Lowest unit costs since June 2015, good free cashflow, Spotted Quoll Mineral Resource upgrade and promising organic growth progress

March quarter 2017 highlights:

- **Unit cash cost of nickel in concentrate of A$2.23/lb was the lowest since the June quarter 2015;**
- **Free cashflow of A$8.2m generated after all capital and exploration expenditure – cash at bank now A$112.0m;**
- **Mine and mill production at 6,778 and 5,672 nickel tonnes – year to date tracking to upper end of guidance;**
- **Ore sorter program treating low grade Flying Fox ore delivers excellent results and additional value;**
- **Spotted Quoll Mineral Resource increased by 12,650 nickel tonnes with grade and ore tonnage increases;**
- **Flying Fox resource extension drilling intersects 8.0m at 10.7% nickel;**
- **Odysseus drilling discovers a new high grade zone (5.3m at 15.2% nickel, including 3.4m at 22.0% nickel);**
- **Positive pre-feasibility study (PFS) delivered for the Odysseus Project at Cosmos;**
- **Further exploration success at the Cosmos Neptune target with high grade intersections; and**
- **Sale of two tenements and lithium earn-in joint venture with Kidman Resources Ltd delivers early value**

Managing Director, Mr Dan Lougher, said the Company delivered another strong quarterly performance.

"There were a number of highlights this quarter, including two successful shipments to our new customer Tsingshan which followed a detailed integration plan."

"Our ability to reduce unit costs to their lowest level since June 2015 mostly through innovative operational improvement, such as the ore sorter, is pleasing. At the same time we have increased the Mineral Resource at Spotted Quoll, delivered a positive PFS and had one of the highest grade nickel intersections ever recorded globally over significant width at Odysseus."

During a quarter characterised by a high level of activity on a number of fronts, Western Areas ("WSA" or the "Company") (ASX: WSA) is pleased to report a strong set of metrics, coupled with excellent progress on organic growth initiatives. Unit cash cost of production was the lowest since the June 2015 quarter and year to date unit costs are tracking towards the lower end of the improved FY17 guidance range.

Mine and mill physicals were in line with forecast as was overall nickel production in ore and concentrate, leaving the Company on track to deliver physical production results toward the upper end of the FY17 guidance range.

The Ore Sorter Project delivered additional Flying Fox mill feed and will continue to deliver ore through to the end of the June quarter. The implementation of this project has assisted by lowering overall unit costs and increasing strategic ore stockpiles to an equivalent two months of production.

Despite the realised nickel price decreasing to A$6.14/lb (down from A$6.57/lb), the Company was able to deliver free cashflow of A$8.2m which was driven by a combination of operating cost improvements, two months of new and improved offtake contracts and positive working capital movements.

The Company delivered a positive PFS for the Odysseus Project demonstrating a financially robust project with a very competitive all-in sustaining cost of A$3.69/lb. Post quarter-end, the approval for construction of the Mill Recovery Enhancement Project was announced. These organic growth projects are only possible due to strong cashflow generation, zero debt position and cash at bank of A$112.0m.

Nickel price volatility is expected to continue, with uncertainty surrounding the outcome of the Philippine Government mine suspensions. On a more positive note, at this stage it appears that the relaxation of the Indonesian ore ban will have only a minor impact on supply with less than 4Mt of low grade (<1.7% Ni) laterite being approved for export.

Production Overview

Item	Unit	2015/2016	2016/2017			FY17 YTD Total
		Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	
Total Ore Mined	tonnes	139,935	153,192	148,907	149,083	451,182
Mine Grade	Ni %	4.9%	4.1%	4.6%	4.5%	4.4%
Total Nickel Mined	**tonnes**	**6,832**	**6,357**	**6,867**	**6,778**	**20,002**
Ore Processed (Milling/Concentrator)	tonnes	154,114	159,616	155,143	151,849	466,608
Processed Grade	Ni %	4.5%	4.1%	4.2%	4.2%	4.2%
Average Processing Recovery	%	90%	89%	90%	88%	89%
Total Nickel in Concentrate	**tonnes**	**6,321**	**5,763**	**5,844**	**5,672**	**17,279**
Total Nickel Sold	**tonnes**	**6,268**	**5,188**	**6,249**	**5,397**	**16,834**
Contained Nickel in Stockpiles	tonnes	2,525	2,944	3,070	4,242	
Cash Cost Nickel in Concentrate	**A$/lb**	**2.25**	**2.53**	**2.35**	**2.23**	**2.36**
Cash Cost Nickel in Concentrate	US$/lb	1.68	1.91	1.76	1.69	1.79
Exchange Rate	US$/A$	0.75	0.76	0.75	0.76	0.76
Realised Nickel Price (before payability)	**A$/lb**	**5.44**	**6.54**	**6.57**	**6.14**	**6.42**

Note 1: Refer page 10 for composition of unit cash costs.

Western Areas (ASX:WSA) is Australia's highest grade, lowest cash cost nickel producer and its main asset, the 100% owned Forrestania Nickel Project, is located 400km east of Perth in Western Australia. Western Areas is also Australia's second largest sulphide nickel miner producing approximately 22,000 to 25,000 nickel tonnes per annum from its Flying Fox and Spotted Quoll mines - two of the lowest cost and highest grade nickel operations in the world.

An active nickel explorer at Cosmos and Western Gawler in Australia, the Company also holds significant exploration interests in Canada, Finland and Greenland through shareholdings in Mustang Minerals and Bluejay Mining Plc.

The Board remains focused on the core business of low cost, long life nickel production, new nickel discoveries and generating returns to shareholders. It has put in place the cost structure and capabilities to prosper throughout the cycle by adopting prudent capital management and an opportunistic approach. Its latest presentation can be found at **http://www.westernareas.com.au/investor-centre/corporate-presentations.html**.

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Corporate and financing

Cashflow

Cash at bank increased to A$112.0m at the end of the quarter (December quarter, A$103.8m), while cash plus nickel sales receivables increased to A$123.1m (December quarter, A$121.6m).

Despite the lower average nickel price for the quarter, cash at bank increased by A$8.2m mainly due to lower operating costs, improved terms from the new offtake contracts from 1 February 2017 and positive working capital movements.

A total of A$7.6m was invested into capital and exploration expenditure activities in the quarter. Consistent with guidance, capital expenditure increased during the quarter as Spotted Quoll recommenced decline development and exploration activity at Cosmos and the Western Gawler projects increased. Post the March quarter end, the FY17 capital expenditure guidance range was increased by A$3.0m to A$25m-A$27m, reflecting the commencement of the Mill Recovery Enhancement Project (MREP).

Bank Facility

The ANZ corporate loan facility remains undrawn at the end of March, with the Company continuing to be debt free. As disclosed in prior periods, this bank facility was due to expire in March 2017, but has been extended to 30 June 2017 while the Company finalises its longer term capital management plan.

Hedging

When pricing is supportive, the Company manages nickel price and foreign exchange risk with a combination of short term quotation period (QP) hedging and a set limit of medium term 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, there were no outstanding hedges.

Bluejay Mining Plc (Previously FinnAust Mining Plc) – (AIM: JAY.L)

During the quarter, FinnAust Mining Plc (FinnAust) was renamed to Bluejay Mining Plc (Bluejay) following a planned corporate restructuring announced in 2016. Following the corporate restructuring and associated dilution, Western Areas holds 19.0% of Bluejay, which was valued at £18.7m as at 31 March 2017. Western Areas retains a significant ownership position in Bluejay and keenly monitors the exploration progress and activities at Bluejay's Greenland and Finland projects. Further details can be viewed on the Bluejay website at: www.titanium.gl.

Offtake Contracts

The Company commenced the new and improved offtake contracts with both BHPB Nickel West (Nickel West) and Tsingshan Group (Tsingshan) as of 1 February 2017. The only changes to the Nickel West contract were contract terms and prices, whereas Tsingshan was a new customer with a new delivery port in China.

The Western Areas and Tsingshan teams spent many months planning the new logistics, refining unloading processes and the letter of credit procedures. Pleasingly, the two deliveries to date have occurred without interruption and to plan in all aspects.

Mine safety and environment

Safety

There was one Lost Time Injury (LTI) recorded in March, when a contractor employee sustained ankle injuries from falling 1.4 metres from a platform at the surface cement batch plant at Flying Fox. This was the Company's first LTI in nearly three years and accordingly the LTI Frequency Rate (LTIFR) rose from ZERO to 1.1. As a consequence the Total Recordable Injury Frequency Rate (TRIFR) increased from 8.5 to 8.9.

Key safety management initiatives included reviewing and updating the Forrestania (FNO) induction process, site entry procedure, risk assessment, aerodrome management manual and upgrading of the computer based Safety Management System. Emergency response training focused on responding to underground emergencies, with associated search and rescue exercises and simulated fire-fighting exercises conducted.

During March the Company hosted an on-site Kondinin Shire Council Meeting followed by a tour of surface operations plus the annual Kent Street High School site visit by a group of 16 Year 12 Geoscience students who enjoyed presentations by the geology, survey, mining engineering and metallurgy departments and a surface operations tour.

Kent Street High School visitors

Environment

Forrestania

No reportable environmental incidents were recorded during the quarter.

A number of key environmental reports were completed including the Jilbadji conservation management plan for the Department of Parks and Wildlife, the annual potables water report for the Department of Health, annual water quality monitoring and quarterly Declared Rare Flora.

Preparation work continued on the annual rehabilitation programme scheduled for mid-2017, with 18,000 seedlings already collected locally by the environmental team in readiness for the rehabilitation programme.

Operational improvements were made to the Flying Fox wastewater treatment facility as part of preparation for a compliance inspection from the Department of Environment Regulation (DER) scheduled for the June quarter.

Mallee Fowl photo on an active nesting mound captured by one of site fauna motion detection cameras

Cosmos

The quarterly water monitoring programme was completed at Cosmos and the annual groundwater monitoring summary was submitted to the Department of Water.

Approvals from the Department of Mines and Petroleum and DER were received for the expanded Water Management Pond 8. The required approvals to recommence dewatering of the Cosmos pit and underground infrastructure associated with Odysseus are currently in progress.

The Tjiwarl native title claimant group continued to provide Heritage Monitors to oversee the drilling programme at Neptune and to date have provided positive feedback regarding environmental controls in place.

Mine and mill production and cash costs

TONNES MINED		2015/2016	2016/2017			FY17 YTD Total
		Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	
Flying Fox						
Ore Mined	tonnes	68,161	60,731	60,304	57,573	178,608
Grade	Ni %	4.7%	4.2%	4.6%	4.6%	4.5%
Flying Fox Nickel Mined	**tonnes**	**3,218**	**2,580**	**2,769**	**2,626**	**7,975**
Spotted Quoll						
Ore Mined	tonnes	71,774	92,461	88,603	91,510	272,574
Grade	Ni %	5.0%	4.1%	4.6%	4.5%	4.4%
Spotted Quoll Nickel Mined	**tonnes**	**3,614**	**3,777**	**4,098**	**4,152**	**12,027**
Total Ore Mined	**tonnes**	**139,935**	**153,192**	**148,907**	**149,083**	**451,182**
Grade	**Ni %**	**4.9%**	**4.1%**	**4.6%**	**4.5%**	**4.4%**
Total Nickel Mined	**tonnes**	**6,832**	**6,357**	**6,867**	**6,778**	**20,002**

Flying Fox

Mine Production

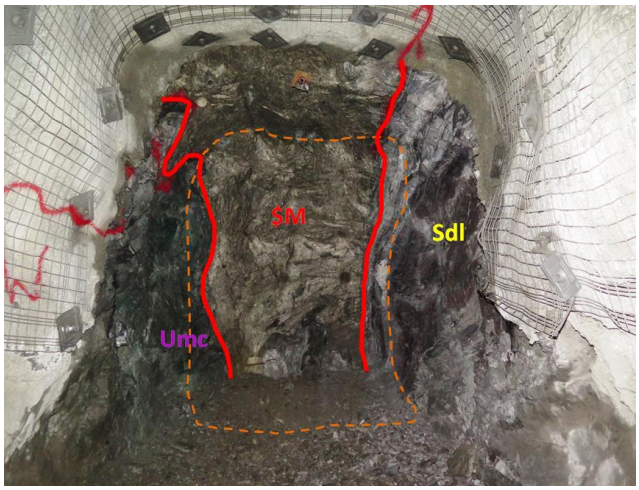
Flying Fox production was **57,573 tonnes of ore at an average grade of 4.6% nickel for 2,626 nickel tonnes**. Ore production was predominately from long-hole stoping (95%) with the remaining 5% from ore drive development and jumbo wall-stripping at the 425, 285 and 245 ore drives.

