prospectus.

Lodgement of Application

Application Forms must be received at the Perth office of Advanced Share Registry Services by no later than 5.00pm on the Closing Date.
Return the Application Form with cheque(s) attached to:

Postal Address: -
West Australian Metals Ltd
c/o Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

or

Delivery Address: -
West Australian Metals Ltd
c/o Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6909

Privacy Statement

Personal information is collected on this form by Advanced Share Registry Services ("us"), as registrar for securities issues ("our clients"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to external services providers such as print or mail service providers as required or permitted by law. If you would like details of your personal information held by us, or you would like to correct information that is inaccurate, incorrect or out of date, please contact the Privacy Officer. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the securities issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting the Privacy Officer. You can contact the Privacy Officer using the details provided above or Email: admin@advancedshare.com.au

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold securities. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname are required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A. Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

Registry Use Only

West Australian Metals Ltd
ABN 71 001 666 600

Broker Code | Adviser Code

Application Form – Options

To meet the requirements of the Corporations Act, this Application Form must not be handed on unless it is attached to or accompanies a complete and unaltered copy of the Prospectus.

A I/We apply for

Number of Options in West Australian Metals Ltd

B I/We lodge full Application Money

$A

Amount calculated at $0.001 per option

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name | Given Name(s) | Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D Enter your postal address - Include State and Postcode

Unit | Street Number | Street Name or PO Box/Other Information

City/Suburb/Town | State | Postcode

E Enter your contact details

Contact Name | Telephone Number - Business Hours/After Hours ( )

Email Address

F CHESS Participant /Existing Issuer Sponsored Holder

Holder Identification Number (HIN) / Securityholder Reference Number (SRN)

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the Offer will be held on the Issuer Sponsored subregister.

Cheque details - Make your cheque or bank draft payable to "West Australian Metals Ltd – Placement Account"

G

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				$A
				$A

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse side of this Application Form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

See back of form for completion guidelines.

How to complete this form

A Options Applied for
Enter the number of options you wish to apply for. The application must be for a minimum of 100,000 options. Applications for greater than 100,000 options must be in multiples of 50,000 options.

B Application Monies
Enter the amount of Application Monies. To calculate the amount, multiply the number of options by the price per partly paid share of $0.001.

C Applicant Name(s)
Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHESS HIN (if applicable) or SRN
West Australian Metals Ltd (the Company) participates in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owed subsidiary of Australian Stock Exchange Limited. In CHESS, the Company operates an electronic CHESS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of shares allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold options allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. If you have an existing holding on the Issuer Sponsored Subregister enter your existing Securityholder Reference Number (SRN). Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated an SRN.

G Payment
Make your cheque or bank draft payable to "West Australian Metals Ltd Placement Account" in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Pin (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

A ready reckoner of amounts payable for different numbers of Options applied for is as follows:

Number of Partly Shares Applied For	Amount
100,000	$100
150,000	$150
300,000	$300
500,000	$500
1,000,000	$1,000

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for options in West Australian Metals Ltd is upon and subject to the terms of the Prospectus and the Constitution of West Australian Metals Ltd, agrees to take any number of options that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

To meet the requirements of the Corporations Act, this application form must not be distributed unless included in, or accompanied by, the Prospectus.

Lodgement of Application

Application Forms must be received at the Perth office of Advanced Share Registry Services by no later than 5.00pm on the Closing Date.
Return the Application Form with cheque(s) attached to:

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West Australian Metals Ltd
c/o Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

or

Delivery Address: -
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c/o Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6909

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Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold securities. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname are required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A. Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

Registry Use Only

West Australian Metals Ltd

ABN 71 001 666 600

Application Form – Partly Paid Shares

To meet the requirements of the Corporations Act, this Application Form must not be handed on unless it is attached to or accompanies a complete and unaltered copy of the Prospectus.

Broker Code

Adviser Code

A I/We apply for

Number of Partly Paid Shares in West Australian Metals Ltd

B I/We lodge full Application Money

$A

Amount calculated at $0.001 per share

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D Enter your postal address - Include State and Postcode

Unit Street Number Street Name or PO Box/Other Information

City/Suburb/Town State Postcode

E Enter your contact details

Contact Name Telephone Number - Business Hours/After Hours

( )

Email Address

F CHESS Participant /Existing Issuer Sponsored Holder

Holder Identification Number (HIN) / Securityholder Reference Number (SRN)

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the Offer will be held on the Issuer Sponsored subregister.

Cheque details - Make your cheque or bank draft payable to "West Australian Metals Ltd – Placement Account"

G

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				$A
				$A

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse side of this Application Form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

See back of form for completion guidelines.

How to complete this form

A Partly Paid Shares Applied for

Enter the number of partly paid shares you wish to apply for. The application must be for a minimum of 100,000 shares. Applications for greater than 100,000 shares must be in multiples of 50,000 shares.

B Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of shares by the price per partly paid share of $0.001.

C Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHESS HIN (if applicable) or SRN

West Australian Metals Ltd (the Company) participates in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owed subsidiary of Australian Stock Exchange Limited. In CHESS, the Company operates an electronic CHESS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of shares allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. If you have an existing holding on the Issuer Sponsored Subregister enter your existing Securityholder Reference Number (SRN). Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated an SRN.

G Payment

Make your cheque or bank draft payable to "West Australian Metals Ltd Placement Account" in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Pin (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

A ready reckoner of amounts payable for different numbers of Partly Paid Shares applied for is as follows:

Number of Partly Shares Applied For	Amount
100,000	$100
150,000	$150
300,000	$300
500,000	$500
1,000,000	$1,000

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for partly paid shares in West Australian Metals Ltd is upon and subject to the terms of the Prospectus and the Constitution of West Australian Metals Ltd, agrees to take any number of partly shares that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

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Lodgement of Application

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Correct forms of registrable title(s)

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Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A. Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund