

West High Yield Announces Results of Preliminary Economic Assessment

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CALGARY, ALBERTA -- (Marketwired - June 4, 2013) - [West High Yield \(W.H.Y.\) Resources Ltd.](#) ("West High Yield" or the "Company") (TSX VENTURE:WHY) announces the release of the results of a Preliminary Economic Assessment ("PEA") on its 100% owned Record Ridge Project (the "Record Ridge Property" or the "Project"). The Record Ridge Property is an intermediate-advanced exploration-stage magnesium ("Mg") project located in southern British Columbia (BC), Canada. The PEA was prepared by SRK Consulting (U.S.), Inc. ("SRK") of Lakewood, Colorado and has been filed on the Company's SEDAR profile at [www.sedar.com](#) and is also available on the Company's website [www.whyrresources.com](#).

The PEA presumes a conventional open pit mine, a novel hydrometallurgical processing plant, a calcined magnesia intermediate product plant along with a fused magnesia production plant with pre-tax Net Present Value ("NPV") using a 5% discount rate of US\$1.339 billion and Internal Rate of Return ("IRR") of 21%, and a post-tax NPV of US\$830 million using a 5% discount and post-tax IRR of 17%.

Highlights

Highlights of the PEA include the following:

- Pre-tax NPV 5% of US\$1.339 billion and IRR (pre-tax) of 21% (100% equity).
- Post-tax NPV 5% of US\$830 million and IRR (post-tax) of 17% (100% equity).
- Initial capital cost estimation of US\$608 million.
- Payback - Estimated before tax at end of fifth year of production.
- An estimated mine life of 42 years.
- Measured and Indicated Mineral Resources of approximately 43 million tonnes averaging 24.6% Mg, using a 21.9% cut-off. Approximately 10.6 million tonnes of contained Mg.
- Throughput - 3,000 tonnes per day.
- Market price - US\$1,100/tonne Fused Magnesium Oxide ("MgO") and by-product credit of US\$75/tonne for Sodium Sulfate.
- An initial assumed overall average process recovery rate of 80% Mg based on laboratory scale metallurgical test work producing an intermediate calcined MgO product. This will be subject to additional test work to confirm the recovery into a fused MgO product, which has not been demonstrated to date.
- Low variation in grade throughout the deposit suggests that the need for detailed grade control and selective mining methods will be limited.

The following table includes excerpts from Table 4 (page v) of the PEA with respect to the mine and plant economic results.

Table 1: PEA Mine and Plant Economic Results (in US\$ Millions)

	Pre-Tax Results	Post-Tax Results
MgO Electro Fused Magnesia Sales	\$15,826	\$15,826
Sodium Sulfate Sales	4,958	4,958
Gross Sales	20,784	20,784
Freight and Marketing	(2,254)	(2,254)
Net Revenue	\$18,530	\$18,530
Total Operating	12,317	12,317
Operating Margin (EBITDA*)	6,213	6,213
Capital	984	984
Federal + Provincial Income Tax	-	1,146
Provincial Mining Tax	-	695
Cash Flow Available for Debt Service	5,229	4,083
NPV 5%	\$1,339	\$830

* EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization.

The following table is from Table 2 (page iv) of the PEA with respect to the Project Mineral Resource Statement.

Table 2: Record Ridge Project Mineral Resource Statement dated April 18, 2013

Resource Category	% Mg Cut-off	Total Mt	% Mg Grade	Contained Mg (Mt)
Measured	21.9	28.4	24.82	7.05
Indicated	21.9	14.6	24.21	3.54
M&I	21.9	43.0	24.61	10.59
Inferred	21.9	1.07	24.37	0.26

Notes:

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves;

- Open pit resources are contained within a pit optimization shell and are stated at the internal cut-off grade ("CoG") of 21.9% Mg calculated in the Whittle™ optimization. The CoG is based on the following parameters: US\$2.00/t mining cost, US\$244.75/t processing cost, 60% recovery, General & Administrative cost of US\$1.00/t, no NSR and a US\$1,100/t value for Fused MgO at 98% lump;

- Note that the above cut-off grade is based on the early assumption of an overall 60% metallurgical recovery, and has not been updated to reflect the most recent metallurgical lab leaching test work which suggests an 80% recovery. It may be expected that using this updated recovery could lower the cut-off grade for the Whittle™ internal cut-off, likely resulting in more tonnes and a longer life of mine (LoM).

- West High Yield has acknowledged that the final overall process recovery must be confirmed in conjunction with locked-cycle testing of the downstream intermediate calcined MgO and final fused MgO unit operations efficiencies and recoveries which to date have not been tested or demonstrated.

- Mineral Resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate and numbers may not add due to rounding; and

- The Mineral Resources are reported in accordance with Canadian Securities Administrators (CSA) NI 43-101 and have been classified in accordance with standards as defined by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards - For Mineral Resources and Mineral Reserves.

Summary

The majority of the initial PEA engineering and design work was conducted based on the open cycle preliminary metallurgical recovery of solubilized Mg of approximately 60% based on a Report prepared by Met-Solve Laboratories ("Met-Solve") dated October 31, 2012. Subsequent open cycle lab scale test work was conducted by Met-Solve and was reported on April 18, 2013. This work demonstrated an improvement of the solubilized Mg leaching recovery to an estimated 80% with new estimates of increased capital and operating costs included. This work has not evaluated the potential for these recoveries to extend to locked-cycle testing or fused MgO production. The effect of the higher Mg leach recovery may potentially

lower the cut-off grade for the stated mineral resources, thereby increasing tonnes and extending the life of the mine.

The PEA is preliminary in nature, in that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the PEA will be realized. A Prefeasibility Study ("PFS") is required to demonstrate the economic merit of mineral resources in order for their potential conversion to reserves. At this time, no such study has been completed and therefore the Project currently has no reserves.

SRK has recommended that the next steps should include a PFS along with extensive detailed and large scale closed cycle metallurgical testing along with focused engineering on any and all aspects of the proposed process with associated costs of an estimated \$US10 million. West High Yield intends to take steps which include financing a PFS.

Property Description and Ownership

The Record Ridge Property is an intermediate-advanced exploration-stage Mg project located in southern British Columbia (BC), Canada. It is located 7.5 kilometers west to southwest of the town of Rossland, B.C., Canada, 5 kilometers north of the U.S.-Canada border and approximately 400 kilometers east of the Vancouver, B.C. Mineralization is related to the elevated Mg content in serpentinized mafic rocks. West High Yield retains 100% of the mineral rights to the property, has agreements with the BC government for exploration access, and is in the process of evaluating options for procurement of surface rights for continued development of the property.

Mineralization

Mineralization containing economically significant concentrations of Mg is known to occur in the ultramafic rocks which have undergone serpentinization. This rock type makes up the predominant lithology described in the Project and occurs on a widespread basis.

Exploration Status

During the 2007, 2008 and 2011 field seasons, West High Yield conducted surface mapping, surface sampling and diamond drilling on the Project. The Project resource estimation is based on information from 77 diamond core drillholes totaling 10,310 meters, with 5,836 assays.

Metallurgical Test Results

During 2012, Met-Solve conducted test work to evaluate the potential of using a hydrometallurgical process to extract Mg from mineral samples provided by the Company. Met-Solve completed this test work and delivered its Report on October 31, 2012 (included in the PEA as Appendix B). The conceived process was for the potential conversion of Mg to a marketable fused magnesia product. However, the production of fused magnesia has not yet been tested or confirmed to date. The test program also utilized some of the variables that affect the amount of Mg extracted via acid leaching, slurry neutralization and impurity removal. The Report indicates that certain additional metallurgical optimization of variables such as leach duration, leach temperatures, acid concentration, locked cycle testing, pulp density, and pilot scale fused MgO testing have not been fully undertaken which could confirm the viability of the process and potentially lead to a more efficient extraction process. West High Yield has acknowledged that the final overall recovery must be confirmed in conjunction with locked-cycle testing of the downstream intermediate calcined MgO and final fused MgO unit operations efficiencies and recoveries which to date have not been tested or demonstrated. This will be the focus of the Company's efforts in ongoing metallurgical test work.

