

**Western Metals Limited**  
**30 June, 2002 Quarterly Report**

18 July, 2002

The Listing Manager  
Australian Stock Exchange  
Mezzanine Level, Exchange Plaza  
2 The Esplanade  
Perth, WA 6000

Dear Sir/Madam

## WESTERN METALS LIMITED

### QUARTERLY REPORT

Quarter Ended 30<sup>th</sup> June, 2002

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#### HIGHLIGHTS

##### Corporate

- ◆ Agreement was achieved on outstanding key aspects of the debt restructure arrangements, particularly with respect to the terms of ongoing support from the Noteholders. A further extension of time has been agreed to allow finalisation of legal documentation.

##### Production

- ◆ Mt Gordon produced a record 13,117 tonnes of copper for the quarter and an annual production record of 48,900 tonnes in 2001/02.
- The Mt Gordon Stage 2 expansion was approved during the quarter
- ◆ Record mine production from the Lennard Shelf at 709,602 tonnes of ore for the quarter

##### Resources

- ◆ At the Mt Oxide prospect, 25 kms north of Mt Gordon, where Western Metals is earning 60% equity in joint venture with Perilya, surface diamond drilling has continued to intersect good high grade intercepts.
- Underground drilling at Mammoth has resulted in new improved resource estimates for Lens 2 and D Lens

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## **OPERATIONS**

Both operations continued to maintain productivity at high levels.

### **Lennard Shelf**

- The Pillara mill produced 46,564 tonnes of zinc in concentrate and 16,780 tonnes of lead, which in total was 4% lower than the previous quarter. Production was down due to an unexpected slip ring fault in the ball mill which reduced capacity by 50% for 7 days. The fault has been successfully repaired.
- Metallurgical recoveries and concentrate grades were maintained at similar levels to the previous quarter.
- Total mine production from Pillara and Kapok was slightly up on the March quarter at 709,602 tonnes grading 7.23% Zn, 2.8% Pb.
- Kapok Mine grades were lower due to the mining of a newly defined lower grade ore zone in the hangingwall and adjacent to the existing high grade kapok ore body. This zone is incremental ore to the existing stopes and extends down 3 levels in the western part of the mine from the 625rl to 595rl. Underground production diamond drilling is ongoing to define this and investigate similar potential elsewhere.
- Access to Kapok West is planned from decline development which is underway to pick up two high grade extensions to the main ore body on the upper levels of the western part of the mine.
- Concentrate shipping was back on schedule following the delays due to flooding reported in the March quarter.
- There were 8 lost time injuries during the quarter and the LTI frequency rate has increased to 11.7 as at June 30.

### **Mt Gordon**

- The Mount Gordon Stage 2 expansion project was approved in principle during the quarter. A number of long lead items have been ordered and preliminary activities have commenced in preparation of the full implementation of the project in due course. The project involves the recommencement of mining activities at the Mammoth Underground in conjunction with the expansion of the processing plant by the addition of a flotation circuit and additional grinding, thickening, and tailings disposal capacity.
- Dewatering of the Mammoth Mine has reached 4800 RL and is expected to be completed in the September quarter when the bottom of the mine at 4720 RL is reached. Approximately three tonnes per day of copper is recovered from these waters.
- Mining in the Esperanza Open Pit has reached the 5150 RL. As the pit narrows with increasing depth careful planning is required to maintain the optimal ore blend to the plant.
- The processing plant established a new quarterly production record of 13,117 tonnes, exceeding production from the previous quarter by almost 11%. The record was achieved in spite of two full plant shutdowns taken in April and June for planned maintenance. An

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annual production record of 48,900 tonnes was achieved, exceeding the previous year by almost 6%. Production levels are expected to continue at a 52,000 tonnes per annum rate, notwithstanding planned full plant shutdowns in the coming quarters. The innovative Mount Gordon Ferric Leach Process is proving to be well suited to incremental production improvement.

- While plant recoveries dropped slightly due to the presence of poorer leaching copper minerals and poorer filtering gangue minerals that were exposed in the lower levels of the Esperanza Pit, consistent weekly production in excess of 1,000 tonnes per week was achieved as a result of improved ore blending and plant control and improved preventative maintenance leading to fewer breakdowns.
- There was one lost time injury for the quarter and four over the last 12 months.

### **Mt GORDON –STAGE 2 DEVELOPMENT**

The Stage 2 feasibility study to develop the Mammoth underground and construct a flotation plant ahead of the present process plant was successfully completed.