Longhole production was 100% sourced from the T5 area, namely the 540, 425S (11.1kt @ 5.8% Ni), 285, 255S (10.6kt @ 6.0% Ni) and 245S (10.9kt @ 5.5% Ni) stopes.

Paste-fill continued to perform well with 15,800m^3 poured during the quarter with the main paste reticulation network extended to the 455 and 460 levels.

Mine Development

Total single-boom jumbo development was 163m, with 27m of capital development at the 215 level to establish an escape-way, 24m operating waste development at the 425 and 300 levels, 84m in paste-fill (425, 285, 255, 245 and 230 levels) to facilitate slot drilling, plus 28m of ore drive development at the 425, 215 and 200 levels. There was also 23m of vertical raise-bore development to facilitate the 245 to 215 safe-scape ladder-way installation.



425 SOD ore drive with face grade @ 5.6% Ni

Spotted Quoll

Mine Production

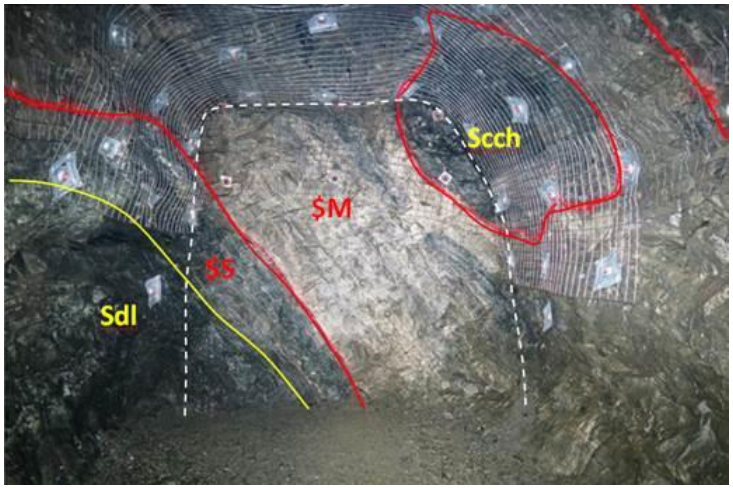
Spotted Quoll production was **91,510 tonnes of ore at an average grade of 4.5% nickel for 4,152 nickel tonnes,** which was also the highest quarterly nickel tonnes mined to date. The improved grade is a combination of reduced mining dilution in the shallower 'single-boom area' (SBA) related to the successful implementation of new drilling and blasting techniques (trialled over several months) and ore from the steeper 1125 and 1020 levels.

The twin-boom jumbo successfully opened a new stoping level at the 1020 level (February) with ongoing production from the 971, 962, 955 and 944 levels with the 990 level completed early in the quarter. The SBA successfully completed the first stoping level at the 911 level (March) with ongoing production from the 901, 890 and 881 levels.

Mine Development

Total jumbo development for the quarter was 932m which included the successful re-commencement in January of the Hanna Decline. During the quarter 207m of capital decline development, 155m of lateral capital development and 340m of operating waste development occurred, which included 103m of paste-fill development to facilitate slot drilling.

A total of 411m of single-boom ore drive development was completed between the 842 and 788 levels. A highlight for the quarter was the 804 level which continued high-grade development 40m past the northern ore reserve boundary, with quarterly production of 6,474 tonnes of ore at an average grade of 4.2% Ni for 273 nickel tonnes



804 ore drive (4.0mW x 3.5mH), 25m north of reserve boundary @ 6.2% Ni

Infrastructure

The first 304m of raise-bore back reaming (4.5m diameter) of the surface to 795 level primary return air-way was completed during the quarter. The reaming head was transported to the 795 level break-through and attached to the 610m drill stem lowered by the raise drill-rig via the 16 inch diameter pilot hole. RUC commenced full-face back-reaming early in January with the raisebore expected to be completed in the June quarter. The raisebore is the last major capital infrastructure required across the entire Forrestania operation.

Ventilation shaft (raisebore) at Spotted Quoll

Cosmic Boy Nickel Concentrator

TONNES MILLED AND SOLD		2015/2016	2016/2017			FY17 YTD Total
		Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	
Ore Processed – Mined Ore	tonnes	154,114	156,534	137,989	121,623	416,146
Ore Sorter & Low Grade Stockpile	tonnes	-	3,082	17,154	30,226	50,462
Total Milled Ore	**tonnes**	**154,114**	**159,616**	**155,143**	**151,849**	**466,608**
Grade	%	4.5%	4.1%	4.2%	4.2%	4.2%
Ave. Recovery	%	90%	89%	90%	88%	89%
Nickel in Concentrate Produced	**tonnes**	**6,321**	**5,763**	**5,844**	**5,672**	**17,279**
Nickel in Concentrate Sold	**tonnes**	**6,268**	**5,188**	**6,249**	**5,397**	**16,834**

The Concentrator processed 151,849 tonnes of ore at an average grade of 4.2% nickel for a total of 36,880 tonnes of concentrate grading 15.4% nickel. This resulted in 5,672 nickel tonnes produced at a metallurgical recovery of 88% with an average concentrator availability of 98.7%. Recovery was slightly lower than the previous quarter due to the inclusion of lower grade ore sorter feed into the blend (see next page for ore sorter project details).

In early February a large rain event caused major road disruptions across the south west of Western Australia but did not adversely affect concentrator production or sales deliveries during the quarter, as product movement to sales destinations were able to be increased once the road closures were lifted.

During the quarter, a specialised contractor successfully completed a 2.0m lift of the tailings storage facility (TSF) as part of the operating plan for ongoing storage of tailings, which will enable approximately two years of tailings storage before the next TSF lift is due.

Cosmic Boy completed TSF 2.0m wall lift with discharge ring main being re-installed

A total of 36,094 tonnes of concentrate was delivered for sale containing 5,397 nickel tonnes. The recently agreed Tsingshan off-take agreement began with the departure of the inaugural Tsingshan shipment from the Esperance port in early March with the second shipment closely followed later in the month. Other sales costs during the quarter were royalties at A$0.19/lb and transportation of A$0.37/lb in concentrate.

Ore Sorter

As part of the Company's ongoing innovation and cost reduction/efficiency program, the implementation of a discrete ore sorting program was identified as a short term value-adding project by the Operations Team. The Company was carrying a previously written-off low grade ore stockpile at Flying Fox which was accumulated over many years. The outcomes being targeted from the ore sorter project included:

1. Providing a low cost ore feed to the mill;
2. Blending of the lower grade ore sorter feed with very high grade Spotted Quoll ore to reduce the blended grade to the optimal range of 4.0% to 5.0% Ni; and
3. Allowing the Company to increase its strategic ore stockpile holding to between 2-3 months of mill throughput.

After a successful initial two month trial, the ore sorter program was extended to process the entire Flying Fox low grade stockpile. During the quarter, the ore sorter processed 115,820 tonnes of low grade ore, producing 52,030 tonnes of fines (-20mm) at 1.4% Ni grade and 13,575 tonnes of accepts (+20mm and -90mm) at 4.1% Ni grade. The balance of the processed tonnes was planned waste material. The ore sorting program is expected to be completed during the June quarter 2017.

Ore sorter at Flying Fox

Stockpiles

The concentrate stockpile at quarter end was 2,152 tonnes at an average grade of 16.8% Ni, containing 364 nickel tonnes. Included in this total was 30 half height containers (HHC) delivered to Esperance Port after the March shipments were dispatched, which contained 134 nickel tonnes.

Ore stockpiles at the end of the quarter totalled 94,433 tonnes of ore at 4.1% Ni for 3,878 nickel tonnes, located at the mine ore pads and the concentrator run-of-mine pad, which represents approximately two months of mill feed, enabling the selection of an optimal mill feed blend. The Company expects that mine ore production will continue to match the concentrator throughput for the remainder of the financial year.

STOCKPILES		2015/2016	2016/2017		
		Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr
Ore	tonnes	59,397	56,056	66,974	94,433
Grade	Ni %	4.0%	4.1%	4.3%	4.1%
Concentrate	tonnes	1,026	4,434	1,267	2,152
Grade	Ni %	14.8%	15.0%	15.0%	16.8%
Contained Nickel in Stockpiles	**tonnes**	**2,525**	**2,944**	**3,070**	**4,242**

Cash Costs

FINANCIAL STATISTICS		2015/2016	2016/2017			FY17 YTD Total
		Jun Qtr	Sep Qtr	Dec Qtr	Mar Qtr	
Group Production Cost/lb						
Mining Cost (*)	A$/lb	1.60	1.88	1.69	1.38	1.65
Haulage	A$/lb	0.05	0.06	0.06	0.06	0.06
Milling	A$/lb	0.44	0.45	0.45	0.64	0.51
Admin	A$/lb	0.18	0.18	0.18	0.17	0.17
By Product Credits	A$/lb	(0.02)	(0.04)	(0.03)	(0.02)	(0.03)
Cash Cost Ni in Con (***)	A$/lb	**2.25**	**2.53**	**2.35**	**2.23**	**2.36**
Cash Cost Ni in Con/lb (***)	**US$/lb (**)**	**1.68**	**1.91**	**1.76**	**1.69**	**1.79**
Exchange Rate US$ / A$		**0.75**	**0.76**	**0.75**	**0.76**	**0.76**

(*) Mining Costs are net of deferred waste costs and inventory stockpile movements

(**) US$ FX for Relevant Quarter is RBA average daily rate (Mar Qtr = A$1:US$0.7583)

(***) Payable terms are not disclosed due to confidentiality conditions of the offtake agreements. Cash costs exclude royalties and concentrate logistics costs.

Note. Grade and recovery estimates are subject to change until the final assay data are received.

The unit cash cost of production of nickel in concentrate (excluding smelting/refining charges, concentrate logistic and royalties) was A$2.23/lb (US$1.69/lb) for the quarter and A$2.36/lb (US$1.79/lb) year to date, which is at the lower end of the Company's guidance range for FY17.

The very low cost per pound was primarily achieved due to the introduction of the ore sorter, enabling the concentrator to economically process previously written-off low grade stockpiles.

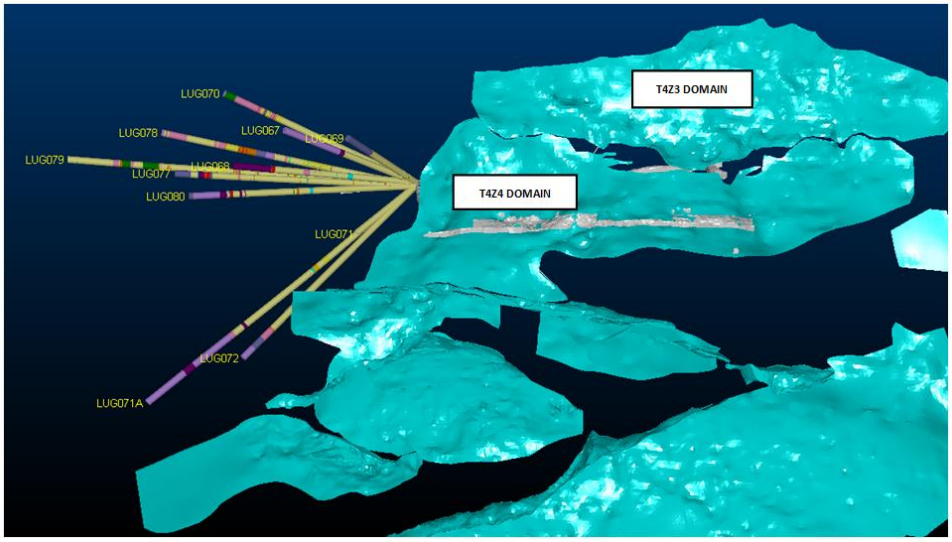
Costs associated with the ore sorter are assigned to the Milling area and explains the lift in the milling unit rate for the quarter. However, as an offset, unit mining costs have also declined due to a lift in ore stockpiles. This trend is expected to occur into the next quarter, before normalising to historical levels in the September quarter.

