



August 2nd, 2010

ASX & TSX: WSA

**News Release
Western Areas – Diggers and Dealers Presentation**

Western Areas is pleased to announce that the latest PowerPoint Presentation is now hosted on our website at the following address: www.westernareas.com.au

-ENDS-

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DIGGERS AND DEALERS 2010

Mining and developing high grade, low cost, long life nickel mines



CRAIG OLIVER

1964 - 2010



JUNE Q 2010 – RECORD PRODUCTION



Tonnes Mined		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Total
Flying Fox						
Ore Tonnes Mined	Tn's	54,150	53,618	67,072	91,437	266,277
Grade	Ni %	3.7%	3.3%	4.5%	4.0%	3.9%
Ni Tonnes Mined	Tn's	2,015	1,776	2,990	3,697	10,479
Spotted Quoll						
Ore Tonnes Mined	Tn's	-	-	6,293	46,258	52,551
Grade	Ni %	0.0%	0.0%	3.5%	6.7%	6.3%
Ni Tonnes Mined	Tn's	-	-	220	3,113	3,333
Total - Ore Tonnes Mined	Tn's	54,150	53,618	73,365	137,695	318,828
Grade	Ni %	3.7%	3.3%	4.4%	4.9%	4.3%
Total Ni Tonnes Mined	Tn's	2,015	1,776	3,210	6,810	13,811

Tonnes Milled and Sold		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Total
Ore Processed	Tns	60,064	64,985	61,662	83,639	270,350
Grade	%	3.8%	3.1%	4.2%	4.5%	3.9%
Ave. Recovery	%	91%	88%	92%	86%	90%
Ni Tonnes in Concentrate	Tns	2,066	1,791	2,416	3,303	9,576
Ni Tonnes in Concentrate Sold to BHP	Tns	2,783	3,091	2,444	2,507	10,513
Ni Tonnes in Ore Sold to Minara	Tns	-	-	-	241	241
Total Nickel Tonnes Sold	Tns	2,783	3,091	2,444	2,548	10,754

Stockpiles		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Total
Ore	Tns	28,823	17,456	22,865	79,244	
Grade	%	2.9%	3.4%	4.2%	5.1%	
Concentrate	Tns	11,070	1,382	1,358	8,279	
Grade	%	15.1%	13.2%	12.4%	13.9%	
Contained Ni in Stockpiles	Tns	2,517	773	1,129	5,188	

Financial Statistics		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Total
Group Production Cost/lb						
Mining Cost (*)	A\$/lb	1.76	3.30	2.03	1.72	2.10
Haulage	A\$/lb	0.12	0.14	0.11	0.09	0.11
Milling	A\$/lb	0.77	0.96	0.59	0.56	0.69
Admin	A\$/lb	0.22	0.16	0.17	0.17	0.18
By Product Credits	A\$/lb	(0.12)	(0.21)	(0.02)	(0.03)	(0.08)
Cash Cost Ni in Con (***)	A\$/lb	2.74	4.34	2.88	2.51	3.00
Cash Cost Ni in Con/lb (***)(**)	US\$/lb	2.29	3.95	2.61	2.22	2.65
Exchange Rate US\$ / A\$		0.83	0.91	0.90	0.88	0.88

(*) Mining Costs are net of deferred waste costs and inventory stockpile movements
 (**) US\$ FX for Relevant Quarter is RBA ave daily rate (Jun Qtr = A\$1:US\$0.88)
 (***) Payable terms not disclosed due to offtake agreements confidentiality. Cash costs exclude royalties.
 Note. Grade and recovery estimates are subject to change until the final assay data are received.

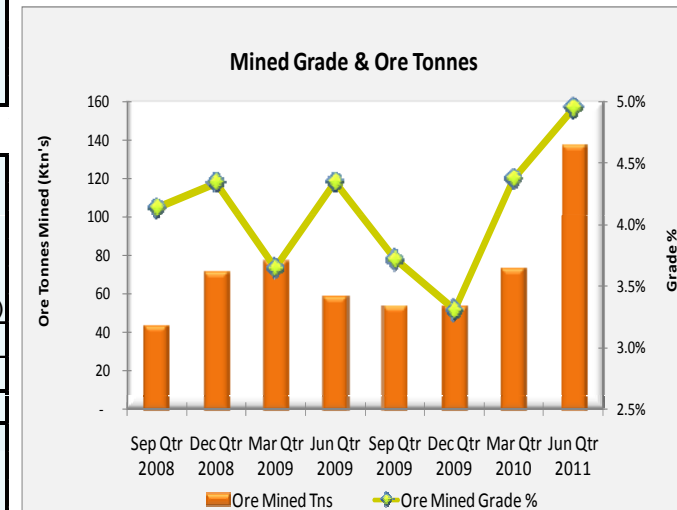
Highlights June Q 2010

Nickel Mined 6,810t

Nickel in Conc 3,300t

Nickel Stockpiles 5,188t

Cash Costs US\$2.22/lb



WESTERN AREAS 10TH ANNIVERSARY



Western Areas' Board 28th July 2000



1st Concentrate Shipment to China 28th July 2010



JUNE Q PRODUCTION

1. Doubled Mine Production to 6,800t nickel in June Q 2010
2. Cash cost US\$2.22/lb nickel, 11% below target US\$2.50/lb nickel
3. On track for sustained 25,000tpa (55Mlb) Nickel production

DEVELOPMENT

1. Doubled capacity of plant to treat 550,000tpa ore
2. Completed major infrastructure to support 25,000tpa Ni production
3. Feasibility study for 10 year underground mine at Spotted Quoll

COMMERCIAL

1. Commenced export of nickel concentrate to Jinchuan on 28th July 2010
2. Use uncommitted nickel offtake to help to fund non - core growth

COMPANY GROWTH TARGETS – NEXT 12 MONTHS

1. Increase ore reserves Flying Fox and Spotted Quoll to >10 years
2. Discover a new high grade nickel deposit below New Morning
3. List separate company - FinnAust Mining Plc for Finland Projects

Flying Fox Mine – longitudinal projection

Continuous high grade Ni to 1300m. Open at depth

Mine decline currently at 1000m vertical depth

Mineral Resources 140,000t Ni
(Flying Fox plus Lounge Lizard)

Ore grades increase at depth from 3.9% to 5.6% Ni

T4 Deposit – in production

10,190 t nickel in high grade (4.0% Ni) Ore Reserves

Lounge Lizard – KZL Agreement for 50,000tpa ore

T5 Deposit – first stope production June Q 2010.

