WESTERN AREAS LTD

Activity Report

For the period ending 31 December 2013

Western Areas is an Australian-based nickel miner listed on the ASX. The main asset is the 100% owned Forrestania Nickel Project, 400km east of Perth. Western Areas is Australia's second largest sulphide nickel miner producing approx. 25,000 tpa nickel in ore from the Flying Fox and Spotted Quoll mines.

Western Areas is an active nickel explorer in Western Australia and holds significant exploration interests in Canada and Finland through shareholdings in Mustang Minerals and FinnAust Mining Plc.

Mining is in progress at the Flying Fox and Spotted Quoll underground mines where significant development is already in place. Flying Fox and Spotted Quoll are two of the lowest cost and highest grade nickel mines in the world.

The total Mineral Resource Estimate at Spotted Quoll now stands at 3.3Mt at an average grade of 5.6% containing 182,077t nickel tonnes. The total Ore Reserve Estimate at Spotted Quoll comprises 2.9 Mt at 4.3% nickel containing approximately 125,440 nickel tonnes.

The total Mineral Resource Estimate at Flying Fox now stands at 1.6Mt at an average grade of 5.6% Ni containing 92,600 nickel tonnes. The total Ore Reserve Estimate at Flying Fox comprises 1.6 Mt at an average grade of 4.0% Ni containing approximately 61,920 nickel tonnes.

The Cosmic Boy concentrator has capacity for 550,000 tpa ore which equates to production capacity of about 25,000 tpa nickel in concentrate. The plant is designed for a future potential upgrade to 750,000 tpa ore.

Western Areas has offtake agreements with BHP Billiton for 12,000 tpa nickel in concentrate, and 13,000 tpa with Jinchuan for a total 25,000 tpa nickel in concentrate.

The Board remains focused on the core business of low cost, long life nickel production, new nickel discoveries and on generating returns to shareholders.

ASX code: WSA
Shares on issue: 197m shares
Market capitalisation:
Approx A$512M @ $2.60 per share

Level 2, 2 Kings Park Road
West Perth, WA 6005

STRONG COST MANAGEMENT AND CASHFLOW

Western Areas (WSA or the Company) is pleased to report another strong quarterly performance on costs, operational metrics and positive free cashflow generation. Unit cash cost **of production was A$2.54/lb of nickel in concentrate for the quarter.** Consequently, for the same measure, **half year unit cash costs came in at A$2.41/lb,** being well below the full year guidance range of A$2.80/lb to A$2.90lb.

Consolidated cash at bank increased by A$14.8m to A$100.1m. This includes A$5.8m of funds held by the majority owned FinnAust Mining Plc which was listed on the London AIM in December 2013. Of the funds held by FinnAust, Western Areas contributed A$3.2m to support the listing in December.

Total mine production for the quarter was **7,407 tonnes of nickel in ore at an average head grade of 4.7% nickel,** with the Flying Fox mine contributing **3,791** tonnes and Spotted Quoll mine **3,616** tonnes of nickel in ore respectively. As a result **half year mine production totalled 15,697 tonnes** of nickel in ore. Concentrate sales were **6,409 tonnes** of contained nickel for the quarter resulting in **half year sales of 12,963 tonnes** of contained nickel.

On 12 of January 2014, the Indonesian government imposed a ban on the export of nickel laterite ore. The main industry to suffer from the ban will be Chinese Nickel Pig Iron (NPI) producers who are totally dependent on the importation of high grade laterite (1.8%-2%) from Indonesia to substitute nickel metal in the manufacture of stainless steel. WSA believes the ongoing ban should have a positive impact on the price of nickel going forward.

December Quarter 2013 Highlights:

1. There were **zero Lost Time Injuries for the quarter. The LTIFR now stands at 1.83** clearly indicating the Company's strong focus on safety.
2. Pre-consolidated **Western Areas cash at bank increased by A$9.0m to A$94.3m** despite a low nickel price environment.
3. Continued **focus on cost reduction initiatives** facilitated another excellent quarter result with **average unit cash cost of nickel in concentrate of A$2.54/lb (US$2.36/lb),** which is substantially better than guidance.
4. Flying Fox mine production was **83,095 tonnes of ore mined at 4.6% for 3,791 tonnes (8.3M lbs) contained nickel**.
5. Spotted Quoll mine production was **74,720 ore tonnes at 4.8% for 3,616 tonnes (8.0M lbs) of contained nickel.**
6. Total **nickel sales comprised 43,400 tonnes of concentrate containing 6,409 tonnes (14.1M lbs)** of contained nickel.
7. Exploration efforts continue in the **New Morning area to delineate the extent of the mineralised zone below the T3 fault.**
8. An updated **mineral resource estimate was completed for Spotted Quoll, being 3.3Mt of ore at a grade of 5.5% nickel for 182kt of nickel.**
9. Drilling has commenced at the **highly prospective tenements in the West Musgraves JV** with Traka Resources Ltd**, with early indications of promising sulphide mineralisation.**

1. CORPORATE AND FINANCING

Full year Guidance

In line with the Company's previous statements, changes to full year guidance will be made on or before the release of the Half Year Financial Statements in February. However, in the interim, based on results year to date and incomplete forecasts for the remainder of the year, the Company believes that guidance is likely to be favorably skewed towards production upgrades and unit cost improvements.

Cashflow

The Western Areas Consolidated Group cash position for the period ended 31 December 2013 is A$100.1m. This includes the FinnAust Mining Plc A$5.8m cash at bank post the successful listing of FinnAust on the London AIM market during December 2013.

The Western Areas parent company (WSA, excluding the consolidation of FinnAust Mining Plc) had total cash at bank plus receivables of A$110.8m as at 31 December. Importantly, cash at bank totaled A$94.3m, an increase of A$9.0m for the quarter. This is the third consecutive quarter of positive free cashflow for the Company and is particularly pleasing given the nickel price remained low during the quarter.

Debt Facilities

The revised ANZ loan facility executed during March 2013 remains undrawn. The facility has A$125m capacity and will extend to at least March 2016. The remaining terms and conditions, while confidential, are typical for this style of banking arrangement and remain materially consistent with the previous facility. Interest rates and fees applicable have been priced at what the Company considers are competitive margins. This facility provides repayment certainty for the July 2014 convertible bond maturity. Combined with the Company's existing cash balance, this facility gives the Company a very flexible approach to retiring the bond, utilising either free cashflow or a mix of cash and the facility.

Convertible Bonds

As at the end of the December Quarter, the Company had two tranches of convertible bonds with staggered maturities as follows:

- July 2014 Convertible Bond - A$110.2m with a 6.4% coupon (convert strike price of A$7.47)
- July 2015 Convertible Bond - A$125.0m with a 6.4% coupon (convert strike price of A$6.41)

Hedging

Western Areas manages nickel sales price risk with a combination of short term quotation period (QP) hedging and a set limit of medium term nickel 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 US$ hedging of forecast sales. Details of hedges as at 31 December 2013 are as follows:

Hedging Details	FY 2014
FX Hedging - Collar Style Options	
FX US$ Sold	45,000,000
Average US$ Cap	0.9567
Average US$ Floor	0.8147

2. MINE SAFETY AND ENVIRONMENT

Safety

There were no LTI's sustained for the quarter, however due to decreased person hours for the quarter the loss time injury (LTI) frequency rate rose slightly to 1.83.

An external audit of the Safety Management System was conducted by Cube Consulting in early December which showed overall high compliance with Occupational Health and Safety Management System AS 4801.

A greater emphasis has been placed on the quality and timely management of incident investigations in the 2013 calendar year. Over 800 corrective actions were generated from inspections, investigations and risk assessments, with a median close out time of 15 days.

During the quarter, various workgroups received training in manual handling, fatigue management, fibrous materials awareness and bushfire response.

In October, a further eight personnel completed a nationally recognised course in underground rescue. During the quarter, the training and skills of the Emergency Response Team were tested while fighting two large bushfires to the east of the Cosmic Boy Village. The first fire was ignited by a lightning strike and the second was a re-ignition of the first several days later. The team worked alongside local Department of Fire and Emergency Services (DFES) Volunteers and were successful in containing and extinguishing both bushfires.

ERT and DFES Volunteers in action

Environment

No significant environmental incidents occurred during the quarter.

Compliance and Approvals

Strategen Environmental Consultants were engaged to undertake an independent environmental compliance audit with desktop work being completed during the quarter. The field component of the audit is planned to be undertaken in early January 2014.

Approvals for an upgrade of the Flying Fox septic system and the bioremediation area were received during the quarter as were various Programs of Work approvals (PoWs).

Mine Closure and Rehabilitation

The Rehabilitation and Mine Closure Plan (RMCP) for the Forrestania Nickel Operations was accepted and approved by the Department of Mines and Petroleum during the quarter.

The annual seed collection program also commenced with environmental staff undertaking collection and storage of seed from a range of provenance species that have been selected for use in progressive rehabilitation activities.

Environmental Technician, Duane Byrnes
collecting seeds for rehabilitation

Sustainability

An energy and emissions benchmarking study has been completed by Energetics, a carbon and energy consultancy with the two key study findings shown below:

- Since the Company began reporting energy and emissions data under the National Greenhouse and Energy Reporting Scheme (NGER) three years ago, energy and emissions intensity has decreased each year; and
- The Company has better energy and emissions productivity (per tonne of contained nickel) than any other nickel miner reporting in Australia.

3. MINE AND MILL PRODUCTION AND CASH COSTS

Tonnes Mined		2012/2013 Mar Qtr	2012/2013 Jun Qtr	2013/2014 Sep Qtr	2013/2014 Dec Qtr	HY Total
Flying Fox						
Ore Tonnes Mined	Tns	82,668	73,716	86,642	83,095	169,737
Grade	Ni %	4.9%	4.7%	4.8%	4.6%	4.7%
Ni Tonnes Mined	Tns	4,081	3,447	4,200	3,791	7,991
Spotted Quoll - Underground						
Ore Tonnes Mined	Tns	59,335	53,465	77,097	74,720	151,817
Grade	Ni %	5.2%	4.8%	5.3%	4.8%	5.1%
Ni Tonnes Mined	Tns	3,066	2,584	4,090	3,616	7,706
Total - Ore Tonnes Mined	Tns	142,003	127,181	163,739	157,815	321,554
Grade	Ni %	5.0%	4.7%	5.1%	4.7%	4.9%
Total Ni Tonnes Mined	**Tns**	**7,147**	**6,031**	**8,290**	**7,407**	**15,697**

Flying Fox

Production

Flying Fox produced 83,095t of ore at an average grade of 4.6% for 3,791t of contained nickel. This result was slightly higher than the quarterly budget but in line with forecast. Ore continued to be mined from both the Flying Fox and Lounge Lizard deposits, with both areas performing well. The two-boom jumbo's in operation focused on flat back stoping and minimised lateral waste development.

Ore production was evenly split between longhole and jumbo stoping. The 370 and 490 T5 stopes were strong performers, and augmented with the high grade 385 stope towards the end of the quarter. The T4 longhole stoping was completed in the 480 and 460 levels and production continued from the 615, 630 & 655 blocks with the start of narrow vein stoping in the 730 level.

Air-leg development for the quarter included the completion of the 475 footwall access and start of the associated ore drive which will open up two longhole stoping blocks. Air-leg flat back stoping continued in the 750 level and commenced in the 385 area.

295 South Ore Drive footwall stripping face
showing massive sulphides @ 5.0% nickel

Mine Development

The Streeter Decline saw no development for the quarter, however 180m of lateral capital development was completed at the 285, 335 and 475 levels. The mine also completed 151m of lateral ore drive development, 103m of operating waste and 191m in equivalent metres from a combination of flat back stoping and benching.

Capital vertical development completed 92m for the quarter, which included a longhole rise extension of the return airway, primary ventilation network plus two 1m diameter raise-bores for use as escapeway's. Both raise-bores had ladder-ways installed and were commissioned by the end of December.

As a cost saving initiative, the surface primary fan has been re-programmed to ramp down during shift change, thus reducing running costs. Work is underway to enable surface remote control telemetry of the underground secondary ventilation fans from the surface office as required.

Spotted Quoll

Production

Spotted Quoll production was 74,720 tonnes at 4.8% for 3,616 nickel tonnes for the quarter. A guidance system for the remote loader was commissioned in December which has materially reduced longhole stope bogging cycle times.

Both stoping Blocks A and B progressed well with Block A nearing completion with two stopes remaining on the 1155 level. Block C development has started in the 1005 ore drive and the block is scheduled to start production in the March quarter.

1005 ore drive face @ 5.2% nickel

Mine Development

The Hanna Decline advanced 104m during the quarter reaching a depth of 465m below surface. Total lateral development was 866m, with 342m of ore drive development.

Cosmic Boy Nickel Concentrator

Tonnes Milled and Sold		2012/2013		2013/2014		HY
		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Total
Ore Processed	Tns	145,348	146,256	150,475	148,901	299,376
Grade	%	5.0%	5.1%	4.9%	4.9%	4.9%
Ave. Recovery	%	91%	89%	90%	88%	89%
Ni Tonnes in Concentrate	**Tns**	**6,611**	**6,634**	**6,593**	**6,427**	**13,020**
Ni Tonnes in Concentrate Sold	Tns	6,845	7,222	6,554	6,409	12,963
Total Nickel Sold	**Tns**	**6,845**	**7,222**	**6,554**	**6,409**	**12,963**

The Cosmic Boy concentrator processed 148,901 tonnes of ore at an average grade of 4.9% nickel for the quarter, which produced 43,012 tonnes of concentrate grading 14.9% nickel for 6,427 nickel tonnes. The concentrator metallurgical recovery averaged 88.1% with 96.1% plant availability. Plant recovery was impacted by higher processed tonnes of transitional open-pit ore stockpiles and was consequently 2% lower than the previous quarter. Nickel recoveries are expected to return to normal levels in the March quarter.

Plant availability was adversely affected by two electrical power supply outages during the quarter, one of which was planned. The unplanned outage of 24 hours was caused by a lightning strike which initiated a bushfire that destroyed a wooden power line pole feeding the Forrestania Operations.

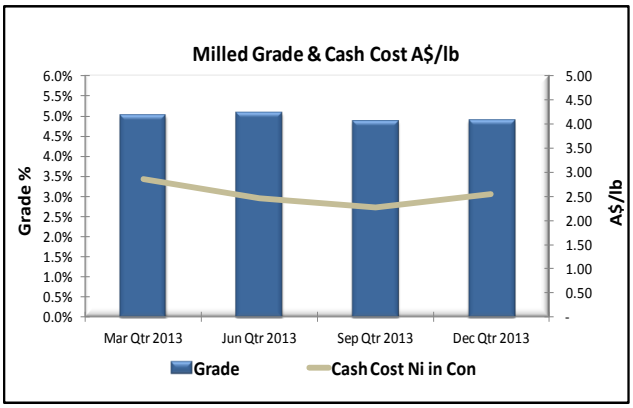
Stockpiles			2012/2013 Mar Qtr	2012/2013 Jun Qtr	2013/2014 Sep Qtr	2013/2014 Dec Qtr
	Ore	Tns	160,884	138,862	151,232	159,260
	Grade	%	4.3%	4.0%	4.2%	4.1%
	Concentrate	Tns	2,989	1,383	2,307	2,613
	Grade	%	14.8%	14.1%	14.3%	15.8%
Contained Ni in Stockpiles		**Tns**	**7,330**	**5,700**	**6,661**	**6,889**

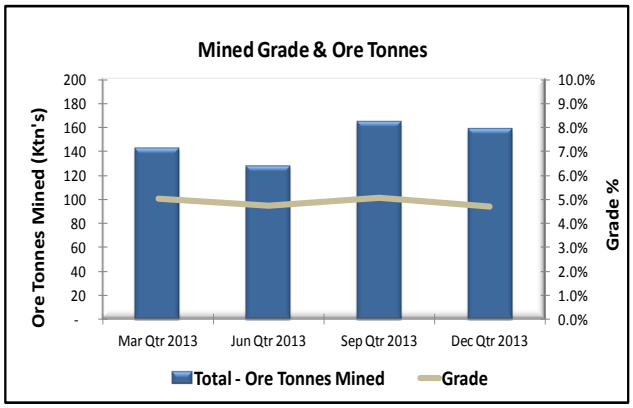
At the end of the quarter, 159,260 tonnes of ore at an average grade of 4.1% nickel, containing over 6,450 tonnes of nickel, was stockpiled at site awaiting treatment at the Cosmic Boy concentrator. The current stockpile represents around three months of mill feed and enables the selection of an optimal mill feed blend. The increase in the stockpile levels from the September quarter was driven by higher ore tonnes mined in the earlier part of the December quarter.

Cash Costs

Financial Statistics		2012/2013 Mar Qtr	2012/2013 Jun Qtr	2013/2014 Sep Qtr	2013/2014 Dec Qtr	DEC YTD
Group Production Cost/lb						
Mining Cost (*)	*A$/lb*	2.23	1.87	1.65	1.88	1.76
Haulage	*A$/lb*	0.05	0.05	0.06	0.06	0.06
Milling	*A$/lb*	0.41	0.38	0.40	0.44	0.42
Admin	*A$/lb*	0.19	0.18	0.19	0.19	0.19
By Product Credits	*A$/lb*	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)
Cash Cost Ni in Con (***)	***A$/lb***	**2.86**	**2.46**	**2.28**	**2.54**	**2.41**
Cash Cost Ni in Con/lb (***)	***US$/lb (**)***	***2.97***	***2.44***	***2.09***	***2.36***	***2.22***
Exchange Rate US$ / A$		***1.04***	***0.99***	***0.92***	***0.93***	***0.92***

(*) Mining Costs are net of deferred waste costs and inventory stockpile movements
(**) US$ FX for Relevant Quarter is RBA ave daily rate (Dec Qtr = A$1:US$0.9287)
(***) Payable terms are not disclosed due to confidentiality conditions of the offtake agreements. Cash costs exclude royalties.
Note: Grade and recovery estimates are subject to change until the final assay data are received.





The unit cash cost of nickel in concentrate (excluding smelting/refining charges and royalties) produced during the December quarter was **A$2.54/lb (US$2.36/lb).** The ongoing benefits of cost reduction initiatives has resulted in the YTD cash cost being **A$2.41/lb (US$2.22/lb)** which remains well below guidance.

4. NICKEL SALES

Delivery of concentrate from Cosmic Boy to BHP Billiton's operations at Kambalda and Jinchuan's smelter in China continued during the quarter. A total of **43,400 tonnes of concentrate** was delivered containing **6,409 tonnes of nickel**. The concentrate stockpile at Cosmic Boy stands at **2,613 tonnes at a grade of 15.8% nickel**, containing **414 tonnes of nickel** metal. Total concentrate stockpiles increased from the previous quarter, reflecting the effect of local road closures due to rain events.

In respect of the Jinchuan offtake contract, this contract is expected to be completed early in the March quarter of 2015. The Company has already fielded early enquiries and bids for this offtake contract, demonstrating the strong demand for the premium concentrate for blending purposes.

The Company currently intends, in line with previous practice, to go out to tender for this offtake contract (circa 12ktpa to 13ktpa of contained nickel in concentrate) in the second half of 2014. Given the recent export ban on nickel laterite ore from Indonesia and other nickel sulphide mine closures across the globe, we are expecting demand for the offtake contract to be particularly strong.