Forrestania Mineral Resources and Ore Reserves

A full summary of the Company's Mineral Resource and Ore Reserve statements are included at the end of this report.

Flying Fox

A total of 3,175m (17 drill-holes) of underground grade control and resource definition drilling was completed during the quarter, targeting the southern extension of T4 and further extensions to T6. The T4 extensional drill traces are shown below, with assays pending for the June quarter.



Schematic showing resource extension program drill traces at T4

The hanging-wall contact in the T4 South area is being re-modelled using the additional information from the recent drilling and will be used in generating additional resource extension drilling targets.

Significant massive sulphide intersections from March quarter underground drilling programs (where assays have been received) are summarised in the table below. Results from T6 extensional drilling are particularly encouraging and include **8.0m of massive sulphide @ 10.7% Ni** which will be included the next Mineral Resource update.

BHID	Ore intersection		Interval (m)	Ni Grade (%)	Comment	Target
	From (m)	To (m)				
FUG754	130.17	130.64	0.47	7.3%	$M	T4 Resource Definition
	131.23	135.2	3.97	7.0%	$M	
	137.2	13.7.69	0.49	5.4%	$M	
	144	145	1.0	4.4%	$T	
FUG764	81.6	83.52	1.92	10.3%	$M	T6 Resource Definition
	85.68	88.52	2.84	11.9%	$M	
	102.72	110.68	7.96	10.7%	$M	

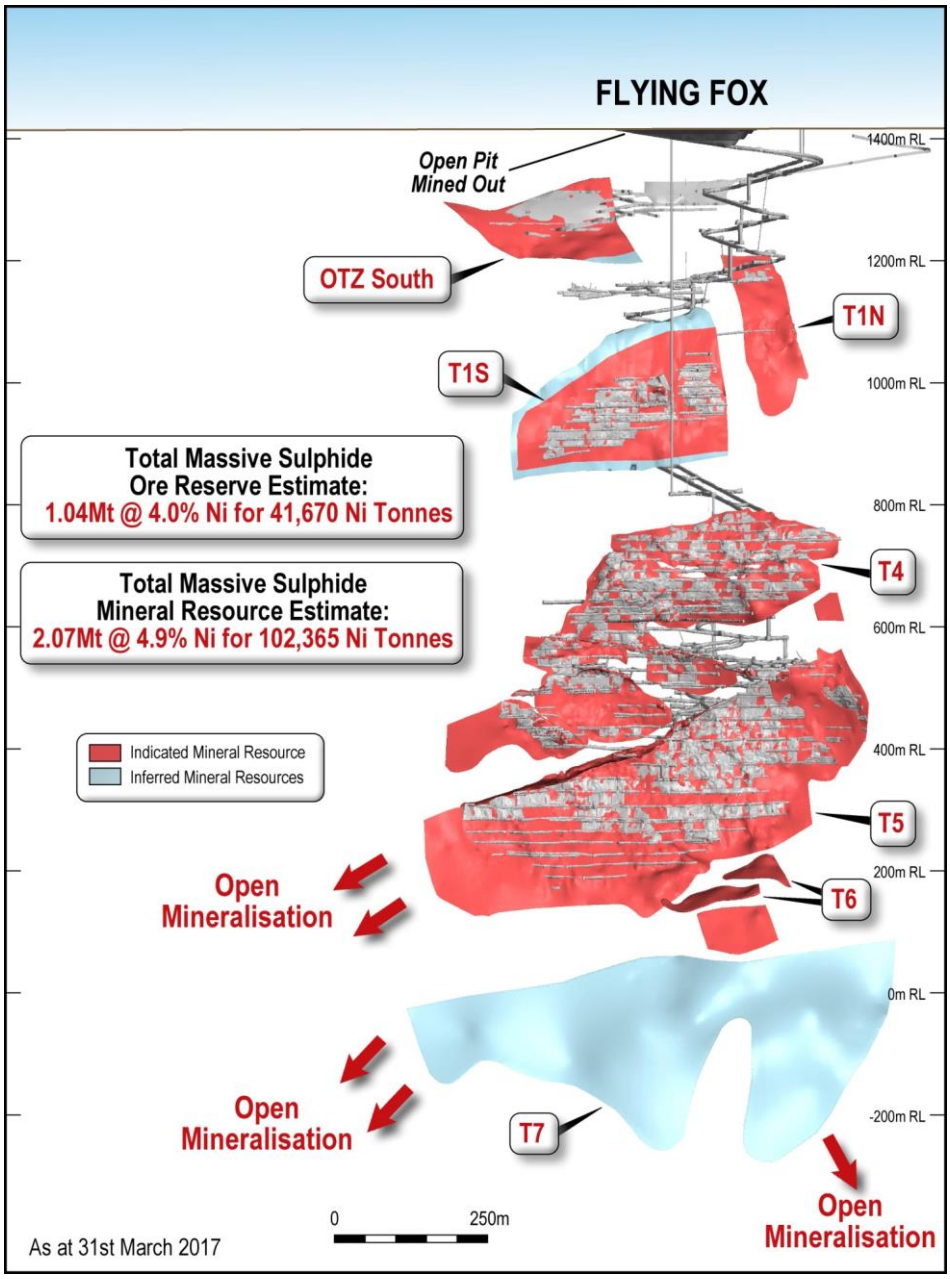
Notes: $M = Massive Sulphide, $T/$S = Matrix and Stringer sulphides.

The annual Mineral Resource update was completed during the quarter which resulted in a 3% increase in estimated contained nickel metal, predominately from the high grade T6 domain.

The total Flying Fox Massive Sulphide Mineral Resource prior to the update, depleted to the end of March 2017, stood at 2.0 Mt of ore at a grade of 4.9% Ni for 99,375 nickel tonnes.

Following the update, the total current Flying Fox **Massive Sulphide Mineral Resource,** depleted to the end of March 2017, now stands at **2.0 Mt of ore at a grade of 4.9% Ni for 102,365 nickel tonnes** (an increase of 2,990 nickel tonnes).

The total Flying Fox **Massive Sulphide Ore Reserve,** (which will be updated in the June quarter with the new Mineral Resource) depleted to the end of March 2017, stands at **1.0 Mt of ore at a grade of 4.0 % for 41,670 nickel tonnes.**



Flying Fox long section

Spotted Quoll

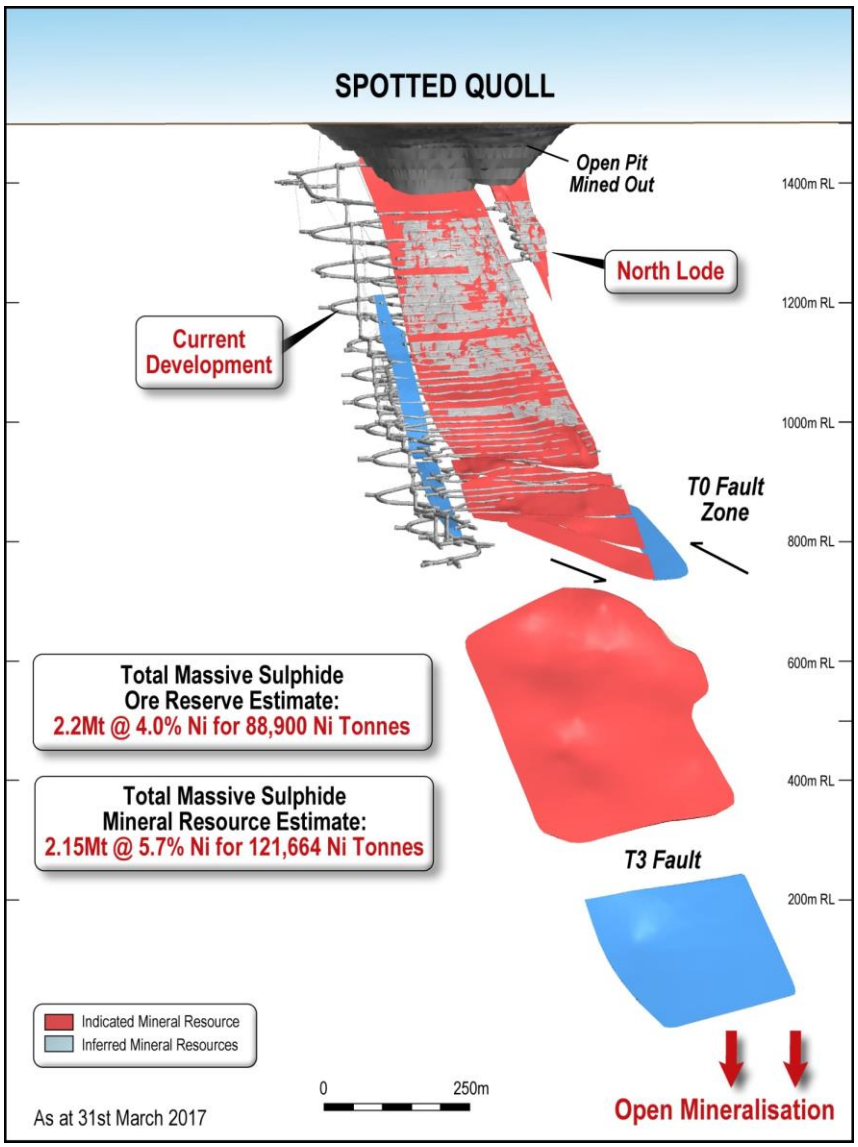
There was no diamond drilling during the quarter but this activity will resume early in the June quarter.

The annual Mineral Resource update was completed which resulted in a 12% increase in estimated contained nickel metal, mainly due to the significant tonnage and grade increase in the 'single boom-area' or 'T-zero' Fault Zone area (shown on the long section) which was remodeled following additional grade control data and ore drive development.

The total Spotted Quoll Mineral Resource prior to the update, depleted to the end of March 2017, stood at 2.1 Mt of ore at a grade of 5.3% Ni for 109,014 nickel tonnes.

Following the update, the total current Spotted Quoll **Mineral Resource,** depleted to the end of March 2017, now stands at **2.1 Mt of ore at a grade of 5.7% Ni for 121,664 nickel tonnes** (increase of 12,650 nickel tonnes).

The Spotted Quoll **Ore Reserve**, (which will be updated in the June quarter with the new Mineral Resource) depleted to the end of March, stands at **2.2Mt of ore at a grade of 4.0% nickel for 88,900 nickel tonnes**.



