ACTIVITY REPORT

For the period ending 30 September 2016

WESTERN AREAS LTD

Strong start to FY17, all guidance metrics on track and positive cashflow

September quarter 2016 highlights:

- **ZERO lost time injuries (LTI's) for the quarter – now 912 days without an LTI;**
- **Mine and mill production at 6,357 and 5,763 nickel tonnes respectively tracking at the top end of guidance;**
- **Unit cash cost of production of nickel in concentrate of A$2.53/lb, towards lower end of guidance;**
- **Realised nickel price of A$6.54/lb which represents a 20% increase over the previous quarter;**
- **Positive free cash flow generated for the quarter after all capital and exploration expenditure;**
- **Consolidated cash at bank and receivables of A$103.0m (up by A$10.9m) and debt free;**
- **Commencement of formal tender process for offtake contracts, targeted for completion by end of December;**
- **Mineral resource upgrade at New Morning resulting in a 165% increase in nickel tonnes;**
- **Pre-feasibility study for Odysseus Project on schedule for completion late in the December quarter; and**
- **Drilling approvals for Neptune (Cosmos) progressing well, with drilling expected to start in December.**

Managing Director & CEO, Mr Dan Lougher, said the Company has commenced the year delivering a very strong first quarter

"It's been pleasing to start the year with all our metrics being well met, and successfully generating positive cashflow," Mr Lougher said.

"With a robust balance sheet, we are well positioned to fund the progression of our selected growth projects, including the Odysseus PFS at Cosmos which is on track for completion late in the December quarter.

Western Areas ("WSA" or the "Company") (ASX: WSA) is pleased to report strong cost control and safety results, together with delivering positively on all other operational metrics during the September 2016 quarter. Full production statistics overleaf demonstrate that unit cash costs of production for the quarter remain well controlled at A$2.53/lb, coming in towards the lower end of the FY17 guidance range of A$2.40/lb to A$2.75/lb.

Mine physicals were ahead of expectations at 153,192 ore tonnes. Mill throughput was excellent with one of the highest quarters on record at 159,616 tonnes, despite a planned 30 hour maintenance shutdown. Nickel production was lower than prior quarters with grade trending to reserve, being consistent with the released FY17 guidance.

Importantly, there were no lost time injuries for the quarter and the Company is proud to continue to report a LTI frequency rate (LTIFR) of ZERO.

The Company has advanced a range of organic growth initiatives at Cosmos with the advancement of the Odysseus pre-feasibility study and approvals for drilling at Neptune progressing well.

Western Areas remains highly leveraged to fluctuations in the nickel price, with the improved nickel price for the quarter having a positive impact on cashflow generation. Consequently, after all capital expenditure, exploration and corporate costs, free cashflow was A$5.4m.

In the nickel market, the actions of the Filipino Government in applying stronger environmental controls on open cut mining (which are mainly nickel laterite mines) have contributed to an improved price outlook. The continued steady drawdown of nickel stockpiles on the LME, together with robust growth in the high nickel content bearing 300 series stainless steel demand, provides reason for optimism with regard to the nickel outlook. Many market analysts are forecasting CY16 to be the first significant deficit in the nickel supply versus demand balance, before factoring in the potential impact of mine closures in the Philippines.

Production Overview

Item	Units	Dec Q FY16	Mar Q FY16	Jun Q FY16	Sep Q FY17
Total Ore Mined	tonnes	157,481	144,728	139,935	153,192
Mine Grade	Ni %	4.4%	4.7%	4.9%	4.1%
Total Nickel Mined	**tonnes**	**6,917**	**6,798**	**6,832**	**6,357**
Ore Processed (Milling/Concentrator)	tonnes	152,435	156,190	154,114	159,616
Processed Grade	Ni %	4.6%	4.4%	4.5%	4.1%
Average Processing Recovery	%	89%	90%	90%	89%
Total Nickel in Concentrate	**tonnes**	**6,256**	**6,180**	**6,321**	**5,763**
Total Nickel Sold	**tonnes**	**6,281**	**6,011**	**6,268**	**5,187**
Contained Nickel in stockpiles	tonnes	2,646	2,674	2,525	2,944
Cash Cost Nickel in Concentrate[1]	**A$/lb**	**2.24**	**2.27**	**2.25**	**2.53**
Cash Cost Nickel in Concentrate[1]	US$/lb	1.61	1.64	1.68	1.91
Exchange Rate	US$/A$	0.72	0.72	0.75	0.76
Realised Nickel Price	**A$/lb**	**5.31**	**5.39**	**5.44**	**6.54**

Note 1: Refer page 9 for composition of unit cash costs.

Western Areas (ASX:WSA) is Australia's highest grade, lowest cash cost nickel producer and its main asset, the 100% owned Forrestania Nickel Project, is located 400km east of Perth in Western Australia. Western Areas is also Australia's second largest sulphide nickel miner producing approximately 22,000 to 25,000 nickel tonnes per annum from its Flying Fox and Spotted Quoll mines - two of the lowest cost and highest grade nickel operations in the world.

An active nickel explorer at Cosmos and Western Gawler in Australia, the Company also holds significant exploration interests in Canada, Finland and Greenland through shareholdings in Mustang Minerals and FinnAust Mining Plc.

The Board remains focused on the core business of low cost, long life nickel production, new nickel discoveries and generating returns to shareholders. It has put in place the cost structure and capabilities to prosper throughout the cycle by adopting prudent capital management and an opportunistic approach. Its latest presentation can be found at **http://www.westernareas.com.au/investor-centre/corporate-presentations.html**.

For further details, please contact:

Dan Lougher
Managing Director & CEO, Western Areas Ltd
Telephone +61 8 9334 7777
Email: dlougher@westernareas.com.au

David Southam
Executive Director, Western Areas Ltd
Telephone +61 8 9334 7777
Email: dsoutham@westernareas.com.au

Shane Murphy
FTI Consulting
Telephone +61 8 9485 8888 / 0420 945 291
Email: shane.murphy@fticonsulting.com

Corporate and financing

Cashflow

Cash at bank was A$81.1m at the end of the quarter (June quarter A$75.7m). Cash plus nickel sales receivables increased by A$10.9m to A$103.0m (June quarter A$92.1m). The increased receivable position reflects the 20 day cash receipt timing difference for nickel concentrate sales sold into the BHP Billiton Nickel-West (BHPNW) compared to the Jinchuan contract. BHPNW received 100% of sales for the September quarter as part of a temporary sales arrangement outlined in the June quarter report.

Free cashflow generation of A$5.4m was a solid result that displays the resilience of the Forrestania operations with a multi-year low, albeit improved nickel price. The realised price increased to A$6.54/lb from A$5.44/lb with the inclusion of positive quotational price adjustments. However some of the cashflow benefits of the price increase were offset by the timing of cash receipts difference as explained above.

The deferred mine development expenditure and measured approach to discretionary exploration expenditure was sustained during the quarter and will continue through to the end of December. A total of A$5.6m was invested into capital and exploration expenditure activities in the quarter.

Bank Facility

The ANZ corporate loan facility remains undrawn at the end the quarter, leaving the Company debt free. As disclosed in prior periods, the bank facility is due to expire in March 2017, and discussions are well advanced with regard to improving the facility to provide the Company with a flexible, committed and at call funding solution for the future.

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 of zero cost nickel collar QP hedges. No USD foreign exchange contracts were in place at the end of the quarter. Details of hedging in place at quarter end are as follows:

Hedging Details	FY 2017
Nickel Hedging - Collar Options	
Nickel Tn Sold	500
Average Call	US$11,360
Average Put	US$9,500

Corporate

WSA continues to hold 37% of FinnAust Mining Plc (AIM:FAM.L), with WSA's investment having a value at 30 September 2016 of £11.3m. Western Areas monitors the exploration progress and activities at FinnAust's Greenland and Finland projects. Further details can be viewed on the FinnAust website at: www.finnaust.com.

Mine safety and environment

Safety

A continued excellent safety performance resulted in no LTIs with the LTIFR remaining at ZERO. Western Areas has now operated 912 days without an LTI and also reduced the rate of total recordable injury frequency rate (TRIFR) to 9.9 by the end of the quarter.

Ongoing health and safety training has continued with 189 people completing fire extinguisher training and 53 people being trained to use the site's automatic external defibrillators. A new monthly health promotion initiative commenced in July with the first three topics being Sleep Health & Apnoea, "R-U-OK" suicide prevention and Prostate Cancer, which included on-site sessions by an external expert during September.

August Mine Rescue Hazmat training exercise

Environment

No environmental incidents were recorded during the quarter.

A three yearly update of the Rehabilitation and Mine Closure Plan was completed in September which included extensive engagement with key stakeholders including the Department of Mines and Petroleum (DMP), Shire of Kondinin, Environmental Protection Authority (EPA) and the Department of Environment Regulation (DER).

Western Areas expanded the seepage recovery system around the Mossco Farm evaporation pond which has improved groundwater management in the area.

Compliance and Approval

A number of key environmental reports were completed including the Annual Environmental Report, the Triennial Groundwater Aquifer Review and the annual Mineral Resources Fund (MRF) submission.

A number of Programme of Work and Clearing Permits for exploration were granted during the quarter including South Ironcap, South Quest and Cross Roads.

Community - Cosmos

The DER completed a compliance audit which found that Cosmos was fully compliant with all regulatory requirements.

Western Areas continued to foster its relationship at Cosmos with members of the Tjiwarl native title claimant group through engagement regarding a Section 18 application for the future Neptune drilling programme near Lake Miranda. Western Areas also employed Tjiwarl group members to clear drill pads and as Heritage Monitors to oversee an exploration drilling programme just south of the Cosmos mine site.

During August, Company representatives presented four sewing machines, one overlocker and an assortment of indigenous style fabrics to the Leonora Women's Group called "nyunnga gu" in the local Kuwarra language, which means "women belong to". The "nyunnga gu" women's group aims to empower local women by providing a safe

environment to learn new life skills and to socialise outside of local community issues such as drug and alcohol abuse and high suicide rates.