5. FORRESTANIA MINERAL RESOURCES AND ORE RESERVES

Flying Fox

The longitudinal section below (Figure 1) shows the Flying Fox mine below 800m RL with mineral resources depleted for mining production during the quarter.

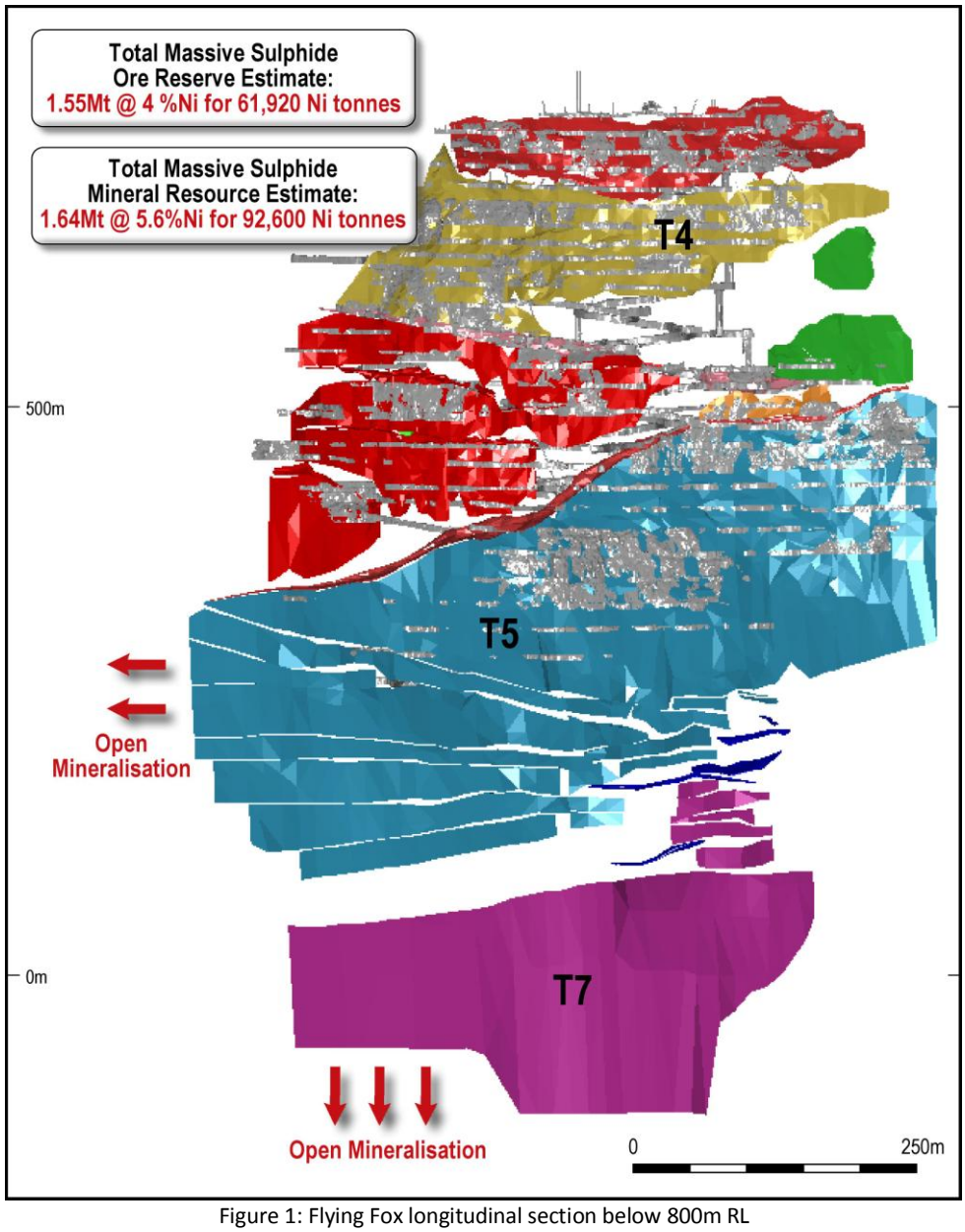


Figure 1: Flying Fox longitudinal section below 800m RL

Resource related drilling at Flying Fox during the quarter focussed on extending and further defining mineralisation, with an emphasis on areas adjacent to mined out areas, e.g. T1 and T-zero.

Approximately 1,131m of T5 grade control drilling was completed which identified an additional hanging wall lode adjacent to the main lode.

A major revision of the Flying Fox Resource is currently underway, which will take into account all of the recent underground diamond drilling and structural analysis and is expected to be completed early in the March quarter.

Spotted Quoll

The Spotted Quoll Mineral Resource Estimate was updated during the quarter and is summarised in the table below:

Spotted Quoll Mineral Resource Statement													
Effective Date	Orebody	Measured			Indicated			Inferred			Total		
		Tonnes	Ni (%)	NiTonnes	Tonnes	Ni (%)	NiTonnes	Tonnes	Ni (%)	NiTonnes	Tonnes	Ni (%)	NiTonnes
31/12/2013	SQ Main	246,297	6.3	15,457	2,265,647	5.3	120,518	641,629	5.2	33,196	3,153,573	5.4	169,171
	SQ North	0	0	0	118,414	8.9	10,539	21,250	11	2,367	139,664	9.2	12,906
	Main+North	**246,297**	**6.3**	**15,457**	**2,384,061**	**5.5**	**131,057**	**662,879**	**5.4**	**35,563**	**3,293,237**	**5.5**	**182,077**

Spotted Quoll Main Mineral Resource Estimate as at 31 December 2013

The new Mineral Resource for the main lode has increased the nickel tonnes by **approximately 7,889 nickel tonnes** from the previous resource model (Sept 2012) after **depletion of 13,043 nickel tonnes** due to mining. This includes an 80% conversion of the previous inferred resource to indicated category as well as adding further new inferred material.

An updated Mineral Resource/Reserve Statement for the Forrestania area with the associated JORC 2012 Table 1 is shown at the back of this report. No Spotted Quoll diamond drilling was undertaken during the quarter. A long section of the mine showing current capital development is shown in Figure 2 below.

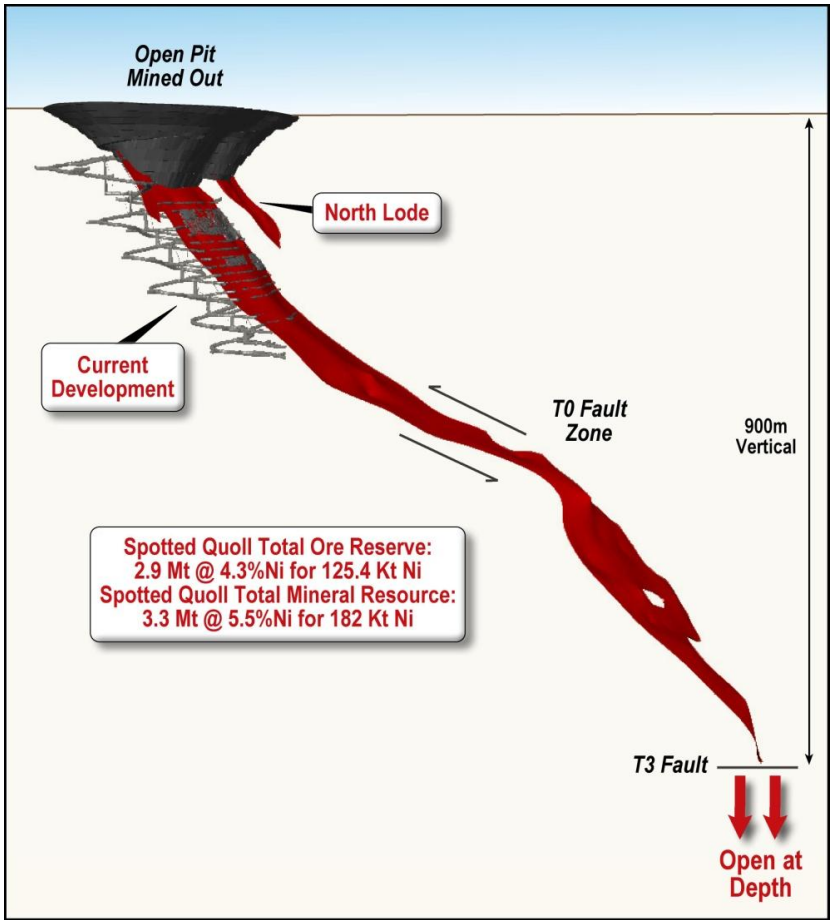


Figure 2: 3D View of Spotted Quoll deposit and current development (looking north)

6. BIOHEAP

The BioHeap team continued to market the technology through actively engaging prospective clients and engineering companies. As a result, a number of proposals have been sent to interested parties for testwork on various base metals and gold projects. BioHeap proposals are generally confidential in nature and the model for generating returns for Western Areas will vary depending on the type of work being undertaken.

The review of the scoping study on treatment of a Cosmic Boy Concentrator stream using tank leaching has been completed. The results show a potential significant increase in nickel metal recovery and a positive economic outcome. Tenders for the next stage of engineering for the project were released during the quarter. Subject to final review and acceptance, it is expected that the second stage of the engineering study will commence in March quarter of 2014. This study will deliver the required information for project evaluation (capital cost and implementation schedule) and if viable, approval and construction in FY2015.

As part of the marketing strategy BioHeap is currently reviewing and updating its promotion package that is sent out to potential clients. This includes a new promotional DVD which will be made available through the company website.

7. EXPLORATION

The majority of the exploration activities during the December quarter were directed at evaluating the deeper sections of the New Morning deposit and following up the previously announced, very encouraging intercepts at the new discovery. Drilling also continued at a number of targets within the Western Ultramafic Belt (WUB), including the Beautiful Sunday and Boojum West prospects. Drilling was also undertaken on prospects along the Eastern Ultramafic Belt (EUB), including Liquid Acrobat and Mt Gibb (Figure 3).