The Company requested Met-Solve to perform the recommended supplementary testing. Met-Solve completed this additional testing and reported the results in the Supplementary Report dated April 18, 2013 (included in the PEA as Appendix C), which is available on the Company's SEDAR profile at www.sedar.com.

Under the preferred leach conditions of the supplementary test program, Met-Solve achieved:

- Greater than an estimated 80.0% Mg leach recovery by open cycle laboratory leaching at an elevated temperature and higher pulp density (Met-Solve's previous 2012 testing was estimated at about 60% Mg

leach recovery).

- Due to the exothermic reaction during acid addition, the temperature is only required to be maintained and not raised.
- The open cycle laboratory leach results to date demonstrate consistency and repeatability.
- A finer grind size is not necessary for better leach recoveries.
- Improved acid utilization.
- An MgO intermediate calcined product purity of greater than 97.7% with test YO901 (see Table below) achieving a product purity of great than 99.7%.

The Acid Leach Table below is taken from Met-Solve's Supplementary Report (page 6 of Appendix C of PEA) which summarizes Acid Leach test results: tests YO 901 and YO 902 under the preferred method for slurry neutralization using MgO additions whereas YO903 used a NaOH addition as a prospective alternative thereby reducing the circulating MgO load (and cost).

Table 3: Acid Leach Test Summary

Test #	Mg Leach P80 (μm)	Assayed Feed Recovery (%)	Calculated Feed Grade (%)	Leach Residue Grade (%)	Acid Grade (%)
YO607/YO608 (Previous Test Work)	228	62.6	23.7	22.4	13.09
YO901a	53	86.0	23.7	6.6	N/A
YO901b	53	86.9	23.7	6.5	92.0
YO902a	228	80.5	23.7	8.1	N/A
YO902b	228	84.3	23.7	6.7	90.8
YO903a	53	81.2	23.7	7.0	N/A

P80 - Percent passing 80 Mesh

The technical economic models within the PEA are sensitive to many factors including the Mg recovery rate.

Development and Operations

As proposed in the PEA, Record Ridge will be mined using conventional open pit methods using a default 365 day production cycle comprising one 12 hour shift delivering approximately 3,000 tonnes/day of material to the crusher. Waste material below specified cut-off will be hauled from the pit and placed in a designated waste dump location. With further optimization of the tailings dam facility, it is foreseeable that waste could be used as bulk earthworks for the downstream construction of the dam wall. Material will be mined from the pit and transported to the processing facility near the mine and placed in a stockpile and subsequently fed into the crusher bin by front-end loader.

Significant Risks and Uncertainties

Surface Rights

The surface rights for the Project area include a number of parcels that are designated as privately-held by the B.C. Government's Integrated Cadastral Fabric. The Company would need to secure lease agreements or ownership of these parcels in order to operate the project as it is currently designed. SRK sited facilities independent of the current surface ownership, and are subject to change based on the Company's ability to acquire the rights to this land for operational purposes.

Metallurgy and Processing

The PEA proposed flowsheet and associated economics are based upon limited and un-optimized testing and several key assumptions will need to be actually confirmed with further investigation and optimized testing. This includes, but is not limited to, locked cycle leach and precipitation testing, effective industrial scale liquid solid separations, comprehensive heat and mass balances and the actual bulk availability and

pricing of key reagents such as soda ash and sulfur.

Key parameters such as crushing energy indices as well all comminution abrasion indices need to be determined. As well, further work needs to be done to determine the optimal crush and grind size for effective leaching recovery.