Leonora Women's Group "nyunnga gu" members and Company representatives with indigenous style fabrics

A young member of the Leonora Women's Group trying out one of the new sewing machines

Mine and mill production and cash costs

TONNES MINED		2015/2016 Dec Qtr	2015/2016 Mar Qtr	2015/2016 Jun Qtr	2016/2017 Sep Qtr
Flying Fox					
Ore Tonnes Mined	Tns	76,163	62,017	68,161	60,731
Grade	Ni %	4.2%	4.6%	4.7%	4.2%
Nickel Tonnes Mined	Tns	3,183	2,876	3,218	2,580
Spotted Quoll – Underground					
Ore Tonnes Mined	Tns	81,318	82,711	71,774	92,461
Grade	Ni %	4.6%	4.7%	5.0%	4.1%
Nickel Tonnes Mined	Tns	3,734	3,922	3,614	3,777
Total – Ore Tonnes Mined	Tns	157,481	144,728	139,935	153,192
Grade	Ni %	4.4%	4.7%	4.9%	4.1%
Total Nickel Tonnes Mined	**Tns**	**6,917**	**6,798**	**6,832**	**6,357**

Flying Fox

Mine Production

Flying Fox production was **60,731 tonnes of ore at an average grade of 4.2% nickel for 2,580 nickel tonnes**. Ore production was predominately from long-hole stoping (89%) with the remaining 11% from ore drive development plus jumbo bench stoping.

Longhole production (78%) was sourced from the 425N, 255N (10,500t @ 5.6% nickel grade), 285 and 295, T5 stopes with the remaining 22% from the last of the T4 stopes 640, 610 and 615. Mining in the T4 area was completed in the September month. A total of 48m of jumbo bench stoping was also completed in the 245 N level.

Paste-fill continued to perform well with 15,950m^3 poured. The September quarter was the first time that an entire stoping block was stoped under paste-fill.

Mine grade was marginally ahead of reserve and broadly in line with the FY17 guidance release.

Mine Development

Total single-boom jumbo development was 168m with 51m of operating waste development in paste-fill (425, 410, 255 and 295 levels) to facilitate slot drilling, plus 117m of ore drive development predominately at the 230 level and starting the 215, 200 and 180 levels in September.

425 SOD flatback stope with an average grade of 4.7% nickel

Spotted Quoll

Mine Production

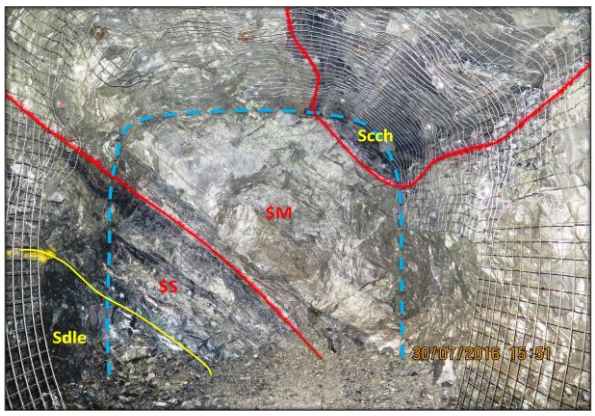
Spotted Quoll production was **92,461 tonnes of ore at an average grade of 4.1% nickel for 3,777 nickel tonnes.** This was the highest quarterly ore tonnes mined to date, with a 27% increase in ore tonnes mined as well as a 4% increase in nickel tonnes compared to the previous quarter.

There were several twin boom stoping areas for the quarter in the 1140, 1005, 997, 990, 971, 962 and 955 levels and three single-boom stoping areas in the 911, 901 and 890 levels. The single-boom area opened up a third stoping front at the 890 level with the successful full extraction of the 890 panel 1 stope in early August.

Mine Development

Total jumbo development for the quarter was 653m with 87m of lateral capital development between the 852 and 750 levels and 177m of operating waste development between the 1140 and 890 levels, which included 67m of paste-fill development to facilitate slot drilling. A highlight for the quarter was the sustained high development grade of the 832 level with quarterly production of 6,243 tonnes of ore at an average grade of 5.1% nickel for 317 nickel tonnes.

A total of 389m of single-boom ore drive development was completed between the 842 and 804 levels.



Single-boom area 832 ore drive with average face grade of 8.6% nickel

Mine grade was in line with reserve and is consistent with the FY17 guidance provided.

Cosmic Boy Nickel Concentrator

TONNES MILLED AND SOLD		2015/2016 Dec Qtr	2015/2016 Mar Qtr	2015/2016 Jun Qtr	2016/2017 Sep Qtr
Ore Processed	Tns	152,435	156,190	154,114	159,616
Grade	%	4.6%	4.4%	4.5%	4.1%
Ave. Recovery	%	89%	90%	90%	89%
Nickel in Concentrate	**Tns**	**6,256**	**6,180**	**6,321**	**5,763**
Total Nickel Sold	**Tns**	**6,281**	**6,011**	**6,268**	**5,187**

The Concentrator processed 159,616 tonnes of ore at an average grade of 4.1% nickel for a total of 37,131 tonnes of concentrate grading 15.5% nickel. Consequently, 5,763 nickel tonnes were produced at a metallurgical recovery of 89.0% with the concentrator average availability of 98.4%. A planned 30 hour shutdown occurred in July to rebuild the secondary crusher, replace the ball mill gearbox and refurbish the ball mill trommel. However, the concentrator averaged over 99.0% availability for August and September, with September only recording eight minutes downtime for the month which was an excellent performance.

A total of 33,829 tonnes of concentrate was delivered for sale containing 5,187 nickel tonnes. The concentrate stockpile at quarter end was 4,434 tonnes at an average grade of 15.0% nickel, containing 646 nickel tonnes. The increase in concentrate stocks was in anticipation of export shipments to Jinchuan recommencing in the December quarter.

The average realised nickel price for the quarter was A$6.54/lb (includes QP adjustments from the prior quarter), a significant improvement from the June quarter price of A$5.44/lb.

Other sales costs include royalties of A$0.21/lb and transportation of A$0.20/lb in concentrate. Concentrate haulage costs were below trend for the September quarter due to all concentrate sales being delivered domestically, however this cost is expected to revert back to trend as export sales recommence to Jinchuan in the December quarter.

Flash cell froth containing high grade nickel concentrate

STOCKPILES		2015/2016 Dec Qtr	2015/2016 Mar Qtr	2015/2016 Jun Qtr	2016/2017 Set Qtr
Ore	Tns	81,832	70,307	59,397	56,056
Grade	%	3.2%	3.6%	4.0%	4.1%
Concentrate	Tns	310	1,009	1,026	4,434
Grade	%	14.1%	14.6%	14.8%	15.0%
Contained Nickel in Stockpiles	**Tns**	**2,646**	**2,674**	**2,525**	**2,944**

Ore stockpiles at the end of the quarter totalled 56,056 tonnes of ore at 4.1% nickel for 2,298 nickel tonnes, located at the mine ore pads and the concentrator run-of-mine pad. This represents approximately one month of mill feed which enables the selection of an optimal mill feed blend. The Company expects that mine ore production will match mill throughput rates going forward.

Offtake Contracts

The Company has two offtake sales agreements in place with Jinchuan Group and BHPNW. These contracts were due to expire on 31 December 2016, but have been extended by one month to 31 January 2017.

This is the first time in the Company's history that the BHPNW contract will expire, having commenced over seven years ago.

The expiry of both contracts represents an opportunity for Western Areas to test the market and demand for its premium blending concentrate. Consistent with historical practice with expiring offtake agreements, the Company has commenced a formal tender process and expects there to be strong interest. The tender process is currently targeted for completion by calendar year end.

The Company notes that both BHPNW and Jinchuan remain excellent customers and discussions with them on the offtake process remain ongoing.

Cash Costs

FINANCIAL STATISTICS		2015/2016 Dec Qtr	2015/2016 Mar Qtr	2015/2016 Jun Qtr	2016/2017 Sep Qtr
Group Production Cost/lb					
Mining Cost (*)	A$/lb	1.63	1.66	1.60	1.88
Haulage	A$/lb	0.05	0.05	0.05	0.06
Milling	A$/lb	0.41	0.41	0.44	0.45
Admin	A$/lb	0.17	0.17	0.18	0.18
By Product Credits	A$/lb	(0.02)	(0.02)	(0.02)	(0.04)
Cash Cost Ni in Con (***)	**A$/lb**	**2.24**	**2.27**	**2.25**	**2.53**
Cash Cost Ni in Con/lb (**)	US$/lb	**1.61**	**1.64**	**1.68**	**1.91**
Exchange Rate US$/A$	US$/A$	**0.72**	**0.72**	**0.75**	**0.76**

(*) Mining Costs are net of deferred waste costs and inventory stockpile movements
(**) US$ FX for Relevant Quarter is RBA average daily rate (Sep Qtr = A$1:US$0.7555)
(***) 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$2.53/lb (US$1.91/lb) for the quarter, which was towards the lower end of the Company's guidance for FY17.

While absolute cash expenditure was lower, the cost per pound result was impacted by the lower quarter on quarter grade reporting to the mill and a higher allocation of overhead costs to operating costs with the reduction in capital activity, as previously outlined in the FY17 guidance.

The Company's commitment to cost reduction across the business has continued into the new financial year with a new program established to identify further cost, efficiency and productivity gains.

Forrestania Mineral Resources and Ore Reserves

A full summary of the Company's Mineral Resource and Ore Reserve statements are included at the end of this report.

Flying Fox

A total of 2,700m (54 drill-holes) of underground grade control drilling was completed, targeting the lower areas of T5 focusing on 230, 245 and 285 S along with the 230 N areas.

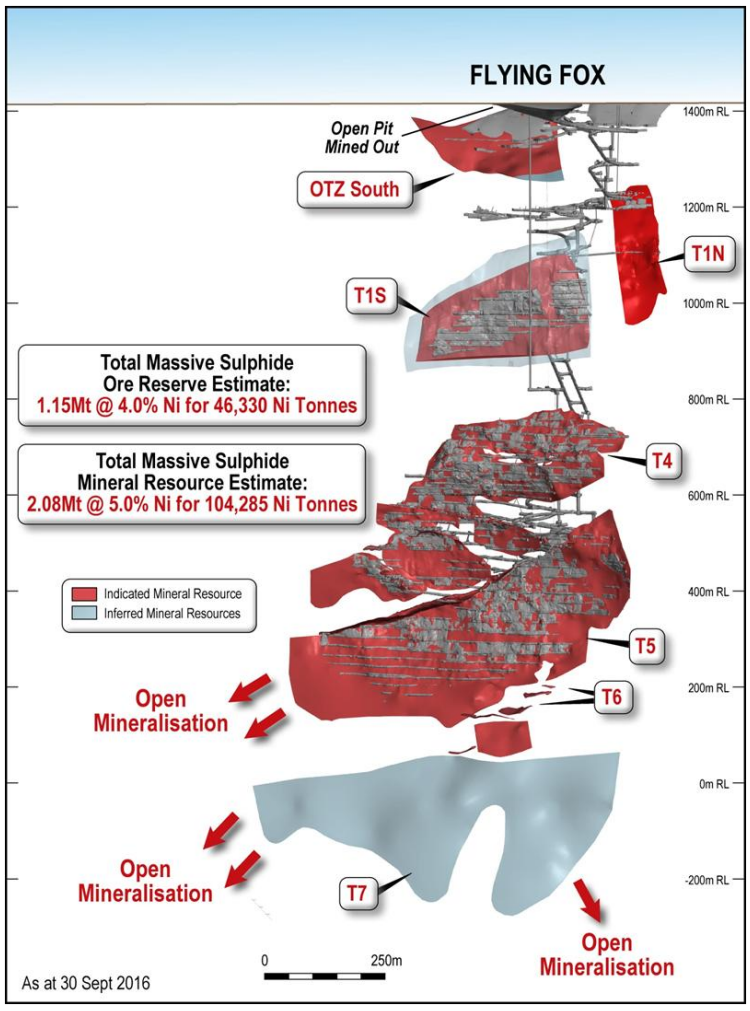
The resource for the T1 South domain was also updated following an earlier Flying Fox remnant underground drilling program, which resulted in an increase of nickel tonnes as shown in the comparison tables below.