A second programme of drilling continued from the 4850RL exploration drive at Mammoth underground to better define the D Lens resource and the westerly extensions to Lens 2. This programme was completed on June 10 and the drill results are shown below.

#### **Mt Gordon Mammoth drill hole collar details for drilling this quarter**

Hole	AMGE	AMGN	RL	Depth	Dip	Azimuth
UM818	328164.5	7820753.9	4838	152.4	5	164
UM819	328164.5	7820753.9	4838	161.6	-20	155
UM820	328164.5	7820753.9	4838	216.7	-21	200
UM821	328164.5	7820753.9	4838	296.3	-37.75	187.25
UM822	328164.5	7820753.9	4838	251.3	-34.75	161.75
UM823	328164.5	7820753.9	4838	205.1	-29.5	142.5
UM824	328164.5	7820753.9	4838	315.0	-43	137.5
UM825	328164.5	7820753.9	4838	298.6	-44	173.5
UM826A	328164.5	7820753.9	4838	182.6	-33.5	154
UM827	328164.5	7820753.9	4838	125.6	19.25	149.5
UM828	328164.5	7820753.9	4838	155.2	19	192.5
UM829	328239.9	7820824.7	4848.4	215.2	3.5	170.5
UM830	328239.9	7820824.7	4848.4	237.6	-31	161.5
UM831	328239.9	7820824.7	4848.4	245.2	-37	174.5
UM832	328239.9	7820824.7	4848.4	239.5	-41	154.5

#### **Mammoth drill hole assays (using a 1% Cu cut off) received in the quarter**

Drillhole	From	To	Metres	Cu %
UM810	165	182	17	3.21
UM810	196	202	6	2.13
UM810	205	218	13	2.48
UM810	234	238	4	7.65
UM811	154	167	13	1.74
UM811	199	245	46	4.98
UM812	172	180	8	1.56
UM812	199	204	5	2.41
UM812	206	241	35	2.12
UM812	255	269	14	2.08
UM813	159	167	8	2.06
UM813	191	216	25	2.5
UM813	219	234	15	1.46
UM814	93	102	9	3.67
UM816	111	121	10	1.78
UM816	125	152	27	3.67
UM817	79	129	50	4.69

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UM818	90	93	3	2.45
UM818	104	106	2	6.47
UM818	122	124	2	2.68
UM819	113	138	25	5.22
UM820	141	150	9	3.6
UM821	148	154	6	1.14
UM821	244	251	7	3.81
UM822	137	146	9	3.04
UM823	120	124	4	2.36
UM823	129	146	17	1.4
UM823	149	158	9	2.65
UM824	197	204	7	4.02
UM824	242	245	3	3.02
UM824	258	264	6	1.74
UM824	274	281	7	2.67
UM825	202	209	7	4.4
UM825	249	251	2	1.9
UM825	256	262	6	1.4
UM826A	133	145	12	2.2
UM827	80	82	2	6.35
UM827	92	96	4	3.76
UM827	99	102	3	3.68
UM827	105	113	8	2.15
UM828	92	97	5	2.2
UM829	112	123	11	1.49
UM829	140	161	21	2.18
UM830	200	214	14	3.06
UM832	157	164	7	1.55

As a result of this drill programme the Lens 2 and D lens resources have been re-estimated. The indicated resource for Lens 2, at a 2% cut off, is 3.123 million tonnes grading 4.2 % Cu and that for D Lens is 1.312 million tonnes grading 4.2%Cu.

A reserve had been generated in the Stage 2 feasibility study using the resource estimates published in the December 2001 quarter and these reserves are included in the tabulation attached, however they are currently under review and will change as new mine plans are developed on the new resource models.

A table of the Mammoth chalcocite resource and reserve estimates is appended as Attachment 3.

