



Activity Report

For the period ending 30 September 2014

EXCELLENT START TO YEAR, STRONG CASHFLOW GENERATION, LOW UNIT CASH COSTS AND PRODUCTION TRACKING WELL

Western Areas is an Australian-based nickel miner listed on the ASX. The main asset is the 100% owned Forrester Nickel Project, 400km east of Perth. Western Areas is Australia's second largest sulphide nickel miner producing approx. 25,000 tpa nickel in ore from the Flying Fox and Spotted Quoll mines.

Flying Fox and Spotted Quoll are two of the lowest cost and highest grade nickel mines in the world.

Western Areas is an active nickel explorer in Western Australia and holds significant exploration interests in Canada and Finland through shareholdings in Mustang Minerals and FinnAust Mining Plc.

The total Mineral Resource Estimate at Spotted Quoll now stands at 3.2Mt at an average grade of 5.5% Ni containing 173.4k nickel tonnes. The total Ore Reserve Estimate at Spotted Quoll comprises 2.91 Mt at 4.1% Ni containing approximately 118.8k nickel tonnes.

The total Massive Sulphide Mineral Resource Estimate at Flying Fox below the 800m RL now stands at 1.8Mt at an average grade of 5.2% Ni containing 92.5k nickel tonnes. The total Ore Reserve Estimate at Flying Fox comprises 1.5Mt at an average grade of 4.1% Ni containing approximately 61.2k nickel tonnes.

The Cosmic Boy concentrator has capacity for 550,000 tpa ore which equates to production capacity of about 25,000 tpa nickel in concentrate.

Western Areas has offtake agreements with BHP Billiton for 12,000 tpa nickel in concentrate and 13,000 tpa with Jinchuan for a total 25,000 tpa nickel in concentrate.

The Board remains focused on the core business of low cost, long life nickel production, new nickel discoveries and generating returns to shareholders.

ASX code: WSA

Shares on issue: 232.3m shares

Market capitalisation:

Approx A\$1.0B @ \$4.31 per share

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Western Areas (WSA or the Company) is pleased to report another solid quarterly performance and excellent start to the new financial year on safety, costs, operational metrics and positive free cashflow generation. **Unit cash cost of production was A\$2.50/lb (US\$2.31/lb) of nickel in concentrate for the quarter**, being A\$0.11/lb lower than the previous quarter.

The nickel price was in excess of US\$8/lb for most of the quarter, however retreated slightly into the mid US\$7/lb range during September. Partially offsetting the nickel price decline was a weakening Australian dollar. With a robust realised nickel price for the quarter combining with a solid operational effort on cost management, **free cashflow generation was A\$42m**, excluding the convertible bond retirement of A\$95m and interest costs of A\$7m. Consolidated Group **net cash is now A\$45m versus A\$10m last quarter**.

Mine production was **133,543 tonnes of ore at an average grade of 5.0% for 6,660 nickel tonnes** (380t of nickel ahead of last quarter). Mill production was 6,511 nickel tonnes in concentrate (175t of nickel ahead of last quarter).

Company performance is tracking well against guidance, and performance will continue to be monitored over the next quarter. Should any guidance metrics require adjustment, these will be made when reporting the December half yearly results.

The Indonesian Government has now reiterated on many occasions its commitment to the ban on the export of unprocessed laterite ore. Western Areas notes that the Philippines Government has also introduced draft legislation aimed at implementing a similar ban. However it is the Company's view that any Philippines ban is many years away from implementation.

September Quarter 2014 Highlights:

1. There were **ZERO lost time injuries for the quarter which resulted in a reduced LTIFR of 1.00** (1.98 previous quarter).
2. Flying Fox mine production was **65,097 tonnes of ore mined at 5.2% for 3,384 tonnes (7.5M lbs) of contained nickel**.
3. Spotted Quoll mine production was **68,446 tonnes of ore at 4.8% for 3,276 tonnes (7.2M lbs) of contained nickel**.
4. **Mill throughput of 153,474 tonnes of ore** (10% above nameplate capacity) at an average grade of **4.7% Ni with recovery of 90%**.
5. Total **nickel in concentrate sales comprised 6,648 tonnes (14.7M lbs)**.
6. Declared fully franked 4 cent per share final dividend for FY14.
7. **Unit cash cost of nickel in concentrate of A\$2.50/lb (US\$2.31/lb)**.
8. **Generated A\$42m free cashflow (excluding debt repayment and associated interest costs)** due to a continued strong nickel price and reductions in absolute operating costs.
9. Concentrate offtake tender documents sent to 25 different parties.
10. Shallow drilling in the current Resource at **New Morning intersected 53.95m @ 1.7% nickel from 38.0m, which included a massive sulphide interval of 2.55m @ 5.0% Ni from 89.4m**.



1. CORPORATE AND FINANCING

Cashflow

The consolidated group net cash position increased to A\$44.7m representing a substantial increase of A\$34.4m quarter on quarter. This positive movement excludes the Convertible Bond principal repayment (A\$95.2m) that occurred during July from the Company's cash reserves. When also excluding bond interest costs paid in July, free cashflow for the quarter was A\$42m underpinned by a consistent Australian dollar nickel sales price, increased nickel sales volumes and reduced operational costs.

Pre-consolidated cash at bank was A\$167.3m at the end of the quarter. The consolidated group's cash position was A\$169.7m which included the majority-owned FinnAust Mining Plc cash at bank of A\$2.4m. Total group cash at bank plus receivables stands at A\$191.4m.

Dividend

Western Areas declared a fully franked 4 cent per share dividend on 25 August 2014, this increased the total dividend paid to 5 cents per share for FY2014. The dividend was paid to shareholders on 10 October 2014.

Debt Facilities

The \$125m ANZ loan facility remains undrawn and is not due to expire until March 2017.

This facility provides repayment certainty for the maturity of the July 2015 convertible bond. Combined with the Company's existing cash balance and a positive net cash position, this facility gives the Company flexibility in its approach to retiring the remaining July 2015 bond.

Convertible Bonds

The Company fully repaid the face value of A\$95.2m that was outstanding on the July 2014 Convertible Bonds. The retirement of the convertible bonds was well flagged to the market and was a key objective for the Company. By retiring this debt with cash reserves, borrowing costs reduce by approximately A\$12m in FY15.

As at the end of the quarter, the Company only has a single tranche of Convertible Bonds outstanding with a face value of A\$125m that mature in July 2015. The bonds have a 6.4% coupon and a conversion strike price of A\$6.32/share. This bond is currently planned to be repaid using existing cash reserves or a mix of cash reserves and the ANZ facility. This will result in a further A\$12m reduction in borrowing costs FY16 (total combined improvement of approximately A\$24m per annum from the end of FY15).

Hedging

Western Areas manages nickel sales price risk with a combination of short term quotation period (QP) hedging and a set limit of medium term nickel hedging. The policy allows the use of forward sales, bought options and collar style options:

- QP hedging is used to manage the risk of price fluctuations for nickel already shipped to offtake partners that is yet to have its nickel price finalised.
- Medium term hedging is used to manage the risk of nickel price fluctuations with a maximum 25% of expected nickel sales per month hedged out for a maximum of 12 months.



At quarter's end, the hedge book consisted of QP and medium term nickel hedging of forecast sales. Details of hedges as at 30 September 2014 are as follows:

Hedging Details	FY 2015
Nickel Hedging - Collar Options	
Nickel Tonnes Sold	1,145
Average US\$/tn Cap	21,910
Average US\$/tn Floor	17,771
US\$ Hedging - Collar Options	
US\$ Sold	\$20,000,000
Average US\$ FX Cap	\$0.9400
Average US\$ FX Floor	\$0.8520

Concentrate Offtake Contracts

As announced on 4 August 2014, the Company is currently conducting an offtake tender process to replace the current Jinchuan contract due for completion during December 2014. The soon to be completed Jinchuan contract is for 26,000t of nickel in concentrate over an estimated two-year delivery period.

As expected, the Western Areas premium nickel concentrate, with its high iron to magnesium ratio, is highly sought by concentrate buyers in the global nickel market for blending purposes. The Company has received a number of bids and is currently conducting an evaluation process which includes further due diligence and meetings with the various interested parties. The offtake tender documents were issued to 25 different parties.

The Company also sells 12,000t per annum of nickel in concentrate to BHP Billiton's Nickel West pursuant to an offtake agreement that expires in 2017.

2. MINE SAFETY AND ENVIRONMENT

Safety

There were ZERO loss time injuries (LTI) for the quarter with the LTI frequency rate finishing at 1.00, versus 1.98 in the prior quarter.

During September, the mill laboratory at Forrestania sustained a fire that resulted in serious damage to the laboratory only. No personnel were injured during the incident. Importantly, the laboratory was well separated from the concentrator, mill administrative and operational areas and the Emergency Response Team extinguished the fire in a professional and timely manner. Consequently, there was no impact on production for the quarter or going forward. The fire remains under investigation however early indications are that the fire was caused by ignition of fibreglass resin in the fume cupboard. The Company has appropriate insurance in place.

As part of the Company's commitment to workplace health, a Wesley Mission suicide prevention facilitator visited the operations in September to run workshops surrounding issues of mental health. The seminars were well attended by both Company and contractor personnel.



Suicide prevention workshop at Flying Fox muster-room

Environment

One minor environmental incident occurred during the quarter which related to a water management practice on an exploration drill site. The incident was promptly reported and remedied resulting in negligible impact.

Compliance and Approvals

Compliance reporting completed during the quarter included the:

1. Annual Environmental Report for the Department and Mines and Petroleum (DMP);
2. Annual Tailings Storage Facility and Evaporation Pond Geotechnical Reports for the DMP;
3. Annual Monitoring Report for the Department of Environment Regulation (DER);
4. Annual Audit Compliance Report for DER; and
5. Annual Groundwater Review for the Department of Water.

The DMP relinquished all relevant unconditional performance bonds for Western Areas' operations following the lodgement of the Mining Rehabilitation Fund Report in the June quarter.

Mine Rehabilitation

Consistent with the Company's site rehabilitation program, planting of seedlings continued during the quarter into selected rehabilitation areas (see photo overleaf).

Ongoing enhancement of the site wide Rehabilitation Management Plan continued during the quarter which is targeting further standardisation of rehabilitation methodologies as part of our commitment to continuous improvement.

Sustainability

The National Pollution Inventory Report for Western Areas was submitted during the quarter. Preparation of the National Greenhouse and Energy Reporting Scheme report for the FY14 continued during the quarter and will be submitted in October. The majority of Western Areas operations are run on electricity sourced from the state electricity grid, not diesel fired power generation.



