WESTERN AREAS LTD

Activity Report

For the period ending 31 March 2014

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 3.25Mt at an average grade of 5.5% Ni containing 179.0k nickel tonnes. The total Ore Reserve Estimate at Spotted Quoll comprises 2.89 Mt at 4.3% Ni containing approximately 122.8k nickel tonnes.

The total Massive Sulphide Mineral Resource Estimate at Flying Fox below the 800m RL now stands at 1.6Mt at an average grade of 5.6% Ni containing 90.3k nickel tonnes. The total Ore Reserve Estimate at Flying Fox comprises 1.5 Mt at an average grade of 4.0% Ni containing approximately 59.6k 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 generating returns to shareholders.

ASX code: WSA
Shares on issue: 232m shares
Market capitalisation:
Approx A$1B @ $4.30 per share

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FULL YEAR GUIDANCE ON TRACK, COSTS REMAIN LOW, CASHFLOW REMAINS STRONG AND NICKEL PRICE REBOUNDING

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$2.52/lb of nickel in concentrate for the quarter**, being slightly lower than the December quarter. Year to date unit cash costs sit at A$2.46/lb.

Consolidated cash at bank increased by A$75.6m to A$175.5m which includes A$4.4m of funds held by the majority owned FinnAust Mining Plc. Excluding the equity placement proceeds received, the repurchase of A$15m of July 2014 convertible bonds and half yearly convertible bond interest payments, **free cashflow for the quarter was A$13.0m** (see page 2 for further details).

Total mine production for the quarter was **6,709 tonnes of nickel in ore at an average head grade of 4.4% nickel,** with the Flying Fox mine contributing **3,243** tonnes and Spotted Quoll mine **3,466** tonnes of nickel in ore respectively. Nickel in concentrate **production and sales were steady at 6,344 tonnes and 6,418 tonnes** respectively.

The Indonesian Government's ban on the export of laterite ore has resulted in a rebound in the nickel price on forecast tighter supply fundamentals. With the majority of the nickel price rise occurring in March, **quotational period pricing movements have resulted in increased revenue, the cashflow benefit of which will be seen in the June quarter.**

The Company currently maintains its full year guidance, but acknowledges potential for outperformance on production and cost metrics.

March Quarter 2014 Highlights:

1. There were **zero Lost Time Injuries for the quarter. The LTIFR stands at 1.91** a slight increase on last quarter due to lower hours worked.
2. Pre-consolidated **Western Areas cash at bank increased by A$77.0m to A$171.1m**. The Company is **ready to fully repay the July 2014 convertible bonds** outstanding of A$95.2m which will improve Net Profit Before Tax by A$11.7m in FY15.
3. The offtake contract with Jinchuan that was expected to be completed in February 2015, **is now forecast to complete in December 2014** due to outperformance sales deliveries and a re-tender may commence early.
4. Costs continue to be well managed, with **unit cash cost of nickel in concentrate of A$2.52/lb (US$2.26/lb) for the quarter.**
5. Flying Fox mine production was **79,328 tonnes of ore mined at 4.1% for 3,243 tonnes (7.2M lbs) contained nickel**.
6. Spotted Quoll mine production was **71,614 ore tonnes at 4.8% for 3,466 tonnes (7.6M lbs) of contained nickel.**
7. Total **nickel in concentrate sales comprised 6,418 tonnes (14.1M lbs)**.
8. Exploration efforts continue along the Western Belt between Spotted Quoll and Flying Fox**.**

1. CORPORATE AND FINANCING

Capital Raising

During February the Company announced and successfully completed an A$88.5M ordinary share placement ("Placement"), whilst also undertaking a A$15M Share Purchase Plan (SPP).

The issue price under the Placement and SPP was A$3.00 per share which represented a 3.2% discount to the 5 day volume weighted average price for the period ending on 17 February 2014, being the day prior to announcement of the capital raising. Macquarie Capital (Australia) Limited and UBS AG, Australia Branch acted as Joint Lead Managers, Underwriters and Bookrunners to the Placement.

Western Areas undertook the raising to reduce debt and provide greater balance sheet flexibility as it approaches the maturity of the two convertible bonds over the next 16 months. The strong demand for both the placement and the SPP demonstrates the ongoing commitment of Western Areas shareholders to the Company and validates the capital management strategy.

The SPP closed oversubscribed and ultimately raised $17.75M. These funds were received in early April and will report to the cash balance in the June quarter.

Cashflow

The Western Areas Consolidated Group cash position for the period ended 31 March 2014 is A$175.5m. This includes the majority owned FinnAust Mining Plc cash at bank of A$4.4m.

The Western Areas parent company (WSA, excluding the consolidation of FinnAust Mining Plc) had total cash at bank plus receivables of A$203.0m at 31 March. Importantly cash at bank totaled A$171.1m, being A$77.0m higher than the previous quarter. Major movements in the cash balance for the March Quarter included:

1. Placement proceeds of A$86.5m (net of all costs);
2. On market purchase of convertible bonds (A$15.0m).
3. Payment of the half yearly convertible bond interest (A$7.5m)

Excluding the above major movements, the parent company generated free cashflow for the quarter of A$13.0m.

Nickel Price and Quotational Period Movement

As foreshadowed in the December Quarterly Report, on 12 January 2014 the Indonesian Government implemented a ban on the export of nickel laterite ore. The main sector to suffer from the ban will be Chinese Nickel Pig Iron (NPI) producers, which are dependent on the high grade laterite (1.8% to 2.0% Ni). To this end, a number of recent research commentaries indicate that stockpiles of the Indonesian laterite are quickly depleting, as evidenced by a doubling of the price for this product since late last year.

Western Areas understands that the ban in Indonesia is currently being fully enforced, with a strong political will to maintain the ban in the lead up to local and national elections. As a consequence of the ban, and some concerns regarding Russian supply due to Ukrainian political issues, the nickel price has staged a rally from US$6.34/lb on 31 December 2013 to US$8.35 on 25 April 2014.

For the quarter the nickel price rally was strongest during March and, as a result, the Company benefited from a positive quotational period price movement which has increased profitability for the March quarter. Assuming the nickel price either remains static from the end of March or increases, the positive cashflow movements from the quotational period pricing will flow through in the June quarter.

Debt Facilities

The revised ANZ loan facility executed during March 2013 remains undrawn. The facility has A$125m capacity and during the quarter agreement was reached with ANZ to extend the term of the facility out to March 2017. Final documentation executed documentation.

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 rates.

This facility provides repayment certainty for the July 2015 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

During the quarter the Western Areas repurchased A$15 million in face value of the Company's Convertible Bonds which mature on 2 July 2014. Under the terms and conditions of the bonds these were cancelled post purchase leaving 381 bonds quoted on the Singapore Stock Exchange (SGX).

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

- July 2014 Convertible Bond - A$95.2m with a 6.4% coupon (convert strike price of A$7.37)
- July 2015 Convertible Bond - A$125.0m with a 6.4% coupon (convert strike price of A$6.32)

The Company will consider purchasing further Bonds on market should favourable terms be available.

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 both QP Nickel and US$ hedging of forecast sales. Details of hedges as at 31 March 2014 are as follows:

Hedging Details	FY 2014
FX Hedging - Collar Style Options	
FX US$ Sold	22,500,000
Average US$ Cap	0.9567
Average US$ Floor	0.8147
Nickel Hedging – Swaps	
Nickel Tonnes sold	600
Average US$	15,725

Offtake Contracts and BHP Nickel West Speculation

The Company encourages readers to review the announcement on 8 April 2014 which details an interview with the Managing Director, Mr Dan Lougher, regarding offtake discussions and media speculation surrounding a sale of BHP Billiton Nickel West.

Western Areas continues its policy of not speculating on market rumours, but reiterates the strategic importance of its premium nickel concentrate for blending purposes in the Western Australian and Asia Pacific nickel market.

In this regard, the Company can advise that it is now forecasting to complete the Jinchuan offtake contract earlier than previously anticipated. At this juncture, and based on forward production estimates, the Company expects to complete the Jinchuan contract in December 2014, rather than February 2015. Accordingly, should the Company decide to go to tender for approximately 13,000 tonnes of nickel in concentrate per annum, this now anticipated to commence early in the September quarter this year. Western Areas has already received numerous expressions of interests for this contract and reserves the right to reach an agreement early and not go to tender if the Company believes it's advantageous to do so.

2. MINE SAFETY AND ENVIRONMENT

Safety

There were no LTI's sustained for the quarter however, due to a decrease in total hours worked for the quarter, the lost time injury (LTI) frequency rate rose slightly to 1.91.

During the quarter 112 personnel were trained in the use of Automated External Defibrillators, 57 personnel were trained in hazard awareness and reporting, and 13 people in Job Safety Analysis. In addition 122 personnel reviewed various Forrestania Nickel Operations safety procedures.

In March a further seven people completed a nationally recognised Underground Rescue course, bringing the number of fully qualified team members to 27. Other training has included HazMat Response, Rope Rescue and Medical scenarios. Underground rescue response has recently been enhanced by the receipt of a new vehicle, specifically designed and equipped for six personnel and their fire fighting, rescue and breathing apparatus.

Emergency Response Team exercise – stretcher recovery from height

Environment

No significant environmental incidents were reported during the quarter at any of the Company's controlled operations.

Compliance and Approvals

Strategen Environmental Consultants completed an independent environmental compliance audit during the quarter. Reports relating to the audit are well advanced and are due for completion in the June quarter.

Mine Rehabilitation

Western Areas continued preparation for a transition to the Mining Rehabilitation Fund (MRF) from the existing Environmental Performance Bonds system during the quarter. All data relating to the MRF must be entered into the Department of Mines and Petroleum (DMP) online system by the 30th June 2014.

Astron Environmental Services continued with the development of a Rehabilitation Management Plan (RMP) during the quarter. The main aims of the RMP are to detail the rehabilitation resources that are available and to provide consistent guidelines for rehabilitation methodology and implementation onsite in line with the objectives and criteria detailed in the existing Rehabilitation and Mine Closure Plan.

The development of a Stakeholder Consultation Strategy (SCS) relating to environmental aspects of mine closure commenced during the quarter. The SCS is due for completion during the June quarter.

