# Western Areas Announces High Grade Mineral Resource Doubles at Spotted Quoll North

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**Maiden Ore Reserve Released**

PERTH, AUSTRALIA -- (Marketwired - Sept. 11, 2013) - Western Areas Ltd (TSX:ASA) (ASX:WSA) ("Western Areas" or the "Company") is pleased to announce positive developments at its Spotted Quoll mine with a doubling of the Mineral Resource for the Spotted Quoll North Zone and the establishment of a maiden underground Ore Reserve for this high grade massive sulphide deposit.

**Key highlights include:**

- Mineral Resource doubled to 11,520 nickel tonnes with 80% in the Indicated Category:
-- Indicated Resource of 113,500t at 9.3% for 10,573 nickel tonnes
-- Inferred Resource of 21,520t at 11.0% for 2,367 nickel tonnes

- Maiden Ore Reserve of 168,000t at 5.7% for 9,600 nickel tonnes, representing one of the highest grade nickel ore reserves in the world.

- Ore Reserve in the North Zone replenishes approximately one year's low cost production from the Spotted Quoll mine, extending the mine life already estimated to exceed 10 years.

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

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

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

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

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

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

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

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

| | | Indicated | | Inferred | | |
|---|---|---|---|---|---|---|
| Budget (July 1st 2012) | Ore (kt) | Ni (%) | Ni (t) | Ore (kt) | Ni (%) | Ni (t) |
| SQ North Resource June 30, 2012 | 51 | 11.3% | 5,730 | 0 | 0.0% | 0 |
| SQ North Resource Sept, 2013 | 113 | 9.3% | 10,573 | 22 | 11.0% | 2,367 |
| Mineral Resource Increase | 62 | 7.8% | 4,843 | 22 | 11.0% | 2,367 |

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

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

| | Probable Classification | | |
|---|---|---|---|
| Budget (July 1st 2012) | Ore (kt) | Grade Ni (%) | Contained Ni (t) |
| SQ North reserve 12 Sept 2013 | 168 | 5.70% | 9,600 |

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

**JORC 2012 - Summary of Material Information**

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

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

**Sampling Techniques and Data**

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

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

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

**Estimation and modelling techniques**

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

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

**Cut-off parameters**

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

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

**Metallurgical and Mining Assumptions**

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

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

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

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

Further Resource and Reserve Parameters (Australian JORC Code 2012) are available at the Western Areas website.

**COMPETENT PERSON STATEMENTS - MINERAL RESOURCE**

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

**COMPETENT PERSON STATEMENTS - ORE RESERVE**

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

**FORWARD-LOOKING STATEMENT:**

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

September quarterly report."

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

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

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

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