



**West Australian
Metals Ltd**

ABN: 71 001 666 600
ACN: 001 666 600

**Registered and
Operations Office:**
Ground Floor
47 Colin Street
West Perth WA
Australia 6005

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9 February 2009

Company Announcements Office
ASX Limited
Level 4
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam,

PROPOSED ISSUE OF UNSECURED CONVERTIBLE NOTES

The Directors of West Australian Metals Limited (WME) wish to advise that the Company has entered into a Convertible Note Facility for the amount of \$1,400,000 with Batavia Mining Limited (BTV).

The significant terms of the Convertible Note are:

1. Each Convertible Note has a face value of \$50,000
2. Interest of 8% pa paid on maturity or conversion.
3. Matures 12 months from allotment.
4. BTV has the right to convert the convertible notes into 20 million ordinary fully paid shares in WME with a conversion price of 7 cents per share.
5. The shares received as a result of the conversion are voluntary escrowed for a period of one year from the original date of the Convertible Note. (Subject to certain matters being satisfied which waives this condition).
6. The Convertible Note is unsecured.

The voluntary escrow of the shares potentially issued from the conversion will be cancelled if:

- a) The Volume weighted average trading price of WME's shares listed on the Australian Securities Exchange being at a minimum price of \$0.22 for a period of five (5) consecutive trading days; or
- b) WME raises no less than \$2,000,000 in any single capital raising (not including any amounts raised from the issue of any convertible notes) at any time prior to the maturity date.
- c) More than 50% of shareholders in WME accept a takeover bid.
- d) Approval by the WME Board



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The issue of the Convertible Notes is subject to the satisfaction of various conditions precedent which are expected to be satisfied by Friday 13th February, 2009.

Yours sincerely,

David Semmens
Company Secretary