

17 March 2009

Dear Shareholder

**Letter to Shareholders**

As you maybe aware, Western Metals acquired a number of gold assets in the Tanzanian Lake Victoria Goldfields in early March 2009. As part of this transaction, we are now the manager and owner of a 49% stake (earning up to 68%) in the Nyanzaga Gold Project which has an existing resource estimated at 4.54 million ounces.

This acquisition has been part of a deliberate campaign over the past 18 months to identify a potential near term development project and heralds an important new direction for the Company. To reflect this new direction, which we believe is in the best interests of all shareholders, there are several important matters which require your approval. Attached to this letter is a Notice of Meeting of shareholders on 24 April 2009 to effect this new direction.

For the past few years we have wanted to change the name of the company to reflect a new start and cut any legacies associated with previous activities. This acquisition provides that opportunity. We propose changing the name to Indago Resources Limited, meaning in Latin “to investigate or explore”.

We have also proposed a 1 for 10 share consolidation. It is important to note that this initiative will not dilute the interests of any shareholder, as all shareholders interests will be consolidated on the same pro rata basis. Consolidation will deliver an enhanced capital structure and make an investment in the Company more appealing to sophisticated investors and institutions, locally and internationally. This is important step in achieving our objective of introducing cornerstone investors to the Company.

Finally, there are two resolutions in relation to the appointment of John Fitzgerald as a Non Executive Director. John brings excellent experience to the Board with a long and successful career in resource financing.

We have a keen focus on gold, with a scoping study on the Tusker gold deposit planned to be completed by June 2009 as well as developing and implementing a significant exploration programme to search for more resources in the Lake Victoria Goldfields.

We believe 2009 will be a defining year for the Company. We have an excellent balance sheet with over \$18m in cash reserves post this transaction with no debt and a high quality team of professionals based in Perth and Tanzania to take us forward.

I look forward to your support in renaming the Company Indago Resources Limited, with a new capital structure and our newest board member.

Yours sincerely



**George Bauk**  
**Managing Director**

Western Metals Limited

ABN 69 009 150 618



**Western Metals**

Notice of General Meeting

and

Explanatory Memorandum  
to Shareholders

A proxy form is enclosed

Please read the Notice and Explanatory Memorandum carefully.

If you are unable to attend the meeting please complete and return the enclosed proxy form in accordance with the specified instructions.



## **Western Metals Limited (“the Company”)**

**ABN: 69 009 150 618**

### Notice of general meeting

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Notice is given that a general meeting of the Company will be held at Celtic Club, 48 Ord Street, West Perth WA 6005 on 24 April 2009 at 11.00am.

### Agenda items

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#### 1 Election of John Daniel Fitzgerald

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To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That John Daniel Fitzgerald, having been appointed as a Director of the Company since the last general meeting and who retires at the commencement of the meeting and being eligible, is elected as a Director of the Company.

#### 2 Issue of Options to John Daniel Fitzgerald

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To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

Subject to resolution 1 being passed, that for the purposes of Listing Rule 10.11 of the Listing Rules of the ASX Limited, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 2,000,000 options to acquire fully paid ordinary shares in the capital of the Company to John Daniel Fitzgerald on the terms and conditions set out in the Explanatory Statement accompanying this Notice.

#### 3 Change of Company Name

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To consider, and if thought fit, to pass the following resolution as a special resolution:

That, with effect on and from the date that ASIC alters the details of the Company's registration in accordance with Section 157 of the Corporations Act, the name of the Company is changed to “*Indago Resources Ltd*”.

## 4 Consolidation of Share Capital

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To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of Section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every ten (10) Shares be consolidated into one (1) Share; and
- (b) every ten (10) Options to acquire a Share be consolidated into one (1) Option to acquire a Share,

and where this consolidation results in a fraction of a Share or Option being held by a Shareholder or Optionholder (as the case may be), the Directors of the Company be authorised to round that fraction up to the nearest whole Share or Option, with the consolidation taking effect on a date to be announced to the ASX in accordance with the requirements of the Listing Rules.

