



16 October 2014

ASX: WSA

News Release

WESTERN AREAS WITHDRAWS FROM THE TRAKA JOINT VENTURE ON MUSGRAVE TENEMENTS

The Board of Western Areas Ltd (ASX: WSA, "Western Areas" or the "Company") advises that it has withdrawn from the Farm-in and Joint Venture Agreement (the Agreement) with Traka Resources Limited (ASX: TKL, "Traka") on tenements within the Musgrave region of Western Australia (TJV). Under the TJV, WSA will retain a 1% net smelter royalty (NSR) over the tenements.

Western Areas' clearly stated strategy with respect to regional exploration (being exploration outside of Forrestania) is to acquire interests in prospective early-stage base metal projects which have the potential to significantly increase the Company's already robust resource inventory and, ultimately, supply future sources of production. Whilst Western Areas did identify nickel-copper mineralisation within the TJV tenements through its exploration activities, the prime focus for the Company is always to locate higher grade massive sulphide poly-metallic mineralisation.

On 9 October 2014, the Company announced that it had executed a Farm-in and Joint Venture Agreements with both Gunson Resources Limited and Monax Mining Limited for a large prospective tenement package in the Western gawler region of South Australia. These new agreements effectively replace the TJV in the regional exploration portfolio.

There will be no impact on Western Areas' financial results for FY15, as exploration expenditure for the TJV was written off during FY14.

Recent TJV Work Program

Exploration activities during the TJV period (some 15 months) comprised significant electro-magnetic (EM) ground surveys over target areas with a follow up RC drilling program (8 holes for a total of 1,842m) and subsequent down-hole electro-magnetic (DHEM) and fixed loop electro-magnetic (FLEM) surveys. Single holes were completed to test the higher priority EM targets identified from the ground EM surveys. The DHEM was used to confirm the effectiveness of the drilling. A number of small FLEM surveys were completed to better constrain the geophysical modelling.

The drilling effectively tested the generated targets and confirmed that no high-grade, massive sulphide bodies exist in the areas surveyed with ground geophysics. The presence of copper sulphide mineralisation (including 6m @ 0.16% Cu from 52m in WMRC0004) indicates the discovery of further low-grade, Succoth style deposits within the tenement package is possible.

As outlined in the June quarterly report, a further detailed review of the areas, outside of those tested with ground geophysics and drilling, was also undertaken. These study results, combined with the drilling results achieved, indicated that the potential for a significant and economic high grade deposit does not fit Western Areas' investment criteria. Consequently, and in line with the Company's strategy for regional exploration, a decision was made withdraw from the TJV.

-ENDS-

For further details, please contact:

Dan Lougher
Managing Director – Western Areas Ltd
Telephone +61 8 9334 7777
Email: dlougher@westernareas.com.au

David Southam
Executive Director – Western Areas Ltd
Telephone +61 8 9334 7777
Email: dsoutham@westernareas.com.au



Shane Murphy
FTI Consulting
Telephone +61 8 9485 8888 / 0420 945 291
Email: shane.murphy@fticonsulting.com

Or visit: www.westernareas.com.au

COMPETENT PERSON STATEMENT:

The information within this report as it relates to geological data and exploration results 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 undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results. 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 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: "There will be no impact on Western Areas' financial results for FY15, as exploration expenditure for the TJV was written off during FY14".

This announcement does not include reference to all available information on the Company and should not be used in isolation as a basis to invest in Western Areas Ltd. 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.