WESTERN AREAS LTD

Activity Report

For the period ending 31 March 2016

Western Areas is an Australian-based nickel miner listed on the ASX. The main asset is the 100% owned Forrestania Nickel Project, 400km east of Perth. Western Areas is Australia's second largest sulphide nickel miner producing approximately 25,000 tonnes per annum 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 approximately 2.3Mt at an average grade of 5.3% nickel containing 122.6kt of nickel. The total Ore Reserve Estimate at Spotted Quoll now stands at approximately 2.5Mt at 4.0% nickel containing 100.0kt of nickel.

The total Massive Sulphide Mineral Resource Estimate at Flying Fox now stands at approximately 2.1Mt at an average grade of 5.1% nickel containing 104.8kt of nickel. The total Ore Reserve Estimate at Flying Fox now stands at approximately 1.4Mt at an average grade of 4.2% nickel containing 57.4kt of nickel.

The total Mineral Resource Estimate at Cosmos is unchanged at approximately 63Mt at an average grade of 0.9% nickel containing 567kt of nickel.

The Cosmic Boy concentrator consistently produces around 25,000 tonnes per annum of nickel contained in concentrate.

Western Areas has offtake agreements with BHP Billiton for 12,000tpa nickel in concentrate and 13,000tpa with Jinchuan for a total 25,000tpa 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: 263.4m shares
Market capitalisation:
Approx A$527m @ $2.00 per share

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QUARTER IN LINE WITH GUIDANCE, RECORD SPOTTED QUOLL ORE TONNES AND EQUITY RAISE COMPLETED

Western Areas (WSA or the Company) is pleased to report that production for the March quarter remains in line with full year guidance, with unit costs trending to the low end of guidance. **There were no lost time injuries for the quarter and the Company is proud to continue to report a lost time injury frequency rate (LTIFR) of ZERO.**

Mine production was 144,728 tonnes of ore at an average grade of 4.7% for 6,798 nickel tonnes. As foreshadowed in the December quarterly report, mine grade improved from the last quarter in line with the mine schedule and plan. **Spotted Quoll ore tonnages set another record for the quarter with 82,711 tonnes at an average grade of 4.7% for 3,922 nickel tonnes.** Mill production remains extremely consistent at 6,180 nickel tonnes produced.

Unit cash costs of production for the quarter remain low at A$2.27/lb (US$1.64/lb) and year to date unit cash costs are A$2.26/lb, which is at the low end of the improved FY16 guidance of A$2.25/lb to A$2.45/lb**.**

On 31 March 2016, the Company announced an underwritten share placement for A$60m to be followed by a Share Purchase Plan (SPP) capped at A$10m. The placement was completed overnight and closed heavily oversubscribed by existing and new investors both domestically and internationally. The placement was completed via a bookbuild process at A$2.00 per share, higher than the underwritten floor price of A$1.95.

The nickel price finished the quarter higher around US$4.00/lb. However offsetting this improvement was a strengthening Australian dollar.

March Quarter 2016 Highlights:

1. There were **ZERO lost time injuries for the quarter which continued the zero LTIFR achieved at the end of April 2014**. The Company has now operated for over 24 months without an LTI.
2. Flying Fox mine production was **62,017 tonnes of ore mined at 4.6% for 2,876 nickel tonnes (6.3M lbs)**.
3. Record Spotted Quoll production was **82,711 tonnes of ore at an average grade of 4.7% nickel for 3,922 nickel tonnes (8.6M lbs).**
4. **Mill throughput was 156,190 tonnes of ore** at an average grade of **4.4% nickel with recovery of 90% for 6,180 nickel tonnes**
5. **Unit cash cost of production of nickel in concentrate was A$2.27/lb,** tracking to the low end of full year guidance.
6. **Cash at bank was A$42.5m** (see page 2).
7. Flying Fox Mineral Resource update results in an **additional 10,538 nickel tonnes with 83% in the indicated category.**
8. Surface geophysics program at Cosmos was completed with a number of **significant anomalies identified for follow-up work**.
9. Review commenced of historical drill core at Forrestania encompassing known lithium bearing pegmatites at Mt Hope and South Ironcap. Notable intersection at South Ironcap of 50.6m @ 1.0% Li_2O **including 9.0m @ 2.6% Li_2O.**

1. CORPORATE AND FINANCING

Cashflow

Cash at bank was A$42.5m at the end of the quarter (December quarter A$29.0m[1]). This included A$25.0m drawn from the corporate bank facility to ensure sufficient working capital was maintained in line with treasury policy guidelines and to fund certain discretionary capital and exploration expenditure. Cash at bank plus nickel sales receivables was A$56.4m at quarter end.

Revenue received during the quarter was adversely affected by the continued soft Australian dollar nickel price and negative quotational price adjustments (A$2.8m) that related to the prior quarter, with further falls in the nickel price. Notwithstanding these factors, operational cashflow was generated at Forrestania.

Discretionary exploration expenditure continued at the Cosmos and Western Gawler projects. The March quarter was also impacted by the timing of capital payments for activity completed late in the December quarter resulting in cash outflows during the current period.

The June quarter cashflow is expected to benefit from the announced deferrals of capital and development expenditures that were implemented on 1 January 2016. Expectations for overall capital and exploration expenditure for the full year to 30 June 2016 remain in line with full year guidance.

Capital Management

Share Placement

On 31 March 2016 the Company completed an underwritten A$60m share placement to institutional and sophisticated investors via a variable price book build at an underwritten floor price of $1.95 per share. The equity raising was undertaken to strengthen the balance sheet and provide greater financial flexibility to fund certain growth initiatives. The equity raising was well supported by existing and new shareholders, closing well oversubscribed at an issue price of A$2.00/share, being a premium to the underwritten floor price.

Funds raised will be applied to:

- Replenishing working capital for the total purchase price and associated transaction costs for the Cosmos purchase (A$26 million);
- Repay the ANZ corporate debt facility (A$25 million);
- Provide flexibility to pursue growth projects with a particular emphasis on Cosmos and Western Gawler; and
- Provide working capital and general corporate purposes.

Share Purchase Plan (SPP)

In conjunction with the placement, a $10m SPP was opened on 6 April 2016, allowing retail shareholders to participate in the capital raising at the same price as the institutional shareholders. Eligible shareholders will be able to apply for up to $15,000 worth of new shares under the SPP. For the full details, including the terms and conditions, please refer to the offer booklet release to the ASX on 6 April 2016. The SPP will close at 5.00pm (Sydney time) on Wednesday, 27 April 2016.

A placement and SPP structure was considered the most optimal structure for raising the required funds promptly without taking market volatility risk over the 4 weeks normally required for the completion of a rights issue. Furthermore, a placement is typically completed at a tighter discount versus a rights issue. The funds being raised via the SPP is in line with the proportionate retail ownership of Western Areas.

[1] Comparative excludes FinnAust Mining Plc cash reported as at 31 December due to deconsolidation.

Bank Facility

As referred to above, the Company accessed A$25m from its ANZ corporate loan facility during the quarter. The Company maintained a net cash position of A$17.5m at quarter end. Following completion of the share placement in April, the facility was repaid, re-establishing the full A$50m available limit.

Hedging

When pricing is supportive, the Company manages nickel price and foreign exchange risk with a combination of short term quotation period (QP) hedging and a set limit of medium term 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 solely of US$ foreign exchange contracts. No nickel is currently hedged due to the current lack of price support. Details of hedges at quarter end are as follows:

Hedging Details	FY 2016
US$ Hedging - Collar Options	
US$ Sold	$15,000,000
Average US$ FX Cap	$0.7300
Average US$ FX Floor	$0.6500

FinnAust Mining Plc (WSA 38%)

During March, FinnAust completed the acquisition of Blue Jay Mining Limited ("Bluejay") and the Pituffik Titanium Project following receipt of Greenland Government approval. Furthermore, a £1m capital raising was completed during February at a price of GBP2 pence per share. Post the capital raising and Bluejay acquisition (which was settled with FinnAust shares), Western Areas now holds 38% of FinnAust and, as such, was deconsolidated from the Western Areas group financial accounts as at 31 March 2016.

Western Areas retains a keen interest in FinnAust's projects both in Greenland, where seafloor bathymetry and boomer profiling surveys have commenced and in Finland, where additional licences have been granted over prospective base metals tenure surrounding the three major project areas.

Further details can be viewed on the FinnAust website at: www.finnaust.com

2. MINE SAFETY AND ENVIRONMENT

Safety

The March quarter was another quarter of excellent safety performance by all personnel. There were no lost time injuries (LTI) recorded and the **LTI frequency rate remains at ZERO**. Western Areas has now operated 729 days without an LTI and our safety commitment has also been demonstrated by a 25% reduction in medical treatment and restricted work injuries combined with a 23% fall in minor injuries in the period June 2015 to March 2016. Proactive actions such as a 30% increase in hazard reports (24,493 to 32,471) in the first nine months of the financial year and a 20% increase in Job Safety Analyses (489 to 596) in the same period were key contributors to the overall safety success.

As part of our community engagement in 2015, two Hyden aerodrome personnel participated in a four day on-site training course to qualify as Aerodrome Reporting Officers. In March 2016, they returned to complete the aerodrome safety and serviceability inspection training with the Forrestania Aerodrome Manager. This training is recognised by the Civil Aviation Safety Authority (CASA). The nearby Hyden aerodrome (85km

west) serves the surrounding farming communities and also provides Royal Flying Doctor Service (RFDS) patient handling facilities for RFDS transfers and other light aircraft landings.

Environment

One minor environmental incident occurred during the quarter when an operator cleared a small section of bushland beyond the approved clearing boundary. As a result, the operator has been re-inducted in the Ground Disturbance Permit approval process.

Compliance and Approval

The new Environmental Manager, Bryan Williams, met with key state and federal regulators (i.e. Department of Mine and Petroleum (DMP), Department of Environment Regulation (DER), Department of Water (DOW) and the Department of Aboriginal Affairs (DAA)) during the quarter to ensure that the existing excellent working relationships between these parties and Western Areas is continued.

Approvals received from the DMP during the quarter included:

- The Cosmic Boy TSF Lift Proposal;
- Clearing permit and program-of-work (PoW) for exploration activities at Northern Estates near Parker Dome; and
- PoW for exploration activities at the Cosmos Mine.

Community

<u>Cosmos</u>

Community consultation with members of the Tjiwarl native title claimant group progressed during the quarter with several meetings taking place. Approval from the Tjiwarl claimant group for drilling at the Ulysses target was received along with positive feedback on the Company's engagement process. The Company is committed to developing and maintaining a good working relationship with the traditional owners of the land.

Figure 1: Relocated Python from Diggers water tank

Figure 2: Declared Rare Flora monitoring

3. MINE AND MILL PRODUCTION AND CASH COSTS

Tonnes Mined		2014/2015 Jun Qtr	2015/2016 Sep Qtr	2015/2016 Dec Qtr	2015/2016 Mar Qtr	YTD Total
Flying Fox						
Ore Tonnes Mined	Tns	62,976	67,400	76,163	62,017	205,580
Grade	Ni %	4.9%	4.7%	4.2%	4.6%	4.5%
Ni Tonnes Mined	Tns	3,076	3,155	3,183	2,876	9,214
Spotted Quoll - Underground						
Ore Tonnes Mined	Tns	68,569	80,702	81,318	82,711	244,731
Grade	Ni %	5.1%	4.8%	4.6%	4.7%	4.7%
Ni Tonnes Mined	Tns	3,489	3,905	3,734	3,922	11,561
Total - Ore Tonnes Mined	Tns	131,545	148,102	157,481	144,728	450,311
Grade	Ni %	5.0%	4.8%	4.4%	4.7%	4.6%
Total Ni Tonnes Mined	**Tns**	**6,565**	**7,060**	**6,917**	**6,798**	**20,775**

Flying Fox

Production

Flying Fox production was **62,017 tonnes of ore at an average grade of 4.6% nickel for 2,876 nickel tonnes**. Ore production was predominately from long-hole stoping (93%) with the remainder from development activities. Narrow vein mining contributed 5% from a combination of narrow vein long hole stoping and air-leg development.

Longhole production was sourced from the 410 South (410 level now completed) and 335 South longhole T5 stopes, plus 750 and 730 (narrow vein), 685, 640 and 540 T4 stopes.

