WESTERN AREAS LTD

2015 ANNUAL REPORT

CORPORATE DIRECTORY

DIRECTORS

Ian Macliver
Dan Lougher
David Southam
Julian Hanna
Richard Yeates
Craig Readhead
Tim Netscher

COMPANY SECRETARY

Joseph Belladonna

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STOCK EXCHANGE

Australian Securities Exchange Limited

Code: WSA

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Competent Person's Statement:

The information in the Annual Report was compiled by Western Areas management, but the information as it relates to mineral resources and reserves was prepared by Mr Charles Wilkinson, Mr Daniel Lougher and Mr Andre Wulfse who are Competent Persons and members of the Australian Institute of Mining and Metallurgy (AusIMM). They are full-time employees of Western Areas Ltd and have 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'(2012 JORC Code). Mr Wilkinson, Mr Lougher and Mr Wulfse consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. The information contained in this report in relation to the New Morning Deposit was prepared and first disclosed under the 2004 Edition of the JORC Code. It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

Forward Looking Statement:

This Annual Report 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.

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 Annual Report 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.

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HIGHLIGHTS 2014-2015

SAFETY

Lost Time Injury Frequency Rate (LTIFR) at an industry low rate of zero at 30 June. Seven years LTI free with the Exploration Team.

DIVIDEND

The Board decided to pay a final fully franked dividend of 4c per share. Accordingly, dividends for the year totalled 7c per share representing a payout ratio of approximately 46.6% of NPAT and an increase of 40% over the prior year.

COSMIC BOY CONCENTRATOR

The Cosmic Boy nickel concentrator achieved its sixth year of operation during FY15, achieving record breaking ore throughput for the full year of 609,727 tonnes.

ENVIRONMENTAL

Western Areas has better energy and emissions productivity (per tonne of contained nickel) than any other nickel miner reporting in Australia.

PRODUCTION COSTS

Production for the year exceeded expectations, with unit cash costs of nickel in concentrate in particular falling significantly compared to last year, coming in at A$2.31/lb versus A$2.50/lb for the prior year.

SPOTTED QUOLL MINE

Spotted Quoll performed extremely well, mining over 13,000 tonnes of nickel for the year.

FLYING FOX MINE

Flying Fox performed strongly, mining over 12,000 tonnes of nickel for the year.

BALANCE SHEET

Retired A$95.2m of convertible bond debt. Consolidated cash at bank was $195.4m at 30 June 2015.

CHAIRMAN'S LETTER

Dear Fellow Shareholder,

On behalf of your Board of Directors, I am pleased to present to you the Annual Report for the year ended 30 June 2015. Western Areas has seen a very strong year operationally, which has led to noteworthy increases in profits, cash flow and dividends to shareholders over and above that for 2014. Pleasingly, Western Areas ended the year with its strongest-ever balance sheet position. A significant milestone was also achieved in July 2015 with the Company becoming debt free after the final repayment of convertible bonds.

Western Areas' financial results were achieved despite a weaker nickel price in comparison to the previous year. We believe our ability to lift profits despite a lower nickel price, alongside a strong balance sheet, demonstrates the ability of Western Areas to stay profitable over the nickel price cycle. This has allowed the Board to again declare a healthy dividend for shareholders with a total of 7 cents per share, or 47% of net profit after tax, being paid out to shareholders. Western Areas has now paid in excess of $107 million in dividends since declaring its maiden dividend in March 2010.

The Company continues to generate positive cash flow from its operations, and this is what drives balance sheet improvements, profit increases and continued dividends for shareholders. Our balance sheet strength has also allowed us to take active steps to position Western Areas for future growth, and be well placed to benefit from any future nickel price upswing.

IAN MACLIVER

INDEPENDENT NON-EXECUTIVE CHAIRMAN

We are assembling a platform that builds upon the strong base of our production assets at Flying Fox and Spotted Quoll through additional development ready projects such as Odysseus, the Mill Enhancement Project and New Morning. We've also built in long term production growth and immediate 'blue sky' exploration discovery potential through the Cosmos Nickel Complex and the Western Gawler JV, which sit alongside our already considerable discovery prospects at Forrestania. The Company's current strength allows us to invest in a strong future, and to continue the development and exploration initiatives that will leave us well placed in the future. Returns from this platform will be magnified in any future nickel price upswing.

For both the year ended 30 June 2015, and for the early part of FY16, the nickel price has continued to move through a cyclical low. The market continues to adjust to structural changes that began in January 2014, as Indonesia moved to ban exports of unprocessed nickel ore. Despite initial predictions that this would lead to an immediate tightening of supply, we've seen Chinese nickel pig iron producers steadily eat away at a very large domestic stockpile of higher grade nickel ore. From evidence available in the market, we believe that this stockpile rundown has now largely run its course, giving some cause for optimism on the price front for the year ahead. Nickel market fundamentals now point to a deficit in supply emerging perhaps as soon as midway through FY16.

I would again like to thank the team at Western Areas for all their hard work over the year, led by Managing Director, Dan Lougher. All of the employees, contractors and supporters of Western Areas have again delivered an exceptional operational result through their efforts throughout the year. Pleasingly, we've also delivered on the most important metric for our company – we've kept all of our team safe for the year, with zero lost time injuries for the year. I look forward to this performance continuing and a more positive nickel price in the coming year.

Ian Macliver
Independent Non-Executive Chairman

"We believe our ability to lift profits despite a lower nickel price... demonstrates the ability of Western Areas to stay profitable over the nickel price cycle."

MANAGING DIRECTOR'S REPORT

The 2015 financial year has been a strong year covering all operational aspects for Western Areas, despite external uncontrollable factors such as the unrewarding nickel price environment. Our Forrestania operations have once again performed strongly, with lowered costs and delivery of strong cash flows. Most importantly, this was achieved without any Lost Time Injuries (LTIs).

Western Areas is also now in the strongest financial position it has been in. Despite the lower nickel price, the Company recorded a net profit after tax for the year of $35 million, representing an increase of 37.5% over the prior year. This profit, combined with improved cash flow generation, allowed the Company to again declare a healthy dividend, paying 46.6% of its net profit after tax back to shareholders in the form of total fully franked dividends of 7 cents per share for the year. This is a substantial lift over last year's 5 cents per share in total dividends. The payment of responsible dividends to our shareholders has been a long recognised trend of Western Areas with just over $107 million returned to shareholders since the Company became an operator.

Western Areas reported an improved net cash position of $70.4 million at year-end, again with the backdrop of reduced nickel prices. On 2 July 2015, the Company repaid the final convertible bond debt of $125 million, which was originally part of the funding strategy utilised to build the Forrestania asset base. With this repayment, the Company reached a significant milestone in its financial maturity, becoming debt free. Balance sheet strength and flexibility is critical in the current resources environment. With Western Areas now debt free, we are in a sound position to ride out current sentiment whilst continuing to get the most efficient performance out of our top tier asset portfolio. Our strategy surrounding balance sheet management has been executed to plan, and our unrelenting focus on productivity improvements and cost management remain core to our business.

Most importantly, I am very pleased to report zero LTIs for the year across our employee and contractor base. This reflects our strong commitment to safety, and a willingness to implement the measures required to create and maintain a safe workplace. Western Areas' safety record remains one of the best in the mining industry, and is one of the Company's most significant achievements. Two examples of this exceptional performance include the exploration team recently celebrating seven years without an LTI, and the Spotted Quoll underground mine recording zero LTIs since it was opened over four years ago.

Both Spotted Quoll and Flying Fox performed well over the year. Spotted Quoll produced 275,929 tonnes of ore at a grade of 4.9% nickel for overall production of 13,620 contained nickel tonnes. Flying Fox delivered 264,339 tonnes of ore, also at a grade of 4.9% nickel for overall production of 12,904 contained nickel tonnes.

Ore reserve replenishment was a focus at Flying Fox during the year and, pleasingly, drilling activities resulted in the net addition of 7,596 tonnes of nickel in our Mining Reserves, post the depletion of 12,904 nickel tonnes. This effective increase of 20,500 nickel tonnes reflects our history of mining reserve replenishment at Flying Fox. Spotted Quoll already has a substantial ten year mine life and remains open at depth. Accordingly, reserve replenishment drilling was conducted during the year with these funds directed toward exploration activities elsewhere across the tenement portfolio.

The Cosmic Boy Concentrator also continued its strong track record, consistently achieving throughput approximately 10% above nameplate capacity of 550,000 ore tonnes per annum. The year ahead may see some further improvements in concentrator performance, with the Board approving initial work for the Mill Enhancement Recovery Project, which will see average nickel recoveries increase by 3% to 5% over the life of Western Areas' mines. This will provide the Company with up to an additional 1,200 tonnes of nickel per annum and is a perfect example of using capital expenditure to drive productivity improvements in our business.

The operational efficiencies and cost out programmes we've implemented have seen unit costs decline over the year by 7.6%, down from A$2.50/lb cash cost in concentrate to A$2.31/lb. This places us well within the lowest cost quartile of nickel producers. The Company will continue to strive to further reduce costs over the year ahead and has provided guidance in this regard as part of the full year results announcement on 20 August 2015.

"Despite the lower nickel price, the Company recorded a net profit after tax for the year of $35 million, representing an increase of 37.5% over the prior year."

	FY15	FY14
Lost Time Injury Frequency Rate (LTIFR)	0.0	1.9
Total Ore Mined (tns)	540,268	598,959
Average Mined Grade	4.9%	4.8%
Contained Nickel Mined (tns)	26,524	28,686
Total Ore Processed (tns)	609,727	598,152
Average Processed Grade	4.7%	4.8%
Average Recovery	90%	89%
Contained Nickel Processed (tns)	25,801	25,700
Nickel Sold (tns)	26,036	25,756
Average Nickel Price Received (US$/tn)	14,514	16,458
Cash Costs before smelting/refining (A$/tn)	2.31	2.50
Average Exchange Rate USD/AUD	0.84	0.91

The Company's investment in exploration is set to increase in the coming year with $15 million to be spent at Forrestania and the greenfields Western Gawler JV in South Australia. This spend will be joined by a $7 million budget at the newly acquired Cosmos Nickel Project, the bulk of which will be directed at exploration activities.

Drilling has commenced at our Western Gawler JV and we look forward to the results of that campaign. This JV provides us 'first mover' advantage in a highly prospective, but significantly underexplored area. Our shareholding in FinnAust Plc also allows the Company to participate in the exploration of base metals in Finland.

Despite the year being marked by lower commodity prices and a generally stressed resources sector, Western Areas has spent a considerable amount of time building its future growth platform. At this time of relative financial strength, with strong cash flows and a recently-declared debt free status, we have been able to secure highly prospective growth assets at entry level costs that would not be available in more buoyant times.

The Company's acquisition of the Cosmos Nickel Project fits with this strategy. For a purchase price of $24.5 million, with an 18 month payment period, the Company has been able to secure not only a potential third mine with the Odysseus project, but access to one of the most prospective nickel exploration areas in Australia. We will be capitalising on this acquisition through a significant exploration program and undertaking a study to determine how the Odysseus deposit could be brought more efficiently into production.

In this way, the Company is preparing its business to strongly benefit from any future nickel price upswing, through both potential discoveries and the ability to rapidly bring significant new sources of production online in the right price environment.

A high standard of environmental management has been maintained at the Forrestania operations. Monitoring programs for Malleefowl (Leipoa ocellata) and Chuditch (Dasyurus geoffroii) were undertaken during the year using motion sensor cameras to monitor breeding habits. Western Areas continues to support biodiversity initiatives with ongoing sponsorship agreements with the Perth Zoo and the Department of Parks and Wildlife (DPaW). The Perth Zoo sponsorship agreement provides support for the Western Quoll enclosure, while the DPaW sponsorship supports the Western Shield wildlife recovery program.

Looking ahead into the new financial year, Western Areas has released guidance around key operational and financial metrics. We continue to work extremely hard as a team to deliver, or surpass, these targets.

DANIEL LOUGHER

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Although the lower nickel price, like all other commodities, has presented a challenge to the Company through the year, the market remains highly cyclical and there is some optimism that a turn in conditions will emerge as soon as early 2016. With stockpiles of high grade Indonesian laterite ore in China for nickel pig iron production nearly exhausted, and the continued exit of higher cost production from the market, the nickel market may soon tighten the supply-demand balance. We are also seeing sustained growth in overall nickel demand from China whilst other indicators, such as the LME Warehouse, show nickel levels starting to flatten. The Company's focus during the 2016/17 financial year will be:

- Maintaining our high safety and environmental standards;
- Meeting, or beating, operational guidance metrics announced;
- Continuing to drive cost saving initiatives across the business;
- Maintaining a strong balance sheet through constant and rigorous review of capital expenditure, exploration spend and growth capital;
- Delivering on the benefits of acquiring the Cosmos Nickel Project;
- Advancing our exploration activities;
- Working with minimal fuss to ensure the Company is ready to seize the opportunities should the forecasted nickel price recovery transpire; and
- Continuing our history of paying dividends in a responsible manner.

This has been a strong year for Western Areas amid volatile market conditions. I would like to thank all of our committed staff, suppliers and service contractors who have put so much effort into making Western Areas a successful company. I look forward to the inevitable turning of the nickel price cycle, and stronger market conditions ahead, coupled with a continued solid operating performance.

Daniel Lougher
Managing Director & Chief Executive Officer

OPERATIONS REVIEW

GROUP OVERVIEW

Western Areas is a mining company with high grade nickel production assets in Australia and base metals development projects across Australia, Canada and Finland. Headquartered in Perth, Western Australia, Western Areas is listed on the Australian Securities Exchange (ASX) under the ticker symbol "WSA" and has been a member of the ASX 200 for many years.