The Mg leaching recovery is estimated to be 80% overall assuming that with closed cycle plant operations coupled with effective heat input, the majority of the leached Mg will eventually report as a final product and not be lost due to crystallization or ineffective liquid solid separations. This needs further optimization and verification at the laboratory and pilot scale in a closed operational system.

It is assumed that waste and by product MgO containing materials will be available and may effectively be used for neutralization of excess acid and solubilized iron precipitation in conjunction with aeration of solutions after leaching in lieu of peroxide oxidation. Further test work needs to be done to confirm and optimize this.

It is assumed with on-site sulfuric acid production and the subsequent excess exothermic energy production, the overall process is net positive in heat energy or at least balanced. This needs to be carefully analyzed, quantified, and confirmed.

It is assumed that electrical energy is available at the rates disclosed herein for key energy consuming unit operations such as comminution and MgO fusion.

It is assumed that a ready supply of bulk elemental sulfur and soda ash are available at the plant site. This needs to be further investigated.

Further focused leach testing with optimization and closed cycle testing of representative samples needs to be done to confirm reagent consumptions and to achieve enhanced Mg recoveries to solution.

No actual production of fused magnesia from West High Yield materials has been tested or confirmed. This needs to be carefully tested and confirmed with representative samples at a laboratory, pilot and industrial scale. In addition only very limited calcinations of magnesium carbonate have been done to produce an intermediate calcined magnesia product. This also needs to be carefully tested further confirmed with representative samples at a laboratory, pilot and industrial scale.

It is assumed that a large volume of high quality by product sodium sulfate may be produced and sold. As no actual sodium sulfate product has been produced from West High Yield materials to date, this confirmatory testing needs to be carried out.

An overall mass, heat and water balance needs to be carried out to hone in on actual recoveries, net energy use and the quantified need and nature of air, water and solid discharges.

The flow sheet supporting the metallurgical processing is at an early stage of development and has never been tested in a commercial application. There are no comparable commercial operations that use Mg-silicates as a mill feed or use the flow sheet proposed in this report to create an EFM product.

Commodity and Reagent Price

There are three major commodity and reagent price assumptions that have been made in the PEA report. There are several different methods used to estimate commodity and reagent prices. The methods used by SRK, rely on trailing average prices or expert opinions on future prices. The prices cited here may not reflect actual future cost associated with delivery to the project.

Soda Ash - There are no negotiated terms for the purchase of soda ash or estimated transportation from Wyoming to the project site. What information could be found suggested US\$140 was a reasonable price given that the production of soda ash is available from Wyoming. For each tonne of rock processed approximately one tonne of soda ash is required for processing and will make up approximately 50% of the total operating cost. Variation in soda ash price and additional transportation costs may be a benefit but also a significant risk to profitability if it were to increase.

EFM - Based on reports supplied by the Company, the quality of the end-product suggested by Met-Solve and historic information of EFM at a 98% quality, SRK has used a US\$1,100/t price. Because EFM is an industrial mineral, there are no specific spot prices and contract terms governing the sale of the product in bulk quantities. The infusion of additional EFM from West High Yield on a massive scale onto the global market may negatively impact the price achieved. As the effective cash cost of the EFM is US\$668/t, any

reduction below that price would require additional credit from sodium sulfate or reduction in soda ash prices to remain profitable. There is a possibility that the project could contribute enough EFM to influence the world supply and pricing structure.

Sodium Sulfate - Based on reports supplied by West High Yield and investigation to the use of sodium sulfate, SRK has used a price of US\$75/t. While the price information shows less volatility than EFM, the largest risk will likely be the surplus supply Record Ridge would make on the global market (estimated at 10%). When combined with other potential hydro metallurgical operations that may be commissioned, the market could easily be over supplied with low priced sodium sulfate as the cost of disposing it is very high.