T1 South Previous Resource (JORC 2004 Compliant)			
RESOURCE CATEGORY	TONNES	Ni %	Ni t
Inferred	35,200	4.9%	1,720
Indicated	64,550	4.0%	2,560

T1 South 2016 Resource (JORC 2012 Compliant)			
RESOURCE CATEGORY	TONNES	Ni %	Ni t
Inferred	55,219	3.9%	2,154
Indicated	132,279	4.6%	6,085

The total Flying Fox **massive sulphide Ore Reserve** now stands at **1.15 Mt of ore at a grade of 4.0% nickel for 46,330 nickel tonnes**.

The total Flying Fox **massive sulphide Mineral Resource** now stands at **2.08Mt of ore at a grade of 5.0% nickel for 104,285 nickel tonnes**.

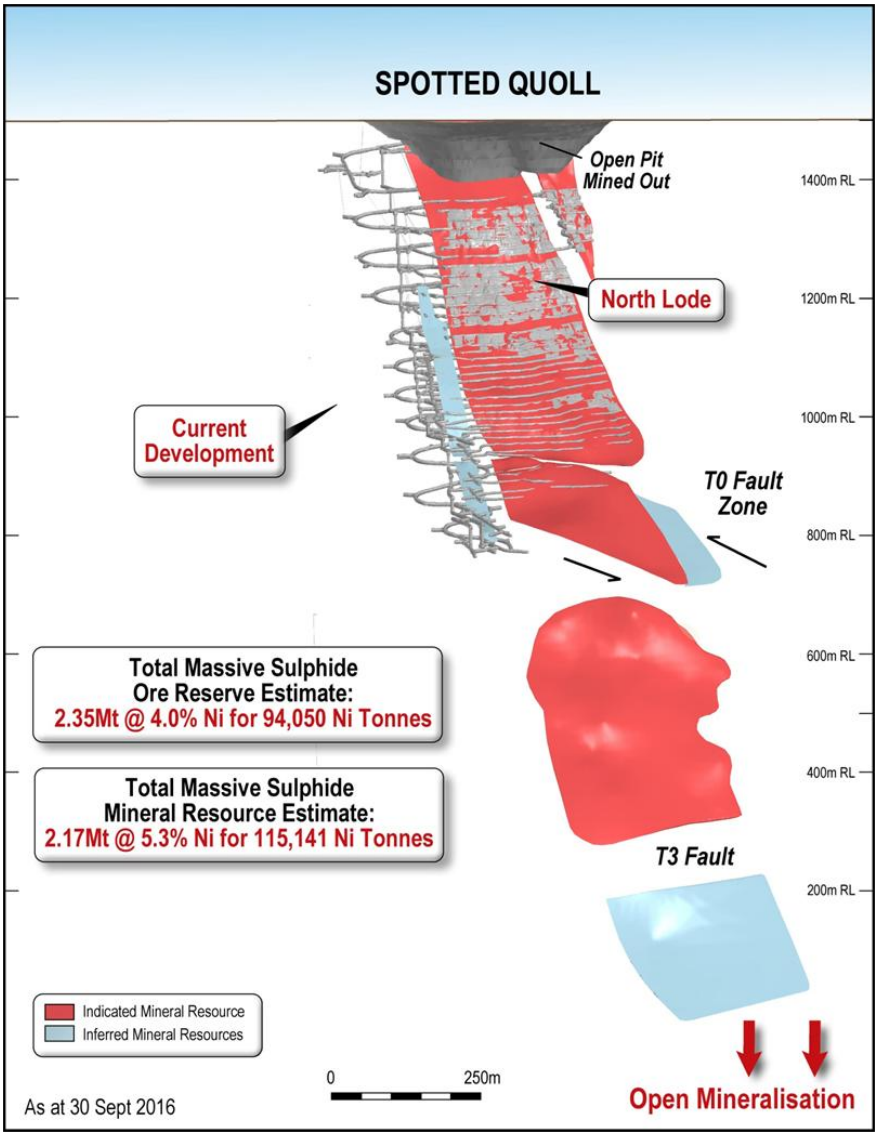


Spotted Quoll

No grade control drilling was required at Spotted Quoll during the quarter. Upon completion of the Flying Fox drilling program at the end of September, the drill rig will relocate to Spotted Quoll where a series of three drill programs (both grade control and resource definition) will commence in October.

The Spotted Quoll **Ore Reserve** now stands at **2.35Mt of ore at a grade of 4.0% nickel for 94,050 nickel tonnes**.

The Spotted Quoll **Mineral Resource** now stands at **2.17Mt of ore at a grade of 5.3% nickel for 115,141 nickel tonnes**.



New Morning/Daybreak

An updated Mineral Resource estimate for the New Morning/Daybreak (NMDB) deposits was completed during the quarter. The update reflects resource and metallurgical work undertaken using the results of over 100 surface exploration drill-holes that have been drilled since the previous resource estimate. This included 32 shallow drill-holes (<150m below surface) completed in three drill programs between September 2014 and December 2015 to assess open-pit potential, assuming the oxide and transitional mineralisation is processed by BioHeap leaching techniques and primary sulphide mineralisation by conventional flotation (see Table 1 for further details).

Since late 2014, in-house BioHeap test-work has been conducted on various bore-hole composite samples from the shallow drilling programmes at NMBD. This has included nitric acid and BioHeap amenability test-work plus an ongoing column test. These results are encouraging providing confidence commensurate with the resource model classifications applied.

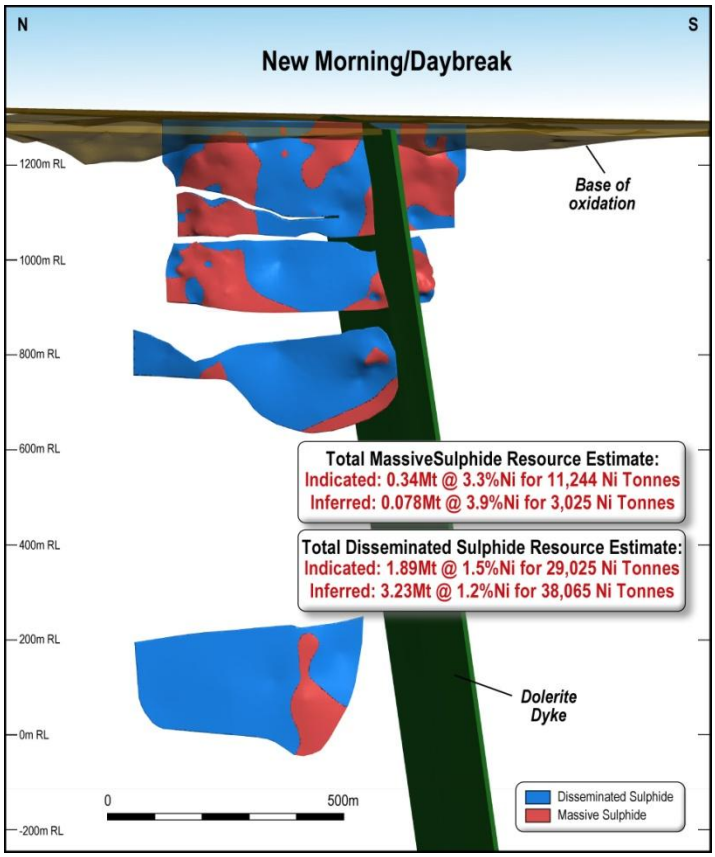
The new resource is summarised in the following tables which has resulted in a 160% increase in the total mineralised tonnes and a 165% increase in the contained nickel tonnes from the previous 2008 resource estimate, predominately in the near surface transitional and oxide mineralisation.

2016 New Morning/Daybreak resource estimate

NMDB Low Grade at 0.5%Ni COG			
RESOURCE CATEGORY	TONNES	Ni %	Ni t
Inferred	3,232,693	1.2%	38,065
Indicated	1,887,691	1.5%	29,025
Total	**5,120,384**	**1.3%**	**67,090**

NMDB High Grade at 2.0% COG			
RESOURCE CATEGORY	TONNES	Ni %	NI t
Inferred	78,067	3.9%	3,025
Indicated	340,126	3.3%	11,224
Total	**418,193**	**3.4%**	**14,249**

Further work is planned to evaluate the mining of the resource from an open pit perspective.



NMDB longsection showing main lode diseminated (blue), massive sulphide (red) and base of oxidation

BioHeap

Mill Enhancement Recovery Project

Test-work continued into the viability of generating nickel sulphates using the Mill Enhancement Recovery Project methodology. The laboratory work is focused on generating a higher nickel content sulphate product. Discussions with several parties were initiated with the view of potentially producing a saleable nickel sulphate product, which could provide direct exposure to the lithium-ion battery market.

Cosmos Nickel Complex ("Cosmos")

The Odysseus Prefeasibility Study (PFS) continued to be advanced during the quarter, focussing on the following:

- Metallurgical test-work for Odysseus North;
- Optimisation of the mining methodology and sequence with respect to the updated geotechnical baseline work;
- Infrastructure, hydrology and mine dewatering schedule studies; and
- Mine ventilation and paste-fill studies.

The PFS is targeted for completion towards the end of the December quarter.