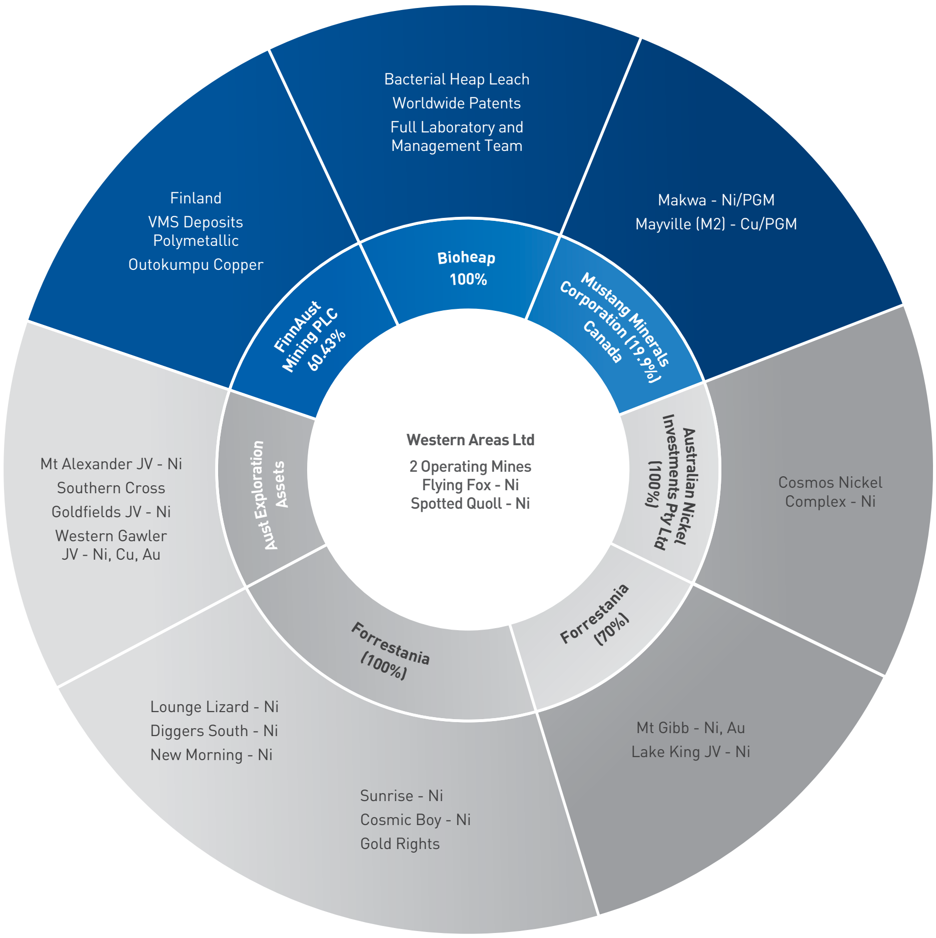
Production is built around two of the highest grade underground nickel mines in the world, Flying Fox and Spotted Quoll, both within Western Areas Forrestania project area in Western Australia. The high grade nickel ore is processed through the Cosmic Boy Concentrator and is currently sold to BHPB Nickel West and Jinchuan Group.

Western Areas was built upon the successful discovery of two high grade nickel ore bodies at Forrestania and this forms a natural part of the Company's continuing growth strategy.

A significant re-investment in exploration at Forrestania is led by the proven team responsible for discovering the Flying Fox and Spotted Quoll ore bodies. The Company believes significant further discovery potential exists and success in this program will naturally leverage existing installed production infrastructure.

STRUCTURE

Western Areas Ltd is a company limited by shares that is incorporated and domiciled in Australia. Western Areas Ltd has prepared a consolidated financial report incorporating the material entities that it controlled during the financial year, which are shown below along with the principal assets of each.



CORPORATE GOVERNANCE STATEMENT

Appropriate Corporate Governance is of the highest importance to Western Areas and the Company's Corporate Governance Statement can be found at http://www.westernareas.com.au/about-us/corporate-governance.html

WESTERN AREAS SAFETY

The 12 month rolling Lost Time Injury (LTI) frequency rate dropped to zero in April for the second time since operations began in late 2004. In June 2014, Boart Longyear (surface diamond drilling contractor) also achieved a significant milestone of seven years LTI free operations.

A summary detailing the LTI free days by operating department at year end is shown in the table below.

Department	LTI free days
Surface Exploration	2,555
Spotted Quoll UG mine	1,538
Cosmic Boy Village	1,246
Cosmic Boy Concentrator	737
Flying Fox UG mine	720
Surface Haulage	454

An ongoing focus of Western Areas is to continually increase the number of hazard identifications and Job Safety Analyses (JSA) in the organisation. The Company believes the encouragement of an open and transparent reporting culture ultimately leads to improved safety outcomes and superior operating performance. Pleasingly, there has been a 70% increase in recorded hazard observations from (20,000 to 34,000) and a 235% increase in JSA (200 to 670) over the previous year. Senior company managers and department safety representatives have been active and visible in the workplace, conducting safety inspections and audits. Reviews of safety plans, procedures and other documents continue in order to improve the safety management system and all departments and contractors continue to ensure that safety and risk management remain a high priority in the workplace.

During September 2014, the Cosmic Boy Concentrator laboratory sustained a fire from a heat degraded fibreglass panel which resulted in the laboratory being written off. Laboratory personnel and the Emergency Response Team (ERT) extinguished the fire in a professional and timely manner and prevented the fire spreading to other buildings.

The ERT took part in its first WA Mines Emergency Response Competition which was held in Perth during November 2014. The ERT team acquitted themselves well and learned many valuable lessons and consequently the ERT organisation and training schedules have been modified and updated to take advantage of these key learnings.

As part of the Company's risk management planning, an aerodrome emergency drill was conducted in early June 2015. This multi-agency exercise involved approximately 50 people from the ERT, local volunteer fire brigades and several St John Ambulance crews from the surrounding communities. A state of the art, purpose built fire simulator provided a realistic setting for the exercise. The site medical teams worked closely with the St John Ambulance crews to manage large numbers of very realistic simulated injuries. The team learned a number of important lessons and will be working to improve response times and training scenarios.

FORRESTANIA ENVIRONMENTAL ACTIVITIES

Overall, environmental compliance was maintained at a high standard throughout the financial year. There were four very minor environmental incidents reported which included a small hydrocarbon spill, two small saline water spills and one vegetation incident. The environmental impact from these was reviewed and the causes addressed to prevent re-occurrence.

The Department of Environment Regulation (DER) conducted a Prescribed Premises Licence Compliance Audit in April 2015, with only one minor non-compliance noted regarding the assessment and reporting of the tailings storage water balance, which was subsequently corrected.

Various environmental permitting applications for surface infrastructure upgrades were submitted and approved by the relevant regulators throughout the year. These included the WA Department of Mines and Petroleum (DMP) and DER approval for the Flying Fox surface paste-fill plant, the Cosmic Boy Village septic and waste water treatment upgrade, plus DMP approval for the Mill Recovery Enhancement Project and the Spotted Quoll surface to underground primary ventilation return air-way raisebore. In addition, a number of clearing permits to cover exploration and infrastructure works in environmentally sensitive areas were also granted.

Rehabilitation activities were ongoing with the collection and development of provenance native seed mixes as well as the propagation of provenance native seedlings with seedlings planted during July 2015.

Rehabilitation monitoring was undertaken by Astron Environmental Services in November 2014, with an expected follow-up inspection in October 2015 to ascertain progress.

Monitoring programs for Malleefowl *(Leipoa ocellata)* and Chuditch *(Dasyurus geoffroii)* were undertaken using motion sensor cameras. Monitoring efforts for Malleefowl, in particular, were successful with the cameras capturing Malleefowl tending mounds and chicks emerging from a mound. Monitoring for Chuditch continues with results to be reported at a later date. Both the Malleefowl and the Chuditch are listed as Schedule 1 Threatened Fauna at a State level and as Vulnerable at a Commonwealth level and Western Areas is committed to supporting these activities as part of our sustainability activities.

During the financial year, Western Areas re-committed to sponsorship agreements with both the Perth Zoo and the Department of Parks and Wildlife (DPaW). The Perth Zoo sponsorship agreement provides support for the Western Quoll enclosure while the DPaW sponsorship supports the Western Shield wildlife recovery program.

→ **Malleefowl Mound**

COMMUNITY

Western Areas is a long-term supporter of the Starlight Children's Foundation (Starlight) and recently entered two teams in the 2015 Great Adventure Challenge with all funds raised going to Starlight. Funds raised helps Starlight deliver vital in-hospital and community programs for sick kids, teens and their families.

Thanks to the support of our generous sponsors, family and friends, Western Areas raised a total of $35,661 and won the Champion Fundraiser award.

↓ **Western Quoll investigating a Malleefowl mound captured by sensor camera**

↓ **Environmental Technician Duane Byrnes with seedlings and personnel from the Talbot Nursery at Brookton**

FLYING FOX MINE

The Streeter Decline advanced 322m for the year as planned, with associated capital development to establish the 245 and 230 stope blocks and intersect ore at the 230 and 215 levels. This included 75m of capital vertical development to provide the necessary extensions of the primary ventilation network and escape-way ladder systems to allow stoping activities to commence in the lower levels.

By the end of the financial year, the T5 orebody was fully developed to the 285 level with deeper development planned to the 150 level. As T5 ore drive development approached the north and south extremities, the ore drive widths were progressively narrowed to match the thinner zone and minimise dilution. As part of these activities, operations moved from two boom jumbo (>= 4.5m) to single boom (3.7m) then to air-leg, narrow vein (3.0m) widths. Air-leg lateral development for the financial year included 196m to access the 1070 ore block north of the dolerite dyke with potential for further expansion into the new financial year.

Flying Fox production continued to be sourced predominantly via longhole methods from the T5 area from the 527, 515 (finished), 410, 385, 335, 295 and 285 stopes, with T4 production from the 700, 670 and 685 blocks with minimal flat-back stoping. Narrow vein stoping using specialist contractors supplemented production with high-grade ore from the 760 and 730 stopes.

Despite the T5 stoping front pushing past 1,100m below surface, geotechnical conditions remain relatively benign with low stress and minimal seismic activity.

FLYING FOX INFRASTRUCTURE

The leased surface cooling plant was successfully commissioned during November, which introduced chilled airflow via a manifold into the intake fresh-air shaft collar to maintain underground working temperatures at better than acceptable levels during the hot summer months.

The surface paste plant construction, installation of underground pipe work and drilling of internal reticulation boreholes was completed and successfully commissioned in July 2015. This will result in more efficient stope backfilling, reduction in waste rock movements and higher percentage extraction of nickel ore.

Flying Fox surface paste-fill plant

SPOTTED QUOLL MINE

The Hanna Decline advanced to a depth of 615m (785m RL) below the surface and accessed the 790 level in June 2015.

Mining at the top of the orebody is complete apart from two levels (1230 and 1140) which provide access to the North Lode orebody. The stoping district (1110 to 1020m RL) was the major producer for the year from the 1095, 1080, 1065 and 1035 levels and is nearing completion. The stoping area between the 1020 to 915m RL started production from the 1005 and 997 levels with development continuing from the lower levels.

Three main lode stopes are usually available at any one time to ensure a continuous flow of ore. Split firing at the narrower ends of the lower ore drives has proved successful with additional high grade ore extracted, thereby ensuring no economic mineralisation is left behind.

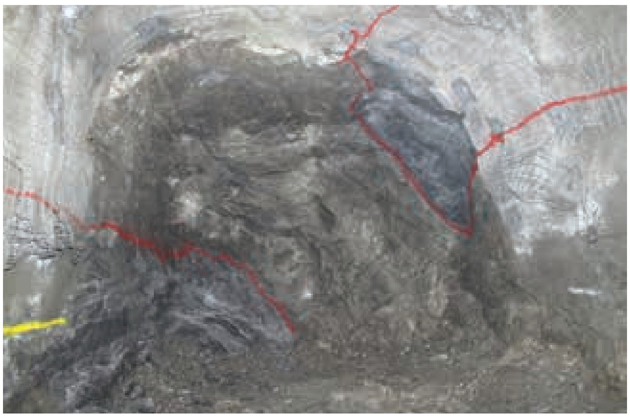
The now well established 'top-down' longhole benching using paste-fill continues to be a reliable, safe and productive stoping method with nearly 68,000m^3 poured for the financial year. The paste-fill allows for quicker stope void filling resulting in more efficient turnaround times for stopes.

The Spotted Quoll north lode was fully developed in early December 2014 with the incline and decline accesses breakthrough which allowed stoping to start from the 1229 and 1210 levels. The north lode forms an independent stoping area close to the surface and provides flexibility for the Cosmic Boy Concentrator feed blend.

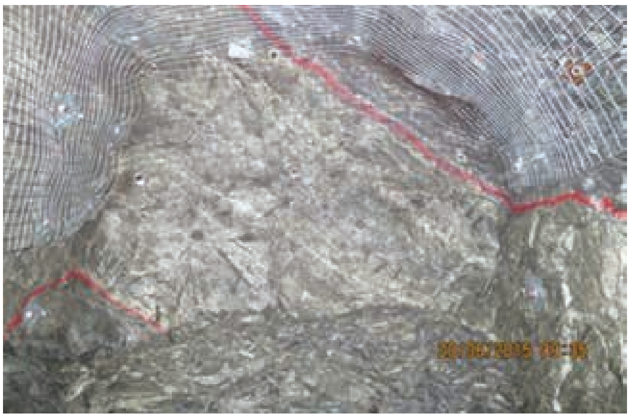
Single Boom Jumbo area (920 to 710m RL) ore development started in November and by the end of the year, four ore levels were established (920, 911, 901 and 890). This area uses specialist contractors to develop a 3.5m x 3.5m ore drive profile that better suits the narrower and shallower ore in this area. The first single boom ore drive (911) was almost complete by the end of the financial year with specialised narrow vein stoping techniques planned to start in the January quarter of FY16. The reduced drive dimensions of the single boom development have proved successful in minimising dilution providing some very high grade ore greater than 6% nickel.

Geotechnical drilling for the planned Spotted Quoll surface to underground 4.0m diameter raisebore return-airway (RAW) shaft was completed in March 2015, confirming that the proposed shaft column is geotechnically suitable for excavation. The 790 level will provide the breakthrough target for the planned surface to underground return air-way ventilation raisebore.

↓ **255 North ore drive face with 7% nickel massive ore**



↓ **Single boom 911 ore drive with face grade of 6.8% nickel massive ore**



MINE ORE PRODUCTION

Tonnes Mined		2014/2015				YTD
		Sep Qtr	Dec Qtr	Mar Qtr	Jun Qtr	Total
Flying Fox						
Ore Tonnes Mined	Tns	65,097	64,122	72,144	62,976	264,339
Grade	Ni%	5.2%	4.9%	4.6%	4.9%	4.9%
Ni Tonnes Mined	Tns	3,384	3,114	3,330	3,076	12,904
Spotted Quoll - Underground						
Ore Tonnes Mined	Tns	68,446	68,324	70,590	68,569	275,929
Grade	Ni%	4.8%	5.1%	4.8%	5.1%	4.9%
Ni Tonnes Mined	Tns	3,276	3,483	3,372	3,489	13,620
Total - Ore Tonnes Mined	Tns	133,543	132,446	142,734	131,545	540,268
Grade	Ni%	5.0%	5.0%	4.7%	5.0%	4.9%
Total Ni Tonnes Mined	**Tns**	6,660	6,597	6,702	6,565	26,524

FLYING FOX PRODUCTION

During the year, Flying Fox mined a total of 264,339 ore tonnes at an average grade of 4.9% nickel for 12,904 contained nickel tonnes which included 141,774 ore tonnes @ 4.6% for 6,556 nickel tonnes from the Lounge Lizard tenement. Total nickel produced was ahead of plans with lower dilution achieved, helping to increase the overall ore grade.

SPOTTED QUOLL PRODUCTION

During the year, Spotted Quoll mined a total of 275,929 ore tonnes at an average grade of 4.9% for 13,620 contained nickel tonnes. Like Flying Fox, Spotted Quoll delivered more nickel tonnes than planned with a positive reconciliation to reserve tonnes.

