West Australian
Metals Ltd

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31 January 2008

Company Announcements Office
Australian Stock Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2007

HIGHLIGHTS

MARENICA URANIUM PROJECT – NAMIBIA

- Initial Inferred Mineral Resource containing 15 million pounds U_3O_8 in 32 million tonnes averaging 213 ppm U_3O_8 calculated in accordance with the JORC code.
- Reported resource occurs within 40 metres of the surface and covers a small area of the palaeo-channel drainage system.
- High probability of delineating further resources within and immediately adjacent to the existing resource area.
- Drilling underway with the objective of adding further resources and defining new uranium mineralised areas.
- Preliminary drilling confirms new palaeo-channel in southeast corner of the project.
- Further radon gas (Track Etch) survey completed to define targets.
- Geological mapping over 400 sq km executed as part of the evaluation of the mineral potential of the entire (706 sq km) project area.

EXPLORATION

MARENICA URANIUM PROJECT- NAMIBIA
EPL 3287 - 80%

RESOURCE ESTIMATION

Initial Inferred Resource containing 15 million pounds U_3O_8

On the 29 November 2007 the Company announced to the ASX an initial mineral resource estimate for the project in accordance with the JORC Code (2004). The Inferred Mineral Resource contains 32 million tonnes averaging 213 ppm U_3O_8 (using a cut-off grade of 110 ppm U_3O_8) for 15 million pounds of contained U_3O_8 to a depth of 40 metres.

The Marenica project consists of a 706 sq km Exclusive Prospecting Licence (EPL 3287) located immediately north of Areva's Trekkopje uranium deposit (where trial mining and processing is currently underway) and other major uranium projects in Namibia (Figure1).

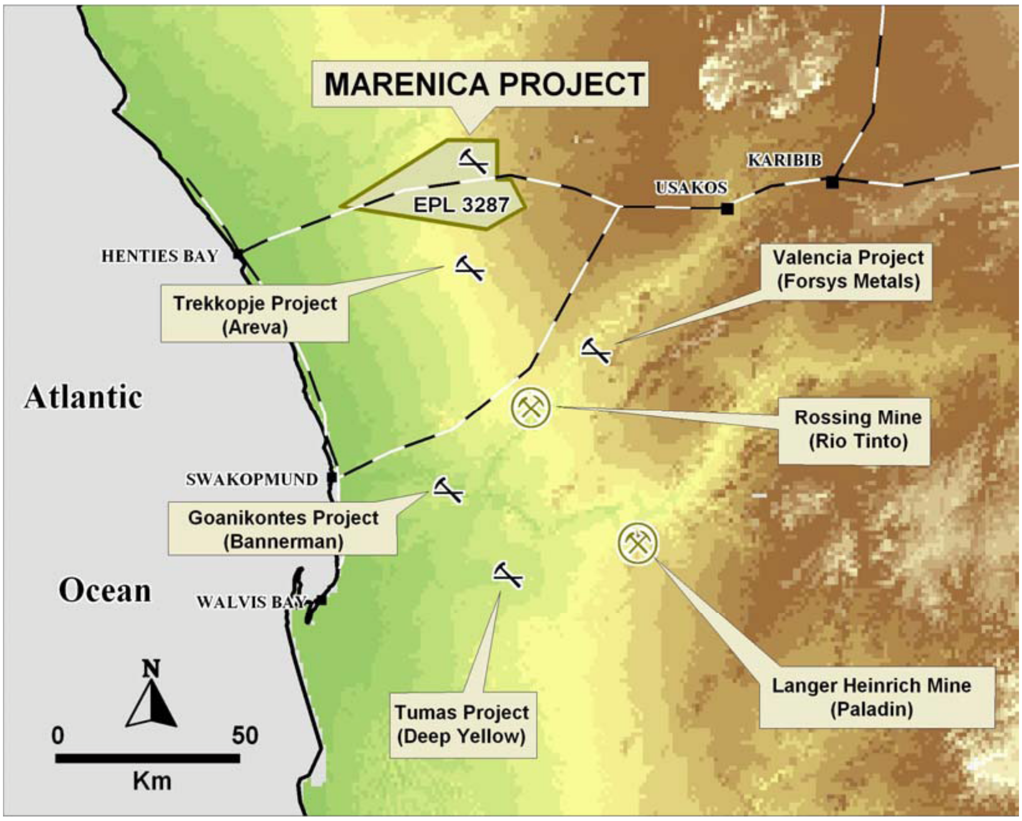

Figure 1: Location of Marenica Project and Other Uranium Projects, Central-West Namibia

The uranium resource is contained within Mineralised Areas 1, 2 and 3 (Figure 2) located in the northeast quadrant of the project area with additional resource potential present in these and other areas (see below). The initial resource estimate is consistent with the Company's previously reported target for these Areas.

The reported resource occupies a small part (around 11 sq km) of the Marenica palaeo-drainage system (refer to Figure 4). Secondary uranium mineralisation in the form of carnotite is present in the deposit both in sub-cropping fractured bedrock and shallow palaeo-channel sediments.

Inferred resource estimates for a range of cut-off grades are presented in Table 1. A 100ppm U_3O_8 cut-off was used by UraMin/Areva in their reporting of resources in the nearby palaeo-channel hosted Trekkopje Deposit.

Table 1: Inferred Resource Estimates

Cut-Off U_3O_8 ppm	Tonnes Millions	Grade U_3O_8 ppm	Contained U_3O_8 Millions Pounds
80	56	157	19.4
90	45	174	17.3
100	38	196	16.4
110	32	213	15.0
120	26	224	12.8
130	23	242	12.3
140	20	260	11.5
150	17	281	10.5

Note: Small errors due to rounding in compilation of resource estimates. Pounds U_3O_8 are based on contained metal in the ground and take no account of mining or metallurgical recoveries or other economic parameters. West Australian Metals believes that a cut-off grade of 110 ppm may be appropriate for this deposit on the basis of uranium prices and type of operation being contemplated. Cut-off grades may change as work on the deposit proceeds.

In addition to the mineral resource estimates presented in Table 1, broad spaced sampling suggests the presence of additional mineralisation within Areas 1 to 3 with potential for a further 8-12 million tonnes at an average grade of 140-180ppm U_3O_8 (2-5 million pounds U_3O_8). This exploration potential has insufficient sampling to define a Mineral Resource at this time. Tonnage and grade estimates of this material are conceptual in nature and it is uncertain that further drilling will convert any of this exploration potential to a Mineral Resource.

The resource estimate was conducted by Hellman and Schofield and was based on data provided by West Australian Metals and included information from re-logging of old drill holes using a spectral gamma probe, assays and spectral probing of recent RC drilling, and historic Gold Fields radiometric drill hole logging using a total count gamma probe. A comparison of intervals with both radiometric probing and chemical assays suggest that radiometric probing may be overestimating U_3O_8 grades by around 20%. As a result, the grade estimated from the probe was reduced by 20% for the data set used in the estimation of mineral resources.