### Explanatory memorandum

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Shareholders are referred to the explanatory memorandum accompanying and forming part of this notice of meeting.

### Resolutions not interdependent

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Resolution 2 is dependent on resolution 1 being passed.

None of the other resolutions are interdependent. This means that a resolution can be passed even though one or more of the other resolutions are not passed by shareholders.

### Entitlement to vote

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## 1 Snapshot date

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It has been determined that under the *Corporations Regulations 2001* (Cth) regulation 7.11.37, for the purposes of the general meeting, shares will be taken to be held by the persons who are the registered holders at 5pm Perth time on 22 April 2009. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

## 2 Voting exclusion

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The Company will disregard:

- any votes cast on resolution 1 and 2 by John Daniel Fitzgerald and any of his associates;

unless the vote is cast in the following circumstances:

- by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## Proxies

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A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth); and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If such evidence is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A Proxy Form accompanies this Notice and to be effective must be received at the Company's Share Registry:

The Company Secretary  
Western Metals Limited  
c/- Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

OR by facsimile: (08) 9315 2233,

by no later than 11am (Perth time) on 22 April 2009.

## By Order of the Board

date 17 March 2009 \_\_\_\_\_

sign here ►



\_\_\_\_\_  
Morgan Ball  
Company Secretary



## Western Metals Limited (“the Company”)

ABN: 69 009 150 618

### Explanatory memorandum to shareholders

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This Explanatory Memorandum has been prepared to assist shareholders to understand the business to be put to shareholders at the forthcoming general meeting.

## 1 Election of John Daniel Fitzgerald (resolution 1)

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John Fitzgerald has been appointed as a Director since the last general meeting. Accordingly, he retires at the commencement of this meeting and offers himself for election.

The experience, qualifications and other information about the candidate appears below:

John Fitzgerald has over 20 years investment banking experience and has provided project finance, commodity risk management and advisory services to a large number of companies in the resource sector. He is a Chartered Accountant, a Fellow of FINSIA and a Graduate Member of the Australian Institute of Company Directors. Mr Fitzgerald is currently Managing Director of Optimum Capital Pty Ltd, an advisory business focussed on providing corporate, strategic, financial and project advisory services to the natural resources industry.

John has previously held positions as Head of Investec's Western Australian office, Head of Institutional and Corporate Banking, WA for the Commonwealth Bank, Executive Director of HSBC Precious Metals and Director responsible for NM Rothschild & Sons (Australia) Pty Ltd's resource financing business.

**The Directors (excluding Mr Fitzgerald) unanimously recommend that shareholders vote in favour of this resolution.**

## 2 Issue of options to John Daniel Fitzgerald (resolution 2)

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### 2.1 General

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act to issue and allot a total of 2,000,000 options to John Fitzgerald. These Options are to be issued on a pre-consolidation basis on the assumption that resolution 4 is approved.

Shareholder approval is required under ASX Listing Rule 10.11 and section 208 of the Corporations Act because a Director is a related party of the Company. Furthermore approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of securities will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

#### ***Listing Rule 10.11***

Listing rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purposes of Listing Rule 10.13, the following information is provided to shareholders:

- (a) the number of Options to be granted to John Fitzgerald is set out in the table below:

Name	Number
John Fitzgerald	2,000,000

- (b) The issue price of each Option is nil and therefore no funds will be raised from the issue of the Options.
- (c) The purpose of the grant of the Options as described further below is to give John Fitzgerald an incentive to provide future commitment and effort to the Company.
- (d) The Options will be issued and allotted within one (1) month after the date of the General Meeting (or such longer period of time as ASX may in its discretion allow);
- (e) Each Option entitles the holder to subscribe for one share. The Options will not be quoted on ASX. The exercise price, vesting date and expiry date for the Options to be granted are set out below and the other terms and conditions of the Options are detailed at Annexure B.
- (f) A voting exclusion statement for resolution 2 is included in the Notice of Meeting.

### **Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless one of the exceptions to the section apply or shareholders have in a general meeting previously approved the giving of that benefit to a related party.