Spotted Quoll long section

BioHeap®

Mill Recovery Enhancement Project (MREP)

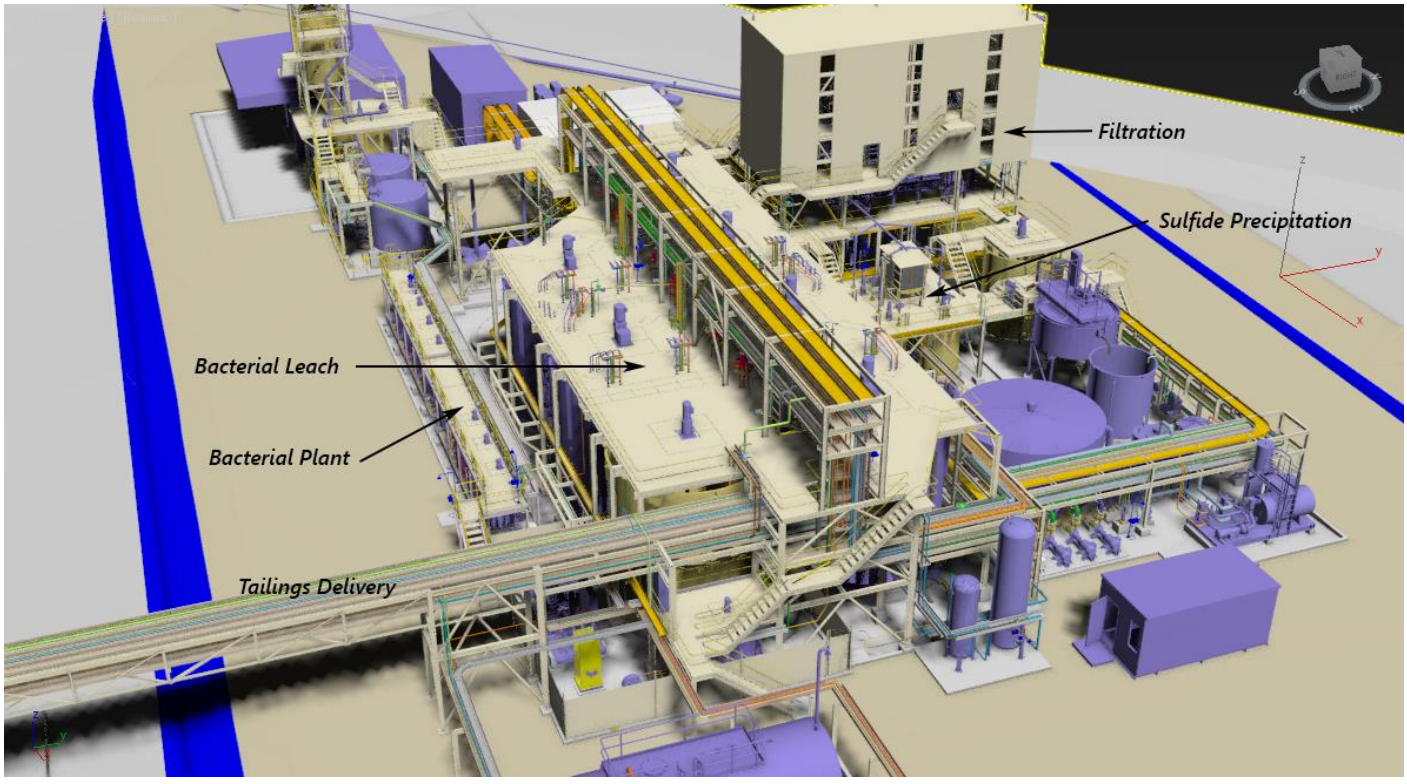
Post quarter end, the Company announced the re-commencement of the MREP. Site works are expected to commence in the September quarter with commissioning and production scheduled for the March quarter 2018.

To recover nickel extracted in the BioHeap process, the MREP design incorporates a sulphide precipitation circuit that is designed to precipitate nickel sulphide that can be blended with the existing concentrate production. Prior to the blending, the MREP product grade is expected to be between 45-50% nickel. The economics presented in the 11 April 2017 announcement assumes a base case of selling the additional nickel product (up to 1,400 nickel tonnes per annum), blended into concentrate and sold into the new offtake agreements.

However over the last 18 months, Western Areas has been in discussions with major global companies active in the EV battery market. The demand for nickel products in this market has grown substantially and based on preliminary discussions, the Company expects to improve the commercial terms for the new 45-50% high grade product generated by the MREP. As such, any improvement in those commercial terms will enhance the base case economics presented.

The BioHeap® process can generate a pregnant leach solution as a feed to a wide range of nickel recovery processes, including producing a high quality nickel sulphate via solution purification using ion exchange in conjunction with a crystallizer.

Small batches of high grade nickel sulphate have been produced at laboratory scale with further optimisation work, focussing on reducing impurity levels, continuing into the next quarter. Furthermore, in parallel, as part of its evaluation process, the Company has commenced discussions with potential nickel sulphate offtake partners.



Schematic of the Mill Recovery Enhancement Project

Cosmos Nickel Complex ("Cosmos")

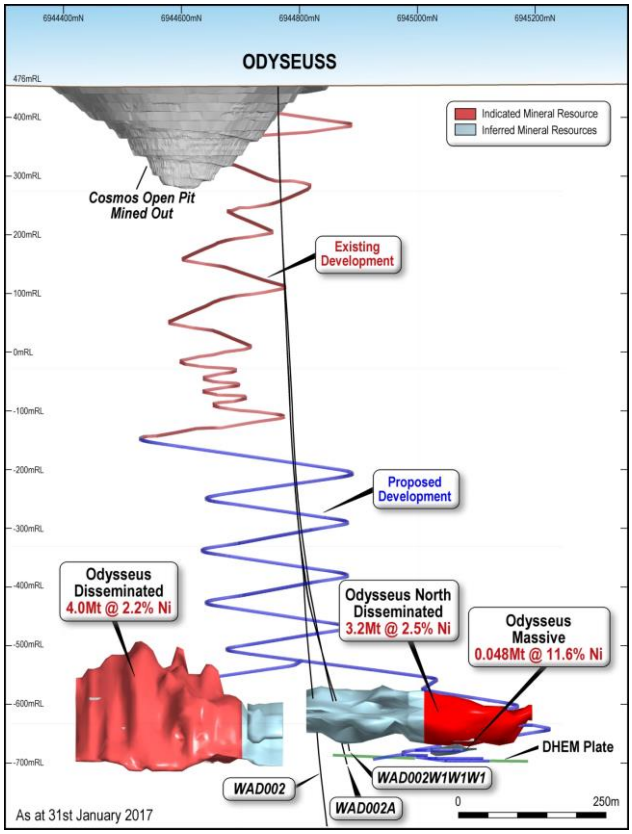
Odysseus Resource Conversion and Massive Sulphide Intersections

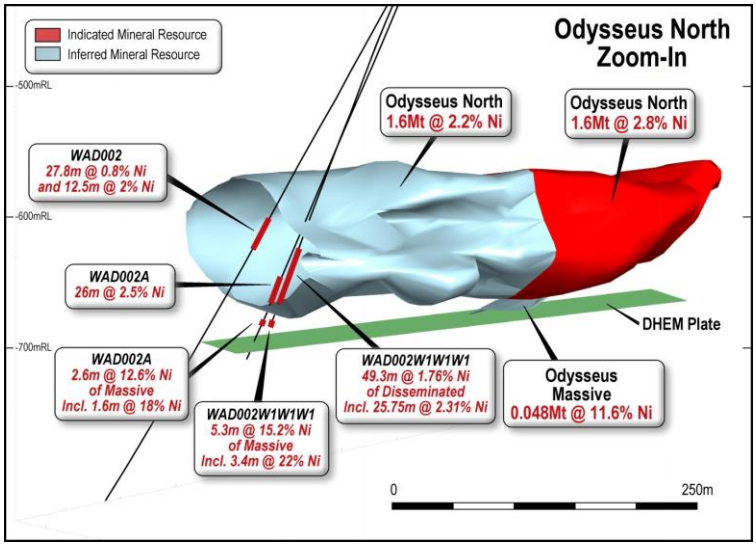
On 13 February 2017, the Company announced a new and extremely high grade massive sulphide zone had been intersected below the Odysseus North orebody. To the best of the Company's knowledge, these are some of the best material width nickel intersection drill results ever recorded in the nickel industry.

Since the announcement, the Company has also received the assays from the intersections in the disseminated ore zone for Odysseus North, which provides additional confidence that a significant portion of the Inferred Mineral Resource will be upgraded to the Indicated category in the June quarter.

The below summarises the latest drilling results:

- WAD002A intersected **2.57m of massive sulphide @ 12.6% nickel including 1.6m @ 18.0% nickel**;
- WAD002W1W1W1 intersected **5.3m of massive sulphide @ 15.2% nickel including 3.4m @ 22.0% nickel** (one of the highest nickel sulphide intersections ever recorded);
- Down hole electromagnetic (DHEM) surveys successfully completed in WAD002 identified two strong responses at downhole depths of 1,240m and 1,290m respectively. The 1,240m response is confirmed by the drilling as mineralised massive sulphide;
- Potential to significantly extend existing high grade Resources at Odysseus North with the identification of a geophysical plate;
- WAD002A intersected a **26.0m broad continuous zone of disseminated sulphides from 1172m with a mean grade of 2.5% nickel;**
- WAD002 intersected **27.8m of disseminated sulphide @ 0.8% nickel and 12.5m at 2.0% nickel. A second 6.0m thick zone @ 2.7% nickel was intersected from 1167m**;
- WAD002W1W1W1 intersected **49.3m of disseminated sulphides grading 1.8% nickel which includes 25.8m @ 2.3% nickel**





Odysseus project long section

Odysseus Pre-feasibility Study

The Odysseus Prefeasibility Study (PFS) results were released on 30 March 2017 demonstrating commercial viability of the Odysseus Project. The PFS base case indicate robust economic and nickel production metrics together with further significant upside opportunities, as well as a relatively low all-in sustaining unit cost of production.

The Board approved to progress the PFS to a Definitive Feasibility Study (DFS) which will cost between A$5-A$7m to complete by the March quarter 2018.

Highlights of the PFS include (refer to ASX announcement on 30/3/17 for full disclosure):

Strong financial returns[1]

- Pre-tax NPV of $292m at US$7.50/lb, 0.75 AUD:USD exchange and 7.0% discount rate assumptions;
- Surplus pre-tax net cashflow of $580m generated with a 3.5 year payback from production start; and
- Circa $100m per annum average free cash flow (pre-tax) post start up

Low cost operations

- LOM C1 unit cash costs of $3.21/lb (US$2.41/lb) including cobalt by-products and all in sustaining unit cash costs of $3.69/lb (US$2.77/lb);
- LOM cash breakeven price of $6.09/lb (US$4.57/lb) on an undiscounted basis; and
- Very low life of mine sustaining capital expenditure of $68m

Flexible start up and minimal early capital requirement

- Pre-production capital expenditure of $190-$210m including PFS, DFS and contingency costs;
- Low near term capital requirements of $7m for CY2017 and $34m in CY2018, providing optionality on further commitments; and
- Benefits from significant existing infrastructure supporting the previous Cosmos operation

Physical parameters

- Initial 7.5 year mine life for total life-of-mine ore production of 4.9Mt at a grade of 2.3% nickel;
- First ore mined Q4, CY2020 and concentrate delivered in Q1, CY2021; and
- Average 12ktpa nickel in concentrate for a total of 87kt nickel metal

DFS tasks identified:

- Upgrade a major portion of the Inferred Ore Resource category to the Indicated Category based on the recent resource drilling program in the Odysseus North zone;
- Further metallurgical test work on fresh diamond-drill core, including batch and cyclic tests to confirm recovery and concentrate grade assumptions from previous test-work;
- Continue to progress statutory approvals to be ready to commence dewatering once the DFS has been completed;
- Potential further drilling of the high grade massive sulphide lenses below the disseminated resource to test continuity and potential for inclusion into the mine plan; and
- Continue to progress statutory approvals to be ready to commence dewatering once the DFS has been completed.

[1] **Cautionary statement: The production target includes approximately 16% of material on a contained nickel basis as Inferred Resource, a lower level of geological confidence is associated with Inferred Mineral Resources. The majority of Inferred tonnes (85%) lie in the southern portion of the Odysseus North zone and are mined in year 2 and 3 of the Project. While not guaranteed, positive results from recent infill drilling indicates a strong likelihood that a significant proportion of the Inferred portion of the Odysseus North Resource will be upgraded to the Indicated category during the next resource estimation.**

Business Development - Lithium

Western Areas delivered on its objective to derive early value from the lithium exploration rights on its FNO tenements. The activities ultimately culminated in the Company announcing two separate transactions, with Kidman Resources Ltd (Kidman) selected from a number of interested parties due to the advanced nature of its adjacent significant lithium resource (Earl Grey).

The first of the two transactions was announced on 28 February 2017, being the sale of two tenements (E77/1400 and E77/2099). Key highlights included:

- Western Areas receiving A$6.0m in Kidman shares at A$0.54 per share, escrowed for twelve months;
- Western Areas will receive a 1.5% gross revenue royalty over any lithium production from the two tenements;
- Western Areas to receive A$15.0 for every contained tonne of Li_2O classified in a JORC Ore Reserve; and
- Western Areas retaining the nickel rights over the tenements.

