Prospective Mafic Intrusions Confirmed at Western Gawler Project

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The Board of Western Areas Ltd. (ASX:WSA) ("Western Areas" or the "Company") is pleased to announce that the Western Gawler Project ("the Project") in South Australia has reached a number of significant milestones and the Company provides a general update on the Project.

The Project is operated under separate Farm-in and Joint Venture Agreements ("the Agreements") with Strandline Resources Limited ("Strandline") and Monax Mining Ltd. ("Monax"). The Agreements provide a staged program for Western Areas to acquire up to a 90% interest in a substantial holding of key contiguous tenements within the Project region.

Key highlights include:

- 75% interest earned in the Monax JV, proceeding to Stage 2 to achieve 90% earn-in;
- 65 holes completed for 5,789m;
- Several prospective mafic intrusions identified in widely spaced drilling to date;
- Petrology confirms the presence of magmatic nickel/copper sulphides; and
- Drilling on the Strandline ground to commence in the December quarter.

The Monax Stage 1 expenditure has been met and Western Areas will now continue to Stage 2 for a 90% interest in the Monax JV ground by spending $400,000 in the next 18 months. Work to date has included airborne geophysics, ground access and heritage surveys as well as the on-going RC drilling. Drilling, which began during July 2015, is continuing with 65 drill holes completed to date (5,789m). The drilling is focused on testing specific magnetic features that are interpreted to represent prospective mafic-ultramafic intrusions and to gather more broadly spaced lithological information.

The region is known to host mafic-ultramafic intrusive rocks and determining the extent, exact age and prospectivity of these is the primary objective of the first phase of drilling. Initial results are very encouraging, with the identification of olivine gabbro-norite intrusive rocks in a number of early drill holes. Significantly, the petrology has also confirmed the presence of magmatic nickel/copper sulphides within these rock types. These types of mafic intrusives are well known for hosting significant nickel and copper orebodies in western and central Australia, including Nova-Bollinger and Nebo-Babel. The results confirm the initial observations regarding the prospectivity of the Western Gawler region for intrusive related nickel and copper mineralisation.

Drilling is expected to start on the Strandline ground during the December quarter.

Western Areas Managing Director, Mr Dan Lougher commented that while it is early days, the drilling program is reinforcing the view that this area is thought to be prospective for nickel and copper sulphide mineralisation. This area may eventually prove to be equivalent to the Fraser Range or Musgraves areas in Western Australia.

"Our initial drilling results are providing early indications that our focus area selection and targeting assumptions are well justified. We've highlighted a number of prospective areas and rock types which we will continue to drill and review in a diligent and disciplined manner."

"The success to date highlights that the Western Gawler region in South Australia will continue to be an important part of our medium to long term growth pipeline. This region, when combined with Forrestania and Cosmos exploration activities generates an exciting portfolio of opportunities for the Company," said Mr Lougher.

BACKGROUND INFORMATION

Western Gawler Project

On 3 October 2014, the Company announced the execution of separate JV Agreements with each of Monax and Strandline (formerly Gunson Resources). The Agreements provide a staged program for Western Areas to acquire up to 90% interest in both the Monax and Strandline ground in the Fowler Domain of South Australia. The total Project area is approximately 2,746km^2.

Under the Stage 1 terms of the Monax JV Agreement, Western Areas has the right to earn 75% equity in Monax's interests in the JV ground (EL 5077, EL 5199 and EL 5200) by expending $800,000 within 2.5 years of the date of the Agreement. This expenditure commitment has now been met well within the prescribed 2.5 year timeframe.

Western Areas has elected to proceed to Stage 2 on the Monax JV Agreement ground, whereby the Company can acquire an additional 15% equity in Monax's interest in the JV ground by expending a further $400,000 within 18 months of the date of this election.

Western Gawler Region of South Australia

The Western Gawler Project ("Project") is located in an under-explored Proterozoic terrain in South Australia, approximately 150km west of Ceduna. The Project comprises two tenement packages, respectively held by Monax and Strandline, in what is essentially a first mover terrain. The area has been targeted by Western Areas as a single project to capture the continuity of the stratigraphy and is believed to be prospective for mafic-ultramafic hosted nickel-copper-PGE deposits, as well as iron oxide copper gold (IOCG), e.g. Olympic Dam, and Proterozoic gold deposits, e.g. Tropicana. Importantly, the Project is close to existing infrastructure including roads and port.

The Project covers the interpreted prospective margin of the Western Gawler Craton, which hosts deep-seated structures with a complex long-lived Proterozoic tectonic and intrusive history. The area is known to host mafic-ultramafic intrusive rocks and determining the extent, exact age and prospectivity of these is the first key objective of initial exploration. The area is thought to be tectonically related to the Musgrave (Nebo/Babel and Succoth) and Albany-Fraser (Nova/Bollinger) Orogens. The Company considers that the Project has the potential to host significant mafic-ultramafic intrusive related deposits (such as Eagle, Voisey's Bay, and Tamarack). These styles of deposit differ from the komatiitic-hosted deposits at Forrestania, with individual deposits being typically larger and poly-metallic (nickel, copper +/- PGEs).

DISCLAIMER AND QA-QC STATEMENT: The information within this report as it relates to geological and drilling data is based on information compiled by Mr Charles Wilkinson of Western Areas Ltd. Mr Wilkinson is a member of AusIMM and is a full time employee of the Company. Mr Wilkinson has 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 Wilkinson consents 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. Examples of forward-looking statements used in this release include: "These types of mafic intrusives are well known for hosting significant nickel and copper orebodies in western and central Australia, including Nova-Bollinger and Nebo-Babel", and "This area may eventually prove to be equivalent to the Fraser Range or Musgraves areas in Western Australia".

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 West Gawler JV Project 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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