



March 3, 2010

ASX & TSX: WSA

News Release

**WESTERN AREAS SEEKS FUNDING AND OFFTAKE PARTNER  
FOR PROJECTS IN THE TALVIVAARA MINE REGION, FINLAND**

Western Areas NL and Finnish joint venture partner Magnus Minerals Ltd have appointed UBS Australia and Rothschild Australia to find a suitable partner for six nickel/zinc/copper exploration projects located in central Finland.

Western Areas and Magnus Minerals believe the 180km long Kainuu Schist Belt, which hosts Talvivaara, has the potential to develop into a major metal province with multiple mines. The Western Areas / Magnus Minerals JV has a dominant tenement holding in this belt (Figure 1).

The main objectives of introducing a partner are:

- To fund a three stage program including exploration/resource drilling, metallurgical test work, feasibility studies and potential project development.
- The incoming partner would be provided the opportunity to earn equity in one or more of the projects.
- The incoming partner would have an opportunity to secure long term (up to 10 years) offtake contracts for a range of nickel, zinc and copper products.

The process to find a partner is expected to commence in March. Depending on the outcome of the process and on results from ongoing drilling programs in Finland, Western Areas and Magnus Minerals may consider listing a new company to advance the projects.

The initial aim is to define substantial mineral resources within a sulphide rich black schist sequence interpreted to occur in many areas of the Kainuu Schist Belt. The black schist is the ore host for the large Talvivaara open pit mine located in the southern part of the belt. Western Areas and Magnus are very encouraged by early results from widely spaced diamond drilling at the two targets tested to date. Drilling at the R1 target at the Rautavaara Project 60km south of the Talvivaara mine intersected 129m @ 0.22% nickel, 0.39% zinc and 0.11% copper (similar to Talvivaara grades). The first drill hole at the P1 target at the Paltamo Project, 120km north of Rautavaara, intersected 90m of black schist and assays are awaited.

The second aim is to discover high grade, massive sulphide copper deposits of the Outokumpu type hosted in altered serpentinites. Western Areas' initial drilling has already intersected a previously untested sequence of altered serpentinite underlying the mineralised black schist at Rautavaara. There are several untested EM conductors in this area.



## Discussion

Finding a partner for the Finland JV and potentially listing a new company in the next 12 months should provide the opportunity to secure substantial funding to progress these outstanding assets in a way which will benefit Western Areas and Magnus shareholders.

Western Areas remains focused on expanding production and increasing cash flow from the Company's core high grade Australian nickel assets (Flying Fox and Spotted Quoll mines) and on finding the next Flying Fox type deposit at Forrestania.

