



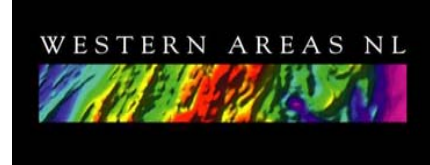
WESTERN AREAS NL

1ST HALF FY2012 FINANCIAL RESULTS PRESENTATION

“strong profitability through the commodity price cycle”



Agenda



- Introduction and Highlights
- Financials
- Operations
- Growth & Exploration
- Nickel Industry



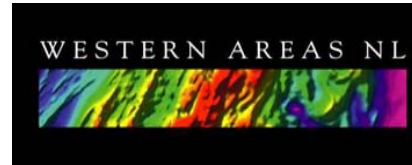
Left to right: Joseph Belladonna (Company Secretary), Dan Lougher (Managing Director), David Southam (Exec Director – Finance), Julian Hanna (Non-Exec Director), Rick Yeates (Non-Exec Director), Terry Streeter (Non-Exec Chairman), Robin Dunbar (Non-Exec Director) & Ian Macliver (Non-Exec Director)



Introduction and Highlights



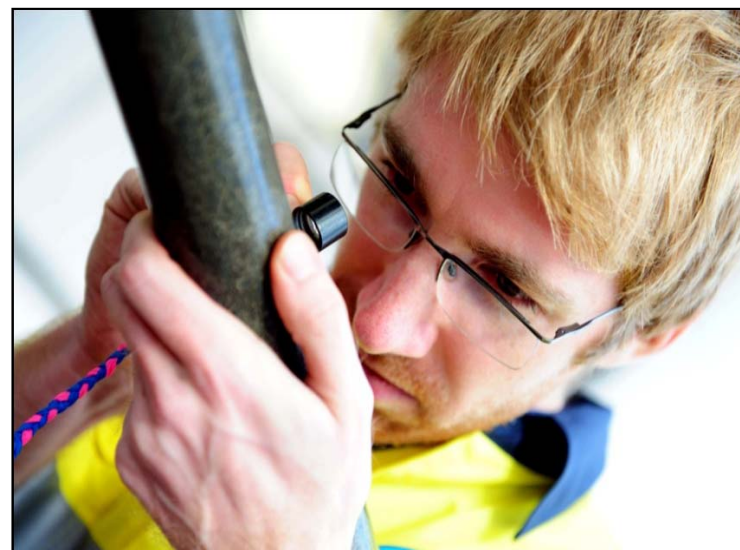
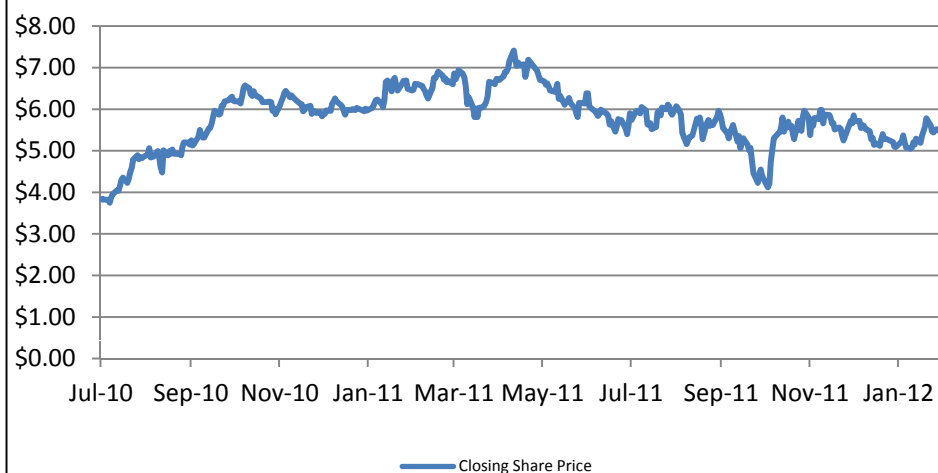
Introduction - Corporate Summary



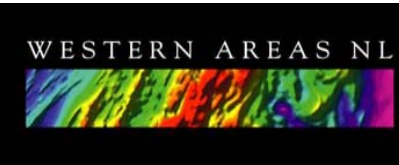
Listings:	ASX & TSX Member of S&P ASX 200
Shares on Issue:	179.7M
Options: (varying strike prices >\$7.00)	2.0M
Share Price:	~ A\$5.75 (February 2012)
Market Cap: (undiluted)	A\$1.03 billion
Cash & Receivables:	A\$177M at 31 December 2011

Top 15 Shareholders	%
1 T Streeter	14.36
2 Colonial Group	6.25
3 M & A Greenwell	5.45
4 Northward Capital	3.86
5 Giivanni Santalucia	3.45
6 Ausbil Dexia	2.82
7 Aviva Investors Australia	2.66
8 Goldman Sachs Investment Management	2.32
9 AMP Group	2.04
10 Platypus Asset Management	2.00
11 Vanguard Group	1.87
12 Independent Asset Management	1.78
13 State Street Corporation	1.71
14 Mt Kellet	1.70
15 UBS Asset Management	1.57
TOTAL	53.84

WSA 19 Month Share Price

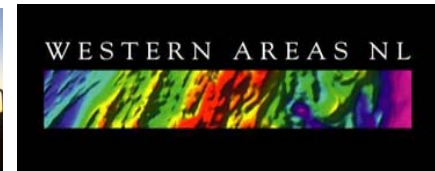


1st Half Year FY2012 Highlights



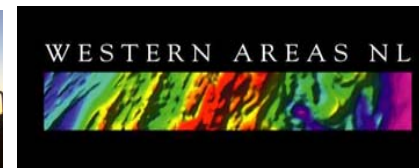
1st Half Highlights (\$'000)	1H 2011/12
Mine Production (tonnes Ni)	16,230
Mill Production (tonnes Ni)	13,045
Recovery	93%
Sales Volume (tonnes Ni)	11,587
Cash Costs (US\$/lb)	2.23
Cash Costs (A\$/lb)	2.17
Exchange Rate USD/ AUD	1.03
Nickel Price (U\$/tn)	18,761
EBITDA ('000)	96,633
EBIT ('000)	52,814
NPAT ('000)	24,102
Cashflow from Operations ('000)	64,412
Cash at Bank	160,856
Dividend (cents)	5.0

1st Half Year Highlights – Primary Drivers



- 16,230t nickel in ore production averaging 4.9% Ni:
 - ✓ 269t higher than 2H FY2011
 - ✓ Positive reconciliation to reserves on tonnes and grade at Flying Fox (+15%) and Spotted Quoll (+30%)
- A\$2.17/lb cash cost (US\$2.23/lb using 1.03 exchange rate for the half):
 - ✓ Improvement in cash cost from 2H FY2011 by A\$0.10/lb
 - ✓ WSA continues to be the lowest cash cost producer in Australia
- 11,587t nickel in concentrate sold:
 - ✓ 2,672t lower than 2H FY2011, but in line with 1H FY2011
 - ✓ 1 shipment missed 31/12 cut-off, but completed early January
 - ✓ Esperance Port throughput has been hampered by industrial issues and weather
 - ✓ Expect 2H FY2012 to increase sales with over 8,000t expected to be sold in the March quarter
 - ✓ One off sale of transitional / oxide ore in prior period not present this half
- NPAT of A\$24.1m:
 - ✓ Revenue significantly impacted by a reduced nickel price and strong AUD:
 - Average nickel price reduced 25%, from US\$11.30/lb to US\$8.51/lb from 1H FY2011
 - ✓ Quotation period price movements impacted NPAT by \$13.3m
 - ✓ Nickel price rebounding, potential scope for positive Quotation period movement in 2H2012
- Continued lean management structure (site & corporate office)
- Interim dividend at 5c per share representing a payout of NPAT ratio of 37.3%
- Full year forecast production of 26,000t nickel in ore and 24,000t nickel in concentrate

Delivery of our Targets



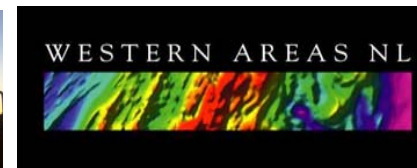
- 6 consistent quarters of production and cost management
- Maintain high level production levels from our two operating mines:
 - ✓ Record Q2 production and record for Flying Fox mine
 - ✓ Spotted Quoll open pit likely to produce around 26,000t of nickel versus an initial reserve of 19,900t nickel
- Spotted Quoll underground resources increased by 78%:
 - ✓ Now 3.05mt of ore at 5.9% for 179kt of nickel – a world class nickel sulphide deposit
 - ✓ Expansion and mine optimisation studies underway to increase production from 10ktpa up to 15ktpa
 - ✓ Achieved greater than 10 year mine life
- Spotted Quoll underground development hit ore 2 months ahead of schedule:
- New offtake agreement secured with Jinchuan for 15kt of nickel in concentrate:
 - ✓ Contract will complete in March 2013 and has been secured with improved terms
 - ✓ Negotiations to commence on a new offtake with Jinchuan and other short listed parties in Q3 CY2012
- Flying Fox mine life extension:
 - ✓ Very encouraged with drilling in T6/T7 and announced intersection of 34.9m at 8.9% nickel
 - ✓ Currently drilling from underground
 - ✓ Targeting a resource upgrade early in Q4 2012
- Closed out the life of mine Outokumpu royalty obligation for US\$21m tax effected – NPV accretive
- Interim dividend declared of 5c per share



Financials

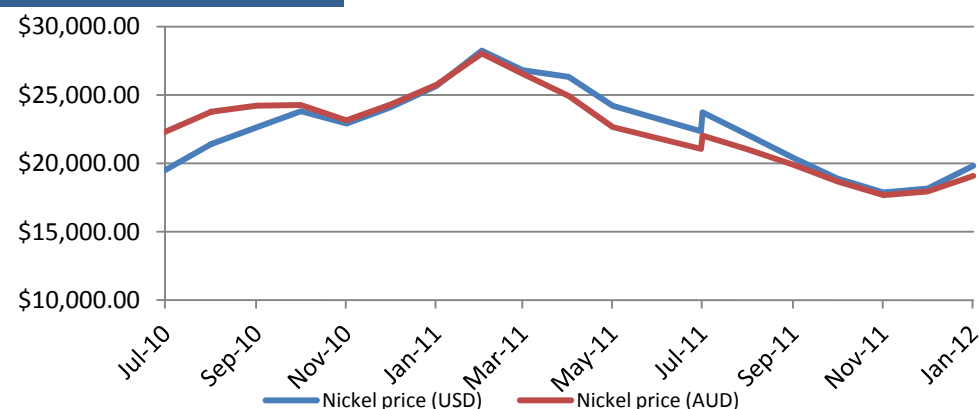


Income Statement



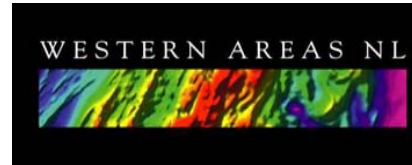
Earnings Data (\$'000)	1H 2010/11	2H 2010/11	1H 2011/12
Exchange Rate USD/ AUD	0.95	1.03	1.03
Nickel Price (US\$/tn avg)	22,390	25,600	18,761
Revenue	230,873	237,786	149,106
EBITDA	155,866	156,152	96,633
Depreciation & Amortisation	38,709	41,318	43,819
EBIT ('000)	117,157	114,834	52,814
Interest Expense ('000)	18,116	18,605	18,086
Tax ('000)	31,877	28,420	10,626
NPAT ('000)	67,164	67,809	24,102
Dividend (cents)	10.0	15.0	5.0
Earnings per share (cents)	37.6	37.5	11.4