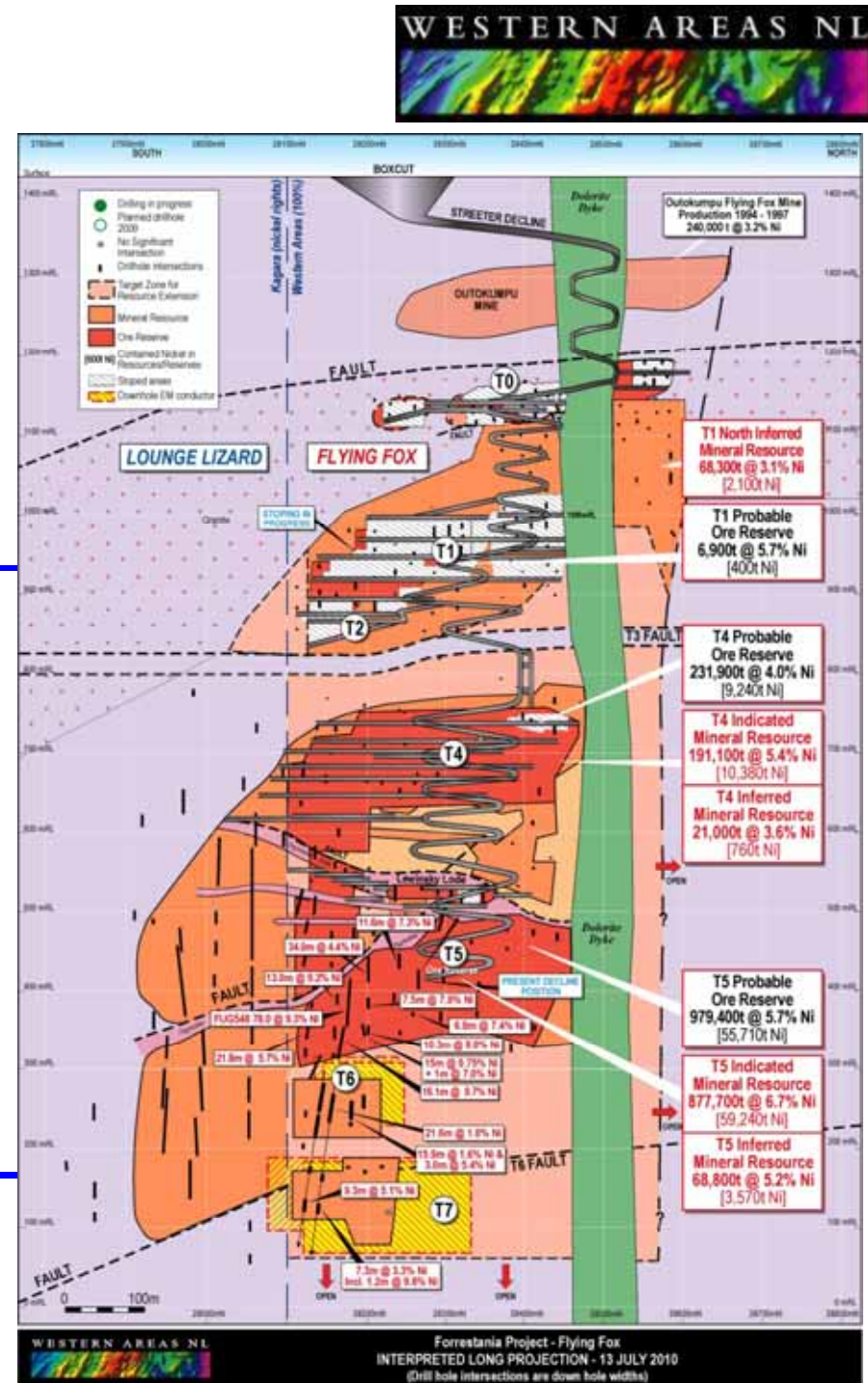
Best intersection: 78m @ 9.3% Ni in ore reserve

66,370 t nickel in (6.6% Ni) Mineral Resources

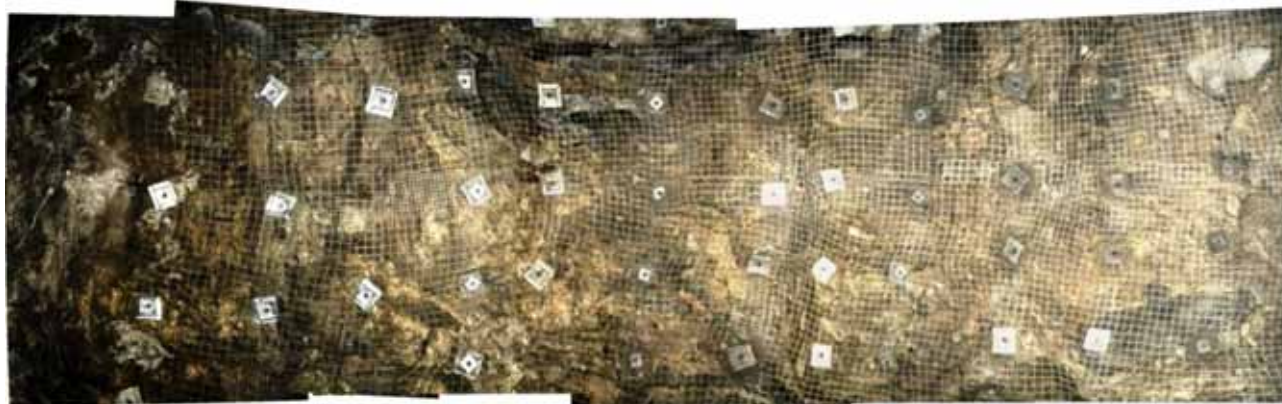
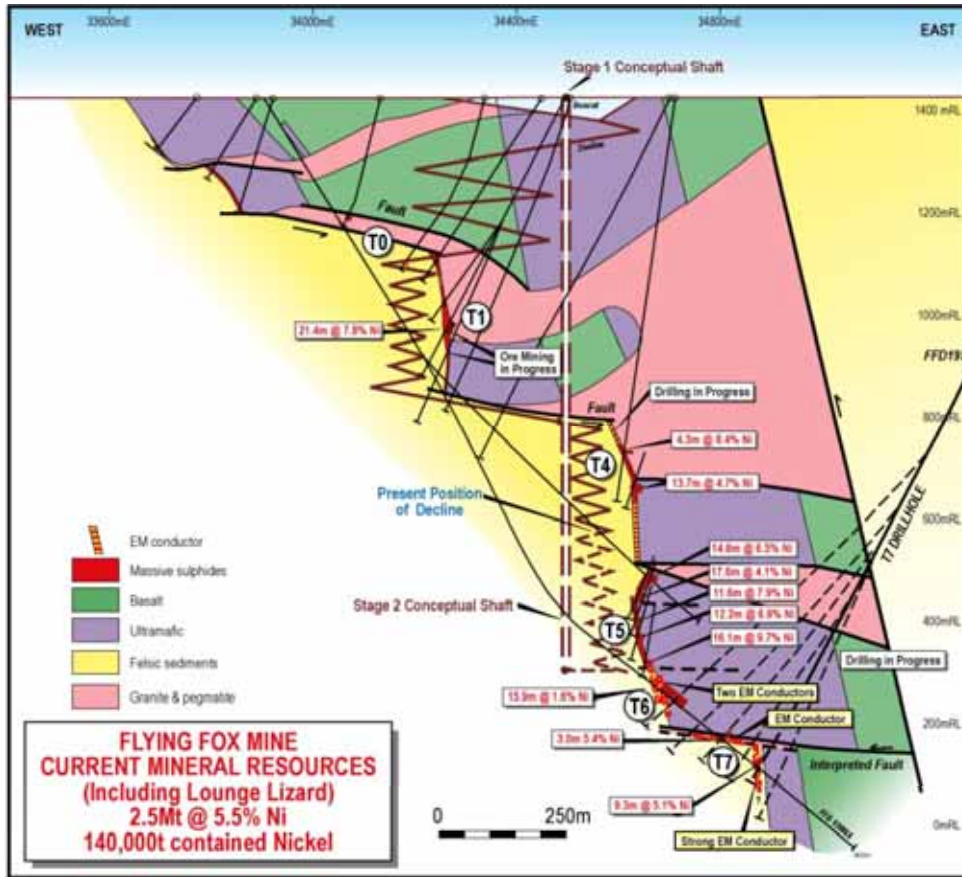
58,820 t nickel in (5.6% Ni) Ore Reserves

T6/T7 – Best intersection 9.3m @ 5.1% Ni in T7

Extensions: excellent potential north & below T5
drilling commences December Quarter