The Talbot Nursery progressed propagation of seedlings from provenance seed collected onsite. These seedlings will be used in rehabilitation efforts over the winter planting season.

Sustainability

The Carbon Disclosure Project (CDP), an international environmental reporting organisation, will supply relevant emissions data for the most recent reporting period. Preparations for CDP reporting commenced during the quarter.

Collection and analysis of annual National Pollution Inventory and National Greenhouse and Energy Reporting Scheme data continued during the quarter.

Rehabilitation seedlings at Talbot Nursery

3. MINE AND MILL PRODUCTION AND CASH COSTS

Tonnes Mined		2012/2013 Jun Qtr	2013/2014 Sep Qtr	2013/2014 Dec Qtr	2013/2014 Mar Qtr	YTD Total
Flying Fox						
Ore Tonnes Mined	Tns	73,716	86,642	83,095	79,328	249,065
Grade	Ni %	4.7%	4.8%	4.6%	4.1%	4.5%
Ni Tonnes Mined	Tns	3,447	4,200	3,791	3,243	11,234
Spotted Quoll - Underground						
Ore Tonnes Mined	Tns	53,465	77,097	74,720	71,614	223,431
Grade	Ni %	4.8%	5.3%	4.8%	4.8%	5.0%
Ni Tonnes Mined	Tns	2,584	4,090	3,616	3,466	11,172
Total - Ore Tonnes Mined	Tns	127,181	163,739	157,815	150,942	472,496
Grade	Ni %	4.7%	5.1%	4.7%	4.4%	4.7%
Total Ni Tonnes Mined	**Tns**	**6,031**	**8,290**	**7,407**	**6,709**	**22,406**

Flying Fox

Production

For the March quarter the Flying Fox Mine produced **79,328t of ore at an average grade of 4.1% for 3,243t of nickel** from both the Flying Fox and Lounge Lizard deposits. The head grade was lower than previous quarters but was in line with the forecast and full year guidance. We expect the grade to trend upwards in the June quarter.

Stoping ore was split between longhole and jumbo stoping. The T5 stopes were strong performers with the 370, 385 and 490 stoping blocks producing the majority of the tonnes. Ore production was completed in the 370, 615, 655 and 490 blocks, and replaced with stoping in the 285, 630 and 750 levels. Narrow lode stopes were opened up in the 670, 460 and 730 levels.

Air-leg mining continued in the 460, 475 and 410 ore drives, 750 and 365 flat back stopes, plus 510 airleg stope. The 460 to 490 footwall lode has now being opened up and is ready for stoping.

Mine Development

No Decline capital development was carried out but 150m of lateral capital development was completed on the 295 level. The mine also completed 117m of ore drive development, 95m of operating waste and 508m in equivalent meters advance from a combination of flat back stoping and benching.

The twin boom jumbo delivered the majority of the development meters, with the single boom jumbo developing the 490 footwall lode and ground support rehabilitation as required.

335 SOD Bench, grade 6.0% Ni

Spotted Quoll

Production

Spotted Quoll production was **71,614 tonnes at 4.8% for 3,466 nickel tonnes** for the quarter. Year to date, Spotted Quoll has produced 11,172 nickel tonnes and will surpass the targeted ramp up of 12,000 nickel tonnes per annum in the June quarter. The Company would like to acknowledge the operational and contractor teams' achievements in this regard, given the underground mine has been commissioned to a fully operational level ahead of time, below budget and, more importantly, remains LTI free.

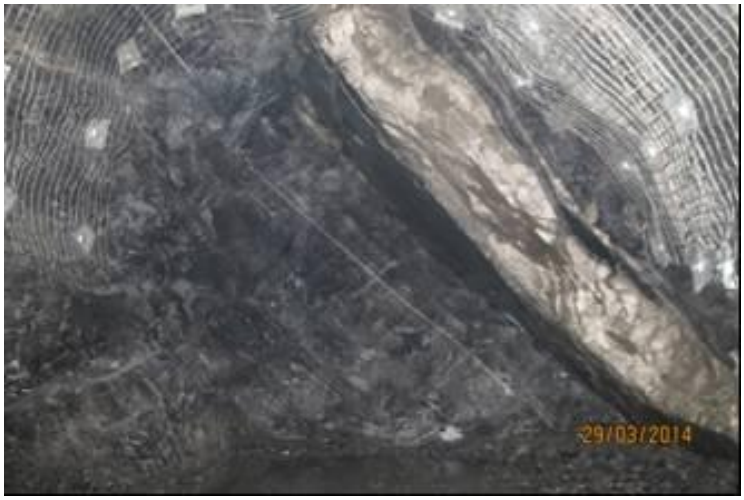
Stoping activities progressed at a steady rate with recovery and dilution factors well within design limits. Stoping block A is nearing completion with one stope remaining to mine at the end of the quarter.

Mine Development

The Hanna Decline advanced 171m during the quarter reaching a depth of 489m below surface. Total lateral development was 964m, with 461m of ore drive development.

Ore drive development has been completed on the 1005 and 1020 levels, which allows the third stoping block to be brought into production ahead of schedule if required.

Split firing at the end of the 1020 ore drive proved successful with additional high grade ore extracted in an otherwise low grade section of ore drive.



1020 Ore Drive: Split fired drive face after bogging of the waste rock

Cosmic Boy Nickel Concentrator

Tonnes Milled and Sold		2012/2013 Jun Qtr	2013/2014 Sep Qtr	2013/2014 Dec Qtr	2013/2014 Mar Qtr	YTD Total
Ore Processed	Tns	146,256	150,475	148,901	147,544	446,920
Grade	%	5.1%	4.9%	4.9%	4.8%	4.9%
Ave. Recovery	%	89%	90%	88%	90%	89%
Ni Tonnes in Concentrate	**Tns**	**6,634**	**6,593**	**6,427**	**6,344**	**19,364**
Ni Tonnes in Concentrate Sold	Tns	7,222	6,554	6,409	6,418	19,381
Total Nickel Sold	**Tns**	**7,222**	**6,554**	**6,409**	**6,418**	**19,381**

The Cosmic Boy concentrator processed **147,544 tonnes of ore at an average grade of 4.8% nickel,** which produced 43,510 tonnes of concentrate grading 14.6% nickel for 6,344 nickel tonnes. As outlined in the December quarterly, concentrator metallurgical recovery increased from 88% to 90% with 99% plant availability. Plant recovery improved during the quarter through the high availability and improvements made to the recovery of Flying Fox concentrate. The Flying Fox ore float recovery has increased by approximately 2% via the application of a new reagent. Also an excellent preventative maintenance performance resulted in a near 100% plant availability.

The Cosmic Boy concentrator celebrated its fifth anniversary since its official opening on 24th March 2009. Since that time the concentrator has processed 2.5MT of ore at an average nickel grade of 4.9%, producing over 112,000 tonnes of nickel in concentrate at an average recovery of 91%.

Sunset at Cosmic Boy Concentrator

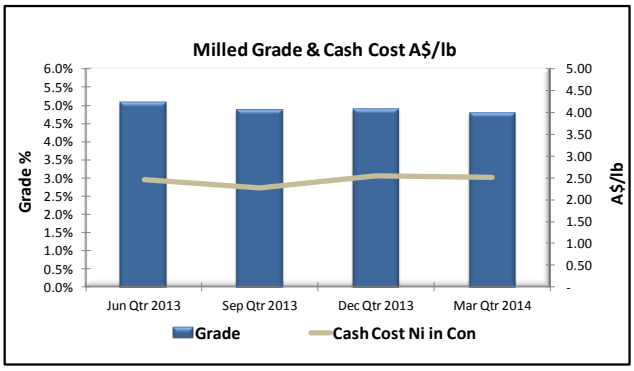
Stockpiles			2012/2013 Jun Qtr	2013/2014 Sep Qtr	2013/2014 Dec Qtr	2013/2014 Mar Qtr
	Ore	Tns	138,862	151,232	159,260	162,658
	Grade	%	4.0%	4.2%	4.1%	3.8%
	Concentrate	Tns	1,383	2,307	2,613	1,866
	Grade	%	14.1%	14.3%	15.8%	14.0%
Contained Ni in Stockpiles		**Tns**	**5,700**	**6,661**	**6,889**	**6,366**

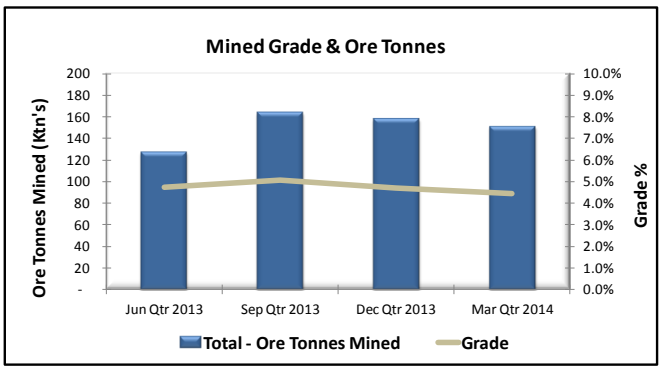
At the end of the quarter, 162,658 tonnes of ore at an average grade of 3.8% nickel, containing over 6,092 tonnes of nickel, was stockpiled at site awaiting treatment at the Cosmic Boy concentrator. The current stockpile represents around three months of mill feed and enables the selection of an optimal mill feed blend.

Cash Costs

Financial Statistics		2012/2013 Jun Qtr	2013/2014 Sep Qtr	2013/2014 Dec Qtr	2013/2014 Mar Qtr	MAR YTD
Group Production Cost/lb						
Mining Cost (*)	*A$/lb*	1.87	1.65	1.88	1.84	1.79
Haulage	*A$/lb*	0.05	0.06	0.06	0.06	0.06
Milling	*A$/lb*	0.38	0.40	0.44	0.43	0.43
Admin	*A$/lb*	0.18	0.19	0.19	0.21	0.20
By Product Credits	*A$/lb*	(0.02)	(0.02)	(0.03)	(0.02)	(0.02)
Cash Cost Ni in Con (***)	***A$/lb***	**2.46**	**2.28**	**2.54**	**2.52**	**2.46**
Cash Cost Ni in Con/lb (***)	***US$/lb (**)***	***2.44***	***2.09***	***2.36***	***2.26***	***2.24***
Exchange Rate US$ / A$		***0.99***	***0.92***	***0.93***	***0.90***	***0.91***

(*) Mining Costs are net of deferred waste costs and inventory stockpile movements
(**) US$ FX for Relevant Quarter is RBA ave daily rate (Mar Qtr = A$1:US$0.8967)
(***) 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 **March quarter was A$2.52/lb** (US$2.26/lb), being a slight improvement on the already low previous quarter of A$2.54/lb. **Year to date unit cash costs sits at A$2.46/lb,** and is currently well below the full year guidance of <A$2.70/lb.