Onsite activities were predominately exploration focussed, with down-hole electromagnetic (DHEM) surveys of selected historic drill-holes completed (see exploration section). As the PFS is nearing completion, enhanced resource definition drilling is planned for the December quarter in anticipation of the expected commencement of the feasibility study in CY17.

Quarterly ground water monitoring was completed to comply with DER obligations. The Bellevue aerodrome completed its annual Civil Aviation Safety Authority (CASA) inspection as part of its routine care and maintenance requirements.

Exploration

Exploration continued at Cosmos, Forrestania and Western Gawler Projects. St George Mining Limited (SGQ) advised during the quarter that it intersected further massive sulphides at the Cathedrals and Interceptors prospects on the Mt Alexander JV where WSA holds a 25% free carried interest.

Cosmos

Key highlights in the quarter include:

- Down-hole electro-magnetic (DHEM) survey identified new anomalies in near-mine areas.
- Moving-loop electro-magnetic (MLEM) survey completed in the Apollo area.

Down-hole electro-magnetics

During the quarter, the application of three-component DHEM was completed in the near-mine area to refine the known, untested EM anomalies, and to identify potential new high grade mineralisation.

A total of seven historic drill holes were surveyed with the Atlantis DHEM probe (Figure 1). The results of the survey are encouraging, with a number of interesting and untested anomalies defined, some proximal to known nickel sulphide occurrences. The historical near-mine EM data (down-hole, fixed loop and moving loop) was also reviewed during this phase of exploration, and the new targets have been ranked and prioritised along with the historical anomalies.

The most significant targets identified occur in the southern portion of the near-mine area, at Prospero and Orleans. The Orleans prospect is located north along strike from Prospero. An off-hole DHEM anomaly has been detected in this area proximal to high grade nickel sulphide mineralisation (BJD-410 0.6m @ 3.27% Ni and 0.2m @ 4.84% Ni). This anomaly is situated at approximately 400m depth and appears to be located within a largely untested, talc-carbonate ultramafic rock package which has an aeromagnetic signature interpreted to be approximately 1km in strike length.

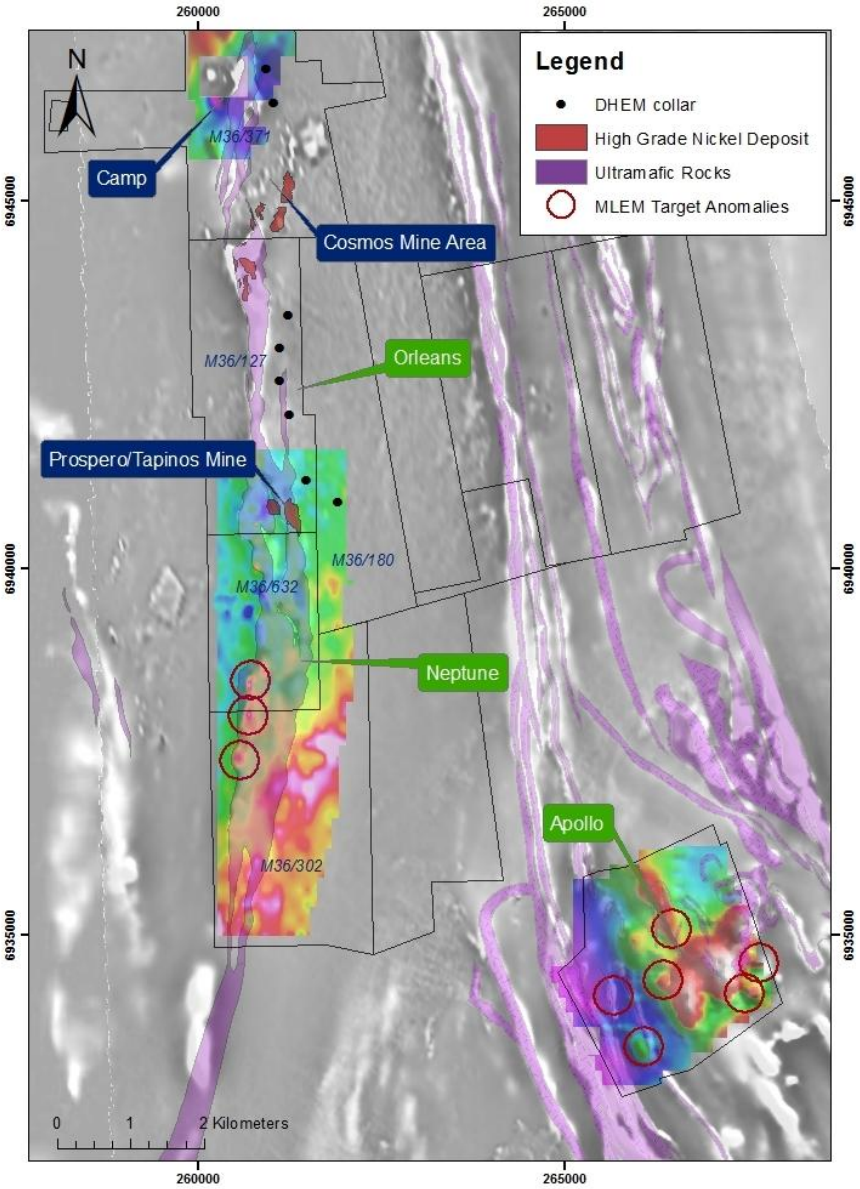


Figure 1: Activity summary and exploration focus areas at the Cosmos Nickel Complex Electomagnetics (Ch35) overlying TMI RTP 1VD magnetics)

Similarly, the DHEM anomalies indentified at Prospero are located below high grade historic intersections (incl. PRD-734, 2.3m @ 6.8% Ni including 0.8m @ 14.7% Ni) and follow the same interpreted plunge as the Prospero ore body (Figure 1). The location of the anomalies reinforces the potential to the south of Prospero (and at Neptune) where further drilling is planned to commence during in the next quarter.

HOLE ID	Easting	Northing	RL	EOH(m)	Type	DIP	Azimuth	Width (m)	Ni%	From (m)
BJD410	261407.3	6941562.3	466	915.8	RC/DDH	-60	270	0.56	3.27	396.65
							and	0.20	4.84	401.2
PRD734	261257.7	6940356.7	-353.7	512.9	UGDH	-54	117	2.33	6.8	382.17
							including	0.78	14.7	382.42

Two drill holes were surveyed with DHEM in the south of the project area. These were supervised by Tjiwarl heritage monitors due their proximity to an area of cultural significance. No heritage issues were encountered.

Planned exploration drilling at Neptune and Apollo

The Neptune area lies to the south of the Prospero high grade nickel deposit and is interpreted to contain the highest volume of cumulate ultramafics in the Cosmos nickel belt. The recently completed MLEM survey identified a number of high priority anomalies and these, along with nickel sulphides identified in historic drilling, are the focus for the planned exploration program.

The exploration drilling activities are expected to commence during the December quarter with the approval of a Section 18 and other statuary approvals to access the northern areas of Lake Miranda anticipated to be received in November.

The Apollo area lies approximately 7km to the southeast of the main Cosmos nickel belt (Figure 1). The stratigraphy is genetically related to the 'Camelot Nickel Camp', known to host significant volumes of high and low grade nickel sulphide mineralisation. The prospective Camelot ultramafics have been interpreted to extend into the Apollo area.

Work has been focused on extending the surface MLEM data coverage to the remainder of the tenement and to cover the area of known ultramafic lithology. Multiple broad, strong and anomalous responses were identified, some of which have been drill tested previously and are interpreted to be associated with sulphidic black shale. A number of moderate to weak, short strike length anomalies were also detected, and some of these lie adjacent to the interpreted Camelot ultramafic stratigraphy and in areas of other known ultramafics. **These anomalies have not been explained by previous drilling and will be drill tested in the coming quarter.**

During the data review, it became apparent that significant gold anomalism has also been defined by historical drilling within the Apollo area. Air-core/RC drilling has generated multiple intersections (for example MAC272 which returned 6m @ 1.9/t including 2m @ 9.8g/t), and a strong zone of anomalous gold has been defined over approximately one kilometre. Further drilling has been planned to test these anomalies and to determine the source and nature of mineralisation.

HOLE ID	Easting	Northing	RL	EOH(m)	Type	DIP	Azimuth	Width (m)	Au g/t	From (m)
MAC272	265896	6934562	470.5	55	AC	-60	90	6	1.94	36
							including	2	9.8	36

Forrestania Nickel Exploration

A review of the potential for nickel mineralisation in the north-eastern portions of the Forrestania area, such as Northern Estates and Parker Dome, is progressing. Surface geophysical surveys (mainly EM) are planned for some of the northern areas. Statutory approvals to allow this work to be undertaken are progressing.

Forrestania Lithium Mineralisation

The Forrestania district is emerging as an area of significant lithium bearing pegmatite potential. The process to evaluate the lithium potential at Western Areas' Forrestania tenements and pursue options that will maximise the value of these assets to the Company continued during the quarter. Western Areas holds a considerable extent of the prospective Eastern Ultramafic Belt (EUB), which is near 170km in strike length.

Three areas were selected for follow up RC drilling, namely South Ironcap, Bounty West and the Northern Estates areas. During the quarter drilling was carried out at Bounty West and Northern Estates with the South Ironcap to be drilled in the December quarter.

Ongoing work will be dependent on the current drilling programs being completed and assays being received.

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

Exploration at the Western Gawler Project included further drilling and target generation activities.

The Western Gawler 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. The results from the initial phase of exploration are very encouraging, with the identification of olivine gabbro-norite intrusive rocks and geochemical anomalism in a number of areas. The results confirm the initial observations regarding the prospectivity of the Western Gawler region for intrusive related nickel, copper (and gold) mineralisation. These types of mafic intrusives are well known for hosting significant nickel and copper ore bodies in western and central Australia, including Nova-Bollinger and Nebo-Babel.

A broadly spaced AC/RC Aircore drill program was completed during the quarter (34 holes for 2603m). The program was designed to validate and refine the broad lateral extent of areas of known nickel and gold anomalism and to extend the drilling into newly targeted areas. The drilling has provided further confirmation that the project area has the potential to host significant quantities of nickel (+ copper and PGE) sulphide mineralisation, with further intersections of prospective mafic intrusive, and a number of new gold anomalies returned.

