

## APPENDIX 4D

## Interim Financial Report for the half year ended 31 December 2015

25 February, 2016

ASX: WSA

**Reporting Period**

The reporting period is the half year ended 31 December 2015. The previous corresponding period is 31 December 2014.

**Results for announcement to the market**

		% Change		Amount A\$'000
Revenue from ordinary activities	Down	36%	to	105,947
Loss from ordinary activities after tax attributable to members of Western Areas Ltd	Down	172%	to	(17,053)
Net Loss after tax attributable to members of Western Areas Ltd	Down	172%	to	(17,053)

**Dividends**

	Amount per security	Franked amount per security	% CFI
<b>Half year ended 31 December 2015</b>			
Interim dividend	0.0 cents	0.0 cents	0%
<b>Half year ended 31 December 2014</b>			
Interim dividend	3.0 cents	3.0 cents	0%

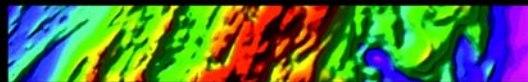
**Total dividend per security (interim)**

	Current year	Previous year
Ordinary securities	0.0 cents	3.0 cents

**Total dividends paid or payable on all securities**

The Directors did not declare a dividend for the half year ended 31 December 2015.

The Directors declared a fully franked interim dividend of 3 cents per share for the half year ended 31 December 2014.



## APPENDIX 4D

## Interim Financial Report for the half year ended 31 December 2015

**Net Tangible Asset Backing**

	Current half	Previous half
The net tangible assets per security	170.3 cents	169.6 cents

The statement of financial position, balance sheet, cashflow statement and associated notes are contained in the financial statements in the attached Interim Financial Report for the period ended 31 December 2015. Other detailed commentary on the variation between the results for the half year ended 31 December 2015 and the comparative period is provided in the Directors Report of the Interim Financial Report.

**Investments in Controlled Entities**

Wholly Owned and Controlled Subsidiaries of Western Areas Ltd:

- BioHeap Ltd
- Australian Nickel Investments Pty Ltd
- Western Areas Nickel Pty Ltd
- Western Platinum NL
- FinnAust Mining Plc 60% (United Kingdom Entity)

**Investments in Associates & Joint Ventures**

Associates of Western Areas Ltd did not contribute to the result of the consolidated group for the half year ended 31 December 2015.

Associates of Western Areas Ltd:

- Mustang Minerals Inc. 19.9% (Canadian Entity)

**Audit Review & Accounting Standards**

This report is based on Consolidated Financial Statements that have been subject to a half year review by the Company's Auditor.

All entities incorporated into the Consolidated Group's result were prepared under AIFRS.

Date: 25 February 2016

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Daniel Lougher

Managing Director



**INTERIM FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED  
31 DECEMBER 2015**

**WESTERN AREAS LTD**



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**CORPORATE DIRECTORY****Directors**

Ian Macliver (Chairman)  
Daniel Lougher  
David Southam  
Julian Hanna  
Richard Yeates  
Craig Readhead  
Tim Netscher

**Share Registry**

Computershare Investor Services Pty Ltd  
Level 11  
172 St Georges Terrace  
Perth WA 6000

**Company Secretary**

Joseph Belladonna

**Stock Exchange**

Australian Stock Exchange  
Code : WSA

**Registered Office**

Level 2, 2 Kings Park Road  
West Perth WA 6005  
Phone (08) 9334 7777  
Fax (08) 9486 7866

**Solicitors**

Ashurst Australia  
2 The Esplanade  
Perth WA 6000

**Auditors**

Crowe Horwath Perth  
Level 5, 45 St Georges Terrace  
Perth WA 6000

**Treasury Advisers**

KPMG Treasury  
235 St Georges Terrace  
Perth WA 6000

**Bankers**

ANZ Banking Group Limited  
77 St Georges Terrace  
Perth WA 6000

**Risk Advisors**

CKA Risk Solutions Pty Ltd  
Level 4  
88 William Street  
Perth WA 6000

## DIRECTORS REPORT

The directors submit the financial report of the consolidated entity for the six months ended 31 December 2015.

The consolidated financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001, AASB 134 “Interim Financial Reporting”, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report be read in conjunction with the 30 June 2015 annual financial report and any other public announcements made by Western Areas Ltd during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001. The financial report covers Western Areas Ltd and its controlled entities (the “Consolidated Entity”). Western Areas Ltd is a listed public company, incorporated and domiciled in Australia. The accounting policies adopted are consistent with those of the previous financial year.

The effective date of this report is 25 February 2016.