Environmental Technician Duane Byrnes with seedlings and personnel from the Talbot Nursery at Brookton

3. MINE AND MILL PRODUCTION AND CASH COSTS

Tonnes Mined		2013/2014			2014/2015
		Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr
Flying Fox					
Ore Tonnes Mined	Tns	83,095	79,328	67,966	65,097
Grade	Ni %	4.6%	4.1%	5.1%	5.2%
Ni Tonnes Mined	Tns	3,791	3,243	3,479	3,384
Spotted Quoll - Underground					
Ore Tonnes Mined	Tns	74,720	71,614	58,497	68,446
Grade	Ni %	4.8%	4.8%	4.8%	4.8%
Ni Tonnes Mined	Tns	3,616	3,466	2,801	3,276
Total - Ore Tonnes Mined	Tns	157,815	150,942	126,463	133,543
Grade	Ni %	4.7%	4.4%	5.0%	5.0%
Total Ni Tonnes Mined	Tns	7,407	6,709	6,280	6,660

Flying Fox

Flying Fox produced 65,097t of ore at an average grade of 5.2% nickel for 3,384t of contained nickel, being slightly ahead of expectations for contained nickel tonnes due to the strong grade.

Ore production for the quarter was predominantly from T5 longhole stopes (385, 285 and 515), with minimal ore driving in the newly established 255 level. New stoping horizons were opened up in the 292 level (T5) and the 670 and 640 levels (T4). Narrow vein mining continued in the 750 level, with new T5 stopes being opened up in the 475 and 385 areas.



Mine Development

The Streeter Decline recommenced in July and completed 207m of development for the quarter. Other lateral capital development included starting the 230 and 215 levels, and the completion of the 245 and 255 level access and related lateral infrastructure development for a total of 296m. Operating lateral development was minimal with just 90m of combined ore and waste development in various headings.

Airleg development included the start of the 1050 level access targeting T1 north higher grade zones north of the dolerite dyke plus the completion of the 760 sub-level for a total of 167m.



255 North ore drive face with 7% nickel massive ore

Spotted Quoll

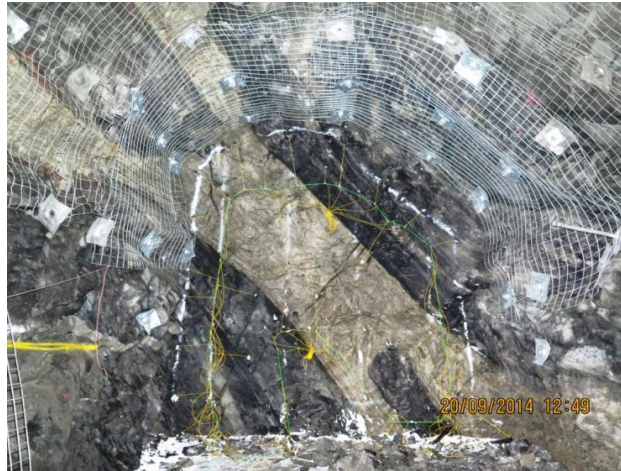
Spotted Quoll production was 68,446 tonnes at 4.8% nickel for 3,276 nickel tonnes for the quarter. Nickel production was 475t higher than the previous quarter, whilst grade has shown remarkable consistency at 4.8% Ni for the last four consecutive quarters.

Active mining levels for the quarter were 1095, 1080, 1065 (Block B) and 1005 (Block C).

Mine Development

The Hanna Decline advanced 173m during the quarter. Total lateral development was 1,442m, with 349m of ore drive development. Ore development in the main lode has slowed in-line with the mine plan with sufficient stoping areas developed for the next 12 months.

Spotted Quoll North ore development commenced in August with nickel grades in-line with guidance and some very high tenor ore (>10% Ni) intercepts encountered in the first two ore drives. The priority for the mine is to complete the decline/incline link between the 1230 and 1140 ore drives which will establish the primary ventilation link and escape-way access required to start stoping. We expect Spotted Quoll North to be fully operational towards the end of the December quarter and therefore ahead of schedule.



Charged face at Spotted Quoll North 1229 LOD

Cosmic Boy Nickel Concentrator

Tonnes Milled and Sold		2013/2014			2014/2015
		Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr
Ore Processed	Tns	148,901	147,544	151,232	153,474
Grade	%	4.9%	4.8%	4.7%	4.7%
Ave. Recovery	%	88%	90%	89%	90%
Ni Tonnes in Concentrate	Tns	6,427	6,344	6,336	6,511
Ni Tonnes in Concentrate Sold	Tns	6,409	6,418	6,374	6,648
Total Nickel Sold	Tns	6,409	6,418	6,374	6,648

The Cosmic Boy Concentrator processed 153,474 tonnes of ore at an average grade of 4.7% nickel, which produced 44,788 tonnes of concentrate grading 14.5% nickel for 6,511 tonnes. The Concentrator achieved a metallurgical recovery of 90.3% with 99.2% plant availability.

At the end of the quarter, 118,561 tonnes of ore at an average grade of 4.0% nickel, containing over 4,747 tonnes of nickel was stockpiled at site awaiting treatment at the Cosmic Boy Concentrator. The current stockpile represents over two months of mill feed and enables the selection of an optimal mill feed blend.

As reported earlier, during September the site assay laboratory sustained significant damage resulting from a fire. Concentrator production was not affected and normal assaying has continued using alternative equipment and nearby locations while a replacement facility is sourced. The Company has appropriate insurance in place.

Stockpiles		Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr
Ore	Tns	159,260	162,658	137,889	118,561
Grade	%	4.1%	3.8%	3.8%	4.0%
Concentrate	Tns	2,613	1,866	2,058	1,752
Grade	%	15.8%	14.0%	15.2%	14.3%
Contained Ni in Stockpiles	Tns	6,889	6,366	5,575	4,998



Cash Costs

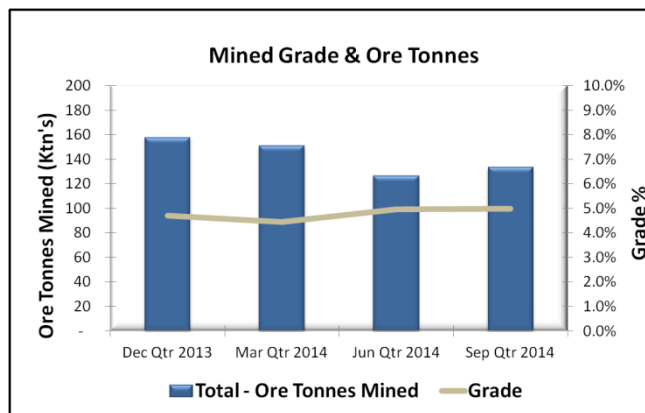
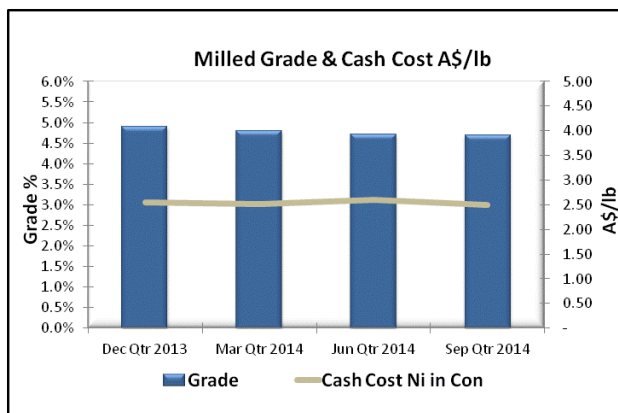
Financial Statistics		2013/2014			2014/2015
		Dec Qtr	Mar Qtr	Jun Qtr	Sep Qtr
Group Production Cost/lb					
Mining Cost (*)	A\$/lb	1.88	1.84	1.99	1.82
Haulage	A\$/lb	0.06	0.06	0.05	0.06
Milling	A\$/lb	0.44	0.43	0.43	0.44
Admin	A\$/lb	0.19	0.21	0.16	0.20
By Product Credits	A\$/lb	(0.03)	(0.02)	(0.02)	(0.02)
Cash Cost Ni in Con (***)	A\$/lb	2.54	2.52	2.61	2.50
Cash Cost Ni in Con/lb (***)	US\$/lb (**)	2.36	2.26	2.43	2.31
Exchange Rate US\$ / A\$		0.93	0.90	0.93	0.93

(*) Mining Costs are net of deferred waste costs and inventory stockpile movements

(**) US\$ FX for Relevant Quarter is RBA ave daily rate (Sep Qtr = A\$1:US\$0.93)

(***) Payable terms are not disclosed due to confidentiality conditions of the offtake agreements. Cash costs exclude royalties.

Note. Grade and recovery estimates are subject to change until the final assay data are received.



The unit cash cost of production for nickel in concentrate (excluding smelting/refining charges and royalties) for the quarter was A\$2.50/lb (US\$2.31/lb). While the quarterly result is ahead of full year guidance of A\$2.70/lb to A\$2.80/lb, we note that this is the full year target and the September quarter benefited from a number of factors detailed below:

1. Higher than expected mined grades from Flying Fox and its inclusion in the mill blend;
2. Increase Spotted Quoll material in the mill blend - Spotted Quoll has a favourable ore cost per tonne when compared to Flying Fox;
3. Finalisation of the contract extension with the underground mining contractor which resulted in further mining cost optimisations and productivity improvements; and
4. Continued focus on absolute cost management across all activities in the organisation.

Should there be any updates to full year guidance numbers these will be provided with the December half yearly results, which is entirely consistent with historical reporting.



4. NICKEL SALES

Delivery of concentrate to BHP Billiton's operations at Kambalda and Jinchuan's smelter in China continued without disruption during the quarter. **A total of 45,380 tonnes of concentrate was delivered containing 6,648 tonnes of nickel.** The concentrate stockpile at quarter end was 1,752 tonnes at a grade of 14.3% nickel, containing 251 tonnes of nickel metal.

As outlined earlier in the report, during the quarter the Company commenced an off-take tender process to replace the existing Jinchuan contract which is forecast to be completed by the end of December.

Western Areas was named as a finalist in the 2014 Western Australian Industry and Export Awards for the fourth year in succession.



Western Areas staff at the WA Industry and Export awards breakfast

5. FORRESTANIA MINERAL RESOURCES AND ORE RESERVES

Flying Fox

An update of the Flying Fox Mineral Resource and Ore Reserve was released during the quarter. The update resulted in a 9% increase in resource nickel tonnes and a 13% increase in reserve nickel tonnes.