19 Month Nickel Price

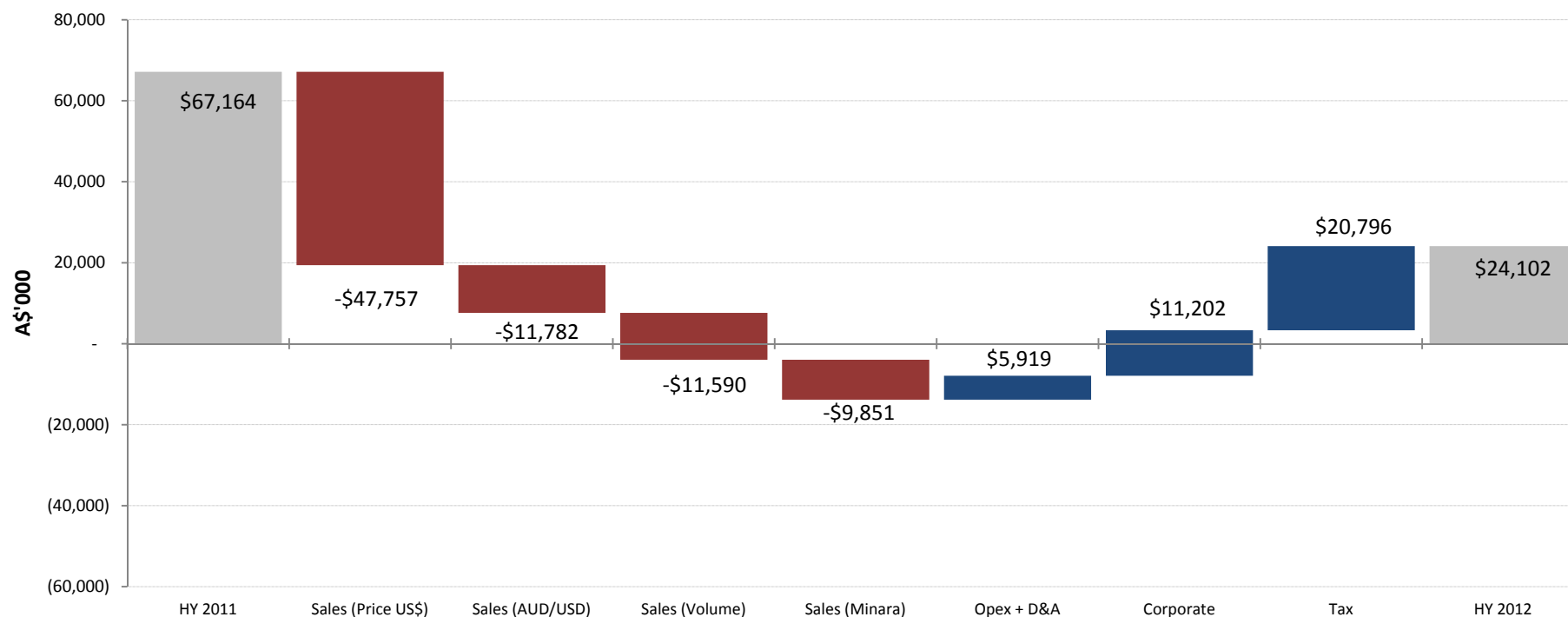


Commentary

- Nickel price reduction has had a negative impact on QP (\$13.3m)
- Despite nickel price, EBITDA margins have been maintained at around 65%
- Cost management remained in focus with unit cash costs reduced to A\$2.17/lb (Ni in concentrate)
- D&A increases in line with higher investment in mine infrastructure and development
- Dividend declaration of 5c reflects 37.3% of NPAT. During FY2011, the average payout ratio was 33.2%

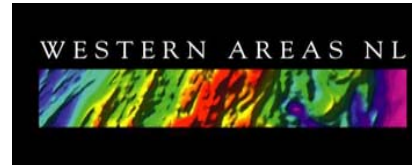


WSA Half Year NPAT 2011FY vs. 2012FY



- Nickel price reduction (25%) and a strong AUD were the principal drivers
- Controllable costs well maintained

Cashflow Summary

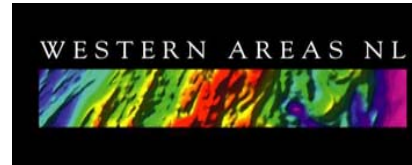


Cashflow Statement (\$'000)	1H 2010/11	2H 2010/11	1H 2011/12
Operating Cashflow	115,740	160,495	64,412
<i>Less:</i>			
Exploration	(11,491)	(6,619)	(19,824)
Exploration Finland	-	(1,964)	(2,094)
Acquisition of Mining Interests	-	-	(1,512)
Mine Development	(32,299)	(38,365)	(38,563)
Outokumpu Royalty	-	-	(14,869)
Capital Expenditure	(3,764)	(9,653)	(8,087)
Investment activities	-	(1,999)	(274)
Income Tax Paid	-	-	-
Proceeds from Share Issues	380	-	-
Proceeds/(Costs) from Financing	(3,468)	(49)	(319)
Dividends Paid	(5,391)	(17,973)	(26,962)
Net Cashflow	59,707	83,872	(48,092)
Cash at Bank	125,075	208,948	160,856

Commentary

- Operational cashflow generation of \$64.4m despite a 30% reduction in the metal price
- Outokumpu life of mine royalty stream settled for US\$30m over 12 months (US\$21m tax effected). US\$15m paid to date
- Increased exploration spend to circa \$30m pa as announced
- Mine development and capex driven by start-up capex with Spotted Quoll underground
- 15c final dividend from FY2011 paid during the half
- Surplus cash managed to a Treasury Policy – A1 rated term investments

Balance Sheet

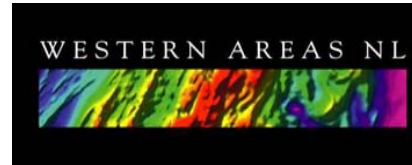


Balance Sheet	1H 2010/11	2H 2010/11	1H 2011/12
Cash at Bank	125,075	208,948	160,856
Receivables	42,609	27,719	28,971
Stockpiles	33,128	30,942	50,841
PP&E	107,652	111,683	106,932
Exploration & Evaluation	82,237	91,875	106,660
Mine Development	203,787	209,454	247,401
Other	10,634	11,705	10,465
TOTAL ASSETS	605,122	692,326	712,126
Trade & Other Payables	58,416	59,791	70,328
Short Term Borrowings	0	61	103,449
Long Term Borrowings	307,736	344,016	250,268
TOTAL LIABILITES	366,152	403,868	424,045
SHAREHOLDERS EQUITY	238,970	288,458	288,081

Commentary

- Receivables in line with contractual terms
- Ore stockpiles have increased in line with plan to ensure smooth transition and ramp up from Spotted Quoll open pit to underground operations
- Bond repayment of \$105.5m on 1st July 2012 well covered. Reclassified from long term to short term borrowing during the half

Quarter 2 Performance FY12



Mining

- Mine production 8,572t Ni – RECORD QUARTER
- Increased Flying Fox tonnage and grade (4.8% Ni)
- Spotted Quoll pit complete in Feb 2012
- First mined ore from SQ underground

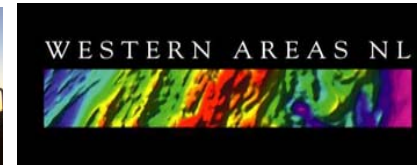
Milling

- 2nd highest quarterly Ni in concentrate – 6,632t
- Continued excellent recovery at 92.4%

Sales & Stockpiles

- Improved Q2 sales with additional shipments
- Concentrate stockpiles consistent with Q1
- Planned increase in ore stockpiles as Spotted Quoll pit completes Feb 12 and underground ramps up
- Extremely low cash cost A\$2.15/lb
 - Exceptional mined tonnages above budget
 - Strong cost culture throughout the organisation