A total of 79m of air-leg flat-back stoping was also completed at the 410 North level.

Mine Development

Total jumbo development for the quarter was 168m with 33m of lateral capital development predominately at the 230 level to establish the next leg of the escapeway network, plus 67m of operating waste development including 42m of paste development to facilitate slot drilling. A total of 66m of ore drive development was completed at the 215 and 200 levels plus 4m of air-leg development at the 410 slot.

The twin boom jumbo was demobilised as planned at quarter end leaving the single boom jumbo for the remaining narrower ore drive development.

Infrastructure

Infrastructure work completed included an extension to the main paste reticulation network to the 230 level plus replacement of the 600m surface to underground sacrificial paste bore-hole casing.

Figure 3: Massive ore in the 200 North ore drive with an average face grade of 6.1% nickel

Spotted Quoll

Production

Spotted Quoll production was a record **82,711 tonnes of ore at an average grade of 4.7% nickel for 3,922 nickel tonnes**. This surpasses last quarter's highest quarterly ore production to date by 2% in ore tonnes and 5% in nickel tonnes.

The main lode stoping areas were the 1005, 962 and 991 (Block C) levels and North Lode 1151 level. A highlight for the quarter was the successful completion of the North Lode stoping block in March with a preliminary final total production of 68,750 tonnes of ore at an average grade of 4.8% nickel for 3,290 nickel tonnes. A milestone for the quarter was commencing long-hole production from the single-boom jumbo area with the successful full extraction of the 911 panel 1 stope in early March.

Mine Development

Total jumbo development for the quarter was 1,009m with 174m of lateral capital development between the 835 and 750 levels, including 101m of single-boom development between the 862 and 832 levels.

A total of 769m of ore drive development was completed which included 350m between the 944 and 932 levels and 419m of single-boom development between the 871 and 833 levels.

Figure 4: Massive ore in the 944 ore drive with an average face grade of 6.2% nickel

Cosmic Boy Nickel Concentrator

Tonnes Milled and Sold		2014/2015 Jun Qtr	2015/2016 Sep Qtr	2015/2016 Dec Qtr	2015/2016 Mar Qtr	YTD Total
Ore Processed	Tns	157,913	153,540	152,435	156,190	462,165
Grade	%	4.7%	4.6%	4.6%	4.4%	4.5%
Ave. Recovery	%	89%	89%	89%	90%	90%
Ni Tonnes in Concentrate	**Tns**	**6,676**	**6,252**	**6,256**	**6,180**	**18,688**
Total Nickel Sold	**Tns**	**6,690**	**6,233**	**6,281**	**6,003**	**18,517**

The **Cosmic Boy concentrator processed 156,190 tonnes of ore at an average grade of 4.4% nickel for a total of 40,386 tonnes of concentrate grading 15.3% nickel**. Consequently, 6,180 nickel tonnes were produced at a metallurgical recovery of 90% with excellent plant availability of 99.2%.

The highest concentrator monthly throughput to date was achieved in March with 54,781 tonnes of ore processed. The throughput increase has been a result of a trial conducted to improve the grinding efficiency of the ball mill. The trial involved installation of a pinch valve sleeve to regulate the coarse cyclone underflow product to the ball mill while maintaining correct density control in the flash flotation cell that is part of the

grinding circuit. During the trial, throughput increased from 70tph to a peak of 85tph with an average of 82tph. Further trials will be run during the June quarter to confirm the results.

A total of 39,873 tonnes of concentrate was delivered for sale containing 6,003 nickel tonnes. The concentrate stockpile at quarter end was 1,009 tonnes at an average grade of 14.6% nickel, containing 147 nickel tonnes.

The average realised nickel price for the quarter for deliveries to both BHP Billiton and Jinchuan Group was A$5.40/lb (which includes quotational period price adjustments up to quarter end), being a reduction from the December quarter price of A$5.72/lb.

Other sales costs include royalties of A$0.14/lb and concentrate transportation of A$0.32/lb in concentrate. Royalty costs returned to normalised levels following the payment of one-off back charges last quarter.

Stockpiles		Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr
Ore	Tns	69,031	63,593	81,832	70,307
Grade	%	4.5%	5.0%	3.2%	3.6%
Concentrate	Tns	1,098	806	310	1,009
Grade	%	14.7%	17.6%	14.1%	14.6%
Contained Ni in Stockpiles	**Tns**	**3,278**	**3,322**	**2,646**	**2,674**

Ore stockpiles at the end of the quarter totaled 70,307 tonnes of ore at 3.6% nickel for 2,527 nickel tonnes, located at the mine ore pads and the concentrator run-of-mine pad. This represents approximately 1.5 months of mill feed which enables the selection of an optimal mill feed blend.

During the quarter the Company worked collaboratively with the DER in reviewing our half height container nickel concentrate transportation procedures to the Esperance Port. Following the review some minor improvements to existing procedures were implemented. The logistics contractor has now invested over A$1m in new infrastructure at the Esperance Port to ensure Western Areas remains an industry leader in nickel concentrate export activities.

Cash Costs

Financial Statistics		2014/2015	2015/2016			
		Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	YTD
Group Production Cost/lb						
Mining Cost (*)	*A$/lb*	1.62	1.58	1.63	1.66	1.62
Haulage	*A$/lb*	0.05	0.06	0.05	0.05	0.05
Milling	*A$/lb*	0.40	0.45	0.41	0.41	0.43
Admin	*A$/lb*	0.14	0.19	0.17	0.17	0.18
By Product Credits	*A$/lb*	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Cash Cost Ni in Con (***)	***A$/lb***	**2.19**	**2.26**	**2.24**	**2.27**	**2.26**
Cash Cost Ni in Con/lb (***)	***US$/lb (**)***	***1.71***	***1.64***	***1.61***	***1.64***	***1.63***
Exchange Rate US$ / A$		***0.78***	***0.73***	***0.72***	***0.72***	***0.72***

(*) Mining Costs are net of deferred waste costs and inventory stockpile movements
(**) US$ FX for Relevant Quarter is RBA ave daily rate (Mar Qtr = A$1:US$0.72)
(***) Payable terms are not disclosed due to confidentiality conditions of the offtake agreements.
Cash costs exclude royalties and concentrate logistics costs.
Note. Grade and recovery estimates are subject to change until the final assay data are received.

The unit cash cost of production of nickel in concentrate (excluding smelting/refining charges, concentrate logistic and royalties) was A$2.27/lb (US$1.64/lb). This continues to track at the lower end of the updated cost guidance range of A$2.25/lb to A$2.45/lb for the full year. The Company continues to work collaboratively with its suppliers to reduce costs across all areas of the business.

4. FORRESTANIA MINERAL RESOURCES AND ORE RESERVES

Flying Fox

The annual Flying Fox massive sulphide resource update was completed during the quarter. A comparison of the previous resource model and the updated resource model is as follows:

		March 2016 Quarter			December 2015 Quarter		
Area	**Resource Category**	**Ore Mt**	**Grade Ni%**	**Ni Tonnes**	**Ore Mt**	**Grade Ni%**	**Ni Tonnes**
T4 to T7	Indicated	1.50	5.8	84,551	1.26	5.9	75,738
T4 to T7	Inferred	0.25	2.1	5,303	0.2	1.6	3,578
T1 North	Indicated	0.05	5.9	3,290	0.04	4.2	1,900
T1 North	Inferred	0	0	0	0.01	4.8	610
T1 South*	Indicated	0.06	4.0	2,560	0.06	4.0	2,560
T1 South*	Inferred	0.03	4.9	1,720	0.03	4.9	1,720
OTZ South*	Indicated	0.16	4.0	6,574	0.16	4.0	6,574
OTZ South*	Inferred	0.02	4.1	843	0.02	4.1	843
TOTAL		**2.06**	**5.1**	**104,841**	**1.78**	**5.1**	**93,523**

Notes : 1. Cut off grade of 0.4% Ni applied 2. Both models depleted to 31 March 2016 for comparative purposes

The update increase of 10,538 nickel tonnes represents an 11% increase by volume. Remodelling was based on data derived from grade control and resource extension drilling as well as development mapping. The increase in nickel tonnes is especially encouraging considering that 8,813 nickel tonnes are in the Indicated category and is therefore convertible to Ore Reserve status.

*Remodelling of the OTZ and T1S domains will continue during the June quarter.

Also, over 2,300m of T5 grade control drilling was completed during the quarter with significant results shown below:

BHID	Interval m	Ni %	From (m)
FGC0354	6.22	8.9	23.7
FGC0356	2.67	9.4	26.3

The total **Flying Fox massive sulphide resource now stands at 2.06Mt of ore at a grade of 5.1% nickel for 104,841 nickel tonnes.**

The total **Flying Fox proved and probable massive sulphide reserve now stands at 1.37Mt of ore at a grade of 4.2% nickel for 57,240 nickel tonnes.**

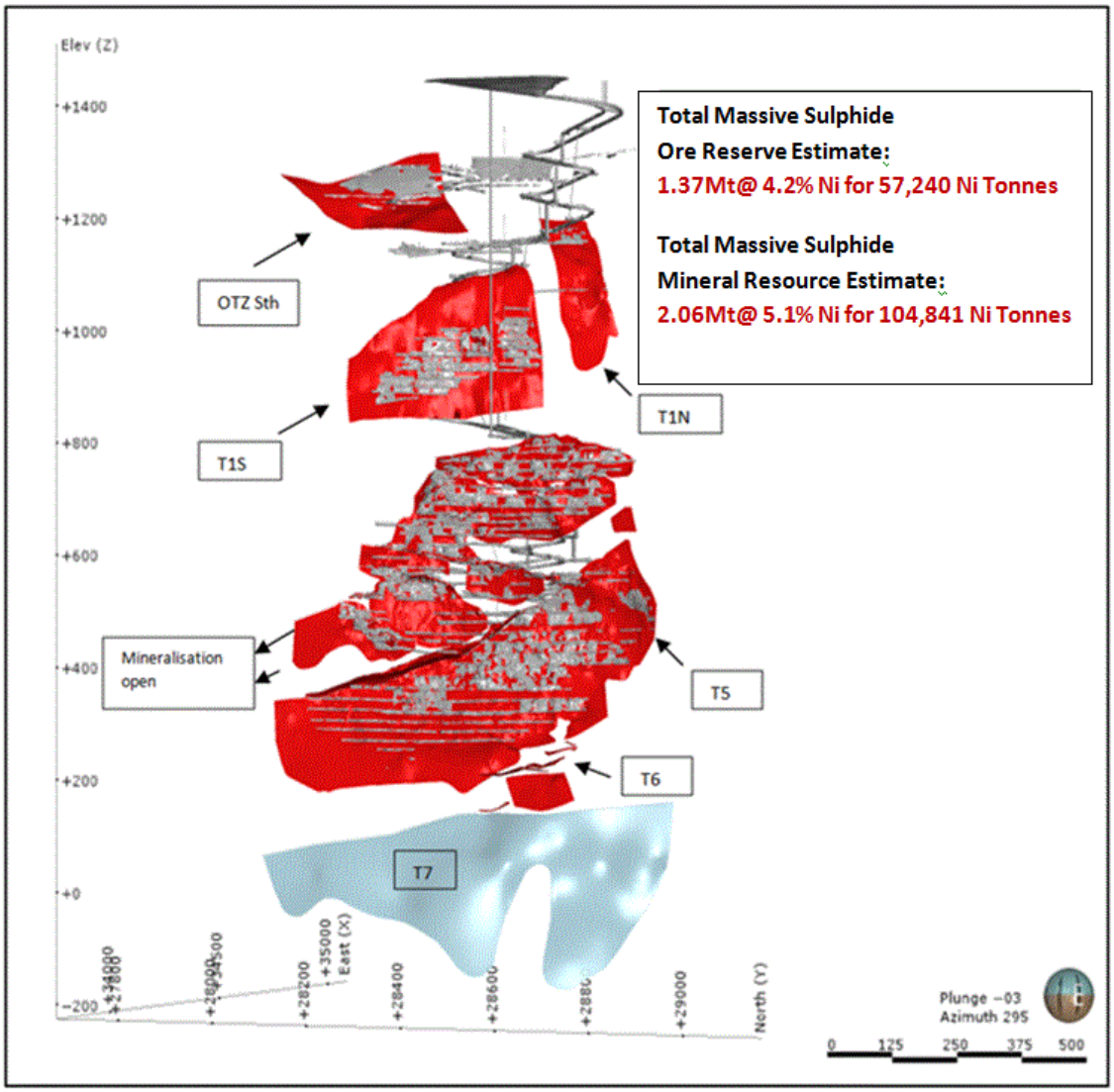

Figure 5: Schematic long section of Flying Fox orebody

Spotted Quoll

The Spotted Quoll massive sulphide resource update was completed during the quarter. A comparison of the previous resource model and the updated resource model is as follows:

		March 2016 Quarter			December 2015 Quarter		
Area	**Resource Category**	**Ore Mt**	**Grade Ni%**	**Ni Tonnes**	**Ore Mt**	**Grade Ni%**	**Ni Tonnes**
Spotted Quoll	Measured and Indicated	2.1	5.3	111,058	2.0	5.6	111,977
Spotted Quoll	Inferred	0.2	5.4	11,520	0.5	5.4	25,127
TOTAL		**2.3**	**5.3**	**122,578**	**2.4**	**5.6**	**137,104**

Notes: 1. Cut off grade of 0.4% Ni applied 2. Both models depleted to 31 March 2016 for comparative purposes

The Measured and Indicated Resource nickel tonnes have remained relatively constant between both the previous and the updated model despite some fundamental structural changes to the orebody model in the vicinity of the so called "flat zone" at the 700mRL. The current drop in Inferred nickel tonnes from the previous model is due to conversion of Inferred to Indicated and revision of the interpretation of the ore body limits to the north and south in places following new drilling and development data. Resource

extension work is ongoing and surface drilling targeting potential mineralisation below the 200mRL is planned.