Due to the extended period of feasibility, permitting and construction envisioned for the Project, the price projections will remain a significant risk until off-take and purchasing agreements can be formalized.

Sulfuric Acid - The cost of sulfuric acid is directly predicated on a low cost and available source of high quality sulfur. If sulfur costs rise or their availability is restricted, this will have a negative impact on the technical and economic viability of the project.

Infrastructure and Tailings

Risks associated with the infrastructure include:

Capacity of local infrastructure to provide for truck transportation of the significant quantities of reagents and products that the Project will require/generate respectively. There may need to be additional infrastructure improvement and community involvement associated with the trucking of these quantities to and from Trail, BC.

The actual power and water requirements of the project have been estimated at a scoping level of detail. These will need to be investigated to determine sufficient capacity or any additional costs that might be associated with the Project's requirements.

Permitting

The regulatory process to permit mine development in British Columbia requires active management by the proponent. The schedule and budget for this process varies. The accuracy and certainty of the Project Description and Environmental and Socio-Economic Impact Assessment directly affect the schedule. Stakeholder participation also affects the schedule and budget. Both the B.C.EAA and CEAA 2012 have regulated timelines that must be met by authorities reviewing applications. The regulated timelines do not include time required by the proponent to deal with the results of the consultation process and to amend the application to address concerns raised. This project is currently at an early stage of environmental assessment and permitting.

Foreseeable Impacts of Risks

The foreseeable impacts of the aforementioned risks should not be understated. Certain risks such as the ability to permit the operation, availability of key reagents, and certain unknown parameters within the proposed process have the capacity to outright stall development of the project, reduce operating parameters, or drive costs to a point where the project becomes uneconomic.

If the Company were to achieve profitable operations, there is a risk that other companies in different parts of the world may use comparable Mg-Silicate deposits, construct a processing facility and produce Mg products at a lower price that may adversely affect the profitability of the Company's operation.

At this time, SRK and the Company have no reason to assume that the risks disclosed above will not be able to be mitigated or eliminated through continued study. SRK has provided recommendations pursuant to addressing these risks, and suggests that a PFS be completed to gain further perspective.

Qualified Persons

Bart Stryhas, Ph.D. CPG, Bret Swanson, BEng Mining, MAusIMM, MMSAQP, Corby Anderson, PhD, CEng, FICHEM, FIMMM, MMSAQP, and Arlene Laudrum, PGeo are the qualified persons and authors of the PEA and are independent of the Company. The authors of the PEA have approved the disclosure of the scientific or technical information contained in this news release.

About West High Yield

[West High Yield](#) is a publicly traded junior mining exploration and development company focused on the continued development of its intermediate-advanced stage magnesium Record Ridge exploration project based on the recommendations contained in a Preliminary Economic Assessment. The Company controls a 100% interest in its Record Ridge project which consists of 20 contiguous mineral claims, 8 Crown-granted claims and one private claim covering 6,515 hectares. Record Ridge is located near the town of Rossland, B.C., Canada. The mineralization on the Company's property is related to the elevated magnesium content in serpentinized mafic rocks. Additional information with respect to the property can be found on the Company's website at www.whyrresources.com.

Reader Advisory and Forward-Looking Statements

This press release may contain forward-looking statements, including, but not limited to, the timing of the Company's receipt of the PEA, the test work being conducted, the expected results and recommendations of the PEA and mineral resource estimates relating to the Record Ridge South Property. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the actual results of current exploration activities; delays in the timing of SRK's review and the preparation of a NI 43-101 compliant technical report; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future mineral prices; as well as those factors disclosed in the Company's MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events, or otherwise, except in accordance with applicable securities laws.

When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraphs will not cause such forward-looking information to differ materially from actual results or events. The Company cautions that the foregoing list of material factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. The forward-looking information contained in this news release represents the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and rely upon this information as of any other date. While the Company may elect to, it does not undertake to update this information at any particular time.

47,397,894 Common Shares Issued

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