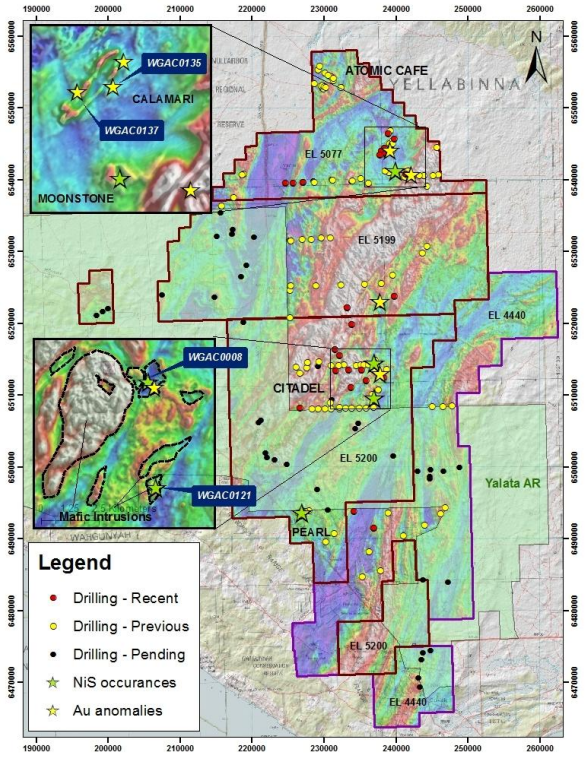


Figure 2: Western Gawler Project drilling status plan with anomalous samples highlighted.
(TMI RTP coloured magnetic background)

Follow-up work included the Pearl (5 holes for 384m) and Citadel (10 holes for 742m) prospects and the Calamari / Moonstone area (7 holes for 531m), (Figure 2). At Citadel, drilling determined the extent of the prospective intrusive rocks (proxenite and gabbro-norite) in relation to the detailed magnetic and gravity imagery. The drilling has confirmed that the extent of mafic rocks is greater than initially interpreted, and identified another potential occurrence of nickel sulphides (WGAC0121). The Calamari drilling was focused at gathering more widespread geological information and to detect any potential new copper or gold anomalism.

Two drill holes (WGAC0135 and WGAC0137) returned anomalous gold values (2m @ 90ppb Au from 43m and 2m @ 62ppb from 51m respectively), located proximal to what is interpreted to be a large felsic intrusive body with a distinctive margin of magnetic skarn. The drilling in new areas (12 holes for 946m) tested a number of interesting magnetic and gravity anomalies outside of the known prospect areas and has improved the geological interpretation of the region. Samples from the current phase of drilling are currently being assessed with petrology.

HOLE ID	Easting	Northing	RL	EOH(m)	Type	DIP	Azimuth	Width (m)	Au ppb	From (m)
WGAC0121	238250	6512442	70	127	AC/RC	-90	0			
WGAC0135	239189	6544098	83	67	AC/RC	-90	0	2	90	43
WGAC0137	237957	6543905	38	123	AC/RC	-90	0	2	62	51

Ground geophysical surveys are planned for the December quarter. The key areas known to host prospective intrusions at Citadel, Pearl and Moonstone will be covered with MLEM surveys in order to locate mineralised massive sulphides. The areas between Citadel and Pearl are expected to be covered with a detailed surface gravity survey, designed to generate new targets and add to the current project wide-geophysical datasets. Features identified will be ranked for follow-up, and these will be tested, along with a number of other targets, in the up-coming drilling program. The planned drilling is shown on Figure 2.

WSA continues to enhance its relationships with the traditional owners and the Aboriginal Lands Trust (ALT), and during the quarter further consultation work was completed with the aim of negotiating access to the Yalata Aboriginal Reserve.

-ENDS-

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 Marco Orunesu Preiata of Western Areas Ltd. Mr Wilkinson, Mr Wulfse and Mr Orunesu Preiata are members of AusIMM and are full time employees of the Company. Mr Wilkinson, Mr Wulfse and Mr Orunesu Preiata 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 Orunesu Preiata 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: "Many market analysts are forecasting CY16 to be the first significant deficit in nickel supply versus demand balance" and, "the Company has commenced a formal tender process and expects there to be strong interest. The tender process is currently targeted for completion by calendar year end" and, "The exploration drilling activities are expected to commence during the December quarter with the approval of a Section 18 and other statuary approvals to access the northern areas of Lake Miranda anticipated to be received in November".

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.

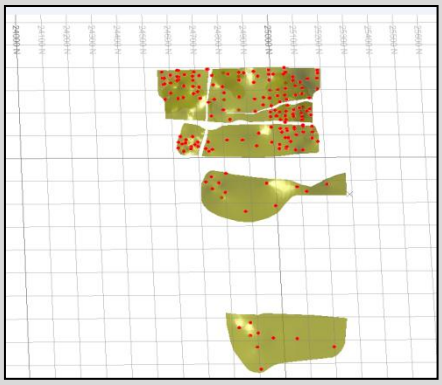
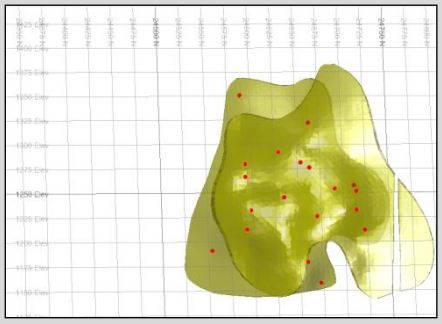
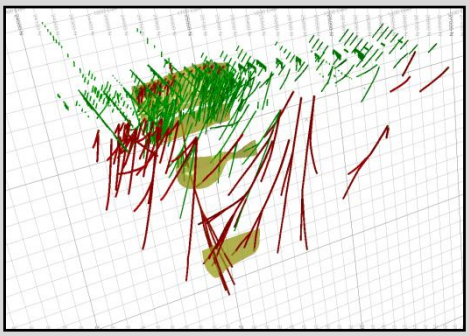
THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO THE U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S

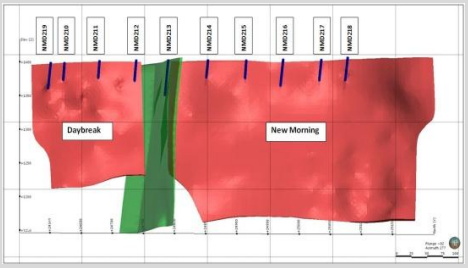
Western areas ore reserve / mineral resource statement – Effective date 30th September 2016

	Tonnes	Grade Ni%	Ni Tonnes	Classification	JORC Code
Ore Reserves					
1. Flying Fox Area	1,149,410	4.0	46,330	Probable Ore Reserve	2012
2. Spotted Quoll Area	212,270	4.1	8,730	Proved Ore Reserve	2012
	2,135,810	4.0	85,320	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	**5,606,490**	**3.2**	**171,180**		
Mineral Resources					
1. Flying Fox Area					
T1 South	132,279	4.6	6,085	Indicated Mineral Resource	2012
	55,219	3.9	2,154	Inferred Mineral Resource	2012
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	149,503	5.7	8,585	Indicated Mineral Resource	2012
T5 Massive Zone + Pegs	1,200,550	5.7	68,927	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	2,081,045	5.0	104,285		
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	7,064,045	2.1	145,335		
New Morning / Daybreak					
Massive Zone	340,126	3.3	11,224	Indicated Mineral Resource	2012
	78,067	3.9	3,025	Inferred Mineral Resource	2012
Disseminated Zone	1,887,691	1.5	29,025	Indicated Mineral Resource	2012
	3,232,693	1.2	38,065	Inferred Mineral Resource	2012
Total New Morning / Daybreak	5,538,577	1.5	81,339		
2. Spotted Quoll Area					
Spotted Quoll	578,668	5.8	33,431	Measured Mineral Resource	2012
	1,414,836	5.1	71,573	Indicated Mineral Resource	2012
	181,013	5.6	10,137	Inferred Mineral Resource	2012
Total Spotted Quoll	2,174,517	5.3	115,141		
Beautiful Sunday	480,000	1.4	6,720	Indicated Mineral Resource	2004
Total Western Belt	15,257,139	2.3	348,535		
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	**25,661,239**	**1.8**	**457,055**		
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	**88,456,801**	**1.2**	**1,024,351**		

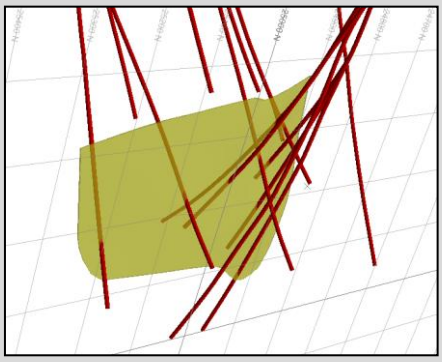
JORC 2012 TABLE 1 – New Morning Daybreak

Section 1: Sampling Techniques and Data

Criteria	JORC Code 2012 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 down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• The New Morning/Daybreak (NMDB) was sampled using diamond drill (DD) and reverse circulation holes (RC) on various grid spacing's as shown below for the main and hanging wall mineralisation respectively.   • A total of 1,138 holes (including deflections and RAB holes) were used to design and constrain the geological wireframes, of which 119 holes have been drilled since the previous mineral resource estimate as shown below (new holes in red).  • Holes were generally drilled perpendicular (west) to the strike (north-south) of the stratigraphy, at angles ranging between 60° and 90°. The mean dip of the holes into the shallowest domain is 63 degrees and the mean azimuth is 244° .
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Samples have been collected since discovery in 2007 in accordance with Western Areas Ltd protocols and sample representivity is assured by an industry standard QAQC program as discussed in a later section of this tabular summary.

	• *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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond drill (DD) core was marked at 1m intervals and sample lengths were typically of this length. Sampling boundaries were selected to match the main geological and mineralisation boundaries. • Core was cut in half by diamond saw blades and one half quartered with a quarter stored for assay and a quarter preserved as a geological archive. • 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. 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 (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 NQ2 sized core • The core was oriented using ACT II control panels and ACT III downhole units. • RC drilling comprises 140mm diameter face sampling hammer drilling. • Rotary Air Blast holes were used to assist in geological domain analysis but were not used for Mineral Resource Estimation purposes.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core and RC recoveries are logged and recorded in the database. • Overall recoveries are >95% and there are no core loss issues or significant sample recovery problems within.
	• *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. • RC samples were visually checked for recovery, moisture and contamination. • A short hole diamond drilling program was specifically designed and drilled in 2015 to test the mineralisation in the oxidised zone. These holes were drilled using large diameter barrels with triple tubes to avoid core loss. The holes are shown below. 
	• *Whether a relationship exists between sample recovery and grade and whether sample bias occurs*	• The resource grades are derived from diamond core drilling with core recoveries in excess of 95%. • The 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 and geotechnical logging was carried out on all diamond drillholes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure table of the database. • Sufficient data has been collected and verified to support the current Mineral Resource Estimate.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)*	• Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (DDH only), weathering, colour and other features of the samples. • Core was photographed in both dry and wet form.
	• *The total length and percentage of the relevant intersections logged.*	• All drillholes were logged in full from the collar position to the end of the hole position.
Sub-sampling techniques and sampling preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Core was cut in quarters (NQ2) on site using an Almonte automatic core saw. • All samples were collected from the same side of the core.

