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WME SECURES POLO RESOURCES AS CORNERSTONE INVESTOR IN \$9.9M RAISING

Funds Raised to Underpin Aggressive Drilling Program at Marenica Uranium Project, Namibia

Further to its announcement of 29 May 2009, international uranium company West Australian Metals Limited (ASX: WME) is pleased to announce that it has secured leading AIM-listed international mining and exploration group Polo Resources Limited (AIM: PRL) as a cornerstone investor in the previously announced **\$9.9 million share placement**.

Polo Resources will subscribe for 49.56 million shares (and attaching options) under the placement, which will involve the issue of a total of 82.6 million shares at an issue price of \$0.12 each with one attaching option exercisable at \$0.25 by 30 June 2011 for each two shares issued. The balance of the placement is to be subscribed for by institutional or sophisticated investors. Upon completion of the placement Polo Resources will own approximately 11.95% of the shares on issue.

Polo Resources is focused on investing in or acquiring and developing advanced stage uranium assets and recently acquired stakes in a number of pre-production uranium companies through share placements. Polo's Executive Director, Mr Stephen Dattels, and its Managing Director, Mr Neil Herbert, have a very strong track record in the uranium sector. Both are ex-Uramin Directors, who sold the company to Areva for US\$2.7 billion in 2007.

Polo currently has a 9.08% interest in Extract Resources Limited, operator of the Rossing South uranium discovery in Namibia (located near WME's Marenica Project), has entered into a subscription agreement to acquire up to 19.9% of A-Cap Resources, which is developing the Letlhakane Uranium Project in Botswana, and holds an 8.93% interest in Berkeley Resources, a leading uranium explorer and developer in Spain.

Mr. Paul Ingram, a Director of Polo Resources Limited, will join the Board of the Company on completion of the placement.

Mr. Ingram is a geologist with extensive experience in managing major mineral exploration programmes for several publicly listed companies. He has designed and implemented innovative techniques for exploration in remote areas, and has

managed projects in countries throughout Australia and East Asia. Mr. Ingram has been involved in mineral exploration and development for over 30 years. He was formerly Managing Director of Menzies Gold Ltd and Exploration Director of Caledon Resources PLC.

Background & Use of Funds

The funds raised through the share placement will be used to accelerate the exploration and development of WME's 80%-owned Marenica Project, which is located in the rich Damara Province in Namibia.

The Marenica Project currently comprises a large, bulk tonnage uranium deposit with a JORC compliant Inferred Resource of **111 million tones averaging 140ppm U₃O₈ for 34 million pounds of contained U₃O₈**. The Project is located in one of Africa's premier uranium mining jurisdictions, approximately 70km north west of the Rossing Mine, the most productive hard rock uranium mine in the region, and 30km north of the Trekkopje Project, which will be in full production by 2010.

WME has recently completed a preliminary drilling program primarily for geotechnical, mineralogical and metallurgical testwork to be incorporated in a Scoping Study planned for the latter part of this year. This project area is also considered very prospective for hard rock uranium deposits adjacent to and below the existing resource.

This potential has recently been confirmed in drilling which intersected primary uranium in "alaskites" around the Marenica Dome. Several drill-ready "alaskite" targets have been identified.

Work is scheduled to commence immediately as part of an aggressive A\$5 million exploration budget for calendar 2009. Key activities will include:

- a substantial significant Reverse Circulation (RC) drilling program commencing in mid-July targeting "Alaskite" primary uranium mineralization within the Marenica Dome;
- probing of historical drill holes within the resource area as part of a program established by the Company's resource consultants, SRK Consulting Pty Ltd, to upgrade the Inferred Resource;
- an ongoing program of metallurgical testwork to define the best suited process route for the Project; and
- commencement of a Scoping Study which is designed to accelerate the development of the Project.

Commenting on the placement and forthcoming exploration program, WME's CEO, Mr John Young, said: "We are delighted to have secured Polo Resources, which is a leading strategic player in the global uranium industry, as a cornerstone investor in this share placement. We look forward to their support and input to our forthcoming exploration activities at the Marenica Project.

"This capital raising is a milestone event for the Company, which will ensure that we are adequately funded to pursue an aggressive exploration and development program to unlock the potential of the Marenica Project during 2009," he continued. "We believe that the

Marenica asset has outstanding potential and we look forward to an active exploration program in the months ahead.”

Information on Polo Resources Limited and be found at www.poloresourcesltd.com.

Termination of Contract

The Company also advises it has resolved to terminate the contract entered into by the Company on 16 May 2006 with Corporate Admin Services Pty Ltd for the provision of administration services to the Company. This will involve a termination payment of approximately \$880,000 which will ultimately be funded from the proceeds of the placement.

WEST AUSTRALIAN METALS LIMITED



John Young
Chief Executive Officer

Notes

Information in this report that relates to exploration results reflects information compiled by Paddy Reidy Principal Geological Consultant of CSA Global Pty Ltd who has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and 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 Reidy 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.

Information in this announcement that relates to Mineral Resources reflects information compiled by Jonathon Abbott and Arnold van der Heyden of Hellman and Schofield. Mr. Abbott has more than 5 years experience in the field of Exploration Results and is a competent person in terms of JORC standards for Exploration Results and of resource estimation in general. Mr. van der Heyden has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and 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. Abbott and Mr. van der Heyden consent to the inclusion in this announcement of the matters based on the information compiled by them, in the form and context in which it appears.