Structural remodelling of the geological units and reinterpretation of the 3D model has generated several new targets that are currently being investigated through a drilling program below T5 commencing in October. Other targets include further resource and reserve extensions below the old Outokumpu workings where drilling is planned to commence at the end of November 2014. Drilling to test T7 mineralisation trending north towards the dolerite dyke started during the quarter.

The Mineral Resource Estimate for the Flying Fox massive sulphide deposit (depleted for the September quarter) now stands at **1.77Mt of ore at a grade of 5.2% nickel for 92,547 nickel tonnes.**

The Ore Reserve Estimate for the Flying Fox massive sulphide deposit (depleted for the September quarter) now stands at **1.50Mt of ore at a grade of 4.1% nickel for 61,177 nickel tonnes.**



The longitudinal section below (Figure 1) shows the Flying Fox mine below 800m RL with mineral resources and ore reserves depleted for mining production during the quarter.

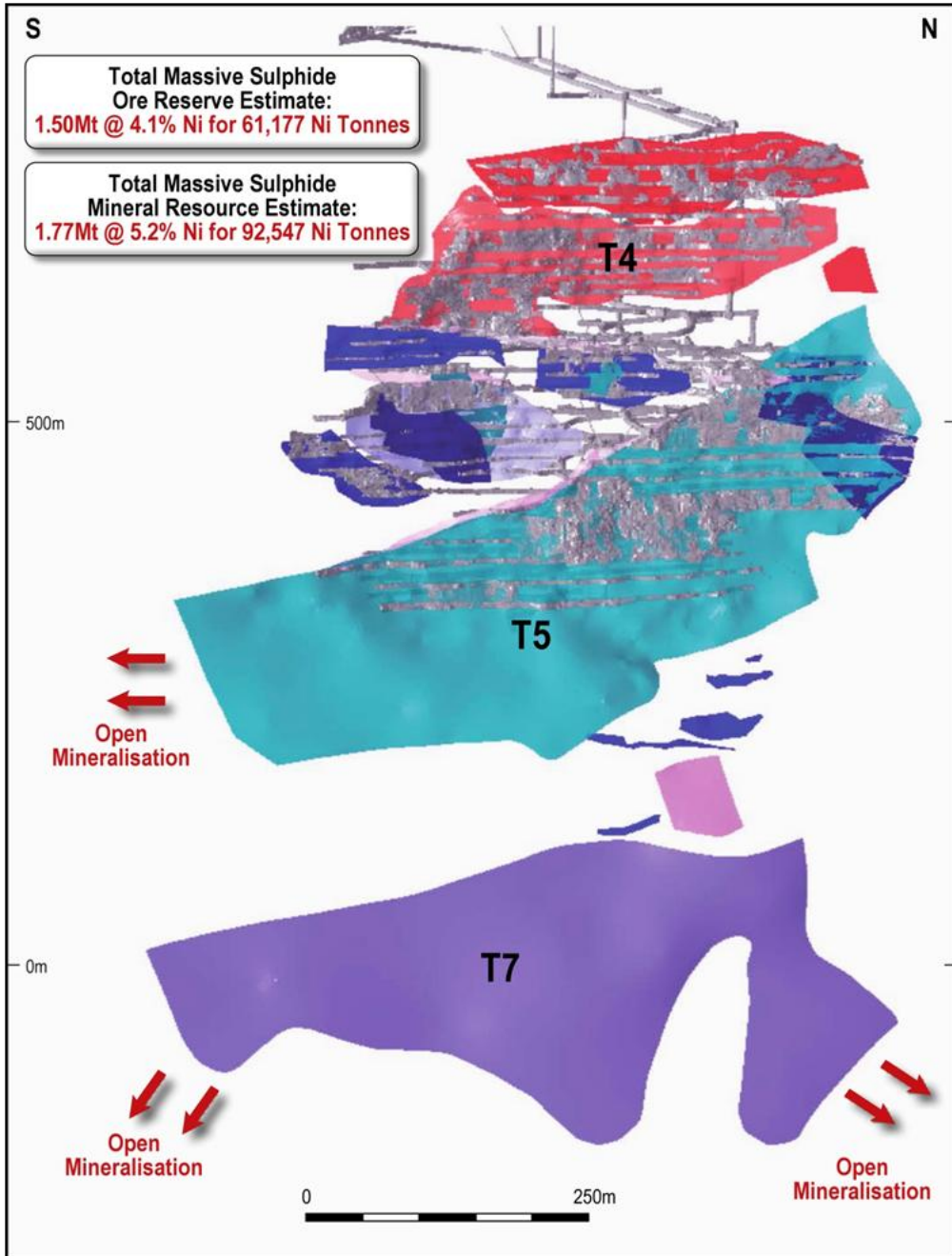


Figure 1: Longitudinal section of the Flying Fox Resource model below the 800mRL



Spotted Quoll

Spotted Quoll Ore Reserves were updated during the quarter which has resulted in a minor increase in overall nickel tonnes from 117,795 nickel tonnes to 118,842 nickel tonnes, post depletion. Table 1 of the JORC Code (2012) has been included at the end of this report.

The Mineral Resource Estimate (depleted for the September quarter) now stands at **3.16Mt of ore at a grade of 5.5% Ni for 173,354 nickel tonnes.**

The Ore Reserve Estimate (depleted for the September quarter) now stands at **2.91Mt of ore at a grade of 4.1% Ni for 118,842 nickel tonnes.**

The oblique section below (Figure 2) shows the Spotted Quoll mine development with mineral resources and reserves depleted for mining production during the quarter. An annual upgrade to the Spotted Quoll Mineral Resource and Ore Reserve is currently underway.

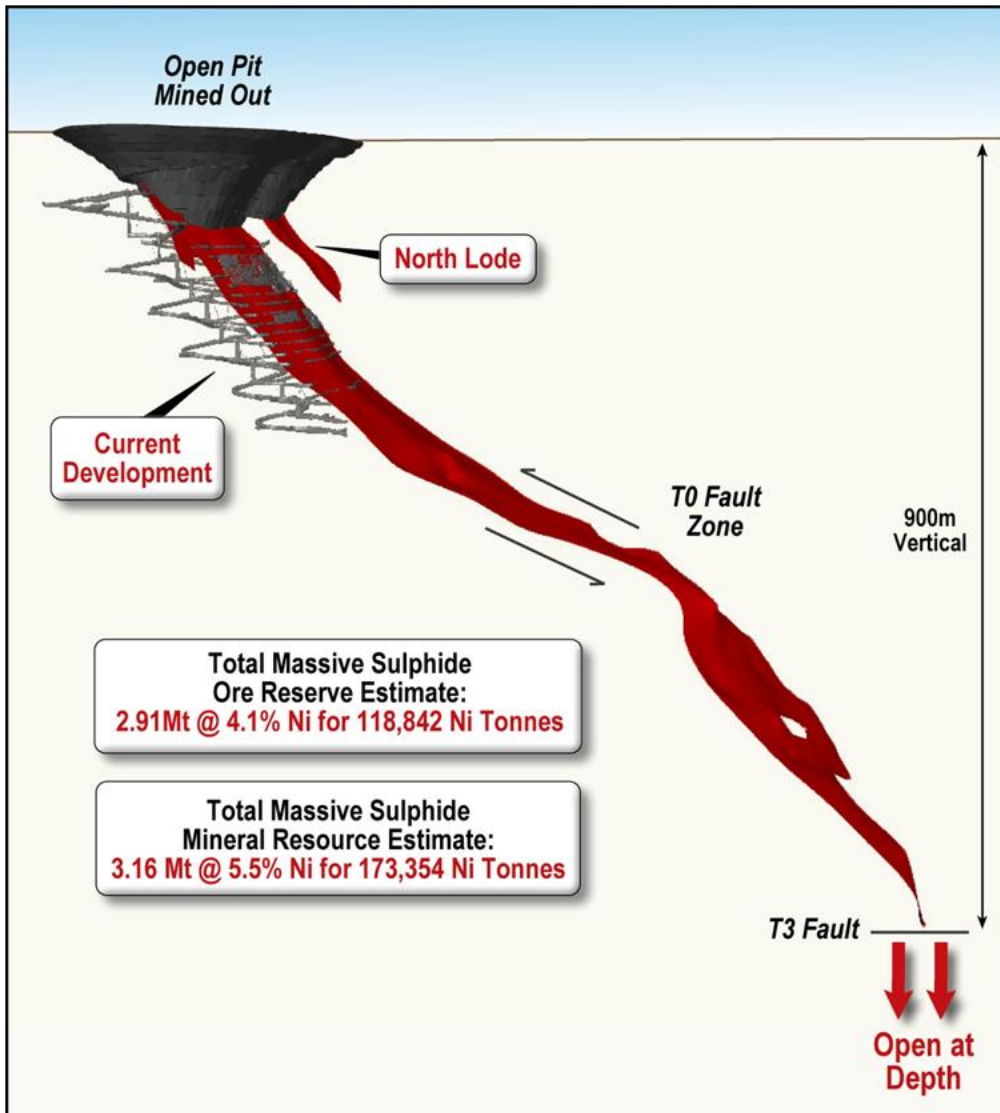


Figure 2: Cross section of the Spotted Quoll Resource model



New Morning/ Daybreak

A staged surface drilling program to test the open-pit potential and provide metallurgical samples of the New Morning/Daybreak resources above 150m RL commenced during the quarter with stage 1 results summarised in the table below. This four drill-hole program (NMD188-195) was predominately aimed at validating historical key intercepts. Pleasingly positive assays results, particularly from **NMD188 (53.95m @ 1.7% nickel from 38m, including 2.55m @ 5.0% nickel from 89.4m)** from the completed holes indicate that the mineralisation may be more extensive than initially thought, particularly to the south of NMD188, see Figure 3. Additional holes are likely to be planned once these results are integrated into the resource model. The remaining stage 1 drill holes testing the Sunrise mineralisation will be completed in the December quarter.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	Width (m)	Ni%*	FROM (m)
NMD188	751683	6405890	1395	70/105.6	RC/DDH	-75	270	54m @ 1.7% Ni 38m#		
								Incl 2.6m @ 5.0% Ni 89.4m		
NMD189	751683	6405890	1395	50/98	RC/DDH	-50	270	NSI		
NMD190	751745	6406380	1405	90/139.8	RC/DDH	-60	270	11.6m @ 2.3% Ni 108^		
								Incl 2.4m @ 6.9% Ni 116.4m		
NMD191	751720	6406410	1405	60/141	RC/DDH	-60	270	29.1m @ 0.8% Ni 63.5m		
NMD192 (pre collar)	751940	6405620	1394	45	RC	-50	270	NSI		
NMD193 (pre collar)	751960	6405620	1394	65	RC	-66	270	NSI		
NMD195 (pre collar)	751990	6405740	1394	50	RC	-65	270	NSI		

*All intercepts quoted with 0.5% cut off #includes 0.6m of lost core from 88.8m, ^ includes 0.4m lost cores at 109.6m and 113.95m and 0.25m from 117.05m < includes lost core at 64.7m (1m), 69.8m (0.3m), 71.3m (0.5m), 74.2m (1m), 75.4m (0.5m), 83.2m (1.5m), 85.6m (0.5m), 90m (0.1m), 92.7 (0.8m) 97.7 (0.8m) 100.1m (1m).