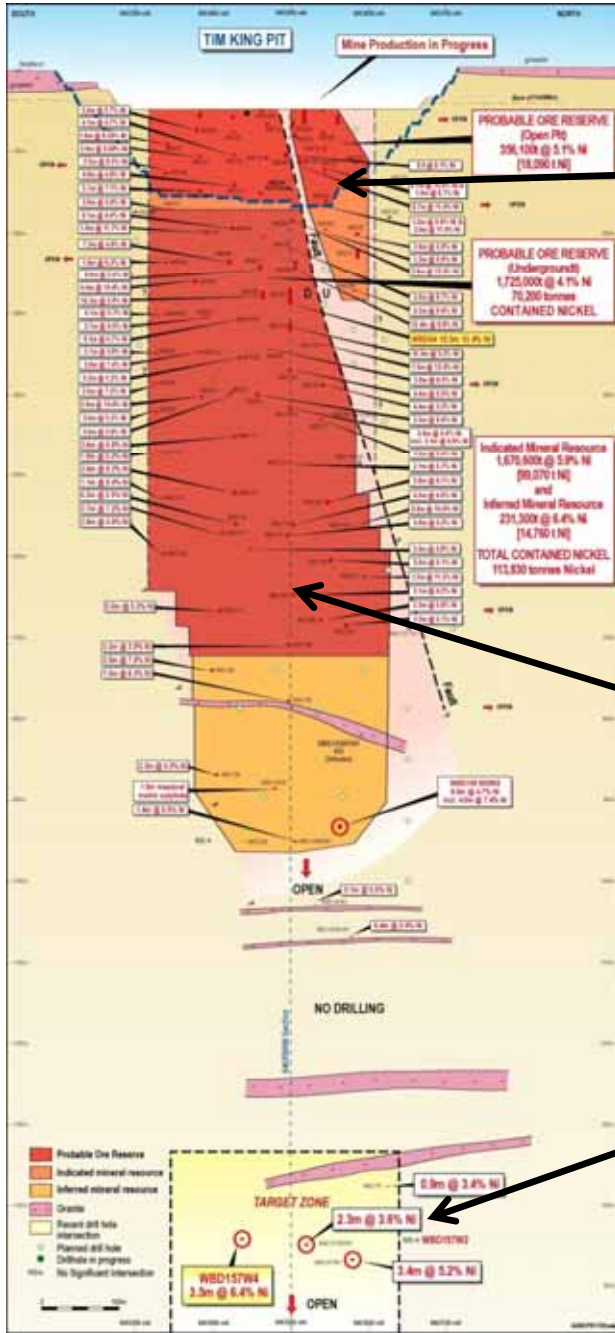


Flying Fox – continuous high grades to 1300m. Open at depth



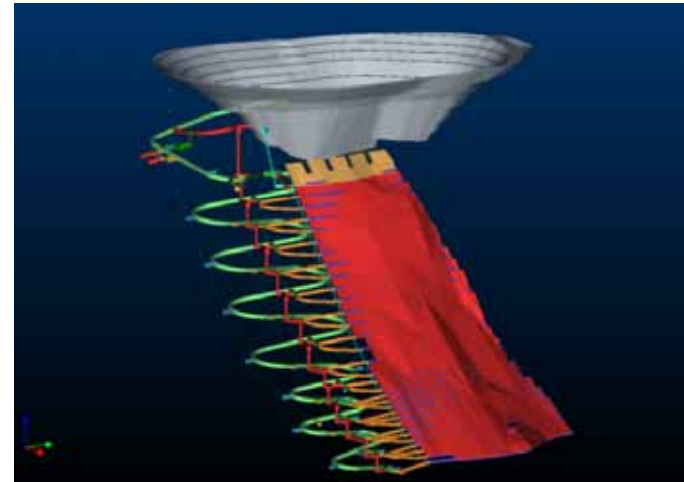
**LEWINSKI LODGE
TOP OF T5 DEPOSIT
Massive sulphide ore
(8% Ni) exposed in
30m wide crosscut.**

Spotted Quoll – open pit and planned underground mine



PROBABLE ORE RESERVE – OPEN PIT MINE

390,000 @ 5.1% Ni containing 19,900t Nickel
Target cash cost : US\$2.00/lb Ni



PROBABLE ORE RESERVE – UNDERGROUND MINE

1,725,000 @ 4.1% Ni containing 70,200t Nickel
Target cash cost : US\$2.50/lb Ni

Target >10 years mine life, 10,000tpa nickel to 2020

DRILLING FOR EXTENSIONS 400m BELOW MINERAL RESOURCE

Best intersection to date : 3.5m @ 6.5% Ni

Spotted Quoll Mine, Tim King open pit



JUNE Q 2010 (first quarter of mine production) :

Mined 46,258 tonnes ore at 6.7% nickel for 3,113 tonnes contained nickel

Selling oxide ore to Minara and processing sulphide ore through Cosmic Boy nickel concentrator

Cosmic Boy nickel concentrator



STAGE 2 UPGRADE COMPLETE
CAPACITY 550,000tpa ORE
>25,000tpa NICKEL
DESIGNED FOR STAGE 3 UPGRADE



Forrestania – major infrastructure

ACCOMMODATION VILLAGE

>500 rooms with major roads, airstrip, grid power, bore fields, sports facilities, offices



FLY-IN FLY-OUT

35 seat turbo prop



COMMUNITY SUPPORT

Western Areas helps fund Hyden Respite Centre



ENVIRONMENTAL SUPPORT

Western Areas helps fund Western Quoll



EXCELLENT SAFETY RECORD

WESTERN AREAS – current offtake agreements (3 parties)



Spotted Quoll oxide ore

MINARA, MURRIN MURRIN

25,000t Ni total

JINCHUAN
SMELTER
GANSU, CHINA

10,000tpa Ni

BHP BILLITON
SMELTER
KALGOORLIE



Significant uncommitted nickel concentrate expected from 2012



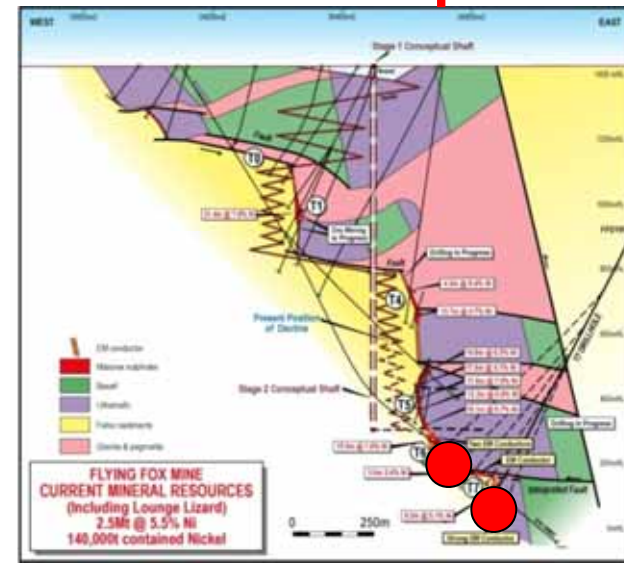
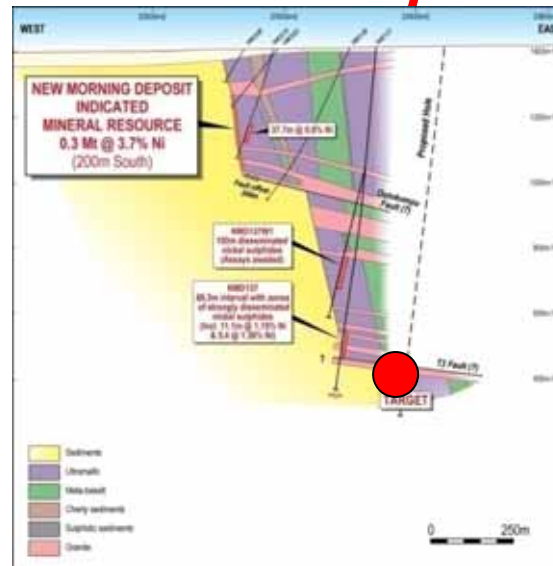
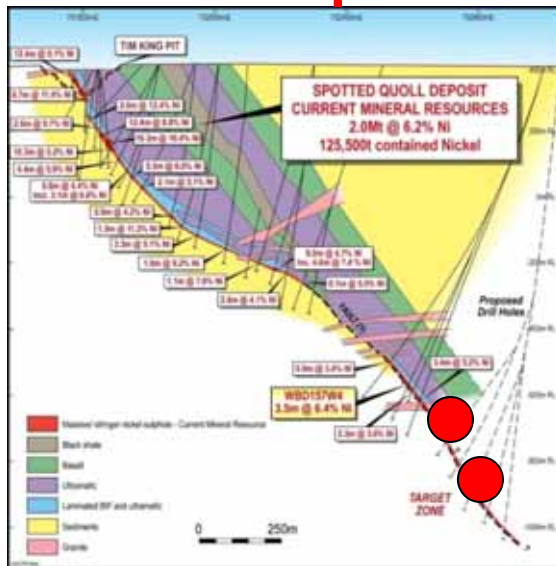
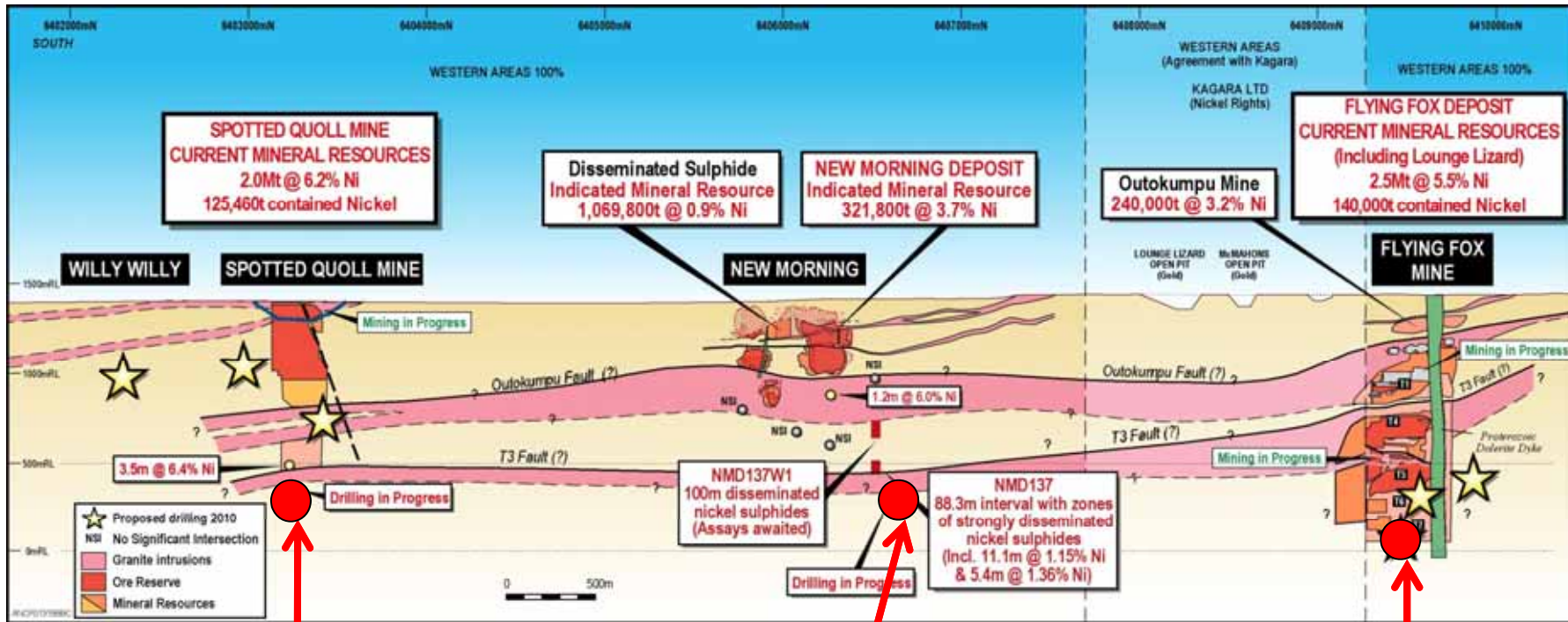
First Shipment of Nickel Concentrate to Jinchuan, China