COSMIC BOY CONCENTRATOR PRODUCTION

		2014/2015				YTD
Tonnes Milled and Sold		**Sep Qtr**	**Dec Qtr**	**Mar Qtr**	**Jun Qtr**	**Total**
Ore Processed	Tns	153,474	152,407	145,933	157,913	609,727
Grade	%	4.7%	4.7%	4.7%	4.7%	4.7%
Ave. Recovery	%	90%	90%	90%	89%	90%
Ni Tonnes in Concentrate	**Tns**	6,511	6,434	6,180	6,676	25,801
Total Nickel Sold	**Tns**	6,648	6,246	6,452	6,690	26,036

During the financial year, the Cosmic Boy Concentrator (CBC) processed a record 609,727 tonnes of ore at an average grade of 4.7% nickel. A total of 174,789 tonnes of concentrate was produced at 14.8% nickel containing 25,801 nickel tonnes with an average recovery of 90%. This excellent result is largely due to the well planned and executed preventative maintenance program that delivered a financial year average of 98.4% CBC mechanical availability.

The CBC has a nameplate capacity of 550,000 tonnes of ore, however it is testament to the maintenance planning and expertise of the operating crew that consistent throughput of 600,000 tonnes of ore is now built into our future plans.

NICKEL SALES

Western Areas continued to deliver its high quality and sought after nickel concentrate into the off-take contracts of its two current customers, BHPB Nickel West and Jinchuan Group. A total of 176,363 tonnes of concentrate was delivered during FY15 which contained 26,036 tonnes of nickel.

During the year, the Company conducted a tender process for the early completed Jinchuan offtake contract. Significant global interest was expressed in the offtake contract from nickel smelter owners, commodity traders and stainless steel companies. Following a rigorous evaluation process, Jinchuan was ultimately awarded a 26,000 nickel tonne contract (approximately two years) on good terms for Western Areas. Jinchuan has proven to be an excellent customer who continues to demand the product and meet payment terms with no commercial issues.

COST OF PRODUCTION

The unit cash cost of nickel in concentrate (excluding smelting/refining charges and royalties) for the full year was A$2.31/lb, well below the upgraded guidance range of A$2.40/lb to A$2.50/lb. At the beginning of the financial year, original guidance was A$2.70/lb to A$2.80/lb. Main contributors to this excellent performance included:

- Better than planned CBC availability leading to increased ore throughput;
- Better than planned mined nickel grades from both mines included in the CBC feed blend due to reduced dilution and increased equipment utilisation; and
- Effective cost management, particularly mining contracting, logistics, mill consumables and wages.

Western Areas has been able to successfully manage down its cost base over a number of years. This has only been possible due to an unrelenting focus from all Company employees on cost management no matter how large or small the item. Furthermore, we have garnered the support of our key service and product suppliers to improve their efficiency and productivity at the mines and in the corporate office. The reductions achieved with costs also reflects the general cooling off of the economy in Western Australia, particularly in the resources sector.

Financial Statistics		2014/2015				YTD
		Sep Q	**Dec Q**	**Mar Q**	**Jun Q**	**Total**
Group Production Cost/lb						
Mining Cost (*)	A$/lb	1.82	1.55	1.64	1.62	**1.66**
Haulage	A$/lb	0.06	0.06	0.06	0.05	**0.06**
Milling	A$/lb	0.44	0.43	0.46	0.40	**0.43**
Admin	A$/lb	0.20	0.21	0.18	0.14	**0.18**
By Product Credits	A$/lb	(0.02)	(0.02)	(0.02)	(0.02)	**(0.02)**
Cash Cost Ni in Con (***)	A$/lb	2.50	2.23	2.32	2.19	**2.31**
Cash Cost Ni in Con/lb (***)	US$/lb(**)	2.31	1.91	1.82	1.71	**1.94**
Exchange Rate US$/A$		0.93	0.86	0.79	0.78	**0.84**

(*) Mining Costs are net of deferred waste costs and inventory stockpile movements

(**) US$ FX for Relevant Quarter is RBA ave daily rate (Jun Qtr = A$1:US$0.7788)

(***) Payable terms are not disclosed due to confidentiality conditions of the offtake agreements. Cash costs exclude royalties.

Note: Grade and recovery estimates are subject to change until the final assay data are received.

INFRASTRUCTURE

The main CBC capital projects completed during the financial year were the laboratory and control room replacement and the installation of a rock breaker at the primary crusher.

The laboratory replacement commenced in December 2014 and was completed by May 2015, which included the following improvements.

- Internal breezeway between the wet and dry laboratory buildings;
- Two exits per work area;
- Fire resistant building materials for construction;
- Fire deluge system for the buildings; and
- Fire resistant insulation for the buildings.

MILL RECOVERY ENHANCEMENT PROJECT

One of the major efficiency projects for the year was the completion of the feasibility study for the Mill Recovery Enhancement Project (MREP) and associated test work. The study was completed in March 2015 and the Western Areas Board subsequently provided approval to progress the project to the final Engineering Procurement and Construction (EPC) stage.

The MREP, in essence, is a project that will recover nickel mainly from Spotted Quoll ore feed, that would have otherwise been discharged into the tailings dam. The bioleach process will be applied mainly to the Spotted Quoll cleaner tailings stream (and to a lesser extent Flying Fox) which is expected to deliver a Life of Mine average increase of between 3% to 5% in mill recoveries.

The MREP process has been designed to add on to any existing flotation circuit to enable the recovery of valuable sulphide minerals (e.g. nickel, copper, zinc) which cannot be recovered by conventional flotation. Consequently, the Company believes that this process can have significant positive results for a number of base metal projects around the globe looking to improve metal recovery. An additional potential benefit may therefore arise from demonstrating the patented Bioleach technology in this niche application.

The decision to proceed with the MREP is another example of the Company investing in value-adding organic projects which improve the efficiency of operations at Forrestania. It is expected to produce attractive economic returns further demonstrating the ability of Western Areas to deploy relatively modest capital to generate operational efficiencies in a structured, smart and disciplined manner.

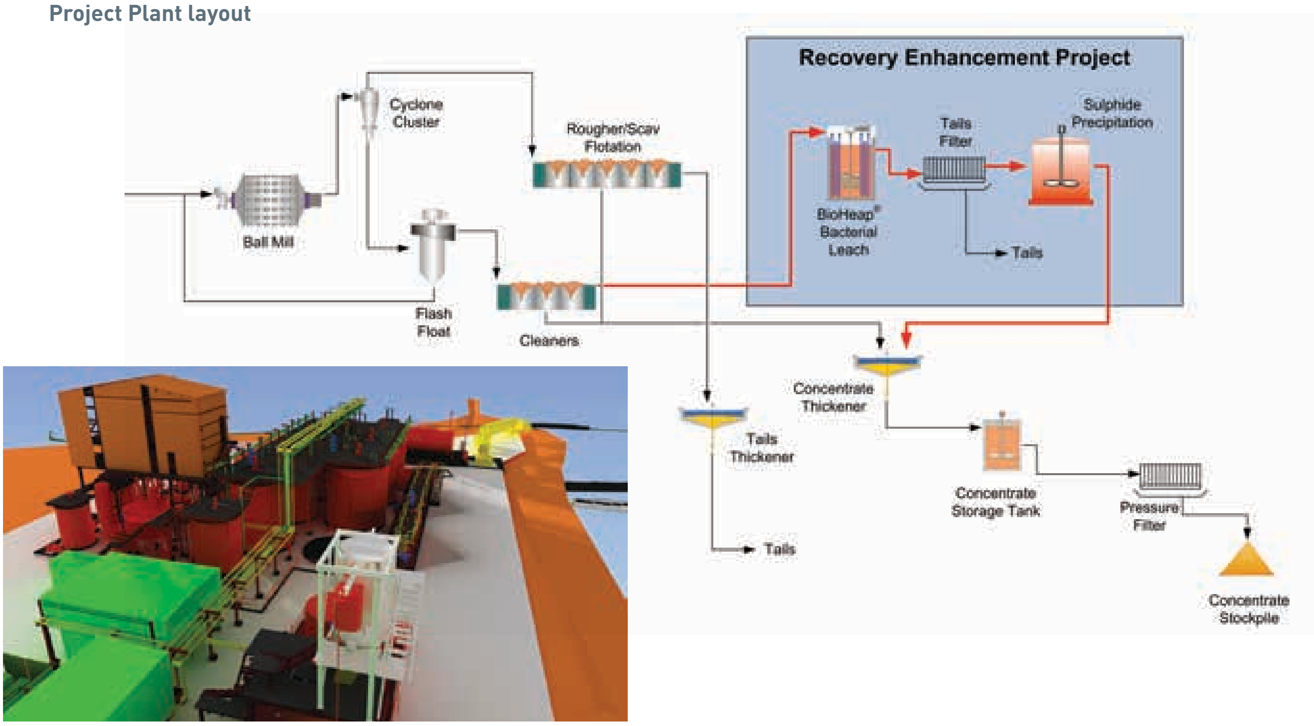
Post year end, on 20 July 2015, Western Areas announced formal approval for the project to proceed and the appointment of GR Engineering Services for the EPC contract as part of a Guaranteed Maximum Price Arrangement.

Key aspects announced included:

- Up to an additional 1,200 nickel tonnes in concentrate recovered per annum;
- Estimated capital cost of A$22m;
- Unit cash operating cost of A$2.42/lb of nickel in concentrate;
- Construction time of 6 months and could commence from 1 July 2016; and
- Will employ Western Areas' patented Bioleach technology.

The Board decided to take a prudent approach to the capital spend given the prevailing nickel price environment. The Company committed to purchase the long lead items and complete detailed engineering which are expected to cost around A$7.0m in the December quarter of FY16. Given the short construction time of six months, a decision to start construction is likely to be made later in the financial year.

Cosmic Boy Mill Recovery Enhancement Project Plant layout



FLYING FOX ORE RESERVES / MINERAL RESOURCES

During the year, there was a purposeful focus on resource extension drilling at Flying Fox with an aim of ultimately adding to Ore Reserves and subsequent mine life.

Pleasingly, the Company's detailed planning was successful and all of the FY15 nickel production (12,904 tonnes) was replenished plus an additional 7,596 nickel tonnes was added to Ore Reserves. Total nickel added was 20,500 tonnes before depletion.

The results at Flying Fox demonstrates two things:

1. In-house expertise associated with geological interpretation and drill planning; and
2. The ability to replenish Flying Fox reserves and extend mine life, bearing in mind that Flying Fox commenced production activities nearly 10 years ago.

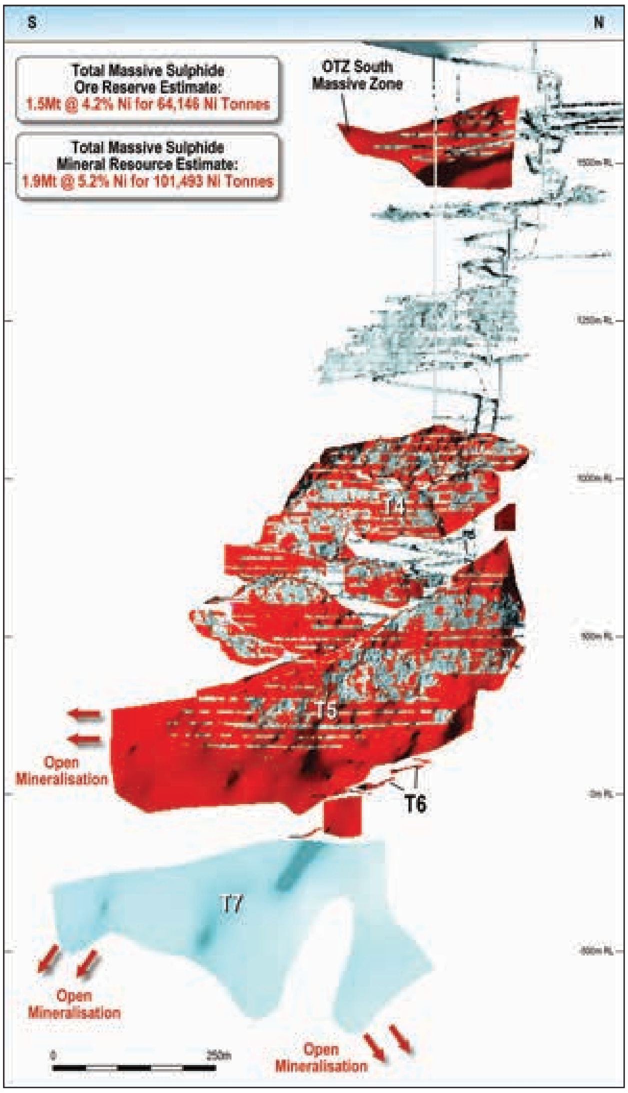
The Flying Fox Mineral Resource and Ore Reserve Summaries at the end of the financial year are as follows;

- Mineral Resource: 1.9 million tonnes of ore at a grade of 5.2% nickel for 101,493 tonnes of nickel; and
- Mining Reserve: 1.5 million tonnes of ore at a grade of 4.2% nickel for 64,146 tonnes of nickel.

The Old Flying Fox (OTZ) Resource was completed during the year with a total of 182,898 tonnes of ore at a grade of 4.1% nickel for 7,417 tonnes of nickel.

The longitudinal section to the right shows the Flying Fox mine below the 800m RL with mineral resources and reserves depleted for mining production during the year.

→ **Figure 1: Flying Fox longitudinal section**



SPOTTED QUOLL ORE RESERVES / MINERAL RESOURCES

Unlike Flying Fox, the planning for Spotted Quoll during the year did not include resource extension drilling due to the existing long life nature of the mine. The Company has plans for resource extension drilling over the next few years, thereby ensuring current drilling funds are allocated efficiently and can be directed towards targeting new discoveries at Forrestania over the intervening period.

The Spotted Quoll Mineral Resource and Ore Reserve Summaries at the end of the financial year are as follows:

- Mineral Resource: 2.7 million tonnes of ore at a grade of 5.7% for 150,073 tonnes of nickel; and
- Ore Reserve: 2.7 million tonnes of ore at a grade of 4.1% for 110,147 tonnes of nickel.

The longitudinal section below shows the Spotted Quoll Mine with mineral resources and reserves depleted for mining production for the year.