4. NICKEL SALES

Delivery of concentrate from Cosmic Boy to BHP Billiton's operations at Kambalda and Jinchuan's smelter in China continued without disruption during the quarter. **A total of 44,284 tonnes of concentrate was delivered containing 6,418 tonnes of nickel.** The concentrate stockpile at Cosmic Boy stands at 1,866 tonnes at a grade of 14.0% nickel, containing 274 tonnes of nickel metal. Total concentrate stockpiles decreased from the previous quarter, reflecting a reduction in road closures due to rain events.

Loading nickel concentrate into half height containers

The Jinchuan offtake contract is now expected to be completed late in the December quarter 2014, rather than February 2015. The Jinchuan contract was for 26,000t of nickel in concentrate over an estimated two year period. The Company has already fielded early enquiries and bids for this offtake contract, demonstrating the strong demand for the premium concentrate for blending purposes.

Should the Company decide to tender the offtake in line with previous practice, that process is now anticipated to commence two months earlier (potentially as early as June). However, Western Areas has detailed in previous announcements that, due to strong interest and the strategic nature of the nickel concentrate, there remains the potential to award the contract early, given the demand being experienced for premium concentrates.

5. FORRESTANIA MINERAL RESOURCES AND ORE RESERVES

Flying Fox

A revision of the Flying Fox Resource is underway with expected completion by the end of the June quarter. This work is predominately being done in-house with assistance from an experienced external structural geologist.

Remodelling of the Flying Fox T5/T7 orebody suggests that the T7 mineralisation may be trending north towards the dolerite dyke. An underground diamond drill program is being designed to assess this hypothesis. Further modelling work is also underway on the remnant areas above the 800m RL.

The Mineral Resource Estimate (depleted for March quarter) now stands at **1.60Mt of ore at a grade of 5.6% for 90,365 nickel tonnes.**

The Ore Reserve Estimate (depleted for March quarter) now stands at **1.50Mt of ore at a grade of 4.0% for 59,570 nickel tonnes.**

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

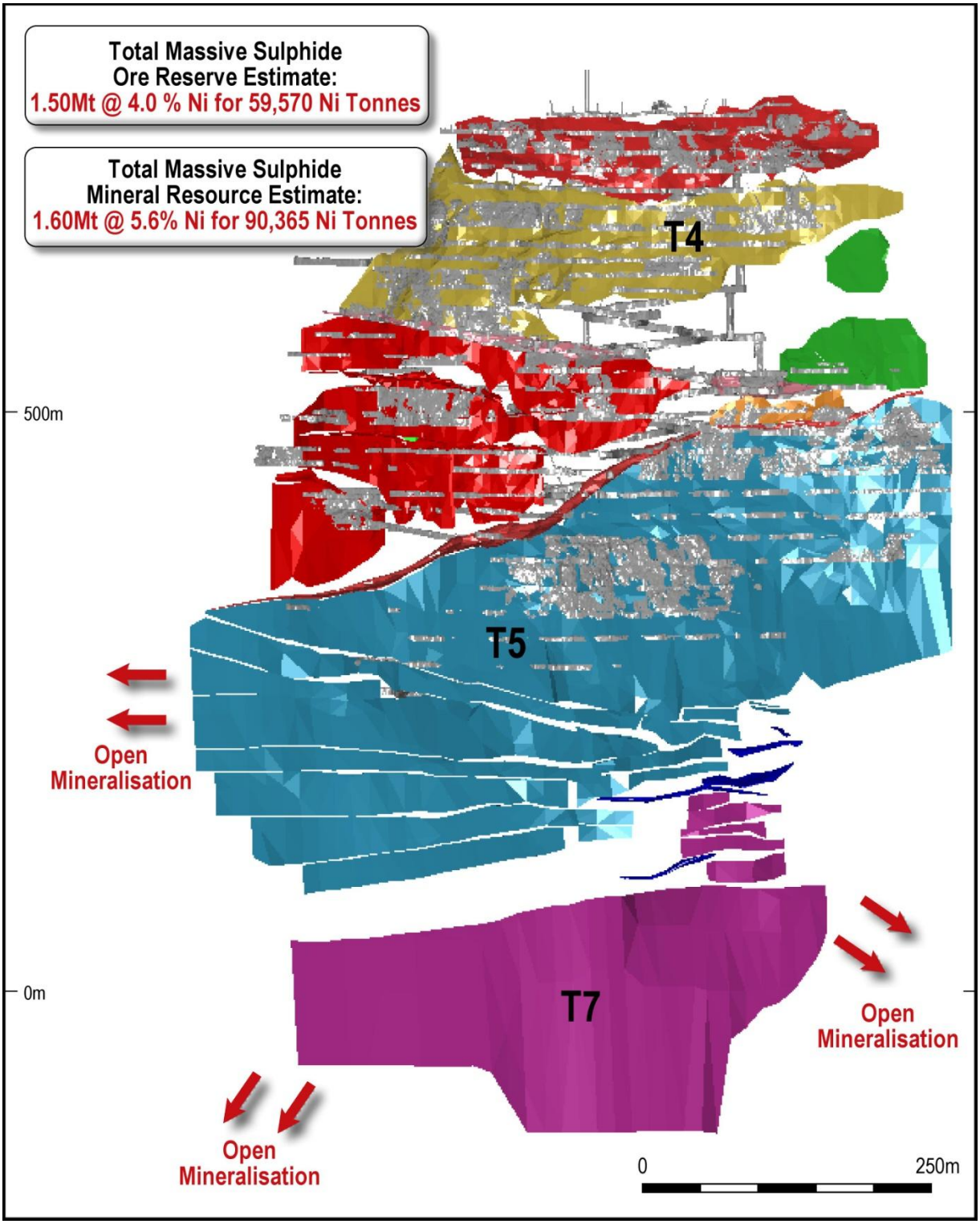


Figure 1: Longitudinal section of the Flying Fox Resource model below the 800mRL

Spotted Quoll

The longitudinal section below (Figure 2) shows the Spotted Quoll mine development with mineral resources and reserves depleted for mining production during the quarter. The Spotted Quoll North Lode has potential to be extended further to the north with surface drilling expected to commence in the June quarter. The North Lode currently has a resource of **139,664 tonnes of ore at a nickel grade of 9.2% for 12.906t of nickel** and therefore any further additions represent very high margin nickel tonnes.

The Mineral Resource Estimate (depleted for March quarter) now stands at **3.25Mt of ore at a grade of 5.5% for 178,985 nickel tonnes.**

The Ore Reserve Estimate (depleted for March quarter) now stands at **2.89Mt of ore at a grade of 4.3% for 122,800 nickel tonnes.**

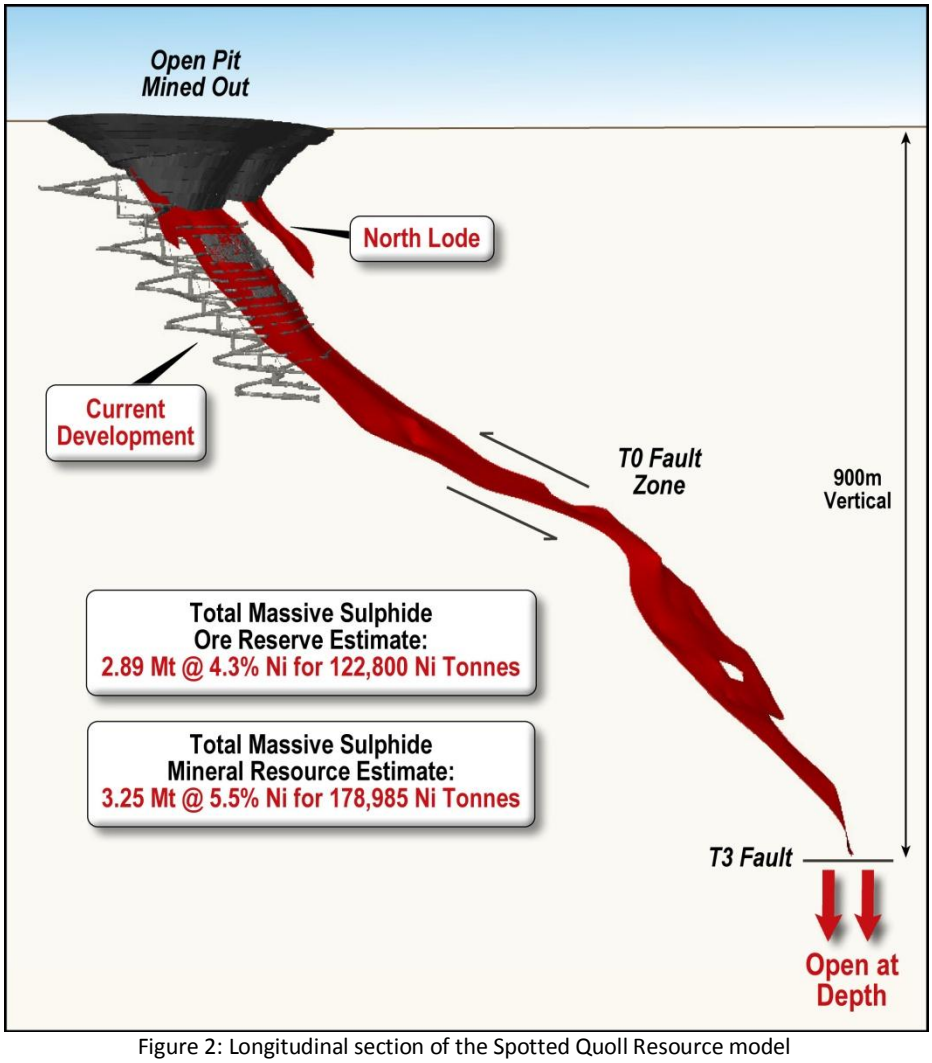


Figure 2: Longitudinal section of the Spotted Quoll Resource model

6. BIOHEAP

BioHeap continues to seek alliances and working relationships with research institutes, engineering firms and test work facilities. BioHeap aims to further establish and strengthen its branding in the bioleaching industry.