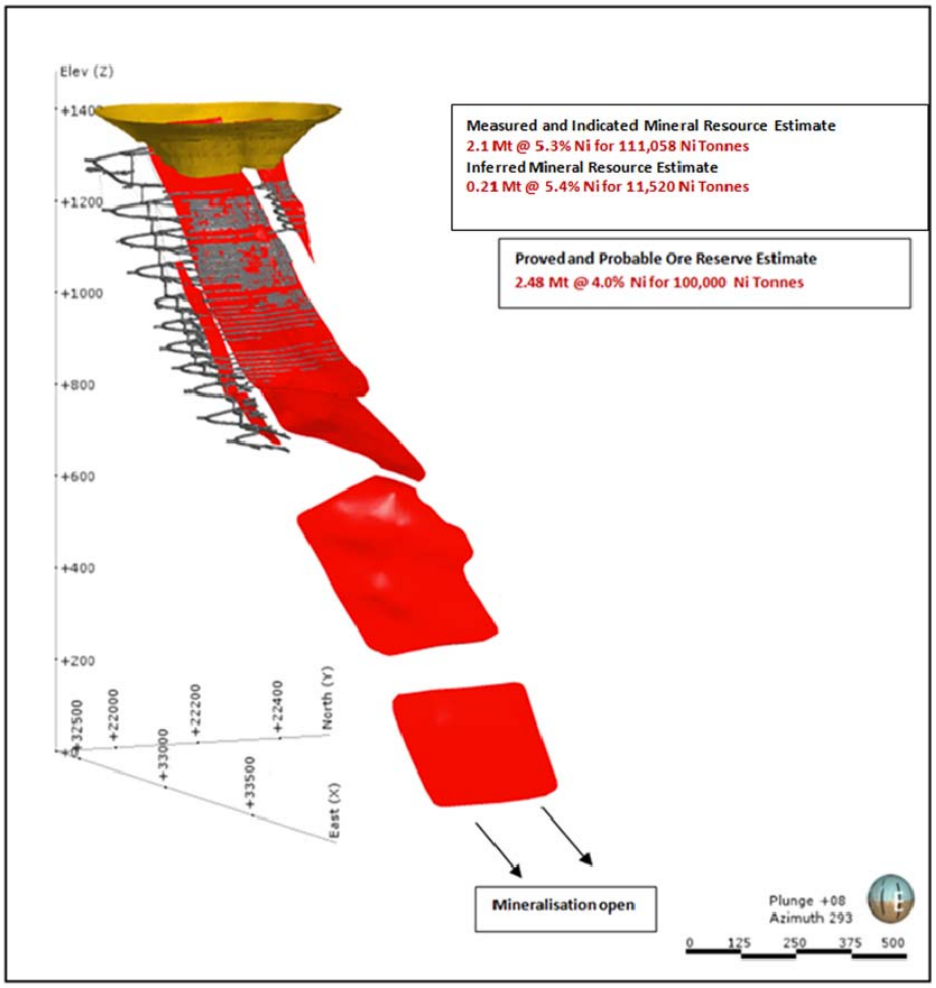

Figure 6: Spotted Quoll schematic with current resource and mining development

A total of five resource extension drill-holes (total 266m) were drilled from the 780 and 904 stockpiles to define the southern edge of the orebody during the quarter with results summarised below:

BHID	Interval m	Ni %	From (m)	Comment
SQUG068	1.38	2.1	41.6	Drilling from 780 stockpile
SQUG068	0.85	2.6	35.1	Drilling from 780 stockpile
SQUG070	1.07	7.2	39.4	Drilling from 904 stockpile
SQUG071	0.39	1.6	45.7	Drilling from 904 stockpile#
SQUG072	0.40	2.3	61.7	Drilling from 904 stockpile#

The total **Spotted Quoll massive sulphide resource now stands at 2.3Mt of ore at a grade of 5.3% nickel for 122,578 nickel tonnes.**

The **Spotted Quoll proved and probable ore reserve now stands at 2.5Mt of ore at a grade of 4.0% nickel for 100,000 nickel tonnes.**

New Morning/Daybreak

Resource models using nominal cut off grades of 0.5% Ni and 0.7% Ni (Figure 7) respectively were completed with encouraging results showing a significant increase in nickel by volume (+ 20%) when compared to the previous models. An updated Resource Estimate is expected by the end of the June quarter.

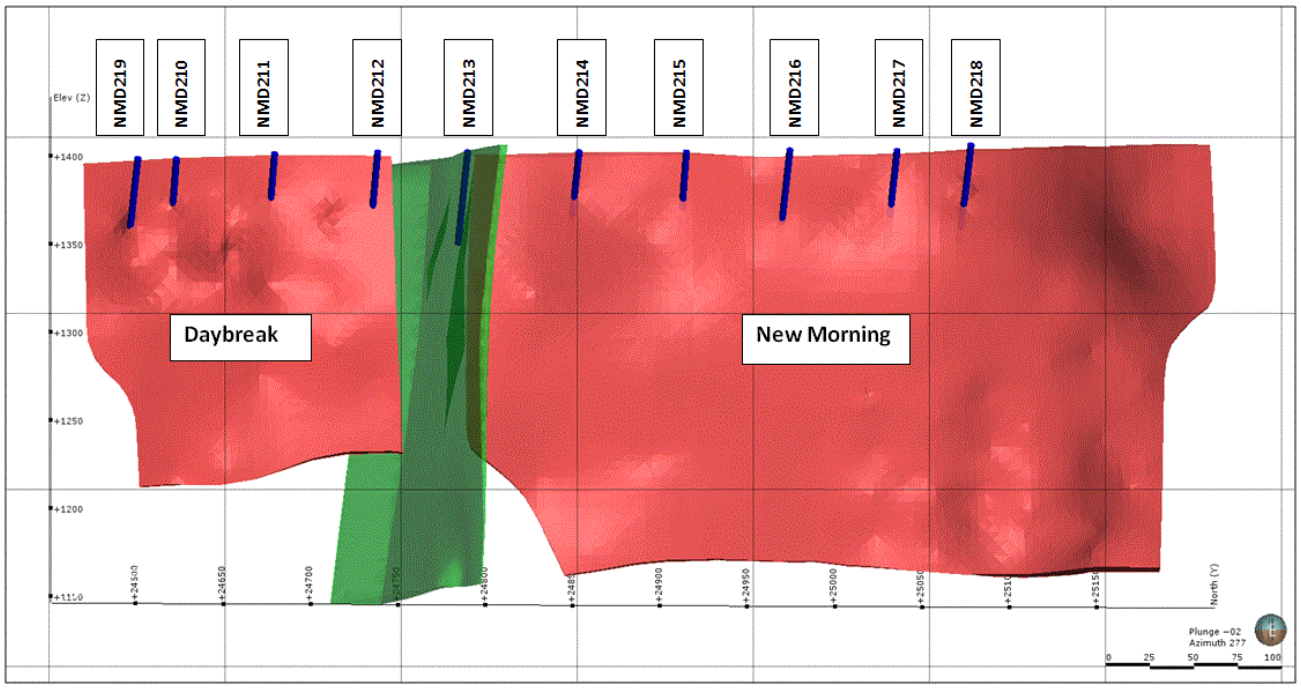

Figure 7: West view of mineralisation 0.7% Ni from surface to 250m deep with dolerite dyke (green) between Daybreak to the south and New Morning to the north

The Company's Resource and Ore Reserve Statements are included at the end of this report.

5. BIOHEAP

Mill Enhancement Recovery Project

Approximately 70% of the Project's pre-construction activities were completed, which includes the majority of the detailed engineering and procurement of long lead items. Most long lead items have now been delivered to site, with the remaining items due to arrive in the June quarter.

Other

Leaching test-work on eight samples from the New Morning/Daybreak shallow drilling program was in progress. The results show a range of nickel recoveries with a peak of 74% and five of the samples above 50% after 68 days of testing. Results from this study will provide valuable leaching characteristics on each selected sample and indications of how the metal recoveries will correlate with the previous mineralogical data.

Tests have started on determining agglomeration and percolation characteristics on a sample from Daybreak material. The data will provide an understanding of the physical properties of agglomerates for column or heap leaching.

Figure 8: Agglomerates being prepared for testing

6. COSMOS NICKEL COMPLEX ("Cosmos")

Cosmos transitioned to an exploration site from care and maintenance mode during the quarter with the geophysical team being joined by Boart Longyear personnel who will be operating a surface diamond drill rig. Village numbers reached double figures as the drilling commenced.

Quarter highlights include:

- Updating the Xstrata scoping study for the Odysseus project;
- Recommissioned the dry mess to cater for the 25 to 50 rooms;
- Upgraded the existing water plant and camp ring main;
- Recommissioned the exploration office and core yard; and
- Continued asset transfers for identified equipment synergies with Forrestania. Major items included primary ventilation fans for the planned Spotted Quoll ventilation upgrade and metallurgy lab equipment. Total equipment synergies are anticipated to save capital expenditure in excess of A$3.0m.

Figure: 9 Two primary fans moved from storage at Cosmos to Perth for refurbishment in preparation for use at Spotted Quoll

Figure 10: Cosmos camp dry mess with the exploration crew

7. EXPLORATION

Exploration continued through the March Quarter at Cosmos, Forrestania and Western Gawler Projects. St George Mining (SGQ) advised they had commenced exploration on the Mt Alexander JV where WSA holds a 25% free carried interest in the Mt Alexander project.

Cosmos Nickel Complex ("Cosmos")

Key highlights in the quarter include:

- Drilling commenced at Ulysses;
- Surface Moving Loop EM (MLEM) surveys completed;
- Near mine target generation activities and review continuing.

Ulysses

The Ulysses target area lies to the north of the Odysseus ore bodies (Figure 4). Western Areas' believes that this area has the potential to increase the current resources of Odysseus and Odysseus North, and early success has the potential to impact the pre-feasibility studies that are currently underway. Historical drilling in the area is limited and a program of six surface holes with up to 7,000m of diamond drilling has been planned to test the Ulysses target area. Drilling will be staged, based on ongoing success and will target potential extensions to the Odysseus North mineralisation and untested EM conductors identified in historic data, which may represent massive nickel sulphides similar to those below the Odysseus ore bodies. The program will utilise digital Atlantis Down-hole Electro-magnetics (DHEM) and Magneto-Metric Resistivity (DHMMR) to verify the conductors and detect any new anomalies.