The second transaction was announced on 20 March 2017, being a lithium farm-in and joint venture arrangement over the Company's FNO northern tenements. Key highlights of this transaction included:

- Western Areas receiving 6,318,044 ordinary shares in Kidman, escrowed for six months;
- Kidman to earn-in on the following basis;
    - Stage 1 – Kidman can earn 50% by spending A$5.0m over three years with a minimum of A$1.5m being spent in the first twelve months;
    - Stage 1 – at the end of Stage 1, Western Areas has the right to co-contribute with further exploration expenditure on a 50:50 basis with Kidman;
    - Stage 2 – Where Western Areas elects not to co-contribute at the end of Stage 1, Kidman may elect to spend a further A$4.0m over two years to earn 70%; and
    - Western Areas is free carried to a decision to mine should Stage 2 be completed
- All non-lithium rights over the tenements retained by Western Areas; and
- Western Areas has the right to appoint a non-executive director to the Kidman board within 3 months from the date of the Agreement.

As a consequence of these transactions, Western Areas became a substantial shareholder of Kidman at 5.2%, thereby meeting the goal of obtaining early value, while having the benefit of free carried exposure to any lithium exploration upside on the tenements. Over the next six months, the Company will assess the potential for any future transactions on its Southern FNO tenements.

Exploration

Exploration activities continued at Cosmos, Forrestania and the Western Gawler Projects. St George Mining Limited advised of the commencement of a large Moving-loop electro-magnetic (MLEM) survey covering the extensions of the Cathedrals Belt coupled with a major drilling campaign targeting the Investigators, Stricklands and Cathedrals prospects on the Mt Alexander JV where WSA holds a 25% free carried interest.

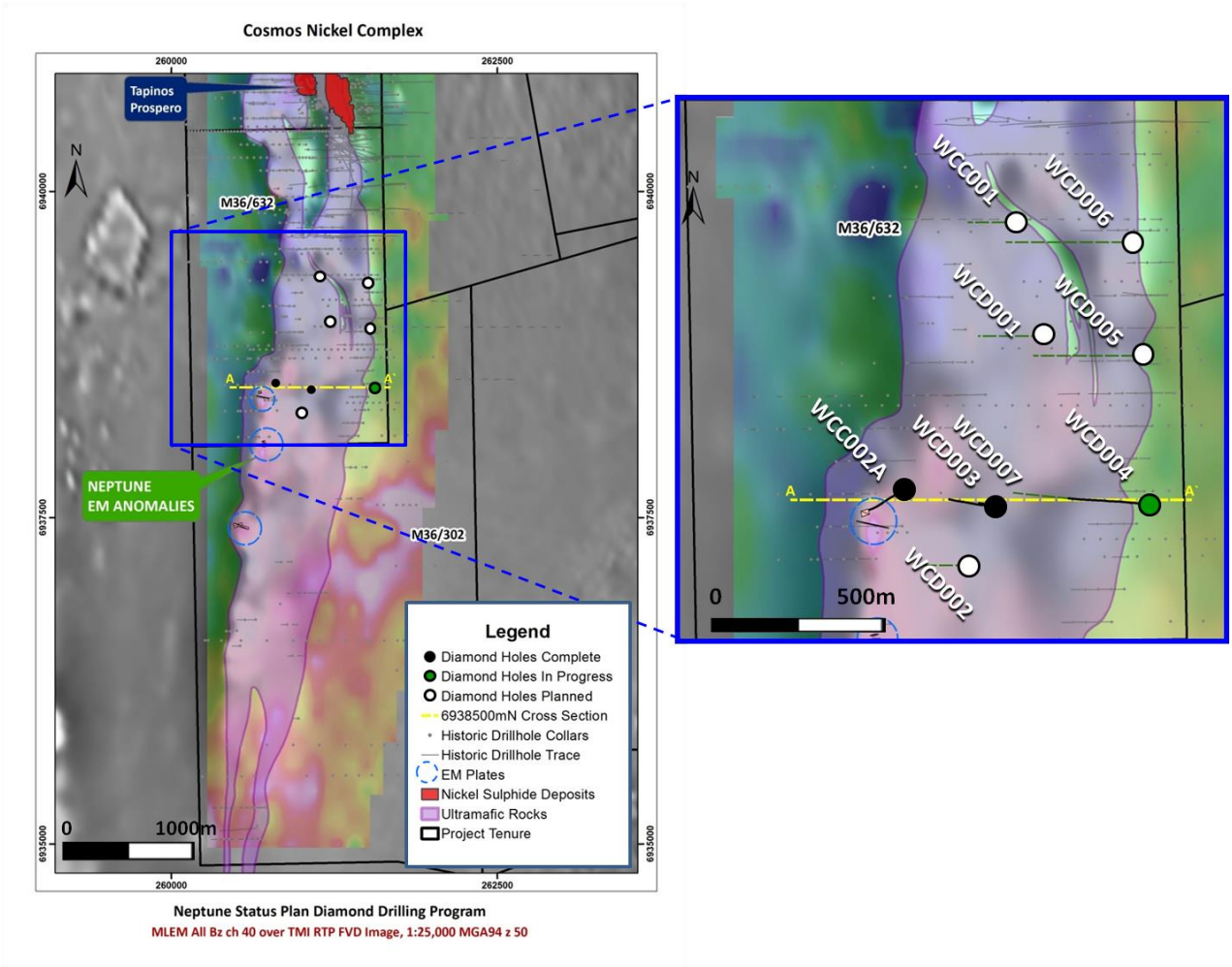
Cosmos

Key highlights in the quarter include:

- Very encouraging results from an early stage RC drilling program at the Neptune prospect has confirmed the presence of ultramafic hosted nickel sulphide mineralisation extending to shallow depths; and
- A follow-up diamond core drilling program at Neptune (in progress) has successfully confirmed this zone of mineralisation extends 70 metres down dip.

Exploration drilling at Neptune

The Neptune area lies to the south of the Prospero high grade nickel deposit and is interpreted to contain the highest volume of cumulate ultramafics in the Cosmos nickel belt. A MLEM survey completed over the area identified a number of high priority anomalies and these, along with nickel sulphides identified in historic drilling, are the focus for the current exploration program. The initial drilling commenced in the northern area of the prospect with the approval of a Section 18 and other statutory approvals to access the northern areas of Lake Miranda.



Neptune drilling program and locality map

A total of 782m were drilled from two completed diamond holes (WCD003 and WCD007) and a third hole is currently in progress (WCD004). Drill collar details for all Neptune holes undertaken in the last two quarters are tabulated below. Apart from WCD004 (in Progress) an additional five diamond tails are scheduled to be drilled for the June quarter.

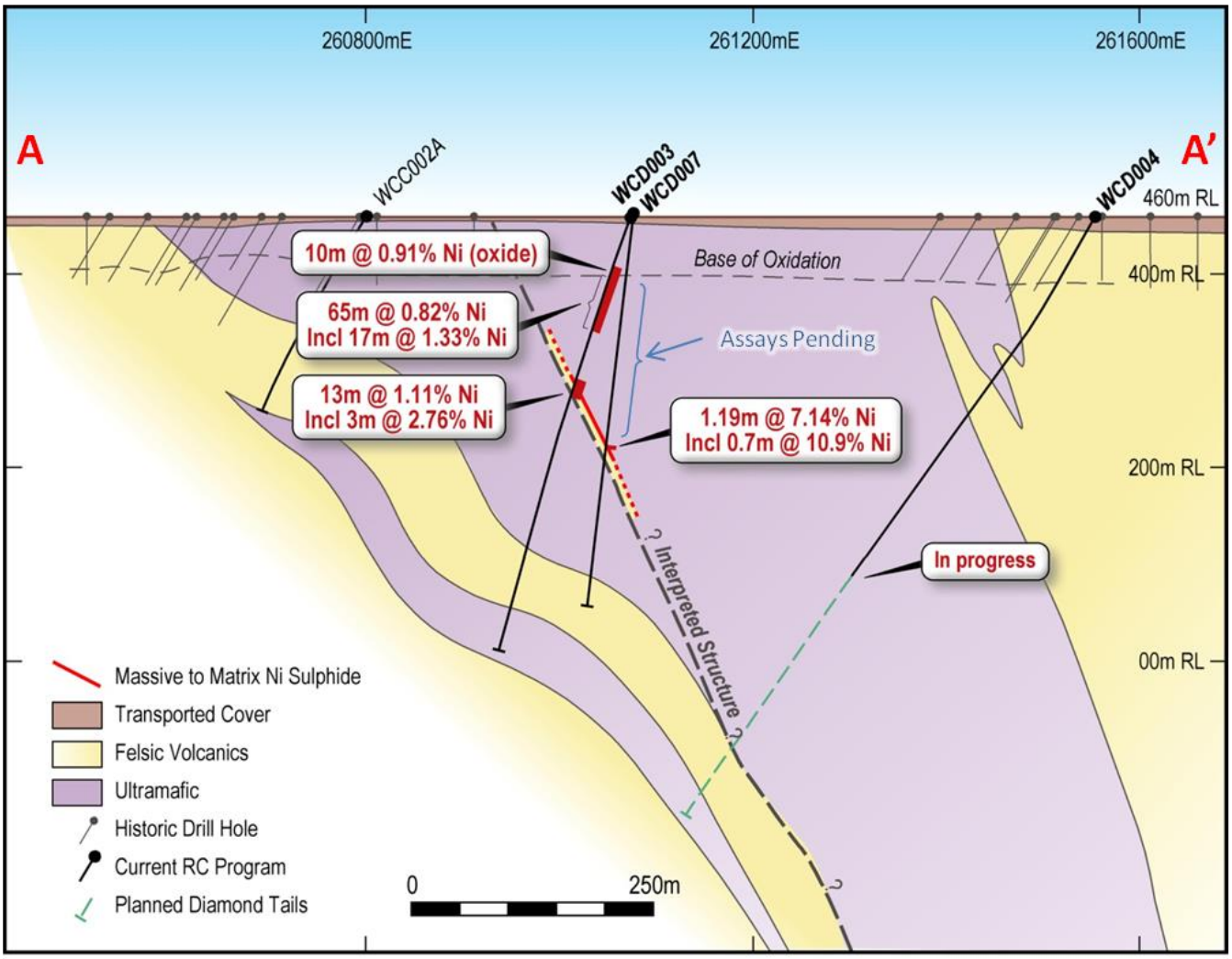
HOLE ID	Easting	Northing	RL_Mine	EOH Depth (m) Actual/Planned	Type	DIP	Azimuth	Comments
WCC001	261136	6939351	460	214/420	RC	-70	270	Diamond tail pending
WCD001	261212	6939002	460	256/550	RC/DD	-70	270	Diamond Tail pending
WCC002	260800	6938532	460	22/240	RC	-55	240	Hole abandoned
WCC002A	260798	6938532	460	238/240	RC	-55	240	Hole complete
WCD002	260990	6938299	460	286/420	RC/DD	-70	270	Diamond Tail pending
WCD003	261074	6938480	460	471.5	RC/DD	-70	270	Hole complete
WCD004	261554	6938485	460	226/750	RC/DD	-60	270	Diamond Tail in Progress
WCD005	261524	6938942	460	232/780	RC/DD	-65	270	Diamond Tail pending
WCD006	261510	6939290	460	208/700	RC/DD	-55	270	Diamond Tail pending
WCD007	261075	6938480	460	405.9	DD	-85	270	Hole complete

Subsequent to the initial eight RC drill-hole program completed in the December 2016 quarter, assay results have now been received with some significant intersections returned. An additional set of assay results has also been received from the first diamond tail (WCD007) drilled in the March quarter. Results received from both programs are tabulated below

Exploration Results - Neptune March 2017										
HOLEID	Easting	Northing	RL_MINE	EOH	Type	DIP	Azimuth	Width (m)	Ni %	FROM (m)
WCD001	261212	6939002	460	256 (RC)	RC/DD	-70	270	4	0.6	100
	and							4	0.51	116
	and							28	0.61	136
WCD003	261074	6938480	460	471.5	RC	-70	270	65	0.82	68
	including							17	1.33	100
	and							13	1.11	177
	including							3	2.76	184
	and							3	1.02	236
WCD005	261524	6938942	460	232 (RC)	RC/DD	-65	270	4	0.84	216
WCD007	261075	6938480	460	405.9	DD	-85	270	1.81	0.58	230.99
	and							**1.19**	**7.14**	**237.63**
	including							**0.7**	**10.90**	**237.83**
	and							0.24	0.70	241.32

Of particular note was results returned from the RC pre-collar portion of WCD003 with an elevated zone containing **3m @ 2.76% Ni (from 184m)** within a broader mineralised envelope of **13m @ 1.11% Ni (from 177m).** A follow-up diamond hole (WCD007), designed to test the down-dip extension of WCD003 successfully intersected an additional zone of massive to stringer nickel sulphides, **returning 1.19m @ 7.14% Ni**. Early results from these programs are depicted in the below image.