Following the positive outcome of the initial scoping study, BioHeap has completed the tendering process for a feasibility study on the treatment of Cosmic Boy flash cleaner tailings stream using its high pH leaching cultures. Proteus Engineers were awarded the contract and the feasibility study has commenced. The study is due for completion in the September quarter 2014.

BioHeap is in the process of reviewing its future R&D test work program. As part of the review, the team aim to explore projects that will strengthen existing technology as well as expand BioHeap capabilities. One of these projects is the possible application of BioHeap to the scats pile being generated at Comic Boy Concentrator. This material has the potential to generate additional nickel if it can be heap leached. It will not need crushing, only stacking and irrigation with the BioHeap solution. The resulting pregnant leach solution could be used to provide additional nickel to the proposed sulphide precipitation circuit in the flash cleaner tail project.

BioHeap has a dedicated web page within the Western Areas website and the BioHeap promotional video is also uploaded onto the BioHeap webpage and is available on YouTube.

7. EXPLORATION

The majority of the exploration activities during the March quarter were directed at the evaluation of the deeper sections of the New Morning deposit and also at a number of targets within the Western Ultramafic Belt (WUB), including at the Lounge Lizard, Beautiful Sunday and Boojum West prospects. Drilling was also undertaken on prospects along the Eastern Ultramafic Belt (EUB), including Liquid Acrobat, Mt Hope, Purple Haze and Mt Gibb (Figure 3).

June quarter exploration drilling is proposed to continue at New Morning, Lounge Lizard, the EUB targets including Liquid Acrobat, Purple Haze, Mt Gibb, Mt Hope and Krasenstein prospects.

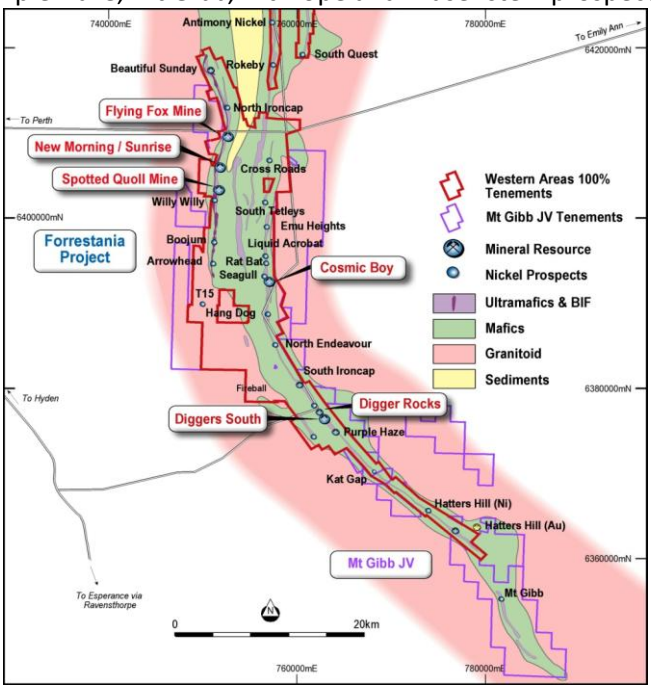


Figure 3: Plan showing Forrestania tenements; mines and key prospects

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 recent exploration continued testing for extensions of the 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).

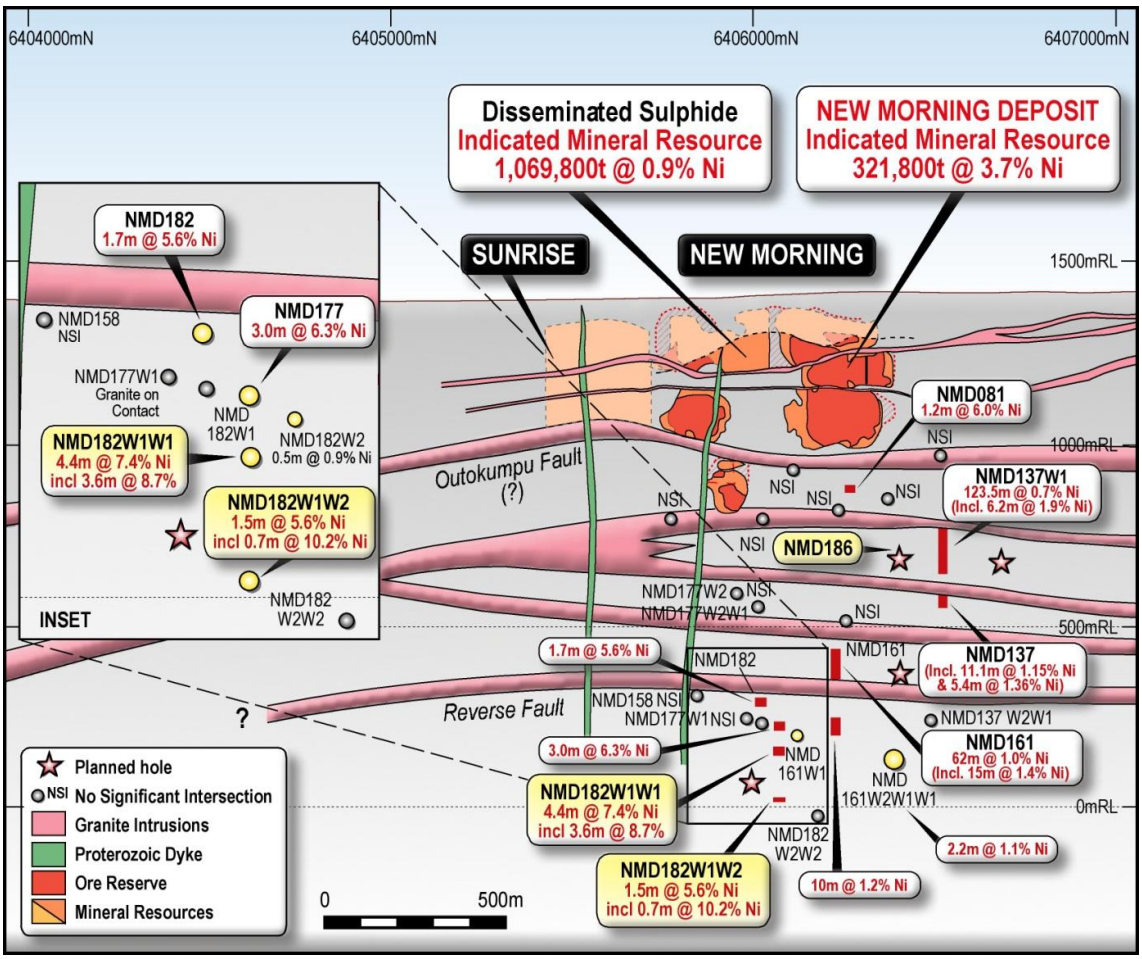


Figure 4: Interpreted Long Projection of the footwall contact at New Morning showing recent drilling and proposed drill targets

The most recent drilling has concentrated on testing the lateral extent of the high grade mineralisation intersected to date in the southern part of the New Morning mineralisation. Holes (NMD177W2 and NMD177W2W1) were drilled to test the up plunge potential of the high grade mineralisation intersected in the NMD177 and NMD182 series of holes and wedges, reported previously. The area tested is equidistant from the new discovery and the shallower known mineralisation.

Initial interpretation of data from the DHEM of the two holes points to the presence of off-hole conductors (plates) adjacent to the holes. The small amount (approximately 10cm) of nickel bearing massive sulphide (Niton spot readings up to 2.7% Ni) intersected adjacent to a granite (fault) in NMD177W2W1 suggests that the conductors are likely to be mineralised (Figure 4).

The current drilling (NMD186) is focussed on locating contact related mineralisation associated with the long intervals of disseminated mineralisation returned in a number of holes some 400m to the north of NMD177W2 and NMD177W2W1 (Figure 5).

These intercepts reported previously include NMD137 (11.1m @ 1.2% Ni from 898.7m and 5.4m @ 1.4% Ni from 921.2m), NMD137W1 (123.5m @ 0.7% Ni from 668m and 6.2m @ 1.9% Ni from 765.8m) and NMD161 (62m @ 1.0% Ni from 1015.1m including 15m @ 1.4% Ni from 1056.3m). This area is poorly tested with holes spaced up to 300m apart. The strategy is to drill a series of holes to both intersect the contact and use the holes as platforms for DHEM to locate further massive sulphide mineralisation.