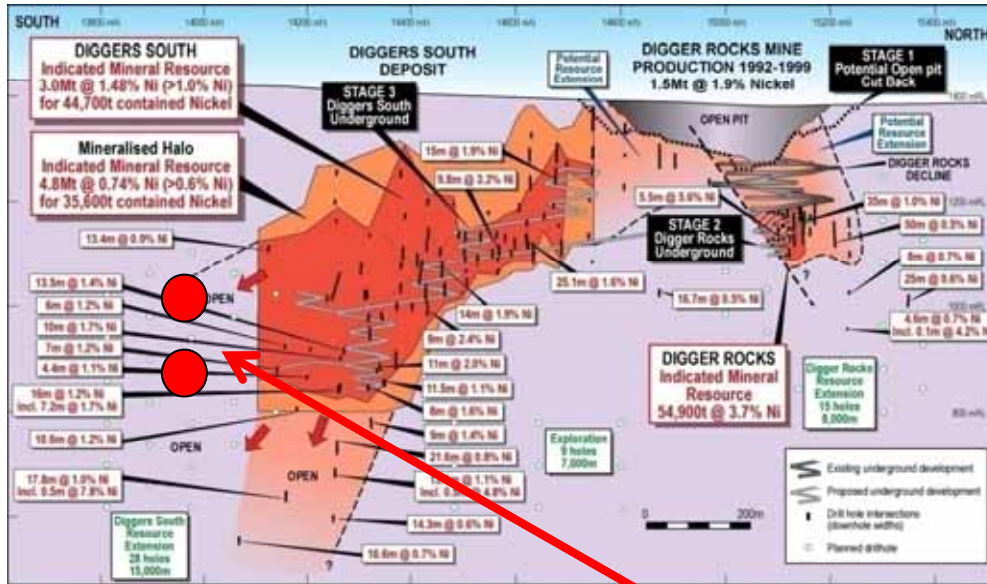
FIRST SHIPMENT FROM ESPERANCE PORT – 28TH JULY 2010

- Start of a new \$200 million pa export business to China
- Regular monthly shipments scheduled to Xingang Port
- Sealed containers meet highest environmental standards

FORRESTANIA – drilling for new mine at New Morning



Diggers South – (proposed mine)