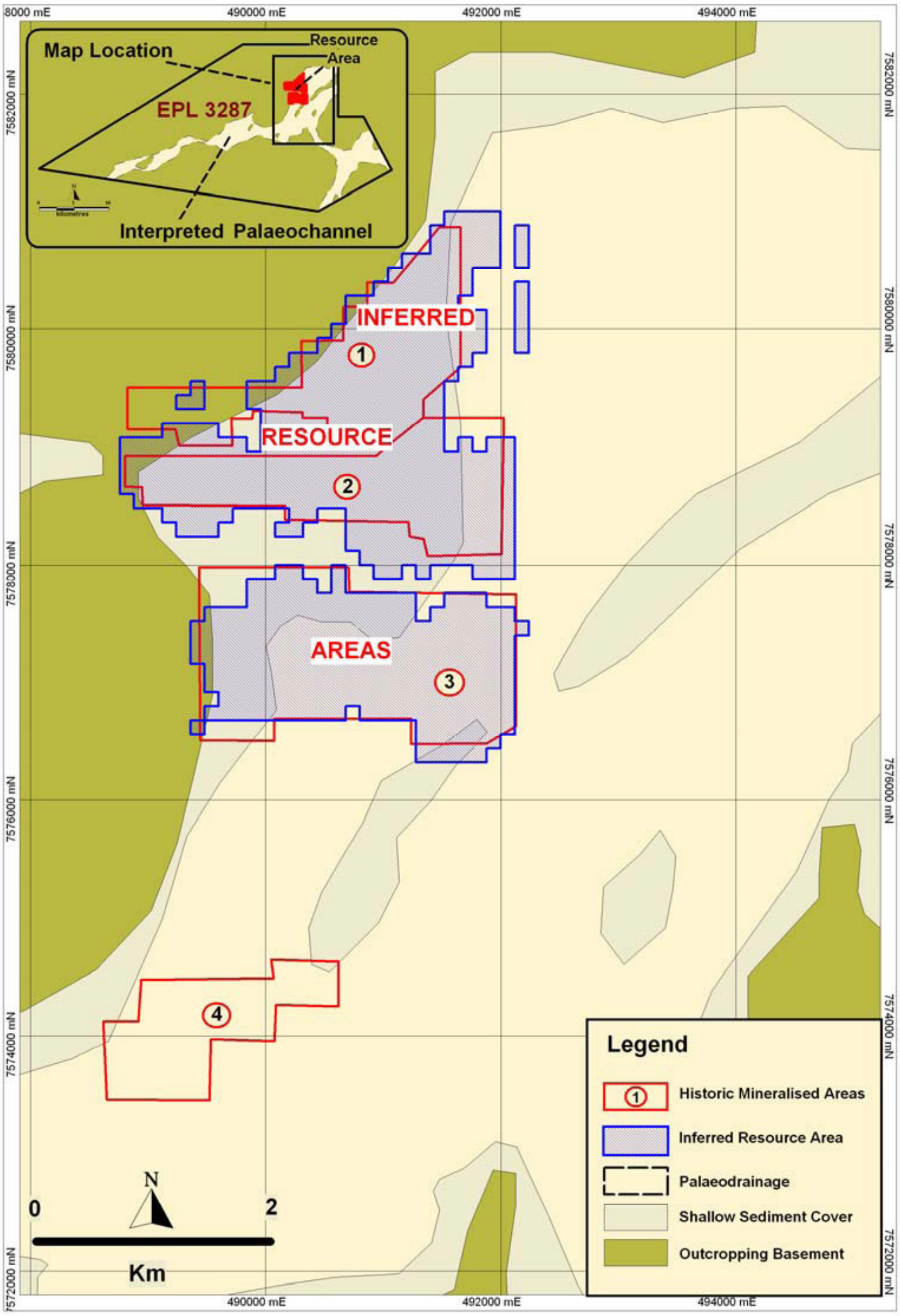

Figure 2: Location of Initial Resource Area

Resources were estimated by Multiple Indicator Kriging (MIK) with panel dimensions of 120mE x 120mN x 4mRL and included a block support correction to estimate the resource recoverable by an open pit mining scenario with mining selectivity of 5mE x 5mN x 2mRL and grade control sampling at 5mE x 5mN x 1mRL. A density factor of 2.3 tonnes per cubic metre was used based on a similar density factor used for resource estimation of the nearby palaeo-channel hosted deposits.

DRILLING

Drilling re-commences to extend area of mineralisation and grow the resource

Reverse circulation (RC) drilling re-commenced in November 2007 with a second (RC) rig also engaged for a short period. A total of 80 vertical holes for 2,760 metres were completed during the quarter. Drilling has since resumed following a short break over the Christmas – New Year period.

The objectives of the drilling programme are:

1. **To add further resources within the existing resource area with potential for a further 8-12 million tonnes at an average grade of 140-180ppm U_3O_8 (2-5 million pounds U_3O_8):** A total of 41 vertical holes (between 10-25 metres depth) were drilled covering an area 600m x 720m (Figure 3) with further drilling planned during the first quarter 2008.

2. **To demonstrate the potential to significantly expand the mineral resource in the vicinity of the initial resource area:** This drilling will initial focus on a 28 sq km area immediately south and east of Areas 1 to 3 where limited wide spaced RC holes drilled by WME in 2007 reported significant mineralisation including 12 metres averaging 482ppm U_3O_8 (see Figure 3). A total of 21 vertical holes varying in depth between 22 and 76 metres were drilled during the quarter at 200 metres spacing along a north-south line (Figure 3). Drilling of this priority area is in progress.