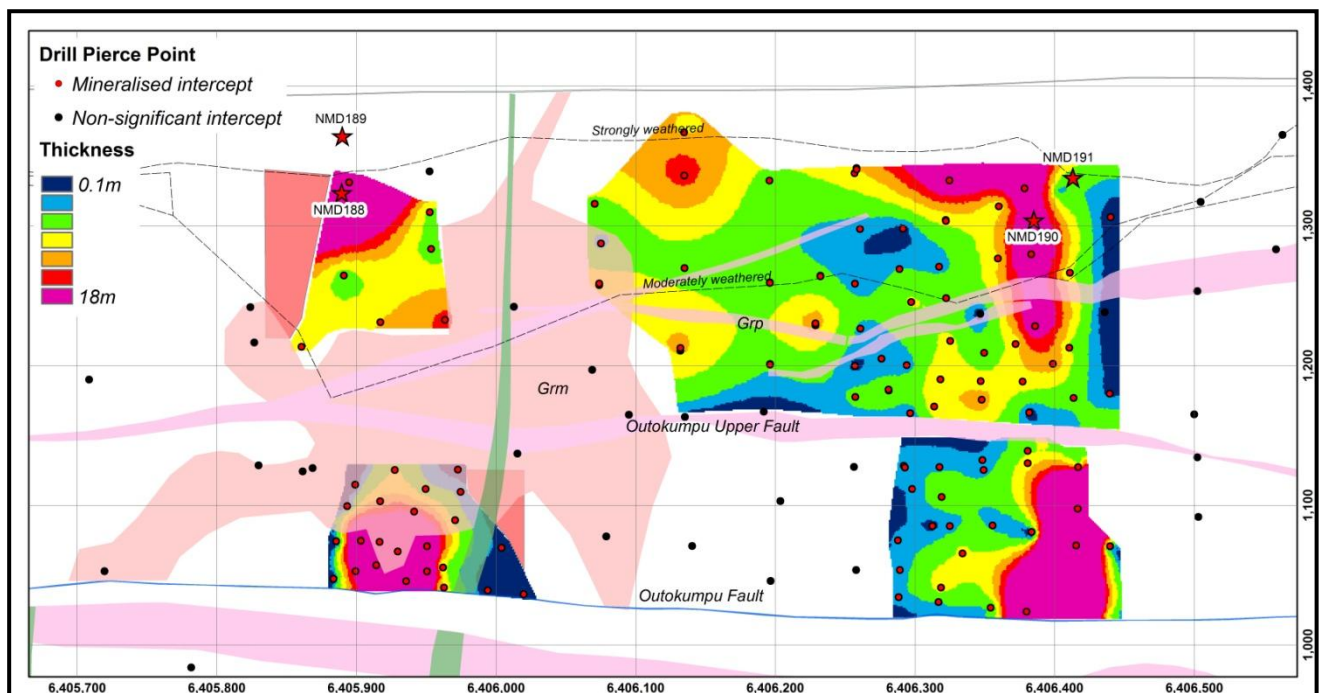


Figure 3: Interpreted Long Projection of the upper portion (above the Outokumpu Fault) of the New Morning footwall contact showing schematic mineralised thickness, granites in pink and areas warranting further drilling in red.



6. BIOHEAP

The Cosmic Boy flash cleaner tailings feasibility study, using Western Areas' BioHeap technology, remains on track to be completed towards the end of the calendar year. Should the feasibility study be successful, the Company anticipates being able to increase mill recovery from an average of 89% up to 93%. The main focus during the quarter, and continuing into the December quarter, is the testing of the leaching, recovery and associated unit processes to support the ongoing engineering. Sulphide precipitation testing commenced during the quarter to verify the final product the process will produce. This work is being conducted in BioHeap's own mini plant and the feasibility study is being managed by Proteus Engineering.

Samples have been received from the New Morning deposit for leach testing utilising the BioHeap process. This work will commence during the December quarter and be finished in the March quarter.

BioHeap's active research and development programs aim to explore projects that will strengthen existing technology as well as expand BioHeap's capabilities. Two recent examples of development work by BioHeap are the bioleaching of base metal sulphides at elevated pH and the recovery of valuable nickel from the Flash Cleaner Tailings. The results from both these studies led to two presentations and publications at the 2014 ALTA conference, which led to further interest and enquiry from potential clients.



BioHeap laboratory mini plant

7. INFRASTRUCTURE

No major infrastructure development was undertaken during the quarter



8. EXPLORATION

The majority of the exploration activities during the September quarter were undertaken at Forresteria. Subsequent to the end of the quarter, agreements to farm into a number of tenements in the Western Gawler region of South Australia were announced.

Forresteria Projects

The majority of the exploration activities during the September quarter were directed at the evaluation of targets within the Western Ultramafic Belt (WUB), including at the New Morning, Flying Fox North/North Ironcap, Sibelius, Beautiful Sunday South and Spotted Quoll South prospects (Figure 4). Drilling was also undertaken on the Mt Hope and Krasenstein prospects within the northern part of the Eastern Ultramafic Belt (EUB).

December quarter exploration drilling is proposed to continue at Flying Fox North/North Ironcap, Sebelius, Beautiful Sunday South and Boojum prospects within the WUB and on the EUB targets including, Mt Hope, Parker Dome and Krasenstein prospects.

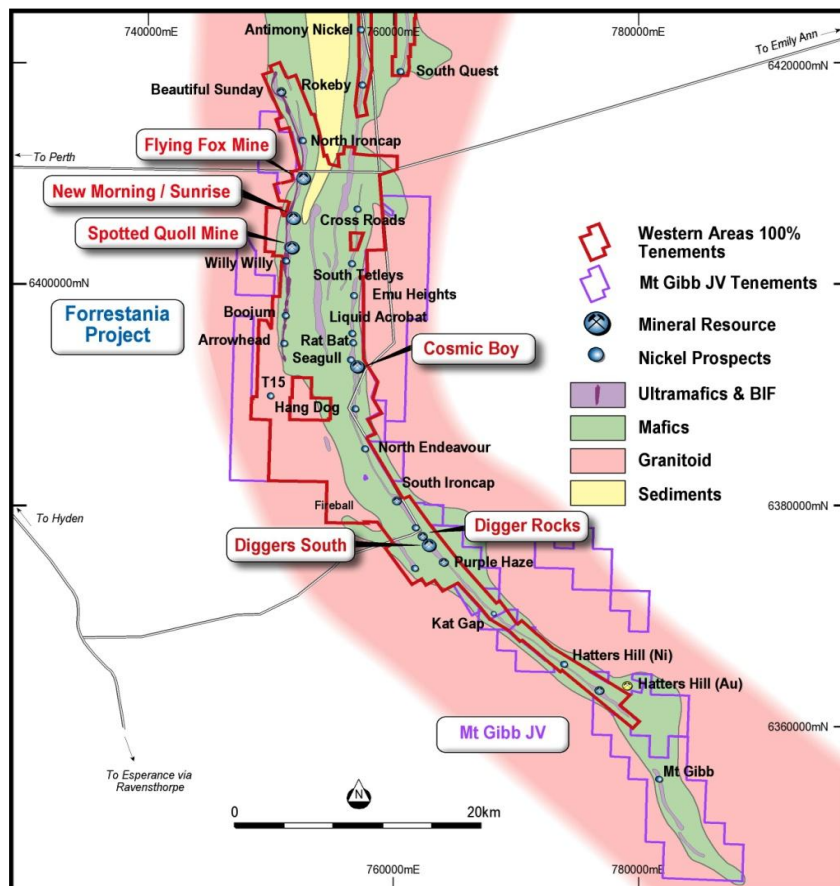


Figure 4: Plan showing Forresteria tenements, mines and key prospects

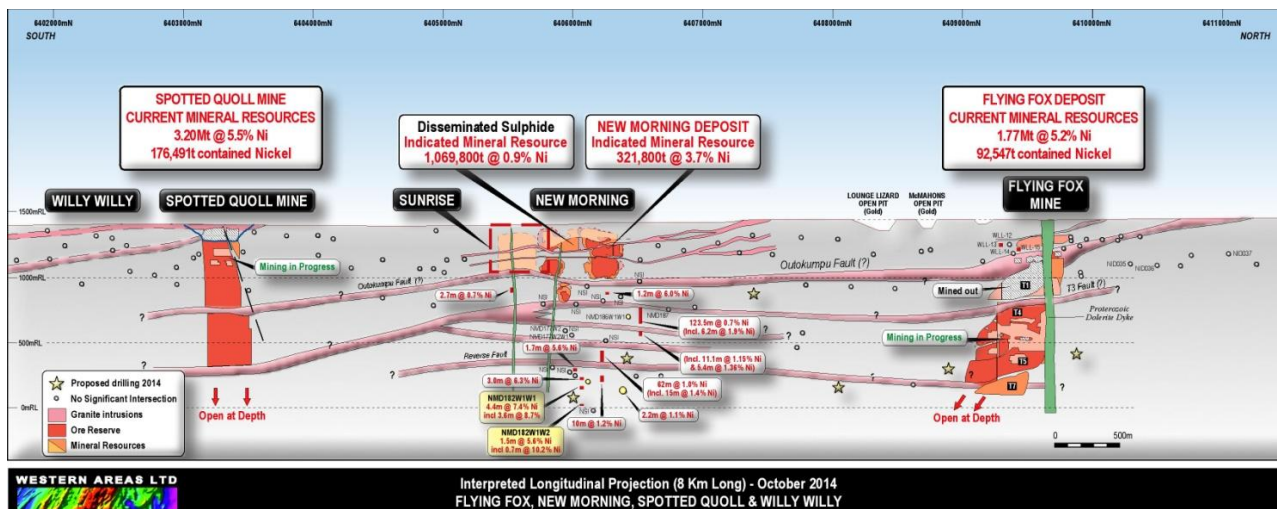


Figure 5: Interpreted long projection of the Western Belt footwall contact extending 6km from Spotted Quoll to Flying Fox

The area to the north of the Flying Fox mine up to south of Beautiful Sunday has been targeted for further evaluation as this area has received little deep drilling historically and it contains the same stratigraphy that hosts the Flying Fox mineralisation. This is an extensive belt, covering some six strike kilometres and the activities will be aimed at the basal contact from the base of oxidation to some 300m below surface. The drilling which, commenced in the June quarter, will extend into the December quarter.

Nine holes were drilled during the September quarter testing the Beautiful Sunday South area and central part of North Ironcap (see table below). Assays are pending for half the holes, however initial geological logging has not identified nickel sulphides. It is planned to complete DHEM on the diamond holes at Beautiful Sunday South in the coming quarter. The drill testing of the area north of Flying Fox will continue during the December quarter.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	INTERCEPTS FROM (m)
NID037	753340	6411162	1422	339.89	Diamond	-60	258	NSI
NID038	753397	6411767	1421	354.91	Diamond	-60	265	NSI
NID039	753347	6412140	1422	335.7	Diamond	-60	265	NSI
BSRC009	752034	6415507	1404	198	RC	-60	265	NSI
BSD028	752265	6415742	1401	313.6	RC + diamond tail	-60	265	Assays Pending
BSD029	752196	6415944	1400	330.6	RC + diamond tail	-60	265	Assays Pending
BSD030	752093	6416175	1397	310	RC + diamond tail	-60	265	Assays Pending
BSD031	752013	6416423	1395	333.9	RC + diamond tail	-60	265	Assays Pending
BSD032	752200	6415943	1400	340.2	RC + diamond tail	-85	270	Assays Pending

Eastern Ultramafic Belt (EUB)

The prospectivity of the Mt Hope area, located approximately 30km northeast of Flying Fox, is under review. The area contains a significant volume of cumulate ultramafic rocks (known as the Mt Hope dunite) over a strike length of some eight kilometres. A large number of historic diamond holes intersecting the basal portion of cumulative ultramafic rocks were re-logged and this has identified areas where the basal contact has been poorly tested. No previous DHEM has been conducted on the drill holes testing the basal contact. Drill testing of these areas commenced during the quarter. Three of the four holes drilled (MHD034 - MHD037) successfully tested the contact without intersecting significant sulphides or returning anomalous DHEM responses. Further drill testing of the prospective contact will be undertaken during the December quarter.



HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	INTERCEPTS FROM (m)
MHD034	763700	6435703	1385	235.8	RC/DD	-60	90	Assays Pending
MHD035	762937	6439697	1401	224.4	RC/DD	-60	90	Assays Pending
MHD036	762845	6438627	1393	863	RC/DD	-60	90	Assays Pending
MHD037	763437	6436620	1397	544.6	RC/DD	-70	90	Assays Pending

At Krasentein, some 40km northeast of Flying Fox, a MLEM survey 0.8km by 3.5km with 200m spaced lines was completed over the area during last quarter. The strongest conductive anomaly was tested with a single hole KRD001. The hole intersected a sequence of barren sulphides at 150m, confirming the source of the surface EM anomaly. Further modelling of the MLEM data will be undertaken in the December quarter to identify conductive anomalies.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)	Width (m)	Ni %
KRD001	761455	6448310	1425	210.8	DDH	-60	90		NSI	

9. AUSTRALIAN REGIONAL EXPLORATION

Western Areas' regional exploration strategy, which covers exploration programs external to the "near mine" Forrestania tenements, is focused on projects that have the potential to increase the Company's significant existing resource inventory through additional exploration success, in conjunction with other ongoing growth initiatives. The majority of Western Areas' extensive regional nickel interests are in Western Australia and include joint venture projects which extend over 500km in the central part of the Yilgarn Craton. In addition, the Company is also exploring ground within Proterozoic craton margin settings, such as the recently announced Western Gawler project. Potential new projects are also being reviewed by Western Areas.

Western Gawler Joint Venture (WSA can earn up to 90% interest)

As part of the Company's regional exploration strategy, the Company announced the execution of separate Farm-in and Joint Venture Agreements (the Agreements) with Gunson Resources Limited (ASX: GUN, "Gunson") and Monax Mining Limited (ASX: MOX "Monax") on 9 October. The agreement allows Western Areas to acquire up to a 90% interest in a number of key tenements within the Western Gawler region of South Australia. The total area included under the proposed Western Gawler JV Projects is approximately 2,746km² (see Figure 6).

The Western Gawler area has been targeted by Western Areas as a highly prospective region and the joint ventures will be worked as a single project to capture the continuity of the stratigraphy. The project area is believed to be prospective for mafic-ultramafic hosted nickel-copper-PGE sulphides, as well as iron oxide copper gold (IOCG), e.g. Olympic Dam, and Proterozoic gold deposits, e.g. Tropicana. Importantly, the tenure is located close to existing infrastructure including roads and port.

The initial work program is planned to consist of detailed airborne geophysical surveys (magnetics) over the project area to facilitate the geological interpretations, and allow for initial target generation using the higher resolution data. A combination of drilling and further geophysics will then be used to screen the initial targets and generate further targets for detailed assessment.

Western Areas plans to build on the results generated by the exploration activities of both Gunson and Monax, as well as utilising its extensive in-house experience to focus on the discovery of polymetallic ore-bodies. A number of potentially prospective mafic-ultramafic intrusions have already been identified using the existing geochemical and geophysical datasets.

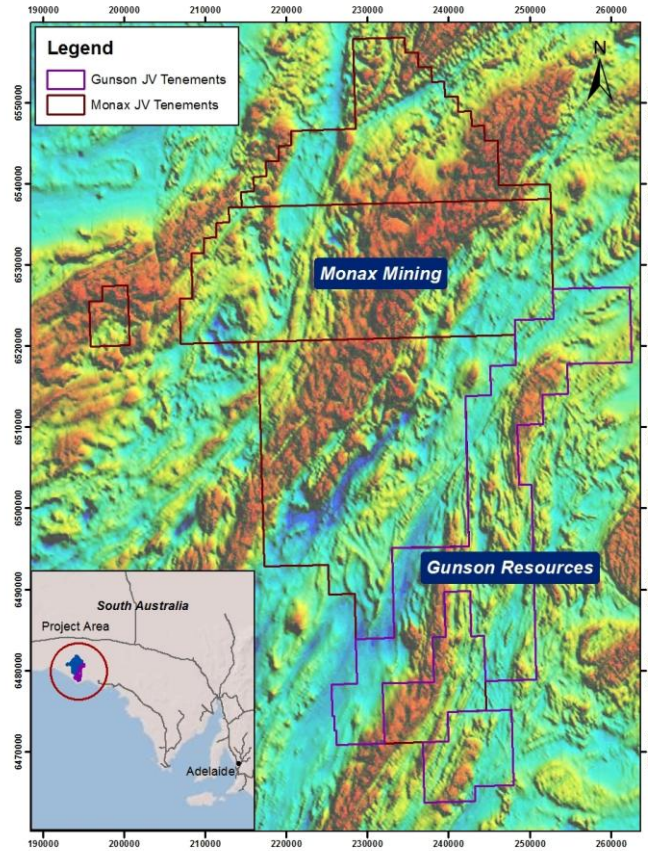


Figure 6: Project tenure overlaying regional magnetic imagery (TMI)

Southern Cross Goldfields Nickel Joint Venture (WSA 70% interest)

September quarter activities focused on the Perrinvale area. The Perrinvale area is relatively unexplored for nickel sulphides and early indications suggest that the stratigraphy could be similar to that as seen in the Mt Alexander Nickel Project (BHPB/WSA JV), where WMC/BHPB intersected 14m @ 1.91% Ni and 0.75% Cu (including 4.1m @ 4.77% Ni and 1.68% Cu).

Permitting and access agreements were progressed to allow the initial work program at Perrinvale to be undertaken. The work is expected in the December quarter and will consist of target generation activities including geochemical auger sampling and field mapping. Any anomalous results will be followed up with RC drilling and surface EM programs.

Musgrave Nickel-Copper Joint Venture (WSA can earn up to 70% interest)

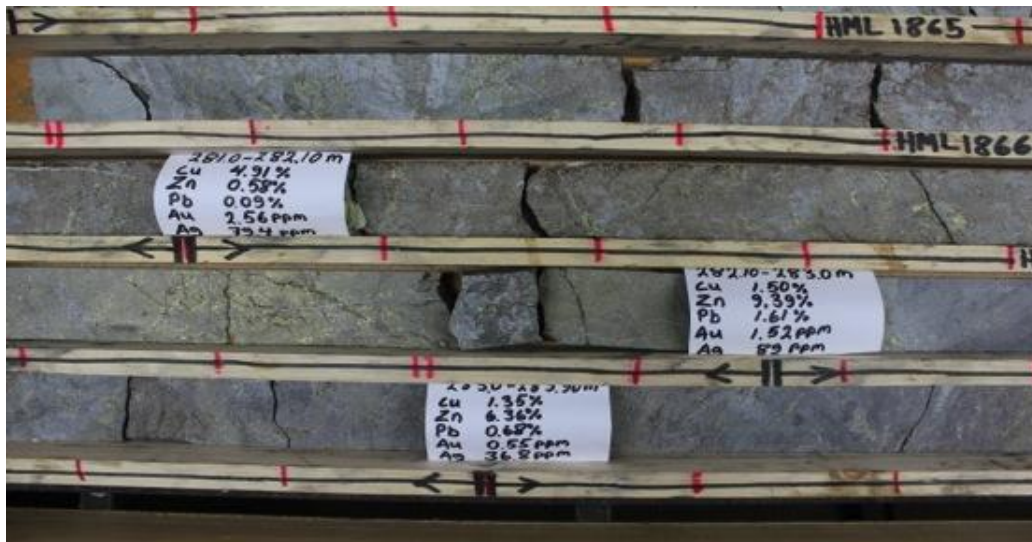
As per the announcement on 16 October, Western Areas has withdrawn from the Traka Joint Venture. A further detailed review of the areas, outside of those tested with ground geophysics and drilling, was undertaken (as outlined in the June quarterly report). The study results, combined with the drilling results achieved, indicated that the potential for a significant and economic high grade deposit does not fit Western Areas' investment criteria. Consequently, and in line with the Company's strategy for regional exploration, a decision was made to withdraw from the Traka Joint Venture.



10. FINNAUST MINING Plc (WSA 68%)

Drilling for the quarter continued to be focused on the Hammaslahti mine corridor where high-grade, poly-metallic mineralisation was discovered in hole R325 in the previous quarter.

Pleasingly, further drill holes R326 through to R331 have all intersected mineralisation of varying grades, widths and compositions. This is in line with the geological model being used by the exploration team.