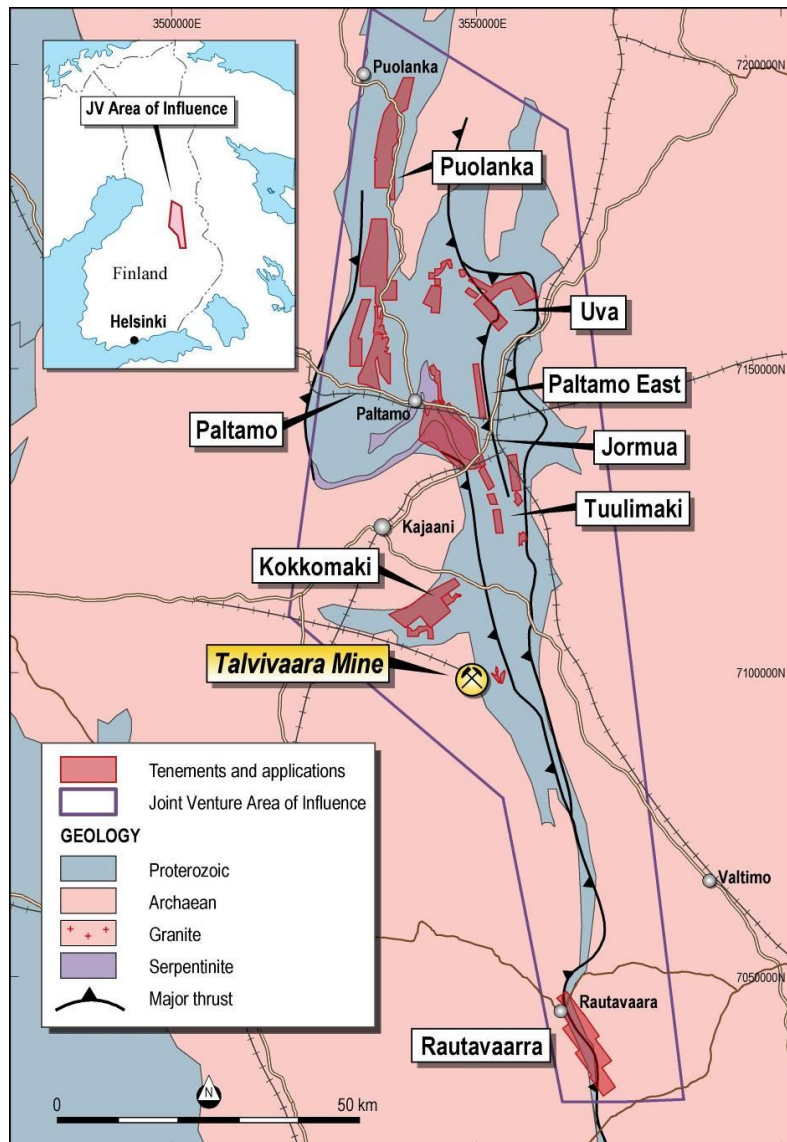


Figure 1: Sketch plan of Kainuu Schist Belt showing Western Areas/Magnus Mineral JV holdings

## Background

During the past two years, Magnus Minerals has conducted a detailed assessment of the Kainuu Schist Belt and has applied for numerous claims and reservations to cover six separate projects. 23 targets have so far been identified within these projects and details of some of these targets are included in a Powerpoint presentation (March 2010) which is located on Western Areas' website [www.westernareas.com.au](http://www.westernareas.com.au).



Each target is defined as a 1-2km long coincident magnetic/EM anomaly considered to have potential for nickel/zinc/copper/cobalt sulphide deposits hosted in black schist. Most of the 23 targets have not been drilled previously.

Western Areas has already earned 65% in the Finland JV with Magnus Minerals and expects to reach 75% interest by 30 June 2010.

Talvivaara Mining Company Plc is using large scale bacterial leaching of sulphidic black schist ore to produce different metal products sold directly to refineries. Talvivaara has announced initial production targets of 30,000 tpa nickel, 60,000 tpa zinc and 10,000 tpa copper. Black schist ore appears to be suitable for bacterial leaching and is a low acid consuming ore type.

In December 2009, Western Areas acquired 100% of BioHeap Ltd, owner of the BioHeap bacterial ore leaching technology and a suite of global patents related to the leaching process. Initial test work on ore samples from recent drilling at Rautavaara will commence in March.

- ENDS -

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**QA-QC STATEMENT:**

The information within this report as it relates to exploration results or mineral resources or ore reserves is based on information compiled by Mr Julian Hanna and Mr Charles Wilkinson. Mr Hanna and Mr Wilkinson are members of AusIMM and are full time employees of the Company. Mr Hanna and Mr Wilkinson 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 and Mr Wilkinson 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 STATEMENTS:**

This release contains certain forward-looking statements. Examples of forward looking statements used in this release are: 'believe the 180km long Kainuu Schist Belt, which hosts Talvivaara, has the potential to develop into a major metal province with multiple mines.' and 'The main objectives of introducing a partner are:

- To fund a three stage program including exploration/resource drilling, metallurgical test work, feasibility studies and potential project development.
- The incoming partner would be provided the opportunity to earn equity in one or more of the projects.
- The incoming partner would have an opportunity to secure long term (up to 10 years) offtake contracts for a range of nickel, zinc and copper products.' ,and,

'Western Areas and Magnus Minerals may consider listing a new company to advance the projects', and, 'potential to develop into a major metal province with multiple mines', and, 'initial aim is to define substantial mineral resources within a sulphide rich black schist sequence interpreted to occur in many areas of the Kainuu Schist Belt', and, 'second aim is to discover high grade, massive sulphide copper deposits of the Outokumpu type', and, 'Finding a partner for the Finland JV and potentially listing a new company in the next 12 months should provide the opportunity to secure substantial funding to progress these outstanding assets in a way which will benefit Western Areas and Magnus shareholders', and, 'considered to have potential for nickel/zinc/copper/cobalt sulphide deposits hosted in black schist' and 'Black schist ore appears to be suitable for bacterial leaching and is a low acid consuming ore type'.

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 Finland JV 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.

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