HOLEID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)	Width (m)	Ni %
NMD177W2	752520	6406248	1411	349.6	DD- wedge	-60	255	No Significant Intercept (NSI)		
NMD177W2W1	752520	6406248	1411	1035.53	DD- wedge	-53	260	994.6m 0.1m Pending		
NMD186	752312	6406447	1400	Est 830m	DD	-78	282	Currently Drilling		

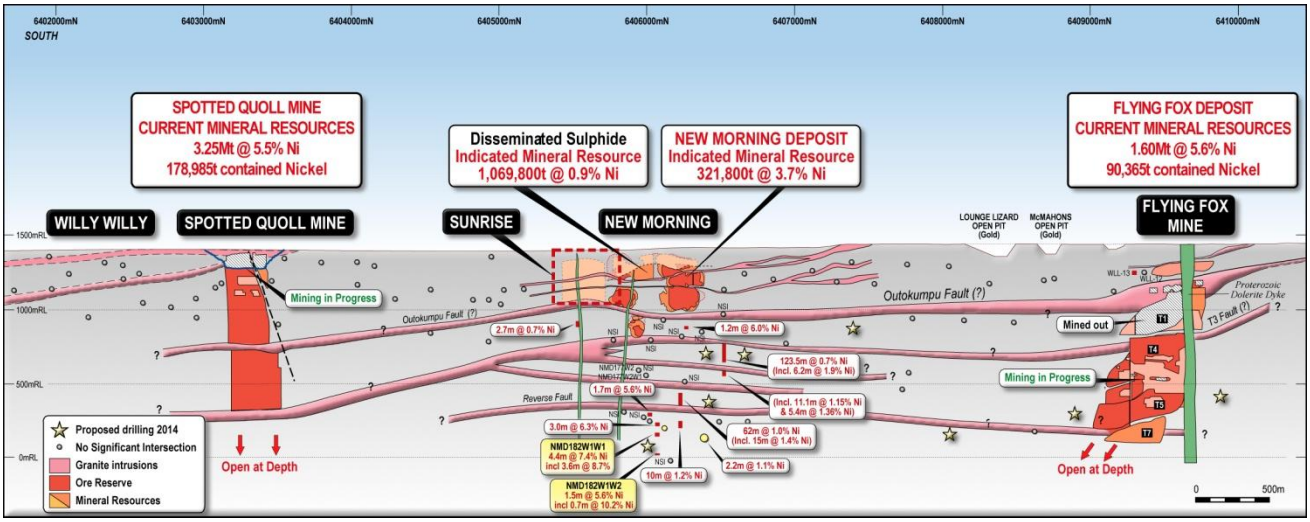


Figure 5: Interpreted Long Projection of the Western Belt footwall contact extending 6km from Spotted Quoll to Flying Fox

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 deposit (currently mined from Flying Fox) and the New Morning deposit (Figure 5).

Two holes (WLL012 and WLL013) were drilled during the quarter testing the southern extensions of the Flying Fox mineralisation. WLL013 intersected a small interval of brecciated /fault affected mineralisation, 0.2m @ 2.8% Ni from 265.6m. It is planned to complete DHEM in the hole in the June quarter to determine if there are extensions to the mineralisation away from the fault.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)
WLL012	752970	6409366	1400	315.4	RC/DD	-52	317	No Significant Intercept (NSI)
WLL013	752968	6409367	1400	309.9	RC/DD	-56	294	0.2m @ 2.8% Ni from 265.6m

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.

A further hole, BSD027, was drilled in the northern portion of Beautiful Sunday, located 8km north of Flying Fox and on the northern end of the WUB. The hole tested the potential for higher grade nickel sulphide associated with a possible interpreted untested portion of the stratigraphy. No significant mineralisation was intersected. Evaluation of the holes drilled to date, including the results of the DHEM, will be undertaken during the June quarter.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)
BSD027	751447	6417225	1400	365.3	RC-DD	-60	240	No Significant Intercept (NSI)

At Boojum West, a further six 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. As with the previous holes, all holes drilled to date returned magnetic granite. No further drilling is planned for this area.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)
SFRC009	750018	6392740	1404	161	RC	-60°	310	No Significant Intercept (NSI)
SFRC010	750451	6392742	1418	167	RC	-60°	270	No Significant Intercept (NSI)
SFRC011	750027	6393080	1401	119	RC	-60°	270	No Significant Intercept (NSI)
SFRC012	750751	6393504	1410	197	RC	-60°	310	No Significant Intercept (NSI)
SFRC013	750100	6393080	1403	110	RC	-70°	290	No Significant Intercept (NSI)
SFRC014	750266	6393823	1401	54	RC	-60°	290	No Significant Intercept (NSI)

The Liquid Acrobat prospect is situated on the Eastern Ultramafic Belt approximately 4km north of the Cosmic Boy camp. The mineralisation comprises generally low grade disseminated material with grades varying from 0.6-0.8% nickel, 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.

A further hole (LAD057) was completed to test for shallow northerly plunge extensions of the central portion of the Liquid Acrobat channel. Although no massive nickel sulphides were intersected, disseminated to matrix sulphides were returned from a faulted interval (below a banded iron formation - BIF). Evaluation of the results will be completed once the assay results are received and the (yet to be completed) DHEM is interpreted.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)	Width (m)	Ni %
LAD057	756490	6395620	1410	513.9	RC	-60	90	RC (to 88.7m) -Assays pending		

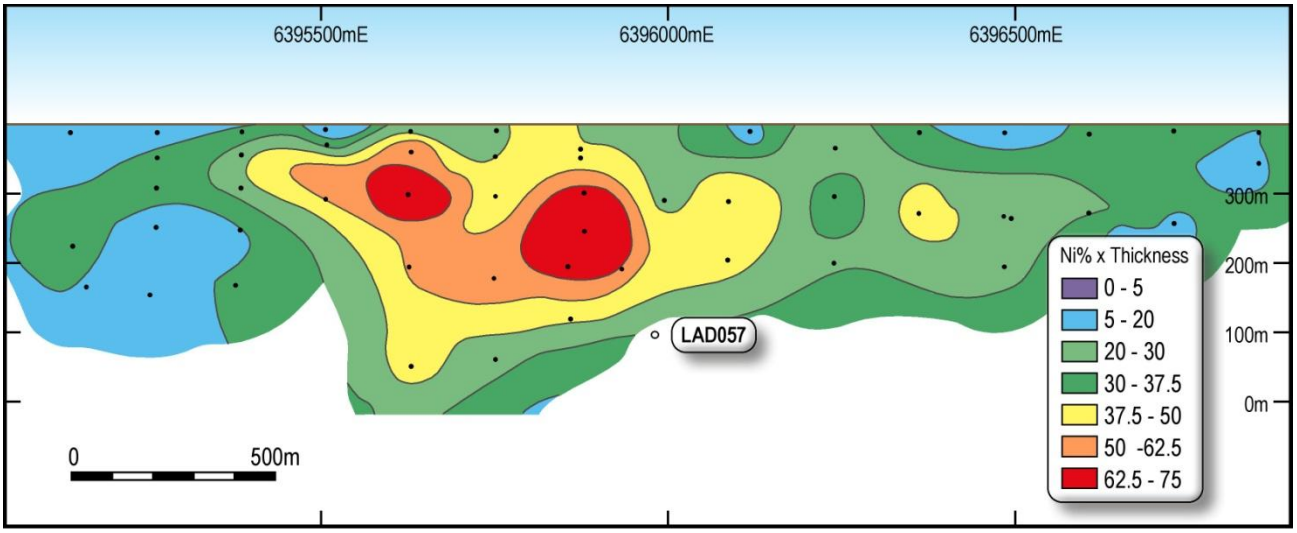


Figure 6: Liquid Acrobat long section showing position of LAD057 with contour of nickel percent times thickness as background.

At Mt Hope, located some 45km north of Cosmic Boy, a program of drilling (tabulated below) has been completed testing the source of a high grade nickel assay returned in historic RAB drilling (2m @ 6% Ni from 24m in MHR0519). Drilling concentrated on the central traverse, 6435700N, with one traverse 100m to the north and one traverse 200m to the south. Thick high grade nickel values (up to 9%) were returned in clays from 8m, see table below for results. The initial interpretation is the source of the nickel is associated with lateritic nickel, but further work and receipt of the assays is required to confirm this.

HOLEID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	Width (m)	Ni %	FROM (m)
MHAC001	763782	6435708	1400	36	A/C	-60°	90°	15m @ 4.3% Ni from 9m		
MHAC002	763765	6435705	1400	43	A/C	-60°	90°	17m @ 1.9% Ni from 8m		
MHAC003	763743	6435703	1400	34	A/C	-60°	90°	7m @ 5.3% Ni from 24m		
MHAC004	763808	6435705	1400	22	A/C	-60°	90°	8m @ 1.7% Ni from 12m		
MHRC042	763750	6435700	1400	45	RC	-90°	0°	No intercepts > 1% Ni (Niton)		
MHRC044	763830	6435700	1400	36	RC	-90°	0°	2m @ 1.0% Ni from 13m (Niton)		
MHRC045	763870	6435800	1400	31	RC	-90°	0°	2m @ 1.4% Ni from 17m (Niton)		
MHRC046	763830	6435800	1400	41	RC	-90°	0°	5m @ 1.3% Ni from 8m (Niton)		
MHRC047	763700	6435500	1400	40	RC	-90°	0°	No intercepts > 1% Ni (Niton)		
MHRC048	763740	6435500	1400	45	RC	-90°	0°	No intercepts > 1% Ni (Niton)		
MHRC049	763660	6435500	1400	40	RC	-90°	0°	8m @ 1.8% Ni from 10m (Niton)		
MHRC050	763620	6435500	1400	49	RC	-90°	0°	3m @ 1.3% Ni from 18m (Niton)		
MHD032	763770	6435700	1400	46.9	DD	-90°	0°	15m @ 1.53% Ni from 9m (Niton)		
MHD033	763790	6435700	1400	45	DD	-90°	0°	11m @ 4.66% Ni from 8m (Niton)		

Mt Gibb JV (Earning 70%)

Within the southern portion of the Mt Gibb joint venture (approximately 45km southeast of Cosmic Boy) a further two holes (MGRC007 and MGRC008) were completed following up DHEM anomalies from MGRC003, which was part of the RC/diamond hole drilling program (reported last quarter) testing several magnetic anomalies, as well as a number of weak to moderate surface and DHEM EM anomalies.

No nickel sulphide mineralisation was intersected in the holes. Barren sulphides intersected within siliceous sediment are consistent with the modelled plate target area. A review of the DHEM from all holes is currently being undertaken and if further drilling is warranted this will be conducted in the June quarter.

HOLE ID	Easting	Northing	RL_MINE	DEPTH (m)	Type	DIP	Azimuth	FROM (m)	Width (m)	Ni %
MGRC007	222047	6352518	1400	101	RC	-60°	215°	Target not intersected		
MGRC008	222047	6352518	1400	215	RC	-75°	215°	NSI		

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. These projects host several significant nickel sulphide discoveries outside of Forrestania. In addition, the Company is also exploring ground within the Musgrave Province.

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

The Company announced the execution of a Farm-in and Joint Venture Agreement with Traka Resources Limited (Traka) in mid 2013. 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 Musgrave JV Project is approximately 1,075km^2 (Figure 7).

Exploration activities during the March quarter included the completion of the RC drilling program (8 holes for a total of 1,842m) and subsequent down-hole electro-magnetic (DHEM) and fixed loop electro-magnetic (FLEM) surveys. Single holes were completed to test the higher priority EM targets identified from the previous ground EM surveys (Figure 7). The DHEM was used to confirm the effectiveness of the drilling, and a number of small FLEM surveys were completed to better constrain the geophysical modelling.

Four holes were completed at the Samaria Prospect, testing a cluster of MLEM conductors in the SW of the prospect where a number of magnetic anomalies were interpreted to surround the central Samaria intrusion. Despite all drill holes encountering favourable geology (intrusive gabbro and gabbro-noritic lithologies), the drilling failed to intersect any high-grade, massive nickel and copper mineralisation.

Drilling at the Atlas prospect tested a series of highly conductive EM anomalies that were interpreted to lie conformably at the base of an interpreted troctolite, as well as within the layered intrusive pile of the Jameson intrusion. No high-grade, massive nickel and copper mineralisation was returned from the drilling, however chalcopyrite mineralisation (+/- magnetite) was returned from a number of holes including 6m @ 0.16% Cu from 52m in WMRC0004. Initial indications are that this mineralisation is similar in style and metal tenor to that of the Succoth deposit within the adjacent BHPB tenements. Further work, including petrology, is now underway to confirm this association.

Whilst the drilling effectively tested the EM targets and confirmed that no high-grade, massive sulphide bodies exist in the surveyed areas, the presence of significant volumes of copper sulphide mineralisation has implications for the discovery of further low-grade, Succoth style deposits within the tenement package. Further work is currently being undertaken to assess the prospectivity of the areas with the project tenure outside of the recently completed ground EM surveys.

HOLE ID	MGA_E	MGA_N	Zone	RL	DEPTH	AZIM	DIP	Type	Prospect	Tenement
	metres	metres	UTM	metres	metres	degrees	degrees			
WMRC0003	390020	7128296	**52**	501	282	197	-60	**RC**	Atlas	E69/2747
WMRC0004	388312	7126683	**52**	498	258	180	-60	**RC**	Atlas	E69/2747
WMRC0005	387536	7126806	**52**	509	230	180	-60	**RC**	Atlas	E69/2747
WMRC0007	396658	7133328	**52**	518	150	315	-60	**RC**	Finlay	E69/2747
WMRC0006	359818	7140494	**52**	530	192	45	-60	**RC**	Samaria	E69/2032
WMRC0001	355617	7138929	**52**	543	250	312	-60	**RC**	Samaria	E69/2253
WMRC0002	355219	7137900	**52**	547	250	200	-60	**RC**	Samaria	E69/2253
WMRC0008	355714	7138720	**52**	548	230	315	-60	**RC**	Samaria	E69/2253

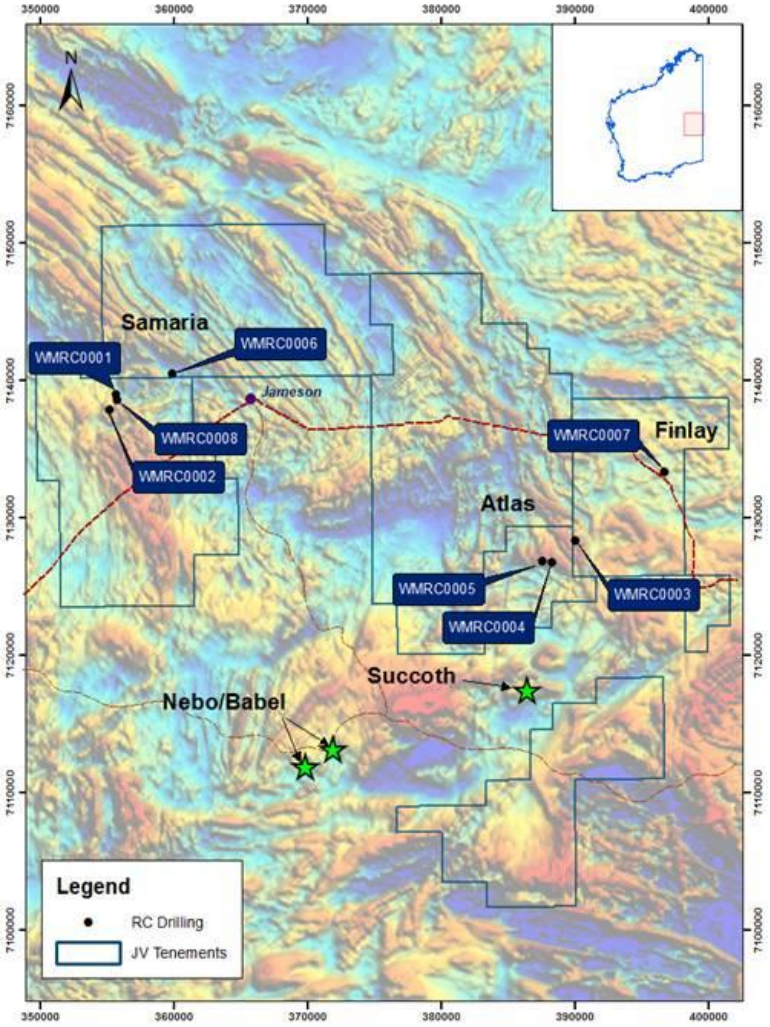


Figure 7: Musgrave Project Tenure and Drill Hole Location Plan

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

An extensive stratigraphic drilling and auger geochemical sampling program was completed in the previous quarters to determine the extent and type of ultramafic stratigraphy in the Marda area. During the course of this exploration, anomalous nickel values were returned from both the aircore (drill hole SXAC0058 intersected up to 0.26% Ni with 141ppm Cu at 38-39m depth) and auger drilling (coincident nickel and copper values up to 1,055ppm Ni and 261ppm Cu) at the Cardinal Prospect (Figure 8). Work is now underway to confirm the source of the anomalism.

Expected exploration activities during the June quarter will include follow-up in the Cardinal area, as well initiation of work in the Perrinvale area. The Perrinvale area is located close to the Mt Alexander Nickel Project (BHPB/WSA JV), where previous drilling has intersected 14m @ 1.91% Ni and 0.75% Cu (including 4.1m @ 4.77% Ni and 1.68% Cu).

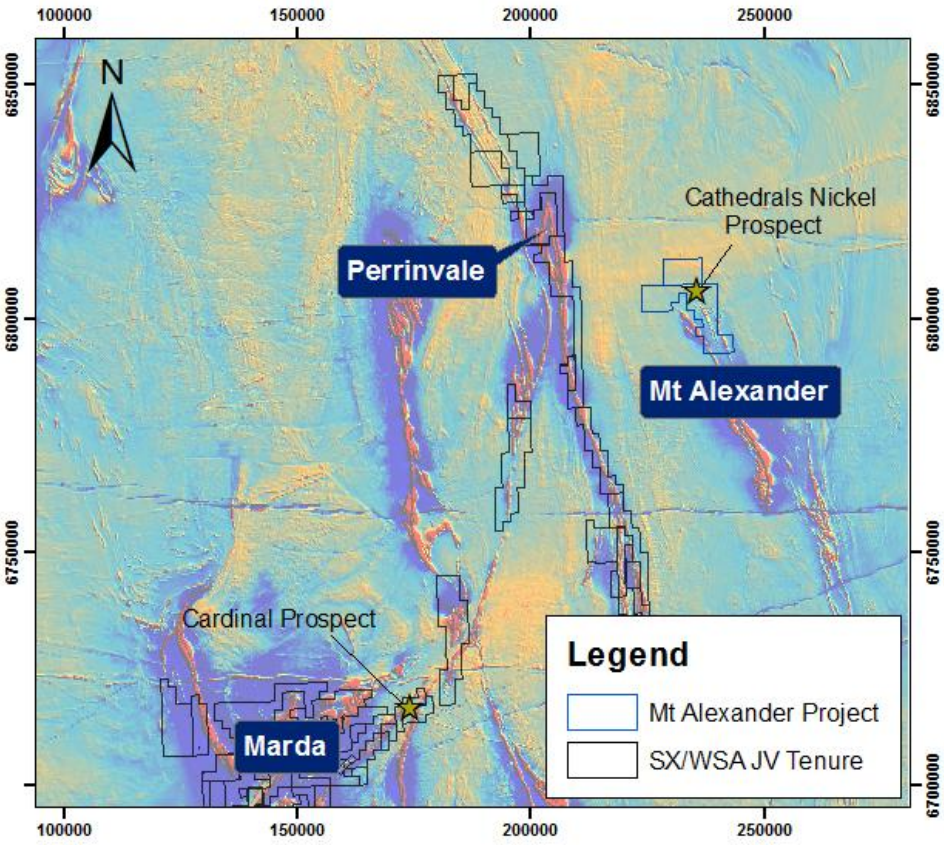


Figure 8: Southern Cross JV Tenure and Exploration Focus Area

Lake King Nickel Joint Venture (WSA 70% interest)

The March quarter saw the initiation of exploration activities over the recently granted tenure to the south of the project. The work comprised auger testing of a number of magnetic anomalies identified from the recently completed high resolution airborne magnetic survey. No previous exploration has been reported from this area, which is some 20km in strike length. Any anomalous responses from the auger drilling will be tested with aircore drilling and or ground electromagnetic surveys in the coming quarter.

10. FINNAUST MINING Plc (WSA 68%)

FinnAust Mining Plc ("FinnAust") completed the reverse takeover of London AIM listed, Centurion Resources Plc (Centurion) with readmission to the London Alternative Investment Market (AIM) (LON:FAM) on 2 December 2013 and successfully raised over £3.4m. Western Areas holds a majority 68% of the enlarged entity.

Following the re-admission to the AIM Market, exploration activities recommenced at the Hammaslahti Copper Project in Southern Finland. To complement the existing regional geological databases, an additional 111km of ground based geophysics was completed and the drill rig was mobilised to site.