As set out above, Directors are related parties of the Company. The proposed grant of options to John Fitzgerald constitutes the provision of financial benefit to a related party and requires shareholder approval.

In accordance with the requirements of Chapter 2E and in particular, section 219 of the Corporations Act, the following information is provided to allow Shareholders to assess the merits of the proposed grant of options pursuant to resolution 2.

- (g) The Company has obtained a valuation of the Options from an independent expert and the total value of the options to be granted is \$32,557.
- (h) In determining the value of the Options, the Binomial Option Pricing Model was used (with Black Scholes methodology used to validate this result) together with the following assumptions:
  - (1) the underlying share price on the valuation date was \$0.041;
  - (2) the standard deviation of returns is 80%;
  - (3) each Option is exercisable at the exercise price set out in this explanatory memorandum;
  - (4) a risk free rate of return of 3.70%; and
  - (5) the expiry date of the Options is 5pm on 28 February 2013.
- (i) If Shareholders approve the grant of Options and all or any of the Options are exercised, the effect will be to dilute the shareholding of existing Shareholders. The market price for Shares during the term of the Options would normally determine whether or not the related party exercises the Options. If at any time any of the Options are exercised, and the Shares which are trading on ASX are at a price which is higher than the exercise price of the Options then, there may be a perceived cost to the Company.
- (j) The dilution of all other Shareholders' holding in the Company, upon exercise of all options issued in accordance with resolution 2 assuming Shareholders approve the proposed grant of the options will be approximately 0.32% (based on the number of Shares currently on issue being 619,550,796) and 0.27% (based on a fully diluted basis which assumes that all existing options on issue are exercised).
- (k) Historical share price performance for the last twelve months is as follows:

	Price and date
Highest	\$0.11 on 22 May 2008
Lowest	\$0.022 on 28 November 2008
Latest	\$0.042 on 6 March 2009

- (l) Under the accounting standard AASB 2 – Share Based Payments, the Company will recognise an expense in the profit and loss statement for the fair value of the Options (if approved). The total fair value of the options is \$32,557.
- (m) Other than the information set out in this explanatory memorandum, the Company believes that there is no other information that would be required by shareholders to pass resolution 2.

## 2.2 Issue of options to John Daniel Fitzgerald

- (a) Subject to shareholder approval, Options will be issued to Mr Fitzgerald, a related party, as follows:

Name of Director	Allocation	Vesting	Expiry date	Exercise Price
John Fitzgerald	1,000,000	1 March 2010	28 February 2013	\$0.07
John Fitzgerald	1,000,000	1 March 2011	28 February 2013	\$0.15

- (b) The proposed financial benefit is the grant of 2,000,000 Options at no cost to Mr Fitzgerald.
- (c) The primary purpose for the issue of Options is to provide an incentive to provide future commitment and effort to the Company.
- (d) **Each of the Directors, other than Mr Fitzgerald, recommend that shareholders vote in favour of resolution 2**, on the basis that the incentive by way of grant of the Options is a cost effective and efficient incentive when compared to other forms of incentive (e.g cash bonuses or increased remuneration). Mr Fitzgerald has an interest in the resolution under which Options will be issued to him and therefore does not wish to make a recommendation. Each of the Directors (other than Mr Fitzgerald) do not have an interest in the outcome of the resolution other than as a shareholder in the Company, with the following shareholdings:
- |               |                   |
|---------------|-------------------|
| George Bauk   | 8,711,750 shares  |
| Geoff Chapman | 7,746,750 shares. |
- (e) The Company acknowledges that the grant of Options to Mr Fitzgerald (as a non-executive director of the Company) is contrary to recommendation 9.3 of the ASX Good Corporate Governance and Best Practice Recommendations. However, the Directors (other than Mr Fitzgerald) consider the grant of the Options to be appropriate and reasonable in the circumstances given the necessity to attract the highest calibre of professionals to the role, whilst maintaining the Company's cash reserves. The Directors (other than Mr Fitzgerald) consider it more appropriate for non – executive directors to be compensated in part by a performance related Options issue rather than by increased fees.
- (f) The total annual remuneration of Mr Fitzgerald (excluding the value of the proposed issue of Options) is as follows:

Person	Base salary	Superannuation	Total remuneration
John Fitzgerald	\$36,000	\$3,240	\$39,240



Mr Fitzgerald is also entitled to reimbursement of all reasonable travelling, accommodation and other expenses that a Director or alternate Director properly incur in attending meetings of Directors.