March quarter exploration drilling is proposed to continue at New Morning, Lounge Lizard, the WUB targets including Beautiful Sunday, and on the EUB including at the Purple Haze, Mt Hope and Mt Gibb prospects.

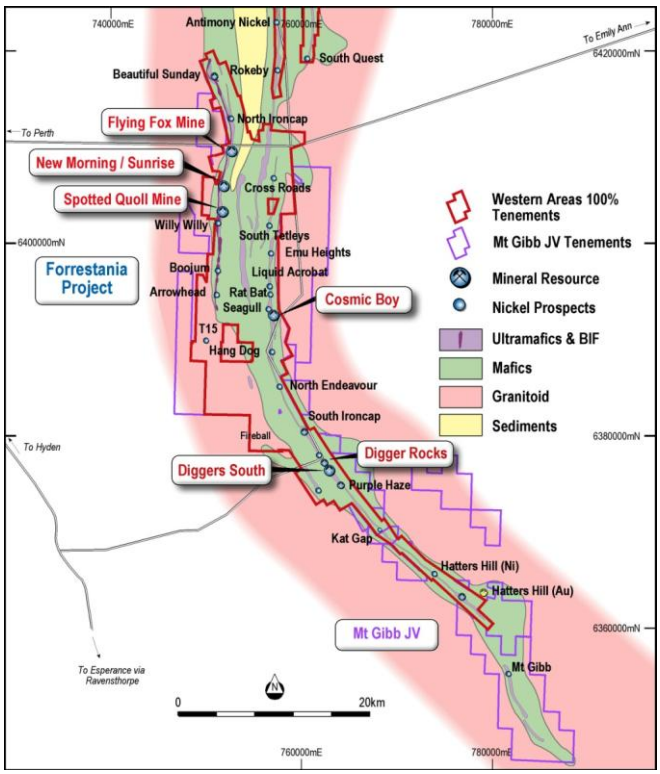


Figure 3: Plan showing Forrestania tenements; mines and key prospects

Forrestania Projects

New Morning

Exploration activities have again been directed towards testing the extent of the New Morning system, a large cumulate ultramafic body some 1.9km long with known mineralisation occurring within the southern portion, which has a strike length of approximately 800m. The work comprised the continued testing for extensions of the newly discovered high grade mineralisation below the existing known resource, as well as testing for additions to the north of the known mineralisation in the southern portion of the ultramafic body, (see Figure 4 below).

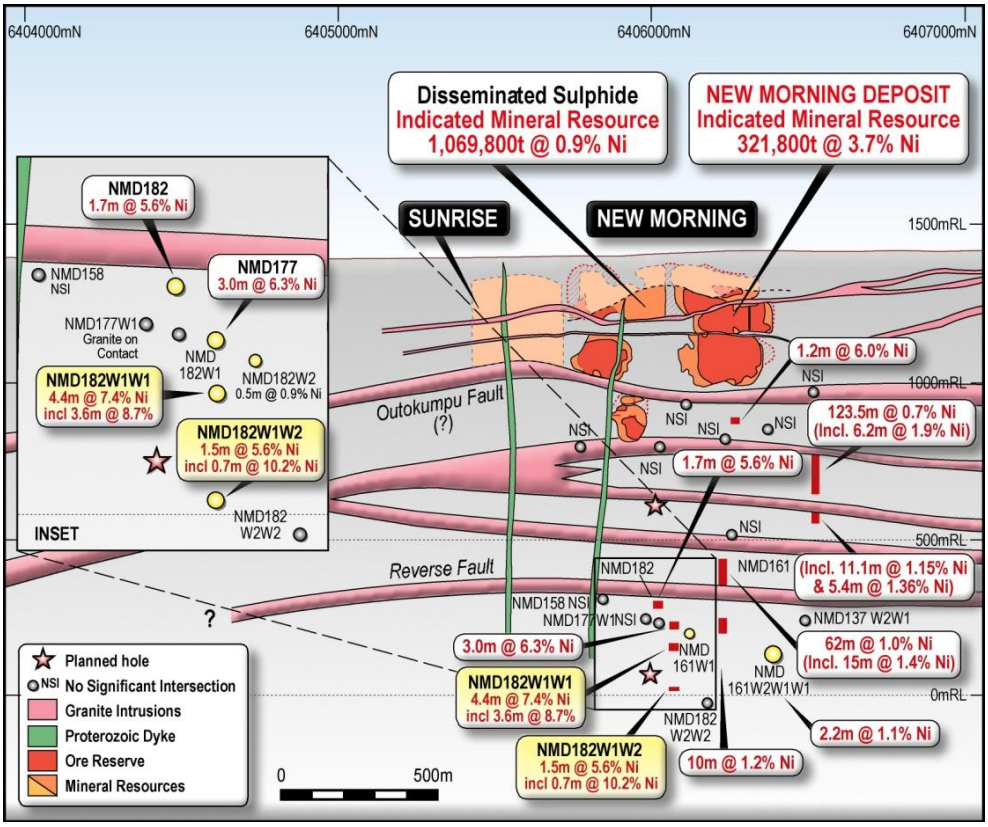


Figure 4: Interpreted Long Projection of the footwall contact at New Morning showing recent drilling and proposed drill targets

Drilling during the December quarter again utilised the existing footwall hole NMD182 to test the continuity and extent of the initial intercept in:

1. NMD177 (**3.0m at 6.3% nickel, including 2.4m at 7.6% nickel** from 1237.2m); and
2. NMD182W1W1, which returned a mineralised interval of **4.4m at 7.4% nickel** from 1345.1m, downhole depth, including **3.6m of high grade massive sulphides of 8.7% nickel** from 1345.9m, **including an interval of 0.8m at 10.2% nickel**, from 1347.9m**.**

The recent intercepts of high grade massive sulphides confirm an approximate 280m down plunge extent of mineralisation below the reverse fault. The mineralised extent remains open below and laterally to this. A tabulation of holes drilled to date in this area is given below on Table 1 and shown on Figure 5.

Table 1: New Morning Deeps - Recent Exploration Results										
HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)	Width (m)	Ni %
NMD177	752521	6406248	1411	1405.2	DD	-75	250	1238.1	3.6	6.3
Including								1238.7	2.4	7.6
NMD177W1	752521	6406248	1411	593.4	DD			1208	6.5	0.65
NMD177W1W1	752521	6406248	1411	88.8	DD			Failed to reach target. Poor ground conditions.		
NMD177W1W2	752521	6406248	1411	423.8	DD			Failed to reach target. Poor ground conditions.		
NMD182	751530	6406135	1391	1549.0	DD	-67	90	1241.9	8.9	1.6
Including								1241.9	1.7	5.6
NMD182W1	751530	6406135	1391	408.5	DD			1298	7.5	1.0
Including								1302	2.5	1.4
NMD182W1W1	751530	6406135	1391	344.3	DD			1345.1	4.4	7.4
Including								1345.9	3.6	8.7
NMD182W1W1W1	751530	6406135	1391	66.9	DD			Drill hole deviation. Terminated.		
NMD182W1W2	751530	6406135	1391	484.9	DD			1446	2.9	3.4
Including								1446.8	0.7	10.2
NMD182W2	751530	6406135	1391	521.1	DD			1318.1	0.5	0.9
NMD182W2W1	751530	6406135	1391	323.3	DD			Drill hole deviation. Terminated.		
NMD182W2W2	751530	6406135	1391	264.6	DD			NSI. Assays pending.		

Drilling during the December quarter (NMD182W2, NMD182W2W1 and NMD182W2W2) tested for the continuation of the mineralisation to the north on or about the section 6406230mN, some 80m north of the initial intercept in NMD177 and subsequent intersection in NMD182W1W1 (Figure 5). The results from the drilling have intersected weakly mineralised flanking positions and have confirmed that the higher grade mineralisation lies to the south of these two holes.

During the March quarter, drilling will continue to concentrate on testing the lateral extent of the high grade mineralisation intersected to date. In addition, diamond hole NMD177W2 is currently being drilled to test the up plunge potential of the New Morning channel, equidistant from the new discovery and the shallower known mineralisation (Figure 5).

Two holes were also completed (NMD184 and NMD185) testing the northern portion of the New Morning ultramafic body. Both holes intersected barren contacts (Figure 5). During the March quarter, further work will be undertaken to determine the potential for mineralisation within the northern portion of the New Morning ultramafic body.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)	Width (m)	Ni %
NMD184	752500	6407600	1400	349.6	RC/DD	-60	270	No Significant Intercept (NSI)		
NMD185	752450	6407300	1400	359.2	RC/DD	-60	290	Pending		