Tonnes Mined		2010/2011		2011/2012		FYTD
		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Total
Flying Fox						
Ore Tonnes Mined	Tn's	77,205	88,873	95,647	100,647	196,294
Grade	Ni %	5.4%	4.8%	4.5%	4.9%	4.7%
Ni Tonnes Mined	Tn's	4,132	4,236	4,258	4,920	9,178
Spotted Quoll - Tim King Pit						
Ore Tonnes Mined	Tn's	53,819	69,133	59,955	71,406	131,361
Grade	Ni %	6.1%	6.3%	5.7%	4.8%	5.2%
Ni Tonnes Mined	Tn's	3,268	4,325	3,400	3,455	6,855
Spotted Quoll - Underground						
Ore Tonnes Mined	Tn's	-	-	-	5,996	5,996
Grade	Ni %	0.0%	0.0%	0.0%	3.3%	3.3%
Ni Tonnes Mined	Tn's	-	-	-	197	197
Total - Ore Tonnes Mined	Tn's	131,024	158,006	155,602	178,049	333,651
Grade	Ni %	5.6%	5.4%	4.9%	4.8%	4.9%
Total Ni Tonnes Mined	Tn's	7,400	8,561	7,658	8,572	16,230
Tonnes Milled and Sold		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Total
Ore Processed	Tns	126,383	138,513	134,413	138,360	272,773
Grade	%	5.4%	5.3%	5.1%	5.2%	5.1%
Ave. Recovery	%	92%	93%	93%	92%	93%
Ni Tonnes in Concentrate	Tns	6,226	6,783	6,413	6,632	13,045
Ni Tonnes in Concentrate Sold	Tns	6,813	6,497	4,751	6,479	11,230
Ni Tonnes in Ore Sold	Tns	119	830	357	-	357
Total Nickel Sold	Tns	6,932	7,327	5,108	6,479	11,587
Stockpiles				Sep Qtr	Dec Qtr	
Ore	Tns	91,599	97,334	109,969	140,113	
Grade	%	4.8%	5.1%	4.8%	4.5%	
Concentrate	Tns	7,047	8,653	19,903	19,375	
Grade	%	14.0%	14.1%	14.3%	14.1%	
Contained Ni in Stockpiles	Tns	5,418	6,169	8,132	9,031	
Financial Statistics		Mar Qtr	Jun Qtr	Sep Qtr	Dec Qtr	Total
Group Production Cost/lb						
Mining Cost (*)	A\$/lb	1.66	1.72	1.60	1.54	1.57
Haulage	A\$/lb	0.09	0.08	0.09	0.09	0.09
Milling	A\$/lb	0.33	0.39	0.35	0.35	0.35
Admin	A\$/lb	0.17	0.14	0.18	0.19	0.18
By Product Credits	A\$/lb	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Cash Cost Ni in Con (***)	A\$/lb	2.23	2.31	2.20	2.15	2.17
Cash Cost Ni in Con/lb (***)	US\$/lb (**)	2.24	2.45	2.29	2.18	2.23
Exchange Rate US\$ / A\$		1.00	1.06	1.05	1.01	1.03



Hedging Profile

- WSA has hedged 25% nickel in concentrate production per month expiring in May 2012:
 - Zero cost collars
 - **Minimum price US\$10.06/lb with participation to US\$13.09/lb**
 - Represents approximately 25% of sales
- Quotation Period hedged to 50% (< 3 months)
- No foreign exchange positions
- Board policy is that hedging will not exceed 25% or 12 months

Hedging Details	Fiscal Year 2012
Nickel Hedging Collar Style Options	
Ni Tonnes Sold	1,500
US\$ Price/ Tonne Call	28,861
US\$ Price/ Tonne Put	22,190

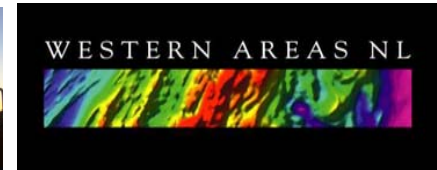
Convertible Bonds

- \$105.5m @ 8% converts (July 2012):
 - To be repaid from existing cash reserves
- Longer dated convertibles:
 - \$110.2m @ 6.4% converts \$7.53 (July 2014)
 - \$125.0m @ 6.4% converts \$6.46 (July 2015)

Other Funding

- ANZ Finance Facility \$125m (undrawn)