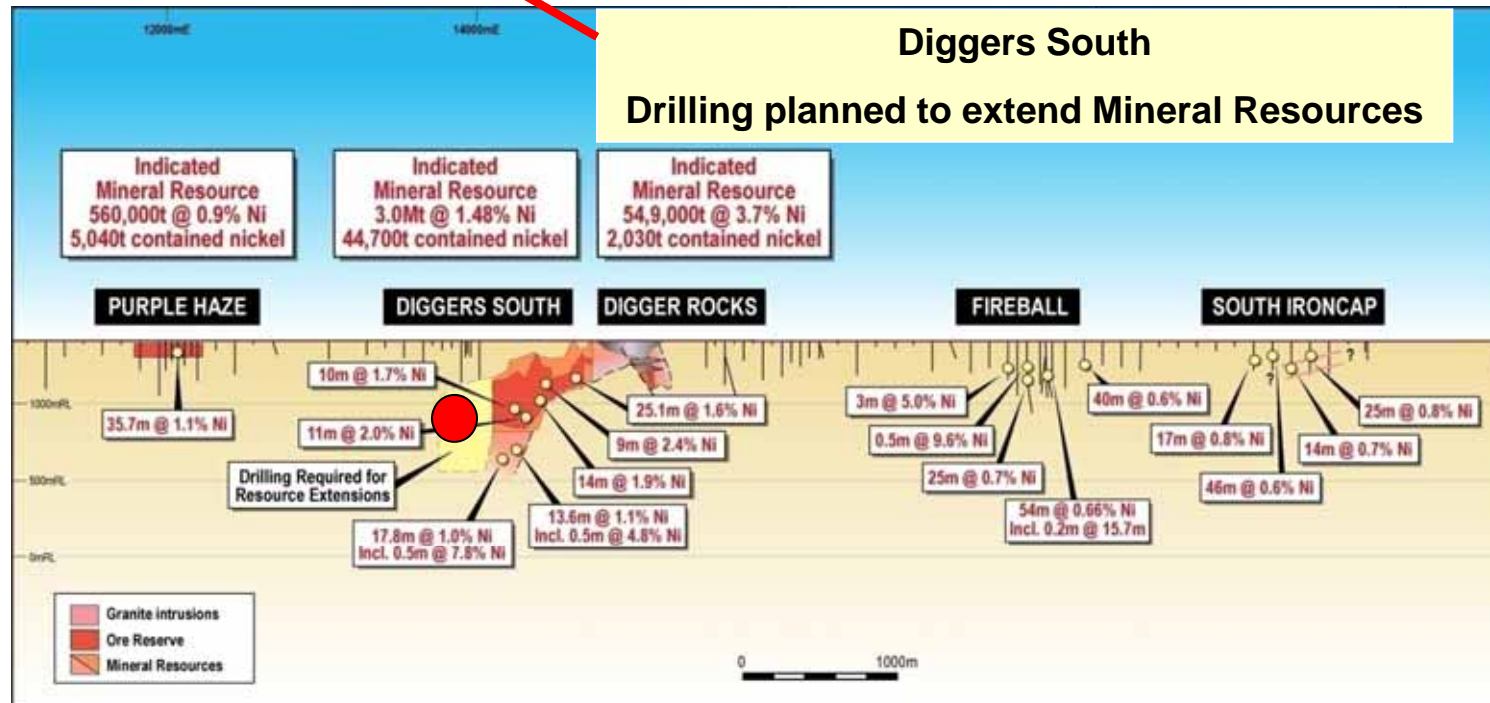
SURFACE SITE WORKS COMPLETE

Plan to use existing mine to access Core Zone

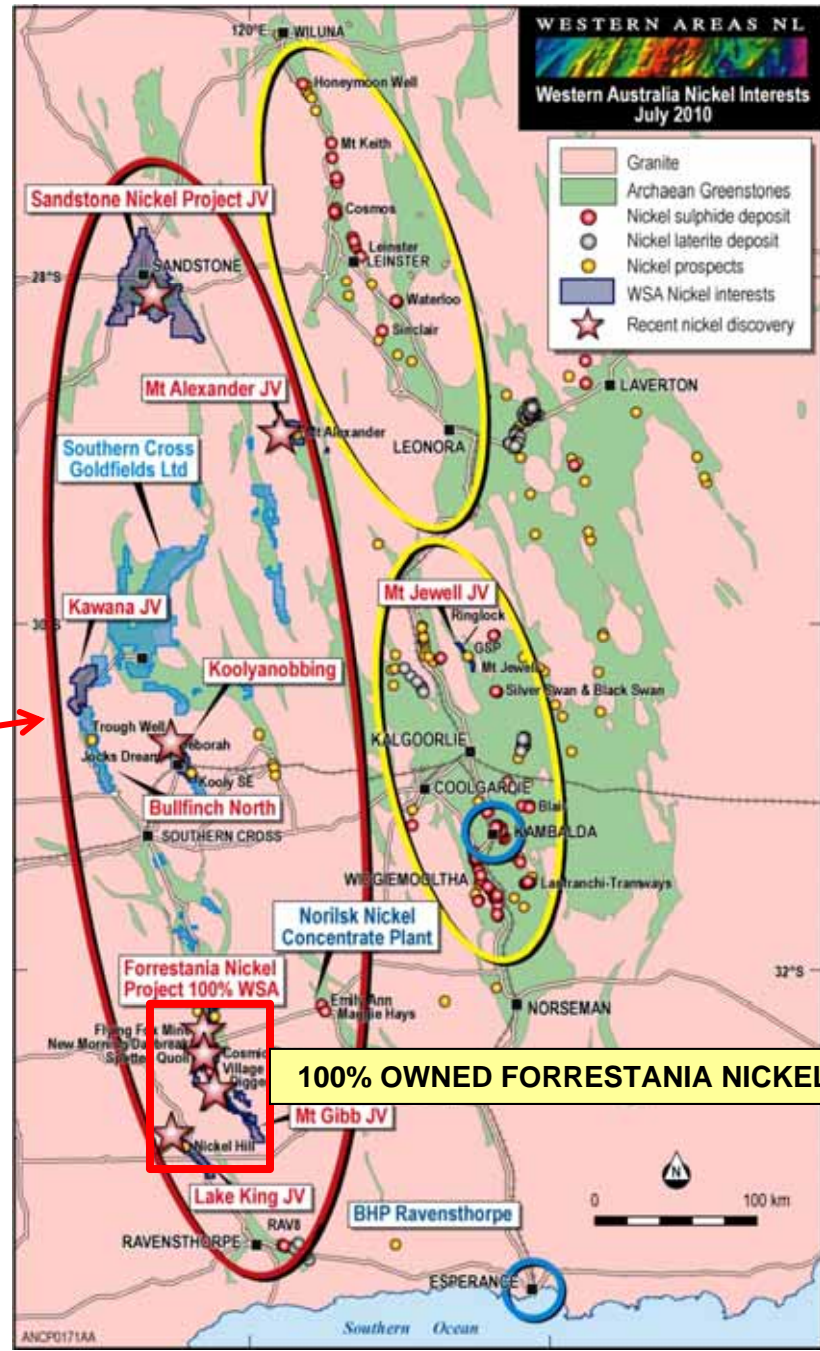
\$25M spent on exploration and infrastructure

MINERAL RESOURCE - CORE ZONE ONLY

Indicated Mineral Resource
3.0Mt @ 1.5% Ni for 44,700t Ni



CENTRAL YILGARN NICKEL PROVINCE - 500km long nickel province



100% OWNED FORRESTANIA NICKEL PROJECT

NICKEL SULPHIDE - smelters and producers



AUSTRALIA 2 nickel camps	CANADA 4 nickel camps	CHINA 1 nickel camp	RUSSIA 2 nickel camps	FINLAND	BRAZIL	AFRICA
BHP BILLITON	VALE INCO XSTRATA	JINCHUAN JILIN JIEN	NORILSK	NORILSK	VOTORANTIM	BCL
1 smelter	4 smelters	3 smelters	4 smelters	1 smelter	1 smelter	1 smelter
<u>Western Areas</u> Independence Mincor Panoramic	FNX Mustang * Crow Flight * Liberty * Victory * C. Royalties * Noront			Talvivaara *	Mirabela *	Norilsk Xstrata
Xstrata			<p>1 colour coded for offtake party</p> <p>2 nickel camp is >1.0Mt contained nickel</p> <p>3 * project : commissioning or feasibility stage</p>			

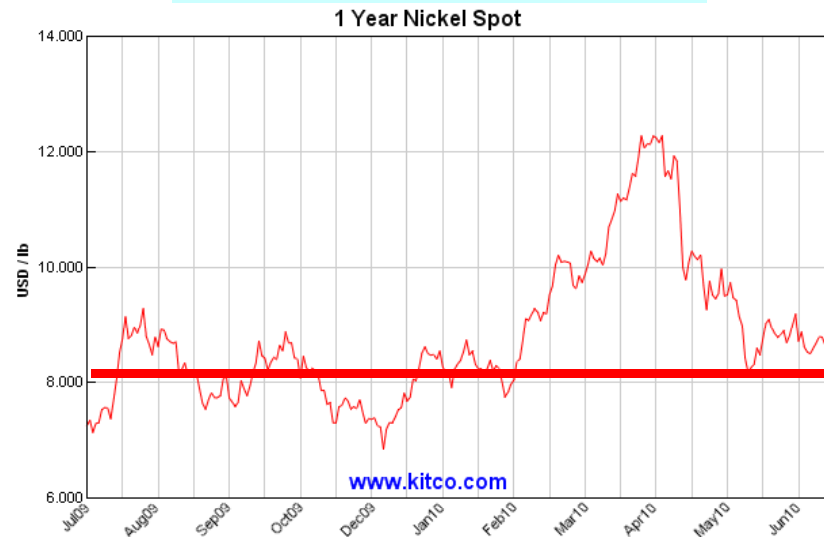
NICKEL PRICE VOLATILITY - issue for stainless steel producers