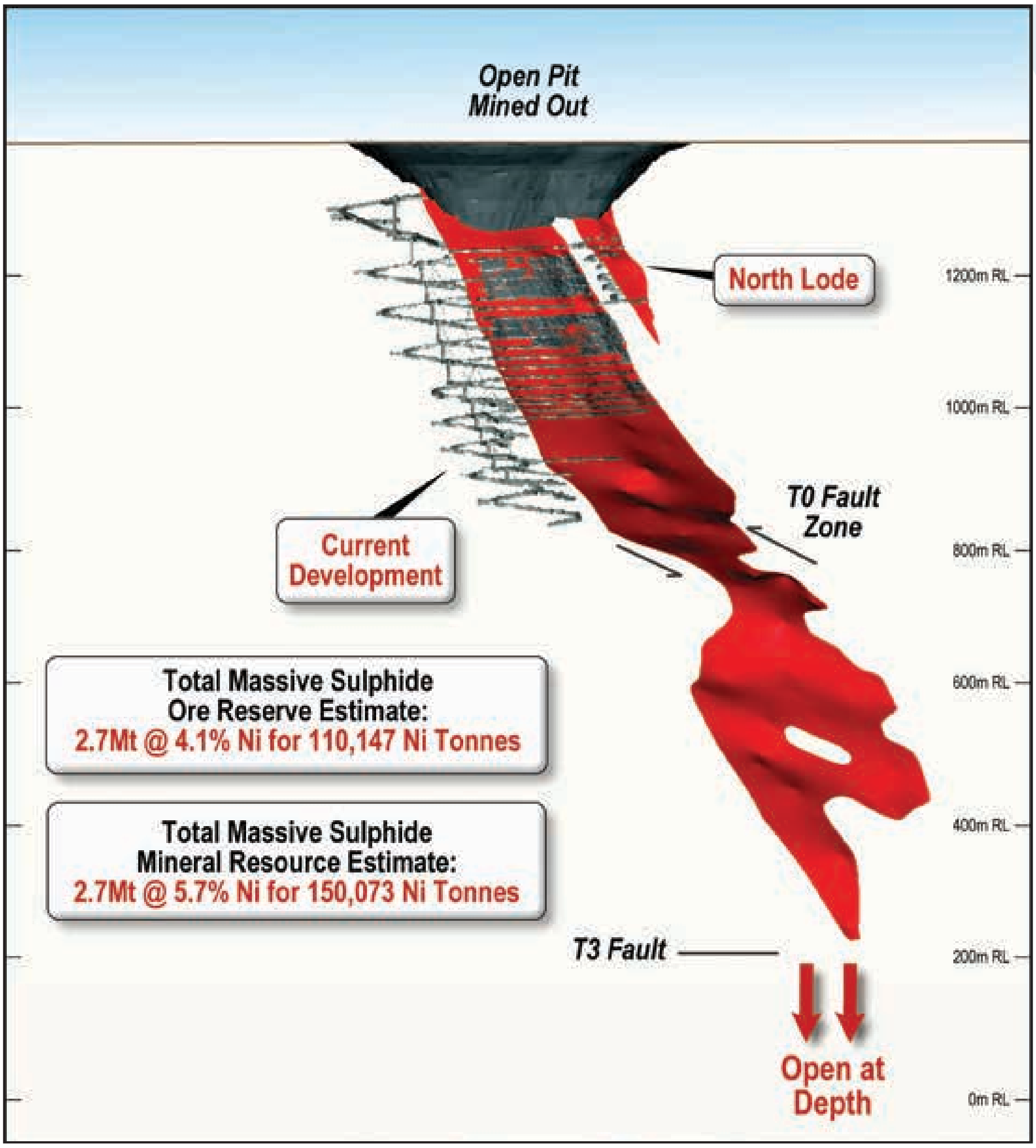
NEW MORNING/ DAYBREAK

As part of our future planning for Western Areas, the Company has been steadily working on potential start-up and trade-off studies associated with the New Morning/Daybreak deposit. As part of those studies, a staged surface drilling program to test the open-pit potential and provide metallurgical samples of the resources above 150m RL commenced during the year, with results summarised below:

- Extended the Daybreak mineralisation by approximately 40m south;
- Reduced the unmineralised gap between the Daybreak and New Morning orebodies; and
- Confirmed shallow mineralisation (average depth approximately 50m) of both orebodies.

There were a number of encouraging intersections detailed above and some further drilling will continue early in FY16. Ultimately, by the end of the new financial year, the Company intends to have this project defined to a level so that a decision can be made whether to conduct a full feasibility study, nickel price dependent.

Figure 2: Spotted Quoll schematic with current resource and mining development

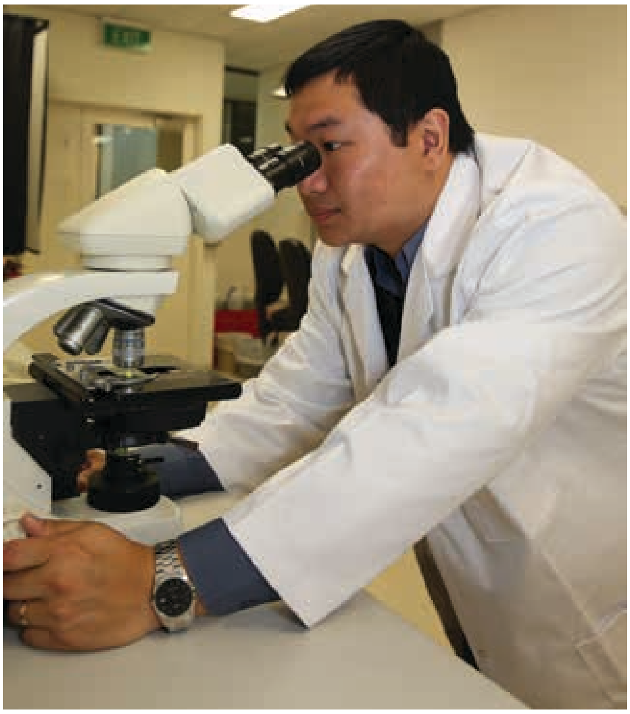


BIOHEAP

BioHeap has commenced testing samples from the New Morning/Daybreak surface drilling program in the second half of FY15. The initial test work has demonstrated the weathered and shallow areas of mineralisation are amenable to the BioHeap® technology with further test work scheduled for FY16. In addition, extensive work was carried out on the MREP which is described earlier in the section.

During FY15, the BioHeap team received several approaches to undertake test work programs on base metal and gold projects which are confidential in nature. Subsequent proposals were prepared for clients following well received BioHeap presentations at the ALTA 2015 Nickel Cobalt, Copper, Uranium and Gold conference in Perth. The BioHeap management team have continued a marketing campaign, targeting select companies which will continue over the coming year to promote the BioHeap® technology. Alliances and working relationships with research institutes, engineering firms and test work facilities continue to be formed and strengthened with one patent granted for the BioHeap® technology during the financial year, further strengthening the intellectual property rights surrounding this technology.

→ **Senior Microbiologist – Dr Shawn Seet**



EXPLORATION REVIEW

GROUP EXPLORATION

Western Areas has an active, targeted and balanced exploration program directed at both replacing existing resources and reserves and also targeting new discoveries in known areas and new or greenfield terrains. The majority of this work was focused on locating high grade nickel sulphide mineralisation associated with komatiitic lava flows. With this aim, the Company continued its assessment of the highly prospective greenstone successions contained within its Forrestania tenement package. This large tenement holding, comprising some 900km^2, covers over a 125km strike length of ultramafic hosting stratigraphy and is made up of both wholly owned Western Areas and Joint Venture tenements, Figure 4. The Forrestania package has a total known endowment of over 684,000 tonnes of contained nickel metal, and includes the two operating mines Flying Fox and Spotted Quoll. Exploration outside Forrestania was directed towards evaluating projects within the Central Yilgarn Belt to the north of Forrestania. The majority of this work occurred within the Southern Cross Goldfields Joint Venture ground.

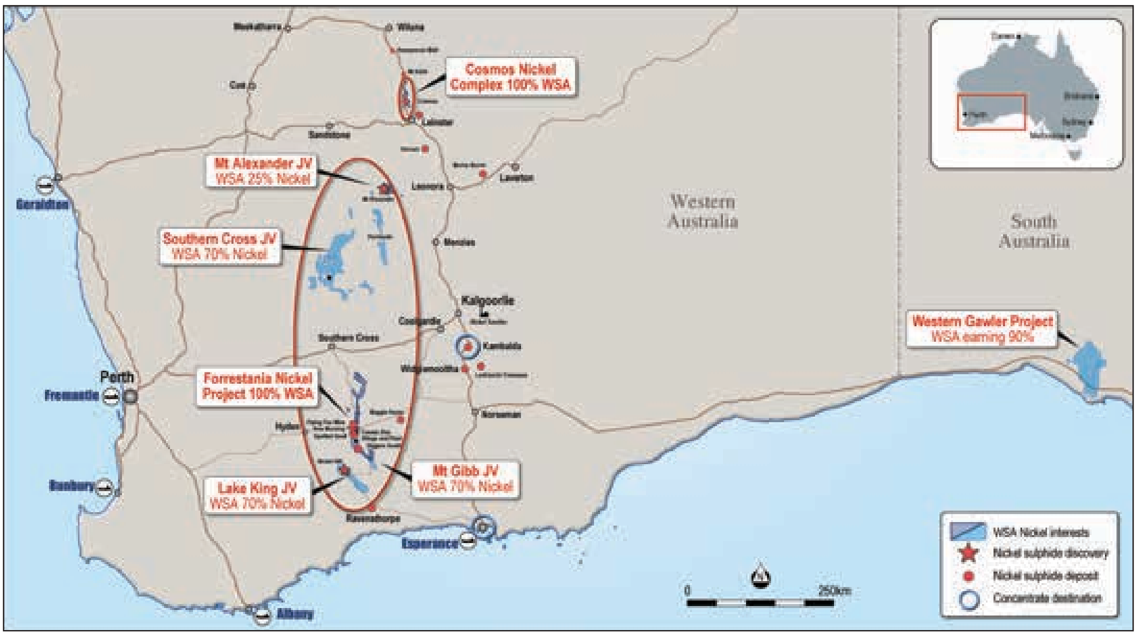
Towards the end of the year, Western Areas strengthened its portfolio of exploration projects by announcing it had entered into a binding agreement to acquire the Cosmos Nickel Complex (CNC) from Xstrata Australasia Nickel Operations Pty Ltd, a subsidiary of Glencore plc. The acquisition will provide Western Areas with substantial additional exploration upside and a potential second mining operation to sit alongside its premium mines and exploration opportunities at the Company's existing Forrestania Nickel Operation.

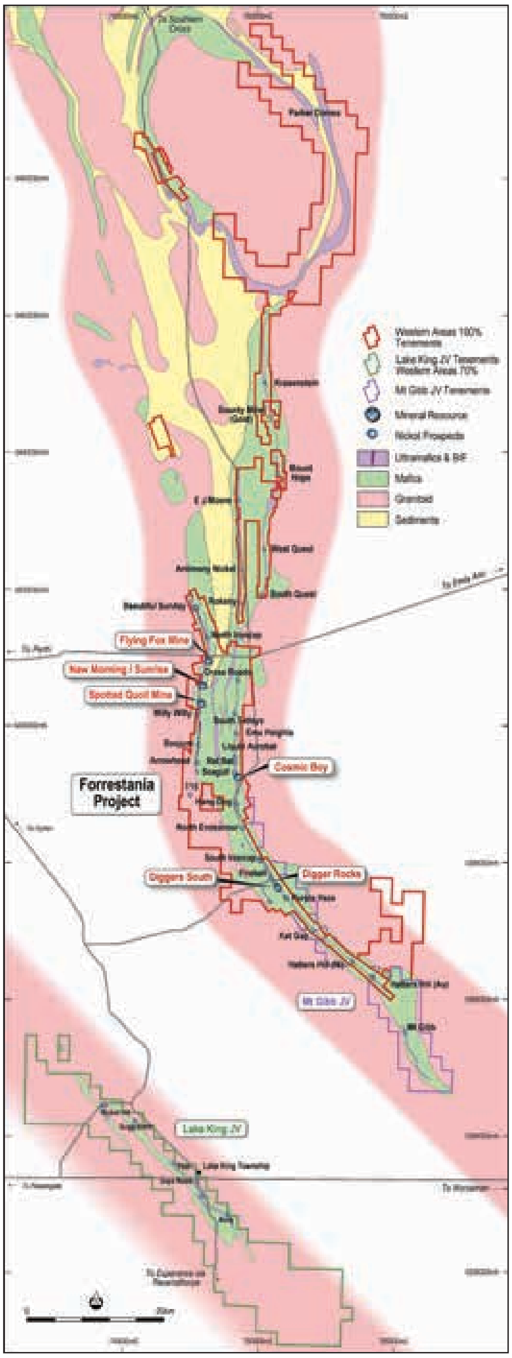
Drilling activities commenced on the South Australia Joint Venture projects in early July 2015. These projects (covering approximately 2,746km^2) resulted from separate Farm-in and Joint Venture Agreements with Gunson Resources Limited (now Strandline Resources Limited) and Monax Mining Limited, entered into during October 2014. The Agreements provide a staged program for Western Areas to acquire up to a 90% interest in a number of key tenements within the Western Gawler region of South Australia, an area of increasing interest for gold and base-metal exploration. Though at an early stage of exploration, the Company considers the area has the potential to host significant mafic-ultramafic, intrusive-related deposits which differ from the komatiitic-hosted deposits at Forrestania and Cosmos, with individual deposits being typically larger and poly-metallic (nickel, copper +/- PGEs).

In addition to its existing exploration portfolio, the Company continues to evaluate the numerous opportunities presented to it and also those that are targeted by the Western Areas exploration and business development teams.

Also of considerable note was that the Company's exploration activities were completed LTI free, and during the year the significant milestone of a seven year LTI free period for drilling contractors Boart Longyear at Forrestania was acknowledged.

Figure 3: Location plan showing Western Areas interests





FORRESTANIA PROJECT EXPLORATION

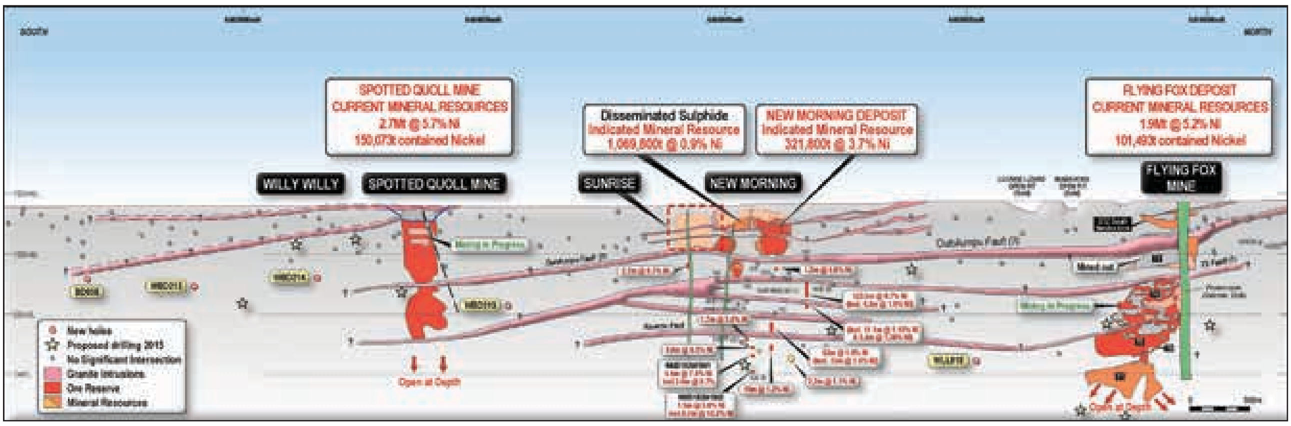
During the reporting period, the key areas that were targeted for evaluation included the corridor to the north of Flying Fox up to and including Beautiful Sunday, the New Morning - Flying Fox corridor and also in the vicinity of the Spotted Quoll deposit. In addition, prospects lying to the east and north of the Forrestania tenement package were also targeted, Mt Hope and Parker Dome area, as well in the central portion of the tenement package on the Sibelius, South Tetley and Cosmic Boy areas. In order to detect conductive bodies that may be associated with massive nickel sulphides, electromagnetic (EM) ground geophysical surveys were completed over Lake King, Parker Dome, Teddy Bear, Central Ultramafic Belt (CUB), Cosmic Boy South, Mt Hope, West Quest and South Quest areas/prospects.