3. **To test greenfields targets in palaeo-channel and hard rock environments**: Eighteen vertical holes were drilled along three east west lines (Figure 3) to test a potential new palaeo-channel interpreted from a Track Etch survey conducted during the previous quarter. Holes spacings were 300 to 600 metres along lines 1.2 to 1.6 km apart. The drilling confirmed the presence of at least one deep colluvium covered paleao-channel with a depth to basement of at least 96 metres. Further drilling in this, and other areas, is planned during the March quarter 2008.

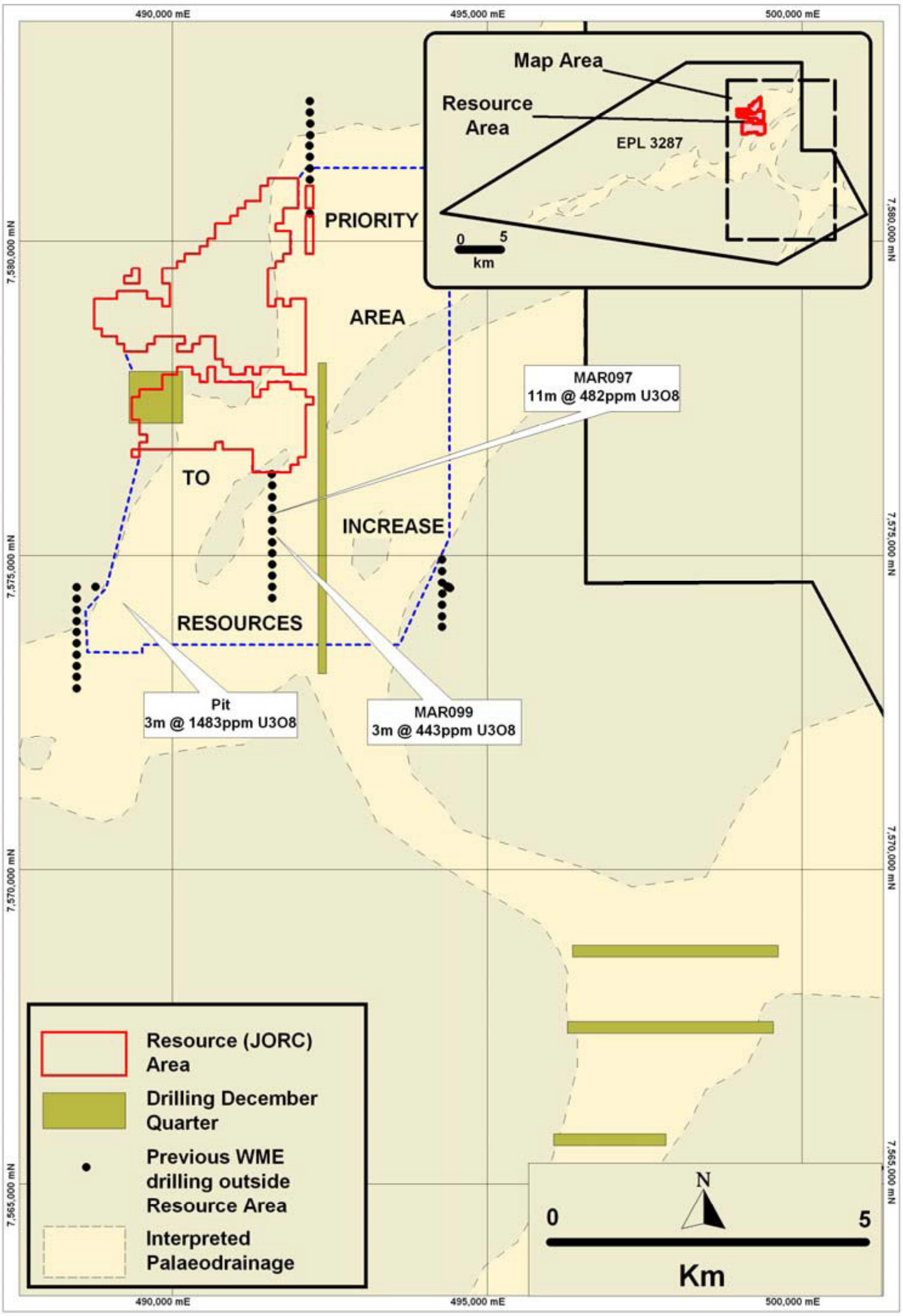

Figure 3: Location of drilling December Quarter 2007

All holes are being down-hole logged using a spectral gamma probe with results to be reported follow receipt and interpretation of data. Zones of mineralisation, determined from the radiometry, will be sampled and sent for assay.