### **Mt Gordon Esperanza**

Three diamond drill holes, SD386 to SD388, were completed to test the mineralisation around 3650N section underneath the north wall of the open pit. Two holes were drilled below the open pit to better define the chalcocite mineralisation on the 5000-5010 rls. The results are shown below;

#### **Mount Gordon Esperanza Drill Hole Locations**

BHID	AMGE	AMGN	RL	EOH	COLDIP	COLAZAMG	DATUM	PROJECTION
<b>Esperanza</b>								
SD386	327664	782103	5270.2	244	-58	142	AGD66	AMG54
SD387	327664	782103	5270.2	224.4	-53	136	AGD66	AMG54
SD388	327664	782103	5270.2	186.3	-50	136	AGD66	AMG54
ESP389	327671	782071	5180	249.2	-60	319	AGD66	AMG54
ESP390	327548	782066	5180	231.1	-57	319	AGD66	AMG54

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**Esperanza diamond drilling (1% Cu cut off)**

Hole No	From	To	Metres drilled	Cu%	Comments
SD386	182.1	189.1	7	1.7	DW Lens position.
	193.1	195.6	2.5	5.2	
	205.4	208.1	2.7	4.7	
SD387	163.0	175.9	12.9	3.2	DW Lens position.
SD388	147.5	158.1	10.6	7.2	DW Lens position.
ESP389	150.4	153.7	3.3	1.8	Eastern limb of Esperanza lower
	162.2	166.2	4	2.3	
	202.7	214.0	11.3	2.1	Western limb of Esperanza lower
ESP390	179.6	191.0	11.4	2.8	Eastern limb of Esperanza lower

## EXPLORATION

### Lennard Shelf

At Fossil Downs a total of 408 soil samples were collected for assay using partial leach extraction. These were collected over southern and eastern extensions to the project area. New geological interpretations and resource sections have been created from re-logging of earlier holes and a review of geophysical data.

The Margaret River crossing to Fossil Downs was opened in June to allow heavy vehicle access into the main prospect area and surface drilling is planned to start in early July on the high grade zone.

A structural review was undertaken for the Pillara area using gravity geophysics which identified Pillara 'lookalike' fault drill targets east of the mine. An underground drill programme was designed to explore the western footwall area of Pillara South and this is expected to start at the end of July.

At Kapok a programme is being designed to drill underground targets north and south of the main ore body to fully test the potential as development to access Kapok West progresses.

A soil sampling programme was designed for the Spotted Cow and Oscar Hill tenements. A work programme for the areas has been presented to the Bunuba Native Claimant Group and clearances are planned as per the Native Title and Heritage Protection Agreement. A similar agreement is proposed with the Gooniyandi Native Title Claimant Group and draft documents are currently being considered.

### Mt Gordon Regional

**Mt Oxide** (In Joint Venture with Perilya Limited on EPM 10313. Western Metals is managing the Joint Venture and earning a 60% interest)

Mt Oxide is 25 Kms north of Mt Gordon and is a potential future source of high grade chalcocite ore for the Mt Gordon plant, similar to that currently being mined in the Esperanza open pit.

Drilling in the previous quarter had established thick zones of high grade chalcocite mineralisation. A further 3 NQ diamond core drill holes for a total of 1,108m were drilled at the old Mount Oxide Mine site, the better chalcocite results at a 1% cut off include;

<b>Hole No</b>	<b>Summary details</b>
MOX12	9m @ 13.9% Cu from 308m
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MOX13            5m @ 5.1% Cu from 202m  
                     6m @ 6.8% Cu from 247m  
 MOX14            3m @ 3.1% Cu from 153m

The results continue to be very encouraging. The intersections are a mix of thinner strata bound mineralisation marginal to a series of silica haematite zones. The thicker higher grade zones are variable but appear to broadly correlate along the footwall margins of a particular silica haematite zone, however MOX12 intersected strong mineralisation at a deeper position than previously encountered indicating the potential for steeply plunging structures.

A programme of drilling to test for extensions to the thicker high grade zone and for the link to a fault structure which was host to the original underground ore body will start in July.

The detailed intersections are tabulated below

Hole Locations

BHID	AMGE	AMGN	RL	EOH	COLDIP	COLAZAMG	DATUM	PROJECTION
MOX012	330973	7845280	5224	356.2	-62	305	AGD66	AMG54
MOX013	330973	7845280	5224	432.2	-63.3	327	AGD66	AMG54
MOX014	330975	7845350	5241	320	-58.6	284.5	AGD66	AMG54

Mount Oxide diamond drilling assay results (1% Cu cut off)