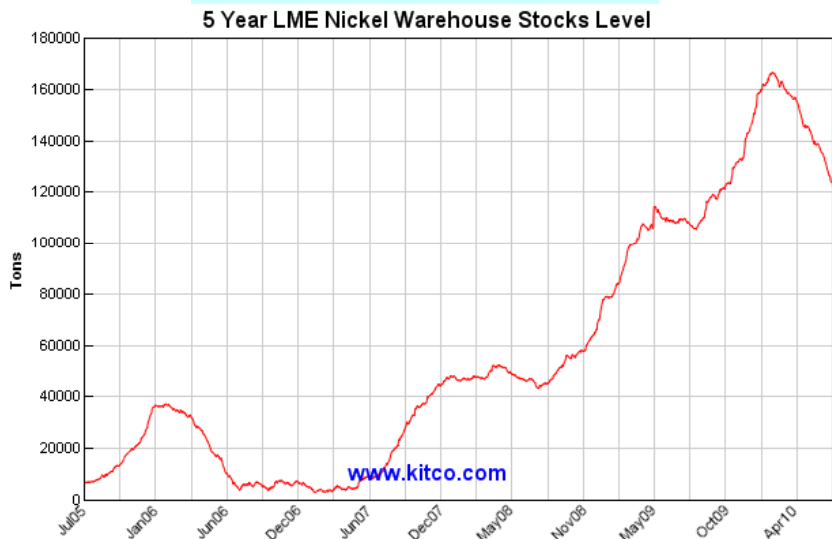
5 YEAR SPOT NICKEL



1 YEAR SPOT NICKEL



5 YEAR LME STOCKS



NICKEL – supply issues from all 4 different nickel sources



1) NICKEL SULPHIDES

mature nickel camps contribute
~40% global production
NO MAJOR NEW DISCOVERIES

2) NICKEL LATERITES

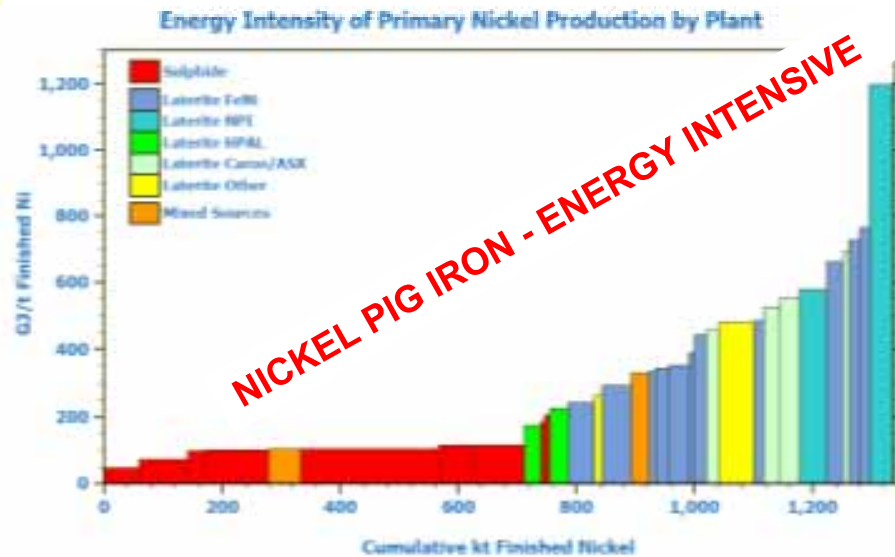
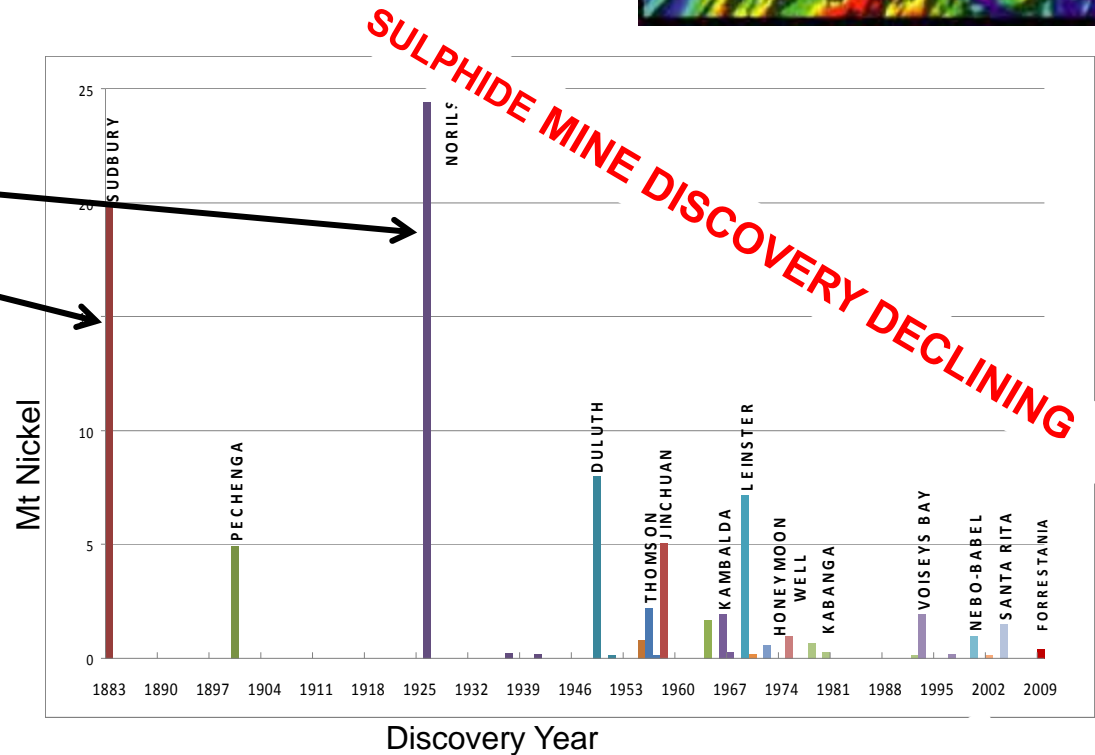
Laterite & Ferro Nickel contribute
~50% global production
KEY: HIGH CAPEX = HIGH COST

3) NICKEL PIG IRON

Chinese nickel pig iron contributes
10% global production
KEY: ENERGY INTENSIVE, POLLUTING

4) BACTERIAL LEACHING

Talvivaara in Finland is first large
scale commercial mine.
KEY: LOW CAPEX, LOW ENERGY



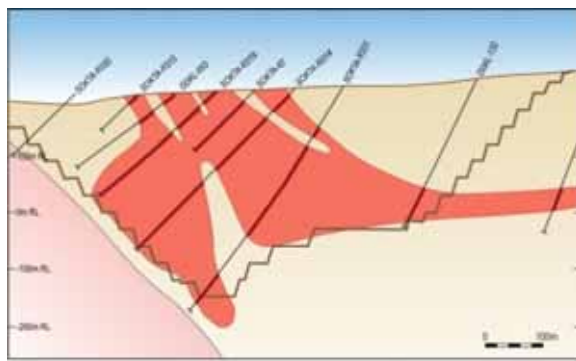
TALVIVAARA MINE, FINLAND – World’s largest Bacterial Leaching Nickel Operation

Target 2010 : >15,000 tpa nickel, 30,000 tpa zinc. From 2012 : 50,000 tpa nickel



Measured + Indicated Mineral Resource

Mt	Ni%	Cu%	Zn%	Co%
1,004	0.22	0.13	0.50	0.02



Finland JV – Western Areas 75% (FinnAust Mining Plc)

Potential to become **major Ni/Zn/Cu/Co metal province**

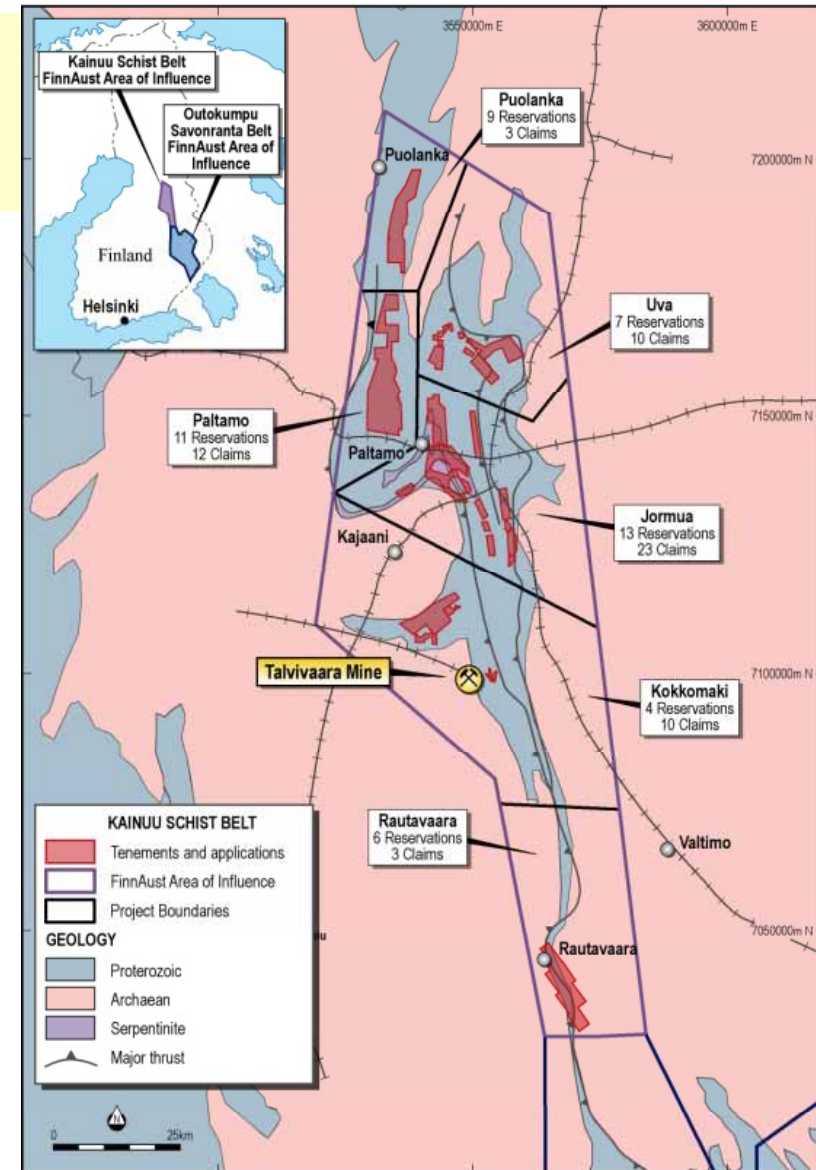
32 Targets - similar geophysical signature to Talvivaara