RADON SURVEYS

A Track Etch survey, over a third area (Area 3, Figure 4), located southwest of the Resource Area has been completed with cups retrieved and film sent for processing. This area covers a 7-8 km length of the main palaeo-channel. Results will be presented following receipt and analysis of the data.

A fourth Track Etch survey is currently in progress over a sand covered area immediate east of the Resource Area.

Figure 4: Location of Track Area 3 and areas geologically mapped December Quarter 2007

GEOLOGICAL MAPPING

Phase Two of a regional geological mapping programme was completed during the quarter with around 400 sq km mapped (Figure 4). The study has now covered around 90% of the 706 sq km ground contained within the project area.

The economic implications of this work are being assessed however a priority area for primary mineralisation lies in the north east quadrant of the tenement where extensive outcrop of granite occurs interfingering with biotite schist flanked by carbonate rocks. These rocks are confined within, or lie adjacent to, broad domal fold structures. The granites consist of alaskite (the rock type which hosts primary uranium mineralisation at Rossing) and other light colored intrusives.

SCADDON URANIUM PROJECT – WESTERN AUSTRALIA

E63/1033 and E63/1037 - 100%

The project comprises two exploration licences totally 300 sq. km. considered prospective for roll front uranium deposits.

Data from an airborne electromagnetic (EM) survey completed over the project area during the previous quarter has been received. The survey was undertaken by Fugro with the principal objective of outlining buried palaeo-channels beneath a system of playa lakes.

Preliminary assessment of the data indicates the presence of a palaeo-channel trending NW-SE through the project area with further evaluation and processing currently underway.

NORTHAMPTON BASE METAL PROJECT – WESTERN AUSTRALIA

E66/50 and Victoria Locations 833 and Part 118, 119 – 100%

The Company holds a 60 sq km exploration licence (E66/50) and approximately 282ha of ground under Victoria Locations 118, 119 and 833 in the Northampton copper-lead-zinc province near Geraldton, Western Australia. The project holds potential for small to medium size high-grade lead and copper deposits.

A structural re-interpretation of an area surrounding the principal (now abandoned) mines/prospects within the tenement was conducted using regional datasets including geology, gravity, GeoTEM surveys, magnetics and radiometrics. This study was followed by a field programme which investigated targets identified from the structural analysis. This work included soil sampling, Niton XRF and radiometric surveys, rock chip sampling and reconnaissance mapping. Preliminary assessment of the field data indicates the potential for extensions to known (and mined) mineralisation and for repetition of the shear hosting mineralised structures.

Further assessment of the project will be conducted following receipt of assay data from the laboratory.

DARGO GOLDFIELD - VICTORIA

ELA 4942 - 100%

The Company’s subsidiary Bronzewing Gold Ltd has an application for approximately 480 sq km exploration licence covering the historic Dargo Goldfield, 320km east of Melbourne, Victoria. The geology of Dargo is similar to other Goldfields in central and western Victoria yet the Goldfield has not been subjected to modern exploration.

Negotiations with Native Title Claimants continued during the quarter to achieve the granting of the tenement.