Lying directly above this intersection within WCD007 is a broad zone of ultramafic hosted, mostly finely disseminated nickel sulphide mineralisation. Assay results are still pending for this zone and will be reported in the following quarter



Neptune interpreted cross section 6938500mN

One down-hole electromagnetic (DHEM) survey was conducted within WCC002A, located on the western edge of the drill program area. No anomalous responses were received from this survey. A larger DHEM program, testing the remaining holes drilled on the section above will be completed in the early stages of the June quarter.

Exploration at Apollo

The Apollo target area lies approximately 7km to the southeast of the main Cosmos nickel belt. The stratigraphy is genetically related to the 'Camelot Nickel Camp', known to host significant volumes of high and low grade nickel sulphide mineralisation. The prospective Camelot ultramafics have been interpreted to extend into the Apollo area.

During the December quarter, a heritage survey was commenced and formal approval received for some of the proposed holes at Apollo, however, rain prevented the entire planned survey from being completed in the March quarter. Preliminary discussions have commenced to initiate completion of the remainder of the heritage survey.

Forrestania

A review of the potential for nickel mineralisation within the Cross Roads - Lake Ned (M77/468 and M77/467) and Boojum West Prospects (E77/1865) commenced in the quarter. Planning is well advanced with EM surveys scheduled to commence early in the June quarter.

Target generation and drill planning continued covering the south-eastern corner of the Parker Dome project area. A Clearing Permit application is in progress as the project is located within the Jilbadji Nature Reserve. Pending the successful completion of a targeted fauna survey (scheduled for the June 2017 quarter), approvals are now likely to be received by the September 2017 quarter, with drilling activities to commence thereafter.

Western Gawler Nickel-Copper Joint Venture (WSA earning up to 100% interest)

Key highlights in the quarter include:

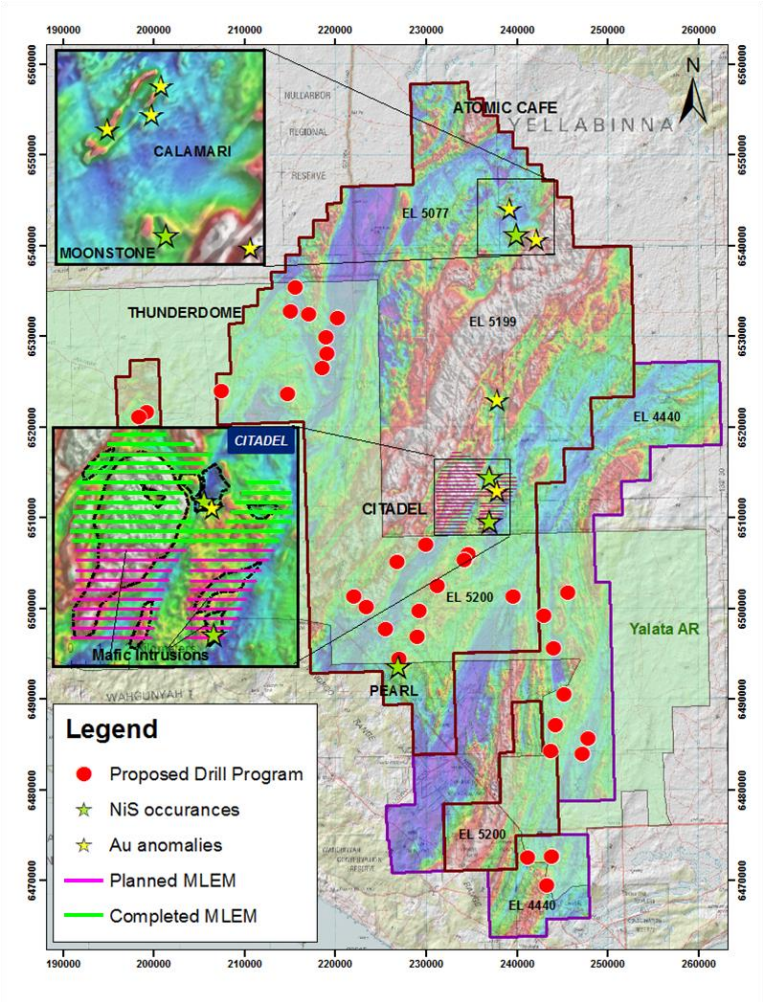
- MLEM surveys continuing at Citadel;
- Follow-up of new targets identified from the recently completed detailed surface gravity surveys to commence in the June quarter; and
- Further drilling programs scheduled.

The Western Gawler region is known to host mafic-ultramafic intrusive rocks and determining the extent, exact age and prospectivity of these is the primary objective of the exploration activities. The results from the initial phase of exploration are very encouraging, with the identification of olivine gabbro-norite intrusive rocks and geochemical anomalism in a number of areas. The results confirm the initial observations regarding the prospectivity of the Western Gawler region for intrusive related nickel, copper (and gold) mineralisation. These types of mafic intrusives are well known for hosting significant nickel and copper ore bodies in western and central Australia, including Nova-Bollinger and Nebo-Babel.

Previous work (including detailed magnetic and gravity surveys together with drilling) at Citadel has confirmed an extensive area of prospective intrusive rocks (pyroxenite and gabbro-norite), some of which are sulphide bearing (trace amounts). The testing of this area with MLEM surveys, in order to locate any mineralised massive sulphides that may be hosted by these intrusive bodies, is now approximately halfway through completion. A review of the survey data to date indicates that there are no significant bedrock anomalies present. The survey will continue during the coming quarter.

The new targets identified from the detailed surface gravity surveys (areas where discrete magnetic anomalies are coincident with gravity highs) are now scheduled to be followed-up with infill gravity and MLEM. Once the data from this work has been received and fully compiled, the highest ranking targets, along with any targets identified from the MLEM survey, will be tested in the up-coming drilling program. The slower than expected progress of the MLEM survey means the drill program is likely to commence towards the end of the June quarter or the beginning of the September quarter.

In addition to the above activities, during the coming quarter, surface geophysical surveys followed by drill testing are scheduled on the recently granted tenure west of the main West Gawler Project. The tenure covers a number of large coincident magnetic and gravity highs.



West Gawler Project – Exploration Status

-ENDS-

COMPETENT PERSON'S STATEMENT:

The information within this report as it relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr Andre Wulfse and Mr Marco Orunesu Preiata of Western Areas Ltd and Mr Charles Wilkinson. Mr Wulfse and Mr Orunesu Preiata are members of AusIMM and are full time employees of the Company. Mr Wilkinson is a member of AusIMM and a consultant to Western Areas. Mr Wilkinson, Mr Wulfse and Mr Orunesu Preiata 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 Wilkinson, Mr Wulfse and Mr Orunesu Preiata consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

FORWARD LOOKING STATEMENT:

This release contains certain forward-looking statements including nickel production targets. 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: "it appears that the relaxation of the Indonesian ore ban will have only a minor impact on supply with less than 4Mt of low grade (<1.7% Ni) laterite being approved for export" and, "the Company expects to improve the commercial terms for the new 45-50% high grade product generated by the MREP".

This announcement does not include reference to all available information on the Company, the Forrestania Nickel Operation or the Cosmos Nickel Complex 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 2017

	Tonnes	Grade Ni%	Ni Tonnes	Classification	JORC Code
Ore Reserves					
1. Flying Fox Area	1,044,960	4.0	41,670	Probable Ore Reserve	2012
2. Spotted Quoll Area	171,060	4.1	7,000	Proved Ore Reserve	2012
	2,050,570	4.0	81,900	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 FORRESTANIA ORE RESERVE	**5,375,590**	**3.0**	**161,370**		
Mineral Resources					
1. Flying Fox Area					
T1 South	132,279	4.6	6,085	Indicated Mineral Resource	2012
	55,219	3.9	2,154	Inferred Mineral Resource	2012
T1 North	55,779	5.9	3,290	Indicated Mineral Resource	2012
OTZ Sth Massive Zone	20,560	4.1	843	Inferred Mineral Resource	2012
OTZ Sth Massive Zone	162,338	4.0	6,574	Indicated Mineral Resource	2012
T4 Massive Zone	191,535	5.5	10,580	Indicated Mineral Resource	2012
T5 Massive Zone + Pegs	1,121,871	5.7	63,632	Indicated Mineral Resource	2012
T6 Massive Zone	75,707	5.2	3,905	Indicated Mineral Resource	2012
T7 Massive Zone	256,977	2.1	5,303	Inferred Mineral Resource	2012
Total High Grade	2,072,265	4.9	102,365		
T5 Flying Fox Disseminated Zone	197,200	0.8	1,590	Indicated Mineral Resource	2004
	357,800	1.0	3,460	Inferred Mineral Resource	2004
T5 Lounge Lizard Disseminated Zone	4,428,000	0.8	36,000	Indicated Mineral Resource	2004
Total Disseminated Flying Fox/Lounge Lizard	4,983,000	0.8	41,050		
Total FF/LL	7,055,265	2.0	143,415		
New Morning / Daybreak					
Massive Zone	340,126	3.3	11,224	Indicated Mineral Resource	2012
	78,067	3.9	3,025	Inferred Mineral Resource	2012
Disseminated Zone	1,887,691	1.5	29,025	Indicated Mineral Resource	2012
	3,232,693	1.2	38,065	Inferred Mineral Resource	2012
Total New Morning / Daybreak	5,538,577	1.5	81,339		
2. Spotted Quoll Area					
Spotted Quoll	565,166	5.8	32,780	Measured Mineral Resource	2012
	1,406,196	5.6	78,747	Indicated Mineral Resource	2012
	181,013	5.6	10,137	Inferred Mineral Resource	2012
Total Spotted Quoll	2,152,375	5.7	121,664		
Beautiful Sunday	480,000	1.4	6,720	Indicated Mineral Resource	2004
Total Western Belt	15,226,217	2.3	353,137		
3. 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		
4. 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 FORRESTANIA MINERAL RESOURCE	**25,630,317**	**1.8**	**461,657**		
5. Cosmos Area					
AM5	479,914	2.6	12,430	Indicated Mineral Resource	2012
	26,922	1.9	509	Inferred Mineral Resource	2012
AM6	1,704,548	2.7	45,171	Indicated Mineral Resource	2012
	329,443	2.5	8,203	Inferred Mineral Resource	2012
Odysseus	3,884,857	2.2	84,301	Indicated Mineral Resource	2012
	169,165	2.1	3,603	Inferred Mineral Resource	2012
Odysseus North - Disseminated	1,631,495	2.8	45,519	Indicated Mineral Resource	2012
	1,586,175	2.2	35,054	Inferred Mineral Resource	2012
Odysseus North - Massive	48,043	11.6	5,563	Inferred Mineral Resource	2012
Total Cosmos Area	9,860,562	2.4	240,353		
6. Mt Goode Area					
Mt Goode	13,563,000	0.8	105,791	Measured Mineral Resource	2012
	27,363,000	0.6	158,705	Indicated Mineral Resource	2012
	12,009,000	0.5	62,447	Inferred Mineral Resource	2012
Total Mt Goode Area	52,935,000	0.6	326,943		
TOTAL COSMOS MINERAL RESOURCE	**62,795,562**	**0.9**	**567,296**		
TOTAL WESTERN AREAS MINERAL RESOURCE	**88,425,879**	**1.2**	**1,028,953**		

