



12 September 2013

ASX: WSA

News Release

HIGH GRADE MINERAL RESOURCE DOUBLES AT SPOTTED QUOLL NORTH Maiden Ore Reserve Released

Western Areas Ltd (ASX:WSA, "Western Areas" or the "Company") is pleased to announce positive developments at its Spotted Quoll mine with a doubling of the Mineral Resource for the Spotted Quoll North Zone and the establishment of a maiden underground Ore Reserve for this high grade massive sulphide deposit.

Key highlights include:

- ✓ **Mineral Resource doubled to 11,520 nickel tonnes with 80% in the Indicated Category:**
 - Indicated Resource of 113,500t at 9.3% for 10,573 nickel tonnes
 - Inferred Resource of 21,520t at 11.0% for 2,367 nickel tonnes
- ✓ **Maiden Ore Reserve of 168,000t at 5.7% for 9,600 nickel tonnes, representing one of the highest grade nickel ore reserves in the world.**
- ✓ **Ore Reserve in the North Zone replenishes approximately one year's low cost production from the Spotted Quoll mine, extending the mine life already estimated to exceed 10 years.**

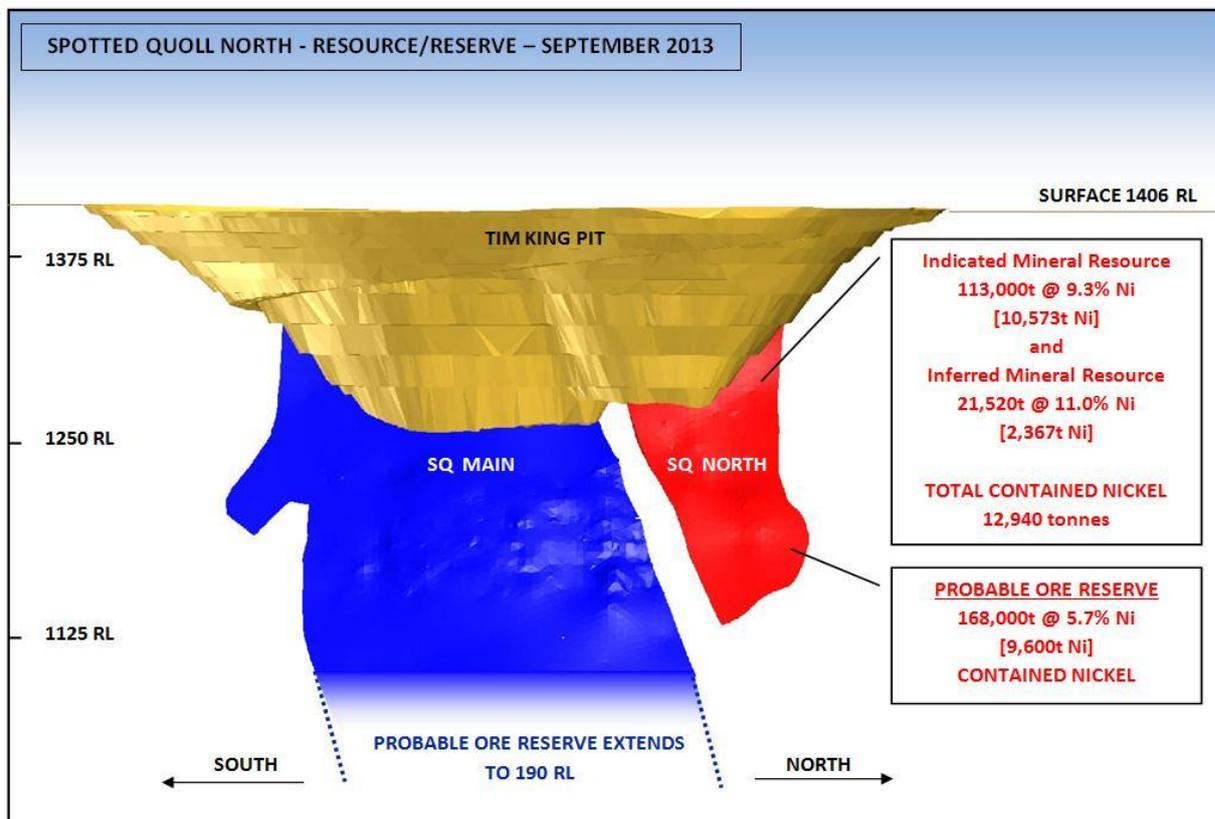


Figure 1: Long section showing Spotted Quoll and Spotted Quoll North



Managing Director, Dan Lougher, said “the Company is extremely pleased with the outcome of the extension drilling program at Spotted Quoll North.”

“The high grade Reserves and Resources announced today from Spotted Quoll North reaffirm the world class quality of this asset.”

“The latest upgrades from the extensions to the northern lode confirm our belief that Spotted Quoll has significantly more upside than the existing mine life which is already in excess of 10 years.

“The Ore Reserve released today represents approximately one year’s additional production, and due to the significantly higher grade will facilitate a lower cash cost to mine compared to the already low cost of the main lode. In addition, access to the northern lode is straight forward given the decline infrastructure is already established below the North reserve.”

“Shareholders will recall, when the Company was mining the Spotted Quoll open pit we were mining grades of up to 11% in the northern lode of the orebody. Ultimately the entire open pit yielded a grade of 6%.”

“We are starting to see our disciplined approach to near mine exploration be rewarded with the release today of the maiden Ore Reserve for Spotted Quoll North and the recent announcements regarding the high grade intersections at New Morning, a mere 2.8km away from the existing infrastructure at Spotted Quoll.”