← **Figure 4: Plan showing Forrestania tenements; mines and key prospects**

The area to the north of the Flying Fox mine up to south of Beautiful Sunday had been targeted for further evaluation as this area had received little deep drilling historically and it contained the same stratigraphy that hosts the Flying Fox mineralisation. This extensive belt, covering some six kilometres, was drill tested with the aim to evaluate the prospectivity of the basal contact from the base of oxidation to 300m below surface. A total of 29 holes were drilled during the September and December quarters testing the basal contact. A further three holes were subsequently completed to test the eastern corridor and basal contact and coincident magnetic highs observed within the interpreted ultramafic corridor. Whilst the work was successful in intersecting the basal contact, no significant nickel sulphides were intersected in this drilling, however the prospectivity of nickel sulphide occurrences under the current limit of drill testing is being reviewed.

The majority of the exploration activities within the New Morning - Flying Fox corridor, Figure 4, were centred on the New Morning area and the surface exploration drilling of this area to assess the open-pit potential, see Figure 5.

↓ **Figure 5: Interpreted long projection of the Western Belt footwall contact extending from south of Spotted Quoll to Flying Fox, showing new and planned drilling**



Compilation of the work to date adjacent and to the south of the Spotted Quoll mine indicated that this area warranted further testing as it has the potential to host channelised (mineralised) ultramafic rocks that may not have been intersected in the shallower drilling. Accordingly, the Company embarked on a series of deeper drill holes spaced some 800m to 1000m apart. Four holes (WBD213, 214A, 215 and BD058) have been completed to date, with no visible nickel sulphides identified. Initial geological logging indicates the target horizon was intersected as anticipated in the northern holes, but the southern holes intersected the target horizon at a shallower depth. A full review of the data will be completed once all holes are completed and the results of the down-hole electromagnetic (DHEM) surveys are available.

The prospectivity of the Mt Hope area, located approximately 30km northeast of Flying Fox, continues to be assessed. The area contains a significant volume of cumulate ultramafic rocks (known as the Mt Hope dunite) over a strike length of 8km. The work to date indicates the dunite has been structurally repeated with at least three known basal contacts (lower, middle, upper). Although the work is still in progress, the results from the recent drilling indicates that the greater prospectivity lies with the middle and upper contacts, with numerous holes returning intervals containing greater than 0.4% Ni. Hole MHD036, drilled during the FY15 September quarter, returned 12m @1.1% nickel from 529m close to the middle contact at 556m depth. The data from the recent holes, together with the yet to be completed DHEM surveys, will be integrated and further drill testing to locate any associated massive sulphides will be conducted in the coming year.

The prospectivity assessment of the inner and central ultramafic belts is also continuing. A re-evaluation of the geophysical data sets, together with a litho-geochemical study of these belts is being undertaken to identify prospective targets. Initial exploration drilling was completed at Sebelius and South Tetleys, which is part of the inner ultramafic belts, during the year. It is expected that this work will continue through the coming year.

→ **Drilling at Mt Hope**

A review of the existing geophysical coverage within the Forrestania tenements highlighted a number of areas that have not received modern EM ground geophysical surveys. As a result, surveys were undertaken of the Lake King, Parker Dome, Teddy Bear, Central Ultramafic Belt (CUB), Cosmic Boy South, Mt Hope, West Quest and South Quest areas/prospects. The majority of this work was completing coverage of an approximate 10km strike length of ultramafic stratigraphy in the West Quest and South Quest prospect areas. Drill testing of anomalous conductive responses generated from the surveys was undertaken in the Teddy Bear, Central Ultramafic Belt (CUB) and Cosmic Boy South (Hang Dog) prospect areas. None of the conductors drill tested returned associated nickel sulphide mineralisation. Drill testing of conductive responses generated at the Mt Hope, West Quest and South Quest prospect areas will be evaluated in the coming year.

Mt Gibb (WSA 70% interest)

The Mt Gibb Project comprises a Joint Venture with Great Western Exploration Limited (GTE) over a 104km^2 tenement area in the southern part of the Forrestania region. The bulk of the project area lies along the south-eastern margin of Western Areas' Forrestania tenements.

The Company continues to evaluate the Joint Venture tenements with the focus on the assessment of the southern portion of the tenement holding where the southern extensions of the eastern ultramafic belt are located. The area has prospectivity for both nickel (Mt Gibb) and gold (Hatters Prospect).

Lake King Joint Venture (WSA 70%)

The Lake King Joint Venture tenements cover a 40km long nickel prospective belt located approximately 70km south of Forrestania.

Work on the project area during the last 12 months concentrated on the ultramafic rocks along the prospective Nickel Hill trend. Two programs of ground based electrical geophysics (electromagnetics) were completed. The survey over the lake edge to the south of Nickel Hill is being evaluated. Any anomalous responses will be the focus of the next phase of exploration during the coming year.

REGIONAL EXPLORATION

Western Areas continues to explore for komatiitic nickel sulphide deposits within the approximately 450km long Central Yilgarn Nickel Province. Activities for the last year within the Province have concentrated on evaluating the Southern Cross Joint Venture ground. This included the Perrinvale area, in the northeast portion of the Joint Venture tenure.

In addition to the above, towards the end of the reporting period, the Company announced it had entered into a binding agreement to acquire the Cosmos Nickel Complex from Xstrata Australasia Nickel Operations Pty Ltd and this will be a key component of the Company's exploration in the coming year. BHP Billiton continues to manage the Mt Alexander Joint Venture with the Company retaining a 25% interest.

Outside of the Yilgarn, the Company is exploring for massive sulphide nickel (and copper) deposits associated with mafic-ultramafic intrusives. To this aim, the Company has commenced exploration in its Joint Venture projects in the Western Gawler in South Australia.

In addition to the existing projects, the Company actively assesses other projects to enable to grow the exploration portfolio.

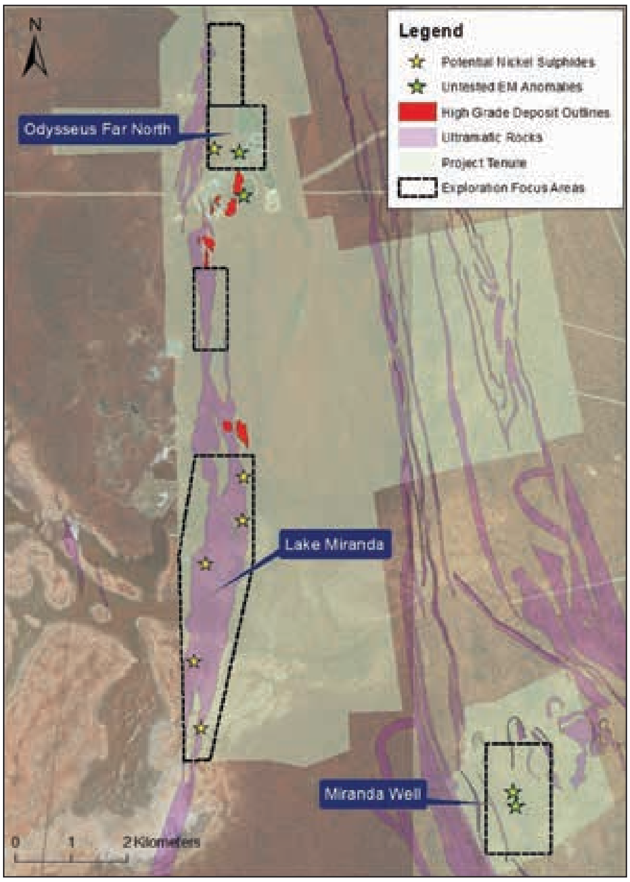
Cosmos Nickel Complex (100% WSA)

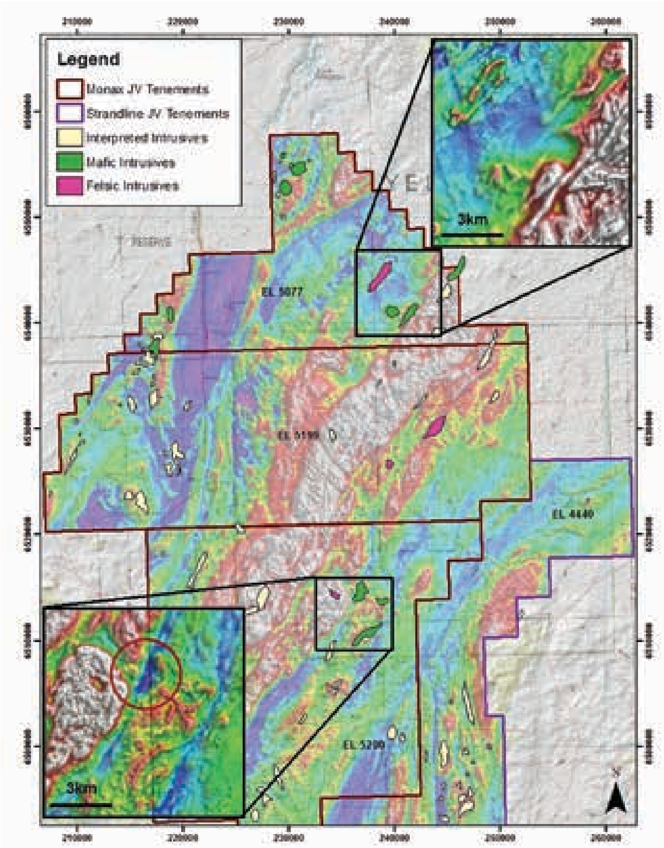
On 19 June 2015, the Company announced that through its 100% owned subsidiary Australian Nickel Investments Pty Ltd, it had entered into a binding agreement to acquire the Cosmos Nickel Complex (CNC or the Project) from Xstrata Australasia Nickel Operations Pty Ltd (XNAO), a subsidiary of Glencore plc.

The Company believes the CNC tenements host large, cumulative, ultramafic bodies associated with nickel sulphides, and accordingly is encouraged by the strong prospectivity of the area. The acquisition will provide substantial additional exploration opportunities, and the planning and scheduling of an extensive exploration effort which will commence on the closing of the acquisition is in progress. The proposed exploration will include application of the latest deep-sensing geophysical technology not previously utilised at Cosmos, which the Company believes will confirm and add to the targets identified during due diligence. The geophysical activities will be the first stage of a purpose-fit program that has been designed to be conducted over a 24 month period.

During the due diligence, the Company identified multiple exploration opportunities within the near mine areas (some with untested EM anomalies defined in previous work), as well as nickel sulphides identified at a number of new prospects. Drilling will commence with testing of the more advanced exploration targets, including Odysseus Far North and Miranda Well.

Figure 6: Cosmos Nickel Complex showing simplified geology, tenements and exploration focus areas





← **Figure 7: Western Gawler Joint Venture Project magnetic imagery (Colour RTP) highlighting two of the potential clusters camps of interpreted mafic-ultramafic intrusions**

Western Gawler Nickel-Copper Joint Venture (WSA earning up to 90% interest)

In October 2014, the Company executed separate Farm-in and Joint Venture Agreements with Gunson Resources Limited (now Strandline Resources Limited) and Monax Mining Limited. The Agreements provide a staged program for Western Areas to acquire up to a 90% interest in a number of key tenements within the Western Gawler region of South Australia. With a combined project area of approximately 2,746km^2, Western Areas now holds a strategic land position in an area of increasing interest for gold and base-metal exploration.

Shortly after the end of the reporting period, the Company announced the commencement of a major drill program at the Western Gawler Project (ASX release on 6 July 2015). Key highlights include:

- Detailed geological interpretation and target generation completed with high priority mafic-ultramafic intrusive complexes identified;
- Heritage agreements signed;
- Two month air-core/RC drilling program planned, comprising up to 10,000m;
- South Australian Government contributing up to A$100k; and
- Up to A$3m exploration program for the Western Gawler Project in FY16.

The project area covers a Proterozoic-aged, interpreted craton margin, with a long-lived and complex structural and intrusive history. The area is known to host mafic-ultramafic intrusive rocks, interpreted to be tectonically related to the Musgrave (Nebo/Babel and Succoth) and Albany-Fraser Orogens (Nova/Bollinger). The Company considers the area has the potential to host significant mafic-ultramafic, intrusive-related deposits (such as Eagle, Voisey's Bay and Tamarack). These styles of deposit differ from the komatiitic-hosted deposits at Forrestania and Cosmos, with individual deposits being typically larger and poly-metallic (nickel, copper +/- PGEs).

The drilling program has been designed using results of the recently completed and reinterpreted airborne magnetic survey which highlighted numerous features that are interpreted to represent large mafic-ultramafic intrusions, in areas of known gabbroic rocks. These features have been ranked and prioritised based on a number of key criteria and their prospectivity will be evaluated in the upcoming drilling program.

Due to the variable depth of cover over the project area (minimal to 100m), air-core/RC drilling will be utilised for initial assessment of both specifically targeted features and the broader litho-geochemical and target generation work. The drilling will be partly funded (up to $100,000) by the South Australian Government as part of the PACE Discovery Drilling 2015 program. Any positive results will be followed up with further RC and diamond drilling, and geophysics.

At the time of writing this report the first phase of the air-core/RC drilling program, comprising up to 10,000m, was nearly half complete. Assay results for this work have yet to be received.

Western Areas continues to enhance its relationships with the traditional owners and the Aboriginal Land Council, and ongoing dialogue may open new areas for access that will facilitate sustained exploration.

Southern Cross Goldfields Joint Venture (WSA 70% interest)

Western Areas has acquired 70% of Southern Cross Goldfields Limited (SXG) nickel rights across much of its 3,300km^2 tenement portfolio in the Marda and Southern Cross regions of Western Australia. The SXG tenement package covers the north western portion of the Southern Cross-Bullfinch Greenstone Belt within the Central Yilgarn Nickel Province.

The Perrinvale area was identified as an area of interest as it is relatively unexplored for nickel sulphides and early indications suggest that the stratigraphy could be similar to that evident at the nearby Mt Alexander Nickel Project (BHPB/WSA JV). The sequence is believed to contain high volumes of high MgO ultramafics (that appear to be channelised), proximal to a felsic volcanic footwall sequence.

Exploration activities in the Perrinvale area included the successful completion of a helicopter-borne electromagnetic survey (VTEM) and an auger drill geochemical sampling program. The primary objective has been to screen the sub-cropping stratigraphy for EM anomalies and to test these targets for surface expressions of nickel sulphide mineralisation. The auger geochemistry work will be completed in the September quarter and any anomalous results will be followed up with RC drilling.