Mineralised section DDH R326 above

The mineralised envelope has now been traced over 500m along a north to south strike with the lode plunging at approximately 25 degrees to the south and recently the first fence-line east to west across the lode has defined the mineralised horizon over 125m down dip.

Whilst not in a resource estimation phase yet, drilling over the next quarter is expected to continue to try to define the broad limits of this new lode as mineralisation remains open to the south, east and west. Additionally, some or all of the other three known open lodges will need to be systematically tested to commence estimation of the overall project potential.

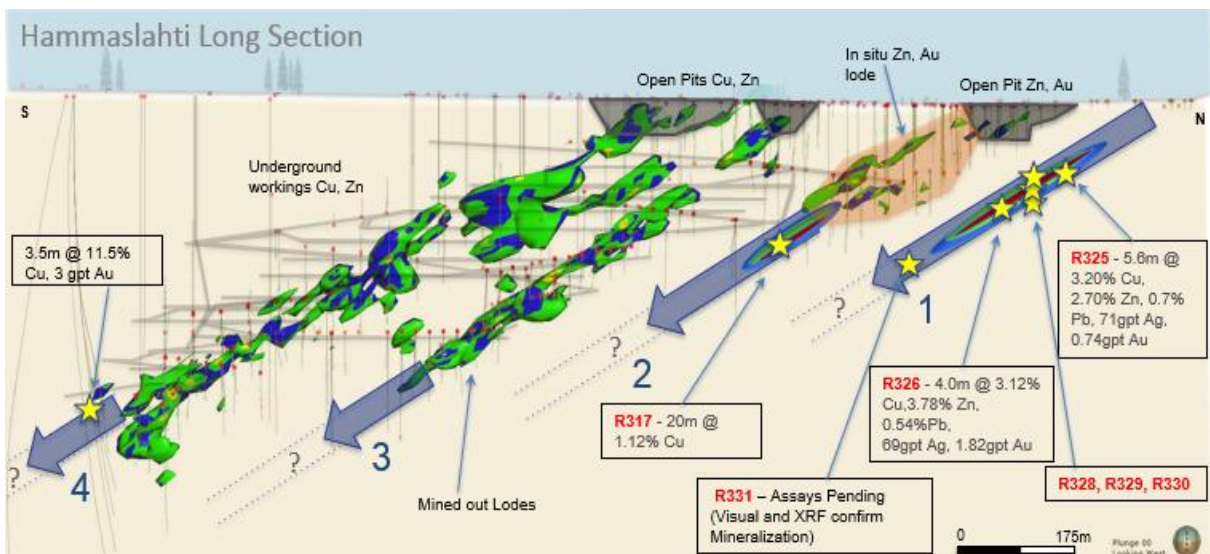


Figure 7: Interpreted long-section Hammaslahti Project Area



Standout results included:

- Hole R326 - **4.0m @ 3.12% Cu, 3.78% Zn**, 0.54% Pb, 69 gpt Ag and 1.82 gpt Au from 279.9m downhole;
- Hole R330 - **1.0m @ 2.26% Cu, 36.1gpt Ag** and 0.22 gpt Au from 280.5m downhole. This intercept was within a broader disseminated to semi-massive zone of 5.15m @ 1.02% Cu, 28 gpt Ag and 0.12 gpt Au from 276.4m downhole; and
- Hole R329 - **1.4m @ 2.34% Cu, 4.05% Zn**, 0.96% Pb, 67.6 gpt Ag and 0.13 gpt Au from 267.6m downhole.

From the overall budgeted 10,300 drill metres, a total of 9,227 metres has been drilled to-date comprising:

- 34 holes for 7,766 metres at Hammaslahti; and
- 4 holes for 1,461 metres at Outokumpu.

-ENDS-

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COMPETENT PERSON'S STATEMENT:

The information within this report as it relates to exploration results, mineral resources, ore reserves and mine development activities is based on information compiled by Mr Charles Wilkinson, Mr Andre Wulfse and Mr Dan Lougher of Western Areas Ltd. Mr Wilkinson, Mr Wulfse and Mr Lougher are members of AusIMM and are full time employees of the Company. Mr Wilkinson, Mr Wulfse, and Mr Lougher have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Wilkinson, Mr Wulfse and Mr Lougher consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

FORWARD LOOKING STATEMENT:

This release contains certain forward-looking statements including nickel production targets. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs.

Examples of forward looking statements used in this report include: "This will result in a further A\$12m reduction in borrowing costs FY16 (total combined improvement of approximately A\$24m per annum from the end of FY15) " and, "the Philippines Government has also introduced draft legislation aimed at implementing a similar ban. However it is the Company's view that any Philippines ban is many years away from implementation." and, " This [bank] facility provides repayment certainty for the maturity of the July 2015 convertible bond", and "Should the [BioHeap] feasibility study be successful, the Company anticipates being able to increase mill recovery from an average of 89% up to 93%".

This announcement does not include reference to all available information on the Company or its subsidiary's and should not be used in isolation as a basis to invest in Western Areas. Potential investors should refer to Western Areas' other public releases and statutory reports and consult their professional advisers before considering investing in the Company.

For Purposes of Clause 3.4 (e) in Canadian instrument 43-101, the Company warrants that Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

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Western Areas Ore Reserve / Mineral Resource Statement - Effective date 30th September 2014						
Deposit	Tonnes	Grade Ni%	Ni Tns	JORC Classification	JORC Code	
Ore Reserves						
1. Flying Fox Area	1,503,173	4.1	61,177	Probable Ore Reserve	2012	
2. Spotted Quoll	181,058	4.5	8,058	Proved Ore Reserve	2012	
3. Diggers Area	2,732,399	4.1	110,784	Probable Ore Reserve	2012	
Digger South	2,016,000	1.4	28,950	Probable Ore Reserve	2004	
Digger Rocks	93,000	2.0	1,850	Probable Ore Reserve	2004	
TOTAL ORE RESERVES	6,525,630	3.2	210,819			
Mineral Resources						
1. Flying Fox Area						
T1 South	65,600	3.9	2,580	Indicated Mineral Resource	2004	
	35,200	4.9	1,720	Inferred Mineral Resource	2004	
T1 North	45,400	4.2	1,900	Indicated Mineral Resource	2004	
	12,700	4.8	610	Inferred Mineral Resource	2004	
T4 Massive Zone	148,513	5.7	8,513	Indicated Mineral Resource	2012	
T5 Massive Zone + Pegs	1,199,859	5.9	71,375	Indicated Mineral Resource	2012	
T6 and T7 Massive Zone	47,677	5.1	2,451	Indicated Mineral Resource	2012	
	217,840	1.6	3,398	Inferred Mineral Resource	2012	
Total High Grade	1,772,789	5.2	92,547			
T5 FF Disseminated Zone	197,200	0.9	1,590	Indicated Mineral Resource	2004	
	357,800	1.0	3,460	Inferred Mineral Resource	2004	
T5 LL Disseminated Zone	4,428,000	0.8	36,000	Indicated Mineral Resource	2004	
Total Disseminated FF - LL	4,983,000	0.8	41,050			
Total Flying Fox - Lounge Lizard	6,755,789	2.0	133,597			
New Morning / Daybreak						
Massive Zone	321,800	3.7	12,010	Indicated Mineral Resource	2004	
	93,100	3.5	3,260	Inferred Mineral Resource	2004	
Disseminated Zone	1,069,800	0.9	9,650	Indicated Mineral Resource	2004	
	659,200	0.9	5,780	Inferred Mineral Resource	2004	
Total New Morning / Daybreak	2,143,900	1.4	30,700			
Spotted Quoll						
	121,240	6.0	7,307	Measured Mineral Resource	2012	
	2,377,586	5.5	130,484	Indicated Mineral Resource	2012	
	662,879	5.4	35,563	Inferred Mineral Resource	2012	
Total Spotted Quoll	3,161,705	5.5	173,354			
Beautiful Sunday						
	480,000	1.4	6,720	Indicated Mineral Resource	2004	
TOTAL WESTERN BELT	12,541,394	2.7	344,371			
2. Cosmic Boy Area						
Cosmic Boy	180,900	2.8	5,050	Indicated Mineral Resource	2004	
Seagull	195,000	2.0	3,900	Indicated Mineral Resource	2004	
TOTAL COSMIC BOY AREA	375,900	2.4	8,950			
3. Diggers Area						
Diggers South - Core	3,000,000	1.5	44,700	Indicated Mineral Resource	2004	
Diggers South - Halo	4,800,000	0.7	35,600	Indicated Mineral Resource	2004	
Digger Rocks - Core	54,900	3.7	2,030	Indicated Mineral Resource	2004	
Digger Rocks - Halo	172,300	1.1	1,850	Inferred Mineral Resource	2004	
Digger Rocks - Core	1,441,000	0.7	10,350	Inferred Mineral Resource	2004	
Digger Rocks - Halo	560,000	0.9	5,040	Indicated Mineral Resource	2004	
Purple Haze	560,000	0.9	5,040	Indicated Mineral Resource	2004	
TOTAL DIGGERS AREA	10,028,200	1.0	99,570			
TOTAL MINERAL RESOURCES	22,945,494	2.0	452,891			



Table 1

Section 1: Sampling Techniques and Data 2012 Edition JORC Code

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Exploration targets were generally sampled using diamond drill (DD), where applicable with Reverse Circulation (RC) pre-collars to nominally between 100m and 200m depth). Holes were typically drilled perpendicular to the strike (north-south) of the stratigraphy, at angles ranging between 55° and 75°. Drill holes were located initially with hand held GPS and later surveyed by differential GPS. DD holes were used to obtain high quality samples that were fully oriented and logged for lithological, structural, geotechnical attributes. Each sample of diamond drill core submitted to ALS laboratories at Malaga, Perth was weighed to determine density by the weight in air, weight in water method. The balance used for these determinations was a EK-12KG electronic balance with an accuracy of +/- 0.001 Kg, the balance is regularly checked with 2kg, 5kg and 7kg standard weights. All sampling was conducted under WSA QAQC protocols which are in accordance with industry best practice. Diamond drill core (NQ2) is 1/4 core sampled on geological intervals (0.2m - 1.5m) to achieve sample weights under 2kgs. Samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis by 4 acid digest with an ICP/AES and FA/ICP (Au, Pt, Pd) finish. RC drilling is used to obtain 1m samples (or composited over 2 to 4m) from which 3kg is pulverised (total prep) to produce a sub sample for assaying as per DD samples.
Drilling Techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Diamond drilling comprises HQ and NQ2 sized core. The core was oriented using ACT II control panels and ACT III downhole units. Orientation spears are also used intermittently as a validation tool. Shallow drilling at New Morning was completed using NQ triple tube drilling) RC drilling comprises nominally 140mm diameter face sampling hammer drilling.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias 	<ul style="list-style-type: none"> Diamond core and RC recoveries are logged and recorded in the database. Overall recoveries are >95% and there was no core loss issues or significant sample recovery problems. Core loss is noted where it occurs. Diamond core was reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. RC samples were visually checked for recovery, moisture and contamination. The bulk of drilling is by diamond core drilling, which has high recoveries. The massive sulphide style of mineralisation and the consistency of the mineralised intervals are considered to preclude any issue of sample bias due to material loss or gain. Drilling in the oxidised profile results in more incomplete core recoveries.



Criteria	JORC Code Explanation	Commentary
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Geotechnical logging was carried out on all diamond drillholes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure table of the database. Logging of diamond core samples recorded lithology, mineralogy, mineralisation, structural, weathering, colour and other features of the samples. Core was photographed in both dry and wet form. All diamond drillholes were logged and photographed in full. RC holes are logged in full.
Sub-sampling techniques and sampling preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Core was cut in quarters (NQ2) onsite using an Almonte automatic core saw. All samples were collected from the same side of the core. All samples in the New Morning Deeps Exploration target were taken from NQ diamond drill core. RC samples were collected on the rig using cone splitters. Composite samples are collected via riffle splitting or spearing to generate a single sample of less than 3kg. The sample preparation of diamond core follows industry best practice in sample preparation involving oven drying, coarse crushing of the half core sample down to ~10 mm followed by pulverisation of the entire sample (total prep) using Essa LM5 grinding mills to a grind size of 85% passing 75 micron. Field QC procedures involve the use of certified reference material as assay standards, along with blanks, duplicates and barren washes. The insertion rate of these averaged 1:20, with an increased rate in mineralised zones. Field duplicates were conducted on approximately 1 in 10 drill intersections. During assessment of mineralised areas 10% of samples were also selected for umpire sampling. All QAQC samples were returned within acceptable statistical ranges. Standards are inserted approximately every 20 samples or at least one every hole for both diamond and RC drilling. Duplicates are normally inserted every 20 samples in RC drilling and never with exploration diamond drilling. Blanks are inserted selectively in RC and diamond programmes, at least one and sometimes two samples per hole or after massive sulphides or prominent mineralisation for regular monitoring and to detect smearing in the laboratory processing. The sample sizes are considered to be appropriate to correctly represent the sulphide based on: the style of mineralisation (disseminated sulphides), the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.
Quality of assay data laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, 	<ul style="list-style-type: none"> All samples were subjected to ICP-AES analysis using nitric, perchloric, hydrofluoric and hydrochloride acid digest. Samples which assayed greater than 10000ppm Ni were treated to OG62 near total digest using the same 4 acids, suitable for silica based samples, and analysed using conventional ICP_AES analysis. Samples were routinely assayed for PGE's using PGM-ICP23



Criteria	JORC Code Explanation	Commentary
	<p><i>reading times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> <i>No Geophysical tools were used to determine any element concentrations relating to this exploration target estimate. A handheld NITON XRF instrument was used to determine the approximate nature of the mineralisation. Appropriate QAQC techniques were used to validate any portable XRF analysis. However, NITON XRF data is only used as an approximate guide. All reported intersections are gathered using industry best practice laboratory assay techniques.</i> <i>Standards and blanks were routinely used to access company QAQC (approx 1 std for every 12-15 samples). Duplicates were not taken in the Sunrise program. However, they are routinely taken (every 10th DD hole) within the nearby Flying Fox and Spotted Quoll Ni mines, which return accuracy and precision within acceptable limits.</i>
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> <i>Adrian Black of Newexco Pty Ltd (a member of the AIG), an independent exploration company, has visually verified significant intersections in diamond core.</i> <i>No holes were twinned in the recent drilling program.</i> <i>Primary data was collected using Excel templates utilising lookup codes, on laptop computers. All data was validated by the supervising geologist, and sent to Newexco for validation and integration into an SQL database.</i> <i>No adjustments were made to assay data compiled for this estimate.</i>
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> <i>Hole collar locations were surveyed using Western Areas surveyors under the guidelines of best industry practice. The Leica GPS1200 was use for all surface work has an accuracy of +/- 3cm.</i> <i>Elevation data were collected in AHD RL and a value of 1,000m was added.</i> <i>MGA94 Zone 50 grid coordinate system is used.</i> <i>The accuracy of the pillars used in WSA's topographical control networks operate within the Mines Regulations accuracy requirement of 1:5000 for control networks.</i>
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> <i>Drillholes were varied according to target type. Where initial drilling was undertaken holes are nominally 100m to 400m apart. Where mineralisation is identified holes are spaced at an approx. 50m (northing) x60m (relative level) grid.</i> <i>Sampling compositing has been applied to some of the RC sampling, following initial testing using a handheld NITON XRF instrument.</i> <i>Samples were composited to one metre lengths, making adjustments to accommodate residual sample lengths.</i>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be</i> 	<ul style="list-style-type: none"> <i>The majority of the drill holes are orientated to achieve intersection angles as close to perpendicular as possible. The steep dipping nature of the stratigraphy at some targets (700 to 800) e.g. New Morning means this is not always achieved.</i> <i>No orientation based sampling bias has been observed in the data, intercepts are reported as downhole lengths.</i>



Criteria	JORC Code Explanation <i>assessed and reported if material.</i>	Commentary
Sample Security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> <i>All samples are prepared onsite under the supervision of Newexco/Western Area staff.</i> <i>All samples are collected in sealed task specific containers (Bulk bags – plastic pallets) and delivered from site to Perth and then the assay laboratory by transport contractor, NEXUS.</i>
Audits and Reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> <i>Adrian Black of Newexco Pty Ltd (a member of the AIG), an independent exploration company, has reviewed the data and sampling techniques employed by WSA.</i>



Section 2: Reporting of Exploration Results
2012 Edition JORC Code

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Forrestania Nickel Operations comprises approximately 125 tenements covering some 900km² within the Central Yilgarn Province. The tenements include exploration licences, prospecting licences, general purpose leases, miscellaneous licences and mining leases. Western Areas wholly owns 106 tenements, 55 tenements of which were acquired from Outokumpu in 2002 and a further 51 tenements acquired from Kagara in March 2012 (some which are subject to various third party royalty agreements). The remainder of the tenements are subject to Joint Ventures, 14 tenements are part of the Mt Gibb JV where Western Areas has the right to earn 70% interest from Great Western Exploration (currently at 51% WSA) and the Lake King JV where Western Areas has earned a 70% interest from Swanoak Holdings. A number of the Kagara tenements are subject to third party royalty agreements. All the tenements are in good standing. Six tenements are pending grant.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Western Areas has been exploring its wholly owned tenements since 2002. The tenements subject to the Kagara sale which took place in March 2012 were explored by Kagara since 2006 and Lionore and St Barbara prior to that time. Western Areas has managed both the Mt Gibb JV since 2009 (Great Western Exploration explored the ground prior to that time) and the Lake King JV since 2007 (A small amount of work carried out by WMC prior to that date)
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The FNO lies within the Forrestania Greenstone Belt, which is part of the Southern Cross Province of the Yilgarn Craton in Western Australia. The main deposit type is the komatiite hosted, disseminated to massive Nickel sulphide deposits, which include the Flying Fox and Spotted Quoll deposits which are currently being mined. The mineralisation occurs in association with the basal section of high MgO cumulate ultramafic rocks. The greenstone succession in the FNO district also hosts a number of orogenic lode gold deposits of which Bounty Gold Mine is the biggest example. Some exploration for this style of deposit is undertaken by Western areas from time to time in the FNO tenements.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole 	<ul style="list-style-type: none"> See drill hole summary tables enclosed in the text.



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • down hole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Standard weighted averaging of drill hole intercepts were employed. No maximum or minimum grade truncations were used in the estimation. • The reported assays have been length and bulk density weighted. A lower arbitrary 0.5% Ni cut-off is applied, with no top cut applied. High grade intercepts internal to broader zones of mineralisation are reported as included intervals. A lower arbitrary 0.5g/t Au cut-off is applied, with no top cut applied. High grade intercepts internal to broader zones of mineralisation are reported as included intervals • No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The incident angles to mineralisation are considered moderate. • Due to the often steep dipping nature of the stratigraphy reported down hole intersections are moderately greater (m/1.5 ratio on average) than the true width.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • Refer to Figures in the text.
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • All results are reported.
Other substantive exploration data	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> • Multi-element analysis was conducted routinely on all samples for a base metal suite and potentially deleterious elements including Al, As, Co, Cr, Cu, Fe, Mg, Ni, S, Ti, Zn, Zr. All diamond core samples were measured for bulk density which range from 2.90 - 4.79g/cm³ for values >0.5% Ni. Geotechnical logging was carried out on all diamond drill holes for recovery, defects and RQD. • Information on structure type, dip, dip direction alpha and beta angles, texture, shape, roughness and fill material is stored in the structural logs in the database.
Further work	<ul style="list-style-type: none"> • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out 	<ul style="list-style-type: none"> • Exploration within the FNO tenements continues to evaluate the prospective stratigraphic succession containing the cumulate ultramafic rocks using



Criteria	JORC Code explanation	Commentary
	<p><i>drilling).</i></p> <ul style="list-style-type: none"> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<p><i>geochemical and geophysical surveys and drilling.</i></p> <ul style="list-style-type: none"> <i>The lateral and vertical extents of the New Morning Deeps target are yet to be constrained. Drilling is currently planned at a nominal 80 x 80 pattern. The lateral extents are as yet, unclear. The target is open at depth. Once the extents of the target are better understood, this drill grid pattern may be reduced.</i> <i>At this stage of the exploration program, the nature of the geological model is evolving. Details of further work will be forthcoming as the project progresses.</i>

Table 1
Section 3: Estimation and Reporting of Mineral Resources
2012 Edition JORC Code

Please refer Western Areas “December Quarterly Activities Report”, released 28 January 2014.



