



31 May 2013

ASX: WSA

News Release

WESTERN AREAS UPGRADES FULL YEAR GUIDANCE

Western Areas Ltd (ASX: WSA, “Western Areas” or the “Company”), in line with previous practice, is pleased to provide an update on expected production and sales, with an upgrade to both nickel in concentrate production and nickel sales for the financial year ended 30 June 2013 (FY2013). In addition, unit cash cost guidance has reduced to less than A\$2.90/lb for the full year.

The Company has also seen a solid increase in recent cashflow generation. Whilst Western Areas does not provide full year guidance on free cashflow due to nickel price and currency fluctuations, the Company is able to confirm that free cashflow generation should be particularly strong for the last quarter of FY2013. As at 31 March 2013 unaudited cash at bank was A\$58m and the Company now forecasts this to be in excess of A\$70m by 30 June 2013.

Western Areas Managing Director, Dan Lougher commented: “Notwithstanding the challenging nickel price over the last quarter, the resilience of Western Areas to external factors due to the quality of our mines has been satisfying. In our recent Quarterly Report we advised the market that the cashflow heavy lifting in the first half of the year was completed setting up the Company with long term benefits. It’s now rewarding to see these actions crystallise in the form of free cashflow generation over the last six months, which I believe separates Western Areas from the pack in a testing minerals environment.”

In respect of full year guidance, the Company provides the following summary:

Guidance	Original Guidance	Upgraded Guidance	Final Guidance
Nickel in Ore ('000t)	26,000	27,000	27,000
Nickel in Concentrate ('000t)	25,000	25,500	26,500
Nickel Sales ('000t)*	26,000	26,000	27,000
Unit Cash Costs	<A\$3.00/lb	<A\$3.00/lb	<A\$2.90/lb
Capital Expenditure	<A\$70m	<A\$70m	<A\$65m
Exploration	A\$20m	A\$20m	<A\$19m

**Assumes shipment planned for June is not delayed until July*

The above guidance indicates that, in all areas, Western Areas has met or bettered the upgraded guidance provided through the year. Mr Lougher said: “We are extremely proud that the Company’s cost management vigilance has resulted in a forecast unit cash cost of nickel in concentrate reducing to below A\$2.90/lb, whilst also driving capital efficiency in our projects. This capital efficiency has delivered the new Spotted Quoll underground mine on budget, ahead of time and free of any commissioning issues. Furthermore, the Company has delivered on its objective to reduce concentrate inventories which has resulted in upgraded sales guidance of 27,000t of nickel in concentrate.”

Western Areas is currently finalising the 3 year plan and expects to provide FY2014 guidance during the release of its FY2013 results later in year.

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FORWARD LOOKING STATEMENT: This release contains certain forward-looking statements. Examples of forward-looking statements used in this release include: “unit cash cost guidance has reduced to less than A\$2.90/lb for the full year” and “the Company now forecasts this to be in excess of A\$70m by 30 June 2013”, and, “It’s now rewarding to see these actions crystallise in the form of free cashflow generation over the last six months, which I believe separates Western Areas from the pack in a testing minerals environment.”.

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 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.