All amounts in this discussion are expressed in Australian dollars unless otherwise identified.

### Auditor’s Declaration

The lead auditor’s independence declaration under s307C of the Corporations Act 2001 is set out on page 14 for the half-year ended 31 December 2015.

### Directors

The names of the Company’s directors in office during the six months ended and until the date of this report are as below. Unless noted, directors were in office for this entire period.

<b>Ian Macliver</b>	Independent Chairman
<b>Daniel Lougher</b>	Managing Director and Chief Executive Officer
<b>David Southam</b>	Executive Director
<b>Julian Hanna</b>	Director
<b>Richard Yeates</b>	Independent Director
<b>Craig Readhead</b>	Independent Director
<b>Tim Netscher</b>	Independent Director

### Company Secretary

<b>Joseph Belladonna</b>	Chief Financial Officer and Company Secretary
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## REVIEW OF OPERATIONS

Western Areas (WSA or the Company) is pleased to report that production for the half year ended 31 December 2015 (1HFY16) remains in line with full year guidance, whilst unit costs has been lowered by 5 cents/lb. The Forrestania operations remained cashflow positive and there were no lost time injuries for the half. The Company is proud to continue to report a lost time injury frequency rate (LTIFR) of ZERO.

### December Half 2015 Operational Metrics:

1. Combined mine production of 13,977 tonnes (30.8M lbs) nickel at an average grade of 4.6% nickel.
2. The Cosmic Boy concentrator produced 80,767 tonnes of concentrate containing 12,508 tonnes (27.6M lbs) nickel.
3. Total nickel sales comprised 80,951 tonnes of concentrate containing 12,514 tonnes (27.6m lbs) nickel.
4. Continued focus on cost reduction initiatives for the half resulted in an excellent result with average unit cash cost of nickel in concentrate of A\$2.25/lb (US\$1.63/lb), which is slightly better than the lower end of the average full year guidance range of \$2.25/lb to A\$2.45/lb.

In a decade low nickel price environment, the average realised price for the Company fell 30% in Australian dollar terms over the previous corresponding half, significantly impacting financial results with revenue falls directly affecting pre tax earnings.

The Company's reported net loss has also been affected by expenditure, write-offs and impairments on certain non-core and non Forrestania exploration related activities totalling A\$12.2m after tax.

### December Half 2015 Financial Metrics:

- Sales revenue of A\$105.9m (Dec 2014: A\$164.9m)
- Average realised price of nickel fell by 30% to A\$5.70/lb (Dec 2014: A\$8.11/lb)
- Reported Net Loss After Tax (NLAT) of A\$20.0m (Dec 2014: A\$23.6m NPAT ), including tax effected write-offs and impairments of \$12.2m
- Operating cashflow of A\$14.6m (Dec 2014: A\$87.6m)

Cash at bank was A\$29.9m at the end of the half (June FY15 A\$193.7m). In addition to the repayment of the final A\$125.0m of convertible bonds plus the final interest payment of A\$4.0m, the 1HFY16 cashflow was impacted by the following one off material payments totalling A\$36.4m:

- The first instalment for the purchase of the Cosmos Nickel Project (A\$11.5m);
- The payment of the 4 cent per share final dividend (A\$9.3m);
- The final FY15 tax payment (A\$9.6m); and
- Completion of long lead items for the Mill Recovery Enhancement Project (A\$6.0m).

On behalf of the Board



**Daniel Lougher**  
**Managing Director**

Dated 25 February 2016

**CONSOLIDATED INCOME STATEMENT****For The Six Months Ended 31 December 2015**

	Notes	Consolidated Entity 6 months ended	
		Dec 2015 \$'000	Dec 2014 \$'000
Sales		105,947	164,938
Cost of sales		(109,255)	(119,140)
Other income		1,763	2,694
Finance costs		(753)	(7,863)
Employee benefit expense		(4,815)	(5,658)
Foreign exchange gain / (loss)		9	710
Administration and other expenses		(4,193)	(3,777)
Share based payments		(955)	(483)
Impairment Losses	8	(6,963)	-
Write off of non-current assets	8	(6,778)	(159)
Realised derivative gains		-	2,099
Changes in fair value of derivatives		-	231
<b>(Loss) / Profit before income tax</b>		<b>(25,993)</b>	<b>33,592</b>
Income tax benefit / (expense)		5,957	(10,039)
<b>(Loss) / Profit for the half year</b>		<b>(20,036)</b>	<b>23,553</b>
<b>(Loss) / Profit is attributable to:</b>			
<b>Owners of Western Areas Ltd</b>		<b>(17,053)</b>	<b>23,839</b>
Non controlling interests		(2,983)	(286)
		<b>(20,036)</b>	<b>23,553</b>
Basic (loss) / earnings per share (cents per share)		<b>(8.6)</b>	<b>10.1</b>
Diluted (loss) / earnings per share (cents per share)		<b>(8.6)</b>	<b>10.1</b>

The accompanying notes form part of these financial statements.