Drill hole WAD001 (EOH 1,332.5m), the first drill hole of the Ulysses program, targeted the potential northern strike continuation of the Odysseus North ore body. The drill hole encountered lenses of felsic volcanic host rocks and significant volumes of pegmatite intrusive (up to 175m in thickness) within the target zone, similar to those that terminate the northern end of the Odysseus North ore body. No ultramafics were encountered at the target depth in WAD001, which suggests that the Odysseus sequence may be offset, or has been pinched out to the north. The down-hole geophysics (DHEM and DHMMR) surveys of WAD001 did not identify any new anomalies proximal to the drill hole. However, the data did confirm the presence of the historical conductor north of the hole. This conductor is the target for the second Ulysses drill hole (WAD001W1), a wedge from WAD001.

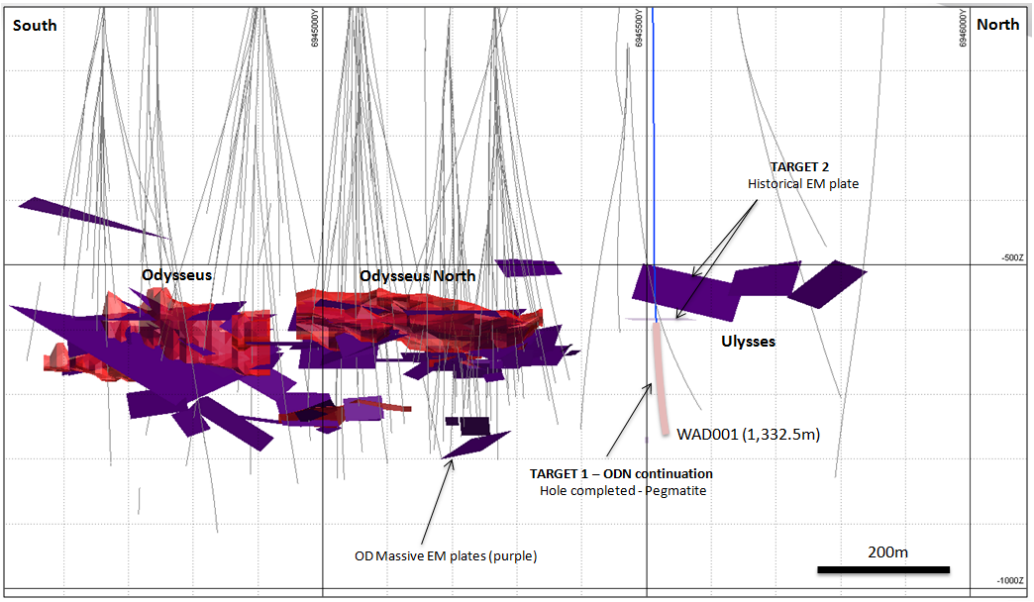

Figure 11: Odysseus – Ulysses long section indicating the location of drill hole WAD001 and Target 2

Surface Geophysics

A comprehensive surface MLEM survey, initiated to cover most of the prospective ultramafic host stratigraphy, was completed during the quarter. The survey (approximately 1,000 stations) covered the area to the south of the Prospero/Tapinos deposits (Neptune), Apollo and the area north of the Cosmos Mine (Figure 4). These areas were prioritised as they are known to contain large volumes of cumulate ultramafics, and are relatively untested by drilling and effective geophysics.

A number of MLEM anomalies have been identified from the recent survey, some in highly favorable stratigraphic settings. Three single peak anomalous responses were observed in the 200m x 200m survey in the Neptune area. Two were followed up with a small Fixed Loop Electromagnetic (FLEM) survey to verify the source. Modelling of these three single station anomalies using both MLEM and FLEM data implies two different conductive plates with very high conductance.

Encouragingly these anomalies occur along the western (basal) margin of the interpreted ultramafic package, where there has been little deep drill testing, but where nickel sulphides are present in shallow historical drilling in multiple locations on this trend; example holes tabulated below. Drill testing of these anomalies will commence once access to the area has been negotiated.

HOLE ID	Easting	Northing	RL_Mine	DEPTH (m)	Type	DIP	Azimuth	INTERCEPTS FROM (m)
BERC0271	260530.5	6936517	464.28	130	RC	-60	270	8m @ 0.8% Ni, 0.13% Cu from 72m
BERC0272	260568.6	6936717	459.19	130	RC	-60	270	14m @ 0.7% Ni, 0.03% Cu from 68m
BERC0279	260712.4	6938418	459.92	130	RC	-60	270	12m @ 0.5% Ni, 0.04% Cu from 44m

Several strong EM anomalies have also been detected in the Apollo area along the 'Camelot Ultramafic'. This ultramafic unit hosts the BHP Billiton 'Camelot Nickel Camp' nickel sulphide deposits to the east of Apollo, and is interpreted to extend onto the WSA tenure. The Apollo EM anomalies are currently being assessed, ranked and prioritised for drill testing. The Apollo area is part of the Alkane JV (WSA- 80.6% / ALK 19.4% (diluting))

Down-hole Geophysics Review

Whilst most of the historical drill holes were routinely surveyed with DHEM, these surveys used technology that is more limited in capability and effectiveness than the modern, digital, three component DHEM instrumentation used today, particularly in the detection of highly conductive massive nickel sulphides. A specific program is being undertaken to review and prioritise these near mine and brownfield DHEM opportunities to identify further targets. This review has already highlighted a number of untested historical anomalies.

Of particular interest is the Aries target, which is located in the hanging wall of the AM6 deposit (2Mt @ 2.6% Ni – un-mined). This target is characterised by multiple intersections of high grade massive sulphides (i.e. 4.46m @ 12.36% Ni and 3.28m @ 9.36%Ni in AMD568) that were intersected in a historic underground drill hole, and is located in the hanging wall of AM6.

HOLE ID	Easting	Northing	RL_Mine	DEPTH (m)	Type	DIP	Azimuth	INTERCEPTS FROM (m)
AMD568	260285.85	6943691.84	-248.44	557.8	DD	-38	95	4.46m @ 12.28% Ni (from 409.4m)
						and		*3.28m @ 10.6% Ni (from 332.34m)*

Further DHEM will aim to refine the known massive sulphide lenses and identify any further high grade mineralisation in this area. The presence of further high grade lodes in this location opens up the potential for more opportunities in untested areas around the AM ore bodies.

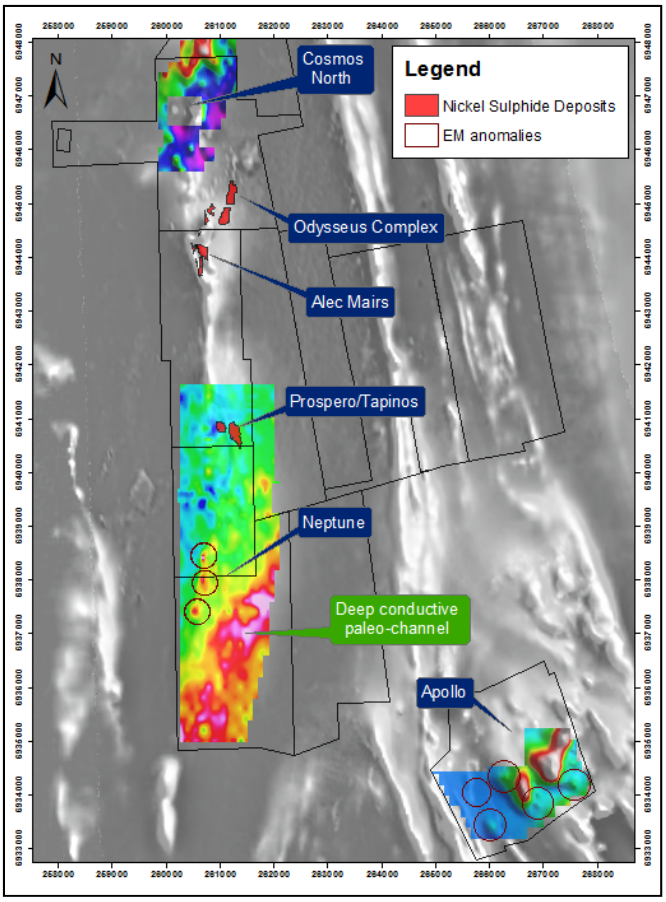

Figure 12: MLEM survey coverage over Cosmos – coloured MLEM image is CH40#

Forrestania Projects

Evaluation of specific prospect areas and the ultramafic stratigraphy for economic nickel sulphide mineralisation continued. Drilling was undertaken and is in progress at Spotted Quoll South and South Ironcap west.

Given the recent strong interest in pegmatite hosted style mineralisation (lithium-tantalum) and the number of pegmatites intersected within existing drilling in the Forrestania region, the Company commenced a high level technical review of the potential for this style of mineralisation in the Forrestania tenements.

Forrestania Nickel Exploration

The main focus continued to be within the Western Ultramafic Belt (WUB) including the commencement of an RC drilling program south of the Spotted Quoll Mine. Results are expected to be available for the next quarter. A reinterpretation of the geology and structures across the WUB to the south of Spotted Quoll is continuing, with the overall aim of understanding how it relates to the Spotted Quoll mineralised system further to the north.

Forrestania Lithium Mineralisation.

Western Areas notes recent strong interest in lithium, particularly (spodumene-bearing) pegmatite style mineralisation. The Forrestania district is known to contain a significant number of pegmatites, typically intersected within existing nickel sulphide exploration drilling. A technical review of the lithium potential has commenced, as a high level assessment of whether areas noted as containing pegmatites host elevated Li_2O concentrations (lithium mineralisation is typically reported as the oxide, Li_2O).

This review is in its early stages and includes first pass selective sampling of nine areas, with one to three holes being assayed in most areas.

The key results from the above work indicates:

1. The Forrestania tenement package does contain strongly Li_2O mineralised (spodumene) pegmatites;
2. Lithium bearing pegmatites were only returned from the Eastern Ultramafic Belt (EUB);
3. Two of the nine areas sampled contain Li_2O concentrations >1% Li_2O - South Ironcap and Mt Hope;
4. Three holes from South Ironcap contain grades >1% Li_2O (e.g. SID014 50.6m@0.95% Li_2O from 176.8m **including 9m@2.58% Li_2O from 202m**) and widths (30-50m) over a strike length of at least 900m, at a depth of 150-200m below surface as this is where the currently known thicker pegmatites occur. The grade of the other pegmatites (some shallower) present at South Ironcap is not known and yet to be tested; and
5. The Mt Hope area contains numerous lithium bearing pegmatites, however, based on very limited work in this area they have tended to be thinner than at South Ironcap (< 10m).

HOLE ID	Easting	Northing	RL	DEPTH (m)	Type	DIP	Azimuth	INTERCEPTS FROM (m)
SID014	760432	6380128	429	281.2	DD	-58	62	50.6m @ 0.95% Li_2O (from 176.8m)
						including		9m @ 2.58% Li_2O (from 202m)

Within the Forrestania tenement holding the following facts are of note:

1. There are numerous occurrences of granites and pegmatites throughout the Forrestania geological succession, typically flat lying or very shallowly dipping, with a flat or arcuate strike;
2. The true distribution of the pegmatites is currently difficult to assess as the information relies heavily on the drilling from historic nickel exploration which is biased towards the ultramafic stratigraphy; and
3. There are large parts of the tenement holding that have not been assessed with regard to lithium.

Western Areas holds a considerable extent of the EUB (some 170km strike length) under licence. Whilst the initial results are very encouraging, further work (geological compilation, re-sampling of existing drilling and new drilling) will be required to assess and realise the true potential for economic lithium deposits within the tenement holding. The Company will continue to assess the lithium potential and pursue options that will maximise the value of its assets.

Western Gawler Nickel-Copper Joint Venture (WSA earning up to 100% interest)

The project continued to achieve important milestones, with key highlights for the quarter including:

- Monax (MOX) electing to withdraw entirely from the project, WSA now at 100%;
- Detailed geochemical review completed with further prospective areas added;
- New ground added to portfolio.

Subsequent to the completion of Stage 2 by Western Areas, MOX elected to withdraw from the project by relinquishing their remaining 10% interest and selling their royalty to WSA. Western Areas now holds a 100% interest in the MOX ground. The Company continues to work towards the completion of the Stage 1 earn-in on the Strandline ground (75% interest in the tenement by spending $0.8M in 2.5 years).

