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ASX: WSA

News Release

**DRILLING TO COMMENCE AT MUSGRAVE TENEMENTS  
INITIAL 30% EQUITY EARN IN COMPLETED**

Western Areas Ltd (“Western Areas” or the “Company”) is pleased to announce commencement of a reverse circulation (RC) drilling program within the Musgrave Joint Venture tenements to test quality bedrock conductors identified from recent Moving Loop Electromagnetic (MLEM) surveys. This follows completion of the initial expenditure requirement to earn 30% equity in the West Musgrave Joint Venture interests (JV) from Traka Resources Limited (Traka).

**Current JV Activities:**

- **Initial RC drilling program of at least 2000m to commence at prospective Musgrave Joint Venture tenements with Traka Resources**
- **RC drilling follows completion of heritage, flora and fauna surveys and geophysical surveys returning a number of high quality conductive targets**
- **30% equity in JV interests achieved following completion of initial Stage 1 expenditure**
- **Western Areas to proceed with Stage 2 expenditure to increase JV interests to 51%**

RC drilling will commence early next week with statutory approval now being received following completion of heritage, flora and fauna surveys of the drill target areas. It is anticipated that drilling will continue through to mid January with a short break during the Christmas period.

The survey data has returned a number of highly conductive targets which are located on or adjacent to interpreted mafic intrusions in two key areas, Atlas and Samaria (see figure 1). A number of these conductors are also located in areas of previously defined nickel and copper geochemical anomalism. Given their favourable nature and interpreted geological setting, the discovery of these conductive anomalies is extremely encouraging for the presence of nickel and/or copper sulphides.

Modelling of the conductive responses has been undertaken with the conductors identified for drilling showing high time constants that do not appear to be associated with surficial features or paleochannels. Modelled depths to the top of the conductors range from 100m to 230m. Priority drilling is expected to comprise a six to eight hole programme for 2000m, but this may be expanded depending on the results from the initial drilling.

Managing Director Dan Lougher commented that while it’s early days, Western Areas is extremely encouraged by the high quality and quantity of conductors identified in such a short timeframe since entering into the JV venture with Traka in July this year.

“Our regional exploration strategy is being executed as planned whereby Western Areas can enter into selected joint ventures and be drilling new targets within six months following the use of sophisticated geophysical techniques,” said Mr Lougher.

Recent exploration activities have been dominated by ground geophysical surveys of priority targets areas focusing on the discovery of higher grade mafic hosted ore-bodies. Initial wide spaced survey lines were completed and then reduced to 200m line spacing with 100m station spacing where conductive anomalies were detected. Ultimately, follow up fixed loop surveys of 100m line spacing with 50m station spacing were conducted at three of the highly responsive targets.

# WESTERN AREAS LTD



## Musgrave Joint Venture

On 1 July 2013, the Company announced the execution of the JV agreement with Traka. The agreement provides a staged program for Western Areas to acquire up to a 70% interest in a number of Traka's core tenements within the Musgrave region of Western Australia. The total area included under the Musgrave JV is approximately 1,075km<sup>2</sup> (see Figure 1).

Under the Stage 1 terms of the Farm In Agreement Western Areas had the right to 30% equity into Traka's interests in the JV tenements (EL69/2253, 2747, 2032, 2230 and 2618) by expending \$1.3 million within 18 months of the date of the agreement. This expenditure commitment has now been met.

Western Areas has elected to proceed to Stage 2, whereby the Company can acquire an additional 21% interest in the JV tenements by expending a further \$2.5 million within 18 months.