Hole No	From	To	Metres drilled	Cu%
MOX12	100	101	1	1.28
	126	127	1	1.12
	147	149	2	3.79
	215	217	2	3.05
	218	219	1	1.28
	221	222	1	1.16
	236	237	1	1.24
	252	257	5	1.49
	264	265	1	1.26
	266	267	1	1.08
	278	280	2	1.40
	281	282	1	1.10
	283	284	1	1.17
	296	297	1	1.02
	298	302	4	1.98
MOX13	304	307	3	3.22
	308	317	9	13.88
	320	321	1	1.11
	323	330	7	1.71
	354	355	1	1.10
	130	132	2	2.30
	161	163	2	1.47
MOX14	166	167	1	2.75
	202	207	5	5.08
	245	246	1	1.02
	247	253	6	6.83
	292	293	1	3.55
MOX14	96	98	2	1.36
	148	150	2	1.63
	151	152	1	1.10
	153	156	3	3.06
	196	197	1	1.40
	198	199	1	1.01
	200	201	1	2.30

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Intervals of core loss were included in the length weighted average at zero Cu grade.

Assay samples are 1 metre lengths of NQ core split with a diamond saw.

Samples were analysed by ANALABS Townsville. Total Cu was determined by:

- method I105 (total acid digest ICP) for Cu < 5%
- method OA601 (total acid digest AAS) for Cu >5%

A standard sample with a value of 2.48% Cu was submitted with a frequency of one per twenty core samples. Assay results of the standard are within acceptable limits.

No repeat or check assaying has been completed.

### Mount Osprey

Three RC percussion drill holes totalling 294m were completed in the March quarter on the Mount Osprey Prospect (Western Metals 62%, Dalrymple 38%). All holes intersected narrow zones of weakly developed chrysocolla and malachite mineralisation and the results are shown below. No Further work is anticipated

#### Mt Osprey drill hole location data ;

BHID	AMGE	AMGN	EOH	COLDIP	COLAZMAG
MORC-1	344624	7793854	96.0	-60.0	310.0
MORC-2	344554	7793820	108.0	-60.0	350.0
MORC-3	344522	7793810	90.0	-60.0	350.0

#### Mt Osprey RC Percussion drilling

Hole No	From	To	Metres drilled	Cu <sub>total</sub> %
MORC-1	2	3	1	1.5
	21	22	1	1.3
	95	96	1	1.7
MORC-2	20	22	2	1.5
	50	51	1	1.1
MORC-3	19	20	1	2.2
	22	23	1	1.5
	24	25	1	1.2

### Moose Hill

Three diamond core holes totalling 772m were completed at the Moose Hill prospect, 28 Kms southwest of Mt Gordon. MHDH1 tested a strong ground EM geophysical conductor associated with copper anomalous breccias. Quartz carbonate veining with trace pyrite and chalcopryrite occurred intermittently throughout the hole. Holes MHDH4 and DH5 tested a 700m long zone of strongly copper anomalous breccias. Both holes intersected intermittent quartz carbonate veining with minor pyrite and chalcopryrite throughout. Final assays are awaited but results are not expected to be significant and no follow up work is planned. Hole locations are shown below;

BHID	AMGE	AMGN	RL	EOH	COLDIP	COLAZAMG	DATUM	PROJECTION
<b>Moose Hill</b>								
MHL001	313616	7797400	5300	252.0	-60	185	AGD66	AMG54
MHL004	313290	7797540	5305	246.2	-60	15	AGD66	AMG54
MHL005	313812	7797875	5300	273.3	-60	175	AGD66	AMG54

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**Big Oxide** (In Joint Venture with Perilya Limited on EPM 10313. Western Metals is managing the Joint Venture and earning a 60% interest)

One diamond drill hole was completed at the Big oxide prospect, 15Kms north of Mt Oxide. Hole BOX1 was drilled to test an EM geophysical conductor associated with a fault related haematite alteration zone. The hole passed through haematitic siltstones before passing into massive quartzites, further geophysical modelling will be completed to determine if follow up work is required. Assay results are awaited but results are not expected to be significant. The hole location is shown below:

BHID	AMGE	AMGN	RL	EOH	COLDIP	COLAZAMG	DATUM	PROJECTION
<b>Big Oxide</b>								
BOX001	334000	7858900	5260	215.4	-61	179.5	AGD66	AMG54

### Regional Exploration

Reconnaissance ground inspection of 62 selected airborne EM/structural/stream sediment anomalies throughout Western Metals' Mount Gordon region tenements commenced in late April.

To the end of the June quarter:

- o 36 anomalies were visited
- o 6 anomalies were recommended for the next stage of grid based exploration
- o 22 anomalies were written off
- o 8 anomalies are waiting on assays for a decision

Reconnaissance ground inspection will continue in the September quarter. Grid based investigation of the selected anomalies has commenced and will also continue through the September quarter.