The Company is also working on an updated Mineral Resource for the Spotted Quoll main lode and is planning to release these results in the September quarterly report.

The Spotted Quoll Mineral Resource estimate shown below in Table 1 is classified in accordance with the Australian JORC Code (2012). The effective date of the Mineral Resource estimate is 12 September 2013.

	Indicated			Inferred		
	Ore (kt)	Ni (%)	Ni (t)	Ore (kt)	Ni (%)	Ni (t)
SQ North Resource June 30, 2012	51	11.3%	5,730	0	0.0%	0
SQ North Resource Sept, 2013	113	9.3%	10,573	22	11.0%	2,367
Mineral Resource Increase	62	7.8%	4,843	22	11.0%	2,367

Table 1: Mineral Resource Estimate – Spotted Quoll North – 12 September 2013 – deposit above a lower cut-off of 0.0% Ni for Indicated and 0.0% Ni for Inferred.

The Probable Ore Reserve estimate is given in Table 2 below is classified in accordance with the Australian JORC Code (2012). The effective date of the Ore Reserve estimate is 12 September 2013.

	Probable Classification		
	Ore (kt)	Grade Ni (%)	Contained Ni (t)
SQ North reserve 12 Sept 2013	168	5.70%	9,600

Table 2: Ore Reserve Estimate for Spotted Quoll North September 2013



JORC 2012 – Summary of Material Information

The Spotted Quoll Nickel sulphide deposit is located at the Forrestania Nickel Operations, 400 km southeast of Perth. Spotted Quoll is located wholly within Mining Lease M77/583.

The deposit is hosted within a sequence of sedimentary, ultramafic and mafic rocks within the Western Ultramafic Belt. The sulphide mineralisation consists of massive to matrix sulphides located in a possible shear zone in metasedimentary rocks overlain by a package of ultramafic and mafic rocks. The deposit belongs to the Archean komatiite hosted nickel type.

Sampling Techniques and Data

Drilling of the Spotted Quoll north massive sulphide lens is by diamond drilling (DD) and reverse circulation (RC) drilling. However, the bulk (>80 %) of the resource estimate is derived from DD. The nominal drill hole spacing is 15m – 20m along strike and 15m – 30m downdip. Drill hole collar locations were surveyed by Western Areas surveyors and all DD holes surveyed using a gyroscopic survey tool.

Sampling of DD core was based on geological intervals (typically of 1 m length). The core, of NQ2 diameter, was cut into half or quarter and was pulverised to produce a sample for chemical analysis. RC drilling comprises 140 mm diameter face sampling hammer drilling. Samples from RC drilling consisted of chip samples at 1 m intervals from which three kilograms was pulverised to produce a sample for assaying as per the DD samples. Quality control procedures involved assay standards, along with blanks and duplicates. These QA/QC samples were inserted at an average of 1:15 and duplicates were taken on a 15 % by volume basis.

Density determinations were performed on the DD samples using the classical water immersion method and the density calculated. Density of the massive sulphide orebody within the mineral resource is determined using a formula that relates density and nickel readings on individual DD samples. Logging of diamond and RC samples recorded lithology, mineralogy, mineralisation, structure/geotechnical features (DD only), weathering and other descriptive features of the samples. All drilling data is collected electronically and stored and validated in a database.

Estimation and modelling techniques

The attitude of the orebody at Spotted Quoll north is well constrained by DD drilling at depth and by grade control drilling and previous open pit mining near surface. The orebody is planar and dips approximately 50° to the east. Three dimensional modelling of the orebody intersections, clearly defines the true width of the orebody and no orientation based sampling bias is observed in the data. Samples were composited to one metre lengths, making adjustments to accommodate residual sample lengths. No top cuts were applied. The mineral envelope was determined using a nominal 0.0 % Ni grade cut-off. Nickel and ancillary element estimation was completed using Ordinary Kriging and Inverse Distance Power in conventional mining software.

The Spotted Quoll deposit is currently being mined using long hole stoping methods with paste fill. The mining method has been taken into account during the estimation process. Final reporting of Mineral Resources excluded the mined out areas as of 30th June 2013.

Cut-off parameters

A Reserve cut-off grade of 2% Ni for stopes and 1.5% Ni for ore drives was selected to obtain an Ore Reserve that fits the following criteria:

- In situ average grade equal or greater than Life of Mine breakeven grade.
- Mean Arsenic concentration that enables production of a saleable concentrate.
- Positive NPV
- Maximum mine life

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.



Metallurgical and Mining Assumptions

The Spotted Quoll deposit has been subject to mining operation for many years. Current mining method uses long hole stoping methods with paste fill. The mining method, which is unlikely to change, has been taken into account during the estimation process.

Mining Model has been realised with MINE24Dv15 and EPS Codes (MINERP software house). Mining factors have been selected using historical performance data of the deposit, particularly:

- The Mineral Resource model used is a Datamine format.
- The minimum mining width is 1.0 metre.
- The max stable stope length is 35 metres with a stope height between 8 and 15 metres.
- Hanging Wall planned dilution is 0.75 metres and Foot Wall planned dilution is 0.4 metres.
- Unplanned dilution (including paste dilution) is 2% of stope volume.
- Ore recovery is 95%.
- Production rates reflect current mining performances and practice.

The Cosmic Boy Concentrator facility has been in operation for many years. The metallurgical process is a well tested technology for Nickel Sulphides recovery with three stages of fragmentation with wet screening for size classification, one milling stage with cyclone size classification and two stages of flotation including Arsenic rejection.