- (g) The current security holding of Mr Fitzgerald is as follows:

Person	Shares	Options
John Fitzgerald	Nil	Nil

- (h) A valuation of the Options has been obtained from an independent expert, prepared as at \$32,557 and on the basis of the assumptions detailed above at 2.1:

Name of Director	Allocation	Vesting	Exercise Price (\$)	Value of each Option (\$)	Total Value of Options (\$)
John Fitzgerald	1,000,000	1 March 2010	0.07	\$0.02	\$19,665
	1,000,000	1 March 2011	0.15	\$0.012	\$12,892

- (i) If shareholders approve the grant of Options to Mr Fitzgerald and all of the Options are exercised, the effect will be to dilute the shareholding of existing shareholders by 0.32% on an undiluted basis and based on the number of Shares on issue as at the date of this notice being 619,550,796.

### 3 Change of Company Name (Resolution 3)

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The Directors of the Company have resolved, subject to Shareholder approval, to change the Company's name to "*Indago Resources Ltd*" and resolution 3 seeks Shareholder approval for that change in accordance with Section 157 of the Corporations Act.

The Company has been considering the need to re-brand the business for some time and given its recent acquisition of Sub-Sahara Resources' Tanzanian gold assets, feels that now is the appropriate time to make this change of Company name for the following reasons:

- (a) to re-brand the business with a name that better reflects the re-generated focus of the company; and
- (b) to have a name that is not associated with the previous Western Metals Ltd which was placed into Administration in 2005.

Resolution 3 is a Special Resolution and, as such requires approval of 75% of the votes cast by Shareholders entitled to vote on the Resolution, in order to be passed.

If approved by Shareholders the change of name will take effect from the date on which ASIC updates its register, which may take several weeks following the general meeting.

**The Directors unanimously recommend that the Company's Shareholders vote in favour of this resolution.**

### 4 Consolidation of Capital (Resolution 4)

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Resolution 4 seeks Shareholder approval to consolidate the Company's issued capital by:

- (a) Consolidating every ten (10) pre-consolidation Shares into one (1) post-consolidation Share; and
- (b) consolidating every ten (10) pre-consolidation Option into one (1) post-consolidation Option.

For example, if you held 10,000 shares before the consolidation, you would hold 1,000 shares after the consolidation, but the company's share price should, all other things being equal, increase to reflect the consolidation and the smaller number of shares on issue. Similarly, the exercise price of the Options on issue will be increased tenfold as reflected below.

## Background

The Directors consider that the Company's present capital structure is unwieldy and recommend that it be consolidated as part of its ongoing capital management programme.

## Indicative Timetable

Event	Date
Announcement of Consolidation of Capital	17 March 2009
Snapshot date for eligibility to vote at general meeting	22 April 2009
General meeting to approve consolidation	24 April 2009
Company announces to ASX that shareholders have approved consolidation	24 April 2009
Last day for ASX trading of shares on a pre-consolidated basis Last day for Optionholder to lodge notice of exercise of options on a pre-consolidated basis	24 April 2009
Trading in consolidated shares, on a deferred settlement basis, starts	28 April 2009
Last day for Company to register share transfers on a <b>pre-consolidated</b> basis. Last day for Company to issue Shares resulting from exercise of options on a <b>pre-consolidated</b> basis.	4 May 2009
First day for Company to register share transfers on a <b>consolidated</b> basis and first day for Company to issue holding statements for Shares and Options on a consolidated basis. Shareholdings consolidated. Optionholdings consolidated.	5 May 2009
Company announces to ASX that dispatch of the holding statements has occurred (by no later than 12 noon Sydney time)	6 May 2009
Normal T+3 ASX share trading starts	7 May 2009
Settlement of ASX share trades conducted on the normal T+3 basis. First settlement of ASX share trades conducted on a deferred settlement basis.	11 May 2009

These dates are indicative only and may be subject to change.