Musgrave Nickel-Copper Joint Venture (WSA to earn up to 70% interest)

The Company withdrew from the Farm-in over Traka Resources Limited core tenements within the Musgrave region of Western Australia early in the reporting period. Western Areas has retained a royalty.

FINNAUST MINING PLC

FinnAust Mining Plc (LON:FAM) successfully completed the reverse takeover of London AIM listed, Centurion Resources Plc (Centurion) with re-admission to the London AIM on 2 December 2013. The transaction included an equity raising of £3.4 million and as part of the equity raising, Western Areas provided cornerstone investor support of £1.8m.

A further equity raising of £1.1 million was completed in October 2014 with Western Areas providing cornerstone investor support of £225,000. The total number of ordinary shares on issue following the equity raise is 295,986,560, giving FinnAust a market capitalisation of approximately £6.65 million, based on the placing price of 2.25 pence per share with Western Areas holding a majority 60.4% of the enlarged entity.

In June 2014, Alastair Clayton, the Executive Director of the Company resigned from the Board of Directors and from his employment with the Company. Following Alastair's resignation, the FinnAust board appointed Roderick McIllree as its interim Chief Executive Officer. His skills are considered complimentary to the existing FinnAust team where he will provide the leadership necessary to continue to evaluate not just Finland but the continued expansion of the Company's European/Scandinavian footprint.

Exploration activities in Finland to date have focused on the three high grade copper, zinc and nickel projects with over 15,000m of drilling completed as follows;

- the Hammaslahti Copper Project - 45 holes/10,366m
- the Kelkka Nickel-Copper Project - 21 holes/3,570m and;
- the Outokumpu Copper Project - 4 holes/1,462m

The Company is currently reviewing the work carried out during the year and will be formulating, early in the new year, its future exploration strategy to support high-margin, low capex, development projects in Finland.

WESTERN AREAS ORE RESERVE / MINERAL RESOURCE STATEMENT - EFFECTIVE DATE 30TH JUNE 2015

Deposit		Tonnes	Grade Ni%	Ni Tns	JORC Classification	JORC Code
Ore Reserves						
1. Flying Fox Area		1,525,506	4.2	64,146	Probable Ore Reserve	2012
2. Spotted Quoll		338,860	4.4	14,961	Proved Ore Reserve	2012
		2,366,413	4.0	95,186	Probable Ore Reserve	2012
3. Diggers Area						
	Digger South	2,016,000	1.4	28,950	Probable Ore Reserve	2004
	Digger Rocks	93,000	2.0	1,850	Probable Ore Reserve	2004
TOTAL ORE RESERVES		**6,339,779**	**3.2**	**205,093**		
Mineral Resources						
1. Flying Fox Area						
	T1 South	64,550	4.0	2,560	Indicated Mineral Resource	2004
		35,200	4.9	1,720	Inferred Mineral Resource	2004
	T1 North	45,400	4.2	1,900	Indicated Mineral Resource	2004
		12,700	4.8	610	Inferred Mineral Resource	2004
	OTZ Sth Massive Zone	20,560	4.1	843	Inferred Mineral Resource	2012
	OTZ Sth Massive Zone	162,338	4.0	6,574	Indicated Mineral Resource	2012
	T4 Massive Zone	140,864	5.6	7,904	Indicated Mineral Resource	2012
	T5 Massive Zone + Pegs	1,202,180	6.1	73,354	Indicated Mineral Resource	2012
	T6 and T7 Massive Zone	47,331	5.2	2,450	Indicated Mineral Resource	2012
		224,544	1.6	3,578	Inferred Mineral Resource	2012
	Total High Grade	1,955,667	5.2	101,493		
	T5 FF Disseminated Zone	197,200	0.8	1,590	Indicated Mineral Resource	2004
		357,800	1.0	3,460	Inferred Mineral Resource	2004
	T5 LL Disseminated Zone	4,428,000	0.8	36,000	Indicated Mineral Resource	2004
	Total Disseminated FF - LL	4,983,000	0.8	41,050		
	Total Flying Fox - Lounge Lizard	6,938,667	2.1	142,543		
	New Morning / Daybreak					
	Massive Zone	321,800	3.7	12,010	Indicated Mineral Resource	2004
		93,100	3.5	3,260	Inferred Mineral Resource	2004
	Disseminated Zone	1,069,800	0.9	9,650	Indicated Mineral Resource	2004
		659,200	0.9	5,780	Inferred Mineral Resource	2004
	Total New Morning / Daybreak	2,143,900	1.4	30,700		
	Spotted Quoll	284,047	6.5	18,459	Measured Mineral Resource	2012
		1,904,381	5.6	106,487	Indicated Mineral Resource	2012
		463,589	5.4	25,127	Inferred Mineral Resource	2012
	Total Spotted Quoll	2,652,017	5.7	150,073		
	Beautiful Sunday	480,000	1.4	6,720	Indicated Mineral Resource	2004
	TOTAL WESTERN BELT	12,214,584	2.7	330,036		
2. Cosmic Boy Area						
	Cosmic Boy	180,900	2.8	5,050	Indicated Mineral Resource	2004
	Seagull	195,000	2.0	3,900	Indicated Mineral Resource	2004
	TOTAL COSMIC BOY AREA	375,900	2.4	8,950		
3. Diggers Area						
	Diggers South - Core	3,000,000	1.5	44,700	Indicated Mineral Resource	2004
	Diggers South - Halo	4,800,000	0.7	35,600	Indicated Mineral Resource	2004
	Digger Rocks - Core	54,900	3.7	2,030	Indicated Mineral Resource	2004
	Digger Rocks - Core	172,300	1.1	1,850	Inferred Mineral Resource	2004
	Digger Rocks - Halo	1,441,000	0.7	10,350	Inferred Mineral Resource	2004
	Purple Haze	560,000	0.9	5,040	Indicated Mineral Resource	2004
	TOTAL DIGGERS AREA	10,028,200	1.0	99,570		
TOTAL MINERAL RESOURCES		**22,618,684**	**1.9**	**438,556**		

DIRECTORS' REPORT

Left to right (standing): Craig Readhead, Tim Netscher, Ian Macliver, Rick Yeates, Julian Hanna
Left to right (sitting): David Southam, Dan Lougher, Joe Belladonna

The Directors of Western Areas Limited ('WSA') submit herewith the financial report of the Company for the financial year ended 30 June 2015. Unless noted, all amounts in this report refer to Australian dollars. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report follows:

Information about the Directors

The following persons were Directors of Western Areas Ltd for the entire financial year and up to the date of this report unless otherwise stated.

DIRECTORS

Ian Macliver	**Independent Chairman.** Mr Macliver is a Chartered Accountant with many years experience as a senior executive and Director of both resource and industrial companies, with particular responsibility for capital raising and other corporate development initiatives. Mr Macliver is Managing Director of Grange Consulting Group Pty Limited which provides specialist corporate advisory services to both listed and unlisted companies. Mr Macliver is a member of the Audit and Risk, Treasury, Remuneration and Nomination Committee.
Dan Lougher	**Managing Director.** Mr Lougher is a qualified Mining Engineer with over 30 years experience in all facets of resource and mining, project exploration, feasibility, development and operational activities in Australia and overseas. Mr Lougher is a member of the Australasian Institute of Mining & Metallurgy. Mr Lougher serves on the Nomination Committee.
David Southam	**Executive Director.** Mr Southam is a Certified Practicing Accountant with over 20 years experience in accounting, banking and finance across the resources and industrial sectors. Mr Southam has been responsible for completing large project financing transactions and in securing life of mine offtake contracts with consortiums out of China.
Craig Readhead	**Non-Executive Director.** Mr Readhead is a Lawyer with over 30 years legal and corporate advisory experience with specialisation in the resources sector, including the implementation of large scale mining projects both in Australia and overseas. Mr Readhead is a former president of the Australian Mining and Petroleum Law Association and until recently was a partner of specialist mining and corporate law firm, Allion Legal. Mr Readhead is a member of the WA Council of the Australian Institute of Company Directors. Mr Readhead chairs the Treasury and Audit and Risk Management Committees.
Julian Hanna	**Non-Executive Director.** Mr Hanna is a Geologist with over 30 years experience in gold and base metal exploration and mine development. He has a BSc in geology, is a member of the Australasian Institute of Mining & Metallurgy and has been involved in the discovery and development of several gold and base metal deposits.
Rick Yeates	**Non-Executive Director.** Mr Yeates is a Geologist with more than 30 years mining industry experience in various roles and has significant experience across a wide range of resource projects around the world. He is familiar with the ASX regulatory environments and has had exposure to international resource funds and financial institutions. Mr Yeates chairs the Remuneration and Nomination Committee.
Tim Netscher	**Non-Executive Director.** Mr Netscher was appointed as a Director on 1 August 2014. Mr Netscher has significant broad-based experience at senior levels in the international resources industry, in roles spanning marketing, operations management, project management and business development in Australia and internationally. Mr Netscher has considerable experience in the nickel industry with senior executive roles at Impala Platinum Ltd, PT Inco and QNI Pty Ltd. Mr Netscher is a Chartered Engineer and holds a BSc in Chemical Engineering, Bachelor of Commerce, an MBA, is a fellow of the Institution of Chemical Engineers and is a member of the Australian Institute of Company Directors. Mr Netscher is a member of the Treasury, Audit and Risk and Remuneration Committees.
Robin Dunbar	**Non-Executive Director.** Mr Dunbar retired from the Board on 15 January 2015. The Board would like to again thank Mr Dunbar for 10 years of dedicated and professional service.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Name	Company	Period of Directorship
I Macliver	Otto Energy Ltd	Since January 2004
	Rent.com.au Ltd (Ceased) (formerly Select Exploration Ltd)	September 2010 – June 2015
	Range Resources Ltd (Ceased)	June 2014 – August 2014
	JCurve Solutions Limited (Ceased) - (formerly Stratatel Ltd)	July 2000 – October 2013
J Hanna	MOD Resources Ltd	Since January 2013
	Mustang Minerals Corp (Ceased)	December 2006 – February 2015
D Lougher	Mustang Minerals Corp	Since January 2011
	FinnAust Mining Plc	Since December 2013
D Southam	Sundance Resources Ltd	Since September 2013
R Yeates	Middle Island Resources Ltd	Since March 2010
	Atherton Resources Limited (formerly Mungana Goldmines Ltd)	Since October 2014
C Readhead	Beadell Resources Ltd	Since April 2010
	General Mining Corporation Ltd	Since August 2007
	Swan Gold Mining Ltd	Since March 2013
	Redbank Copper Ltd	Since April 2013
	Heron Resources Ltd (Ceased)	January 2000 – April 2015
	Galaxy Resources Ltd (Ceased)	June 2006 - November 2013
T Netscher	St Barbara Ltd	Since February 2014
	Gold Road Resources Ltd	Since September 2014
	Deep Yellow Ltd	Since January 2013
	Aquila Resources Ltd (No longer listed)	November 2013 – July 2014(*)
	Gindalbie Metals Ltd (Ceased)	April 2011 – October 2013
	Bullabulling Gold Limited (Ceased)	August 2011 – May 2013
	Industrea Limited (Ceased)	February 2009 – November 2012

(*) Date coincides with delisting date.

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY

As at 30 June 2015, the interest of the Directors or associates of the Directors in the shares and options of the Company are:

Name	Ordinary Shares	Performance Rights (*)
I Macliver	28,948	-
D Lougher	126,387	965,690
J Hanna	600,091	-
D Southam	36,735	448,990
R Yeates	10,000	-
C Readhead	-	-
T Netscher	-	-

(*) None of the performance rights had vested at 30 June 2015.

All equity transactions with Directors and Executives, other than those arising from the employee share scheme, have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

SHARE OPTIONS

No options were issued during the financial year and all existing options have now expired and were cancelled.

COMPANY SECRETARY

Mr J Belladonna is a Certified Practicing Accountant and has been employed at Western Areas Ltd since 2005, originally as Financial Controller and then as the Company, Secretary and Chief Financial Officer. In his time at the Company, he has been intimately involved in the accounting, debt financing, corporate governance, capital raising and financial initiatives of the Company. Mr Belladonna has over 15 years experience in the resources industry including listed gold and base metal companies in a range of management positions.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

During the financial year, the parent entity paid a premium under a contract insuring all Directors and Officers of the Company against liability incurred in that capacity. Disclosure of the nature of liabilities insured and the premium is subject to a confidentiality clause under the contract of insurance.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

DIRECTORS' BENEFITS

No Directors of the Consolidated Entity have, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by Directors shown on page 38 of the Directors' Report) by reason of a contract made by the parent entity or a related body corporate with the Director or with any entity in which the Director has a substantial financial interest, with the exception of benefits that may be deemed to have arisen in relation to the transactions entered into in the ordinary course of business as disclosed in Note 29 to the accounts.

DIRECTORS' MEETINGS

The following table sets out the number of meetings of the parent entity's Directors and meetings of the sub-committees of the Board held during the year ended 30 June 2015 and the number of meetings attended by each Director.

		Meetings of Committees			
	Directors Meetings	Audit & Risk Management	Remuner-ation	Nomin-ation	Treasury
Number of Meetings held :	12	2	2	1	1
Number of Meetings attended:					
I Macliver	12	2	2	1	1
D Lougher	12	-	-	1	-
D Southam	12	-	-	-	-
J Hanna	12	-	-	-	-
R Dunbar	6	1	1	-	-
R Yeates	12	1	2	1	-
C Readhead	12	2	-	-	1
T Netscher	11	1	1	-	1

The composition of the sub-committees was adjusted following the appointment of Mr Netscher. All meetings were attended by all relevant Board and Committee members during FY15. Mr Netscher was appointed to the Board on 1 August 2014 and attended all Board and relevant Committee meetings since that date. Mr Dunbar retired from the Board on 15 January 2015 and attended all Board and relevant Committee meeting until that date.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Information about the remuneration of Directors and senior management is set out in the remuneration report of this Directors' Report on page 30.

PERFORMANCE RIGHTS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

Performance Rights granted to Directors and senior management during the financial year ended 30 June 2015 is set out in the Remuneration Report of this Directors' Report on page 36.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the year consisted of mining, processing and sale of nickel sulphide concentrate, the continued assessment of development feasibility of the high grade nickel mines and the exploration for nickel sulphides, other base metals and platinum group metals.

OPERATING AND FINANCIAL REVIEW

Operating Review

The Company provides detailed operating reports at the end of every quarter, details of the full year production and sales physicals is below.

The Company maintained an exceptional safety performance across the group with the lost time injury frequency rate at zero by the end of the financial year. The continued high level of environmental management has resulted in no significant environmental incidences occurring throughout the year.

Financial Year - Physical Summary		2014/15	2013/14
Tonnes Mined	*Tns*	540,268	598,959
Nickel Grade (average)	%	4.9	4.8
Tonnes Milled	*Tns*	609,727	598,152
Milled Grade (average)	%	4.7	4.8
Recovery	%	90	89
Nickel in Concentrate	*Tns*	25,801	25,700
Nickel Sales in Concentrate	*Tns*	26,036	25,756

Total mine ore production was lower year on year mainly due to mine schedule optimisation that ensured a consistent and reliable ore feed blend was available at all times for the concentrator, while maintaining appropriate stockpile levels to assist the efficient utilisation use of working capital.