### Native Title

The KERG ILUA between the Kalkadoon native title claimants and Queensland was registered by the NNTT on 17 May. Western Metals actively participated in the negotiation of the ILUA.

This agreement allows grant of "backlog" Exploration Permit Applications in non overlapping areas of the Kalkadoon Native Title Claim. Western Metals has received the first offer of grant of an EPMA under the KERG ILUA and are proceeding with it.

During the quarter Western Metals signed a deed with the Kalkadoon people extending the cultural heritage protection procedures of the KERG ILUA to the company's granted EPM's in non-overlap areas. This provides a structured, documented cultural heritage protection regime and uniformity in cultural heritage protection procedures.

### NiWest (60% owned by Western Metals)

#### **Eucalyptus Bore drill programme**

Discussions are underway to supply Murrin Murrin with high grade ore and drilling is being undertaken to confirm likely high grade ore zones within the Eucalyptus Bore resource.

A number of high grade targets were identified within the Eucalyptus Bore nickel laterite resource and the first of these targets in the central zone was infilled drilled to a spacing of 100 x 50m. A total of 18 RC holes were completed for 304m.

The significant intercepts using a 1.3% cut off were as follows;



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Sample ID	Sample Weight (kg)	Sample Value (\$)	From	To	Duration (min)	Grade (%)	Recovery (%)
EBC094	11000	10525	6	14	8	1.54	0.09
EBC099	10700	10350	6	13	7	1.41	0.14
EBC104	10300	10600	6	12	6	1.27	0.03
EBC110	10100	10650	3	9	6	1.39	0.06
EBC101	10700	10450	18	23	5	1.39	0.12
EBC096	10900	10450	17	22	5	1.42	0.06

Bench scale metallurgical test work established that the material is readily amenable to treatment at Murrin Murrin

### Corporate

Agreement has been reached on outstanding key aspects of the debt restructure arrangements, particularly with respect to the terms of ongoing support from the Noteholders. Important aspects of the overall restructure include;

- Agreed medium term debt restructure with the Company's major financiers including past deferrals of hedge deliveries as previously announced earlier this year;
- Capital injection by way of interest to equity conversion by the noteholders and a proposed rights issue to shareholders generally;
- 20:1 share consolidation to restructure the Company's capital base;
- Security being granted in favour of the Company's major financiers and
- Securement of a short term working capital facility to assist with cashflows.

Further detail is available from the Company's announcement to the ASX on the 27<sup>th</sup> June, 2002.

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**Registered and Principal Office**

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**Investor Relations**

Inquiries concerning this report may be directed to:

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**Shareholder Inquiries**

Matters relating to shares held, change of address and tax file numbers should be directed to the Share Registrar:

Security Transfer Registrars Pty Ltd  
Level 1, 168 Adelaide Terrace  
Perth WA 6000  
Telephone: +61 (8) 9221 4200  
Facsimile: +61 (8) 9221 1581

Yours faithfully,



Geoff Wedlock  
Managing Director & CEO  
**WESTERN METALS LIMITED**

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**Attachment 1.**

**Mt GORDON OPERATIONS QUARTERLY PRODUCTION SUMMARY**

	Quarter Ended 30/06/02		Year to Date E/01-02		Quarter Ended 30/07/01	
	Tonnes	Cu%	Tonnes	Cu%	Tonnes	Cu%
<b>Ore processed</b>	175,003	8.6	613,918	9.0	143,670	9.2
<b>Copper cathode produced</b>	13,117	99.99	48,901	99.99	12,151	99.99
<b>Copper cathode sold</b>	14,670	99.99	48,331	99.99	13,466	99.99

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**Attachment 2.****LENNARD SHELF OPERATIONS QUARTERLY PRODUCTION SUMMARY**

