



Western Areas Limited

ACN 091 049 357

**NOTICE OF GENERAL MEETING
AND EXPLANATORY STATEMENT**

Meeting to be held at 11am (WST) on 21 February 2013 at

The Hyatt Regency Perth

99 Adelaide Terrace Perth, Western Australia, 6000

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

CONTENTS

NOTICE OF GENERAL MEETING (SETTING OUT THE PROPOSED RESOLUTION)	page 1
EXPLANATORY STATEMENT (EXPLAINING THE PROPOSED RESOLUTION)	page 3
GLOSSARY	page 5

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

A General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11am (WST) on 21 February 2013 at:

The Hyatt Regency Perth, 99 Adelaide Terrace Perth, Western Australia, 6000.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

Voting by proxy can be completed in one of the following ways:

- a) Online : at www.investorvote.com.au
- b) By mail : complete and sign the enclosed Proxy Form and return to:
Computershare Investor Services Pty Limited
GPO Box 242, Melbourne VIC 3001 Australia
- c) By fax : complete and sign the enclosed Proxy Form and fax to:
Inside Australia 1800 783 447
Outside Australia +61 3 9473 2555
- d) Custodian voting : For Intermediary Online subscribers only (custodians) please visit
www.intermediaryonline.com to submit your voting intentions.

Votes must be received not later than 11am (WST) on 19 February 2013. **Proxy Forms received later than this time will be invalid.**

NOTICE OF MEETING

Notice is given that a General Meeting of Western Areas Limited ABN 68 091 049 357 (**Company**) will be held at The Hyatt Regency Perth, 99 Adelaide Terrace Perth, Western Australia, 6000 on 21 February 2013 commencing at 11am (WST).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 4pm (WST) on 19 February 2013.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

SPECIAL BUSINESS

Resolution 1 – Approval of Placement Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That the issue by the Company of 13,157,895 fully paid ordinary shares in the Company to institutional, professional and sophisticated investors, as detailed in the Explanatory Statement, be approved for the purposes of Listing Rule 7.4 and for all other purposes."

Voting exclusions on Resolution 1 are set out under the heading "Entitlement to Vote" below.

ENTITLEMENT TO VOTE

Voting exclusion

Resolution 1 – Approval of Placement Shares

The Company will disregard any votes cast on Resolution 1 by any of the persons who participated in the issue of the ordinary shares and any associate of any of those persons.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Statement.

PROXIES

Please note that:

- a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- b) a proxy need not be a member of the Company; and
- c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of corporate representative certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

"SNAP SHOT" TIME

The Directors have determined that all Shares of the Company that are quoted on ASX at 4pm (WST) on 19 February 2013 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

BY ORDER OF THE BOARD OF DIRECTORS

Joseph Belladonna
Company Secretary
Western Areas Limited
21 January 2013

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at a General Meeting of the Company to be held on 21 February 2013 at 11am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolution.

This Explanatory Statement should be read in conjunction with the Notice of Meeting and Proxy Form. Capitalised terms in this Explanatory Statement are defined in the Glossary.

SPECIAL BUSINESS

RESOLUTION 1 – APPROVAL OF PLACEMENT SHARES

Background to Resolution 1

On 11 December 2012, the Company issued 13,157,895 fully paid ordinary shares in the Company under an institutional placement announced to ASX on 4 December 2012 (**Placement Shares**) to sophisticated and institutional investors at an issue price of \$3.80 per share to raise a total of \$50 million. Further, as also announced to ASX on 4 December 2012, the Company invited eligible shareholders to invest up to a maximum of \$15,000 per Shareholder under a share purchase plan which closed at 5:00pm (Sydney time) on Friday, 11 January 2013 (SPP).

Listing Rule requirements

Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. Generally, the Company can issue up to 15% of its issued equity securities in a 12 month period (subject to certain exceptions) without shareholder approval. The issue of the Placement Shares was within this 15% threshold.