Table 1
Section 4: Estimation and Reporting Ore Reserves
2012 Edition JORC Code

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<ul style="list-style-type: none"> Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves. 	<p>Western Areas Ltd (WSA) released the new Spotted Quoll (SQ) Mineral Resource estimate in the December 2013 Quarterly Report for Spotted Quoll Main and Spotted Quoll North. The underlying Mineral Resources are described in Sections 1 to 3 of the Table 1 included in the above mentioned report.</p> <p>The Spotted Quoll Ore Reserve combines Spotted Quoll Main and Spotted Quoll North.</p> <p>The Mineral Resources estimate is inclusive of the Ore Reserves.</p>
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<p>Spotted Quoll is an operating underground mine and the Competent Person carries out routine inspections of the mine-site and underground workings as part of his normal duties.</p> <p>WSA has established a fit-for-purpose data collection and record keeping system used by the technical staff to effectively manage the operation. This data is used in the present Ore Reserves estimation.</p> <p>Mine design and mining method is based primarily on the recommendations laid out in the original Feasibility study.</p>
Study status	<ul style="list-style-type: none"> The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered. 	<p>WSA completed a SQ Feasibility Study in November 2010 as a continuation of the Spotted Quoll open pit (release 15th of December 2010). Underground mining commenced on the 2nd of May 2010 with firing the first portal face. The Feasibility Study is still valid and has been updated with the experience gained.</p> <p>The current Ore Reserve estimation is an update of a pre-existing reserve using the new Mineral Resource, updated modifying factors, mine performance KPI's and a revised commodity price estimate.</p>
Cut-off parameters	<ul style="list-style-type: none"> The basis of the cut-off grade(s) or quality parameters applied. 	<p>An Ore Reserve cut-off grade of 2% Ni for stopes and 1.5% Ni for ore drives was selected using industry standard methods that included the following criteria</p> <ul style="list-style-type: none"> Ore reserve average grade \geq life-of-mine (LOM) break-even grade Minimum deleterious elements to generate a saleable concentrate Positive LOM NPV Maximise steady state production Nickel price USD7:00/lb @ FX0.95 <p>Some of the key ore reserve assumptions are considered commercially sensitive, however as the mine has been in operation for some years the reserve cut off parameters are developed using historical operating performance and statistics. More details regarding cut off parameters are reported in the following sections.</p>
Mining factors or assumptions	<ul style="list-style-type: none"> The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. 	<p>The mining method used is predominantly longhole stoping with a top down sequence and paste filling of resultant voids.</p> <p>The mining model used MINE24Dv15 and EPS Codes (MINERP software house). Mining factors have been selected using historical performance data of the deposit, particularly:</p> <ul style="list-style-type: none"> The Mineral Resource model used is the file



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). The mining dilution factors used. The mining recovery factors used. Any minimum mining widths used. The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. The infrastructure requirements of the selected mining methods. 	<p><i>mod_sqnov13_rev2.dtm in Datamine format (see Sections 1 to 3 of the Table 1 on the Mineral Resource market release).</i></p> <ul style="list-style-type: none"> The minimum mining width is 1.0 metre. The max stable stope length is 35 metres with a stope height between 7 and 15 metres. Other geotechnical parameters are contained in the current Ground Control Management Plan. Hanging Wall planned dilution is 0.75 metres and Foot Wall planned dilution is 0.4 metres. Unplanned dilution (including hosting rock and paste dilution) is 2% of stope mass. Ore recoveries ranges from 95% to 99% in the stopes and 100% in the ore drives. Pillar factor for unplanned pillars is 2.5%. Production rates reflect current mining performances and practice. A halo of low grade material averaging 0.4% Ni is included in the block model around the ore body wire frames, extending 1m in the hanging-wall and 1 m in the foot-wall. 0% Ni grade is assigned to the material outside the block model. Standard SG for dilution is 2.8t/m³. <p><i>No Inferred material has been utilised for the Ore Reserves estimation.</i></p> <p><i>SQ is an operating mine with adequate infrastructure and future capital project extensions are included in the LOM plan.</i></p>
<p>Metallurgical factors or assumptions</p>	<ul style="list-style-type: none"> The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. Whether the metallurgical process is well-tested technology or novel in nature. The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. Any assumptions or allowances made for deleterious elements. The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications? 	<p><i>The metallurgical factors used are from the existing Cosmic Boy Concentrator (CBC) using conventional nickel sulphide flotation techniques combined with historical operating performance data. These factors are considered commercially sensitive and may be made available on request.</i></p> <p><i>The metallurgical process is a conventional Nickel Sulphide flotation process with three stage crushing circuit and wet screening for size classification; single ball mill with cyclone size classification and two stage flotation circuits.</i></p> <p><i>The resultant concentrate is sold into existing off-take contracts with BHPB and Jinchuan.</i></p>
<p>Environmental</p>	<ul style="list-style-type: none"> The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported. 	<p><i>Spotted Quoll open pit mine received final environmental approval in October 2009. Approvals were provided under both Western Australian legislation; principally being Parts IV and V of the Environmental Protection Act 1986 (EP Act) and the Mining Act 1978 (M Act) and Commonwealth legislation being the Environment Protection and Biodiversity Conservation Act 1999, (EPBC Act). Environmental approval has also been received, to mine Nickel sulphide ore from the underground extension of the Spotted Quoll open cut mine under Western Australian legislation being principally Parts IV and V of the EP Act and the M Act. No further approval was required from the Commonwealth for underground mining at Spotted Quoll.</i></p> <p><i>A list of Key State and Commonwealth approvals obtained for both the Spotted Quoll open pit and the underground operations may be made available by request.</i></p>



Criteria	JORC Code explanation	Commentary
Infrastructure	<ul style="list-style-type: none"> The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed. 	<p>SQ is an operating mine with adequate infrastructure and future capital project extensions are included in the LOM plan.</p> <p>SQ is supplied by Western Power 33kV overhead power-line from the Bounty switchyard 60km to the north of SQ mine-site.</p> <p>Potable water is produced via RO plants located at CB concentrator and pumped via a pipeline to the mine-site. Process water is recycled from the mine dewatering network.</p> <p>Bulk material logistics is predominately via conventional truck haulage.</p> <p>Mine personnel reside at the nearby Cosmic Boy Village (530 rooms) and are predominately a FIFO (via CB airstrip) workforce with some minor DIDO.</p> <p>The mine-site is 80km to the east of the Hyden township and has two main gazetted gravel road accesses (east from Hyden and south from Varley)</p>
Costs	<ul style="list-style-type: none"> The derivation of, or assumptions made, regarding projected capital costs in the study. The methodology used to estimate operating costs. Allowances made for the content of deleterious elements. The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products. The source of exchange rates used in the study. Derivation of transportation charges. The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. The allowances made for royalties payable, both Government and private. 	<p>Capital Underground Development costs are derived from the LOM plan based on existing contracts and historical performance and data.</p> <p>All other Capital costs are sourced as necessary via quotes from suppliers or technical studies.</p> <p>Mining, processing, administration, surface transport, concentrate logistics and state royalty costs are based on existing cost estimates.</p> <p>The nickel price and FX assumptions used were sourced from industry standard sources:</p> <ul style="list-style-type: none"> Nickel price USD7:00/lb @ FX0.95 <p>Net Smelter Return (NSR) factors were sourced from existing concentrate off-take contracts.</p>
Revenue factors	<ul style="list-style-type: none"> The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. the derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products. 	<p>These have been selected after consideration of historical commodity prices variations over time and the requirement for the Reserve to be robust to potentially volatile commodity price and foreign exchange conditions.</p> <p>The price setting mechanism for the sale of product subject to this report is traded openly on the London Metals Exchange ("LME").</p> <p>Potential penalties and net smelter revenue factors are included in the Smelter Return factor used. This factor is based on the historical data from previous FY's and is considered commercially sensitive by the company and may be made available on request.</p> <p>Two main selling contracts structures are currently used by Western Areas. One has copper as a co-product and the second doesn't have any co-product. Allowance for this selling parameter is included in the Smelter Return factor.</p>
Market assessment	<ul style="list-style-type: none"> The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for 	<p>The commodity subject to this report is traded openly on the London Metals Exchange ("LME").</p> <p>The Company has for many years maintained both long and short term off-take sales contracts with multiple customers, both locally and internationally.</p> <p>Existing contracts have been assessed for the sales volume</p>



Criteria	JORC Code explanation	Commentary
	<p>these forecasts.</p> <ul style="list-style-type: none"> For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract. 	<p>assumptions.</p> <p>As the Company has been supplying multiple customers over a significant time period no acceptance testing has been assumed in the reserve development process.</p> <p>These contracts have fixed dates in which the contract itself is reviewed and/or expires. The assumption to extend these contracts and the current sold volumes to the end of LOM has been made in order to assess the Ore Reserve.</p> <p>Refer to the previous section for nickel price assumptions.</p>
Economic	<ul style="list-style-type: none"> The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs. 	<p>The Company has been operational for a significant period of time with contracts in place for ore mining, processing and concentrate haulage. Furthermore the operation, subject to this report, has an in-situ operating concentrator facility. As such the actual visible operating and contract rates (including rise and fall where appropriate) has been used in the NPV economic assessments. Figures are considered commercially sensitive by the company.</p> <p>The discount rate has been estimated as the weighted average cost of capital for the Company.</p>
Social	<ul style="list-style-type: none"> The status of agreements with key stakeholders and matters leading to social licence to operate. 	<p>All legal permits to mine Spotted Quoll have been obtained by Western areas following the paths described by the relevant laws with the participation of the local communities (see previous points).</p> <p>As a company policy (WSA-HR-POL-003), the relations with the local communities and territories are a key part of operational management.</p>
Other	<ul style="list-style-type: none"> To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: <ul style="list-style-type: none"> Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent. 	<p>It is noted that mining operations are an inherently risky business in which to operate, no other risk factors apart from the normal risk components included in all the above points and assumptions have been identified.</p>
Classification	<ul style="list-style-type: none"> The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any). 	<p>Spotted Quoll has the following reserves at the 30 of September 2014:</p> <ul style="list-style-type: none"> Proved Ore Reserves: 181,058 at 4.5% for 8,058 Ni tonnes Probable Ore Reserves: 2,732,399 ore tonnes at 4.1% Ni for 110,784 Nickel tonnes <p>The ore reserve generated appropriately reflects the Competent Person's view of the deposit.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Ore Reserve estimates. 	<p>Audits/Reviews of the present report have not been done because of the high confidence in the data used and the operating history of the.</p>
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or 	<p>The confidence in the present evaluation is based on Spotted Quoll being a well established operating mine with a mature performance database.</p>



Criteria	JORC Code explanation	Commentary
	<p><i>procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i></p> <ul style="list-style-type: none"> • <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> • <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i> • <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<p><i>The present estimation, for the nature of the commodity mined, refers to global market conditions (see above points for the assumptions).</i></p> <p><i>As is normal in mining operations, the key points that can have a significant impact on the performance of the Spotted Quoll Mine are the market conditions in general, and the Nickel price and the currency exchange rates in particular. All the other parameters are derived from sound historical production data.</i></p>