The nickel concentrator processed a record 609,727 ore tonnes for FY15 compared to the 598,152 ore tonnes for the corresponding period FY14, with the variance attributed to improved throughput rates and increased plant availability.

Income Statement

Full Financial Year - Earnings Results Summary	2014/15 A$M	2013/14 A$M	Change %
Revenue	312.7	320.1	(2%)
Gross Profit	76.2	86.0	(11%)
EBIT	63.5	64.4	(1%)
Profit / (Loss) Before Tax	48.1	37.8	27%
Net Profit / (Loss) After Tax	35.0	25.5	37%

Consolidated net profit after tax (NPAT) for the group amounted to $35.0 million, an increase of $9.6 million from the results reported in the previous financial year. The primary drivers impacting the change in earnings were the reduced finance costs resulting from the repayment of the July 2014 convertible bonds at the start of the financial year and the operating cost saving measures implemented in the current financial year.

Consolidated revenue for the year was $312.7 million and gross profit was $76.2 million. Year on year the lower revenue and gross profit figures have resulted from a lower average nickel price received during the year with the nickel price trending downwards throughout the financial year. The average realised nickel price for the year decreased from US$7.47/lb (A$8.20) in the prior financial year to US$6.58/lb (A$7.87) for the year ended 30 June 2015. Cost of sales at $236.5 million was impacted by a decrease in the value of ore stockpiles of $15.9 million as a result of stockpile material being incorporated into the mill feed blend as a result of mine plan optimisation and higher average head grade mined. The continued focus on cost management at both the total cost and unit cost level resulted in an absolute cost reduction of $13.2 million throughout the year.

Impacting NPAT of $35.0 million for the year were the following pre-tax non-cash items:

- Depreciation charges of $15.1 million;
- Amortisation charges of $52.0 million; and
- Convertible bonds accretion expense of $5.4 million.

These non-cash items amounted to $72.5 million.

Statement of Financial Position

Full Financial Year - Balance Sheet Summary	2014/15 A$M	2013/14 A$M	Change A$M
Cash at bank	195.4	230.5	(35.1)
Current Assets	234.7	302.6	(67.9)
Total Assets	597.6	660.1	(62.5)
Current Liabilities	168.6	139.2	29.4
Total Liabilities	196.5	282.4	(85.9)
Net Equity	401.1	377.8	23.3

Cash at bank on 30 June 2015 totalled $195.4 million. The decrease of $35.1 million from the corresponding period resulted mainly from the repayment of the $95.2 million July 2014 convertible bond.

Total assets at reporting date were $597.6 million, representing a decrease of $62.5 million from the prior year, primarily driven by the decrease in cash of $35.1 million due to the repayment of the $95.2 million July 2014 convertible bonds and the payment of dividends totalling of $16.3 million. Mine development decreased by $6.0 million as a result of amortisation charges of $50.7 million being mostly offset by new development of $44.8 million primarily at the Spotted Quoll underground mine. Capitalised exploration and evaluation expenditure increased by $14.0 million due to ongoing investment in exploration at Forrestania and the other regional projects. Inventories decreased by $15.8 million mainly due to a decrease in ore stockpiles.

Total liabilities at reporting date were $196.5 million, a decrease of $85.9 million from 2014. This decrease is mainly due to the repayment of the July 2014 convertible bonds.

Total equity attributable to the shareholders has increased by $23.3 million to $395.2 million. This includes total NPAT of $35.0 million, offset by the payment of dividends to shareholders totalling $16.3 million.

Statement of Cash Flows

Full Financial Year - Cash Flow Summary	2014/15 A$M	2013/14 A$M	Change A$M
Net Operating Cash Flow	148.5	117.0	35.1
Net Investing Cash Flow	(71.9)	(53.4)	18.5
Net Financing Cash Flow	(111.8)	86.2	(198.0)
Net Cash Flow	(35.2)	149.8	(185)

Cash at bank on 30 June 2015 was $195.4 million and the group increased the positive net cash position by $60.0 million to $70.4 million. The decrease in cash at bank of $35.1 million from the corresponding period resulted mainly from the repayment of the $95.2 million July 2014 convertible bonds.

Consolidated cash flow from operations was $148.5 million representing an increase of $30.1 million from the prior year. This increase was mainly driven by lower operating expenses due to cost saving measures implemented, lower interest payments due to the repayment of the July 2014 convertible bonds and a decrease in debtors associated with the timing of May and June 2014 sales receipts. These were partially offset by higher income tax payments.

Net cash from investing activities increased by $18.5 million to $71.9 million. Asset purchases increased to $13.6 million mainly due to the successful construction and commissioning of the Flying Fox pastefill plant. Mine development increased by $13.0 million to $42.4 million for the year. $15.7 million was invested in exploration and evaluation activities, representing a decrease of $4.2 million from the prior year. Exploration and evaluation includes the Company's investment in FinnAust which amounted to $2.6 million for the current financial year.

Net cash from financing activities decreased by $197.9 million, primarily due to the $95.2 million repayment of the July 2014 convertible bonds and dividend payments of $16.3 million. The year on year movement also reflects the capital raising proceeds of $103.9 million (net of costs) that occurred in the 2014 financial year.

Material Business Risks

Strategic Long Term Economic Risks

- *Potential for failure or delay to extending our project pipeline could affect long term production*

  As we continue mining our existing deposits we are depleting our current ore reserves. To be a profitable company and maximise shareholder value, we will continue to invest in exploration to extend the mine life of current projects and to find new discoveries. Historically, the Company's investment in exploration has delivered positive results, however it must be recognised that there are no guarantees that this success will continue. In the event that exploration does not provide additional ore resources there is the potential risk that Western Areas' long term production profile and revenue base could diminish if our asset base is not replenished.

- *Potential for failure to realise the benefits of an investment could affect WSA enterprise value*

  Western Areas' strategy includes investment in business development activities (joint ventures, mergers, acquisitions, innovation) to enhance our current project portfolio. Western Areas continues to generate positive cash flows from its current operating assets and became debt free on 2 July 2015, which places the Company in a strong position to acquire new nickel/base metal projects. With any transaction there is always a risk that through the lifecycle of the project, the investment does not deliver the forecasted returns to the Company. At Western Areas, any material investment is subject to strict governance and due diligence processes to provide an adequate level of assurance that the opportunities associated with the project exceed any downside risk.

- *Potential deterioration in nickel market fundamentals could affect our profitability*

  As a mining company, Western Areas is exposed to currency and nickel price fluctuations. The Company has a hedging policy to govern the management of currency and metal price exposures. The hedging strategy is a matter for the Board and is regularly reviewed to ensure the Company maximises any upside opportunities, while minimising any potential downside effects of nickel market fluctuations. Western Areas is considered more resilient to these market fluctuations verses many other nickel producers due to the low cost, high grade operations with robust balance sheets. Even with recent relatively low nickel prices, Western Areas has demonstrated its capacity to generate positive cash flow from operations.

Operating Risks

- *Potential for prolonged interruption to nickel production could negatively impact revenue.*

  A significant disruption to Forrestania Nickel Operations could have a significant adverse effect on Western Areas' revenue from operating activities. The Forrestania Nickel Operations consists of the Spotted Quoll and Flying Fox mines, the Cosmic Boy concentrator and the associated infrastructure. These assets are all within the same geographic area, and are our only revenue generating assets. Therefore, a significant failure event at one of these assets has the potential to significantly reduce nickel production and consequent revenue from nickel sales. Forrestania Nickel Operations has well established risk management practices that prevent and respond to known business interruption risks. This resilience extends throughout our supply chain to the point of delivery to our customers.

- *Potential for an increase in operating costs could impact our profit margin.*

  An increase in operating costs has the potential to negatively impact Western Areas' profit margin. Operating costs can be affected by a number of different drivers including contractor performance, mine planning, metal recovery, and/or input costs. From an industry perspective, Forrestania Nickel Operations is a comparatively low cost nickel producer and has consistently demonstrated the ability to maintain costs towards the lowest industry cost quartile and deliver strong financial results. Western Areas continues to focus on cost management to enable sustainable reductions in direct and indirect costs.

Sustainability Risks

- *Potential for a serious safety incident*

  The safety of our people and the people we interface with is paramount. There are a number of inherent hazards associated with exploration, mining and mineral processing that require ongoing management and assurance to ensure our safety performance is in line with the high standards we expect. Western Areas has consistently demonstrated excellence in safety performance and we continue to work with our contractors and partners to make Western Areas a safer place to work.

- *Potential for breach of compliance obligations impacting our license to operate and our reputation*

  The Company has a number of statutory and regulatory obligations to fulfil including corporate, financial, health and safety, environmental, land management and tenure and human resources. The Company has a compliance management framework to provide the basis for monitoring the compliance environment and ensure the Company's practices are in line with its obligations. Short and long term compliance costs are factored into financial forecasts and budgets to ensure these obligations are met in full.

Subsequent Events

The Board of Directors, on 20 August 2015, declared a final fully franked dividend of 4 cents per share to the holders of fully paid ordinary shares.

On 2 July 2015, the Consolidated Entity repaid the final outstanding $125 million of convertible bonds issued in April 2010. The payment was made from existing cash reserves.

Other than matters detailed above, there have been no subsequent events after 30 June 2015 which have a material effect on the financial statements for the year ended 30 June 2015.

Dividends Paid or Recommended

In respect of the financial year ended 30 June 2015, the Board has declared a final 4 cent, fully franked dividend.

In respect of the half year ended 31 December 2014, an interim fully franked dividend of 3 cent per share was declared and subsequently paid to the holders of fully paid ordinary shares on 10 April 2015.

In respect of the financial year ended 30 June 2014, a fully franked final dividend of 4 cent per share was declared and subsequently paid to the holders of fully paid ordinary shares on 10 October 2014.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Non-Executive Directors, Executives and other Key Management Personnel of Western Areas Ltd. There has been no material change to the remuneration structures or incentive programmes during the 2015 financial year. There is no scheduled increase in base salaries for the 2016 financial year. Non-Executive Director remuneration has also been kept at existing levels.

The report is comprised of the following key sections:

- Section A: Who this report covers
- Section B: Remuneration governance and philosophy
- Section C: 2014 Annual General Meeting voting
- Section D: Use of remuneration consultants
- Section E: Executive remuneration framework
- Section F: Non-Executive Director remuneration
- Section G: Service contracts
- Section H: Link between performance and remuneration outcomes
- Section I: Details of remuneration

SECTION A: WHO THIS REPORT COVERS

The following persons acted as Directors of the Company during the financial year:

Mr I Macliver	Independent Non-Executive Chairman
Mr D Lougher	Managing Director
Mr D Southam	Executive Director
Mr J Hanna	Non-Executive Director
Mr R Yeates	Independent Non-Executive Director
Mr C Readhead	Independent Non-Executive Director
Mr T Netscher	Independent Non-Executive Director (Appointed 1 August 2014)
Mr R Dunbar	Independent Non-Executive Director (Retired 15 January 2015)

Other Key Management Personnel ('KMP') of the Company during the financial year were:

Mr J Belladonna	Chief Financial Officer & Company Secretary
Mr C Wilkinson	General Manager, Exploration
Mr G Marshall	General Manager, Commercial
Mr W Jones	General Manager, Operations

SECTION B: REMUNERATION GOVERNANCE AND PHILOSOPHY

Remuneration Committee

The Remuneration Committee is a sub-committee of the Board. It is responsible for assisting the Board in fulfilling its responsibilities relating to the remuneration of Directors, the remuneration and incentivisation of the Managing Director and KMP, remuneration practices, strategies and disclosures generally.

Remuneration levels and other terms of employment for the Directors and the senior management team are reviewed at least annually by the Remuneration Committee, having regard to performance against goals set each year, qualifications and experience, relevant market conditions and independent remuneration benchmarking reports.

The Remuneration Committee assesses the appropriateness of remuneration levels to ensure the Company is able to attract and retain high quality Executives. The Remuneration Committee utilises independent salary reports to assist in this regard.

Remuneration Philosophy

The Company recognises that it operates in a global environment and to prosper in such an environment, it must attract, motivate and retain personnel of the highest calibre.

The principles supporting the Company's remuneration policy are that:

- Reward reflects the competitive global market in which we operate;
- Individual reward is based on performance across a range of disciplines that apply to delivering results and executing strategies for the Company;
- Executive remuneration is linked to the creation of shareholder value; and
- Remuneration arrangements are equitable, fair and facilitate the deployment of senior management across the Company.

SECTION C: 2014 ANNUAL GENERAL MEETING VOTING

Western Areas received 99% 'yes' votes on Remuneration Report resolutions for both the 2013 and 2014 financial year and remuneration practices have remained consistent with the prior years. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices. However, various advisory groups and associations publish critiques and opinions on a subscription basis.

SECTION D: USE OF REMUNERATION CONSULTANTS

Western Areas engaged PwC as Remuneration Consultants during the 2015 financial year to provide assistance with documentation management and ongoing market trends and developments in relation to the Long Term Incentive ('LTI') plan, however no 'remuneration recommendations' as defined in the Corporation Act 2001 were made or supplied by PwC.

SECTION E: EXECUTIVE REMUNERATION FRAMEWORK

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position, experience and responsibilities within the Company. The objective is to:

- Reward Executives for their individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of Executives with those of the shareholders; and
- Ensure that total remuneration is competitive by market standards.

The Company's Executive reward structure provides a combination of fixed and variable pay, and is comprised of:

- Fixed remuneration, inclusive of base pay, superannuation, allowances, and salary-sacrifice components;
- Short term incentives; and
- Long term incentives.

Remuneration mixes

In accordance with the Company's objective to ensure that executive remuneration is aligned to company performance, a significant portion of Executives' remuneration is placed 'at risk'. The relative proportion of *target* FY15 total remuneration packages split between fixed and variable remuneration is shown below:

	Fixed Remuneration	Target STI	Target LTI
Executive Directors			
Mr D Lougher	39%	22%	39%
Mr D Southam	43%	24%	33%
Executives			
Mr J Belladonna	43%	24%	33%
Mr W Jones	53%	21%	26%
Mr C Wilkinson	53%	21%	26%
Mr G Marshall	53%	21%	26%

The target remuneration mix of higher level KMPs has been designed with emphasis on LTI exposure. This further aligns Executives with shareholders and a focus on long term value generation. Refer to Section H: *Link between performance and remuneration outcomes* for details of Executives' *actual* remuneration mix for FY15. In the event of serious misconduct or a material misstatement in the Company's financial statements, the Remuneration Committee can cancel or defer performance-based remuneration. There is currently no formal claw back of performance based remuneration paid in prior financial years. The Company notes that the Short Term Incentive performance indicators are a blend of physical and financial targets which limits the target reward based on financial metrics.

Fixed remuneration

Fixed remuneration consists of base salary, superannuation, allowances, and any salary sacrifice components. The fixed remuneration component is reviewed annually by the Remuneration Committee. Base salary for each Executive is benchmarked against market data for comparable roles in the market and the Remuneration Committee refers to external independent salary reports to ensure that the remuneration levels are set to meet the objectives of the Company while remaining competitive in the wider employment market.

