

April 1<sup>st</sup>, 2010

ASX &amp; TSX: WSA

## News Release

**FIRST MINE PRODUCTION AT SPOTTED QUOLL**

The Board of Western Areas is pleased to announce that high grade nickel production has commenced at the Tim King Pit at Spotted Quoll, two weeks ahead of schedule.

1,600 tonnes of supergene sulphide mineralisation averaging 4.8% nickel (containing 77.2t nickel) has been mined since 29<sup>th</sup> March (Figure 1). This is in addition to 3950 tonnes of oxide mineralisation averaging 3.0% nickel (containing 120t nickel) already mined from the top of the deposit. This mineralisation is located above the current ore reserves at Spotted Quoll and the Company is considering a number of options available to treat this high grade material.

Current Ore Reserves at Spotted Quoll including the Tim King Pit and proposed underground mine were announced on 19<sup>th</sup> March 2010 (Table 1). Probable Ore Reserves comprise **2,111,000 tonnes at an average grade of 4.3% nickel for 90,100 tonnes (199M lbs) nickel**.

Deposit	Category (JORC)	Tonnes	Grade (Ni%)	Contained Ni (tonnes)
Spotted Quoll Open Pit	Probable Ore Reserve	386,000	5.1%	19,900
Spotted Quoll Proposed Underground	Probable Ore Reserve	1,725,000	4.1%	70,200
<b>TOTAL</b>		<b>2,111,000</b>	<b>4.3%</b>	<b>90,100</b>

The Tim King Pit is currently at 35m depth and mine production is expected to progress rapidly from supergene to high grade primary sulphide ore.



Figure 1: Mining high grade supergene sulphide mineralisation in Tim King Pit

**Flying Fox Mine Update:** Flying Fox is on track for record production in the March Q 2010.

**Cosmic Boy Plant Update:** The expanded crushing circuit is now operating (Figure 2) and the full 550,000 tpa plant upgrade is expected to be commissioned on schedule in June 2010.

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Figure 2: New crushing circuit at Cosmic Boy plant in operation. This has capacity up to 1.0M tpa ore.

**QA-QC STATEMENT:**

The information within this report as it relates to mineral resources is based on data compiled by Mr. John Haywood of Western Areas NL. The information within this report as it relates to Ore Reserves is based on data compiled by Mr. Tim Peters, Mr. Stephen King and Mr. Dan Lougher. Mr. Lougher, Mr. Peters and Mr. King are members of AusIMM. Mr. Lougher is a full time employee of the Company. Mr. Peters is a mining consultant with Piran Mining Pty Ltd and Mr. King a mining consultant with GijimaAST. Mr. Lougher, Mr. Peters and Mr. King 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. Haywood, Mr. Lougher, Mr. Peters and Mr. King 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. Examples of forward-looking statements used in this release include: "mine production is expected to progress rapidly from supergene to high grade primary sulphide ore", and, "Flying Fox is on track for record production in the March Q 2010", and, "the full 550,000 tpa plant upgrade is expected to be commissioned on schedule in June 2010".

These forward-looking statements are subject to a variety of risks and uncertainties beyond the Company's ability to control or predict which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

This announcement does not include reference to all available information on the Company or the Forrestania Nickel Project and should not be used in isolation as a basis to invest in Western Areas. Any potential investors should refer to Western Area's 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.

-ENDS-

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