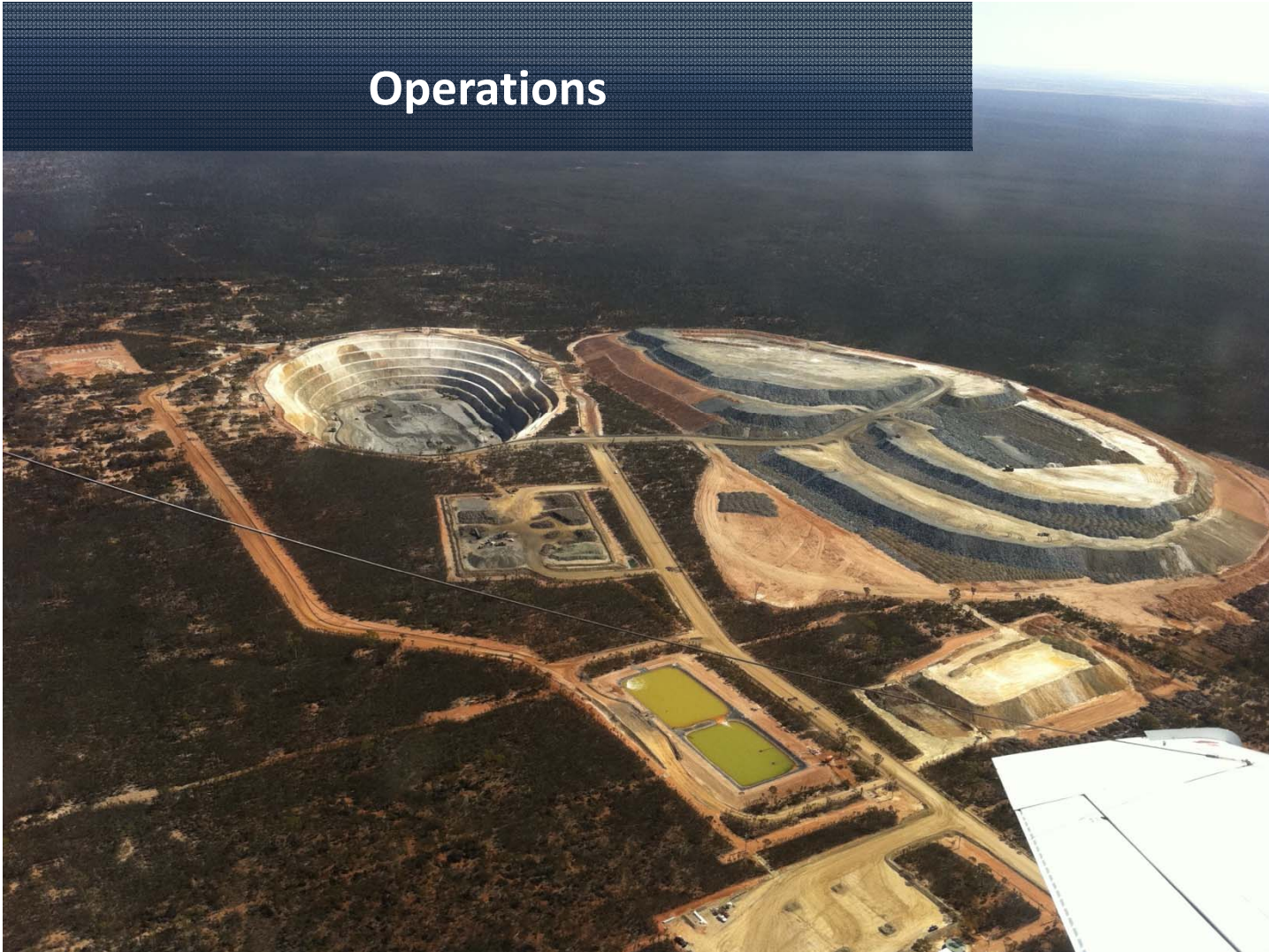
2nd Half FY2012 Outlook



- Continued improvement in safety outcomes – lead and lag indicators
- **Full year mine production of around 26kt of nickel in ore and 24kt nickel in concentrate**
- Increased sales volume of nickel concentrate
- At current nickel prices, positive quotation pricing movements
- Ramping up of Spotted Quoll underground operations
- Significant drilling activity at Forrestania, Canada and Finland



Operations



Flying Fox Mine



Summary

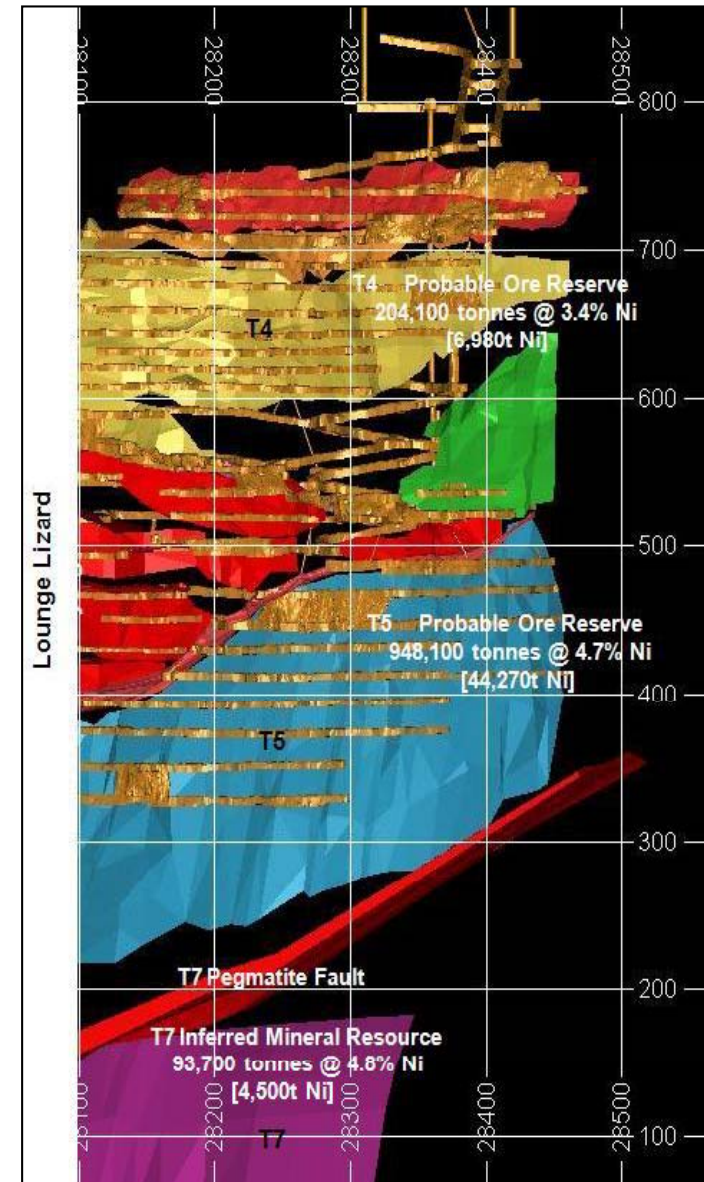
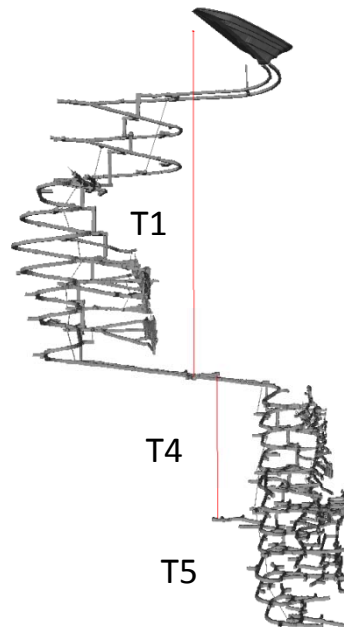
- Continuous high grade Nickel to 1300m. Open at depth
- Ore grades increase at depth from 3.9% to 6.2% Nickel

Production

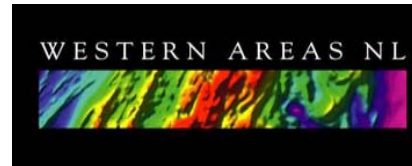
- FY 10/11 – 347,648t @ 4.7% nickel for 16,190t Nickel
- Best Intersection : 78m @ 9.3% Nickel in ore reserve

Resource Upside

- Resource extension potential north and below T5
- Announced intersection T6: 34.7m @ 8.9% Nickel
- Best intersection T7 : 9.3m @ 5.1% Nickel



Spotted Quoll Mine



Open Pit Production

- Pit production to finish in February 2012 in line with plan
- Cash cost : <US\$2.00/lb nickel
- Final production around 26kt Ni – 35% > initial reserve

Stage 1 Underground Mine (8 Years mine life to 450m depth)

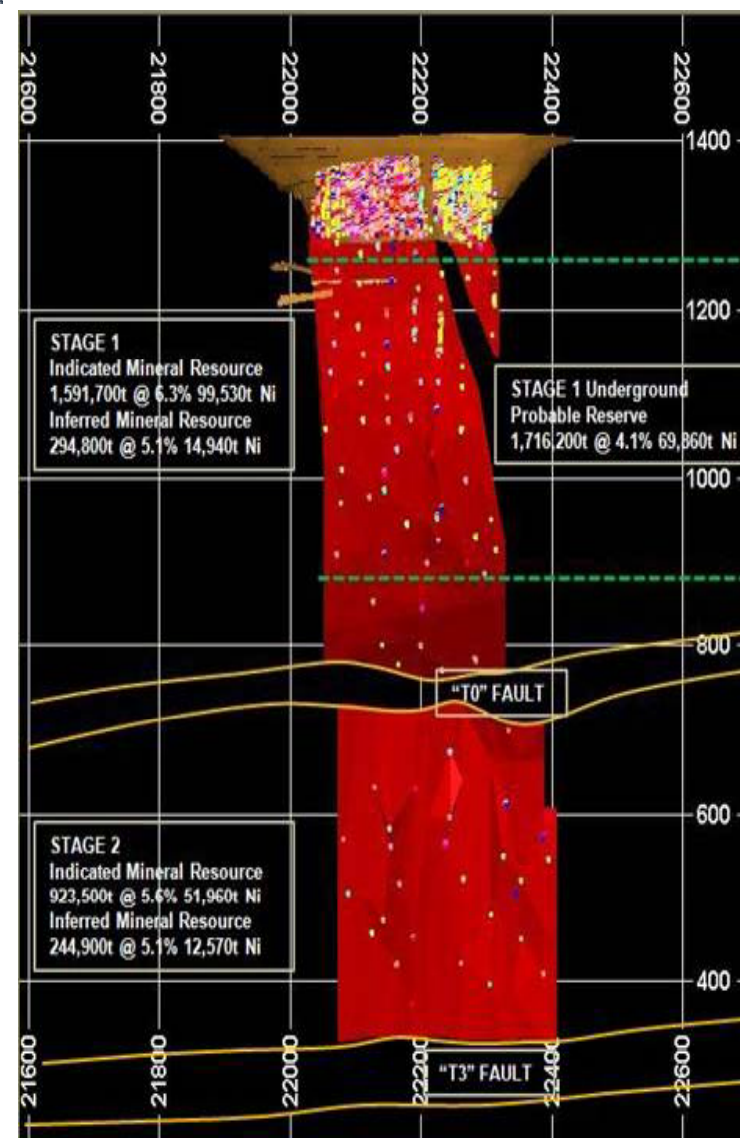
- Ore Reserve – 1.716mt @ 4.10% nickel containing 69,860t nickel

Stage 2 Underground Mine

- Delivered a substantial resource upgrade in January 2012
- Indicated Resource – 0.924mt @ 5.6% Ni containing 99,530t Ni
- Inferred Resource – 0.245mt @ 5.1% Ni containing 12,570t Ni

Look Forward Goals

- Stage 1 underground first ore delivered ahead of schedule (see next slide for details)
- Underground mine optimisation study underway – lift annual production up to 15ktpa nickel
- Mill expansion study ongoing

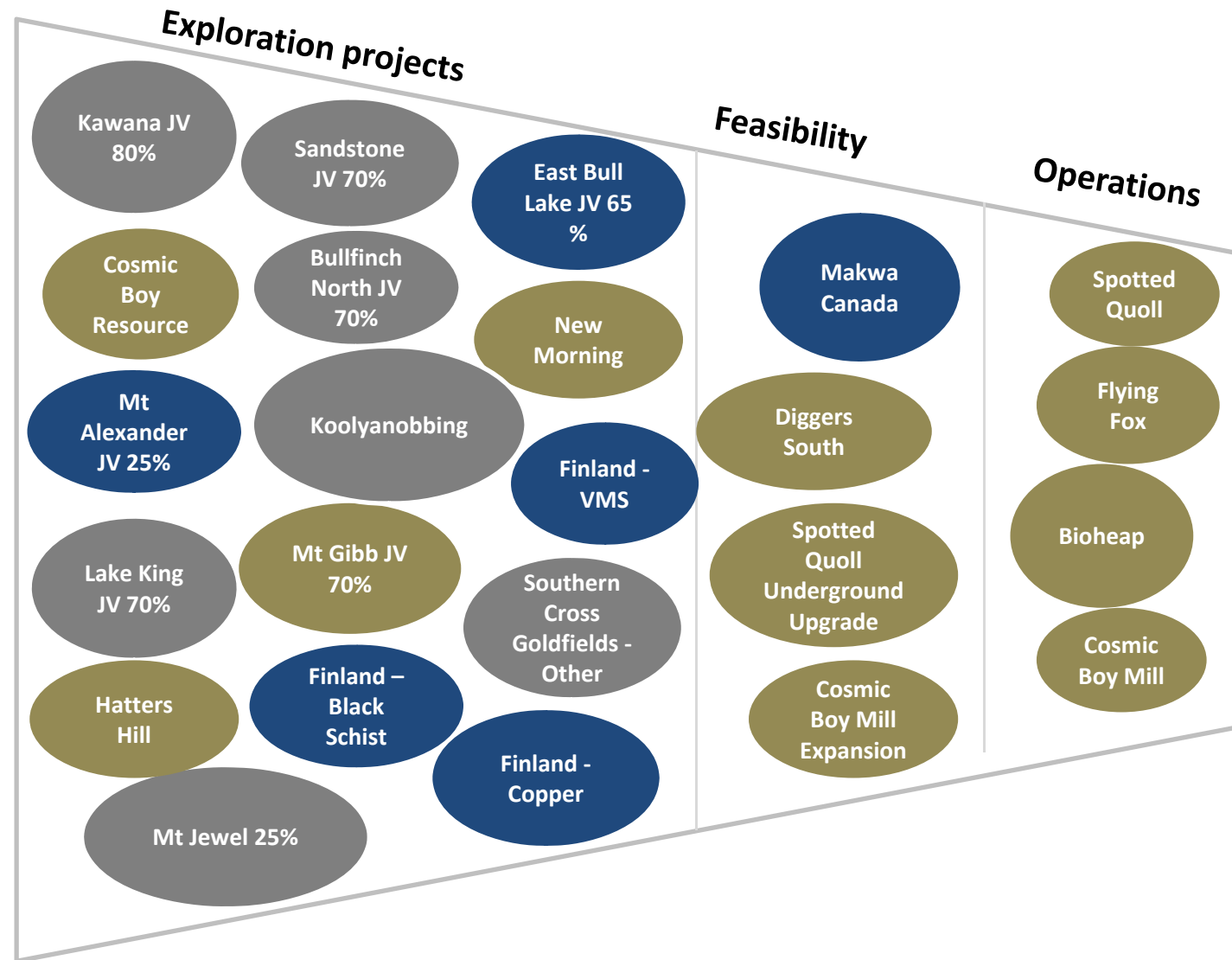
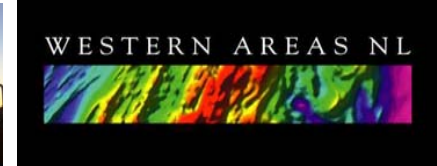




Growth & Exploration



The Portfolio



= International

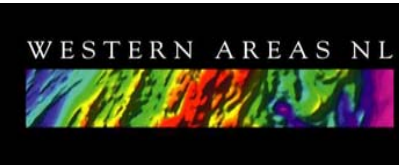


= Regional



= Forrestania

Growth Potential



Short Term < 12 Months

- Spotted Quoll > 10 years ✓
- Flying Fox > 10 years – drilling in progress
- Diggers increase resource - 2012
- Mill Expansion feasibility ✓
- Cash costs <US\$2.50/lb ✓
- Strong cashflow ✓
- Dividends ✓
- New offtake contract – 15ktpa ✓
- List FinnAust Mining 1/2 ✓

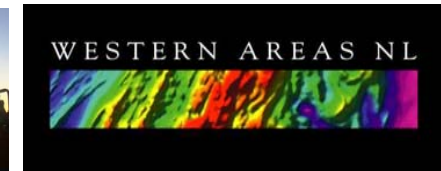
Medium Term 2-5 years

- Spotted Quoll & Flying Fox – 30ktpa
- Diggers – developed & first stage prod – 5ktpa
- Mill expanded 1mtpa
- First quartile cash costs
- Sandstone resource
- FinnAust in feasibility
- Dividends
- Mustang prod – 5ktpa
- Forrestania discovery

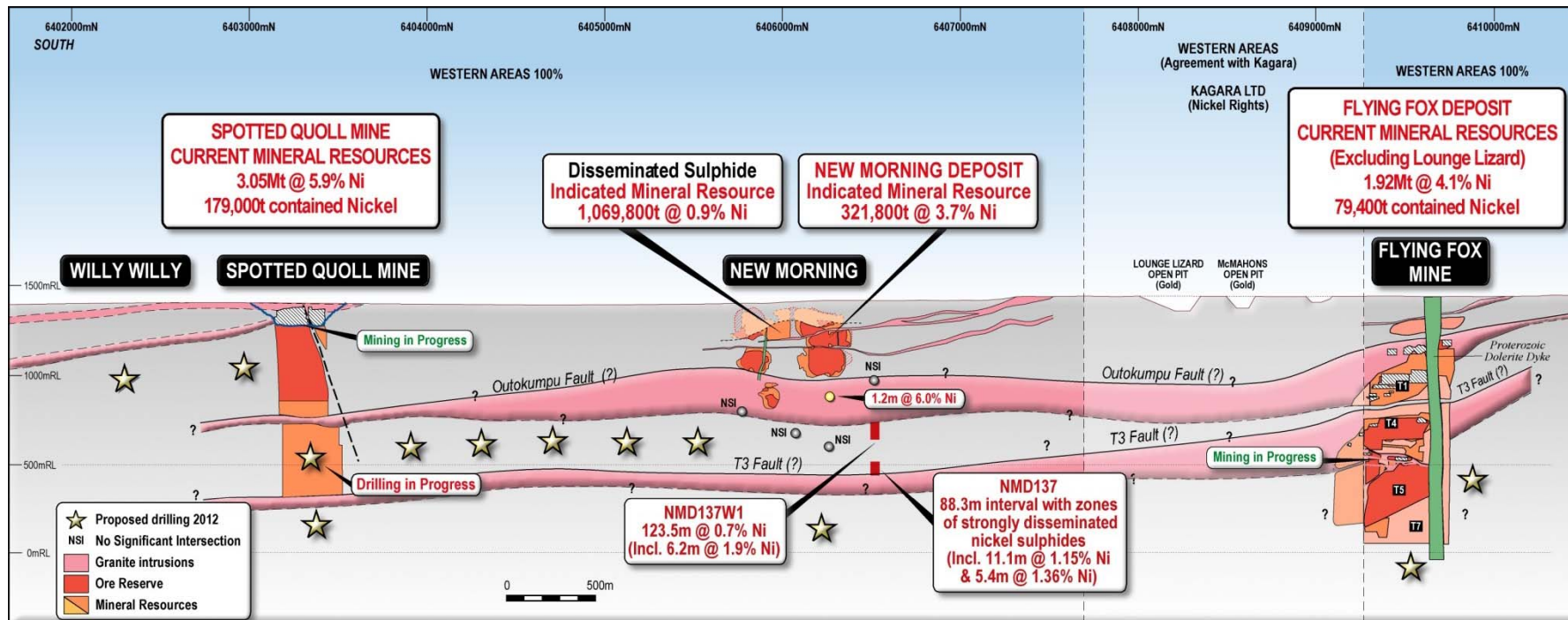
Long Term >5 years

- Base Case production 35-40ktpa , plus new mines
- Sandstone producing
- FinnAust producing
- Base Metals exposure
- Dividends
- Continued exploration upside
- Independent producer

Short Term - Near Mine Exploration



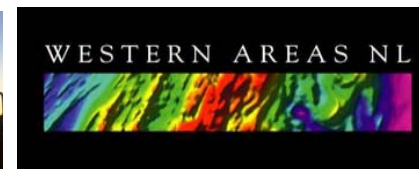
- Exploration Budget of A\$30M for FY12, majority to be spent on drilling at Forrestania
- 100km strike length of prospective Forrestania Nickel Project, within 500km long nickel province
- Drilling Priority within 8km long zone (below). New discovery would access existing mine infrastructure



Interpreted Longitudinal Projection (8 Km Long) - January 2012
FLYING FOX, NEW MORNING, SPOTTED QUOLL & WILLY WILLY

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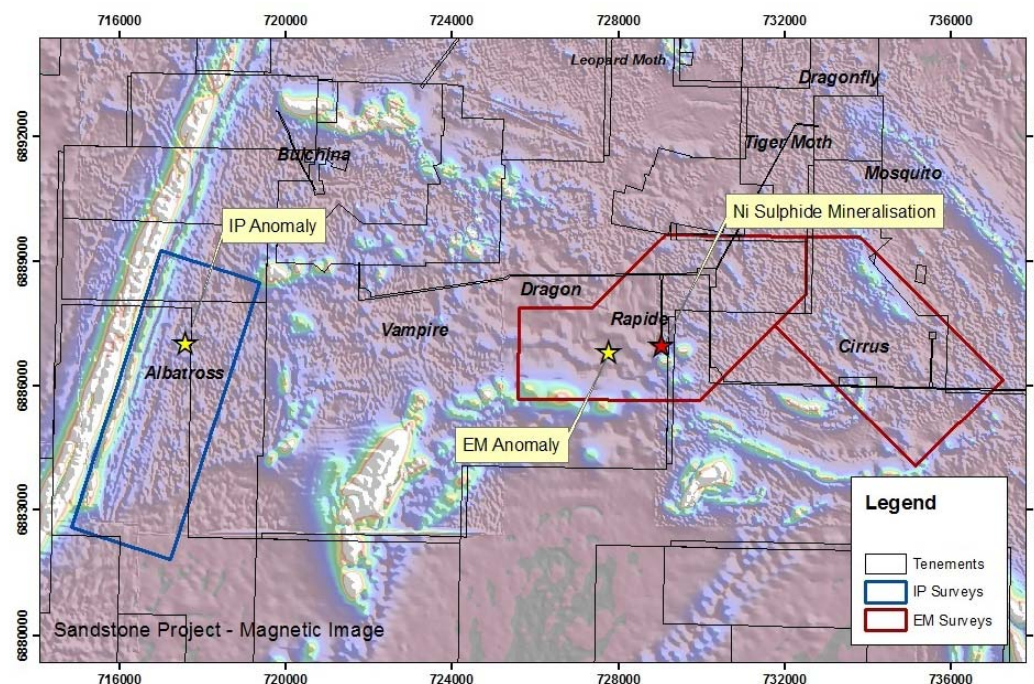
Western Australia - Regional Exploration