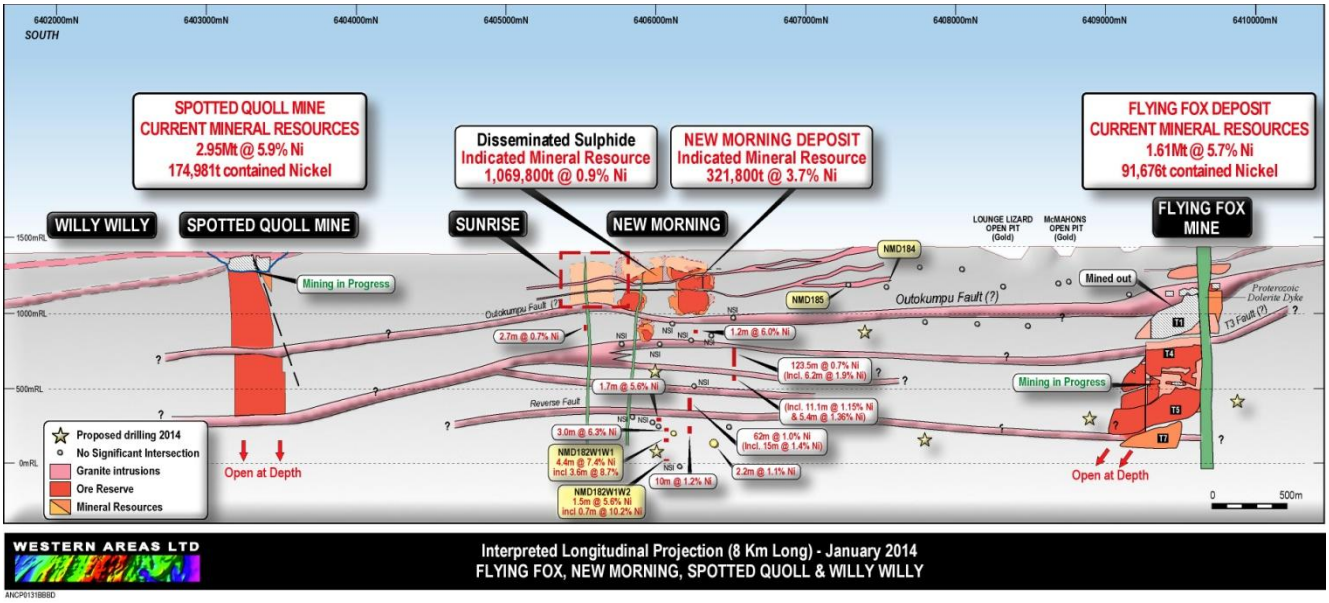


Figure 5: Interpreted Long Projection of the Western Belt footwall contact extending 6km from Spotted Quoll to Flying Fox.

Lounge Lizard South

As part of the evaluation of the 6km corridor between the Spotted Quoll and Flying Fox mines, the Company is continuing its assessment of the 3km section between the Lounge Lizard and New Morning deposits. The first pass assessment of the Lounge Lizard South area is being undertaken on a wide spacing with drill holes initially 300 to 400m apart (Figure 5).

Although no significant nickel sulphides have been intersected in the drilling to date, the effectiveness of the holes is being evaluated with the aid of DHEM, which was completed late in the December quarter. The data from the DHEM is now being assessed and any anomalies identified from this review will be tested in the March quarter.

Other Forrestania Projects

Exploration activities outside the New Morning - Flying Fox corridor were conducted both within the WUB, at Beautiful Sunday and Boojum West prospects, and also the Eastern Ultramafic Belt at Liquid Acrobat and southern Mt Gibb prospects (Hatters Hill Central and Mt Gibb), Figure 3.

Evaluation of the four holes drilled to date at Beautiful Sunday, located 8km north of Flying Fox and on the northern end of the WUB, continued through the December quarter. Geological logging of the holes indicates the area is structurally complex. In order to assess the potential for higher grade nickel sulphide, further drilling has been planned in the northern portion of the prospect. The drilling will be undertaken in the March quarter.

At Boojum West, four holes (tabulated below) were drilled to the west of the main WUB trend to test the potential for the western ultramafic belt to extend beneath what is interpreted to be a flat lying granitoid unit, as well as test a number of magnetic anomalies to determine if the source of magnetic anomalism is related to ultramafic rocks. All holes drilled to date have returned magnetic granite. Further drilling (approximately six reverse circulation (RC) holes) is planned for this area in the March quarter.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)
LLPC20	754976	6394348	1400	327.8	RC/DD	-60	270	No Significant Intercept (NSI)
SFRC006	750950	6395180	1400	91	RC	-60	310	No Significant Intercept (NSI)
SFRC007	750510	6395550	1400	97	RC	-60	270	No Significant Intercept (NSI)
SFRC008	750245	6395955	1400	97	RC	-60	270	No Significant Intercept (NSI)

The Liquid Acrobat prospect is situated on the Eastern Ultramafic Belt located approximately 4km north of the Cosmic Boy camp. The mineralisation, generally low grade disseminated mineralisation with grades varying from 0.6%-0.8% nickel, is hosted within a thick continuous interval of cumulate ultramafic within the Central Ultramafic package which has an approximate strike length of 1.8-2.0km.

Two holes were completed to test for steep plunge extensions of the central portion of the Liquid Acrobat channel. No massive nickel sulphides were intersected in the holes. Evaluation of the results will be completed once the assay results are received and results of the recently completed DHEM are interpreted.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)	Width (m)	Ni %
LAD054	756490	6395620	1410	492.7	RC	-60	90	RC (to 88.7m) -NSI. assays pending		
LAD055	756510	6395620	1410	500.5	RC	-60	90	RC (to 159m) -NSI. assays pending		

Mt Gibb Joint Venture (Earning 70%)

At Hatters Central in the Mt Gibb Joint Venture (38km south east of Cosmic Boy) a four hole RC program (total of 576m) was completed to test for higher grade gold mineralisation where previous drilling by Western Areas in March 2013 had returned 9m at 1.9g/t from 43m, including 5m at 3.0g/t from 47m in HCRC005m. The program also tested the potential for gold mineralisation related geophysical anomalism returned from a recently completed induced polarisation (IP) survey. Assay results have returned some significant gold values in HCRC008 and HCRC010; however, the mineralised structures appear to be narrow, with wider (up to 10m downhole width) low grade alteration halos. Assay results and details of the holes are tabulated below. A further review of the data will be completed in the March quarter.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)	Width (m)	Au g/t
HCRC007	218892	6363815	1389	136.0	RC	-60	243	NSI		
HCRC008	220438	6360893	1364	166.0	RC	-60	243	122	10	2.01 g/t
including								127	4	3.64 g/t
HCRC009	220465	6360814	1362	118	RC	-60	243	30	4	1.13 g/t
and								82	2	2.12 g/t
HCRC010	220541	6360689	1359	154	RC	-60	220	113	6	1.8 g/t
and								125	6	2.35 g/t

Note - co-ordinates are in MGA94 Zone 51

Lake King Nickel Joint Venture (WSA 70% interest)

In order to better assess the prospectivity of the newly acquired southern tenements, a high resolution airborne magnetic/radiometric survey was completed by Thomson Aviation over the southern Lake King tenure. The survey covered a total of 2,008 line/km and highlighted a number of interesting magnetic anomalies, a number of which are interpreted to represent ultramafic stratigraphy. Further target generation and planning of follow-up exploration is underway and is expected to be carried out in the March quarter.

8. AUSTRALIAN REGIONAL EXPLORATION

The majority of Western Areas' extensive regional nickel interests in Western Australia include joint venture projects which extend over 500km in the central part of the Yilgarn Craton. In addition, the Company recently entered into a farm-in agreement into ground within the Musgrave Province.

Musgraves Nickel-Copper Joint Venture (WSA to earn up to 70% interest)

On 1 July, the Company announced the execution of a Farm-in and Joint Venture Agreement with Traka Resources Limited. The Agreement provides a staged program for Western Areas to acquire up to a 70% interest in a number of Traka's core tenements within the Musgrave region of Western Australia. The total area included under the proposed Musgrave JV Project is approximately 1,075km^2 (Figure 6).

Exploration activities during the quarter included the completion of the surface EM and airborne magnetic/radiometric surveys, and the subsequent commencement of the targeted RC drilling program. The geophysics generated a number of high priority targets located in favourable geological locations (within or adjacent to interpreted mafic intrusives), some with coincident nickel and copper geochemical anomalism. A total of 3 holes (854m) were completed prior to Christmas.

Drill holes WMRC0001 and WMRC0002 were planned to test two high priority MLEM conductors in the SW of the Samaria Prospect (Figure 6). Despite both drill holes encountering favourable geology, the holes failed to explain the source of EM anomalism. Both holes will now be screened with DHEM and a limited amount of further MLEM to assist in constraining the complex EM anomalies.

The drilling at the Atlas prospect commenced with drill hole WMRC0003, which was designed to target a highly conductive (~20,000s), shallowly plunging conductor that appears to lie conformably within the layered intrusive pile. This drill hole failed to intersect an EM source. The hole will now be surveyed with DHEM and potentially extended. Drill hole WMRC0004 (targeting a similar but less conductive EM anomaly), was at 72m prior to the Christmas break. **Significantly, a number of zones with disseminated sulphides have been intersected and the NITON XRF indicates copper values up to 0.26% Cu.** The target depth for WMRC0004 is approximately 200m.

The current drilling program (~2,000m) recommenced in mid January.

Southern Cross Goldfields Nickel Joint Venture (WSA 70% interest)

An extensive stratigraphic drilling and auger geochemical sampling program has been completed to determine the extent and type of ultramafic stratigraphy in the Marda area, and to broadly screen the adjoining areas for direct traces of nickel sulphide anomalism.

A total of 93 air-core holes (3,425m) were completed testing key stratigraphic traverses within the Marda area. While the assays have been received, the data is still being compiled and initial observations indicate that the drilling did confirm the presence of thick cumulate, high MgO ultramafics at Evanston and southern Marda. Specific material will be selected and sampled for whole rock analysis in an attempt to determine potential for the ultramafic units to host nickel sulphides.

The activities during the March quarter will be determined once the data from recent activities has been compiled.