Potential for multiple leach operations, one central plant

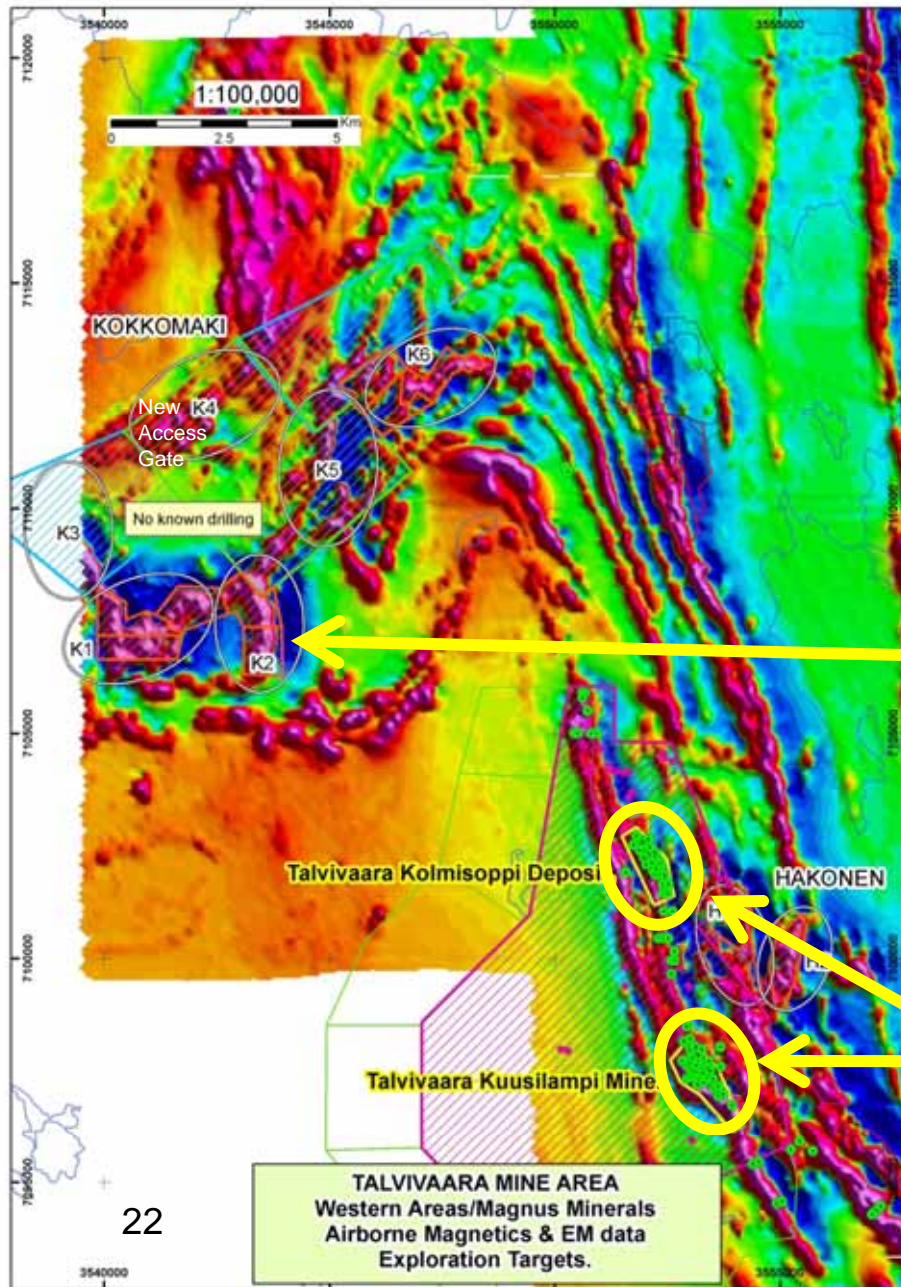


TALVIVAARA PYRRHOTITE SULPHIDE ORE

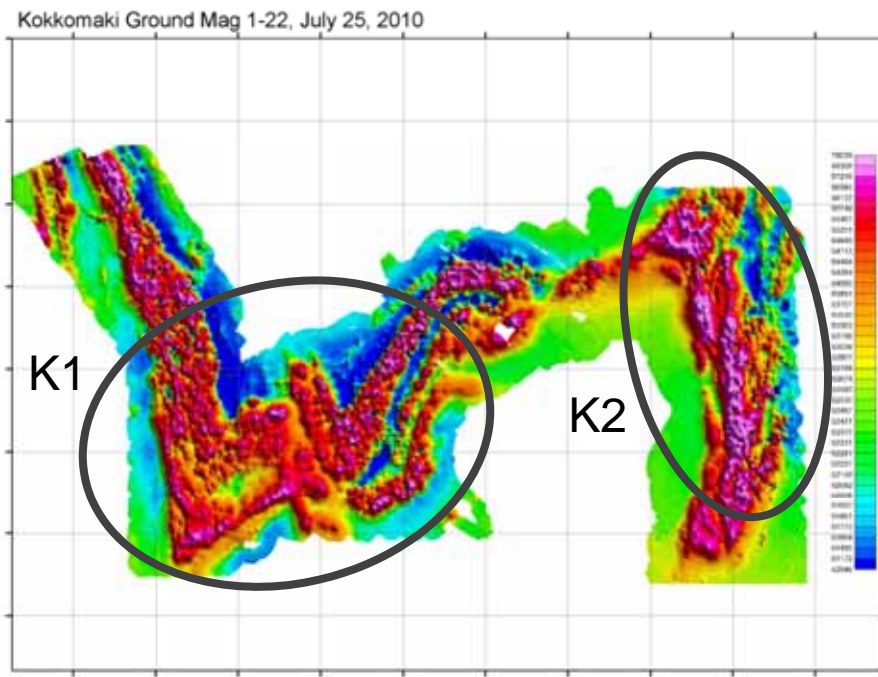
- Suited for large scale acid/bacterial leaching
- Widespread throughout Kainuu Schist Belt
- Ore is magnetic and conductive – easy to find



Kokkomaki Project – 6 Targets, 15km NW of Talvivaara Mine



K1 and K2 GROUND MAGNETICS DATA
 8km long magnetic complex, 15km NW of Talvivaara
Drilling in progress



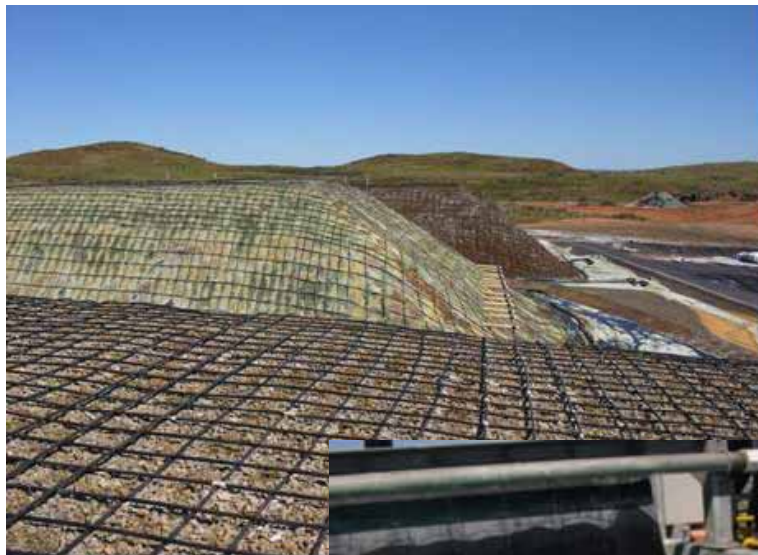
TALVIVAARA MINE
 2 Open Pit Mines : Target 30 - 40 years production
 Target : 50,000tpa Nickel plus Zinc, Copper, Cobalt