Further Resource and Reserve Parameters (Australian JORC Code 2012) are supplied in Appendix 1.

-ENDS-

For further details, please contact:

Dan Lougher
Managing Director – Western Areas Ltd
Telephone +61 8 9334 7777
Email: dlougher@westernareas.com.au

David Southam
Executive Director – Western Areas Ltd
Telephone +61 8 9334 7777
Email: dsoutham@westernareas.com.au

Shane Murphy
FTI Consulting
Telephone +61 8 9485 8888 / 0420 945 291
Email: shane.murphy@fticonsulting.com

Or visit: www.westernareas.com.au

COMPETENT PERSON STATEMENTS - MINERAL RESOURCE

The Mineral Resources as stated have been estimated by Andre Wulfse BSc (Hons), MAusIMM, a full time employee of Western Areas Ltd. Shane Kenworthy PhD, BSc (Hons) who is an Independent Consultant that assisted with the Geological Modelling. Shane is a member of AIG. Andre Wulfse is a member of SACNAS and the AusIMM and takes overall responsibility for the Mineral Resource Estimate. These resource estimations have been carried out to professional industry and best practice standards and are compiled by a Qualified and Competent Person, as required in the rules of the ASX and the JORC Code, December 2012. Mr Wulfse and Mr Kenworthy consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

COMPETENT PERSON STATEMENTS – ORE RESERVE

The information in the report to which this statement is attached that relates to Ore Reserves is based on information compiled by Mr Marco Orunesu Preiata, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and a full-time employee of Western Areas Ltd. Mr Orunesu Preiata has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Orunesu Preiata consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

WESTERN AREAS



FORWARD LOOKING STATEMENT: This release contains certain forward-looking statements. Examples of forward-looking statements used in this release include: “extending the mine life already estimated to exceed 10 years” and “The latest upgrades from the extensions to the northern lode confirm our belief that Spotted Quoll has significantly more upside than the existing mine life which is already in excess of 10 years” and, “ The Company is also working on an updated Mineral Resource for the Spotted Quoll main lode and is planning to release these results in the September quarterly report.”.

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

This announcement does not include reference to all available information on the Company or the Forrestania Nickel Project or the Spotted Quoll Mine and should not be used in isolation as a basis to invest in Western Areas. Any potential investors should refer to Western Area's other public releases and statutory reports and consult their professional advisers before considering investing in the Company.

For Purposes of Clause 3.4 (e) in Canadian instrument 43-101, the Company warrants that Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.



APPENDIX 1 –JORC 2012 TABLE 1 - RESOURCE AND RESERVE PARAMETERS

Section 1: Sampling Techniques and Data

Criteria	Commentary	JORC Code explanation
Sampling techniques	Most of the Spotted Quoll (SQ) North Deposit was sampled using diamond drill (DD) on a nominal 15m – 20m spacing along strike and 15m – 30m spacing down dip. A total of 88 composited DD samples were used in the Mineral Resource Estimate (MRE). SQ Main grade control data which includes face samples and grade control drilling results as well as face mapping was used to build the geological models which form the basis for the MRE. Holes were generally drilled perpendicular (west) to the strike (north-south) of the stratigraphy, at angles ranging between 60° and 75°. RC samples were only used for the blocks within and immediately below the open pit. Final reporting excluded the mined out pit area.	<ul style="list-style-type: none"> • <i>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.</i>
	Drill holes were surveyed by Western Areas (WSA). The Spotted Quoll Deposit was initially discovered in 2007 using geophysical techniques. It has since been exploited using open pit and underground mining techniques. This MRE is an update of a previous MRE based on additional exploration, underground development and an independent structural study. Samples were taken in accordance with WSA protocols and sample representivity is assured by an industry standard QAQC program.	<ul style="list-style-type: none"> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>
	Diamond drill (DD) core was marked at 1m intervals and sample lengths were typically of this length. Sampling boundaries were selected to match the main geological and mineralisation boundaries. Core was cut in half by diamond saw blades and one half quartered with a quarter stored for assay and a quarter preserved as a geological archive. Samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis by 4 acid digest with an ICP/AES and FA/ICP (Au, Pt, Pd) finish. Samples from RC drilling consisted of chip samples at 1m intervals from which 3 kg was pulverised to produce a sub sample for assaying as per the DD samples.	<ul style="list-style-type: none"> • <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>
Drilling Techniques	Diamond drilling comprises NQ2 sized core The core was oriented using ACT II control panels and ACT III downhole units. RC drilling comprises 140mm diameter face sampling hammer drilling.	<ul style="list-style-type: none"> • <i>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).</i>
Drill sample recovery	Diamond core and RC recoveries are logged and recorded in the database. Overall recoveries are >95% and there are no core loss issues or significant sample recovery problems.	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>
	Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. RC samples were visually checked for recovery, moisture and contamination.	<ul style="list-style-type: none"> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>
	The bulk of the resource is defined 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.	<ul style="list-style-type: none"> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias</i>