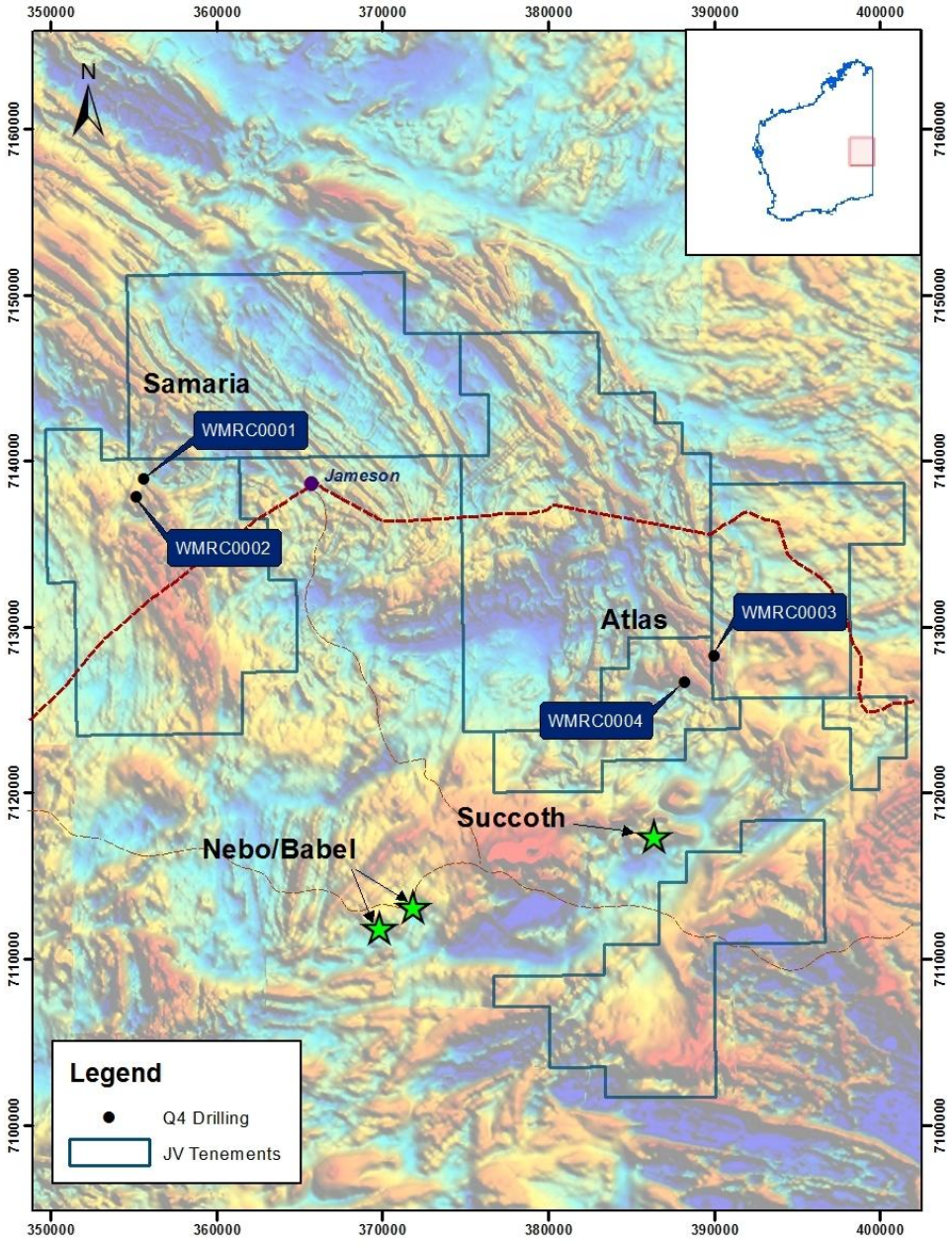


Figure 6: The Musgraves Project Area tenure and recent drilling (4 holes), overlaying magnetic imagery (RTP)

Koolyanobbing Nickel Project
Western Areas has elected to cease exploration activity on the Koolyanobbing Nickel Project.

9. CANADIAN EXPLORATION

East Bull Lake Project - Ontario (WSA earning 65%)
Western Areas has elected to withdraw from the East Bull Lake Joint Venture.

The Company continues to assess the opportunities within the North American Shield for projects that have the potential to add value to the organisation. In addition, the Company still retains a 19.9% interest in Mustang Minerals Corp.

10. FINNAUST MINING Plc (WSA 68%)

FinnAust Mining Plc (LON:FAM) successfully completed the reverse takeover of London AIM listed, Centurion Resources Plc (Centurion) with readmission to the London AIM on 2 December 2013. The transaction included an equity raising of £3.4 million and as part of the equity raising, Western Areas provided cornerstone investor support of £1.8m.

Centurion were selected as a suitable reverse take-over vehicle as the company was an existing AIM listed European resource exploration company with a copper asset in Austria, a good cash balance and a very experienced corporate and geological management team based in London.

Following readmission to AIM, Centurion was renamed FinnAust Mining Plc ("FinnAust") with Western Areas holding a majority 68% of the enlarged entity.

The total number of ordinary shares on issue at Admission is 247,097,670, giving FinnAust a market capitalisation of approximately £12.4 million, based on the placing price of 5 pence per share.

The FinnAust board consists of four directors, including two Western Areas representatives, with Western Areas' Managing Director and CEO, Dan Lougher, the Chairman and holding the casting vote. FinnAust has a very experienced in-country exploration team, managed by its Chief Operating Officer, Mr Urpo Kuronen, which is focused on rapidly advancing the projects.

Immediately following admission and with 18 months of a planned exploration program funded, drilling commenced at the Hammaslahti Copper Project in southern Finland. This represents the beginning of a near continuous 10,300m rolling drilling campaign across three high-priority copper-gold and nickel-copper-PGE projects; namely Hammaslahti, Outokumpu and Enonkoski. FinnAust is fully funded to complete this program and is exploring for high-grade magmatic and VMS-style mineral deposits.

Hammaslahti was chosen as the first priority target given the successful high grade intersections of copper completed by FinnAust 12 months ago. Hammaslahti was a historical high grade copper mine and FinnAust is exploring previously untested extensions of the orebody with the assistance of modern geophysical techniques. We are expecting updates on the drilling process in the March quarter.

-ENDS-

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

Or visit: www.westernareas.com.au

COMPETENT PERSON'S STATEMENT:
The information within this report as it relates to exploration results is based on information compiled by Mr Adrian Black from geological consultants Newexco Services Pty Ltd ("Newexco"), who is a member of the Australasian Institute of Geoscientists, and Mr Charles Wilkinson who is a permanent employee of Western Areas Ltd and who is a member of the Australasian Institute of Mining and Metallurgy. They both have sufficient experience that 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. They consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. are responsible for the verification and quality assurance of the Company's exploration data and analytical results from the Forrestania Nickel Project. Surface diamond drill hole collar surveys used differential GPS, downhole surveys employed a north seeking gyroscopic instrument together with a comprehensive density database; high assay confidence with systematic QA/QC procedures; and validated database. Samples of quarter core from the drill holes described in this release are prepared and analysed by ALS Chemex Ltd laboratory in Perth for nickel, copper, cobalt and other elements. Core samples are crushed and pulverised to 90% passing 75 microns then analysed for nickel by ore grade determination using the ALS OG–62 method. Assays standards are routinely inserted in the sample stream by Newexco for quality control.

The information within this report as it relates to mineral resources, ore reserves and mine development activities is based on information compiled by Mr Andre Wulfse and Mr Dan Lougher of Western Areas Ltd. Mr Wulfse and Mr Lougher are members of AusIMM and are full time employees of the Company. Mr Wulfse and Mr Lougher have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Wulfse and Mr Lougher consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

FORWARD LOOKING STATEMENT:
This release contains certain forward-looking statements including nickel production targets. 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.

Examples of forward looking statements used in this report include "The main industry to suffer from the ban will be Chinese Nickel Pig Iron (NPI) producers who are totally dependent on the importation of high grade laterite (1.8%-2%) from Indonesia to substitute nickel metal in the manufacture of stainless steel. WSA believes the ongoing ban should have a positive impact on the price of nickel going forward." and, "the Company believes that guidance is likely to be favorably skewed towards production upgrades and unit cost improvements" and, This [ANZ] facility provides repayment certainty for the July 2014 convertible bond maturity" and "The Company has already fielded early enquiries and bids for this offtake contract, demonstrating the strong demand for the premium concentrate for blending purposes".

This announcement does not include reference to all available information on the Company, the Forrestania Nickel Project, the Regional Nickel Projects or FinnAust Mining Plc 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 31st December 2013

Deposit	Tonnes	Grade Ni%	Ni Tns	JORC Classification	JORC Code
Ore Reserves					
1. Flying Fox Area	1,555,536	4.0	61,920	Probable Ore Reserve	2004
2. Spotted Quoll Area					
Spotted Quoll Main	2,781,900	4.1	115,840	Probable Ore Reserve	2004
Spotted Quoll North	168,000	5.7	9,600	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 ORE RESERVES	**6,614,436**	**3.3**	**218,160**		
Mineral Resources					
1. Flying Fox Area					
T1 South	65,600	3.9	2,580	Indicated Mineral Resource	2004
	35,200	4.9	1,720	Inferred Mineral Resource	2004
T1 North	45,400	4.2	1,900	Indicated Mineral Resource	2004
	12,700	4.8	610	Inferred Mineral Resource	2004
T4 FF	143,767	5.0	7,179	Indicated Mineral Resource	2004
	14,680	3.9	580	Inferred Mineral Resource	2004
T5 FF Massive Zone	543,693	6.2	33,601	Indicated Mineral Resource	2004
	12,400	4.3	540	Inferred Mineral Resource	2004
LL Massive Zone	616,658	5.8	35,791	Indicated Mineral Resource	2004
	82,100	5.6	4,560	Inferred Mineral Resource	2004
T7 FF	60,593	5.4	3,268	Indicated Mineral Resource	2004
	9,514	3.1	298	Inferred Mineral Resource	2004
Total High Grade FF- LL	**1,642,305**	**5.6**	**92,627**		
T5 FF Disseminated Zone	197,200	0.9	1,590	Indicated Mineral Resource	2004
	357,800	1.0	3,460	Inferred Mineral Resource	2004
T5 LL Disseminated Zone	4,428,000	0.8	36,000	Indicated Mineral Resource	2004
Total Disseminated FF - LL	**4,983,000**	**0.8**	**41,050**		
Total Flying Fox - Lounge Lizard	**6,625,305**	**2.0**	**133,677**		
2. New Morning / Daybreak Area					
Massive Zone	321,800	3.7	12,010	Indicated Mineral Resource	2004
	93,100	3.5	3,260	Inferred Mineral Resource	2004
Disseminated Zone	1,069,800	0.9	9,650	Indicated Mineral Resource	2004
	659,200	0.9	5,780	Inferred Mineral Resource	2004
Total New Morning / Daybreak	**2,143,900**	**1.4**	**30,700**		
3. Spotted Quoll Area					
Spotted Quoll Main	246,297	6.3	15,457	Measured Mineral Resource	2012
	2,265,647	5.3	120,518	Indicated Mineral Resource	2012
	641,629	5.2	33,196	Inferred Mineral Resource	2012
Spotted Quoll North	118,414	8.9	10,539	Indicated Mineral Resource	2012
	21,250	11.0	2,367	Inferred Mineral Resource	2012
Total Spotted Quoll	**3,293,237**	**5.5**	**182,077**		
4. Beautiful Sunday	480,000	1.4	6,720	Indicated Mineral Resource	2004
TOTAL WESTERN BELT	**10,137,131**	**2.2**	**219,750**		
5. 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**		
6. 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 MINERAL RESOURCES	**20,541,231**	**1.6**	**328,270**		

