Quarter in Line With Guidance, Record Spotted Quoll Ore Tonnes and Equity Raise Completed

PERTH, AUSTRALIA--(Marketwired - April 21, 2016) -

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Western Areas (ASX:WSA) (WSA or the Company) is pleased to report that production for the March quarter remains in line with full year guidance, with unit costs trending to the low end of guidance. There were no lost time injuries for the quarter and the Company is proud to continue to report a lost time injury frequency rate (LTIFR) of ZERO.

Mine production was 144,728 tonnes of ore at an average grade of 4.7% for 6,798 nickel tonnes. As foreshadowed in the December quarterly report, mine grade improved from the last quarter in line with the mine schedule and plan. Spotted Quoll ore tonnages set another record for the quarter with 82,711 tonnes at an average grade of 4.7% for 3,922 nickel tonnes. Mill production remains extremely consistent at 6,180 nickel tonnes produced.

Unit cash costs of production for the quarter remain low at A$2.27/lb (US$1.64/lb) and year to date unit cash costs are A$2.26/lb, which is at the low end of the improved FY16 guidance of A$2.25/lb to A$2.45/lb.

On 31 March 2016, the Company announced an underwritten share placement for A$60m to be followed by a Share Purchase Plan (SPP) capped at A$10m. The placement was completed overnight and closed heavily oversubscribed by existing and new investors both domestically and internationally. The placement was completed via a bookbuild process at A$2.00 per share, higher than the underwritten floor price of A$1.95.

The nickel price finished the quarter higher around US$4.00/lb. However offsetting this improvement was a strengthening Australian dollar.

March Quarter 2016 Highlights:

1. There were ZERO lost time injuries for the quarter which continued the zero LTIFR achieved at the end of April 2014. The Company has now operated for over 24 months without an LTI.
2. Flying Fox mine production was 62,017 tonnes of ore mined at 4.6% for 2,876 nickel tonnes (6.3M lbs).
3. Record Spotted Quoll production was 82,711 tonnes of ore at an average grade of 4.7% nickel for 3,922 nickel tonnes (8.6M lbs).
4. Mill throughput was 156,190 tonnes of ore at an average grade of 4.4% nickel with recovery of 90% for 6,180 nickel tonnes
5. Unit cash cost of production of nickel in concentrate was A$2.27/lb, tracking to the low end of full year guidance.
6. Cash at bank was A$42.5m (see page 2).
7. Flying Fox Mineral Resource update results in an additional 10,538 nickel tonnes with 83% in the indicated category.
8. Surface geophysics program at Cosmos was completed with a number of significant anomalies identified for follow-up work.
9. Review commenced of historical drill core at Forrestania encompassing known lithium bearing pegmatites at Mt Hope and South Ironcap. Notable intersection at South Ironcap of 50.6m @ 1.0% Li_2O including 9.0m @ 2.6% Li_2O.

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 exploration results, mineral resources and ore reserves is based on information compiled by Mr Charles Wilkinson, Mr Andre Wulfse and Mr Dan Lougher of Western Areas Ltd. Mr Wilkinson, Mr Wulfse and Mr Lougher are members of AusIMM and are full time employees of the Company. Mr Wilkinson, 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Wilkinson, 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. 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 June quarter cashflow is expected to benefit from the announced deferrals of capital and development expenditures that were implemented on 1 January 2016" and, "The increase in nickel tonnes is especially encouraging considering that 3,700 nickel tonnes are in the Indicated category and is therefore convertible to Ore Reserve status".

This announcement does not include reference to all available information on the Company, the Forrestania Nickel Operation or the Cosmos Nickel Complex 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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