JORC 2012 TABLE 1 – Spotted Quoll Mineral Resource Estimate March 2017

Section 1: Sampling Techniques and Data

Criteria	JORC Code 2012 Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• The Spotted Quoll Deposit was sampled using diamond drill (DD) and reverse circulation holes (RC) on a nominal 50 x 30m grid spacing as well as underground channel sampling in a limited area. • Although all available valid data was used to design the geological model, only diamond hole data was used to estimate the grade and ancillary variables into the resource model. • A total of 2,798 composites derived from 675 drillholes were used to estimate the grades. This represents a drilling pattern smaller than 40m by 40m over the full extent of the deposit. • Holes were generally drilled perpendicular (west) to the strike (north-south) of the stratigraphy, at angles ranging between 60° and 75°. • Closely spaced underground channel samples were used as part of the final block model validation process.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Samples have been collected since discovery in 2007 in accordance with Western Areas Ltd protocols and sample representivity is assured by an industry standard QAQC program as discussed in a later section of this tabular summary.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond drill (DD) core was marked at 1m intervals and sample lengths were typically of this length. Sampling boundaries were selected to match the main geological and mineralisation boundaries. • Core was cut in half by diamond saw blades and one half quartered, with a quarter stored for assay and a quarter preserved as a geological archive. • Samples were crushed, dried and pulverised (total prep) to produce a sub sample for analysis by 4 acid digest with an ICP/AES and FA/ICP (Au, Pt, Pd) finish. Samples from reverse circulation (RC) drilling consisted of chip samples at 1m intervals from which 3 kg was pulverised to produce a sub sample for assaying as per the DD samples.
Drilling Techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling comprises NQ2 sized core. • The core was oriented using ACT II control panels and ACT III downhole units. • RC drilling comprises 140mm diameter face sampling hammer drilling. • Rotary air blast holes (RAB) were used to assist in geological domain analysis, but were not used for Mineral Resource Estimation purposes.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core and RC recoveries are logged and recorded in the database. • Overall recoveries are >95% and there are no core loss issues or significant sample recovery problems.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. • Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers. • RC samples were visually checked for recovery, moisture and contamination.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias occurs*	• The resource grades are derived from diamond core drilling with core recoveries in excess of 95%. • The massive sulphide style of mineralisation and the consistency of the mineralised intervals are considered to preclude any issue of sample bias due to material loss or gain.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Geological and geotechnical logging was carried out on all diamond drillholes for recovery, rock quality designation (RQD) and number of defects (per interval). • Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure table of the database. • Sufficient data has been collected and verified to support the current Mineral Resource Estimate.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)*	• Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structural (DD only), weathering, colour and other features of the samples.

		• Core was photographed in both dry and wet form.
	• *The total length and percentage of the relevant intersections logged.*	• All drillholes were logged in full from the collar position to the end of the hole position.
Sub-sampling techniques and sampling preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Core was cut in quarters (NQ2) on site using an Almonte automatic core saw. • All samples were collected from the same side of the core.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• RC samples were collected using a riffle splitter. • All samples in the mineralised zones were dry.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• The sample preparation of diamond core follows industry best practice in sample preparation involving oven drying, coarse crushing of the quarter core sample down to ~10mm, followed by pulverisation of the entire sample (total prep) using LM5 grinding mills to a grind size of 90% passing 75 micron. • The sample preparation for RC samples is identical, without the coarse crush stage.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• WSA included field Ni standards ranging from 0.7% - 8.4% Ni that were routinely submitted with sample batches in order to independently monitor analytical performance. • Standards were fabricated and prepared by Gannet Holdings, Perth, using high-grade nickel sulphide ore sourced from the Silver Swan mine. • Standards were supplied in 55g sealed foil sachets.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• Field duplicates were taken on a 15% by volume basis. • Duplicate quarter samples were sent to a commercial independent certified lab.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The sample sizes are considered to be appropriate to correctly represent the sulphide mineralisation at Spotted Quoll based on the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.
Quality of assay data laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• All samples used in the Mineral Resource Estimate were assayed by an independent certified commercial laboratory. • The laboratory used by WSA is experienced in the preparation and analysis of nickel-bearing 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.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• No geophysical tools or handheld XRF instruments were used to determine any element concentrations that were subsequently used for Mineral Resource Estimate purposes.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Standards and blanks were routinely used to assess company QAQC (approx. 1 standard for every 12-15 samples). • Duplicates were taken on a 15% by volume basis, field based umpire samples were assessed on a regular basis. • Accuracy and precision were assessed using industry standard procedures such as control charts and scatter plots. • Results indicated no material issues associated with sample preparation and analytical error; in occasional cases where a sample did not meet the required quality threshold, the entire batch was re analysed.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Newexco Services Pty Ltd (Newexco) has independently visually verified significant intersections in most of the diamond core.
	• *The use of twinned holes.*	• No holes were specifically twinned, but there are several holes in close proximity to each other and the resultant assays and geological logs were compared for consistency.

	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Primary data was collected using Excel templates utilising look-up codes, on laptop computers. • All data was validated by the supervising geologist, and sent to Newexco for validation and integration into an SQL database.
	• *Discuss any adjustment to assay data.*	• No adjustments were made to assay data compiled for this estimate.
Location of data points	• *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.*	• Hole collar locations were surveyed by WSA surveyors. The Leica GPS1200 used for all surface work has an accuracy of +/- 3cm.
	• *Specification of the grid system used.*	• A 2 point transformation is used to convert the data from MGA50 to Local Grid and vice versa
	• *Quality and adequacy of topographic control.*	• The accuracy of the pillars used in WSA's topographical control networks is within the Mines Regulations accuracy requirement of 1:5000 for control networks.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Drillholes were spaced at an approx. 30m (northing) x30m grid for the areas that will be affected by mining in the next two years and nominally 60m by 60m for areas that will be affected by mining in the subsequent years.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• The previous estimate and the extensive drill program coupled with information derived from previous open pit and underground mining at Spotted Quoll has demonstrated sufficient and appropriate continuity for both geology and grade within the deposit to support the definition of Mineral Resources, and the classification (Indicated and Inferred) applied. No material has been classified as Measured.
	• *Whether sample compositing has been applied.*	• Samples were composited to 1m 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.*	• The Spotted Quoll deposit strikes at approximately 030° and dips nominally 50° to the east. • All drilling was conducted from east to west. • Most of the drilling was conducted from the hanging wall i.e. from the east to the west. • Results from an independent structural study on the deposit along with historical regional and near-mine structural observations complemented the detailed structural core logging results to provide a geological model that was used with an appropriate level of confidence for the classification applied under the 2012 JORC Code.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No orientation based sampling bias has been observed in the data.
	• *The measures taken to ensure sample security.*	• All core samples were delivered from site to Perth and then to the assay laboratory by an independent transport contractor.
	• *Audits or Reviews*	• No formal external audit of the Mineral Resource has been undertaken to date. • Independent consultants assisted with the geological and mineral resource modelling.
	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques are standard practice at WSA; these were implemented over seven years ago and have been subject to independent reviews during this time.

Section 2: Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
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 (FNO) 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

Criteria	JORC Code explanation	Commentary
		(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 deposits lie 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 occurs in association with the basal section of high MgO cumulate ultramafic rocks. • The greenstone succession in the district also hosts a number of orogenic lode gold deposits of which Bounty Gold Mine is the largest 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.*	• This is a Mineral Resource Estimate summary and no exploration results are reported as such.
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.*	• This is a Mineral Resource Estimate summary and no exploration results are reported as such – cut-offs were applied to the overall reported tonnes and grade and are discussed in the appropriate section of this table. • 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').*	• This is a Mineral Resource Estimate summary and no exploration results are reported. • 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.*	• This is a Mineral Resource Estimate summary and the appropriate figures can be found elsewhere in this table.
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.*	• Not applicable to a Mineral Resource Estimate summary.

Criteria	JORC Code explanation	Commentary
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.*	• This is a Mineral Resource Estimate summary and no exploration results are reported as such. • 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/cm^3 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.*	• This is a Mineral Resource Estimate summary and no exploration results are reported as such.

Section 3: Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database Integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	• All data has been recorded in Excel templates with reference look-up tables. All data are imported into an acQuire relational database.
	• *Data validation procedures used.*	• Validation is a fundamental part of the acQuire data model and is implemented via referential integrity and triggers. • Referential constraints ensure that, for example, Hole ID matches collar and downhole data. Triggers check criteria such as code validity, overlapping intervals, depth and date consistencies. • All fields of code data have associated look-up table references.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• The Competent Person (Andre Wulfse) is an employee of Western Areas and has undertaken regular site visits since 2008.
	• *If no site visits have been undertaken indicate why this is the case.*	• Not applicable.
Geological interpretation	• *Confidence in (or conversely, the uncertainty) of the geological interpretation of the mineral deposit.*	• Confidence in the geological interpretation is high, due to the history of mining, the spacing of drilling and the understanding of similar deposits within the Forrestania Ultramafic Belt. • The deposit is located within the traditional footwall of the basal ultramafic metasediment contact, which was probably the original locus for sulphide deposition from an overlying pile of komatiite flows. Subsequent metamorphism, deformation and intrusion of granitoid sills has contributed to a complex setting, with mineralisation now occupying a possible shear zone within the footwall sediments, 15-20m (stratigraphical) beneath the basalt/ultramafic contact. • The deposit is principally a body of matrix magmatic sulphide mineralisation in which the original pentlandite and pyrrhotite assemblage has been overprinted by arsenic-bearing assemblages dominated by gersdorffite and minor nickeline. Sulphide abundances of 20% to 90% are common. • Mean nickel grades of ore intersections are in the order of 4% to 12% Ni.
	• *Nature of the data used and of any assumptions made.*	• Lithogeochemistry and stratigraphic interpretation have been used to assist the identification of rock types.
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	• Alternative interpretations of the Mineral Resource were considered. In particular, the previous model and the grade control models were extensively validated against the current geological and resource model. • Alternative interpretations of mineralisation do not differ materially from the current interpretation. • WSA has successfully mined the deposit using a similarly derived geological and resource model which is subject to monthly mill-to-face grade and tonnage reconciliation.
	• *The use of geology in guiding and controlling Mineral Resource estimation.*	• The Mineral Resource Estimate is based upon a robust geological model discussed previously. • The hanging wall and footwall contacts of the various mineralised domains were modelled with a level of confidence commensurate with the resource

