

# Western Areas Announces September 2013 Quarterly Activities Report

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## **Lowest Unit Cash Costs and Highest Mine Production Since December 2011**

PERTH, AUSTRALIA -- (Marketwired - Oct. 14, 2013) - [Western Areas](#) (WSA or the Company) (ASX:WSA) is pleased to report the achievement of another strong quarter on all operational measures, including the third consecutive quarter where unit cash costs of production have substantially reduced to A\$2.28/lb, their lowest level since December Q 2011.

Operationally the Company has commenced the new financial year strongly when measured against guidance. Both mines increased their nickel production with mine grade being particularly strong, averaging 5.1% nickel across the group. Spotted Quoll underground achieved record production with 77,097t of ore mined at an average grade of 5.3% for record total production of 4,090t of nickel (58% increase on June Q).

Total mine production for the quarter was 8,290 tonnes of nickel in ore at an average grade of 5.1%, being the highest level of production since the December Q in 2011.

On the financial front, nickel prices have remained at unsustainable cyclical lows, however for the first time we are now starting to witness nickel supply responses. Glencore has shut down all nickel sulphide production in Australia and its ferronickel operations in South America (Falcondo). Furthermore, in Australia all Norilsk Nickel operations have ceased and Votorantim has announced the closure of its nickel smelter in Brazil.

## **September Q 2013 Highlights:**

1. Cash at Bank increased by A\$4.9m to A\$85.3m despite a stubbornly low nickel price and post half yearly interest payments of A\$7.5m.
2. Flying Fox mine production was 86,642 tonnes of ore mined at 4.8% for 4,200 tonnes (9.3m lbs) contained nickel.
3. Record Spotted Quoll underground mine production was 77,097 ore tonnes at 5.3% for 4,090 tonnes (9.0m lbs) of contained nickel.
4. Total nickel sales during the September Q comprised 43,356 tonnes of concentrate containing 6,554 tonnes (14.4m lbs) of contained nickel.
5. Average unit cash cost of nickel in concentrate produced during the quarter reduced to A\$2.28/lb (US\$2.09/lb) being the lowest reported since the December Q 2011. Result driven through a combination of absolute cost savings, higher nickel grades and ore feed blends.
6. Exploration efforts in the New Morning area continued to deliver very encouraging results with the most recent intersection announced of 4.4m @ 7.4% nickel including 3.6m @ 8.7% nickel.
7. A maiden mineral resource was announced for Spotted Quoll North of 12,940 tonnes of contained nickel. Indicated Resource category was 113,500t at 9.3% nickel for 10,573 nickel tonnes. Inferred Resource category was 21,520t at 11.0% for 2,367 nickel tonnes.
8. Surface geophysical work has delivered a number of highly conductive targets at the West Musgraves JV with Traka Resources Ltd.

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 "nickel prices have remained at unsustainable cyclical lows".*

*This announcement does not include reference to all available information on the Company, the Forrestania Nickel Project, the Regional Nickel Projects or 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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