

Western Areas Announces March 2014 Quarterly Activities Report

29.04.2014 | [Marketwired](#)

Full Year Guidance on Track, Costs Remain Low, Cashflow Remains Strong and Nickel Price Rebounding

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PERTH, AUSTRALIA -- (Marketwired - April 28, 2014) - [Western Areas](#) (WSA or the Company) (ASX:WSA) is pleased to report another strong quarterly performance on costs, operational metrics and positive free cashflow generation. Unit cash cost of production was A\$2.52/lb of nickel in concentrate for the quarter, being slightly lower than the December quarter. Year to date unit cash costs sit at A\$2.46/lb.

Consolidated cash at bank increased by A\$75.6m to A\$175.5m which includes A\$4.4m of funds held by the majority owned FinnAust Mining Plc. Excluding the equity placement proceeds received, the repurchase of A\$15m of July 2014 convertible bonds and half yearly convertible bond interest payments, free cashflow for the quarter was A\$13.0m.

Total mine production for the quarter was 6,709 tonnes of nickel in ore at an average head grade of 4.4% nickel, with the Flying Fox mine contributing 3,243 tonnes and Spotted Quoll mine 3,466 tonnes of nickel in ore respectively. Nickel in concentrate production and sales were steady at 6,344 tonnes and 6,418 tonnes respectively.

The Indonesian Government's ban on the export of laterite ore has resulted in a rebound in the nickel price on forecast tighter supply fundamentals. With the majority of the nickel price rise occurring in March, quotational period pricing movements have resulted in increased revenue, the cashflow benefit of which will be seen in the June quarter.

The Company currently maintains its full year guidance, but acknowledges potential for outperformance on production and cost metrics.

March Quarter 2014 Highlights:

1. There were zero Lost Time Injuries for the quarter. The LTIFR stands at 1.91 a slight increase on last quarter due to lower hours worked.
2. Pre-consolidated Western Areas cash at bank increased by A\$77.0m to A\$171.1m. The Company is ready to fully repay the July 2014 convertible bonds outstanding of A\$95.2m which will improve Net Profit Before Tax by A\$11.7m in FY15.
3. The offtake contract with Jinchuan that was expected to be completed in February 2015, is now forecast to complete in December 2014 due to outperformance sales deliveries and a re-tender may commence early.
4. Costs continue to be well managed, with unit cash cost of nickel in concentrate of A\$2.52/lb (US\$2.26/lb) for the quarter.
5. Flying Fox mine production was 79,328 tonnes of ore mined at 4.1% for 3,243 tonnes (7.2M lbs) contained nickel.
6. Spotted Quoll mine production was 71,614 ore tonnes at 4.8% for 3,466 tonnes (7.6M lbs) of contained nickel.
7. Total nickel in concentrate sales comprised 6,418 tonnes (14.1M lbs).
8. Exploration efforts continue along the Western Belt between Spotted Quoll and Flying Fox.

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

COMPETENT PERSON'S STATEMENT:

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 Louher of Western Areas Ltd. Mr Wulfse and Mr Louher are members of AusIMM and are full time employees of the Company. Mr Wulfse and Mr Louher 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 Wulfse and Mr Louher consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. The information contained in this presentation in relation to the Flying Fox Mine was prepared and first disclosed under the 2004 Edition of the JORC Code. It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

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 offtake contract with Jinchuan that was expected to be completed in February 2015, is now forecast to complete in December 2014 due to outperformance sales deliveries and a re-tender may commence early".

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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Die URL für diesen Artikel lautet:

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