Listing Rule 7.4 provides that an issue by a company of equity securities made without shareholder approval under Listing Rule 7.1 is treated as having been made with approval if the issue did not breach Listing Rule 7.1 when made and shareholders subsequently approve it.

Resolution 1 seeks shareholder approval under Listing Rule 7.4 to approve the prior issue of the Placement Shares made without approval under Listing Rule 7.1. Resolution 1 has been proposed to provide the Company with the maximum flexibility to issue further securities (if necessary) under Listing Rule 7.1 without needing to seek shareholder approval. The requirement to obtain shareholder approval for a future issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise.

The effect of approval of Resolution 1 will be that the issue of the Placement Shares will not be counted towards reducing the number of securities which the Company can issue in the future without Shareholder approval under the 15% limit imposed by Listing Rule 7.1. The result is that the 15% limit under Listing Rule 7.1 will be "refreshed" to the extent of the approval so that the Company has a renewed ability to issue securities up to the 15% limit. It is expected that any shares issued under the SPP will fall within an exception to Listing Rule 7.1 and will not reduce the 15% limit.

If Resolution 1 is not approved by Shareholders, it may limit the ability of the Company to issue securities without shareholder approval until the Company's 15% capacity is replenished, in accordance with Listing Rule 7.1.

Information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the Company provides the following information:

- A total of 13,157,895 Placement Shares were issued by the Company on 11 December 2012 for an issue price of \$3.80 per Placement Share.
- The Placement Shares issued are fully paid ordinary shares in the Company and rank equally with all other fully paid ordinary shares on issue.
- The allottees of the Placement Shares were institutional, professional and sophisticated investors.
- None of the allottees of the Placement Shares are Directors, associates of Directors or related parties of the Company.
- The funds raised from the issue of the Placement Shares will ultimately be used to (among other things):
 - repay the current balance of the Company's ANZ Loan facility, which is currently drawn to \$45 million; and
 - provide additional balance sheet flexibility to pursue the Company's growth opportunities in the Forresteria region. These opportunities include the potential expansion of the Cosmic Boy concentrator capacity to 750,000 tonnes per annum, further delineation of the Sunrise and New Morning deposits and additional decline development at Spotted Quoll.
- A voting exclusion statement is included in this Notice of Meeting.

Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

ENQUIRIES

Shareholders should contact the Company Secretary, Mr Joseph Belladonna on (+61 8) 9334 7777 if they have any queries in respect of the matters set out in the documents.

GLOSSARY

A\$ or \$	Australian dollars.
ASX	ASX Limited.
Board	board of Directors.
Company	Western Areas Limited ABN 68 091 049 357.
Constitution	the constitution of the Company, as amended from time to time.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	director of the Company.
Explanatory Statement	the explanatory statement that accompanies the Notice.
Listing Rules	the Listing Rules of the ASX.
Meeting or General Meeting	the meeting convened by the Notice of Meeting.
Notice or Notice of Meeting	this Notice of General Meeting.
Resolution	the resolution set out in the Notice of Meeting.
Share	fully paid ordinary share in the capital of the Company.
Shareholder	holder of a Share in the Company.
WST	Australian Western Standard Time.

Lodge your vote:**Online:**
www.investorvote.com.au**By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 AustraliaAlternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com**For all enquiries call:**
(within Australia) 1300 727 692
(outside Australia) +61 3 9946 4448


000001 000 WSA
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online 24 hours a day, 7 days a week:

www.investorvote.com.au

To view or update your securityholding:

www.investorcentre.com**Your secure access information is:****Control Number: 999999****SRN/HIN: 1999999999****PIN: 99999****PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential. **For your vote to be effective it must be received by 11:00am (WST) Tuesday 19 February 2013**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.**A proxy need not be a securityholder of the Company.**

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Western Areas Ltd hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Western Areas Ltd to be held at The Hyatt Regency Perth, 99 Adelaide Terrace Perth, Western Australia on Thursday, 21 February 2013 at 11:00am (WST) and at any adjournment of that meeting.

STEP 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolution 1 Approval of Placement Shares

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /