



29 September 2015

ASX: WSA

News Release

**INITIAL 75% EQUITY EARN IN COMPLETED ON MONAX JOINT VENTURE,
PROSPECTIVE MAFIC INTRUSIONS CONFIRMED AT WESTERN GAWLER PROJECT**

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 Limited (“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:

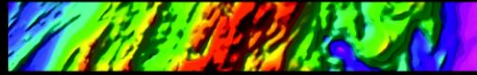
- ✓ **75% interest earned in the Monax JV, proceeding to Stage 2 to achieve 90% earn-in;**
- ✓ **65 holes completed for 5,789m;**
- ✓ **Several prospective mafic intrusions identified in widely spaced drilling to date;**
- ✓ **Petrology confirms the presence of magmatic nickel/copper sulphides; and**
- ✓ **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 (Figure 1).

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.

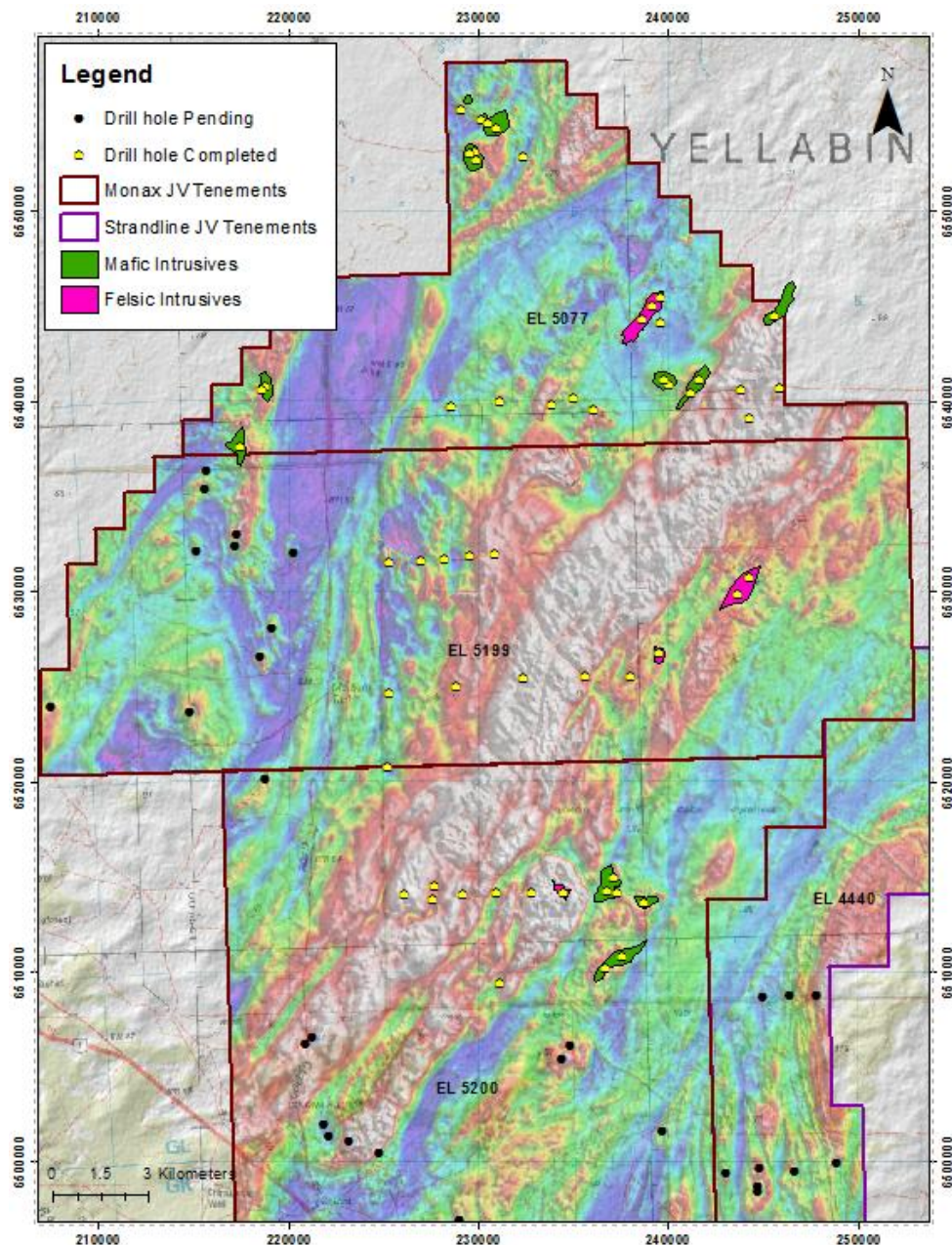


Figure 1: Western Gawler JV Project magnetic imagery (Colour RTP) highlighting the current exploration status and the intrusions confirmed with drilling



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 2,746km².

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.

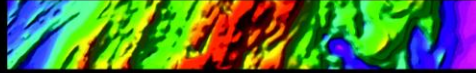
The Project covers the interpreted prospective margin of the Western Gawler Craton, which hosts deep-seated structures with a complex long-lived Proterozoic tectonic and intrusive history. The area is known to host mafic-ultramafic intrusive rocks and determining the extent, exact age and prospectivity 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).

-ENDS-

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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.



TABLE 1: SECTION 1: Sampling Techniques and Data – Western Gawler Joint Venture

JORC 2012 TABLE 1

Section 1: Sampling Techniques and Data

Criteria	JORC 2012 Explanation	Comment
Sampling techniques	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- Reverse Circulation (RC) and Air-core (AC) drilling is used for sampling. - Each 1m interval is split to approximately 3kg using a rig mounted cone splitter. - All of the interpreted basement and portions of the cover sequence are selected for assay. - Each sample selected is sent for analysis to ALS Global laboratories in Perth. - The sample is pulverised in the laboratory (total prep) to produce a sub sample for assaying. - All sampling was conducted using WSA QAQC sampling protocols which are in accordance with industry best practice. - Petrology samples are selected from the largest fraction of RC and Air-core chips of representative intervals. - The thin sections and petrology reports are produced by independent, qualified consultants, experienced in the geology and mineralisation styles.
Drilling Techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	- Exploration targets are tested using RC/AC drilling. Holes are typically drilled vertically. - A X350 multi-purpose drilling rig is used with a 3.5 inch diameter face sampling hammer drilling or Air-Core bit.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias	- Drilling recoveries are logged and recorded via the Ocris logging software and captured within the project database. - Overall recoveries are >95% and there has been no significant loss of sample material due to ground or drilling issues. - Each individual samples are visually checked for recovery, moisture and contamination. - The style of expected mineralisation and the consistency of the mineralised intervals are expected to preclude any issue of sample bias due to material loss or gain.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) - The total length and percentage of the relevant intersections logged.	- Geological logging is recorded on Ocris logging software (Toughbook platform) - Drill chips are logged for lithology, mineralogy, mineralisation, weathering, fabric, grainsize, colour and other relevant features. - Geotechnical logging was not completed due to the drill method utilised. - All holes have been logged from the surface to the end of hole. - Selective petrology is used to verify the field geological logging when required.
Sub-sampling techniques and sampling preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to	- Each one metre drill interval is collected using a cone splitter. - No composite samples are taken. - Field QC procedures involve the use of certified reference material as assay standards, along with blanks, duplicates and barren washes. The insertion rate of these averaged 1:20, with an increased rate in mineralised zones.

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Criteria	JORC 2012 Explanation	Comment
	- maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling - Whether sample sizes are appropriate to the grain size of the material being sampled.	- Field duplicates are conducted on approximately 1 in 10 drill intersections. - Sample sizes are considered to be appropriate to correctly represent the geological model based on: the style of mineralisation, the thickness and consistency of the expected intersections, the sampling methodology and percent value assay ranges for the primary elements.
Quality of assay data laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	No assays have yet been reported.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- Primary data was collected using the Ocris logging software, on Toughbook computers. - All data is validated by the supervising geologist, and sent to the WSA Perth office for further validation and integration into a Microsoft Access database.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- Drill holes were located using hand held GPS. - Elevation data is captured with hand held GPS, and cross referenced with local topographical maps (DMP produced), SRTM data and recently captured DTM models (where covered by the Aeromagnetic Surveys – Thomson Aviation). - MGA94 Zone 53 grid coordinate system is used.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- Drill holes are located and specifically planned according to target location and stratigraphic location. - Drill hole spacing is variable and widely spaced due to reconnaissance nature of the drilling. - Each one metre drill interval is collected. Selected intervals are submitted for assay. - Sample compositing has not yet been applied, but may do so depending on the assay information required.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The majority of the drill holes are drilled vertically which may reduce range of lithologies or cross section of stratigraphy sampled in areas that are steeply dipping.
Sample Security	The measures taken to ensure sample security.	- All samples are captured and prepared for transport onsite under the supervision of WSA staff. - All samples are collected in sealed task specific containers (Bulk bags – plastic pallets) and delivered from site to Perth and then the assay laboratory via WSA staff.
Audits and Reviews	The results of any audits or reviews of sampling techniques and data.	Adrian Black of Newexco Pty Ltd (a member of the AIG), an independent exploration company, has reviewed the data and sampling techniques employed by WSA.

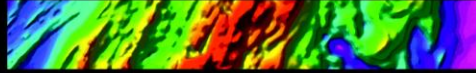


Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC 2012 Explanation	Comment
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- The Western Gawler Project comprises 4 exploration licenses covering some 2,746km², which are held under two separate Farm-In and Joint Venture (JV) Agreements. - EL 5077, EL 5199 and EL5200 are operated under the Monax Mining Ltd / Western Areas Ltd Farm-In and Joint Venture (JV) Agreement. - EL 4440 is operated under the Strandline Resources Ltd / Western Areas Ltd Farm-In and Joint Venture (JV) Agreement. - WSA has now earned 75% of Monax's interest of the project tenure by completing Stage 1 of the JV earn-in agreement. - EL 4440 is currently under subsequent ELA 2014/00266
Exploration done by other parties.	Acknowledgment and appraisal of exploration by other parties.	- The project area was originally explored by BHP Billiton in the mid 1990s as part of its extensive gold, titanium, iron and nickel target generation work. More recently exploration has been conducted by Gunson Resources Limited (Nickel), Equinox (Base Metals and Gold) and Iluka Resources Ltd (Mineral Sands). It is deemed that the previous exploration was of variable effectiveness. - The South Australian Government has conducted broad spaced stratigraphic Diamond Drilling. This forms the basis of the existing geological interpretations. - The success rate of historical RC drilling is low, while the AC and Diamond drilling was effective. - Gravity, Magneto Tellurics and Airborne Electro-magnetics have been used in selective locations within the project area.
Geology	Deposit type, geological setting and style of mineralisation.	- The Western Gawler Project lies within the Fowler Domain of western South Australia. The Fowler Domain is a Mesoproterozoic orogenic belt comprised of medium to high metamorphic grade basement lithologies and younger felsic, mafic and ultramafic intrusives. - Similarly aged terranes globally are known to contain significant (and often economic) accumulations of nickel and copper sulphides. - Whilst not primary target types, the area may also be prospective for orogenic gold, IOCG and skarn related mineralisation.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Not applicable
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should	All petrology samples are taken from a single metre interval.

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Criteria	JORC 2012 Explanation	Comment
	<i>be stated.</i> - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Not applicable
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures in the text.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All significant results are reported.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All significant results are reported.
Further work	- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	- Exploration within the Western Gawler Project is ongoing. - The current program is part of the initial phase of exploration activities. Ongoing work is dependent on the results of the first phase, but is likely to comprise further drilling and ground based geophysical surveys.