APPENDIX

JORC 2012 TABLE 1 – FORRESTANIA EXPLORATION

Section 1: Sampling Techniques and Data - Forrestania

Criteria	Comment	*JORC Code 2012 Explanation*
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.* *• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *• Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Exploration targets were generally sampled using diamond drill (DD), occasionally with Reverse Circulation (RC) pre-collars to nominally 100m depth). Holes were typically drilled perpendicular to the strike (north-south) of the stratigraphy, at angles ranging between 55° and 75°. • Drill holes were located initially with hand held GPS and later surveyed by differential GPS. DD holes were used to obtain high quality samples that were fully oriented and logged for lithological, structural, geotechnical attributes. Each sample of diamond drill core submitted to ALS laboratories at Malaga, Perth was weighed to determine density by the weight in air, weight in water method. The balance used for these determinations was a EK-12KG electronic balance with an accuracy of +/- 0.001 Kg, the balance is regularly checked with 2kg, 5kg and 7kg standard weights. All sampling was conducted under WSA QAQC protocols which are in accordance with industry best practice. • Diamond drill core (NQ2) is 1/4 core sampled on geological intervals (0.2m - 1.5m) to achieve sample weights under 2kgs. Samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis by 4 acid digest with an ICP/AES and FA/ICP (Au, Pt, Pd) finish. RC drilling is used to obtain 1m samples (or composited over 2 to 4m) from which 3kg is pulverised (total prep) to produce a sub sample for assaying as per DD samples.
Drilling Techniques	*• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling comprises HQ and NQ2 sized core. The core was oriented using ACT II control panels and ACT III down-hole units. Orientation spears are also used intermittently as a validation tool. • RC drilling comprises nominally 140mm diameter face sampling hammer drilling.

Drill sample recovery	*• Method of recording and assessing core and chip sample recoveries and results assessed.* *• Measures taken to maximise sample recovery and ensure representative nature of the samples.* *• Whether a relationship exists between sample recovery and grade and whether sample bias*	• Diamond core and RC recoveries are logged and recorded in the database. Overall recoveries are >95% and there was no core loss issues or significant sample recovery problems. • Diamond core was reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. RC samples were visually checked for recovery, moisture and contamination. • The bulk of drilling is by diamond core drilling, which has high recoveries. The massive sulphide style of mineralisation and the consistency of the mineralised intervals are considered to preclude any issue of sample bias due to material loss or gain.
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.*	• 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. • Logging of diamond core samples recorded lithology, mineralogy, mineralisation, structural, weathering, colour and other features of the samples. Core was photographed in both dry and wet form. • All diamond drillholes were logged and photographed in full. RC holes are logged in full.

Sub-sampling techniques and sampling preparation	*• If core, whether cut or sawn and whether quarter, half or all core taken.* *• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *• For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling* *• Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was cut in quarters (NQ2) onsite using an Almonte automatic core saw. All samples were collected from the same side of the core. • All samples in the New Morning Deeps Exploration target were taken from NQ diamond drill core. • RC samples were collected on the rig using cone splitters. Composite samples are collected via riffle splitting or spearing to generate a single sample of less than3kg. • The sample preparation of diamond core follows industry best practice in sample preparation involving oven drying, coarse crushing of the half core sample down to ~10 mm followed by pulverisation of the entire sample (total prep) using Essa LM5 grinding mills to a grind size of 85% passing 75 micron. • Field QC procedures involve the use of certified reference material as assay standards, along with blanks, duplicates and barren washes. The insertion rate of these averaged 1:20, with an increased rate in mineralised zones. • Field duplicates were conducted on approximately 1 in 10 drill intersections. During assessment of mineralised areas 10% of samples were also selected for umpire sampling. All QAQC samples were returned within acceptable statistical ranges. • Standards are inserted approximately every 20 samples or at least one every hole for both diamond and RC drilling. Duplicates are normally inserted evey 20 samples in RC drilling and never with exploration diamond drilling. Blanks are inserted selectively in RC and diamond programmes, at least one and sometimes two samples per hole or after massive sulphides or prominent mineralisation for regular monitoring and to detect smearing in the laboratory processing. • The sample sizes are considered to be appropriate to correctly represent the sulphide based on: the style of mineralisation (disseminated sulphides), the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.

Quality of assay data laboratory tests	*• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All samples were subjected to ICP-AES analysis using nitric, perchloric, hydroflouric and hydrochloride acid digest. Samples which assayed greater than 10000ppm Ni were treated to OG62 near total digest using the same 4 acids, suitable for silica based samples, and analysed using conventional ICP_AES analysis. Samples were routinely assayed for PGE's using PGM-ICP23 • 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). Duplicates were not taken in the Sunrise program. However, they are routinely taken (every 10th DD hole) within the nearby Flying Fox and Spotted Quoll Ni mines, which return accuracy and precision within acceptable limits.
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. • No holes were twinned in the recent drilling program. • 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. • The MGA94 Zone 50 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.*	• Drillholes were varied according to target type. Where initial drilling was undertaken holes are nominally 100m to 400m apart. Where mineralisation is identified holes are spaced at an approx. 50m (northing) x60m (relative level) grid. • Sampling compositing has been applied to some of the RC sampling, following initial testing using a handheld NITON XRF instrument. • Samples were composited to one metre lengths, making adjustments to accommodate residual sample lengths.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The majority of the drill holes are orientated to achieve intersection angles as close to perpendicular as possible. The steep dipping nature of the stratigraphy at some targets (70^0 to 80^0) e.g. New Morning means this is not always achieved. • No orientation based sampling bias has been observed in the data, intercepts are reported as downhole lengths.
Sample Security	• *The measures taken to ensure sample security.*	• All samples are prepared onsite under the supervision of Newexco/Western Area staff. • All samples are collected in sealed task specific containers (Bulka bags – plastic pallets) and delivered from site to Perth and then the assay laboratory by transport contractor, NEXUS.
Audits and Reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Adrian Black of Newexco Pty Ltd (a member of the AIG), an independent exploration company, has reviewed the data and sampling techniques employed by WSA.

Section 2: Reporting of Exploration Results - Forrestania

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

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 900km^2 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 completed 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 komatiite hosted, disseminated to massive Nickel sulphide deposits, which include the Flying Fox and Spotted Quoll deposits (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 the 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.*	• See drill hole summary tables enclosed in the text.
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 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 down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The incident angles to mineralisation are considered moderate. • Due to the often steep dipping nature of the stratigraphy reported down hole intersections are moderately greater (m/1.5 ratio on average) than the true width.
Diagrams	*• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figures in the text.
Balanced reporting	*• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• 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. 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.*	• Exploration within the FNO tenements continues to evaluate the prospective stratigraphic succession containing the cumulate ultramafic rocks using geochemical and geophysical surveys and drilling. • The lateral and vertical extents of the New Morning Deeps target are yet to be constrained. Drilling is currently planned at a nominal 80 x 80 pattern. The lateral extents are as yet, unclear. The target is open at depth. Once the extents of the target are better understood, this drill grid pattern may be reduced. • At this stage of the exploration program, the nature of the geological model is evolving. Details of further work will be forthcoming as the project progresses.