	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• RC 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.*	• The sample preparation of diamond core follows industry best practice in sample preparation involving oven drying, coarse crushing of the quarter 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.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• WSA included field Ni standards ranging from 0.7% - 8.4% Ni that were routinely submitted with sample batches in order to independently monitor analytical performance. • Standards were fabricated and prepared by Gannet Holdings, Perth, using high – grade nickel sulphide ore sourced from the Silver Swan mine. • Standards were supplied in 55g sealed foil sachets.
	• *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.*	• Field duplicates were taken on a 15% by volume basis. • Duplicate quarter samples were sent to a commercial independent certified lab by WSA.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The sample sizes are considered to be appropriate to correctly represent the sulphide mineralisation at Spotted Quoll based on: the style of mineralisation, 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.*	• All samples used in the resource estimate were assayed by an independent certified commercial laboratory. • The laboratory used by WSA is experienced in the preparation and analysis of nickel bearing ores. • Samples were dissolved using nitric, perchloric, hydrofluoric and hydrochloride acid digest to destroy silica. Samples were analysed for Al(0.01%), As(5), Co(1), Cu(1), Fe(0.01%), Cr(1),Mg(0.01%),Ni(1), S(0.01%), Ti(0.01%) and Zn(1) using Method Me-ICP61 (detection limit in brackets, values in ppm unless stated). • All samples reporting > 1%Ni were re-assayed by the OG62 method.
	• *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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Standards and blanks were routinely used to assess company QAQC (approx 1 std 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. • Results indicated no material issues associated with sample preparation and analytical error. In occasional cases where a sample did not meet the required quality threshold, the entire 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 (Newexco) has independently visually verified significant intersections in most of the diamond core.

	• *The use of twinned holes.*	• Holes in the deepest domain were essentially twinned by drilling from two opposing directions as shown in the following figure 
	• *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 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.*	• 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 are: MGA50 Points yd1="6409901.808" xd1="752967.748" yd2="6409502.17" xd2="752502.175" Local Grid Points ym1="28619.176" xm1="33997.535" ym2="28223.604" xm2="33528.778"
	• *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.*	• No Exploration Results are reported. • Drilling density for MRE purposes has been discussed in a previous section.
	• *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 previous estimate and the extensive drill program coupled with information derived from previous open pit mining at Spotted Quoll has demonstrated sufficient and appropriate continuity for both geology and grade within the New Morning deposit to support the definition of Mineral Resources, and the classification (Indicated and Inferred) applied. No material has been classified as Measured.
	• *Whether sample compositing has been applied.*	• 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.*	• The New Morning/Daybreak deposit strikes at approximately 280 degrees and dips nominally 75 degrees to the 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.
	• *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*	• No external audit of the Mineral Resource has been undertaken to date. • Independent consultants assisted with the geological and mineral resource modelling.
	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques are standard practice at Western Areas as implemented over seven years ago and have been subject to independent reviews during this time.

Section 2: Reporting of Exploration Results

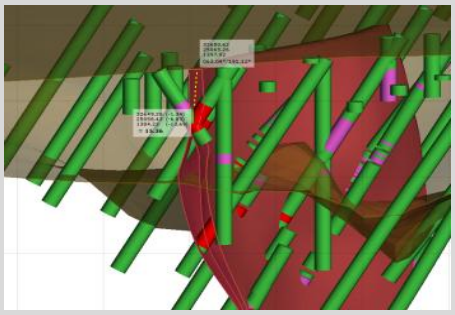
(Criteria listed in the preceding section also apply to this section.)

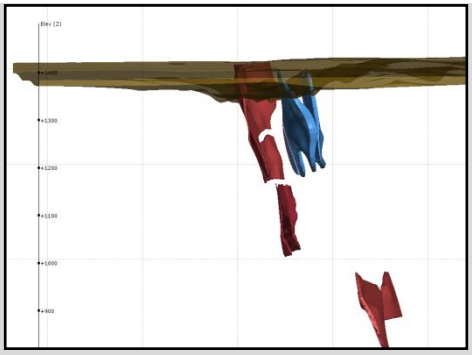
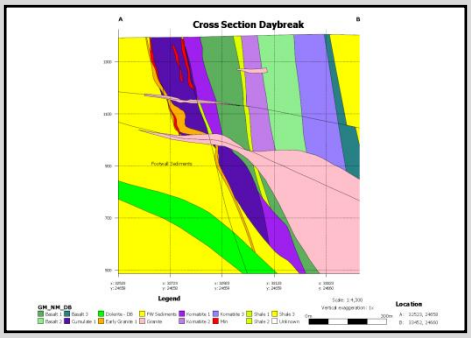
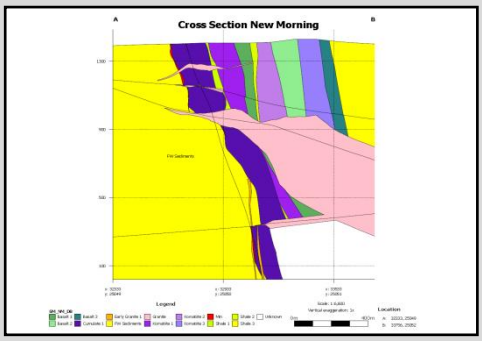
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness 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, 14 tenements are part of the Mt Gibb JV where Western Areas has the right to earn 70% interest from Great Western Exploration (currently at 51% WSA) and the Lake King JV where Western Areas has earned a 70% interest from Swanoak Holdings. • A number of the Kagara tenements are subject to third party royalty agreements. • All the tenements are in good standing. Six tenements are pending grant.
Exploration done by other parties	• *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 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 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 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* – *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.*	• This is a Mineral Resource Estimate summary and no exploration results are reported

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.*	• This is a Mineral Resource Estimate summary and no exploration results are reported • 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 down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• This is a Mineral Resource Estimate summary and no exploration results are reported • 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.*	• This is a Mineral Resource Estimate summary and the appropriate figures can be found elsewhere in this table.
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 to a Mineral Resource Estimate summary
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.*	• This is a Mineral Resource Estimate summary and no exploration results are reported • Multi-element analysis was conducted routinely on all samples for a base metal suite and potentially deleterious elements including Al, As, Co, Cr, Cu, Fe, Mg, Ni, S, Ti, Zn, Zr. All diamond core samples were measured for bulk density which range from 2.90 - 4.79g/cm3 for values >0.5% Ni. • Geotechnical logging was carried out on all diamond drill holes for recovery, defects and RQD. • Information on structure type, dip, dip direction alpha and beta angles, texture, shape, roughness and fill material is stored in the structural logs in the database.
Further work	• *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.*	• This is a Mineral Resource Estimate summary and no exploration results are reported

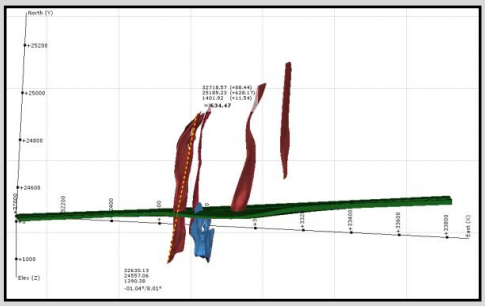
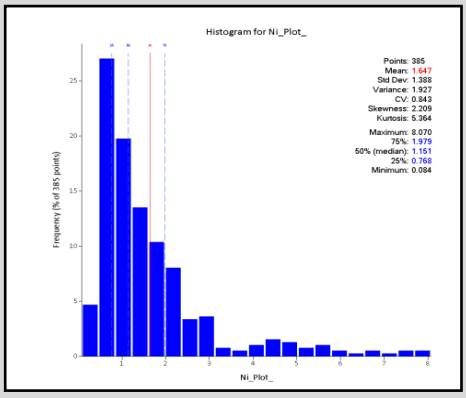
Section 3: Estimation and Reporting of Mineral Resources

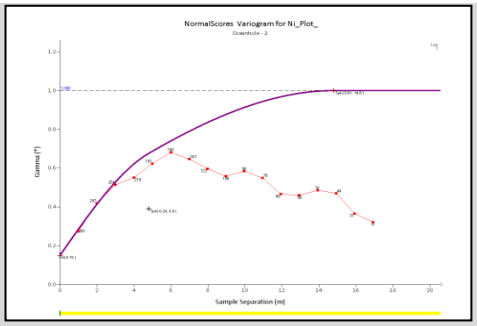
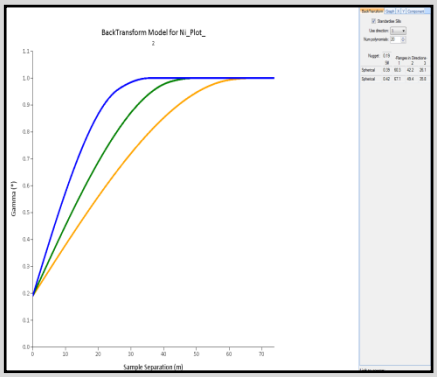
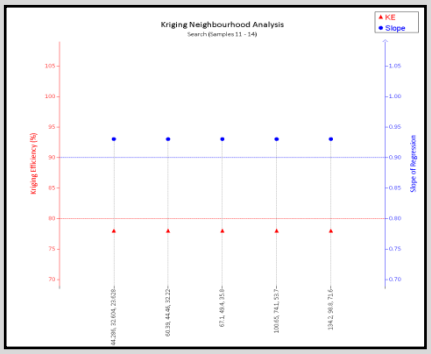
(Criteria listed in section 1, also apply to this section.)