WESTERN AREAS



Criteria	Commentary	JORC Code explanation
Logging	Geological and geotechnical logging was carried out on all diamond drillholes for recovery, RQD and number of defects (per interval). Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure table of the database.	<ul style="list-style-type: none"> • 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.
	Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (DDH only), weathering, colour and other features of the samples. Core was photographed in both dry and wet form.	<ul style="list-style-type: none"> • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)
	All drillholes were logged in full.	<ul style="list-style-type: none"> • The total length and percentage of the relevant intersections logged.
Sub-sampling techniques and sampling preparation	Core was cut in quarters (NQ2) onsite using an Almonte automatic core saw. All samples were collected from the same side of the core.	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken.
	RC samples were collected using a riffle splitter. All samples in the mineralised zones were dry.	<ul style="list-style-type: none"> • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.
	The sample preparation of diamond core follows industry best practice in sample preparation involving oven drying, coarse crushing of the quarter core sample down to ~10 mm followed by pulverisation of the entire sample (total prep) using LM5 grinding mills to a grind size of 90% passing 75 micron. The sample preparation for RC samples is identical, without the coarse crush stage.	<ul style="list-style-type: none"> • For all sample types, the nature, quality and appropriateness of the sample preparation technique.
	WSA included field Ni standards ranging from 0.7% - 8.4% Ni that were routinely submitted with sample batches in order to independently monitor analytical performance. Standards were fabricated and prepared by Gannet Holdings, Perth, using high – grade nickel sulphide ore sourced from the Silver Swan mine. Standards were supplied in 55g sealed foil sachets.	<ul style="list-style-type: none"> • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.
	Field duplicates were taken on a 15% by volume basis. Duplicate quarter samples were sent to the commercial lab by WSA.	<ul style="list-style-type: none"> • 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.
	The sample sizes are considered to be appropriate to correctly represent the sulphide mineralisation at Spotted Quoll based on: the style of mineralisation (massive sulphide), the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.	<ul style="list-style-type: none"> • Whether sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data laboratory tests	All samples were assayed by an independent certified commercial laboratory (ALS). The laboratory used by WSA is experienced in the preparation and analysis of nickel sulphide ores. Samples were dissolved using nitric, perchloric, hydrofluoric and hydrochloride acid digest to destroy silica. Samples were analysed for Al(0.01%), As(5), Co(1), Cu(1), Fe(0.01%), Cr(1), Mg(0.01%), Ni(1), S(0.01%), Ti(0.01%) and Zn(1) using Method Me-ICP61 (detection limit in brackets, values in ppm unless stated). All samples reporting > 1%Ni were re-assayed by the OG62 method by ALS.	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

WESTERN AREAS



Criteria	Commentary	JORC Code explanation
	No Geophysical tools or handheld XRF instruments were used to determine any element concentrations that were subsequently used for MRE purposes.	<ul style="list-style-type: none"> 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.
	Standards and blanks were routinely used to assess company QAQC (approx 1 std for every 12-15 samples). Duplicates were taken on a 15% by volume basis, field based umpire samples were assessed on a regular basis. Accuracy and precision were assessed using industry standard procedures such as control charts and scatter plots. Results indicated no material issues associated with sample preparation and analytical error. In occasional cases where a sample did not meet the required quality threshold, the entire batch was re analysed.	<ul style="list-style-type: none"> 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.
Verification of sampling and assaying	Newexco Services Pty Ltd has independently visually verified significant intersections in the diamond core.	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel.
	No holes were twinned in the recent drilling program.	<ul style="list-style-type: none"> The use of twinned holes.
	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.	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.
	No adjustments were made to assay data compiled for this estimate.	<ul style="list-style-type: none"> Discuss any adjustment to assay data.
Location of data points	Hole collar locations were surveyed by WSA surveyors. The Leica GPS1200 used for all surface work has an accuracy of +/- 3cm.	<ul style="list-style-type: none"> 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.
	A two point transformation is used to convert the data from MGA50 to Local Grid & vice versa. Points used in transformation: MGA50 Points yd1="6409901.808" xd1="752967.748" yd2="6409502.17" xd2="752502.175" Local Grid Points ym1="28619.176" xm1="33997.535" ym2="28223.604" xm2="33528.778"	<ul style="list-style-type: none"> Specification of the grid system used.
	The accuracy of the pillars used in WSA's topographical control networks comes within the Mines Regulations accuracy requirement of 1:5000 for control networks.	<ul style="list-style-type: none"> Quality and adequacy of topographic control.
Data spacing and distribution	Drillholes were spaced at an approx. 30m (northing) x30m grid for the areas that will be affected by mining in the next two years and nominally 60m by 60m for areas that will be affected by mining in the subsequent years.	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results.
	The extensive drill program coupled with information derived from underground observations and previous open pit mining has demonstrated sufficient and appropriate continuity for both geology and grade within the Spotted Quoll Deposit to support the definition of Mineral Resources and Reserves, and the classification applied under the 2012 JORC Code.	<ul style="list-style-type: none"> 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.

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.



Criteria	Commentary	JORC Code explanation
	Samples were composited to one metre lengths, making adjustments to accommodate residual sample lengths. A metal balance validation between the raw data and the composited data was undertaken with no material issues identified.	<ul style="list-style-type: none"> • Whether sample compositing has been applied.
Orientation of data in relation to geological structure	The Spotted Quoll North deposit strikes at 030° and dips nominally 50° east. All drilling was conducted from east to west. Most of the drilling was conducted from the hanging wall i.e. from the east to the west. Results from an independent structural study on the deposit along with historical regional and near mine structural observations complemented the detailed structural core logging results to provide a geological model that was used with an appropriate level of confidence for the classification applied under the 2012 JORC Code.	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.
	No orientation based sampling bias has been observed in the data.	<ul style="list-style-type: none"> • 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.
	All core samples were delivered from site to Perth and then to the assay laboratory by an independent transport contractor.	<ul style="list-style-type: none"> • The measures taken to ensure sample security.
	No external audit of the Mineral Resource has been undertaken to date.	Audits or Reviews
		<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data.