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For The Six Months Ended 31 December 2015

	Notes	Consolidated Entity 6 months ended	
		Dec 2015 \$'000	Dec 2014 \$'000
(Loss) / Profit for the half year		(20,036)	23,553
<b>Other comprehensive (loss) / income, net of tax</b>			
<i>Items that may be reclassified to profit or loss</i>			
Changes in fair value of hedging instruments		498	(339)
Changes in fair value of available for sale financial assets		(696)	(473)
Exchange differences on translation of foreign controlled entities		1,124	714
<b>Total comprehensive (loss) / income for the half year</b>		<b>(19,110)</b>	<b>23,455</b>
<b>Total comprehensive (loss) / income attributable to:</b>			
Owners of Western Areas Ltd		(16,127)	23,741
Non controlling interests		(2,983)	(286)
		<b>(19,110)</b>	<b>23,455</b>

The accompany notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As At 31 December 2015**

	Notes	Consolidated Entity	
		31 Dec 2015 \$'000	30 June 2015 \$'000
<b>Current Assets</b>			
Cash and cash equivalents		29,882	195,355
Trade and other receivables		16,779	15,974
Inventories	8	15,877	23,407
Derivative financial instruments		372	-
<b>Total Current Assets</b>		<b>62,910</b>	<b>234,736</b>
<b>Non Current Assets</b>			
Property, plant and equipment	6	103,336	99,981
Intangible assets		506	506
Exploration & evaluation expenditure	6	87,991	60,979
Mine properties		197,820	200,453
Financial assets at fair value through other comprehensive income		258	954
<b>Total Non Current Assets</b>		<b>389,911</b>	<b>362,873</b>
<b>Total Assets</b>		<b>452,821</b>	<b>597,609</b>
<b>Current Liabilities</b>			
Trade and other payables		45,095	29,364
Borrowings	7	668	126,786
Provisions		2,963	2,457
Current tax liabilities		-	9,795
Derivative financial instruments		98	224
<b>Total Current Liabilities</b>		<b>48,824</b>	<b>168,626</b>
<b>Non Current Liabilities</b>			
Borrowings	7	182	210
Provisions	6	21,305	13,523
Deferred tax liabilities		8,698	14,135
<b>Total Non Current Liabilities</b>		<b>30,185</b>	<b>27,868</b>
<b>Total Liabilities</b>		<b>79,009</b>	<b>196,494</b>
<b>Net Assets</b>		<b>373,812</b>	<b>401,115</b>
<b>Equity</b>			
Contributed equity		369,936	369,936
Other reserves		15,470	32,757
Retained earnings		(14,718)	(7,473)
<b>Equity attributable to members of the parent entity</b>		<b>370,688</b>	<b>395,220</b>
Non controlling interest		3,124	5,895
<b>Total Equity</b>		<b>373,812</b>	<b>401,115</b>

The accompany notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For the Six Months Ended 31 December 2015**