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 are imported into an Acquire relational database
	• *Data validation procedures used.*	• Validation is a fundamental part of the AcQuire data model 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.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• The Competent Person is an employee of Western Areas and regularly undertakes site visits
	• *If no site visits have been undertaken indicate why this is the case.*	• Not applicable.
Geological interpretation	• *Confidence in (or conversely, the uncertainty) of the geological interpretation of the mineral deposit.*	• The nickel deposits of the project area are of the Komatiitic type with massive and/or matrix sulphides at the base of olivine cumulate (peridotite) sequences in preferred lava pathways. • The New Morning-Daybreak deposit is principally a massive to matrix style body of pyrrhotite-pyrite-pentlandite-violarite +/- chalcopyrite with sulphides abundances of 50% to 95% and specific gravities of 3.5 to 4.0 • Average nickel grades of ore intersections typically range over a 2-6% Ni with locally higher grades. • The body lies at or adjacent to the contact between the footwall metasedimentary rocks and the lowermost member of the overlying ultramafic sequence. • The sulphide body has a visibly sharp contact with the enclosing country rocks, although nickel sulphide grades can carry into granitoid intrusives, footwall metasediments and low to high Mg ultramafic rocks. • There is supergene alteration of pentlandite to violarite in several intersections with a variable pentlandite: violarite ratio • Recent shallow drilling has confirmed that Ni mineralisation extends to at least 15m below surface. The following sections shows shallow drilling intercepts of >0.7%Ni in red within the oxidised zone.  • The deposit is located in proximity to the contact of the basal ultramafic and metasediment contact, which was probably 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. • Basal contact – hosted disseminated nickel sulphides are developed in places above the basal ultramafic contact above and marginal to the massive sulphide shoots/pods. The mineralisation comprises <5-20% disseminated pyrrhotite-pentlandite pyrite in an amphibole-serpentinite ultramafic rock interpreted as a marginal olivine orthocumulate unit. • The most economically significant intersections of internal disseminated nickel sulphides occur near the hangingwall contact of the lower ultramafic unit about 100m above the massive sulphides. This unit consists of two lodes separated by ultramafic cumulates. The lodes have a strike length of 220m and 120m respectively. They are shown below (looking north) in blue relative to some of the main lodes in red.

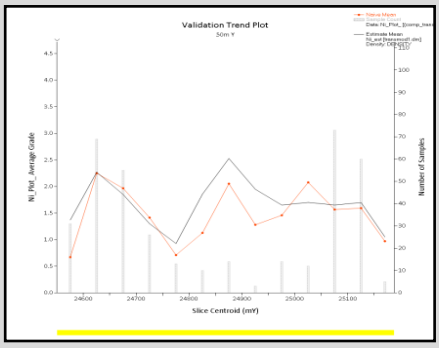
		 • Confidence in the geological interpretation is high due to the history of adjacent mining of two deposits that are similar in nature, the spacing of drilling and the understanding of similar deposits within the Forrestania Ultramafic Belt. • A combination of Implicit and Explicit modelling techniques have been used to model the geologic units • The New Morning-Daybreak geologic model (see sections below) contains the following wireframes that were used for resource estimation purposes; o Geologic solids of the main hanging wall and footwall units on a regional scale coded on various Archean ultramafic, mafic and metasedimentary units o Granitoid sills and dolerite intrusive units o Structural surfaces   o Oxide, transitional and fresh surfaces derived from the downhole geological logs o Sub vertical and hangingwall massive sulphide and disseminated mineralisation solids
	• *Nature of the data used and of any assumptions made.*	• Lithogeochemistry and stratigraphic interpretation have been used to assist the identification of rock types.
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	• The current geologic model is the culmination of several geological modelling iterations that included several different types of alternative outcomes by various geologists following each of the various drilling campaigns. It is the opinion of the CP that this model is the best representation of the orebody at New Morning Daybreak given the current level of exploration data. • Apart from the alternative geological interpretations discussed above, estimation alternatives included isotropic and anisotropic Inverse Distance and Ordinary Kriging estimation.
	• *The use of geology in guiding and controlling Mineral Resource estimation.*	• The Mineral Resource Estimate is based upon a robust geological model discussed previously. • The hanging wall and footwall contacts of the various mineralised domains were modelled with a level of confidence commensurate with the resource classification category applied.

	• *The factors affecting continuity both of grade and geology.*	• Key factors affecting continuity are:
		  ○ The orebody pinching and swelling
		  ○ Granodiorite intrusives and the dolerite dyke that forms the boundary between New Morning and Daybreak
		  ○ Variation in Ni grade
		  ○ Oxide zone mineralisation complexity

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 deposit commences close (within 10m) to surface with variable mineralisation over a strike length of about 650m oriented along 003 trend (changing to 035 at 25,081mN) • Massive mineralisation widths of <1m to approximately 10m true thickness • The southern Daybreak zone is cut by a 5-20m wide E-W trending Proterozoic dolerite dyke centred on 24,762mN. 
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, method was chosen include a description of computer software and parameters used and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	• Hard boundary geologic domains were designed using Implicit and Explicit modelling techniques as discussed previously. • Grade and ancillary element estimation into the mineralised domains using Ordinary Kriging and Inverse Power Distance (IPD) was completed using DatamineTM RM and Supervisor software. • The methods were considered appropriate due to drill hole spacing and the nature of mineralisation. • Sample data was composited to 1m downhole lengths. • Intervals with no assays were excluded from the MRE. Top cut investigations were completed and no top cuts were applied on the basis of grade distribution and Coefficient of Variation. • Sample, wireframe and block model data were flagged using domain and weathering codes generated from 3D mineralised wireframes. • Extensive Exploratory Data Analysis (EDA) was carried out on the raw and composite data in order to understand the distribution in preparation for estimation and to validate the composite data against the raw data. • EDA included Histograms, Log Probability plots and Mean and Variance plots for each of the domains and sub domains. The histogram for the Upper Domain transitional 1m composite data DDH data is shown below  • 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 vary with each domain – transitional material in the main upper domain shown below has a Ni Nugget variance of 15% of the total variance.

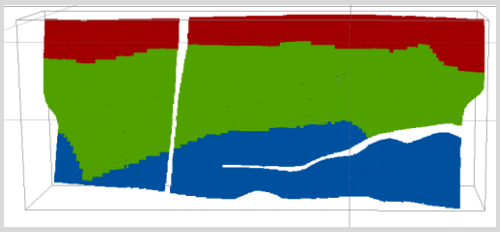
		 • Preferred orientation NI variogram ranges for the transitional material in the upper domain are 42.2m and 49.4m for the 1st and 2nd structure respectively. Corresponding variances are 29 degrees and 56 degrees respectively. The back transformed model plot is shown below  • The plot below shows the results of a Kriging Neighbourhood Analysis on the transitional material of the upper domain and includes the Kriging Efficiency and Slope of regression for various search ellipses 
	• *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 previously reported and was validated against the same.
	• *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 (eg sulphur for acid mine drainage characterisation).*	• Non grade elements were estimated into the block model using similar methods described for Ni.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• Three dimensional block models constrained by wireframes representing the domains were designed for estimation purposes • Block sizes vary for each of the 6 main mineralised domains and were based on the results of the QKNA described previously and the anticipated Selective Mining Unit (SMU) which will vary with the depth of the orebody. Parent cell sizes for the upper domain are X1m; Y5m; Z5m. • Parent cell estimation was used to avoid Geostatistical support issues, i.e. sub blocks have the same grade as their corresponding parent cells. • Each block is informed with primary and ancillary grades as well as ore thickness, Kriging Quality parameters and Resource Category. Blocks are coded on Weathering, Domain and Massive or Disseminated sulphide.

		• The size of the search ellipse was based on QKNA, drill hole spacing and domain dimensions.
		• An elliptical triple search strategy was undertaken. Search passes vary by domain. The search passes and sample numbers used for Ni for the upper domain transitional material is as follows;
		  ○ Angles: X0;Y0;Z-80
		  ○ Pass 1 Distances: X35m;Y50m;Z70m
		  ○ Pass 2 Distances: Twice the Pass 1 distance
		  ○ Pass 3 Distance: Three times the pass 1 distance
		  ○ Maximum number of samples to inform a block
		  ○ 1st pass 17
		  ○ 2nd pass 25
		  ○ 3rd pass 30
		  ○ Minimum number of samples to inform a block
		  ○ 1st pass 14
		  ○ 2nd pass 7
		  ○ 3rd pass 5
		• Maximum number of samples from any particular borehole is 5

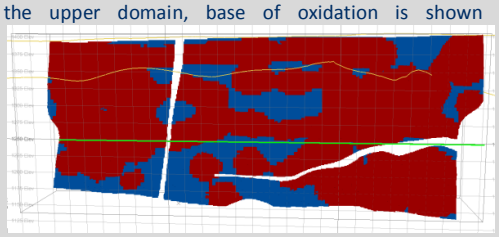
	• *Any assumptions behind modelling of selective mining units.*	• No selectivity was built into the model on the basis that full extraction of the ore zone is assumed for both open pit and underground mining
	• *Any assumptions about correlation between variables.*	• No known correlation between variables other than the close correlation between Density and nickel grade.
	• *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 within 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.
	• *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 resource 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. • Estimation validation techniques (example shown below) included swathe plots of the grade of the composites vs the grade of the block model as shown below.  • Visual grade validations using Datamine, Supervisor and Leapfrog were undertaken. • The assumptions and methodologies used during this estimation are very similar to that of the previously reported Mineral Resource Estimate.
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 0.7% Ni grade cut-off.
		• The resource is reported at a 0.5% Ni and a 2% Ni cut–off for Disseminated and Massive Sulphide grades respectively.
		• These cut-offs were applied based on;
		  ○ Nature of mineralisation
		  ○ Mining and metallurgical assumptions
		  ○ Previous resource estimates
		  ○ Optimum representation of geological and grade continuity

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.*	• Assumed mining methods are;
		  ○ Surface to -150m:Open pit
		  ○ -150m to base of model: underground longhole stoping techniques, using rockfill for stope voids

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.*	• Conventional Nickel Sulphide floatation recovery techniques, similar to the adjacent Flying Fox and Spotted Quoll mines will be used for primary material.
		• Open pit material, defined by an assumed nominal -150mRL cut-off based on the Spotted Quoll OP depth, will be treated using a leaching technique, possibly a combination of acid and bioleach methods.
		• Preliminary metallurgical testwork between 2009 and 2016 included the following tests;
		  ○ Head assays (total sulphur)
		  ○ Amenability
		  ○ Nitric acid digests
		  ○ Mineralogy
		• Met samples taken in the Oxidised zone indicated an absence of sulphide minerals which was reflected in the amenability testing of 8 samples
		• Acid leaching showed improved nickel recoveries in the oxidised zone
		• There is sufficient quantitative met testwork in the oxidised zone to provide a level of confidence commensurate with the Resource Classification codes applied.
		• The section below shows the modelled three main zones of weathering in the upper zone based on visual observations in the core. Red= Oxidised, Green= Transitional and Blue= Fresh.
		 