Section 2 Reporting of Exploration Results -Not Applicable

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	Commentary	JORC Code explanation
Database Integrity	All data has been recorded in excel templates with reference lookup tables. All data is imported into an Acquire relational database	<ul style="list-style-type: none"> • Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.
	Validation is a fundamental part of the Acquire data model and is implemented via referential integrity and triggers. Referential constraints ensure that, for example, Hole ID matches collar and downhole data. Triggers check criteria such as code validity, overlapping intervals, depth and date consistencies. All fields of code data have associated look-up table references.	<ul style="list-style-type: none"> • Data validation procedures used.
Site visits	Andre Wulfse who is the Competent Person has made many site visits to the Spotted Quoll Deposit. Shane Kenworthy (responsible for the geological modelling) has similarly visited the site to inspect drilling, logging, and sampling procedures. He has also mapped ore drives and logged core.	<ul style="list-style-type: none"> • Comment on any site visits undertaken by the Competent Person and the outcome of those visits.
	Not applicable.	<ul style="list-style-type: none"> • If no site visits have been undertaken indicate why this is the case.

WESTERN AREAS



Criteria	Commentary	JORC Code explanation
Geological interpretation	Due to the spacing of drilling and the understanding of similar deposits within the Forrestania Ultramafic Belt, the geological interpretation is considered to be sound. The deposit is located within the traditional footwall of the basal ultramafic metasediment contact, which was probably the original locus for sulphide deposition from an overlying pile of komatiite flows. Subsequent metamorphism, deformation and intrusion of granitoid sills has contributed to a complex setting, with mineralisation now occupying a possible shear zone within the footwall sediments, 15-20m stratigraphical beneath the basal contact.	<ul style="list-style-type: none"> • <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>
	Lithogeochemistry and stratigraphic interpretation have been used to assist the identification of rock types. No assumptions are made.	<ul style="list-style-type: none"> • <i>Nature of the data used and of any assumptions made.</i>
	Alternative interpretations of the mineral resource were considered. In particular the previous model as well as the grade control model for the upper levels was extensively validated against the current geological and resource model. Alternative interpretations of mineralisation do not differ materially from the current. WSA has successfully mined the deposit using a similarly derived geological and resource model.	<ul style="list-style-type: none"> • <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i>
	The Mineral Resource Estimate is based upon a robust geological model. The hanging wall and footwall contacts of the mineralised zone were modelled with a level of confidence commensurate with the resource classification category. The extents of the geological model were constrained by drillholes intercepts and extrapolation of the geological contacts beyond the drill data was minimal for the Indicated category.	<ul style="list-style-type: none"> • <i>The use of geology in guiding and controlling Mineral Resource estimation.</i>
	Key factors affecting geologic continuity relate to pervasive felsic intrusive units and faults. The nugget effect associated with Ni mineralisation in these types of deposits affects the grade continuity. The geological discontinuities have been modelled and the grade discontinuities have been accounted for in the estimation modelling.	<ul style="list-style-type: none"> • <i>The factors affecting continuity both of grade and geology.</i>
Dimensions	The strike length of the Resource is nominally 140m near surface. The nominal mean dip length from surface is 340m. The geometric mean thickness of the mineralised zone is 3.8m with a maximum thickness of 8.5m.	<ul style="list-style-type: none"> • <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>
Estimation and modelling techniques	Grade and ancillary element estimation using Ordinary Kriging and Inverse Power Distance (IPD) was completed using Datamine™ Studio 3 software. The methods were considered appropriate due to drill hole spacing and the nature of mineralisation. Sample data was composited to 1m downhole lengths and flagged on domain codes. Metal balance validation tests were performed on the composites to ensure zero residuals. Intervals with no assays were excluded from the MRE. Top cuts investigations were completed and no top cuts were applied on the basis of grade distribution, Coefficient of Variation and a comparative analysis of the underground data vs the drilldata. Sample data was flagged using domain codes generated from 3D mineralised wireframes. Qualitative Kriging Neighbourhood Analysis was used to determine the optimum search neighbourhood parameters. Directional variography was performed for Ni and selected ancillary elements. Nugget values are typical for the type of mineralisation (Ni = 20% -40% of the total variance). Ranges of continuity for Ni vary from 20m to 60m in the direction of preferred orientation of mineralisation. Estimation validation techniques included	<ul style="list-style-type: none"> • <i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, method was chosen include a description of computer software and parameters used and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i>