The region is known to host mafic-ultramafic intrusive rocks and determining the extent, exact age and prospectivity of these is the primary objective of the exploration activities. Initial results are very encouraging, with the identification of olivine gabbro-norite intrusive rocks in a number of drill holes. Significantly, the petrology has also confirmed the presence of magmatic nickel/copper sulphides within these rock types. These types of mafic intrusives are well known for hosting significant nickel and copper orebodies in western and central Australia, including Nova-Bollinger and Nebo-Babel. The results confirm the initial observations regarding the prospectivity of the Western Gawler region for intrusive related nickel and copper mineralisation.

A comprehensive review of the geochemical data collected from the initial extensive broad scale drilling (RC/air-core) program completed to date was undertaken during the quarter. The results of the geochemical review have also supported the prospectivity of the area for nickel/copper sulphides, and significantly, for other possible styles of mineralisation, including orogenic gold and IOCG deposits. The anomalous element concentrations identified to date from the drill assays are (as expected) below economic levels but have been found to form coherent trends, both chemically and spatially. As the drilling is widely spaced, these results are highly encouraging for the project and further follow-up exploration is well justified. Importantly, new areas of interest have been identified by the latest review, and these will be targeted in the next exploration program. Target areas are shown on Figure 6.

The Company looks forward to resuming the first phase drilling, as well as testing the new target areas identified from the drilling to date. Exploration activities, including ground access and heritage surveys, surface gravity surveys and continuation of the RC/air-core drilling are planned for the June quarter.

The Company continued to consolidate its land holding in the Western Gawler Project area with the addition of exploration license EL 5688. This license forms one of two new additions (ELA 2014/252 is still under application) that cover prospective ground on the western margin of the Fowler Domain, to the west of the current project area. A number of key areas have been identified for initial geophysical surveys.

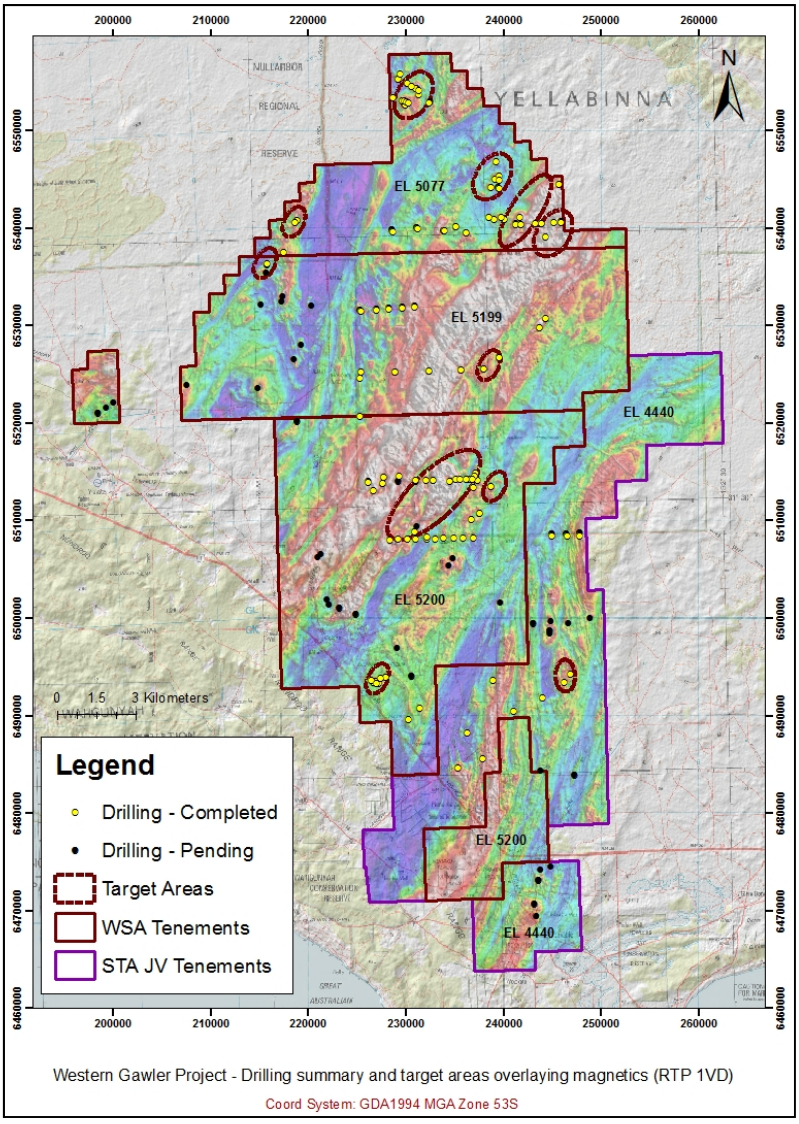

Figure 13: Western Gawler Project -Drilling Summary and target areas overlying magnetic (RTP 1VD)#

Mt Alexander JV (WSA 25% free carried interest in E29/638)

St George Mining Limited (SGQ) announced on 17 December 2015 it had acquired BHP Billiton's 75% share in E29/638, which forms the Mt Alexander JV. SGQ is the Manager of the Project with WSA retaining a 25% non-contributing interest until there is a decision to mine. As part of SGQ's acquisition, Western Areas was allocated 3.5m SGQ ordinary shares for zero cost.

SGQ advised that it commenced exploration on the tenement during the quarter and it has identified several untested EM conductors that have similar geophysical responses to the massive nickel-copper sulphides at Cathedrals. The untested EM conductors are located at Cathedrals and the adjacent Stricklands Prospect and, like the proven targets at Cathedrals, are associated with magnetic anomalies within the Cathedrals shear zone. These conductors have strong potential to represent massive nickel-copper sulphides and are priority drill targets for the 2016 drill programme scheduled to commence early in the June quarter.

-ENDS-

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COMPETENT PERSON'S STATEMENT:

The information within this report as it relates to exploration results, mineral resources and ore reserves 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: "The June quarter cashflow is expected to benefit from the announced deferrals of capital and development expenditures that were implemented on 1 January 2016" and, "The increase in nickel tonnes is especially encouraging considering that 3,700 nickel tonnes are in the Indicated category and is therefore convertible to Ore Reserve status".

This announcement does not include reference to all available information on the Company, the Forrestania Nickel Operation or the Cosmos Nickel Complex 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 31st March 2016

	Tonnes	Grade Ni%	Ni Tonnes	Classification	JORC Code
Ore Reserves					
1. Flying Fox Area	1,366,320	4.2	57,240	Probable Ore Reserve	2012
2. Spotted Quoll Area	265,900	4.3	11,365	Proved Ore Reserve	2012
	2,215,300	4.0	88,635	Probable Ore Reserve	2012
3. Diggers Area					
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 FORRESTANIA ORE RESERVE	**5,956,520**	**3.2**	**188,040**		
Mineral Resources					
1. Flying Fox Area					
T1 South	64,550	4.0	2,560	Indicated Mineral Resource	2004
	35,200	4.9	1,720	Inferred Mineral Resource	2004
T1 North	55,779	5.9	3,290	Indicated Mineral Resource	2012
OTZ Sth Massive Zone	20,560	4.1	843	Inferred Mineral Resource	2012
OTZ Sth Massive Zone	162,338	4.0	6,574	Indicated Mineral Resource	2012
T4 Massive Zone	161,686	5.8	9,425	Indicated Mineral Resource	2012
T5 Massive Zone + Pegs	1,258,966	5.8	72,601	Indicated Mineral Resource	2012
T6 Massive Zone	47,840	5.3	2,525	Indicated Mineral Resource	2012
T7 Massive Zone	256,977	2.1	5,303	Inferred Mineral Resource	2012
Total High Grade	2,063,896	5.1	104,841		
T5 Flying Fox Disseminated Zone	197,200	0.8	1,590	Indicated Mineral Resource	2004
	357,800	1.0	3,460	Inferred Mineral Resource	2004
T5 Lounge Lizard Disseminated Zone	4,428,000	0.8	36,000	Indicated Mineral Resource	2004
Total Disseminated Flying Fox/Lounge Lizard	4,983,000	0.8	41,050		
Total FF/LL	7,046,896	2.1	145,891		
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		
2. Spotted Quoll Area					
Spotted Quoll	645,239	5.8	37,256	Measured Mineral Resource	2012
	1,457,833	5.1	73,802	Indicated Mineral Resource	2012
	212,089	5.4	11,520	Inferred Mineral Resource	2012
Total Spotted Quoll	2,315,161	5.3	122,578		
Beautiful Sunday	480,000	1.4	6,720	Indicated Mineral Resource	2004
Total Western Belt	11,985,957	2.6	305,888		
3. 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		
4. 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 - Core	172,300	1.1	1,850	Inferred Mineral Resource	2004
Digger Rocks - Halo	1,441,000	0.7	10,350	Inferred 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 FORRESTANIA MINERAL RESOURCE	**22,390,057**	**1.9**	**414,408**		
5. Cosmos Area					
AM5	479,914	2.6	12,430	Indicated Mineral Resource	2012
	26,922	1.9	509	Inferred Mineral Resource	2012
AM6	1,704,548	2.7	45,171	Indicated Mineral Resource	2012
	329,443	2.5	8,203	Inferred Mineral Resource	2012
Odysseus	3,884,857	2.2	84,301	Indicated Mineral Resource	2012
	169,165	2.1	3,603	Inferred Mineral Resource	2012
Odysseus North - Disseminated	1,631,495	2.8	45,519	Indicated Mineral Resource	2012
	1,586,175	2.2	35,054	Inferred Mineral Resource	2012
Odysseus North - Massive	48,043	11.6	5,563	Indicated Mineral Resource	2012
Total Cosmos Area	9,860,562	2.4	240,353		
6. Mt Goode Area					
Mt Goode	13,563,000	0.8	105,791	Measured Mineral Resource	2012
	27,363,000	0.6	158,705	Indicated Mineral Resource	2012
	12,009,000	0.5	62,447	Inferred Mineral Resource	2012
Total Mt Goode Area	52,935,000	0.6	326,943		
TOTAL COSMOS MINERAL RESOURCE	**62,795,562**	**0.9**	**567,296**		
TOTAL WESTERN AREAS MINERAL RESOURCE	**85,185,619**	**1.2**	**981,704**		

JORC 2012 TABLE 1 – Forrestania Exploration

Section 1: Sampling Techniques and Data – Forrestania

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *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 downhole 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.*	• *Exploration targets were generally sampled using diamond drill (DD), and where applicable with Reverse Circulation (RC) pre-collars to nominally between 100m and 200m depth), as well as RC only holes. Holes were typically drilled perpendicular to the strike (north-south) of the stratigraphy, at angles ranging between 55^{o} and 75^{o}.* • *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 an 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	• *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).*	• *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 PQ drilling.* • *RC drilling comprises nominally 140mm diameter face sampling hammer drilling.*
Drill sample recovery	• *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.*	• *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.*
Logging	• *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.*	• *Geotechnical logging was carried out on all diamond drill holes 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*

Criteria	JORC Code Explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc).* • *The total length and percentage of the relevant intersections logged.*	*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 drill holes were logged and photographed in full. RC holes are logged in full.*
Sub-sampling techniques and sampling preparation	• *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.*	• *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 Exploration target were taken from PQ 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 than3kg.* • *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 programs, 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	• *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, reading times, calibrations factors applied and their derivation, etc.* • *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.*	• *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 Au and PGE's using PGM-ICP23. Au samples reporting >10g/t were assayed using Fire Assay and AAS finish.* • *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*