## Consolidation

Section 254H of the Corporations Act provides that a company may, by resolution passed in general meeting, convert all or any of its shares into a larger or smaller number of shares. The ASX Listing Rules also require that the number of options on issue be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

Assuming that no Options are exercised before the record date, the effect of the consolidation of the Company's issued capital is set out below (using the share capital on issue as at the date of the notice of meeting and assuming the issue of Options to John Daniel Fitzgerald as per resolution 2, above is approved).

Shares		Number
Pre-consolidation ordinary shares		621,550,796
Number of post-consolidation ordinary shares		62,155,080
ASX Quoted Options	Exercise Price	Expiry Date
Pre-consolidation options		
<b>85,833,333</b>	\$0.35	30 April 2010
Post-consolidation options		
<b>8,583,333</b>	\$3.50	30 April 2010
Unquoted Options	Exercise Price	Expiry Date
Pre-consolidation options		
6,000,000	\$0.20	30 June 2010
500,000	\$0.025	30 April 2011
18,000,000	\$0.05	30 April 2011
3,000,000	\$0.15	30 June 2011
6,000,000	\$0.35	30 June 2011
500,000	\$0.26	30 June 2012
4,275,000	\$0.20	30 June 2012
14,500,000	\$0.07	28 February 2013
13,500,000	\$0.15	28 February 2013
<b>67,525,000</b>		
Post-consolidation options		
600,000	\$2.00	30 June 2010
50,000	\$0.25	30 April 2011
1,800,000	\$0.50	30 April 2011
300,000	\$1.50	30 June 2011
600,000	\$3.50	30 June 2011
50,000	\$2.60	30 June 2012
427,500	\$2.00	30 June 2012
1,450,000	\$0.70	28 February 2013
1,350,000	\$1.50	28 February 2013
<b>6,752,500</b>		

### Fractional entitlements and taxation

Not all Shareholders and Optionholders will hold that number of Shares and Options which can be divided evenly by 10. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Share or Option.

It is not considered that any taxation consequences will exist for Shareholders or Optionholders arising from the consolidation. However, Shareholders and Optionholders are advised to seek

their own taxation advice on the effect of consolidation on their personal circumstances. Neither the Company, nor directors (or the Company's advisors) accept any responsibility for the individual taxation consequences arising from the consolidation.

**The Directors unanimously recommend that the Company's Shareholders vote in favour of this resolution.**

## Annexure A –Glossary

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The meanings of capitalised terms used in this Notice of Meeting and Explanatory Memorandum are set out below:

**ASX** means ASX Limited or the Australian Securities Exchange operated by it, as the context requires.

**Board** means the Board of Directors.

**Company** means Western Metals Limited ABN 69 009 150 618.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the Directors of the Company.

**Option** means an option to subscribe for one Share in the Company.

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

## Annexure B - Terms and conditions of the unlisted options

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### ***Terms and Conditions of the \$0.07 Options.***

The terms and conditions of the options are as follows:

- (i) The exercise price of each option is \$0.07;
- (ii) The options expire at 5pm on 28 February 2013 (Expiry Date);
- (iii) The options vest on 1 March 2010;
- (iv) The options are not transferable;
- (v) Should an allottee cease to hold office with the Company for any reason whatsoever, the relevant outstanding existing unvested options of the allottee shall be forfeited;
- (vi) On cessation (as referred to in (v) above) the allottee will have 90 days to exercise relevant existing vested options otherwise they shall be forfeited.
- (vii) subject to (viii) the options are exercisable by completing a notice of exercise and delivering it, together with payment for the number of shares in respect of which the options are exercised, to the registered office of the Company;
- (viii) the options can only be exercised during a 'trading window' or otherwise in accordance with the procedures set out in the Company's guidelines for dealing in securities from time to time;
- (ix) Options will not be granted Official Quotation by the ASX;