Yours faithfully,

Leon Reisgys
Acting CEO and Technical Director

<u>*Notes:*</u>

Information in this report that relates to exploration and resource results reflects information compiled by Leon Reisgys FAusIMM and Technical Director of West Australian Metals Ltd who has sufficient experience which is relevant to the activity which he is reporting on as a Competent Person as defined in the 2004 Edition of "The Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves." Mr Reisgys consents to the inclusion in this report of the matters based on the information compiled by him, in the form and context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Name of entity

WEST AUSTRALIAN METALS LTD

ABN	Quarter ended ("current quarter")
70 001 666 600	31 December 2007

Consolidated statement of cash flows

		Current Quarter $A'000	Year to date (6 Months) $A'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(723)	(1,234)
	(b) development		
	(c) production		
	(d) administration	(448)	(847)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	26	48
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – Payment on delineation of resource	(380)	(380)
	Net operating cash flows	(1,525)	(2,413)
	Cash flows related to investing activities		
1.8	Payment for purchases of (a) prospects		
	(b) equity investments		
	(c) other fixed assets	-	(2)
1.9	Proceeds from sale of (a) prospects		
	(b) equity investments	341	341
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other		
	Net investing cash flows	341	339
1.13	Total operating and investing cash flows (carried forward)	(1,184)	(2,074)

1.13	Total operating and investing cash flows (brought forward)	(1,184)	(2,074)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,460	2,692
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – costs of issues		
	Net Financing Cash Flows	1,460	2,692
	Net increase (decrease) in cash held	276	618
1.20	Cash at beginning of quarter/year to date	1,523	1,181
1.21	Exchange rate adjustments to Item 1.20		
1.22	**Cash at end of quarter**	1,799	1,799

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	110
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

add notes as necessary for an understanding of the position

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	
3.2	Credit standby arrangements	-	

Estimated cash outlays for next quarter

		$A'000
4.1	Exploration and evaluation	750
4.2	Development	-
	TOTAL	750

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is follows.		Current Quarter $A'000	Previous Quarter $A'000
5.1	Cash on hand and at bank	209	170
5.2	Deposits at call	1,590	1,353
5.3	Bank overdraft		
5.4	Other		
	Total: cash at end of quarter (item1.22)	1,799	1,523

Changes in interests in mining tenements - *See attached tenement schedule for details*

		Tenement Reference	Nature of Interest [note (2)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2	Interests in mining tenements acquired or increased	N/A			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 **Preferences securities** *(description)*				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 **Ordinary securities WME**	271,322,694	271,322,694		
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks (c) increases through exercise of options (d) changes through conversion of partly paid shares	19,877,365 3,000,000	19,877,365 3,000,000	5.0 cents 18.8 cents	5.0 cents 18.8 cents
7.5 **Convertible debt securities**				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 **Options**			*Exercise price*	*Expiry date*
	49,188,959	49,188,959	5.0 cents	24/08/2008
	2,300,000	-	15.0 cents	30/11/2009
	3,250,000	-	10.0 cents	30/11/08 - 30/11/09
7.8 Issued during quarter				
7.9 Exercised during quarter	19,877,365 1,000,000 2,000,000	19,877,365 - -	5.0 cents 18.8 cents 18.8 cents	24/08/2008 24/11/2007 31/10/2007
7.10 Expired during quarter				
7.11 **Debentures** *(totals only)*				
7.12 **Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does/~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: DJ Semmens. .... Date: 25 January 2008...................
(Company Secretary)

Print name: DAVID SEMMENS

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address the topic, the Australian standard on that topic (if any) must be complied with.

TENEMENT SCHEDULE
as at 31 December 2007

Tenement Number	Registered Title Holder	Registered Interest	Project Name
NAMIBIA			
EPL 3287	Marenica Minerals Pty Ltd	A right to an 80% registered interest	Marenica Uranium
AUSTRALIA			
Vic Loc 118	West Australian Metals Ltd	100%	Northampton Base Metals
Vic Loc 119	West Australian Metals Ltd	100%	Northampton Base Metals
Vic Loc 833	West Australian Metals Ltd	100%	Northampton Base Metals
E66/50	West Australian Metals Ltd	100%	Northampton Base Metals
EL 63/1033	Bronzewing Gold Ltd	100%	Scaddan Uranium
EL 63/1037	Bronzewing Gold Ltd	100%	Scaddan Uranium
ELA 4942	Bronzewing Gold Ltd	100% (application)	Dargo Gold
M70/210	Great Southern Resources Pty Ltd	1.125% royalty	Badgebup Gold
M70/211	Great Southern Resources Pty Ltd	1.125% royalty	Badgebup Gold
M70/488	Great Southern Resources Pty Ltd	1.125% royalty	Badgebup Gold