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Western Areas (ASX:WSA) (WSA or the Company) is pleased to report another strong quarterly performance across the full suite of operational metrics including safety, costs and continued positive free cashflow generation. Full year guidance in all areas was beaten which includes production and unit cash cost metrics. The cashflow performance for the quarter and the full financial year continues to demonstrate the Company's resilience to the current low nickel price environment. There were no lost time injuries for the quarter and the Company is proud to report a lost time injury frequency rate of ZERO.

Mill throughput at 157,913 tonnes was a record for Western Areas and resulted in the highest quarterly production of the year at 6,676t of nickel in concentrate. Consequently, full year production was 25,801t of nickel in concentrate which exceeded the full year guidance of 25,500t. The mill's outperformance assisted in delivering the lowest quarterly unit cash cost of production for the year at A\$2.19/lb. Full year unit costs at A\$2.31/lb, significantly better than the full year guidance range of A\$2.40/lb to A\$2.50/lb.

The Company again generated free cashflow for the quarter despite the nickel price retreating to below US\$6.00/lb. The strong cashflow generated over the entire financial year has allowed the Company to become debt free for the first time since 2004 with the repayment of A\$125m of convertible bonds on 2 July 2015. Consolidated cash at bank (which includes FinnAust Mining) was A\$195.4m at 30 June 2015.

June quarter mine production was 131,545 tonnes of ore at an average grade of 5.0% for 6,565 nickel tonnes. Full year mine production was 26,524 nickel tonnes which also exceeded full year guidance of 26,000 nickel tonnes.

June Quarter 2015 Highlights:

1. Flying Fox mine production was 62,976t of ore mined at 4.9% for 3,076 nickel tonnes (6.8M lbs).
2. Spotted Quoll mine production was 68,569t of ore at 5.1% for 3,489 nickel tonnes (7.7M lbs).
3. Mill throughput was 157,913t of ore at an average grade of 4.7% nickel with recovery of 89.2%.
4. Pre-consolidated cash at bank (excluding FinnAust) increased by A\$3.0m to A\$193.7m which includes the interim dividend payment of A\$6.7m and the impact of negative quotation period (QP) pricing.
5. Agreement was reached to purchase the Cosmos Nickel Complex from Xstrata Australasia Operations Pty Ltd (Glencore subsidiary) for A\$24.5m.
6. The Mill Enhancement Recovery Project has been approved by the Board with recoveries to increase 3% to 5% over the life of mine.
7. Flying Fox Resources and Reserves upgraded (see Section 4).
8. New Morning/Daybreak shallow drilling intersected nickel sulphides including 6.7m @ 3.1% nickel (NMD 205) and 17.5m @ 2.8% nickel (NMD207).
9. Planning for the major drilling program at the Western Gawler project in South Australia was completed. Drilling commenced in July.

The full activities report can be viewed at the Company's website www.westernareas.com.au

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COMPETENT PERSON'S STATEMENT:

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

FORWARD-LOOKING STATEMENT:

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

Examples of forward looking statements used in this report include: "The Mill Enhancement Recovery Project has been approved

by the Board with recoveries to increase 3% to 5% over the life of mine"

This announcement does not include reference to all available information on the Company, the Forrestania Nickel Operation or Company subsidiary's 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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