- (x) all shares issued upon exercise of the options will rank pari passu in all respects with the Company's then ordinary issued Shares. The Company will apply for official quotation by ASX of all shares issued upon exercise of the options;
- (xi) an option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised ;
- (xii) there are no participating rights or entitlements inherent in the options and the holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven (7) business days after the issue is announced. This will give the option holder the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue;
- (xiii) If at any time the issued capital of the Company is reconstructed, all rights of the option holder are to be changed in a manner consistent with the ASX Listing Rules.

***Terms and Conditions of the \$0.15 Options.***

The terms and conditions of the \$0.15 options are as follows:

- (i) The exercise price of each option is \$.015;
- (ii) The options expire at 5pm on 28 February 2013 (Expiry Date);
- (iii) The options vest on 1 March 2011;
- (iv) The options are not transferable;
- (v) Should an allottee cease to hold office with the Company for any reason whatsoever, the relevant outstanding existing unvested options of the allottee shall be forfeited;
- (vi) On cessation (as referred to in (v) above) the allottee will have 90 days to exercise relevant existing vested options otherwise they shall be forfeited.
- (vii) subject to (viii) the options are exercisable by completing a notice of exercise and delivering it, together with payment for the number of shares in respect of which the options are exercised, to the registered office of the Company;
- (viii) the options can only be exercised during a 'trading window' or otherwise in accordance with the procedures set out in the Company's guidelines for dealing in securities from time to time;
- (ix) Options will not be granted Official Quotation by the ASX;
- (x) all shares issued upon exercise of the options will rank pari passu in all respects with the Company's then ordinary issued Shares. The Company will apply for official quotation by ASX of all shares issued upon exercise of the options;
- (xi) an option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised ;
- (xii) there are no participating rights or entitlements inherent in the options and the holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven (7) business days after the issue is announced. This will give the option holder the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue;
- (xiii) If at any time the issued capital of the Company is reconstructed, all rights of the option holder are to be changed in a manner consistent with the ASX Listing Rules.



WESTERN METALS LIMITED

**ABN 69 009 150 618**

## PROXY FORM GENERAL MEETING

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I/We

being a Member of Western Metals Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the general meeting to be held at Celtic Club, 48 Ord Street, West Perth WA 6000 on 24 April 2009 at 11am (Perth Time) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

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### Voting on Business of General Meeting

		FOR	AGAINST	ABSTAIN
<b>Resolution 1:</b>	<b>Election of Director</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Resolution 2:</b>	<b>Issue of Options to Director</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Resolution 3:</b>	<b>Change of Company Name</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Resolution 4:</b>	<b>Consolidation of Capital</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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OR

If the Chairman of the meeting is appointed your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by him other than as proxy holder will be disregarded because of the interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. The Chairman intends to vote in favour of all of the resolutions. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this

day of

2009

**By:**

Individual or Security holder 1

Security holder 2

Security holder 3

Sole Director and  
Sole Company Secretary

Director

Director / Company Secretary

## Western Metals Limited

### HOW TO COMPLETE THE PROXY FORM

#### 1 Appointment of a Proxy

If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the meeting please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered Shareholder in the space.

#### 2 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### 3 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together in the same envelope.

#### 4 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the security holders should sign.
Power of Attorney:	to sign under Power of Attorney, you must have already lodged this document with the Company. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

If a representative of a corporate Shareholder or proxy is to attend the meeting an appropriate certificate of appointment of corporate representative should be produced prior to admission.

#### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 11am (Perth time) on 22 April 2009.

Any Proxy Form received after that time will not be valid for the scheduled meeting.

IN PERSON	770 Canning Highway, Applecross, Western Australia
BY MAIL	c/- Security Transfer Registrars, 770 Canning Highway, Applecross, WA 6153
BY FAX	Facsimile number: (08) 9315 2233