Note: Geophysical data acquired from GTK/Finnish Geological Survey

'BIOHEAP' available for leaching FinnAust Mining ores

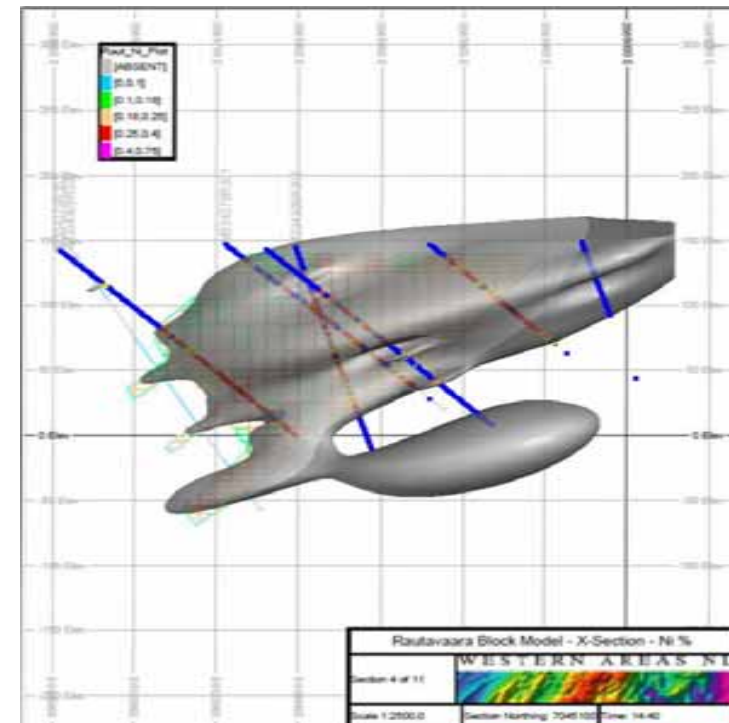


- **100% Owned** – Western Areas has acquired technology with global patents
- **Use** – low cost treatment of large, low grade nickel and copper sulphide deposits
- **Technology** – BioHeap bacterial leaching similar to that being used at Talvivaara Mine
- **Finland JV Testwork** – excellent recoveries: **85% Ni, 98% Zn, 92% Cu at Rautavaara, R1**

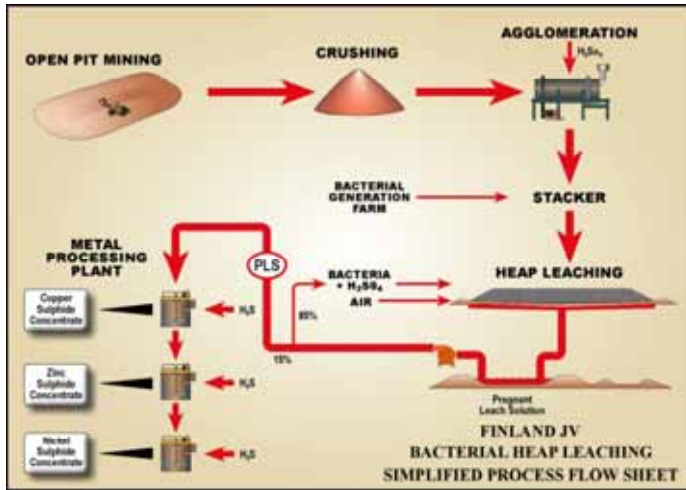


RAUTAVAARA PROJECT, R1 TARGET

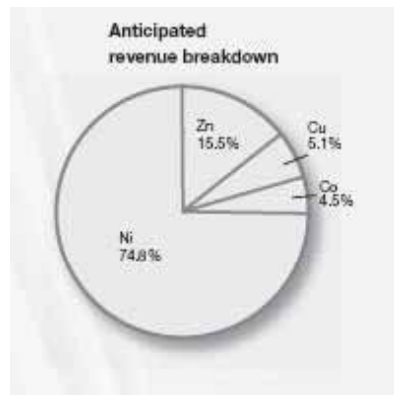
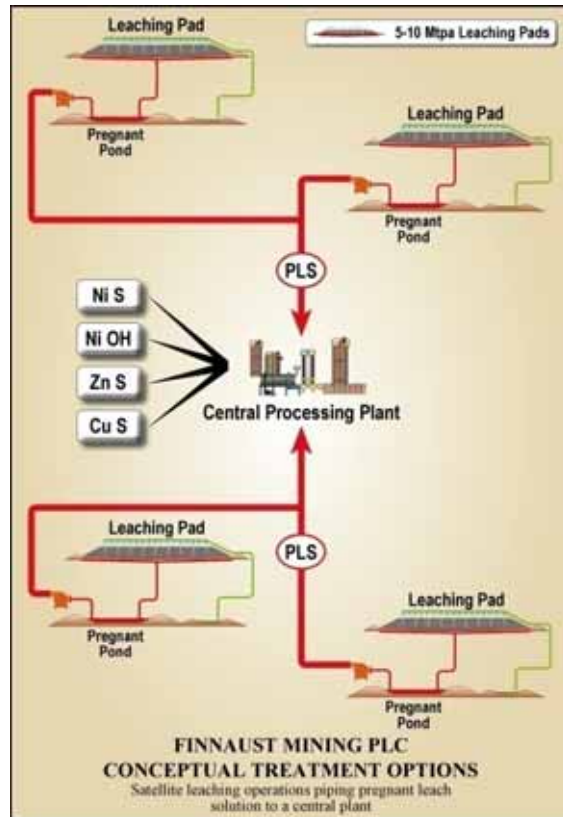
Likely to be Finland JV's first Mineral Resource



FinnAust Mining – conceptual flow sheet & multiple leach pads



Talvivaara Mine - 55% nickel sulphide concentrate



Talvivaara Mine - 60% zinc sulphide concentrate

Western Areas – Corporate

ASX & TSX LISTED - ASX 200

ISSUED CAPITAL: 180M shares, 7.4M options

MARKET CAPITAL: A\$870M @ A\$4.85/share

WEBSITE: www.westernareas.com.au

FINANCIAL

CASH (30 June 2010): A\$65M plus A\$15.5M Receivables. A\$22.5M value at cost in Stockpiles

FINANCE FACILITIES: A\$80M (undrawn) ANZ

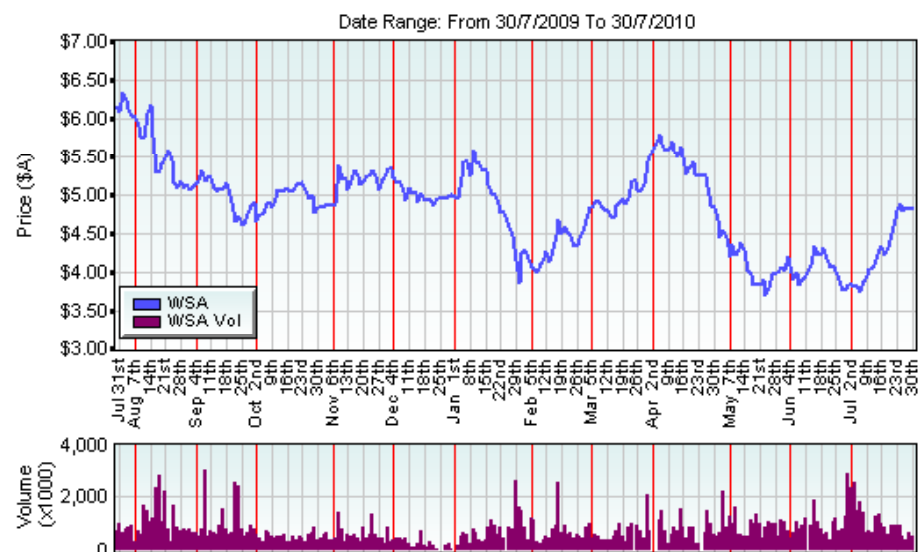
CONVERTIBLE BOND: A\$209M, 8% coupon converts \$8.16 (July 2012)

A\$125M, 6.4% coupon converts \$6.61 (July 2015)

EXPLORATION: A\$15M Budget in CY2010

DIVIDEND POLICY: 50% net profit after tax

INVESTED: ~A\$400M – project acquisition, exploration, development



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The information within this PowerPoint presentation was compiled by Mr. Julian Hanna and the information as it relates to mineral resources and reserves was prepared by Mr. Dan Lougher and Mr. John Haywood. Mr. Hanna, Mr. Lougher and Mr. Haywood are full time employees of Western Areas. Mr. Hanna, Mr. Lougher and Mr. Haywood are members of AusIMM and 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Hanna, Mr. Lougher and Mr. Haywood consent to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.

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