



November 23, 2012

ASX: WSA

News Release

WESTERN AREAS 2012 AGM CHAIRMAN'S ADDRESS

The past 12 months have been a very active and successful period for Western Areas. Operationally our mines have again delivered above forecast production at exceptionally low cost. With exploration we've repeated success with the discovery of the Sunrise deposit at Forrestania.

On the corporate front we've retired our 2012 convertible bonds, closed out the life of mine Outokumpu royalty and made, what I think will prove to be, a very valuable acquisition of the Lounge Lizard deposit, whilst also maintaining dividend payments to our valued shareholders. Most important of all, we've done this with an industry leading safety performance. Nothing is more important than the people who work so hard to build this company getting home safely to their families.

This year is also our first AGM with Dan Lougher at the helm as Managing Director. We saw Dan step up as MD at the beginning of this year and I am pleased to say he has settled into the role very well. Dan is a very experienced, senior mining executive and his elevation came after six years as our GM Operations and then Operations Director.

The discovery of Sunrise, mid-way between Spotted Quoll and Flying Fox, demonstrates the importance of investing in a strong exploration program. We are encouraged by the early results. The best return to our shareholders has been generated by our exploration success and we will continue to invest in exploration with particular emphasis at Forrestania.

That said, the past year has not been without external challenges. Continued uncertainty and unfavourable economic conditions in Europe, together with perceived weaknesses in China, have impacted commodity prices and strongly affected mining stocks. As a result, metals and mining stocks across the ASX are down over 20% for the last 12 months. Without the hard work of the team this year our share price would have been under even greater pressure.

These market conditions are of course not helped by a series of poor decisions by our political leaders, who continue to place hurdles in-front of mining companies such as the Resource Rent Tax and the Carbon Tax.

However, we do see some encouraging signs for the year ahead. The consensus view is that the nickel price has hit the bottom of the cycle. With China looking to the future after a successful leadership transition and the US now showing some signs of recovery, which we hope will lead to much stronger commodity markets.

As a side point, I was recently in China during the transition period and noted the 10 year target of doubling GDP and household incomes. I believe China has a long growth period ahead of it, which is a good sign for your company.

Dealing with the nickel price cycle is not a new challenge for Western Areas. We will continue to manage the business well, adapt as necessary to the nickel price, and continue to seek to reward our shareholders through the payment of dividends. I think we have demonstrated that this year; with strong performances across operations, exploration and our corporate management.

Western Areas is the success it is today because of the hard work and commitment of all our staff and contractors, and on behalf of the Board, I'd again like to commend them for their efforts this year. I would also like to thank the Executive team and my fellow Directors for their support throughout the year.

In closing, I would like to thank all of our shareholders for their continued support. I look forward to the year ahead with fresh confidence in the market, and a firm belief we can continue to deliver successful growth and development of your company.

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FORWARD LOOKING STATEMENT: This release contains certain forward-looking statements. Examples of forward-looking statements used in this release include: “The consensus view is that the nickel price has hit the bottom of the cycle. With China looking to the future after a successful leadership transition and the US now showing some signs of recovery, which we hope will lead to much stronger commodity markets.”. 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 Forrestania Nickel Project or New Morning deposit 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.