Fourteen diamond drill holes for 2,441m have been completed on several regional geophysical targets between 500m and 800m north, east and south-east of the historic Hammaslahti open pits. Whilst no significant widths of massive sulphide mineralisation were intersected, FinnAust geologists believe the minor mineralisation intersected (predominantly disseminated Cu and zinc sulphide minerals, with rare more massive sulphide mineralisation in veins and veinlets) indicates that massive sulphide mineralisation may exist in greater quantities to the North of the open pits. These targets are to be further tested.
A single pilot hole as part of the Hammaslahti deep drill program has also been completed to 172m depth in order to extend the high grade mineralisation intersected in 2012. FinnAust plans to extend this hole to 700m in the coming months. This will allow for multiple directional splays which will help to reduce overall drilling costs and prove up the resource potential of the Project.

The Outokumpu Project is located on a copper belt well renowned for its high grade deposits. Four targets have been identified adjacent to and along strike from the historic Outokumpu copper mine. These have been prioritised for drill testing during this campaign. Due to favourable ice conditions at Outokumpu an on-ice drilling program at Lake Juojärvi commenced in February 2014 to test for Outokumpu-style massive copper and polymetalic mineralisation. The section of untested inferred Outokumpu geology under the lake is approximately 5km long.

All holes intercepted varying thicknesses of prospective Outokumpu geology. One drill hole intercepted approximately 50m of iron sulphides and initial Niton testing suggests this intercept is anomalous in nickel, cobalt and silver. The intercept has been dispatched for multi-element analysis, including gold and silver. The significance or otherwise of this intercept can then be determined.

The drill rig has subsequently returned to Hammaslahti and is currently testing shallow regional targets north and south of the mine corridor prior to drilling commencing in the actual mine corridor in April.

At the Enonkoski Nickel Project, another historic nickel mine with interpreted regional high-grade potential, target generation is well underway. Several geophysical targets have been generated from new and existing geophysical databases. These have been designed to test for high-grade potential similar to an historic intercept of 15m @ 6.9% Ni and 2.0% Cu drilled at the Enonkoski mine itself.

At present it is noted that overall drilling costs incurred by FinnAust as part of its fully costed 10,300m rolling 18 month program are lower than anticipated.

Ice drilling at Lake Juojärvi, Outokumpu

-ENDS-

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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. The information contained in this presentation in relation to the Flying Fox Mine was prepared and first disclosed under the 2004 Edition of the JORC Code. It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

FORWARD LOOKING STATEMENT:
This release contains certain forward-looking statements including nickel production targets. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs.

Examples of forward looking statements used in this report include: "The offtake contract with Jinchuan that was expected to be completed in February 2015, is now forecast to complete in December 2014 due to outperformance sales deliveries and a re-tender may commence early." and, "Remodelling of the Flying Fox T5/T7 orebody suggests that the T7 mineralisation may be trending north towards the dolerite dyke" and,"The Spotted Quoll North Lode has potential to be extended further to the north with surface drilling expected to commence in the June quarter".

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.

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Western Areas Ore Reserve / Mineral Resource Statement - Effective date 31st March 2014

Deposit	Tonnes	Grade Ni%	Ni Tns	JORC Classification	JORC Code
Ore Reserves					
1. Flying Fox Area	1,499,100	4.0	59,570	Probable Ore Reserve	2004
2. Spotted Quoll Main	2,718,300	4.1	113,200	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	**6,494,400**	**3.3**	**213,170**	**Probable Ore Reserve**	
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 Massive Zone	138,998	5.0	6,919	Indicated Mineral Resource	2004
	14,680	3.9	580	Inferred Mineral Resource	2004
T5 Massive Zone	1,126,967	6.0	67,390	Indicated Mineral Resource	2004
	94,500	5.4	5,100	Inferred Mineral Resource	2004
T7 Massive Zone	60,593	5.4	3,268	Indicated Mineral Resource	2004
	9,514	3.1	298	Inferred Mineral Resource	2004
Total High Grade	1,604,152	5.6	90,365		
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	6,587,152	2.0	131,415		
New Morning / Daybreak					
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		
Spotted Quoll Main	200,697	6.2	12,365	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	3,247,637	5.5	178,985		
Beautiful Sunday	480,000	1.4	6,720	Indicated Mineral Resource	2004
TOTAL WESTERN BELT	12,458,688	2.8	347,820		
2. 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		
3. 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	**22,862,788**	**2.0**	**456,340**		

TABLE 1 : SECTION 1 : Sampling Techniques and Data - Forrestania

JORC 2012 TABLE 1

Section 1: Sampling Techniques and Data

Criteria	*JORC 2012 Explanation*	Comment
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 55º and 75º. • 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. • Where indicated samples are also tested with a NITON portable XRF machine on-site to determine an initial estimation of grade. For diamond drill core sample interval is 0.5m. For RC drill samples, the NITON samples are prepared by first obtaining a representative cutting of the 3kg drill metre sample, drying the cutting, and then a determination is made.
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 downhole 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 labaratory 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.

		• MGA94 Zone 50 grid coordinate system is used. • The accuracy of the pillars used in WSA's topographical control networks operate within the Mines Regulations accuracy requirement of 1:5000 for control networks.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• 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

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

Criteria	***JORC 2012 Explanation***	**Comment**
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 done by other parties.	• *Acknowledgment and appraisal of exploration by other parties.*	• Western Areas has been exploring its wholly owned tenements since 2002. The tenements subject to the Kagara sale which took place in March 2012 were explored by Kagara since 2006 and Lionore and St Barbara prior to that time. Western Areas has managed both the Mt Gibb JV since 2009 (Great Western Exploration explored the ground prior to that time) and the Lake King JV since 2007 (A small amount of work carried out by WMC prior to that date)
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The FNO lies within the Forrestania Greenstone Belt, which is part of the Southern Cross Province of the Yilgarn Craton in Western Australia. The main deposit type is the komatiite hosted, disseminated to massive Nickel sulphide deposits, which include the Flying Fox and Spotted Quoll deposits which are currently being mined. The mineralisation occur in association with the basal section of high MgO cumulate ultramafic rocks.

		• The greenstone succession in the FNO district also hosts a number of orogenic lode gold deposits of which Bounty Gold Mine is the biggest example. Some exploration for this style of deposit is undertaken by Western areas from time to time in the FNO tenements.
Drill hole Information	*• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *• easting and northing of the drill hole collar* *• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *• dip and azimuth of the hole* *• 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.

TABLE 1 : SECTION 1 : Sampling Techniques and Data – Musgraves Joint Venture

JORC 2012 TABLE 1

Section 1: Sampling Techniques and Data

Criteria	*JORC 2012 Explanation*	Comment
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.*	• Reverse Circulation (RC) drilling is used for sampling. • Each sample interval is split to approximately 3kg using a rig mounted cone splitter. • Each sample is sent for analysis to Bureau Veritas Australia Pty Ltd laboratories in Perth. • The sample is pulverised in the laboratory (total prep) to produce a sub sample for assaying. • Each sample is also tested with a NITON portable XRF machine on-site to determine an initial estimation of grade. • The NITON samples are prepared by first obtaining a representative cutting of the 3kg sample, drying the cutting, and by then preparing an approximate 10g pressed pellet for determination. • All sampling was conducted using WSA QAQC sampling protocols which are in accordance with industry best practice.
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).*	• Exploration targets are tested using Reverse Circulation (RC) drilling. Holes were typically drilled perpendicular to the strike of the geophysical anomaly or stratigraphy, at angles ranging between 55º and 75º. • RC drilling comprises a nominally 140mm diameter face sampling hammer drilling.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias*	• RC recoveries are logged and recorded via the ***Ocris*** logging software and captured within the project database. • Overall recoveries are >95% and there has been no significant loss of sample material due to ground or drilling issues. • Each individual samples are visually checked for recovery, moisture and contamination. • The style of mineralisation and the consistency of the mineralised intervals are expected to preclude any issue of sample bias due to material loss or gain.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)* • *The total length and percentage of the relevant intersections logged.*	• Geological logging is recorded on ***Ocris*** logging software (*Toughbook* platform) • Drill chips are logged for lithology, mineralogy, mineralisation, weathering, fabric, grainsize, colour and other relevant features. • Geotechnical logging was not completed due to the nature of drill method. • All holes have been logged from the surface to the end of hole.
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.*	• The RC samples were collected every metre on the drill rig using a cone splitter. • Composite samples (where taken) are collected via riffle splitting or spearing the initial sample to generate a single sample. • Field QC procedures involve the use of certified reference material as assay standards, along with blanks, duplicates and barren washes. The insertion rate of these averaged 1:20, with an increased rate in mineralised zones. • Field duplicates are conducted on approximately 1 in 10 drill intersections. • The sample sizes are considered to be appropriate to correctly represent the geological model based on: the style of mineralisation, the thickness and consistency of the expected intersections, the sampling methodology and percent value assay ranges for the primary elements.
Quality of assay data labaratory 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*	• All drill samples are subjected to ICP-AES analysis using nitric, perchloric, hydroflouric and hydrochloride acid digest. Samples which assay greater than 10000ppm Ni are treated to OG62 near total digest using the same 4 acids, suitable for

	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.*	silica based samples, and analysed using conventional ICP_AES analysis. Samples are routinely assayed for PGE's using PGM-ICP23 • Standards and blanks are routinely used to assess company QAQC (approx 1 std for every 12-15 samples). • The portable XRF analysis QAQC involves blanks and standards (approx 1 in 20 samples). The NITON XRF data is only used as an approximate guide to facilitate the determination of the laboratory assay sampling intervals.
Verification of sampling and assaying	*• The verification of significant intersections by either independent or alternative company personnel.* *• The use of twinned holes.* *• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *• Discuss any adjustment to assay data.*	• Primary data was collected using the ***Ocris*** logging software, on *Toughbook* computers. • All data is validated by the supervising geologist, and sent to WSA Perth for further validation and integration into a *Microsoft Access* database.
Location of data points	*• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *• Specification of the grid system used.* *• Quality and adequacy of topographic control.*	• Drill holes were located using hand held GPS. • Elevation data is captured with hand held GPS, and cross referenced with local topographical maps (DMP produced), SRTM data and recently captured DTM models (where covered by the Aeromagnetic Surveys – Thomson Aviation). • MGA94 Zone 52 grid coordinate system is used.
Data spacing and distribution	*• Data spacing for reporting of Exploration Results.* *• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *• Whether sample compositing has been applied.*	• Drill holes are located and specifically planned according to target location and geometry. • Samples are collected every metre down hole with RC drilling. • Sample compositing has not yet been applied, but may do so depending on the assay information required.
Orientation of data in relation to geological structure	*• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The majority of the drill holes are orientated to achieve intersection angles as close to perpendicular to the target or stratigraphy as possible. • Heritage and/or environmental constraints may prevent some ideal drilling solutions. • No orientation based sampling bias has been observed in the data, intercepts are reported as down-hole lengths.
Sample Security	*• The measures taken to ensure sample security.*	• All samples are captured and prepared for transport onsite under the supervision of WSA staff. • All samples are collected in sealed task specific containers (Bulka bags – plastic pallets) and delivered from site to Perth and then the assay laboratory via WSA staff.
Audits and Reviews	*• The results of any audits or reviews of sampling techniques and data.*	• Adrian Black of Newexco Pty Ltd (a member of the AIG), an independent exploration company, has reviewed the data and sampling techniques employed by WSA.