	Quarter Ended 30/06/02			Year to Date FY01/02			Quarter Ended 30/06/02		
	Tonnes	Zn%	Pb%	Tonnes	Zn%	Pb%	Tonnes	Zn%	Pb%
<b>Mined</b>									
Goongewa	0	0	0	0	0	0	0	0	0
Kapok	122,711	7.1	3.9	492,110	7.6	5.6	131,669	8.4	7.0
Pillara	586,891	7.3	2.6	2,258,021	7.0	2.3	497,019	6.8	2.3
<b>Total Mined</b>	<b>709,602</b>	<b>7.2</b>	<b>2.8</b>	<b>2,750,131</b>	<b>7.1</b>	<b>2.9</b>	<b>628,688</b>	<b>7.1</b>	<b>3.3</b>
<b>Milled</b>									
Cadjebut	0	0	0	0	0	0	0	0	0
Pillara	676,980	7.2	2.8	2,723,851	7.1	2.9	655,344	7.1	3.2
<b>Total Milled</b>	<b>676,980</b>	<b>7.2</b>	<b>2.8</b>	<b>2,723,851</b>	<b>7.1</b>	<b>2.9</b>	<b>655,344</b>	<b>7.1</b>	<b>3.2</b>

	Quarter Ended 30/06/02			Year to Date FY01/02			Quarter Ended 30/06/02		
	Tonnes	%	Conc. Metal	Tonnes	%	Conc. Metal	Tonnes	%	Conc. Metal
<b>Zinc Conc Produced</b>									
Cadjebut	0	0	0	0	0	0	0	0	0
Pillara	77,061	60.4	46,564	305,609	59.6	182,237	75,095	56.9	42,700
<b>Total</b>	<b>77,061</b>	<b>60.4</b>	<b>46,564</b>	<b>305,609</b>	<b>59.6</b>	<b>182,237</b>	<b>75,095</b>	<b>56.9</b>	<b>42,700</b>
<b>Lead Conc Produced</b>									
Cadjebut	0	0	0	0	0	0	0	0	0
Pillara	21,532	77.9	16,780	90,174	77.4	69,833	24,898	77.1	19,184
<b>Total</b>	<b>21,532</b>	<b>77.9</b>	<b>16,780</b>	<b>90,174</b>	<b>77.4</b>	<b>69,833</b>	<b>24,898</b>	<b>77.1</b>	<b>19,184</b>

	Quarter Ended 30/06/02			Year to Date FY01/02			Quarter Ended 30/06/02		
	Tonnes	%	Conc. Metal	Tonnes	%	Conc. Metal	Tonnes	%	Conc. Metal
<b>Shipments</b>									
Total Zinc Conc Shipped	98,509	61.0	60,131	305,580	59.6	181,979	104,098	57.2	59,542
Total Lead Conc Shipped	27,359	77.8	21,295	90,689	77.3	70,121	27,238	76.2	20,749

## Attachment 3

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**MAMMOTH CHALCOCITE RESOURCE / RESERVE INVENTORY AS AT 30 JUNE 2002**

MAMMOTH CHALCOCITE	CUTOFF GRADE	MINERAL RESOURCES			TOTAL	PROVED	ORE RESERVES		TOTAL
		MEASURED	INDICATED	INFERRED			PROBABLE		
No 2 Lens	2% Cu		3,123,000 4.2		3,123,000 4.2		1,848,000 3.6		1,848,000 3.6
D Lens	2% Cu		1,312,000 4.2		1,312,000 4.2		1,167,000 3.0		1,167,000 3.0
B Lens	2% Cu	661,000 3.3	885,000 3.4	488,000 3.5	2,034,000 3.4		737,000 2.7		737,000 2.7
Resource within Feasibility Study Area		661,000 3.3	5,320,000 4.1	488,000 3.5	6,469,000 4.0	0	3,752,000 3.2		3,752,000 3.2
Other Resources Outside Feasibility Area	2% Cu	266,000 3.2	290,000 3.0	2,769,000 4.1	3,325,000 3.9				0 0.0
<b>MAMMOTH CHALCOCITE</b>		<b>927,000 3.3</b>	<b>5,610,000 4.0</b>	<b>3,257,000 4.0</b>	<b>9,794,000 3.9</b>	<b>0</b>	<b>3,752,000 3.2</b>		<b>3,752,000 3.2</b>

## Notes

These resources/reserves are reported in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves Sept 1999.

The resources of Mammoth are fault breccia related chalcocite and chalcopyrite Cu deposits.

This information is based on, and accurately reflects, information compiled by C. Gwatkin who is a Member of The Australasian Institute of Mining and Metallurgy.

C. Gwatkin is employed by Western Metals Limited.

C. Gwatkin has relevant experience in relation to the mineralisation being reported on, to qualify as a Competent Person as defined in the Australian Code for Reporting of Mineral Resources and Ore Reserves, Sept 1999.

The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Ore Reserves.

Ore Reserves were derived from the Feasibility Study.