		classification category applied. • The extents of the geological model were constrained by drillhole intercepts and extrapolation of the geological contacts beyond the drill data was minimal for the Indicated category. • Granitoid intrusives were modelled and grades were accordingly diluted in these areas.
	• *The factors affecting continuity both of grade and geology.*	• Key factors affecting continuity relate to pervasive felsic intrusive units and faults. • The geological discontinuities have been modelled and the grade discontinuities have been accounted for in the estimation modelling.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The strike length of the Mineral Resource is nominally 300m on average, with a range of 25m to 520m, depending on depth below surface. The nominal mean dip length is 1500m. • The RL below the pre-existing pit is 1250mRL and the maximum depth of the Mineral Resource is 250mRL. The mean thickness of the mineralised zone is 3.1m, with a maximum thickness of 13.4m.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, method was chosen include a description of computer software and parameters used and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	• Hard boundary geologic domains were designed using Implicit and Explicit modelling techniques. • Grade and ancillary element estimation into the mineralised domains using Ordinary Kriging and Inverse Power Distance (IPD) was completed using Datamine™, and Supervisor software. • The methods were considered appropriate due to drill hole spacing and the nature of mineralisation. • Sample data was composited to 1m downhole lengths. • Intervals with no assays were treated as null values. • Top-cut investigations were completed and no top-cuts were applied on the basis of grade distribution and Coefficient of Variation. • Sample, wireframe and block model data were flagged using domain and weathering codes generated from 3D mineralised wireframes. • Extensive Exploratory Data Analysis (EDA) was carried out on the raw and composite data in order to understand the distribution in preparation for estimation and to validate the composite data against the raw data. • EDA included Histograms, Log Probability plots and Mean and Variance plots for each of the domains and sub domains. • Qualitative Kriging Neighbourhood Analysis was used to determine the optimum search neighbourhood parameters. Directional variography was performed for Ni and selected ancillary elements. • Nugget values are typical for the type of mineralisation (Ni = 20% - 40% of the total variance). Ranges of continuity for Ni vary from 20m to 60m in the direction of preferred orientation of mineralisation. • Estimation validation techniques included swathe plots of the grade of the composites vs the grade of the block model.
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• This MRE is an update of an MRE that was previously reported and was validated against the same.
	• *The assumptions made regarding recovery of by-products.*	• No assumptions were made about the recovery of by products in this estimate. • WSA currently does not have any offtake agreements in place for the sale of discrete by-products.
	• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*	• Arsenic (As) is considered a deleterious element as it can have an adverse effect on the recovery of Ni if not properly managed during the blending process. • As was routinely assayed with Ni and was subsequently modelled and estimated into the block model using mutually exclusive domains to that of Ni. • Other non-grade elements were estimated into the block model.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• The block model was constructed using a 25mE x 20mN x 10mRL parent size, with sub cells. All estimation was completed at the parent cell scale, thereby avoiding any potential geostatistical support issues. • The size of the search ellipse was based on the drillhole 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 x 30m in areas that will be affected by mining in the next two years and 60m x 60m in subsequent areas.
	• *Any assumptions behind modelling of selective mining units.*	• No selectivity was built into the model on the basis that full extraction of the ore zone using longhole and airleg stoping is expected

	• *Any assumptions about correlation between variables.*	• No known correlation between variables other than the close correlation between Density and Ni grade.
	• *Description of how the geological interpretation was used to control the resource estimates.*	• The geological interpretation was developed using geological, structural and lithogeochemical elements. • The geological framework associated with extrusive komatiite-hosted deposits, and the structural elements observed at the local and wide scale, were used to determine and refine mineral domains. • The hanging wall and footwall contacts of mineralisation were used as hard boundaries during the estimation process and only blocks within the geological wireframe were informed with Ni grades.
	• *Discussion of basis for using or not using grade cutting or capping.*	• Geostatistical and visual investigation of the grade distribution negated the need for grade cutting or capping.
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Validation of the block model included comparing the volume of resource wireframes to block model volumes. • It also involved comparing block model grades with drill hole grades by means of swathe plots showing easting, northing and elevation comparisons. • Estimation validation techniques included swathe plots of the grade of the composites vs the grade of the block model as shown below. • Visual grade validations using Datamine™, Supervisor and Leapfrog were undertaken. • The assumptions and methodologies used during this estimation are very similar to that of the previously reported Mineral Resource Estimate.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages were estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The mineral envelope was determined using a nominal 0.4% Ni grade cut-off. • The Mineral Resource is reported at a 0.4% Ni cut-off for Measured and Indicated and 0% Ni for Inferred, which is a reasonable representation of the mineralised material prior to the application of economic and mining assumptions and an Ore Reserve cut-off. • The Spotted Quoll mineralisation tenor is relatively high compared to other komatiite-hosted deposits, and hence the use of a lower cut-off grade is appropriate.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The Spotted Quoll deposit is currently being mined primarily using longhole stoping methods with paste fill. • The mining method, which is unlikely to change, has been taken into account during the estimation process. • The Mineral Resource was depleted against mining.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Ore from the Spotted Quoll deposit is currently being processed on site, where Nickel concentrate is produced using a three-stage crushing, ball mill, and flotation and thickener/ filtration system. • Arsenic rejection in the flotation circuit has been modelled based on current and historic operational performance.

Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• All waste and process residue will be disposed of through the Cosmic Boy concentrator plant and its tailings dam. • All site activities will be undertaken in accordance with WSA's environmental policy.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	• There is a strong correlation between Ni and bulk density at Forrestania and a robust Ni grade regression formula was used to estimate bulk density into the blocks.
	• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*	• Core at Spotted Quoll is generally void of vugs, voids and other defects. Rocks are from the amphibolite facies and faults have largely been annealed. Porosity is considered low.
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The bulk density values were estimated into the block model using the same search parameters that were used to interpolate Ni within the geological domains.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	• The Spotted Quoll Mineral Resource is classified as Indicated and Inferred on the basis of drillhole spacing and Kriging efficiency. • Only blocks that are between existing ore drives and within the crown pillar are classified as Measured.
	• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, and confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*	• The definition of mineralised zones is based on a high level of geological understanding. • The model has been confirmed by infill drilling, supporting the original interpretations. • All relevant factors have been considered in this estimate .
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource Estimate appropriately reflects the view of the Competent Person who is a full-time employee of Western Areas and has been working on the deposits since 2008, both as a consultant and an employee.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No audit has been undertaken on the current MRE to date, but the model was designed with the assistance of independent consultants.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	• The geological and grade continuity of the Spotted Quoll deposit is well understood and the mineralisation wireframes used to build the block model have been designed using all available exploration and mining data. • Post-processing block model validation was extensively undertaken using geostatistical methods.
	• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*	• The Mineral Resource statement relates to local estimates of tonnes and grade.
	• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The MRE was compared to the production grade control data. The upper section of the deposit has been mined by open pit methods and underground mining has been in place for over five years.

JORC 2012 TABLE 1 – Cosmos Nickel Complex Exploration

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. 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.*	• Exploration targets were sampled using RC drilling and or diamond drilling (DD), and holes were typically drilled perpendicular to the strike (north-south) of the stratigraphy, at angles ranging between -55o and -80o. • 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 and 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. All sampling was conducted under WSA QAQC protocols which are in accordance with industry best practice. • 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. • 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.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• All samples were prepared and assayed by independent commercial laboratories whose instruments are regularly calibrated • Geophysical survey QC parameters were reviewed by independent supervising geophysicists from Newexco Services Pty Ltd
	• *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.*	• Diamond core is typically marked at 1m intervals • Sample intervals marked up by geologists based on geology. • Sampled mineralisation intervals are sent to a commercial laboratory for crushing and grinding before assaying.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).*	• RC drilling utilized a KWL 700 rig with Hurricane B7-41 booster 1000psi / 350/1150 silenced Sullair combination unit was used. • RC drilling comprises nominally 140mm diameter face sampling hammer drilling. • Diamond Drilling utilized a UDR1200 rig • Diamond drilling comprises HQ and NQ2 sized core. • Historical data is derived from both surface and underground diamond 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 may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond core recoveries have been logged and recorded in the database • Diamond core is logged and recorded in the database. Overall recoveries are >95% and there was no core loss issues or significant sample recovery problems. Core loss is noted where it occurs. • 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 recoveries are logged and recorded in the database and RC samples were visually checked for recovery, moisture and contamination. Drilling close to the lake shore for the Neptune drilling resulted in high water flows which reduced the sample size and loss of fines from the sample. • The drilling by diamond core method 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. • Drilling in the oxidised profile results in more incomplete core recoveries.

Criteria	JORC Code explanation	Commentary
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.*	• All geological logging was carried out to a high standard using well established geology codes in LogChief software. • All logging recorded Panasonic Toughbook PC logging.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Core is photographed in both dry and wet form and logging is done in detail
	• *The total length and percentage of the relevant intersections logged.*	• All diamond drill holes were logged and photographed in full. RC holes are logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Diamond core is sampled as quarter core only; cut by the field crew on site by diamond saw.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• 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 than 3kg.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• The sample preparation follows industry best practice involving oven drying, coarse crushing and pulverising.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• The field crew prepares and inserts the QAQC certified reference materials into the relevant calico bags. • OREAS and Geostats standards have been selected based on their grade range and mineralogical properties, with approximately 12 different standards used.
	• *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.*	• Standards and blanks are inserted approximately every 20 samples or at least one every hole for both diamond and RC drilling.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All geological logging was carried out to a high standard using well established geology codes in LogChief software.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• All samples are assayed by independent certified commercial laboratories. • The laboratories used are experienced in the preparation and analysis of nickel sulphide ores.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• No Geophysical tools or handheld XRF instruments were used to determine any element concentrations that were subsequently used for MRE or exploration reporting purposes
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Certified reference materials are included in all batches dispatched at an approximate frequency of 1 per 20 samples, with a minimum of two per batch. • Field duplicates are inserted into submissions at an approximate frequency of 1 in 25, with placement determined by Nickel grade and homogeneity. Lab checks, both pulp and crush, are taken alternately by the lab at a frequency of 1 in 25. • Accuracy and precision were assessed using industry standard procedures such as control charts and scatter plots. • Evaluations of standards are completed on a monthly, quarterly and annual basis using QAQC.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Geological interpretation using intersections peer viewed by prior company and WSA geologists.
	• *The use of twinned holes.*	• Not applicable
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• All primary geophysical data were recorded digitally and sent in electronic format to Newexco Services Pty Ltd for quality control and evaluation. • All geological logging was carried out to a high standard using well established geology codes in LogChief software. • All other data including assay results are imported via Datashed software. • Drillholes, sampling and assay data is stored in a SQL Server database located in a dedicated data center.

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	• none
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.*	• Downhole surveys completed using the Axis "Champ Gyro™" north seeking gyroscopic instrument on all resource definition and Exploration diamond holes. Exploration RC holes were surveyed down-hole using an Eastman single shot camera. Underground drill-hole collar locations verified via survey pickup.
	• *Specification of the grid system used.*	• MGA94 Zone 51 grid coordinate system is used. • A two point transformation is used to convert the data from AMG84_51 mine grid and vice versa.
	• *Quality and adequacy of topographic control.*	• The project area is flat and the topographic data density is adequate for MRE purposes • Collar positions were picked up by suitably qualified surface and underground surveyors
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Drill hole spacing at Neptune is varied according to nature of target type. Where initial drilling was undertaken holes are nominally 250m to 400m apart. Where mineralisation is identified holes are spaced at an approx 100m to 200m spacing.
	• *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.*	• For Exploration at Neptune, drill hole spacing and distribution is currently insufficient to support a mineral resource estimate.
	• *Whether sample compositing has been applied.*	• Sampling compositing has been applied to some of the RC sampling (2m to 4m).
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• The 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° to 80°) means this is not always achieved.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No orientation based sampling bias has been observed in the data, intercepts are reported as downhole lengths.
Sample security	• *The measures taken to ensure sample security.*	• Standard West Australian mining industry sample security measures were observed
Audits or 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 the Company.

Section 2: Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
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.*	• Cosmos Nickel Complex comprises 26 tenements covering some 9,226Ha. The tenements include mining leases and miscellaneous licenses • Western Areas wholly owns 23 tenements, which were acquired from Xstrata Nickel Australasia in October 2015. The remainder of the tenements (3) are subject to a Joint Venture with Alkane Resources NL, where Western Areas has earned 80.6% interest • All tenements are in good standing
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical nickel exploration has been completed by Glencore PLC, Xstrata Nickel Australasia and Jubliee Mines NL
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposits form part of the Cosmos Nickel Complex, which lies within the Agnew-Wiluna Belt of the central Yilgarn Craton, Western Australia • The deposit style is komatiite hosted, disseminated to massive nickel sulphides. • The mineralisation typically occurs in association with the basal zone of high MgO cumulate ultramafic rocks. • Many of the higher grade ore bodies in the Cosmos Nickel Complex also

Criteria	JORC Code explanation	Commentary
		show varying degrees of remobilisation, and do not occur in a typical mineralisation profile
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. • Metal equivalents have not been 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 (e.g. 'down hole length, true width not known').*	• Drill hole intersections may not be true 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.*	• Included within report
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 relevant assay results have been 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.*	• Included within report • Geophysics • 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.*	• Preliminary plans are included within the report • Future explorations programs may change depending on results and strategy