Section 2: Reporting of Exploration Results

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

Criteria	***JORC 2012 Explanation***	**Comment**
Mineral tenement and land tenure status	*• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Musgraves Project comprises 5 exploration licenses covering some 1,075m^2, which are held under the Traka Resources Limited/Western Areas Limited Farm-In and Joint Venture (JV) Agreement. • Prior to the formation of the Musgraves Joint Venture, Traka wholly owned 1 of the project tenements with the remainder of the tenements subject to various Joint Ventures. • WSA has now earned 30% of Traka's nickel rights of the project tenure by completing Stage 1 of the JV earn-in agreement. • All the tenements are in good standing.
Exploration done by other parties.	*• Acknowledgment and appraisal of exploration by other parties.*	• The project area was originally explored by WMC as part of its extensive gold, titanium, Iron and nickel target generation work, and more recently by Traka Resources Limited under a number of JVs. Traka has successfully managed all exploration work within the JVs prior to the recent Traka/WSA JV, which has built the foundations for and helped streamline the current exploration work.

Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Musgrave Project lies within the Musgraves Block of central Australia. The Musgrave Block is a Mesoproterozoic orogenic belt comprised of high metamorphic grade basement lithologies and younger felsic, mafic and ultramafic intrusives, mostly related to the Giles Magmatic Event of the Warakurna Large Igneous Province. Magmatic nickel and copper sulphides can occur in the mafic-ultramafic intrusives. • Typically, the nickel and copper sulphide deposits found to date are mafic hosted (gabbronoritic, troctolitic or dioritic), large tonnage and low grade (examples being Nebo/Babel and Succoth). • Whilst not a primary target type, gold is also indirectly targeted and is part of the routine assay suite.
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 will be employed. • Reported assays will be length and bulk density weighted. • 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 true widths of mineralised intersections are difficult to predict during this phase of exploration due to the type of drilling (RC), lack of structural data and often complex intrusive relationships. • However, examples of mineralised intersections at other deposits in the area (Nebo/Babel) suggest a reasonable amount of confidence.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figures in the text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All significant results are reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Multi-element analysis was conducted routinely on all samples for a base metal suite and potentially deleterious elements including Al, As, Co, Cr, Cu, Fe, Mg, Ni, S, Ti, Zn, Zr.
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 Musgrave Project is ongoing. • At this stage of the exploration program, the nature of the geological model is evolving. Details of further work and will be forthcoming as the project progresses.

TABLE 1 : SECTION 1 : Sampling Techniques and Data – Southern Cross Joint Venture

JORC 2012 TABLE 1

Section 1: Sampling Techniques and Data

Criteria	*JORC 2012 Explanation*	Comment
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.*	• Air-core (AC) drilling and Auger drilling were used for sampling. • Each AC sample interval is split to approximately 3kg using a riffle splitter, A <3kg sample is taken from the Auger drill spoil. • Each sample is sent for analysis to Bureau Veritas Australia Pty Ltd laboratories in Perth where the sample is pulverised in the laboratory (total prep) to produce a sub sample for assaying. • Each AC sample is also tested with a NITON portable XRF machine on-site to determine an initial estimation of grade. • The NITON samples are prepared by first obtaining a representative cutting of the 3kg sample, drying the cutting, and by then preparing an approximate 10g pressed pellet for determination. • All sampling was conducted using WSA QAQC sampling protocols which are in accordance with industry best practice.
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).*	• Exploration targets are tested using Air-core (AC) drilling. Holes were typically drilled perpendicular to the strike of the geophysical anomaly or stratigraphy, at angles ranging between 60º and 90º. • AC drilling comprises a nominally 54mm diameter cutting bit and occasionally a face sampling hammer.
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*	• AC recoveries are logged and recorded via the ***Ocris*** logging software and captured within the project database. • Overall recoveries are >95% and there has been no significant loss of sample material due to ground or drilling issues. • Each individual samples are visually checked for recovery, moisture and contamination. • The style of mineralisation and the consistency of the mineralised intervals are expected to preclude any issue of sample bias due to material loss or gain.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)* • *The total length and percentage of the relevant intersections logged.*	• Geological logging is recorded on ***Ocris*** logging software (*Toughbook* platform) • Drill chips are logged for lithology, mineralogy, mineralisation, weathering, fabric, grainsize, colour and other relevant features. • Geotechnical logging was not completed due to the nature of drill method. • All AC holes have been logged from the surface to the end of hole. • Auger samples are checked for carbonate content. Rudimentary regolith and geology and colour were recorded.
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.*	• The AC samples were collected every metre on the drill rig using a riffle splitter. • Composite samples (where taken) are collected via further riffle splitting or spearing the initial sample to generate a single sample. • Field QC procedures involve the use of certified reference material as assay standards, along with blanks, duplicates and barren washes. The insertion rate of these averaged 1:20, with an increased rate in mineralised zones. • Field duplicates are conducted on approximately 1 in 10 drill intersections. • The sample sizes are considered to be appropriate to correctly represent the geological model based on: the style of mineralisation, the thickness and consistency of the expected intersections, the sampling methodology and percent value assay ranges for the primary elements. •

Quality of assay data labaratory 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 drill samples are subjected to ICP-AES analysis using nitric, perchloric, hydroflouric and hydrochloride acid digest. Samples which assay greater than 10000ppm Ni are treated to OG62 near total digest using the same 4 acids, suitable for silica based samples, and analysed using conventional ICP_AES analysis. Samples are routinely assayed for PGE's using PGM-ICP23 • Standards and blanks are routinely used to assess company QAQC (approx 1 std for every 12-15 samples). • The portable XRF analysis QAQC involves blanks and standards (approx 1 in 20 samples). The NITON XRF data is only used as an approximate guide to facilitate the determination of the laboratory assay sampling intervals.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Primary data was collected using the ***Ocris*** logging software, on *Toughbook* computers. • All data is validated by the supervising geologist, and sent to WSA Perth for further validation and integration into a *Microsoft Access* database.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill holes were located using hand held GPS. • Elevation data is captured with hand held GPS, and cross referenced with local topographical maps (DMP produced), SRTM data and DTM models. • MGA94 Zone 50 grid coordinate system is used.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill holes are located and specifically planned according to target location and geometry. • Samples are collected every metre down hole with AC drilling. • Sample compositing has been applied where broad assay and lithological are indicated from the geological logging and Niton data..
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 to the target or stratigraphy as possible. • No orientation based sampling bias has been observed in the data, intercepts are reported as down-hole lengths.
Sample Security	• *The measures taken to ensure sample security.*	• All samples are captured and prepared for transport onsite under the supervision of WSA staff. • All samples are collected in sealed task specific containers (Bulka bags – plastic pallets) and delivered from site to Perth and then the assay laboratory via WSA staff.
Audits and Reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Adrian Black of Newexco Pty Ltd (a member of the AIG), an independent exploration company, has reviewed the data and sampling techniques employed by WSA.

Section 2: Reporting of Exploration Results

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

Criteria	***JORC 2012 Explanation***	**Comment**
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Southern Cross Nickel Project comprises an extensive portfolio of mining. exploration and prospecting licenses covering some 3,300m² in the 'Central Yilgarn Nickel Province'. • Western Areas Limited and Southern Cross Goldfields Ltd (SXG) signed a Farm-In and Joint Venture (JV) Agreement over the tenure in late 2011. • Prior to the formation of the Southern Cross Nickel Joint Venture, SXG operated the project tenements subject to various Joint Ventures. • WSA has earned 70% of SXGs nickel rights of the project tenure by completing Stage 1 of the JV earn-in agreement. • All the tenements are managed by SXG.
Exploration done by other parties.	• *Acknowledgment and appraisal of exploration by other parties.*	• The area has been extensively explored by SXG and other parties for gold, and also on a lesser scale for nickel. • SXGs exploration has successfully added gold resources to the mining and future processing operations in the Marda area.

Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Southern Cross Project lies within the Southern Cross Province of the Yilgarn Craton in Western Australia. • Western Area's exploration is tailored to the discovery of komatiite hosted, disseminated to massive nickel sulphides, in which the mineralisation typically occurs in association with the basal zone of high MgO cumulate ultramafic rocks. • The greenstone succession in the Southern Cross district also hosts a number of orogenic lode gold deposits. Whilst not a primary target type, gold is also indirectly targeted and is part of the routine assay suite.
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 will be employed. • Reported assays will be length and bulk density weighted. • 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 true widths of mineralised intersections are difficult to predict during this phase of exploration due to the type of drilling (AC and Auger), lack of structural data and often complex intrusive relationships. • Intervals are reported as down hole widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figures in the text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All significant results are reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Multi-element analysis was conducted routinely on all samples for a base metal suite and potentially deleterious elements including Al, As, Co, Cr, Cu, Fe, Mg, Ni, S, Ti, Zn, Zr.
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 SXG JV tenements continues to evaluate the prospective stratigraphic succession containing the cumulate ultramafic rocks using geochemical and geophysical surveys and drilling. • At this stage of the exploration program, the nature of the geological model is evolving. Details of further work will be forthcoming as the project progresses.