		• Further testwork, including bulk density work is planned in the oxidised zone prior to mining.

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 will be disposed of through the Cosmic Boy concentrator plant and its tailings dam. • All site activities will be 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.*	• There is a strong correlation between Ni and bulk density at Forrestania and testwork at New Morning resulted in a robust Ni grade regression formula to estimate bulk density into the blocks.

	• *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 from New Morning primary zone is generally void of vugs, voids and other defects.
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The bulk density values were estimated into the block model using the same search parameters that were used to interpolate Ni within the geological domains.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	• The New Morning Mineral Resource is classified as Indicated and Inferred on the basis of drill hole spacing, Slope of Regression and geological and metallurgical understanding of the various domains and weathering profiles • There is insufficient confidence in the data to classify material as Measured. The following section shows the breakdown of Indicated (red) and Inferred (blue) in the upper domain, base of oxidation is shown as an orange string 
	• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, and 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 interpretations. • All relevant factors have been considered in this estimate
	• *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 who is a fulltime employee of Western Areas and has been working on the deposits since 2008, both as a Consultant and an employee.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• None to date on the current MRE.
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 New Morning deposit is well understood and the mineralisation wireframes used to build the block model have been designed using all available exploration and mining data. • Post processing block model validation was extensively undertaken using geostatistical methods.
	• *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 Mineral Resource statement relates to local estimates of tonnes and grade. • The Resource Statement as at 18 October 2016 is shown below. Massive Sulphide and Disseminated Resources are reported at a cut-off of 2%Ni and 0.5%Ni respectively. <table><tr><th></th><th>Tonnes</th><th>Ni%</th><th>Ni Tonnes</th><th>Resource Classification</th></tr><tr><td>New Morning / Daybreak</td><td></td><td></td><td></td><td></td></tr><tr><td>Massive Zone</td><td>340,126</td><td>3.3</td><td>11,224</td><td>Indicated Mineral Resource</td></tr><tr><td></td><td>78,067</td><td>3.9</td><td>3,025</td><td>Inferred Mineral Resource</td></tr><tr><td>Disseminated Zone</td><td>1,887,691</td><td>1.5</td><td>29,025</td><td>Indicated Mineral Resource</td></tr><tr><td></td><td>3,232,693</td><td>1.2</td><td>38,065</td><td>Inferred Mineral Resource</td></tr><tr><td>Total New Morning / Daybreak</td><td>5,538,577</td><td>1.5</td><td>81,339</td><td></td></tr></table>
	• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• No previous production data is available for New Morning. The adjacent Spotted Quoll mine has an extensive history of open pit and underground mining.

JORC 2012 TABLE 1: SECTION 1: Sampling Techniques and Data – Western Gawler Joint Venture

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.* • *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.*	• *Reverse Circulation (RC) and Air-core (AC) drilling is used for sampling.* • *Each sample interval is split to approximately 3kg using a rig mounted cone splitter.* • *Each sample is sent for analysis to ALS Global laboratories in Perth, Western Australia.* • *The sample is pulverised in the laboratory (total prep) to produce a sub sample for assaying.* • *All sampling was conducted using WSA QAQC sampling protocols which are in accordance with industry best practice.* • *Petrology samples are selected from the largest fraction of RC and Air-core chips of representative intervals.* • *The thin sections and petrology reports are produced by independent, qualified consultants, experienced in the geology and mineralisation styles*
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).*	• *Exploration targets are tested using RC/AC drilling. Holes are typically drilled vertically.* • *A X350 multi-purpose drilling rig is used with a 3.5 inch diameter face sampling hammer drilling or Air-Core bit.*
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*	• *Drilling recoveries are logged and recorded via the Ocris logging software and captured within the project database.* • *Overall recoveries are >95% and there has been no significant loss of sample material due to ground or drilling issues.* • *Each individual samples are visually checked for recovery, moisture and contamination.* • *The style of expected mineralisation and the consistency of the mineralised intervals are expected 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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)* • *The total length and percentage of the relevant intersections logged.*	• *Geological logging is recorded on Ocris logging software (Toughbook platform)* • *Drill chips are logged for lithology, mineralogy, mineralisation, weathering, fabric, grainsize, colour and other relevant features.* • *Geotechnical logging was not completed due to the nature of drill method.* • *All holes have been logged from the surface to the end of hole.* • *Petrology is used to verify the field geological logging.*
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*	• *The drill samples are collected every metre on the drill rig using a cone splitter.* • *No composite samples are taken.* • *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 are conducted on approximately 1 in 10 drill intersections.* • *The sample sizes are considered to be appropriate to correctly represent the geological model based on: the style of mineralisation, the thickness and consistency of the expected intersections, the sampling methodology and percent value assay ranges for the*

Criteria	JORC Code Explanation	Commentary
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	*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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• *All samples are processed by ALS Minerals (Australian Laboratory Services P/L) in Perth, Western Australia* • *All drill samples are subjected to ICP-MS (ME-MS61) analysis using nitric, perchloric, hydroflouric and hydrochloride acid digest.* • *All samples are also assayed for PGE's using PGM-ICP23* • *Standards and blanks are routinely used to assess company QAQC (approx 1 std for every 25-50 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.*	• *Primary data was collected using the Ocris logging software, on Toughbook computers.* • *All data is validated by the supervising geologist, and sent to WSA Perth for further validation and integration into a Microsoft Access database.*
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.*	• *Drill holes are located using hand held GPS.* • *Elevation data is captured with hand held GPS, and cross referenced with local topographical maps (DMP produced), SRTM data and recently captured DTM models (where covered by the Aeromagnetic Surveys – Thomson Aviation).* • *MGA94 Zone 53 grid coordinate system is used.*
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 are located and specifically planned according to target location and stratigraphic location.* • *Samples are collected every metre down hole.* • *Sample compositing has not yet been applied, but may do so depending on the assay information required.*
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 drilled vertically which may reduce range of lithologies or cross section of stratigraphy sampled in areas that are steeply dipping.* • *Heritage and/or environmental constraints may prevent some ideal drilling solutions.* • *No orientation based sampling bias has been observed in the data, intercepts are reported as down-hole lengths.*
Sample Security	• *The measures taken to ensure sample security.*	• *All samples are captured and prepared for transport onsite under the supervision of WSA 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 via WSA staff.*
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.*

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.*	• *The Western Gawler Project comprises 4 exploration licenses covering some 2,746km2, which are held 100% and a Farm-In and Joint Venture (JV) Agreement.* • *EL 5077, EL 5199 and EL5200 are 100%vowned by Western Areas.* • *EL 4440 is operated under the Strandline Resources Ltd / Western Areas Ltd Farm-In and Joint Venture (JV) Agreement.* • *EL 4440 is currently under subsequent ELA 2014/00266*
Exploration done by other parties.	• *Acknowledgment and appraisal of exploration by other parties.*	• *The project area was originally explored by BHP Billiton as part of its extensive gold, titanium, Iron and nickel target generation work, and more recently by Gunson Resources Limited (Nickel), Equinox (Base Metals and Gold) and Iluka Resources Ltd (Mineral Sands). It is deemed that the previous exploration was of variable effectiveness.* • *The South Australian Government has performed widely spaced stratigraphic diamond drilling along a number of traverses in the tenure* • *The success rate of historical RC drilling is low, while the AC and Diamond drilling was effective.* • *Gravity, Magneto Tellurics and Airborne Electro-magnetics have been used in selective locations within the project area.* • *The historical geophysical surveys are deemed to have been effective.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The Western Gawler Project lies within the Fowler Domain of western South Australia. The Fowler Domain is a Mesoproterozoic orogenic belt comprised of medium to high metamorphic grade basement lithologies and younger felsic, mafic and ultramafic intrusives.* • *Similarly aged terranes globally contain significant accumulations of nickel and copper sulphides.* • *Whilst not primary target types, the area may also be prospective for orogenic gold, IOCG and skarn related mineralisation.*
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 material. See figures.*
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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 assays results have been reported, they represent a single sampling interval (1m). In this case, no compositing has been used.* • *No metal equivalents have 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.*	• *Not applicable*

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.*	• *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.*	• *All significant 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 and PGM suite and potentially deleterious elements. All significant results are reported.*
Further work	• *The nature and scale of planned further work (e.g. 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 Western Gawler Project is ongoing.* • *At this stage of the exploration program, the nature of the geological model is evolving. Details of further work are referenced in the text and further activities will be forthcoming as the project progresses.*

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 sampled using RC holes. Holes were typically drilled perpendicular to the strike (north-south) of the stratigraphy, at angles ranging between 55° and 75°.or vertically* • *Drill holes were located initially with hand held GPS and later surveyed by differential GPS.* • *Samples were logged for lithological, structural, mineralogical and moisture attributes. Each sample is submitted to ALS laboratories at Malaga, Perth. All sampling was conducted under WSA QAQC protocols which are in accordance with industry best practice.* • *Samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis by 4 acid digest with an ICP/AES or ICP/MS 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.*
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).*	• *A KWL 350 rig with Atlas Copco 2100CFM / 800PSI Booster / Auxiliary was used.* • *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.*	• *RC recoveries are logged and recorded in the database.* • *RC samples were visually checked for recovery, moisture and contamination.* • *The 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 can result in more incomplete 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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc).* • *The total length and percentage of the relevant intersections logged.*	• *Logging of samples recorded lithology, mineralogy, mineralisation, structural, weathering, colour and other features of the samples.* • *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-*	• *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 samples 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.*

Criteria	JORC Code Explanation	Commentary
	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.*	• *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 Blanks are inserted selectively in RC and diamond programs, at least one and sometimes two samples per hole for regular monitoring and to detect smearing in the laboratory processing.* • *The sample sizes are considered to be appropriate to correctly represent the style of mineralization, 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 base metal samples were subjected to ICP-AES analysis using nitric, perchloric, hydrofluoric and hydrochloride acid digest. Samples which assayed greater than 10,000ppm 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. Lithium samples were subject to four acid digest ICP-MS 48 element analysis - ME-MS61. Samples which assayed greater than 10,000ppm Li were treated to ME-ICP82b B/Li - Na_2O_2 Fusion - ICP High Grade. Selected samples with greater than 100ppm Ta and 500ppm Cs were subject to Lithium Borate Fusion - ME-MS85 with ICP-MS 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 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 spacing 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.*

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.* • *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) 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.*

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.*	• *See drill hole summary tables enclosed in the text.*

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *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 (0.45% 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.*