	Issued Capital	Capital Raising Expenses	Share Based Payment Reserve	Hedge Reserve	Investment Reserve	Convertible Note Reserve	Foreign Exchange Reserve	Accumulated Profit/(loss)	Sub- Total	Non- Controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>TOTAL EQUITY AT 1 JULY 2014</b>	384,184	(14,248)	20,156	(504)	(9,197)	32,958	77	(40,766)	372,660	5,096	377,756
<b>COMPREHENSIVE INCOME</b>											
Profit for the period								23,839	23,839	(286)	23,553
Other comprehensive income for the period				(339)	(473)		714		(98)		(98)
<b>Total comprehensive income for the period</b>				<b>(339)</b>	<b>(473)</b>		<b>714</b>	<b>23,839</b>	<b>23,741</b>	<b>(286)</b>	<b>23,455</b>
<b>TRANSACTIONS WITH OWNERS</b>											
Share based payments expense			483						483		483
Performance rights cash settled			(193)						(193)		(193)
Dividends paid								(9,303)	(9,303)		(9,303)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<b>384,184</b>	<b>(14,248)</b>	<b>20,446</b>	<b>(843)</b>	<b>(9,670)</b>	<b>32,958</b>	<b>791</b>	<b>(26,230)</b>	<b>387,388</b>	<b>4,810</b>	<b>392,198</b>
<b>OTHER TRANSACTIONS</b>											
Non controlling interest in reverse acquisition										1,548	1,548
<b>TOTAL EQUITY AT 31 DECEMBER 2014</b>	<b>384,184</b>	<b>(14,248)</b>	<b>20,446</b>	<b>(843)</b>	<b>(9,670)</b>	<b>32,958</b>	<b>791</b>	<b>(26,230)</b>	<b>387,388</b>	<b>6,358</b>	<b>393,746</b>
<b>TOTAL EQUITY AT 1 JULY 2015</b>	384,184	(14,248)	22,267	(223)	(9,623)	19,145	1,191	(7,473)	395,220	5,895	401,115
<b>COMPREHENSIVE INCOME</b>											
Loss for the period								(17,053)	(17,053)	(2,983)	(20,036)
Other comprehensive income for the period				498	(696)		1,124		926		926
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>				<b>498</b>	<b>(696)</b>		<b>1,124</b>	<b>(17,053)</b>	<b>(16,127)</b>	<b>(2,983)</b>	<b>(19,110)</b>
<b>TRANSACTIONS WITH OWNERS</b>											
Share based payments expense			955						955		955
Deferred Tax on Performance Rights			(23)						(23)		(23)
Transfer of Convertible Note Reserve						(19,145)		19,145	-		-
Dividends paid								(9,337)	(9,337)		(9,337)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	<b>384,184</b>	<b>(14,248)</b>	<b>23,199</b>	<b>275</b>	<b>(10,319)</b>		<b>2,315</b>	<b>(14,718)</b>	<b>370,688</b>	<b>2,912</b>	<b>373,600</b>
<b>OTHER TRANSACTIONS</b>											
Non controlling interest share placement										212	212
<b>TOTAL EQUITY AT 31 DECEMBER 2015</b>	<b>384,184</b>	<b>(14,248)</b>	<b>23,199</b>	<b>275</b>	<b>(10,319)</b>		<b>2,315</b>	<b>(14,718)</b>	<b>370,688</b>	<b>3,124</b>	<b>373,812</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS****For The Six Months Ended 31 December 2015**

	Notes	Consolidated Entity 6 months ended	
		Dec 2015 \$'000	Dec 2014 \$'000
Cash flows from operating activities			
Receipts from customers		109,135	183,484
Payments to suppliers and employees		(70,049)	(77,623)
Interest received		543	1,976
Royalties paid		(8,874)	(8,789)
Other receipts		170	370
Interest paid		(4,042)	(7,076)
Realisation on settlement of derivatives		1,133	3,523
Income tax paid		(13,412)	(8,282)
<b>Net cash inflow from operating activities</b>		<b>14,604</b>	<b>87,583</b>
Cash flows from investing activities			
Payments for property, plant and equipment		(6,660)	(3,738)
Proceeds from insurance refund of property, plant and equipment		1,584	-
Mine development expenditure		(19,086)	(22,431)
Exploration & evaluation expenditure		(9,955)	(8,529)
Purchase of Cosmos Nickel Complex		(11,500)	-
Investment in listed companies		-	(50)
<b>Net cash outflow from investing activities</b>		<b>(45,617)</b>	<b>(34,748)</b>
Cash flows from financing activities			
Repayment of borrowings		(125,000)	(95,198)
Finance lease payments		(123)	(115)
Borrowing costs		-	(11)
Dividends paid to company's shareholders	2	(9,337)	(9,303)
<b>Net cash outflow from financing activities</b>		<b>(134,460)</b>	<b>(104,627)</b>
Net decrease in cash and cash equivalents held		(165,473)	(51,792)
Cash and cash equivalents as at the beginning of the period		195,355	230,537
<b>Cash and cash equivalents at end of the half year</b>		<b>29,882</b>	<b>178,745</b>

The accompanying notes form part of these financial statements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****For The Six Months Ended 31 December 2015****Note 1: Statement of compliance and Basis of preparation****Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made during the half year.

**Basis of preparation**

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets. All amounts are presented in Australian dollars, unless otherwise noted.

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report have been rounded to the nearest \$1,000.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2015. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**Note 2: Dividends**

	Consolidated Entity 6 months ended	
	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Dividends paid		
2015 Final fully franked ordinary dividend of 4 cents per share (2014: 4 cents)	9,337	9,303

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Note 3: Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

### Note 4: Subsequent Events

There are no events or circumstances that have arisen since the half-year ended 31 December 2015 that have significantly affected or may significantly affect the operation of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in the subsequent financial years other than as disclosed elsewhere in this report.

### Note 5: Statement of Operations by Segments

#### Identification of reportable segment

The group identifies its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

#### Basis of accounting for purposes of reporting by operating segments

##### *Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

### Note 6: Asset Acquisition

The Cosmos Nickel Complex ("Cosmos") is located approximately 370 kilometres northwest of Kalgoorlie in Western Australia and prior to its acquisition by WSA, the project was owned by Xstrata Nickel Australasia Operations Pty Ltd.

On 19 June 2015, the Company announced that it had reached an agreement with Xstrata Nickel Australasia Operations Pty Ltd, a subsidiary of Glencore International plc to purchase Cosmos subject to certain conditions precedent. On 1 October 2015, these conditions were satisfied and the transaction was completed.

Under the Sale and Purchase Agreement ("SPA"), the total consideration paid by WSA amounted to \$24.5 million, comprising a cash payment of \$11.5 million on completion of the SPA and deferred payments of \$7.0 million and \$6.0 million to be settled in nine months and 18 months after completion respectively.

The accounting treatment of the acquisition has been considered not to be a business combination under AASB 3, but the acquisition of a group of assets that do not constitute a business.

The fair values of the acquired assets and liabilities have been independently assessed as at the acquisition date as per the table below:

	\$'000
Property, plant & equipment	4,100
Exploration assets	27,100
Rehabilitation liability	(7,400)
Net Assets acquired and liabilities assumed	<u>23,800</u>

These have been included on the balance sheet under their respective categories.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****Note 7: Borrowings**

	Consolidated Entity 6 months ended	
	31 Dec 2015 \$'000	30 June 2015 \$'000
<b>Current</b>		
Lease liability	276	218
Convertible bond	-	125,000
Insurance funding	392	1,568
	<b>668</b>	<b>126,786</b>
<b>Non-Current</b>		
Lease liability	182	210
	<b>182</b>	<b>210</b>

On 2 July 2015, the Group repaid the final \$125 million convertible bonds that were issued in April 2010. The repayment was made from cash reserves.

**Note 8: Write-offs and Impairment**

At 31 December 2015 the regular assessment of Assets recoverable values as required by the accounting standards resulted in the following write off and impairment adjustments.

**(i) Exploration and evaluation**

In accordance with "AASB 6 *Exploration and Evaluation Assets*" are regularly assessed for impairment where circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

- Regional exploration expenditure in relation to specific areas of interest that have not lead to the discovery of economic mineral resources, or are currently not scheduled continued activities, resulted in a \$2.2 million write off.
- The company has a 60% interest in FinnAust Mining Plc (FinnAust), an exploration company listed on AIM in the UK and that is consolidated into the group result. FinnAust has recently announced a new strategic direction and as such the exploration projects were assessed and historic amounts of exploration and evaluation expenditure that were unlikely to be recovered through successful development or sale have been impaired by \$7.0 million. The company's share of this impairment was \$4.2 million with the balance allocated to non-controlling interests.

**(ii) Inventory**

Due to the continuing low nickel price an inventory stockpile of Flying Fox low grade ore was written off that carried an historic cost of \$4.8 million. This is in accordance with "AASB 102 *Inventory*" where inventory must be carried at the lower of cost or net realisable value.

## AUDITORS INDEPENDENCE DECLARATION



### AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Western Areas Ltd and its controlled entities for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads "Crowe Horwath Perth".

**CROWE HORWATH PERTH**

A handwritten signature in blue ink, appearing to be "Cyrus Patell".

**CYRUS PATELL**  
Partner

Signed at Perth, 25<sup>th</sup> day of February 2016

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**INDEPENDENT AUDITORS' REPORT****INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF WESTERN AREAS LTD AND ITS CONTROLLED ENTITIES****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Western Areas Ltd and its controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Western Areas Ltd and its controlled entities financial position as at 31 December 2015 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Western Areas Ltd and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Crowe Horwath Perth is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Western Areas Ltd and its controlled entities is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

A handwritten signature in blue ink that reads "Crowe Horwath Perth".

**CROWE HORWATH PERTH**

A handwritten signature in blue ink, appearing to be "Cyrus Patell".

**CYRUS PATELL**  
Partner

Signed at Perth, 25<sup>th</sup> day of February 2016

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**DIRECTORS' DECLARATION**

The directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting";
- 2) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board

A handwritten signature in blue ink, appearing to read "DL Lougher".

**Daniel Lougher**

**Managing Director**

Dated 25 February 2016