SANDSTONE JOINT VENTURE

Comments

- WSA earning 70% of nickel rights to the Sandstone JV with Troy Resources
- Targeting a major new nickel camp with potential for multiple mines
- One of largest areas of untested nickel prospective ground in Western Australia
- Encouraging early results with nickel sulphide intersected in 2010
- Major step up in drilling and geophysical program underway for 2011/12



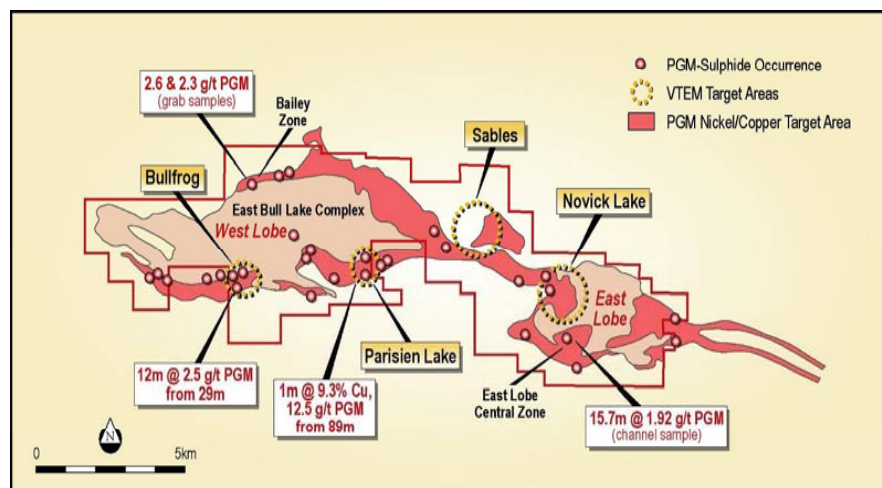
Sandstone magnetic image showing location of recently defined geophysical anomalies

CANADA - Mustang Minerals



- WSA owns 19.9% of Mustang Minerals - a Canadian listed nickel and PGM company
 - WSA has two of 5 board seats, plus provides technical assistance
 - Makwa Nickel/Copper mine in Manitoba – feasibility in progress targeting 5ktpa Ni in concentrate
 - Potentially significant Palladium & Platinum discovery near Mayville Copper/Nickel deposit in Manitoba
- WSA is earning a 65% interest with Mustang at East Bull Lake
 - 80km west of Sudbury
 - Highly anomalous Nickel/Copper and Platinum/Palladium in Gabbro intrusion
 - Drill program to commence in 2012

East Bull Lake VTEM targeting



Mayville drill core: 74.7m @ 0.75% Cu & 0.24% Ni

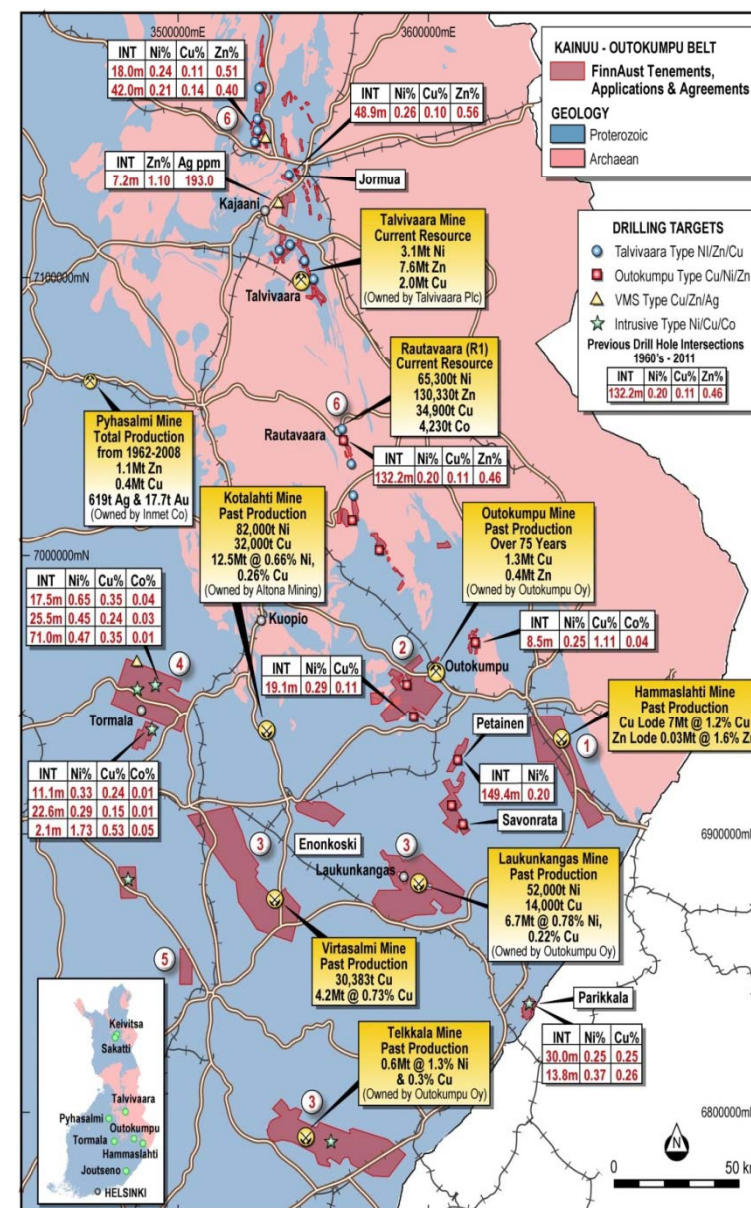
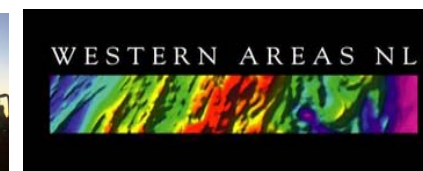


FINLAND – FinnAust Mining PLC Projects

- 79% WSA, planned to list on AIM in 2012
- 300km long base metal province in Finland
- Numerous nickel/copper/zinc mines & occurrences
- 12 major project areas, many drilling targets
- Geophysics proving very effective in defining targets
- Significant results from historic and FinnAust drilling
- First mineral resource defined at Rautavaara
- Major ramp up of drilling starting early 2012



Talvivaara type sulphide mineralisation – widespread through northern region





The End