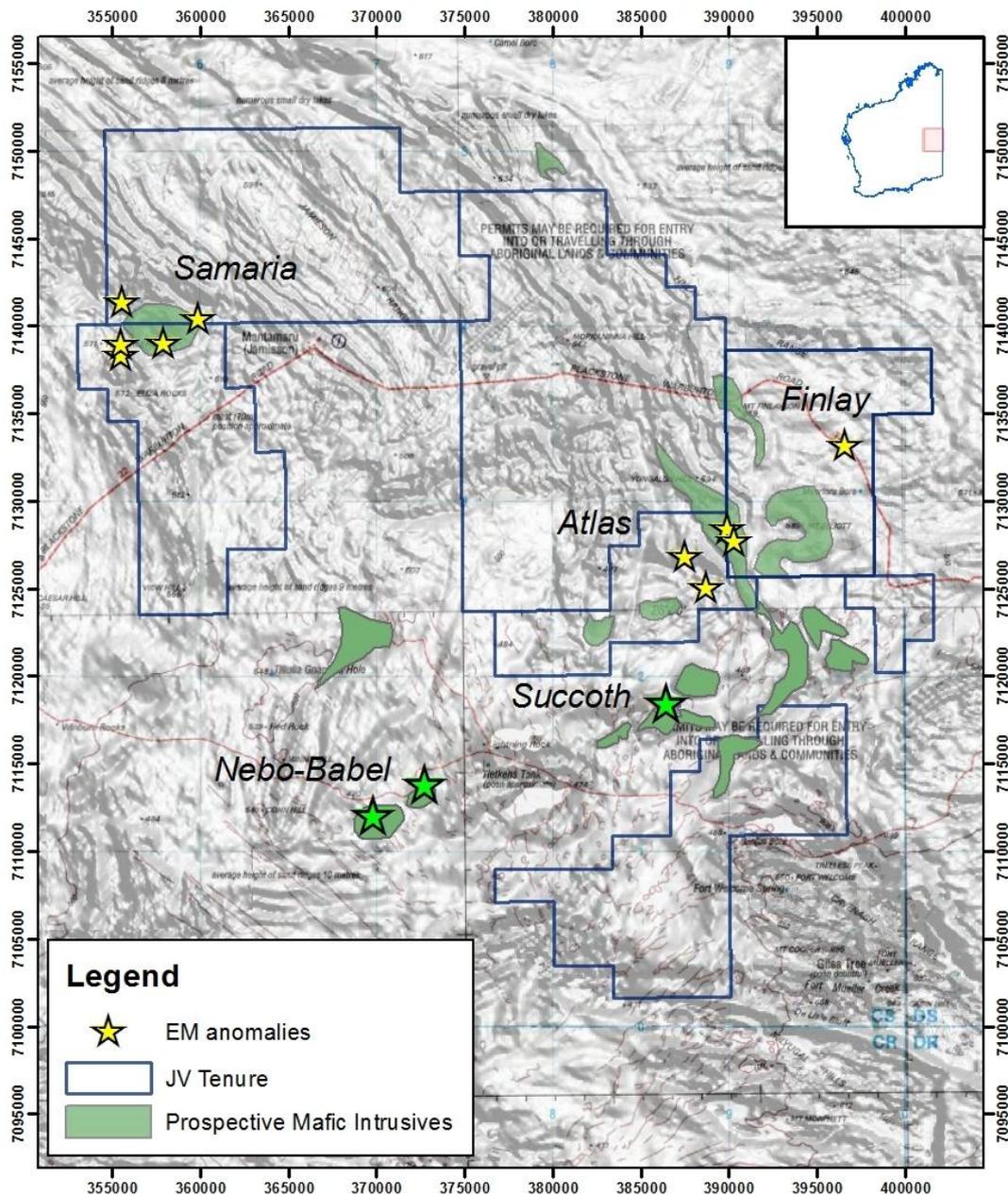


Figure 1: Plan showing JV tenure (blue), known Ni-Cu deposits (green stars), and recently defined EM anomalies (yellow stars) over TMI magnetic.

**Musgrave Region of Western Australia**

Western Areas has identified the Musgrave's region as a highly prospective, underexplored base metals region of Western Australia. The region is known to contain significant amounts of nickel, copper and PGEs, namely within the giant Nebo-Babel and recently discovered Succoth deposits owned by BHP Billiton.

The area also contains lesser known (and smaller), but equally significant high-grade nickel and copper deposits. Ongoing academic, exploration and targeting work is also making significant progress in understanding the links between the similarly aged and tectonically related Musgraves (Nebo/Babel and Succoth) and Albany-Fraser Orogens (Nova/Bollinger), as well as other worldwide examples of mafic intrusive related deposits (Eagle, Voisey Bay and the giant Norilsk/Talnakh). These styles of deposits are different from the komatiitic hosted deposits at Forrestania with individual deposits being typically larger and multi-commodity (nickel, copper and +/-PGEs).

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**DISCLAIMER AND QA-QC STATEMENT:** The information within this report as it relates to geological and drilling data 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 which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' 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. Examples of forward-looking statements used in this release include: "Given their favourable nature and interpreted geological setting, the discovery of these conductive anomalies is extremely encouraging for the presence of nickel and/or copper sulphides" and "drilling is expected to comprise a six to eight hole programme for 2000m, but this may be expanded depending on the results from the initial drilling".

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 Musgrave JV Project 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.