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

WESTERN AREAS



Criteria	Commentary	JORC Code explanation
	<p>swathe plots of the grade of the composites vs the grade of the block model.</p>	
	<p>The 2013 MRE is an update of an MRE that was undertaken in 2011 and was extensively validated against the 2011 MRE.</p>	<ul style="list-style-type: none"> • <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i>
	<p>No assumptions were made about the recovery of by products in this estimate. WSA currently doesn't have any off take agreements in place for by-products.</p>	<ul style="list-style-type: none"> • <i>The assumptions made regarding recovery of by-products.</i>
	<p>Arsenic is considered a deleterious element as it has an adverse effect on the recovery of Ni. As was routinely assayed with Ni and was subsequently modelled and estimated into the block model. The mean As content of Spotted Quoll North is negligible.</p>	<ul style="list-style-type: none"> • <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i>
	<p>The block model was constructed using a 25mE x 20mN x 10mRL parent size, with sub cells. All estimation was completed at the parent cell scale thereby avoiding any potential geostatistical support issues. The size of the search ellipse was based on the drill hole spacing and domain dimensions. Two search passes were used; the first was 150m x 120m x 50m in the X, Y and Z directions respectively. The second pass used a search volume factor of 50% of the first pass. Drill spacing is 30m by 30m in areas that will be affected by mining in the next two years and 60m by 60m in subsequent areas.</p>	<ul style="list-style-type: none"> • <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i>
	<p>No selective mining units were assumed in the estimate.</p>	<ul style="list-style-type: none"> • <i>Any assumptions behind modelling of selective mining units.</i>
	<p>No assumptions were made about correlation between variables.</p>	<ul style="list-style-type: none"> • <i>Any assumptions about correlation between variables.</i>
	<p>The geological interpretation was developed using geological, structural and lithogeochemical elements. The geological framework associated with extrusive komatiite hosted deposits, and the structural elements observed at the local and wide scale, were used to determine and refine mineral domains. The hangingwall and footwall contacts of mineralisation were used as hard boundaries during the estimation process and only blocks with the geological wireframe were informed with Ni grades.</p>	<ul style="list-style-type: none"> • <i>Description of how the geological interpretation was used to control the resource estimates.</i>
	<p>Geostatistical and visual investigation of the grade distribution negated the need for grade cutting or capping.</p>	<ul style="list-style-type: none"> • <i>Discussion of basis for using or not using grade cutting or capping.</i>
	<p>Validation of the block model included comparing the volume of resource wireframes to block model volumes. It also involved comparing block model grades with drill hole grades by means of swathe plots showing easting, northing and elevation comparisons. Visual grade validations were undertaken. Grade and tonnage reconciliation of the 2011 model has been closely monitored over the past 12 months of underground mining and found to be within acceptable thresholds. The assumptions and methodologies used during the 2013 estimation are very similar to that of the 2011 model. Based on a thorough validation and verification exercise,</p>	<ul style="list-style-type: none"> • <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

WESTERN AREAS



Criteria	Commentary	JORC Code explanation
	WSA is satisfied that the grade and tonnage estimate is robust.	
Moisture	Tonnages were estimated on a dry basis.	<ul style="list-style-type: none"> • Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.
Cut-off parameters	The mineral envelope was determined using a nominal 0.0% Ni grade cut-off. The resource is reported at a 0.0% Ni cut-off for Indicated and 0% Ni for Inferred which is a reasonable representation of the mineralised material prior to the application of economic and mining assumptions and a reserve cut-off. The Spotted Quoll mineralisation tenor is relatively high when compared to other komatiite hosted deposits, and hence a lower cut-off grade is appropriate.	<ul style="list-style-type: none"> • The basis of the adopted cut-off grade(s) or quality parameters applied.
Mining factors or assumptions	The Spotted Quoll deposit is currently being mined using long hole stoping methods with paste fill. The mining method which is unlikely to change has been taken into account during the estimation process.	<ul style="list-style-type: none"> • Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.
Metallurgical factors or assumptions	Ore from the Spotted Quoll deposit is currently being processed on site, where Nickel concentrate is produced using a three-stage crushing, ball mill, and flotation and thickener/filtration system. Arsenic rejection in the flotation circuit ranges from 50 – 70%.	<ul style="list-style-type: none"> • The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.
Environmental factors or assumptions	All waste and process residue is disposed of through the Cosmic Boy concentrator plant and its tailings dam. All site activities at site are undertaken in accordance with WSA's environmental policy.	<ul style="list-style-type: none"> • Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.
Bulk density	Bulk Density has been determined using a tried and tested Ni grade regression based formula.	<ul style="list-style-type: none"> • Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.
	Core at Spotted Quoll is generally void of vugs, voids and other defects. Rocks are from the amphibolite facies and faults have largely been annealed. Porosity is considered low.	<ul style="list-style-type: none"> • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.
	The bulk density values were estimated into the block model using the same search parameters that were used to interpolate Ni within the geological domains.	<ul style="list-style-type: none"> • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.
Classification	The Spotted Quoll Mineral Resource is classified as Indicated and Inferred on the basis of drillhole spacing and Kriging efficiency mainly.	<ul style="list-style-type: none"> • The basis for the classification of the Mineral Resources into varying confidence categories.

WESTERN AREAS



Criteria	Commentary	JORC Code explanation
	The definition of mineralised zones is based on a high level of geological understanding. The model has been confirmed by infill drilling, supporting the original interpretation. It is believed that all relevant factors have been considered in this estimate, relevant to all available data.	<ul style="list-style-type: none"> • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).
	The Mineral Resource Estimate appropriately reflects the view of the Competent Person.	<ul style="list-style-type: none"> • Whether the result appropriately reflects the Competent Person's view of the deposit.
Audits or reviews	This is a follow up of a previous Mineral Resource Estimate that was completed and reported in accordance with the JORC Code (2004) and has not been externally reviewed.	<ul style="list-style-type: none"> • The results of any audits or reviews of Mineral Resource estimates.
Discussion of relative accuracy/confidence	The geological and grade continuity of the Spotted Quoll deposit is well understood and the mineralisation wireframes used to build the block model have been designed using all available exploration and mining data. Furthermore, previous estimates of grades have been tested by routine reconciliation of stockpile and mill grades to the current grade control and previous resource models. Post processing block model validation was extensively undertaken using geostatistical methods before the resource was reported.	<ul style="list-style-type: none"> • Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.
	The Mineral Resource statement relates to local estimates of tonnes and grade.	<ul style="list-style-type: none"> • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.
	The MRE was compared to the production grade control data and the results are discussed in the CPR. The upper section of the deposit has been mined by open pit methods and underground mining of SQ Main has been in place for the past year.	<ul style="list-style-type: none"> • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.

Section 4 Estimation and Reporting Ore Reserves

Criteria	Commentary	JORC Code explanation
Mineral Resource estimate for conversion to Ore Reserves	<p>WSA undertook a review of the Spotted Quoll deposit on February 2013 after the completion of the new drilling campaign. The underlying Mineral Resource is described in Sections 1 to 3 of the present Table 1.</p> <p>The Mineral Resources are reported inclusive of the Ore Reserves.</p>	<ul style="list-style-type: none"> • Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.
Site visits	<p>Spotted Quoll is an operating underground mine. The Competent Person carries out routine site visits of the deposit and its infrastructures as part of normal working duties.</p> <p>Western Areas Ltd (WSA) set up a data collection and record system to manage Spotted Quoll operation from a technical and economical point of view. All the data is used in this Ore Reserves estimation.</p> <p>Mine design and mining method is based primarily on the recommendations laid out in the original Feasibility study.</p>	<ul style="list-style-type: none"> • Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.
Study status	<p>WSA completed a Feasibility Study on the Spotted Quoll underground deposit in November 2010 as a continuation of the Spotted Quoll open pit. A public release was made 15th of December 2010. Underground mining started officially on the 2nd of May 2011 with the first cut of the decline's portal. The Feasibility Study is still valid and unchanged in its fundamentals.</p> <p>The present Ore Reserves estimation is an update that considers the new Mineral Resources, the performance of</p>	<ul style="list-style-type: none"> • The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

WESTERN AREAS



Criteria	Commentary	JORC Code explanation
	the operation to date and a revised commodity price estimate.	
Cut-off parameters	<p>A Reserve cut-off grade of 2% Ni for stopes and 1.5% Ni for ore drives was selected to obtain an Ore Reserve that fits the following criteria:</p> <ul style="list-style-type: none"> • In situ average grade equal or greater than Life of Mine breakeven grade. • Mean Arsenic concentration that enables production of a saleable concentrate. • Positive NPV • Maximum mine life <p>More detail regarding cut off parameters are reported in the following sections.</p>	<ul style="list-style-type: none"> • <i>The basis of the cut-off grade(s) or quality parameters applied.</i>
Mining factors or assumptions	<p>The Reserve is based on methods and assumptions - mine schedules and budgets - in mines that has been in operation for at least 7 years. The level of study is considered better than a Definitive Feasibility Study (DFS).</p> <p>Spotted Quoll is an operating mine. All infrastructures (with the exception of future capital development) are present and utilised on site.</p> <p>The mining method used is predominantly longhole stoping with a top down sequence and paste filling of resultant voids.</p> <p>Mining Model has been realised with MINE24Dv15 and EPS Codes (MINERP software house). Mining factors have been selected using historical performance data of the deposit, particularly:</p> <ul style="list-style-type: none"> • The Mineral Resource model used is a Datamine format (see previous Sections 1 to 3 of the present Table 1). • The minimum mining width is 1.0 metre. • The max stable stope length is 35 metres with a stope height between 8 and 15 metres. • Hanging Wall planned dilution is 0.75 metres and Foot Wall planned dilution is 0.4 metres. • Unplanned dilution (including paste dilution) is 2% of stope volume. • Ore recovery is 95%. • Pillar factor for unplanned pillars is 1%. • Production rates reflect current mining performances and practice. <p>No Inferred material has been utilised for the Ore Reserves estimation.</p>	<ul style="list-style-type: none"> • <i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> • <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> • <i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</i> • <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i> • <i>The mining dilution factors used.</i> • <i>The mining recovery factors used.</i> • <i>Any minimum mining widths used.</i> • <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> • <i>The infrastructure requirements of the selected mining methods.</i>
Metallurgical factors or assumptions	<p>The metallurgical factors used are from existing Cosmic Boy concentrator conventional nickel sulphide floatation techniques. Figures used may be made available by request.</p> <p>The metallurgical process is a well tested technology for Nickel Sulphides recovery with three stages of fragmentation with wet screening for size classification, one milling stage with cyclone size classification and two stages of floatation including Arsenic rejection.</p> <p>The resultant concentrate is sold into existing off-take contracts with BHP and Jinchuan.</p>	<ul style="list-style-type: none"> • <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> • <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> • <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> • <i>Any assumptions or allowances made for deleterious elements.</i> • <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> • <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i>
Environmental	Spotted Quoll open pit mine received final environmental approval in October 2009. Approvals were provided under	<ul style="list-style-type: none"> • <i>The status of studies of potential environmental impacts of the mining and processing operation.</i>

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

WESTERN AREAS



Criteria	Commentary	JORC Code explanation
	<p>both Western Australian legislation; principally being Parts IV and V of the Environmental Protection Act 1986 (EP Act) and the Mining Act 1978 (M Act) and Commonwealth legislation being the Environment Protection and Biodiversity Conservation Act 1999, (EPBC Act). Environmental approval has also been received, to mine Nickel sulphide ore from the underground extension of the Spotted Quoll open cut mine under Western Australian legislation being principally Parts IV and V of the EP Act and the M Act. No further approval was required from the Commonwealth for underground mining at Spotted Quoll.</p> <p>A list of Key State and Commonwealth approvals obtained for both the Spotted Quoll open pit and the underground operations is included in Table 1 attached.</p>	<p><i>Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i></p>
Infrastructure	<p>All necessary infrastructure for the Spotted Quoll mine is present and operational on site (not including future capital underground development).</p> <p>Power is fed through a dedicated line connected to the Western Power grid.</p> <p>Water is fed through a system of bore holes and mine water recycling. Potable water is produced via RO plants located at the Cosmic Boy Mill.</p> <p>Transportation is assured through a combined and integrated system of haulage trucks for goods entering and leaving site, airplanes, buses and cars for personnel.</p> <p>Labour is a combination of FIFO and DIDO personnel. Accommodation is provided via the 578 bed Cosmic Boy accommodation village, with all necessary authorisations, infrastructures and services in place.</p> <p>Site is accessible via the grid of State highways and roads and through the Forrestania air strip located near the Cosmic Boy village.</p>	<ul style="list-style-type: none"> <i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i>
Costs	<p>Capital Underground Development costs are derived from the Life of Mine (LOM mine design).</p> <p>All other Capital Expenses are based on the needs identified so far to achieve the LOM design.</p> <p>Milling, Operating, Transport and Royalties Costs are based on the current rates contained in the valid agreements stipulated with the Contractors and where appropriate on the historical costs at the end of FY12-13.</p> <p>Price assumptions for the reserve were nickel price of 7.00 US\$/lb and an exchange rate of 1 US\$ for 1 AU\$.</p> <p>Allowance for the potential for deleterious content of the ore (penalties) has been included in the Smelter Return factor (see section below).</p>	<ul style="list-style-type: none"> <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i> <i>The methodology used to estimate operating costs.</i> <i>Allowances made for the content of deleterious elements.</i> <i>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.</i> <i>The source of exchange rates used in the study.</i> <i>Derivation of transportation charges.</i> <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i> <i>The allowances made for royalties payable, both Government and private.</i>
Revenue factors	<p>These have been selected after consideration of historical commodity prices variations over time and the requirement for the Reserve to be robust to potentially volatile commodity price and foreign exchange conditions.</p> <p>The price setting mechanism for the sale of product subject to this report is traded openly on the London Metals Exchange ("LME").</p> <p>Potential penalties and net smelter revenue factors are included in the Smelter Return factor used. This factor is based on the historical data from previous FY. Figures may be produced by request.</p>	<ul style="list-style-type: none"> <i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> <i>the derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i>

WESTERN AREAS



Criteria	Commentary	JORC Code explanation
Market assessment	<p>The commodity subject to this report is traded openly on the London Metals Exchange (“LME”).</p> <p>The Company has for many years maintained both long and short term offtake sales contracts with multiple customers, both locally and internationally.</p> <p>Existing contracts have been assessed for the sales volume assumptions.</p> <p>As the Company has been supplying multiple customers over a significant time period no acceptance testing has been assumed in the reserve development process.</p> <p>These contracts have fixed dates in which the contract itself is reviewed and/or expires. The assumption to extend these contracts and the current sold volumes to the end of LOM has been made in order to assess the Ore Reserve.</p> <p>For the Nickel price assumptions refer to the previous sections.</p>	<ul style="list-style-type: none"> • <i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i> • <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i> • <i>Price and volume forecasts and the basis for these forecasts.</i> • <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i>
Economic	<p>As the Company has been operational for a significant period of time with contracts in place for ore mining, processing and concentrate haulage. Furthermore the operation, subject to this report, has an in-situ operating concentrator facility. As such the actual visible operating and contract rates (including rise and fall where appropriate) has been used in the NPV economic assessments.</p> <p>The discount rate has been estimated as the weighted average cost of capital for the Company.</p>	<ul style="list-style-type: none"> • <i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i> • <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i>
Social	<p>All legal permits to mine Spotted Quoll have been obtained by Western Areas following the paths described by the relevant laws with the participation of the local communities (see previous points).</p> <p>As a company policy (WSA-HR-POL-003), the relations with the local communities and territories are a key part of operational management.</p>	<ul style="list-style-type: none"> • <i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i>
Other	<p>It is noted that mining operations are an inherently risky business in which to operate, no other risk factors apart from the normal risk components included in all the above points and assumptions have been identified.</p>	<ul style="list-style-type: none"> • <i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i> • <i>Any identified material naturally occurring risks.</i> • <i>The status of material legal agreements and marketing arrangements.</i> • <i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i>
Classification	<p>Spotted Quoll has a Probable Ore Reserve of 3.7 Millions ore tonnes at 3.6% Ni for 133,800 Nickel tonnes and the result appropriately reflects the Competent Person’s view of the deposit.</p>	<ul style="list-style-type: none"> • <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i> • <i>Whether the result appropriately reflects the Competent Person’s view of the deposit.</i> • <i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i>
Audits or reviews	<p>Audits/Reviews of the present report have not been done because of the high confidence in the data used. A review</p>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Ore Reserve estimates.</i>

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

WESTERN AREAS



Criteria	Commentary	JORC Code explanation
<p>Discussion of relative accuracy/confidence</p>	<p>may be done by external request.</p> <p>The confidence in the present evaluation is based on the fact that Spotted Quoll is a well establish operating mine with a sound performance database.</p> <p>The present estimation, for the nature of the commodity mined, refers to global market conditions (see above points for the assumptions).</p> <p>As is normal in mining operations, the key points that can have a significant impact on the performance of the Spotted Quoll Mine are the market conditions in general, and the Nickel price and the currency exchange rates in particular. All the other parameters are derived from sound historical production data.</p>	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i> • <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> • <i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i> • <i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>