Criteria	JORC Code Explanation	Commentary
		best practice laboratory assay techniques. • *Standards and blanks were routinely used to access company QAQC (approx 1 std for every 12-15 samples).*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *Adrian Black of Newexco Pty Ltd (a member of the AIG), an independent exploration company, has visually verified significant intersections in diamond core.* • *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.* • *No adjustments were made to assay data compiled for this estimate.*
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *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.* • *Elevation data were collected in AHD RL and a value of 1,000m was added.* • *MGA94 Zone 50 grid coordinate system is used.* • *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.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• *Drill holes 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.* • *Sampling compositing has been applied to some of the RC sampling, following initial testing using a handheld NITON XRF instrument.* • *Samples were composited to one metre lengths, making adjustments to accommodate residual sample lengths.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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 assessed and reported if material.*	• *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 (70^0 to 80^0) e.g. New Morning means this is not always achieved.* • *No orientation based sampling bias has been observed in the data, intercepts are reported as downhole lengths.*
Sample Security	• *The measures taken to ensure sample security.*	• *All samples are prepared onsite under the supervision of Newexco/Western Area staff.* • *All samples are collected in sealed task specific containers (Bulka bags – plastic pallets) and delivered from site to Perth and then the assay laboratory by transport contractor, NEXUS.*
Audits and Reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *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.*

JORC 2012 TABLE 1 – Forrestania Exploration

Section 2: Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.*	• *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, 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	• *Acknowledgment and appraisal of exploration by other parties.*	• *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	• *Deposit type, geological setting and style of mineralisation.*	• *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	• *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:* – *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* – *downhole 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.*	• *See drill hole summary tables enclosed in the text.*

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *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.*	• *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 (0.65% Li_2O) 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	• *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 downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').*	• *The incident angles to mineralisation are considered moderate.* • *Due to the often steep dipping nature of the stratigraphy reported downhole intersections are moderately greater (m/1.5 ratio on average) than the true width.*
Diagrams	• *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.*	• *Shown on the long section included in this report.*
Balanced reporting	• *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.*	• *All results are reported.*
Other substantive exploration data	• *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.*	• *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 and Si for New Morning.* • *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	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Exploration within the tenements continues to evaluate the prospective stratigraphic succession containing the cumulate ultramafic rocks and other rock types for various styles of mineralisation using geochemical and geophysical surveys and drilling.* • *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.*

JORC 2012 TABLE 1 – Flying Fox – Mineral Resource Estimation

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. 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.*	• *The Flying Fox (FF) Deposit is sampled using diamond drilling (DD) on nominal 50 x 30m grid spacing.* • *Grade control data which includes sludge drilling and short hole diamond drilling results as well as face mapping are used to build the preliminary geological models.* • *Only assay results from an independent certified commercial laboratory from DD holes are used to estimate grades into the resource block model. Handheld XRF Spectrometers are used to gain a semi – quantative Nickel grade when core is first logged. These are replaced in the database by wet chemistry derived assay grades once received and are not used for resource estimation purposes.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• *Samples are taken in accordance with well established and properly documented company protocols* • *Sample representivity is assured by an industry standard internal QAQC program that includes certified reference standards, blanks and replicate samples.* • *QA results are routinely assessed by WSA Geologists and Quality Controls include re-assaying of batches of samples if the QA results are not within pre determined precision, accuracy and contamination thresholds.* • *All samples are prepared and assayed by an independent commercial laboratory whose analytical instruments are regularly calibrated.*
	• *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.*	• *Surface Diamond drill (DD) core is marked at 1m intervals and sample lengths are typically of this length. Grade Control drilling is typically 0.5m sample lengths through the mineralised zone due to whole core sampling* • *Sample boundaries are selected to match the main geological and mineralisation boundaries.* • *Sampled mineralisation intervals are sent to a commercial laboratory for crushing and grinding before assaying*
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).*	• *Diamond drilling comprised NQ2 sized core for underground and surface drilling and LTK sized core for the grade control drilling.* • *Standard tube is used in most cases unless core recovery issues are expected when triple tube is used. This is typically in the oxidised zone which has no bearing on any of the FF deposits.* • *All surface drilled core is oriented using ACT II control panels and ACT III downhole units. Grade control drilling is not oriented*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• *Core recoveries are logged and recorded in the database. Overall recoveries are >95% and there are no core loss issues or significant sample recovery problems in the sulphide zone.*
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• *Diamond core is 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.*
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *The bulk of the resource is defined by diamond core drilling which has high core 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.*
Logging	• *Whether core and chip samples have been*	• *Geological logging is carried out to a very high level of*

Criteria	JORC Code explanation	Commentary
	geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	*detail which is peer reviewed* • *Geotechnical data such as RQD and number of defects (per interval) are recorded.* • *Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is captured.*
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• *Logging of diamond core and RC samples records lithology, mineralogy, mineralisation, structural data (DDH only), weathering, colour and other features of the samples.* • *Core is photographed in both dry and wet form.*
	• *The total length and percentage of the relevant intersections logged.*	• *All drillholes are logged in full. The Flying Fox database contains over 83,000 geological entries.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• *Core is cut in half on site (with the exception of underground grade control core) by diamond saw blades* • *Surface derived drill holes are halved again with one quarter sent for assay and one quarter preserved as a geological archive* • *Underground exploration derived drilling core is not halved again. Half of the cut core is sent for assay with the other half preserved as a geological archive* • *Underground grade control derived drilling core is not cut. Full core is sent for assay.* • *All core is prepared and assayed by an independent commercial certified laboratory. Samples are crushed, dried and pulverised to produce a sub sample for analysis by 4 acid digest with an ICP/AES finish*
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• *No non-core samples were taken for the purpose of this MRE.*
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• *The sample preparation of diamond core follows industry best practice in involving oven drying, coarse crushing of the core sample down to ~10 mm followed by pulverisation of the entire sample (total prep) using LM5 grinding mills to a grind size of 90% passing 75 micron. Sample preparation is carried out by a commercial certified laboratory.* • *The sample preparation technique is well established and appropriate for Ni sulphide deposits.*
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• *Over and above the commercial laboratory's internal QAQC procedures, WSA includes field Ni standards ranging from 0.7% - 11.5% to test assay accuracy* • *Duplicates are routinely submitted by WSA to test sample precision* • *Standards are fabricated and prepared by Geostats Pty Ltd., using high – grade nickel sulphide ore.* • *Blank samples are routinely submitted by WSA to test sample contamination* • *Pulp duplicates obtained from the primary lab are taken on a 10% by volume basis and submitted to a secondary lab as an additional QAQC check*
	• *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.*	• *Sample representatively is assured through the methods previously discussed* • *The Project Geologists are responsible for the management of the quality assurance program and assay results that do not conform are immediately brought to the attention of the relevant commercial laboratory so that remedial action can be implemented. Typically this type of action will involve re assaying the relevant batch of samples.* • *A monthly QAQC report is generated and distributed to the relevant stakeholders for review and follow up action*
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *The sample sizes are considered to be appropriate on the following basis: the style of mineralisation (massive sulphide), the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.*

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• *All samples are assayed by an independent certified commercial laboratory. The laboratory used by WSA is experienced in the preparation and analysis of nickel sulphide ores.* • *Samples are dissolved using nitric, perchloric, hydrofluoric and hydrochloride acid digest to destroy silica.* • *Samples are analysed for Al (0.01%), As (5ppm), Co (1ppm), Cu (1ppm), Fe (0.01%), Cr (1ppm),Mg (0.01%),Ni (1ppm), S (0.01%), Ti (0.01%) and Zn (1ppm) using an ICP or Atomic Absorption finish (typical detection limits in brackets).*
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• *No Geophysical tools or handheld XRF instruments were used to determine any element concentrations that were subsequently used for MRE purposes.*
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• *Standards and blanks were routinely used to assess company QAQC (approx 1 standard for every 15-20 samples). Duplicates were taken on a 10 % by volume basis (on underground drilling only), field based umpire samples were assessed on a regular basis. Accuracy and precision were assessed using industry standard procedures such as control charts and scatter plots. In occasional cases where a sample did not meet the required quality threshold, the batch was re-analysed.*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• *Newexco Services Pty Ltd has independently visually verified significant intersections in the diamond core.*
	• *The use of twinned holes.*	• *No holes were twinned in the recent drilling programs.*
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• *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.*
	• *Discuss any adjustment to assay data.*	• *No adjustments were made to assay data compiled for this MRE.*
Location of data points	• *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.*	• *Hole collar locations were surveyed by WSA surveyors. The Leica GPS1200 used for all surface work has an accuracy of +/- 3cm.*
	• *Specification of the grid system used.*	• *A two point transformation is used to convert the data from MGA50 to Local Grid & vice versa. Points used in transformation: MGA50 Points yd1="6409502.17" xd1="752502.175" yd2="6409397.856" xd2="753390.591"Local Grid Points ym1="28223.59"xm1="33528.771"ym2="28111.84"xm2="34415.995"*
	• *Quality and adequacy of topographic control.*	• *The accuracy of the pillars used in WSA's topographical control networks is within the Mines Regulations accuracy requirement of 1:5000 for control networks.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• *Drillholes were spaced at an approx. 15m (northing) x 15m grid for the areas that will be affected by mining in the next two years and nominally 30m by 30m for areas that will be affected by mining in the subsequent years.*
	• *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.*	• *The extensive drill program coupled with information derived from underground observations and previous open pit mining has demonstrated sufficient and appropriate continuity for both geology and grade within the Flying Fox Deposit to support the definition of Mineral Resources and Reserves, and the classification applied under the JORC Code (2012).*
	• *Whether sample compositing has been applied.*	• *Samples were composited to one metre lengths, making adjustments to accommodate residual sample lengths. A metal balance validation between the raw data and the composited data was undertaken with no material issues identified.*

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• *The Flying Fox deposit strikes at 030o and dips nominally 65o east. All underground and grade control drilling was conducted from west to east. All Surface drilling was conducted from east to west.*
	• *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 assessed and reported if material.*	• *No orientation based sampling bias has been observed in the data.*
Sample security	• *The measures taken to ensure sample security.*	• *All core samples were delivered from site to Perth and then to the assay laboratory by an independent transport contractor.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *The FF data is managed and certified offsite by an independent contractor.*

Section 2: Reporting of Exploration Results – Flying Fox

(Criteria listed in Section 1, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.*	• *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.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *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 was carried out by WMC prior to that date)*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The deposits lie 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. The mineralisation occurs in association with the basal section of high MgO cumulate ultramafic rocks.* • *The greenstone succession in the district also hosts a number of orogenic lode gold deposits of which Bounty Gold Mine is the biggest example.*
Drill hole Information	• *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:* – *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* – *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.*	• *The MRE is based upon over 7,000 geologic entries derived from over 1,000 surface and underground diamond holes over multiple domains and years of surface and underground drilling. All of this information can be considered material to the MRE and the exclusion of a summary of the data does not detract from the understanding of the report.*

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *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.*	• *Standard length 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 nominal 0.4% Ni cut-off is applied during the geologic modelling process and later during the MRE reporting process. No top cut is applied. High grade intercepts internal to broader zones of mineralisation are reported as included intervals.* • *No metal equivalent values are reported.*
Relationship between mineralisation widths and intercept lengths	• *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 (e.g. 'down hole length, true width not known').*	• *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	• *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.*	• *Refer to Figures in the text*
Balanced reporting	• *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.*	• *Only Mineral Resource Estimation results are reported.*
Other substantive exploration data	• *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.*	• *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/cm^3 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	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Exploration within the FNO tenements continues to evaluate the prospective stratigraphic succession containing the cumulate ultramafic rocks using geochemical and geophysical surveys and drilling.*