JORC 2012 TABLE 1 - SPOTTED QUOLL

Section 1: Sampling Techniques and Data

Criteria	*JORC Code 2012 Explanation*	*WSA 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.*	The Spotted Quoll Deposit was sampled using diamond drill (DD) and reverse circulation holes (RC) on a nominal 50 x 30m grid spacing as well as underground channel sampling in a limited area. Although all available valid data was used to design the geological model, only diamond hole data was used to estimate the grade and ancillary variables into the resource model. A total of 705 composites derived from 192 diamond drillholes were used to estimate the grades. This represents a data density of less than 40m squares over the full extent of the deposit. Holes were generally drilled perpendicular (west) to the strike (north-south) of the stratigraphy, at angles ranging between 60° and 75°. Closely spaced underground channel samples were used as part of the final block model validation process.
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	The Spotted Quoll Deposit was initially discovered in 2007 using geophysical techniques. It has since been exploited using open pit and underground mining techniques. This MRE is an update of the previous 2011 MRE based on additional exploration, underground development and an independent structural study. 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.
	• 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.
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.
	• 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.
	• 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 massive sulphide style of mineralisation and the consistency of the mineralised intervals are considered to preclude any issue of sample bias due to material loss or gain.
Logging	*• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological 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 the commercial 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 (massive sulphide), the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.
Quality of assay data 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 were assayed by an independent certified commercial laboratory (ALS). The laboratory used by WSA is experienced in the preparation and analysis of nickel sulphide 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 by ALS.
	• *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 the diamond core.
	• *The use of twinned holes.*	No holes were twinned.
	• *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	• *Specification of the grid system used.*	Hole collar locations were surveyed by WSA surveyors. The Leica GPS1200 used for all surface work has an accuracy of +/- 3cm.
		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.*	Drillholes were spaced at an approx. 30m (northing) x30m grid for the areas that will be affected by mining in the next two years and nominally 60m by 60m for areas that will be affected by mining in the subsequent years.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	The extensive drill program coupled with information derived from underground observations and previous open pit mining has demonstrated sufficient and appropriate continuity for both geology and grade within the Spotted Quoll Deposit to support the definition of Mineral Resources and Reserves, and the classification (Measured, Indicated and Inferred) applied. Only areas adjacent to current underground development and stoping has been classified as Measured, whereas Indicated material is supported by data densities of 40m squares.
	• *Whether sample compositing has been applied.*	Samples were composited to one metre lengths, making adjustments to accommodate residual sample lengths. A metal balance validation between the raw data and the composited data was undertaken with no material issues identified.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The Spotted Quoll deposit strikes at 030° and dips nominally 50° 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.
	• *The results of any audits or reviews of sampling techniques and data.*	Not applicable

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	*JORC Code 2012 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.*	Andre Wulfse who is the Competent Person has made many site visits to the Spotted Quoll Deposit over the past three years and has been actively involved in its exploitation using both surface and underground methods. Dr Shane Kenworthy (assisted with the geological modelling) has similarly visited the site to inspect drilling, logging, and sampling procedures. He has also mapped ore drives and logged core.
	• 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.*	Confidence in the geological interpretation is high due to the history of mining, the spacing of drilling and the understanding of similar deposits within the Forrestania Ultramafic Belt. The deposit is located within the traditional footwall of the basal ultramafic 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 has contributed to a complex setting, with mineralisation now occupying a possible shear zone within the footwall sediments, 15-20m (stratigraphical) beneath the basalt/ultramafic contact. The deposit is principally a body of matrix magmatic sulphide mineralisation in which the original pentlandite and pyrrhotite assemblage has been strongly overprinted by an arsenic- bearing assemblage dominated by gersdorffite and minor nickeline. Sulphide abundances of 20% to 90% are common. Mean nickel grades of ore intersections are in the order of 4% to 12% Ni.
	• Nature of the data used and of any assumptions made.	Lithogeochemistry and stratigraphic interpretation have been used to assist the identification of rock types. No assumptions are made.
	• The effect, if any, of alternative interpretations on Mineral Resource estimation.	Alternative interpretations of the mineral resource were considered. In particular the previous model and the grade control models were extensively validated against the current geological and resource model. Alternative interpretations of mineralisation do not differ materially from the current interpretation. WSA has successfully mined the deposit using a similarly derived geological and resource model.
	• The use of geology in guiding and controlling Mineral Resource estimation.	The Mineral Resource Estimate is primarily based upon a robust geological model. The hanging wall and footwall contacts of the mineralised zone were modelled with a level of confidence commensurate with the resource classification category. The extents of the geological model were constrained by drillholes intercepts and extrapolation of the geological contacts beyond the drill data was minimal for the Indicated category. Granitoid intrusive were modelled and included in the model and grades were accordingly diluted in these areas.
	• The factors affecting continuity both of grade and geology.	Key factors affecting continuity relate to pervasive felsic intrusive units and faults. The geological discontinuities have been modelled and the grade discontinuities have been accounted for in the estimation modelling.
Dimensions	*• The extent and variability of the Mineral Resource*	The strike length of the Resource is nominally 300m on

Criteria	*JORC Code 2012 Explanation*	*Commentary*
	expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	average with a range of 25m to 520m depending on depth below surface. The nominal mean dip length is 1500m. The RL below the pre-existing pit is 1250mRL and the maximum depth of the Resource is 250mRL. The mean thickness of the mineralised zone is 3.1m with a maximum thickness of 13.4m.
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.*	Grade and ancillary element estimation using Ordinary Kriging and Inverse Power Distance (IPD) was completed using Datamine™ Studio 3 software. The methods were considered appropriate due to drill hole spacing and the nature of mineralisation. Sample data was composited to 1m downhole lengths and flagged on domain codes. Metal balance validation tests were performed on the composites to ensure zero residuals. Intervals with no assays were excluded from the MRE. Top cuts investigations were completed and no top cuts were applied on the basis of grade distribution, Coefficient of Variation and a comparative analysis of the underground data vs the drilldata. Sample data was flagged using domain codes generated from 3D mineralised wireframes. Qualitative Kriging Neighbourhood Analysis was used to determine the optimum search neighbourhood parameters. Directional variography was performed for Ni and selected ancillary elements. Nugget values are typical for the type of mineralisation (Ni = 20% -40% of the total variance). Ranges of continuity for Ni vary from 20m to 60m in the direction of preferred orientation of mineralisation. Estimation validation techniques included swathe plots of the grade of the composites vs the grade of the block model.
	• The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	The 2013 MRE is an update of an MRE that was undertaken in 2011 and was extensively validated against the 2011 MRE.
	• The assumptions made regarding recovery of by-products.	No assumptions were made about the recovery of by products in this estimate. WSA currently doesn't have any off take agreements in place for by-products.
	• Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).	Arsenic is considered a deleterious element as it can have an adverse effect on the recovery of Ni. As was routinely assayed with Ni and was subsequently modelled and estimated into the block model using mutually exclusive domains to that of Ni. Other non grade elements were estimated into the block model.
	• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The block model was constructed using a 25mE x 20mN x 10mRL parent size, with sub cells. All estimation was completed at the parent cell scale thereby avoiding any potential geostatistical support issues. The size of the search ellipse was based on the drill hole spacing and domain dimensions. Two search passes were used; the first was 150m x 120m x 50m in the X, Y and Z directions respectively. The second pass used a search volume factor of 50% of the first pass. Drill spacing is 30m by 30m in areas that will be affected by mining in the next two years and 60m by 60m in subsequent areas.
	• Any assumptions behind modelling of selective mining units.	No selective mining units were assumed in the estimate.
	• Any assumptions about correlation between variables.	No assumptions were made about correlation between variables.

Estimation and modelling techniques (cont..)	*• Description of how the geological interpretation was used to control the resource estimates.*	The geological interpretation was developed using geological, structural and lithogeochemical elements. The geological framework associated with extrusive Komatiite hosted deposits, and the structural elements observed at the local and wide scale, were used to determine and refine mineral domains. The hangingwall and footwall contacts of mineralisation were used as hard boundaries during the estimation process and only blocks with the geological wireframe were informed with Ni grades.
	• Discussion of basis for using or not using grade cutting or capping.	Geostatistical and visual investigation of the grade distribution negated the need for grade cutting or capping.
	• 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. Visual grade validations were undertaken. Jacknifing was performed. Grade and tonnage reconciliation of the 2011 model has been closely monitored over the past 12 months of underground mining and found to be within acceptable thresholds. The assumptions and methodologies used during the 2013 estimation are very similar to that of the 2011 model.
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 0.2% Ni grade cut-off. The resource is reported at a 0.2% Ni cut-off for Measured and Indicated and 0% Ni for Inferred which is a reasonable representation of the mineralised material prior to the application of economic and mining assumptions and a reserve cut-off. The Spotted Quoll mineralisation tenor is relatively high when compared to other Komatiite hosted deposits, and hence a lower cut-off grade is appropriate.
Mining factors or assumptions	*• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	The Spotted Quoll deposit is currently being mined using long hole stoping methods with paste fill. The mining method which is unlikely to change has been taken into account during the estimation process. The Mineral Resource was depleted against mining.
Metallurgical factors or assumptions	*• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Ore from the Spotted Quoll deposit is currently being processed on site, where Nickel concentrate is produced using a three-stage crushing, ball mill, and flotation and thickener/filtration system. Arsenic rejection in the flotation circuit ranges from 50 - 70 %.
Environmental factors or assumptions	*• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	All waste and process residue is disposed of through the Cosmic Boy concentrator plant and its tailings dam. All site activities are undertaken in accordance with WSA's environmental policy.

Bulk density	*• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	Bulk Density has been determined using a tried and tested Ni grade regression based formula, which is regularly updated.
	• The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.	Core at Spotted Quoll is generally void of vugs, voids and other defects. Rocks are from the amphibolite facies and faults have largely been annealed. Porosity is considered low.
	• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	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 Spotted Quoll Mineral Resource is classified as Indicated and Inferred on the basis of drillhole spacing and Kriging efficiency. Only blocks that are between ore drives or the base of the pit are classified as Measured.
	• Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	The definition of mineralised zones is based on a high level of geological understanding. The model has been confirmed by infill drilling, supporting the original interpretation. It is believed that all relevant factors have been considered in this estimate, relevant to all available data.
	• Whether the result appropriately reflects the Competent Person's view of the deposit.	The Mineral Resource Estimate appropriately reflects the view of the Competent Person.
Audits or reviews	*• The results of any audits or reviews of Mineral Resource estimates.*	This is a follow up of a previous Mineral Resource Estimate that was completed and reported in accordance with the JORC Code (2004) and has not been externally reviewed to date.
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 Spotted Quoll deposit is well understood and the mineralisation wireframes used to build the block model have been designed using all available exploration and mining data. Furthermore, previous estimates of grades have been tested by routine reconciliation of stockpile and mill grades to the current grade control and previous resource models. Post processing block model validation was extensively undertaken using geostatistical methods before the resource was reported.
	• The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	The Mineral Resource statement relates to local estimates of tonnes and grade.
	• These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	The MRE was compared to the production grade control data. The upper section of the deposit has been mined by open pit methods and underground mining has been in place for the past year.