

# Western Areas Announces June 2013 Quarterly Activities Report

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## **Lowest Unit Cash Costs for the Year and Record Concentrate Sales**

PERTH, WESTERN AUSTRALIA -- (Marketwired - July 22, 2013) - [Western Areas](#) (ASX:WSA) (WSA or the Company) is pleased to report the achievement of another strong quarter on operational measures, including record concentrate sales, set against a weak overall nickel and commodity price environment.

Operationally, on internal measures within management control, the company continues to track well, finishing the year by delivering record concentrate sales with quarterly unit cash cost of production at the lowest level (A\$2.46/lb) for the financial year. This performance and other factors have combined in achieving free cashflow for the quarter of \$22.6M.

Total mine production for the quarter was 6,031 tonnes of nickel in ore at an average grade of 4.7%. The Company's full year production of nickel in ore was 27,639 tonnes exceeding its upgraded guidance of 27,500 tonnes. Total nickel in concentrate produced from the mill was 6,634 nickel tonnes resulting in full year production of 26,918 nickel tonnes.

On the financial front, nickel prices have remained subdued at cyclical lows, partially moderated by an improving Australian dollar exchange rate. In recognition of the difficult commodity price environment being experienced by all stakeholders and the associated bottom line impacts, the executive directors and senior management team have forfeited a minimum of 50% of their short term incentives earned and a salary freeze has been extended into FY14. These moves do not reflect operational performance, which remains excellent.

## **June Q 2013 Highlights:**

1. Free cashflow from A\$22.6M for the quarter, achieved due to excellent concentrate shipping tonnages and the continued stringent management of costs across the entire Company.
2. At 30 June 2013, Western Areas had total cash plus nickel sales receivables of A\$97.3M (March Q, A\$84.5M). Net increase driven by excellent sales volumes.
3. Record nickel sales during the June Q comprised 46,053 tonnes of concentrate containing 7,222 tonnes (15.9M lbs) nickel.
4. Flying Fox mine production was 73,716 tonnes of ore mined at 4.7% for 3,447 tonnes (17.6M lbs) contained nickel.
5. Spotted Quoll underground mine production was 53,465 ore tonnes at 4.8% for 2,584 tonnes (5.7M lbs) of contained nickel.
6. Average cash cost of nickel in concentrate produced was A\$2.46/lb, being a 14% reduction from last quarter. Full Year to date stands at A\$2.68/lb, being well below guidance of A\$2.90/lb.
7. Exploration success with a second intersection at the New Morning deposit - 1.7m at 5.6% nickel.
8. Spotted Quoll North Lode drilling continues to intercept high grades including 1.65m @ 12.0% nickel. Updated resource due in September Q.

The full activities report can be viewed at the Company's website [www.westernareas.com.au](http://www.westernareas.com.au).

## **COMPETENT PERSON'S STATEMENT:**

The information within this report as it relates to exploration results is based on information compiled by Mr Adrian Black from geological consultants Newexco Services Pty Ltd ("Newexco") and Mr Charles Wilkinson from Western Areas. They are responsible for the verification and quality assurance of the Company's exploration data and analytical results from the Forrestania Nickel Project. Surface diamond drill hole collar surveys used differential GPS, downhole surveys employed a north seeking gyroscopic instrument together with a comprehensive density database; high assay confidence with systematic QA/QC procedures; and validated database. Samples of quarter core from the drill holes described in this release are prepared and analysed by ALS Chemex Ltd laboratory in Perth for nickel, copper, cobalt and other elements. Core samples are crushed and pulverised to 90% passing 75 microns then analysed for nickel by ore grade determination using the ALS OG-62 method. Assays standards are routinely inserted in the sample stream by Newexco for quality control.

The information within this report as it relates to mineral resources, ore reserves and mine development activities is based on information compiled by Mr Andre Wulfse and Mr Dan Lougher of Western Areas Ltd. Mr Wulfse and Mr Lougher are members of AusIMM and are full time employees of the Company. Mr Wulfse and Mr Lougher have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Wulfse and Mr Lougher consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

#### **FORWARD LOOKING STATEMENT:**

This release contains certain forward-looking statements including nickel production targets. 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.

Examples of forward looking statements used in this report include "demonstrates the ability of Western Areas to generate strong cashflows despite the impact of the weak nickel price".

This announcement does not include reference to all available information on the Company or the Forrestania Nickel Project or the Regional Nickel Projects of FinnAust Mining Plc and should not be used in isolation as a basis to invest in Western Areas. Potential investors should refer to Western Areas' other public releases and statutory reports and consult their professional advisers before considering investing in the Company.

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

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