Section 3 Estimation and Reporting of Mineral Resources – Flying Fox

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	• *All data has been recorded in Excel templates with reference lookup tables. All data is imported into an AcQuire relational database*
	• *Data validation procedures used.*	• *Data validation is a fundamental part of the AcQuire database and is implemented via referential integrity and triggers. Referential constraints ensure that, for example, Hole ID matches collar and downhole data. Triggers check criteria such as code validity, overlapping intervals, depth and date consistencies. All fields of code data have associated look-up table references. Data was further validated using Datamine validation tools during the MRE process.*
Site visits	• *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.*	• *Andre Wulfse who is the Competent Person is the Group Geology Manager for Western Areas and has made many site visits to the Flying Fox Deposit. His first visit to the deposit was in 2008.*
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	• *Due to the spacing of drilling and the understanding of similar deposits within the Forrestania Ultramafic Belt, the geological interpretation is considered to be sound. The deposit is mainly located along the traditional footwall of the basal ultramafic metasediment contact, which was the original locus for sulphide deposition from an overlying pile of Komatiite flows. Subsequent metamorphism, deformation and intrusion of granitoid sills have contributed to a complex setting, with mineralisation now occupying a possible shear zone. The geological model is updated on a daily basis by a team of mine geologists based on detailed underground mapping of ore drives.*
	• *Nature of the data used and of any assumptions made.*	• *Lithogeochemistry and stratigraphic interpretation have been used to assist the identification of rock types. No assumptions are made.*
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	• *Alternative interpretations of the mineral resource were considered. In particular the previous model as well as the grade control model for the upper levels was extensively validated against the current geological and resource model. Alternative interpretations of mineralisation do not differ materially from the current interpretation. WSA has successfully planned and reconciled the deposit using a similarly derived geological and resource model.*
	• *The use of geology in guiding and controlling Mineral Resource estimation.*	• *The Mineral Resource Estimate is based upon a robust geological model which is regularly updated. The hanging wall and footwall contacts of the mineralised zone were modelled with a level of confidence commensurate with the resource classification category. The extents of the geological model were constrained by drillholes intercepts and extrapolation of the geological contacts beyond the drill data was minimal for the Indicated category.*
	• *The factors affecting continuity both of grade and geology.*	• *Key factors affecting geologic continuity relate to pervasive felsic intrusive units and faults in the deper parts of the FF orebody. The nugget effect associated with Ni mineralisation in these types of deposits affects the grade continuity. The geological discontinuities have been modelled and the grade discontinuities have been accounted for in the estimation modelling.*
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• *The strike length of the Flying Fox deposit varies considerably but is up to 750 m in the T5 deposit .Distance from the top of T4 to the base of T5 is approximately 550m. The mean width of the deposit is 2.2m*
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer*	• *Grade and ancillary element estimation using Ordinary Kriging and Inverse Power Distance (IPD) was completed using DatamineTM Studio 3 software. The methods were considered appropriate due to drill hole spacing and the nature of mineralisation.*

Criteria	JORC Code explanation	Commentary
	assisted estimation method was chosen include a description of computer software and parameters used.	• *All estimation was completed at the parent cell scale thereby avoiding any potential geostatistical support issues.* • *Sample data was composited to 1m downhole lengths and flagged on domain codes. Metal balance validation tests were performed on the composites to ensure zero residuals.* • *Top cut investigations were completed and no top cuts were applied on the basis of grade distribution, Coefficient of Variation and a comparative analysis of the underground data vs the drilldata.* • *Sample data was flagged using domain codes generated from 3D mineralised wireframes. Qualitative Kriging Neighbourhood Analysis was used to determine the optimum search neighbourhood parameters.* • *Directional variography was performed for Ni and selected ancillary elements. Nugget values are typical for the type of mineralisation (Ni = 20%-40% of the total variance). Ranges of continuity for Ni vary from 20m to 60m in the direction of preferred orientation of mineralisation. Estimation validation techniques included swathe plots of the grade of the composites vs the grade of the block model.*
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• *This MRE is an update of an MRE that was undertaken in 2014 and was extensively validated against the 2014 MRE.*
	• *The assumptions made regarding recovery of by-products.*	• *No assumptions were made about the recovery of by products in this estimate. WSA currently doesn't have any off take agreements in place for by-products.*
	• *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).*	• *No elements are considered to be deleterious elements in the Flying Fox deposit*
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• *A proto model was constructed using a 5mE x 5mN x 5mRL parent size, with sub cells. The parent cell size was selected on the basis of orebody geometry, drill spacing and SMU.* • *Thereafter individual block models were designed for each of the structural domains. The dips of the wireframes of the structural domains were used to optimally fill the wireframes with blocks. Drill spacing varies but is nominally 30m by 30m in areas that will be affected by mining in the next two years and 60m by 60m in subsequent areas.* • *The size of the search ellipse was based on the drill hole spacing and structural domain dimensions. Search neighbourhoods varied according to the structural domain*
	• *Any assumptions behind modelling of selective mining units.*	• *No selective mining units were assumed in the estimate. Mining is mainly by longhole stoping and stope dimensions are largely determined by the nature of the equipment used. A global grade and width cut off is applied at the mine planning stage.*
	• *Any assumptions about correlation between variables.*	• *No assumptions were made about correlation between variables. Apart from a strong correlation between Ni% and bulk density, no other interelement correlations are observed.*
	• *Description of how the geological interpretation was used to control the resource estimates.*	• *The geological interpretation was developed using geological, structural and lithogeochemical elements. The geological framework associated with extrusive komatiite hosted deposits, and the structural elements observed at the local and wide scale were used to determine and refine mineral domains. The hangingwall and footwall contacts of mineralisation were used as hard boundaries during the estimation process and only blocks with the geological wireframe were informed with Ni grades.*
	• *Discussion of basis for using or not using grade cutting or capping.*	• *Geostatistical and visual investigation of the grade distribution negated the need for grade cutting or capping.*

Criteria	JORC Code explanation	Commentary
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• *Validation of the block model included comparing the volume of domain boundary wireframes to block model volumes. It also involved comparing block model grades with drill hole grades by means of swathe plots showing easting, northing and elevation comparisons.* • *Jacknifing and visual grade validations were undertaken.* • *Grade and tonnage reconciliation of the previous model has been closely monitored over the past 12 months of underground mining and found to be within acceptable thresholds.* • *The assumptions and methodologies used during this estimation are very similar to that of the previous model.* • *Visual validation of the block model vs the drillhole data was undertaken in Datamine and Leapfrog* • *Based on a thorough validation and verification exercise, WSA is satisfied that the estimate is robust.*
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• *Tonnages were estimated on a dry basis.*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *The mineral envelope was determined using a nominal 0.4% Ni grade cut-off. The resource is reported at a 0.4% Ni cut-off which is a reasonable representation of the mineralised material prior to the application of variable economic and mining assumptions and a reserve cut-off*
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• *The Flying Fox deposit is currently being mined using long hole stoping methods. The mining method which is unlikely to change has been taken into account during the estimation process.*
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• *Ore from the Flying Fox deposit is currently being processed on site, where Nickel concentrate is produced using a three-stage crushing, ball mill, and flotation and thickener/filtration system.*
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• *All waste and process residue is disposed of through the Cosmic Boy concentrator plant and its tailings dam. All site activities at site are undertaken in accordance with WSA's environmental policy.*
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	• *Bulk Density has been determined using a tried and tested Ni grade regression based formula.*

Criteria	JORC Code explanation	Commentary
	• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*	• *Core at Flying Fox is generally void of vugs, voids and other defects. Rocks are from the granulate facies sequence and faults have largely been annealed. Porosity is considered low.*
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *As discussed previously for mineralisation which is restricted to a single material type (Massive Sulphide)*
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	• *The Flying Fox Mineral Resource is classified as Indicated and Inferred on the basis of geologic understanding, drillhole spacing, underground development and Kriging quality parameters. No blocks were classified as Measured.*
	• *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*	• *The definition of mineralised zones is based on a high level of geological understanding. The model has been confirmed by infill drilling, supporting the original interpretation. It is believed that all relevant factors have been considered in this estimate, relevant to all available data.*
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *The Mineral Resource Estimate appropriately reflects the view of the Competent Person.*
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• *This is a follow up of a previous Mineral Resource Estimate that was completed and reported in accordance with the JORC Code (2004) and has not been externally reviewed*
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	• *The geological and grade continuity of the Flying Fox deposit is well understood and the mineralisation wireframes used to build the block model have been designed using all available exploration and mining data. Furthermore, previous estimates of grades have been tested by routine reconciliation of stockpile and mill grades to the current grade control and previous resource models. Post processing block model validation was extensively undertaken using geostatistical methods before the resource was reported.*
	• *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*	• *The statement relates to global linear estimates of tonnes and grade.* • *The grade tonnage summary by Class is given in the accompanying report*
	• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *Tonnes and grade estimates within the blocks are consistent with past production data.*

JORC 2012 TABLE 1 – Spotted Quoll – Mineral Resource Estimation

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. 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.*	• *The Spotted Quoll (SQ) Deposit is sampled using diamond drilling (DD) on nominal 50 x 30m grid spacing. Historically, close spaced (7.5m by 5.0m) RC drilling was used to define the ore during open pit mining operations. The RC data was used to assist in the variography of the overall deposit and limited estimation restricted to the crown pillar area of the deposit.* • *Underground grade control data which includes sludge drilling and ore drive devlopment channel sampling were used to design the preliminary geological model.* • *Only DD (and limited RC) derived assay results from an independent certified commercial laboratory were used to estimate grades into the resource block model.* • *The total number of 1m composites used in the MRE is 4,980.* • *Handheld XRF Spectrometers are used to gain a semi – quantative Nickel grade when core is first logged. These are replaced in the database by wet chemistry derived assay grades once received and are not used for resource estimation purposes.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• *Samples are taken in accordance with well established and properly documented company protocols* • *Sample representivity is assured by an industry standard internal QAQC program that includes certified reference standards, blanks and replicate samples.* • *QA results are routinely assessed by WSA Geologists and Quality Controls include re-assaying of batches of samples if the QA results are not within pre determined precision, accuracy and contamination thresholds.* • *All samples are prepared and assayed by an independent commercial laboratory whose analytical instruments are regularly calibrated.*
	• *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.*	• *Diamond drill (DD) core is marked at 1m intervals and sample lengths are typically of this length.* • *Sample boundaries are selected to match the main geological and mineralisation boundaries.* • *Core is cut in half using a diamond saw blade. One half is quartered with a quarter stored for assay purposes and a quarter preserved as a geological archive.* • *All sample prep and analysis is done by an independent commercial assay laboratory.* • *Samples are 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. Samples from RC drilling consisted of chip samples at 1m intervals from which 3 kg was pulverised to produce a sub sample for assaying as per the DD samples.*
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).*	• *Holes were generally drilled perpendicular (west) to the strike (north-south) of the stratigraphy, at angles ranging between 60o and 75o.* • *Diamond drilling comprised NQ2 sized core for underground and surface drilling.* • *Standard tube is used in most cases unless core recovery issues are expected when triple tube is used. This is typically in the oxidised zone which has no bearing on this MRE.* • *All core is oriented using ACT II control panels and ACT III downhole units.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• *Core recoveries are logged and recorded in the database. Overall recoveries are >95% and there are no core loss issues or significant sample recovery problems in the*

Criteria	JORC Code explanation	Commentary
		sulphide zone.
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.	• Diamond core is 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.
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• The bulk of the resource is defined by diamond core drilling which has core recoveries in excess of 95%. • 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.
Logging	• 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.	• Geological logging was carried out to a very high level of detail which is peer reviewed and is appropriate for MRE purposes • Geotechnical data such as RQD and number of defects (per interval) are recorded. • Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is captured.
	• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	• Logging is quantitative • Logging of diamond core and RC samples records lithology, mineralogy, mineralisation and structural data (DDH only), weathering, colour and other features of the samples. • Core is photographed in both dry and wet form.
	• The total length and percentage of the relevant intersections logged.	• All drillholes are logged in full. The SQ geology database contains over 46,000 geological entries representing 194km of logging.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken.	• Core is cut in half on site (with the exception of underground grade control core) by diamond saw blades • Surface derived drill holes are halved again with one quarter sent for assay and one quarter preserved as a geological archive • Underground exploration derived drilling core is not halved again. Half of the cut core is sent for assay with the other half preserved as a geological archive • Underground grade control derived drilling core is not cut. Full core is sent for assay. • All core is prepared and assayed by an independent commercial certified laboratory. Samples are crushed, dried and pulverised to produce a sub sample for analysis by 4 acid digest with an ICP/AES finish
	• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	• RC sub samples were collected using a riffle splitter. • All samples in the mineralised zones were dry.
	• For all sample types, the nature, quality and appropriateness of the sample preparation technique.	• Sample preparation is carried out by a commercial certified laboratory. • The sample preparation of diamond core follows industry best practice involving oven drying, coarse crushing of the core sample down to ~10 mm followed by pulverisation of the entire sample (total prep) using LM5 grinding mills to a grind size of 90% passing 75 micron. The sample preparation for RC samples is identical, without the coarse crush stage. • The sample preparation technique is well established and appropriate for Ni sulphide deposits.
	• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	• Over and above the commercial laboratory's internal QAQC procedures, WSA includes field Ni standards ranging from 0.7% - 11.5% to test assay accuracy • Duplicates are routinely submitted by WSA to test sample precision • Standards are fabricated and prepared by Geostats Pty Ltd., using high – grade nickel sulphide ore. • Blank samples are routinely submitted by WSA to test sample contamination • Pulp duplicates obtained from the primary lab are taken on a 10% by volume basis and submitted to a secondary

Criteria	JORC Code explanation	Commentary
		lab as an additional QAQC check
	• 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.	• Sample representatively is assured through the methods previously discussed • The Project Geologists are responsible for the management of the quality assurance program and assay results that do not conform are immediately brought to the attention of the relevant commercial laboratory so that remedial action can be implemented. Typically this type of action will involve re assaying the relevant batch of samples. • A monthly QAQC report is generated and distributed to the relevant stakeholders for review and follow up action
	• Whether sample sizes are appropriate to the grain size of the material being sampled.	• The sample sizes are considered to be appropriate on the following basis: the style of mineralisation (massive sulphide), the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	• All samples are assayed by an independent certified commercial laboratory. The laboratory used by WSA is experienced in the preparation and analysis of nickel sulphide ores. • Samples are dissolved using nitric, perchloric, hydrofluoric and hydrochloride acid digest to destroy silica. • Samples are analysed for Al (0.01%), As (5ppm), Co (1ppm), Cu (1ppm), Fe (0.01%), Cr (1ppm),Mg (0.01%),Ni (1ppm), S (0.01%), Ti (0.01%) and Zn (1ppm) using an ICP finish (detection limit in brackets).
	• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	• No Geophysical tools or handheld XRF instruments were used to determine any element concentrations that were subsequently used for MRE purposes.
	• Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Standards and blanks were routinely used to assess company QAQC (approx 1 standard for every 12-15 samples). Duplicates were taken on a 15 % by volume basis, field based umpire samples were assessed on a regular basis. • Accuracy and precision were assessed using industry standard procedures such as control charts and scatter plots. In occasional cases where a sample did not meet the required quality threshold, the batch was re-analysed.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel.	• Newexco Services Pty Ltd has independently visually verified significant intersections in the diamond core.
	• The use of twinned holes.	• No holes were twinned in the recent drilling programs.
	• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• 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.
	• Discuss any adjustment to assay data.	• No adjustments were made to assay data compiled for this MRE.
Location of data points	• 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.	• Hole collar locations were surveyed by WSA surveyors. The Leica GPS1200 used for all surface work has an accuracy of +/- 3cm.
	• Specification of the grid system used.	• A two point transformation is used to convert the data from MGA50 to Local Grid & vice versa. Points used in transformation: MGA50 Points yd1="6409502.17" xd1="752502.175" yd2="6409397.856" xd2="753390.591"Local Grid Points ym1="28223.59"xm1="33528.771"ym2="28111.84"xm2="34415.995"
	• Quality and adequacy of topographic control.	• The accuracy of the pillars used in WSA's topographical control networks is within the Mines Regulations accuracy requirement of 1:5000 for control networks.
Data spacing and	• Data spacing for reporting of Exploration Results.	• Drillholes were spaced at an approx. 30m (northing) x 30m

Criteria	JORC Code explanation	Commentary
distribution		*(easting) grid for the areas that will be affected by mining in the next two years and nominally 60m by 60m for areas that will be affected by mining in the subsequent years.*
	• *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.*	• *The extensive drill program coupled with information derived from underground observations and previous open pit mining has demonstrated sufficient and appropriate continuity for both geology and grade within the Spotted Quoll Deposit to support the definition of Mineral Resources and Reserves, and the classification applied under the JORC Code (2012).*
	• *Whether sample compositing has been applied.*	• *Samples were composited to one metre lengths, making adjustments to accommodate residual sample lengths.* • *A metal balance validation between the uncomposited data and the composited data was undertaken with no material issues identified.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• *The Spotted Quoll deposit strikes at 030o and dips nominally 50o east.* • *All drilling was conducted from east to west. Most of the drilling was conducted from the hanging wall i.e. from the east to the west.* • *Results from an independent structural study on the deposit along with historical regional and near mine structural observations complemented the detailed structural core logging results to provide a geological model that was used with an appropriate level of confidence for the classification applied under the 2012 JORC Code.*
	• *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 assessed and reported if material.*	• *No orientation based sampling bias has been observed in the data.*
Sample security	• *The measures taken to ensure sample security.*	• *All core samples were delivered from site to Perth and then to the assay laboratory by an independent transport contractor.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *No external audit of the Mineral Resource has been undertaken to date.*

JORC 2012 TABLE 1 – Cosmos Nickel Complex Exploration

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques#	• *Nature and quality of sampling (e.g. 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.*	• *Historical sampling has been completed by prior explorers* • *The nature and type of sampling varies depending on the explorers sampling regime* • *Survey specifications for the geophysical survey include:* o *Configuration: Moving in-loop / Fixed loop* o *Stations spacing: 100m / 200m* o *Line spacing: 200m / 400m* o *TX Loop size: 200mX200m, 400mX400m* o *TX Loop moves: 100m / 200m* o *TX Turn: 1* o *Components: B(x,y,z)* o *Bearing: E-W,* o *Frequency: 0.25Hz* o *Receiver: SMARTem24* o *Sensor: High Temp SQUID* o *Readings: Minimum 3 repeatable readings* o *Current: 75 amps* o *Datum/Proj: GDA94, MGA Zone 51* • *Exploration targets were sampled using diamond drill (DD), and holes were typically drilled perpendicular to the strike (north-south) of the stratigraphy, at angles ranging between 55º and 80º.* • *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 an 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.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• *All samples were prepared and assayed by independent commercial laboratories whose instruments are regularly calibrated* • *Geophysical survey QC parameters were reviewed by independent supervising geophysicists from Newexco Services Pty Ltd*
	• *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.*	• *Diamond core is typically marked at 1m intervals* • *Sample intervals marked up by geologists based on geology.* • *Sampled mineralisation intervals are sent to a commercial laboratory for crushing and grinding before assaying.*

Criteria	JORC Code explanation	Commentary
Drilling techniques#	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).*	• *Diamond drilling techniques have been used at the CNC* • *Historical data is derived from both surface and underground diamond drilling*
Drill sample recovery#	• *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 may have occurred due to preferential loss/gain of fine/coarse material.*	• *Diamond core recoveries have been logged and recorded in the database* • *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.*
Logging#	• *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.*	• *All geological logging was carried out to a high standard using well established geology codes in LogChief software.* • *All logging recorded Panasonic Toughbook PC logging.*
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• *Core is photographed in both dry and wet form and logging is done in detail*
	• *The total length and percentage of the relevant intersections logged.*	• *All diamond drill holes were logged and photographed in full.*
Sub-sampling techniques and sample preparation#	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• *Diamond core is sampled as quarter core only; cut by the field crew on site by diamond saw.*
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• *Diamond drilling*
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• *The sample preparation of diamond core follows industry best practice involving oven drying, coarse crushing and pulverising.*
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• *The field crew prepares and inserts the QAQC certified reference materials into the relevant calico bags.* • *OREAS and Geostats standards have been selected based on their grade range and mineralogical properties, with approximately 12 different standards used.*
	• *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.*	• *The bulk of the mineral resources are defined by diamond drilling which has high core recoveries.*
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *All geological logging was carried out to a high standard using well established geology codes in LogChief software.*
Quality of assay data and laboratory tests#	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• *All samples are assayed by independent certified commercial laboratories.* • *The laboratories used are experienced in the preparation and analysis of nickel sulphide ores.*
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument*	• *No Geophysical tools or handheld XRF instruments were used to determine any element concentrations that were subsequently used for MRE or exploration reporting*

Criteria	JORC Code explanation	Commentary
	make and model, reading times, calibrations factors applied and their derivation, etc.	*purposes*
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• *Certified reference materials are included in all batches dispatched at an approximate frequency of 1 per 25 samples, with a minimum of two per batch.* • *Field duplicates are inserted into submissions at an approximate frequency of 1 in 25, with placement determined by Nickel grade and homogeneity. Lab checks, both pulp and crush, are taken alternately by the lab at a frequency of 1 in 25.* • *Accuracy and precision were assessed using industry standard procedures such as control charts and scatter plots.* • *Evaluations of standards are completed on a monthly, quarterly and annual basis using QAQCR.*
Verification of sampling and assaying#	• *The verification of significant intersections by either independent or alternative company personnel.*	• *Geological interpretation using intersections peer viewed by prior company and WSA geologists.*
	• *The use of twinned holes.*	• *Not applicable*
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• *All primary geophysical data were recorded digitally and sent in electronic format to Newexco Services Pty Ltd for quality control and evaluation.* • *All geological logging was carried out to a high standard using well established geology codes in LogChief software.* • *All other data including assay results are imported via Datashed software.* • *Drillholes, sampling and assay data is stored in a SQL Server database located in a dedicated data center.*
	• *Discuss any adjustment to assay data.*	• *none*
Location of data points	• *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.*	• *Downhole surveys completed using gyroscopic instrument on all resource definition and exploration holes. Underground drillhole collar locations verified via survey pickup.*
	• *Specification of the grid system used.*	• *A two point transformation is used to convert the data from AMG84_51 mine grid and vice versa.* • *AMG84_51 points: easting = -250,000, northing = -6,900,000, elevation = 10,000.* • *Mine grid points: easting = 250,000, northing = 6,900,000, elevation = -10,000.*
	• *Quality and adequacy of topographic control.*	• *The project area is flat and the topo data density is adequate for MRE purposes* • *Collar positions were picked up by suitably qualified surface and underground surveyors*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• *Not applicable*
	• *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.*	• *The available drill data demonstrates sufficient and appropriate continuity for both geology and grade within the CNC deposits to support the definition of Mineral Resources as classified under the JORC Code (2012).*
	• *Whether sample compositing has been applied.*	• *The drillhole samples were composited within some MREs to a regular downhole length of 1 m using the Straight compositing technique, following statistical analysis of the sample lengths.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• *Not applicable*

Criteria	JORC Code explanation	Commentary
	• *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 assessed and reported if material.*	• *Not applicable*
Sample security	• *The measures taken to ensure sample security.*	• *Standard West Australian mining industry sample security measures were observed*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *Geological interpretation and data validation completed by Resource and Mining Department geologists.*

JORC 2012 TABLE 1 – Cosmos Nickel Complex Exploration

Section 2: Reporting of Exploration Results

(Criteria listed in Section 1, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.*	• *Cosmos Nickel Complex comprises 26 tenements covering some 9,226Ha. The tenements include mining leases and miscellaneous licenses* • *Western Areas wholly owns 23 tenements, which were acquired from Xstrata Nickel Australasia in October 2015. The remainder of the tenements (3) are subject to a Joint Venture with Alkane Resources NL, where Western Areas has earned 80.6% interest* • *All tenements are in good standing*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Historical nickel exploration has been completed by Glencore PLC, Xstrata Nickel Australasia and Jubliee Mines NL*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The deposits form part of the Cosmos Nickel Complex, which lies within the Agnew-Wiluna Belt of the central Yilgarn Craton, Western Australia* • *The deposit style is komatiite hosted, disseminated to massive nickel sulphides.* • *The mineralisation typically occurs in association with the basal zone of high MgO cumulate ultramafic rocks.* • *Many of the higher grade ore bodies in the Cosmos Nickel Complex also show varying degrees of remobilisation, and do not occur in a typical mineralisation profile*
Drill hole Information#	• *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:* – *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* – *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.*	• *Not applicable* • *All work has been completed by previous explorers and the reported results have been selected from the compilation of historical exploration data*
Data aggregation methods#	• *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.*	• *Where intersections have been quoted they represent prior exploration results sourced from a historical drill hole database* • *Metal equivalents have not been used*
Relationship between mineralisation widths and intercept lengths	• *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.*	• *Drill hole intersections may not be true widths*

Criteria	JORC Code explanation	Commentary
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	
Diagrams	• *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.*	• *Included within report*
Balanced reporting	• *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.*	• *Not applicable*
Other substantive exploration data	• *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.*	• *Included within report* • *Geophysics*
Further work #	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Preliminary plans are included within the report* • *Future explorations programs may change depending on results and strategy*