It is noted that no remuneration increases have been awarded for the FY16 and there is no guaranteed base pay increases included in any Executives' contracts.

Short term incentive ('STI')

The objective of STI's is to link Executives' remuneration with the achievement of the Company's key operation targets. The STI plan provides Executives with an opportunity to earn a cash bonus on achievement of individual key performance indicators ('KPIs'). Challenging KPIs are set to ensure payments are only made to high performing employees.

It is the Company's policy to cap STI payments at a targeted STI level. The percentage is applied against the relevant Executive's base salary only and excludes all allowances and superannuation amounts. Target STI for each KMP during FY15 is outlined below:

Name	Base salary FY2015	Target STI quantum (% of base salary)	Target STI quantum ($)
Executive Directors			
Mr D Lougher	$734,400	55%	$403,500
Mr D Southam	$550,914	55%	$303,000
Executives			
Mr J Belladonna	$371,200	55%	$204,000
Mr W Jones	$400,400	40%	$160,000
Mr C Wilkinson	$340,798	40%	$136,000
Mr G Marshall	$312,796	40%	$125,000

The KPIs used span across key focus areas of the business (operations, corporate, resource replenishment and exploration), and the respective KPIs and their weightings will vary by role and are designed to align to those measures relevant to the responsibilities of each role.

The full list of KPIs set for Executives in FY15 is below. For each Executive, KPIs relevant to their area of influence are selected from the list below and assigned each year. Rarely is 100% of target STI achieved which the Company believes demonstrates the challenging nature of the KPI targets.

	Overview KPI	Why KPI was set
Operations		
Forrestania safety performance	Based on Lost Time Injury performance in each quarter.	Motivate and reward the continued focus on safety standards and procedures.
Forrestania environmental incidents	Based on the number of reportable environmental incidents per quarter.	Motivate and reward the continued focus on best practice environmental management.
Forrestania unit cash cost	Focused on average unit cash costs for Flying Fox (FF) and Spotted Quoll (SQ) mines per pound of nickel produced. Performance better than budget is required.	Motivate and reward the stringent management of production costs outcomes that exceed the Board set business plan.
Forrestania nickel in ore production	Must exceed the budgeted nickel metal in ore production target from FF and SQ mines.	Motivate and reward nickel production outcomes that exceed Board set business plans.
Forrestania mill recoveries	Achieve a set threshold recovery above budget levels for the combined ore feed from FF and SQ mines.	Motivate and reward nickel production outcomes that exceed Board set business plans.
Forrestania nickel in concentrate sales	Sale of nickel metal in concentrate to exceed a set tonnage target.	Motivate and reward nickel production outcomes that exceed Board set business plans.
Corporate		
Earnings	Achieve EBIT target above budget.	Motivate and reward financial outcomes that exceed Board set business plans.
Cash flow	Achieve pre-funding cash flow target above budget.	Motivate and reward financial outcomes that exceed Board set business plans.
Offtake Contract	Achieving specific Board set outcomes for new offtake arrangements	Motivate positive outcomes that exceed Board set minimum requirements.
Business development	Based on business development activities and project pipeline development that provides opportunities to add value or protect value in the Company and for the shareholders.	Motivate and reward business development initiatives that provide market intelligence and enhance corporate growth opportunity identification.
Mineral Resources and Exploration		
Nickel resource	Establishing replacement nickel reserves or mining inventory tonnages.	Motivate and reward mine life extension outcomes at Board set levels.
New nickel resources	Establishing new published nickel resources exceeding a targeted nickel tonnage levels.	Motivate and reward economic nickel discovery.
New nickel discovery	Discovery of a new Nickel deposit.	Motivate and reward economic nickel discovery.

The Remuneration Committee is responsible for determining the STI to be paid based on an assessment of whether the KPIs are met. To assist in this assessment, the Remuneration Committee receives detailed reports on performance which are verified against outcomes.

Based on the achievements of the Company in FY15, the Remuneration Committee determined that Executives achieved between 50% to 100% of their target STI opportunity, it is noted that no Executive Director achieved 100% of their target STI award. In making this assessment, the Remuneration Committee considered the following factors:

- An exceptional safety performance across the group and a lost time injury frequency rate of zero;
- The high level of environmental management and no significant environmental incidences;
- Mine and concentrator nickel production and sales volume were above the Board set budgeted expectation;
- Extension to the resource and reserve positions for both Spotted Quoll and Flying Fox mines;
- Earnings and net pre-financing cash flow performance being above the Board approved budget expectation and prior year results;
- Achievement of specific corporate objectives, recommendations and outcomes related to business development activities and announced transactions; and
- The significant cost reduction programs that were successfully implemented which have led to sustainable lower operating costs.

Performance achieved during FY15 against the above KPIs has resulted in Executives earning the following STI payments:

Name	Target STI quantum ($)	STI quantum earned ($)	STI quantum Forfeited ($)
Executive Directors			
Mr D Lougher	$403,500	$341,000	$62,500
Mr D Southam	$303,000	$275,000	$28,000
Executives			
Mr J Belladonna	$204,000	$187,000	$17,000
Mr W Jones	$160,000	$157,000	$3,000
Mr C Wilkinson	$136,000	$68,000	$68,000
Mr G Marshall	$125,000	$125,000	-

LONG TERM INCENTIVE ('LTI')

The LTI plan was reapproved by shareholders at the 2014 Annual General Meeting and has been in operation since FY12. All grants outstanding at the date of this report are measured against a three year TSR period such that no vesting occurs until the end of the third year. This ensures Executives are focused on long-term shareholder value generation.

Grant frequency and quantum

Under the remuneration structure, Executives will receive a grant of Performance Rights each year, such that the LTI now forms a key component of Executives' Total Annual Remuneration.

The LTI dollar value that Executives will be entitled to receive is set at a fixed percentage of their base salary, ranging from 50% to 100% of base salary, depending on the participant's position within the Company. This level of LTI remains in line with current market practice.

The number of Performance Rights to be granted is determined by dividing the LTI dollar value of the award by the fair value of a Performance Right as calculated by an independent valuation expert.

The quantum of LTI grants made during FY15 was as follows:

Name	Base salary	LTI quantum (% of base salary)	LTI quantum ($)	Number of Performance Rights issued *	Fair value per Performance Right at grant date ^	Exercise date	Expiry date
Executive Directors							
Mr D Lougher	$734,400	100%	$734,400	205,140	$3.58	Upon receipt of a vesting notice issued in FY18	30 June 2018
Mr D Southam	$550,914	75%	$413,185	86,560	$3.58	As above	30 June 2018
Executives							
Mr J Belladonna	$371,200	75%	$278,400	77,765	$3.58	As above	30 June 2018
Mr W Jones	$400,400	50%	$200,200	55,922	$3.58	As above	30 June 2018
Mr C Wilkinson	$340,798	50%	$170,400	47,597	$3.58	As above	30 June 2018
Mr G Marshall	$312,796	50%	$156,400	43,697	$3.58	As above	30 June 2018

* The number of Performance Rights to be issued to each participant is determined by undertaking an indicative valuation at 1 July of each respective year for allocation and Board ratification purposes. The FY15 valuation at 1 July 2014 was $3.58/right.

^ Fair value as required under AASB 2. Valuation is determined at the date of the Annual General Meeting held in each respective year.

Performance conditions

Careful consideration was given to ensure that the selected performance condition would only reward Executives where shareholder value is generated, as determined via the change in the Company's share price.

Reflecting on market practice, the Board has decided that the most appropriate performance measure to track share price performance is via a relative Total Shareholder Return ('TSR') measure. TSR measures the return received by shareholders from holding shares in a company over a particular period and is calculated by taking into account the growth in a company's share price over the period as well as the dividends received during that period.

The Company's TSR performance for the FY15 grant will be assessed against a customised peer group comprising the following 24 companies:

Aditya Birla Minerals Ltd	Cudeco Ltd	Mincor Resources NL	Paladin Energy Ltd
Aquarius Platinum Ltd	Discovery Metals Ltd	Mirabela Nickel Ltd	Panoramic Resources Ltd
Altona Mining Ltd	Gindalbie Metals Ltd	Mt Gibson Iron	Rex Minerals Ltd
Alumina Ltd	Hillgrove Resources Ltd	OM Holdings Ltd	Sandfire Resources Ltd
Beadell Resources Ltd	Independence Group NL	Oz Minerals Ltd	Sirius Resources NL
Bouganville Copper Ltd	Medusa Mining Ltd	PanAust Ltd (*)	Zimplats Holdings Ltd

(*) Note that PanAust Ltd were taken over during the FY15 year and subsequently delisted.

No Performance Rights will vest unless the percentile ranking of the Company's TSR for the relevant performance year, as compared to the TSR's for the peer group companies, is at or above the 50th percentile.

The following table sets out the vesting outcome based on the Company's relative TSR performance:

Relative TSR performance	Performance Vesting Outcomes
Less than 50th percentile	0% vesting
At the 50th percentile	50% vesting
Between 50th and 75th percentile	Pro-rata / progressive vesting from 50% - 100%
At or above 75th percentile	100% vesting

Performance period and vesting

FY15 grants made under the LTI plan will only vest subject to meeting the minimum service period and the relative TSR performance condition tested against the peer group over a three year period (1 July 2014 to 30 June 2017).

The FY15 grants service based vesting condition provides that, notwithstanding the passing of the performance test, no Performance Rights will vest and become exercisable into shares unless the participant remains employed as at 30 June 2017.

Share trading policy

The trading of shares issued to participants under any of the Company's employee equity plans is subject to, and conditional upon, compliance with the Company's employee share trading policy contained in the Corporate Code of Conduct. Executives are prohibited from entering into any hedging arrangements over unvested performance rights under the LTI plan. The Company would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potentially dismissal.

SECTION F: NON-EXECUTIVE DIRECTOR REMUNERATION

Non-Executive Directors remuneration policy and structure

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre whilst incurring a cost that is acceptable to shareholders.

The aggregate remuneration of Non-Executive Directors ('NEDs') is determined from time to time by shareholders in a General Meeting. An amount not exceeding the approved amount is then divided between the Directors as determined by the Remuneration Committee.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board and the Remuneration Committee considers independent salary reports as well as the fees paid to NEDs of comparable companies when undertaking this annual review.

It is an objective of the Company to encourage Directors to own shares in Western Areas. However, share based payments in the form of options or equity in the Company are not offered to NEDs as encouraged by Corporate Governance guidelines.

There is no scheme to provide retirement benefits to NEDs, other than statutory superannuation.

Non-Executive Directors fees limits

NED fees are determined within an aggregated fee limit of $1,000,000, which was approved by shareholders at the 2012 AGM. The following fees (including statutory superannuation) were applicable for the year:

	Board Chair	Board Member
Fees	$192,855	$167,142

The Remuneration Committee resolved not to increase NED remuneration levels for FY16.

Non-Executive Directors fee structure

NED remuneration consists of a base Directors fee for their role as Board members, and is inclusive of compensation for any role on nominated Board sub-committees. That is, no separate committee fees are payable. NEDs do not receive any performance-based pay.

SECTION G: SERVICE CONTRACTS

Executives

A summary of the key contractual provisions for each of the current Executives as at 30 June 2015 is set out below:

Name & job title	Base salary $ [&]	Contract duration	Notice period required by employee or WSA	Termination provision
D Lougher, Managing Director *	734,400	No fixed term	3 months	12 months termination payment and accrued leave entitlements
D Southam, Executive Director *	550,914	No fixed term	3 months	12 months termination payment and accrued leave entitlements
J Belladonna, Chief Financial Officer / Company Secretary*	371,200	No fixed term	3 months	6 months termination payment and accrued leave entitlements
W Jones, General Manager Operations	400,400	No fixed term	1 month	6 months termination payment and accrued leave entitlements
C Wilkinson, General Manager Exploration	340,798	No fixed term	1 month	6 months termination payment and accrued leave entitlements
G Marshall, General Manager Commercial	312,796	No fixed term	1 month	2 months termination payment and accrued leave entitlements

[&]The Company pays superannuation at a rate of 11% which is in addition of the employee's base salary.

*In the event that there is a takeover of, or merger with, the Company, the Company must pay the Executive a bonus within 10 days of that takeover or merger occurring.

The amount of the takeover bonus will be calculated as follows:

(a) The positive difference (expressed as a percentage of the 20 day VWAP) between the bid price for the Company's shares as a result of a takeover or merger bid, and the volume weighted share price of the Company's share price for the 20 days immediately preceding the takeover or merger bid; and

(b) Multiplied by 3, as a percentage of the Executive's base annual salary at the time that such a bid is completed.

(This contractual position is a legacy item that is no longer applicable to any new executive appointment.)

All other senior management contracts are as per the group's standards terms and conditions and there are no contracted entitlements to cash bonuses, options or performance rights.

Non-Executive Directors

Non-Executive Directors receive a letter of appointment before commencing duties on the Board. The letter outlines compensation arrangements relevant to the Officer or Director. Non-Executive appointments have no end date, retirement, redundancy or minimum notice periods included in their contracts.

SECTION H: LINK BETWEEN PERFORMANCE AND REMUNERATION OUTCOMES

The remuneration framework detailed above has been tailored with the objective of attracting and retaining the highest calibre staff who contribute to the success of the Company, while maintaining alignment between company performance and individual rewards. The remuneration policies seek a balance between the interests of stakeholders and competitive market remuneration levels.

Company Performance

Year Ended 30 June	2015	2014	2013	2012	2011	2010
Net Profit / (Loss) after Tax	35,013	25,460	(94,105)	40,181	134,973	14,212
EPS	15.1	12.2	(49.8)	22.4	75.1	8.0
Dividend Cents/share	7.0	5.0	2.0	11.0	25.0	6.0
Market capitalisation	753M	1,073M	457M	730M	1,060M	679M
Closing share price	3.23	4.62	2.32	4.06	5.90	3.78
TSR – 3 year rolling (%'ile) ranking	84	93	75	39	41	57

The table below represents the Executives' *actual* remuneration mix of fixed remuneration, short-term incentives and long-term incentives based upon remuneration paid or expensed during FY15. It is the Company's policy to ensure that a suitable portion of executive remuneration is placed 'at-risk' and subject to performance against appropriately set targets.

	Fixed Remuneration	STI	LTI[1]
Executive Directors			
Mr D Lougher	49%	19%	32%
Mr D Southam	54%	22%	24%
Executives			
Mr J Belladonna	55%	22%	23%
Mr W Jones	62%	20%	18%
Mr C Wilkinson	67%	11%	22%
Mr G Marshall	62%	19%	19%

[1] LTI refers to the value of Performance Rights that were expensed during the FY15. No Options have been granted the last three financial years and there are no options outstanding at the date of this report.

SECTION I: DETAILS OF REMUNERATION

Consulting fees

Mr Craig Readhead, a Non-Executive Director of the Company since June 2014, was a partner of Allion Legal during FY15, a law firm that the Company engaged from time to time for the provision of legal services and advice. All FY15 fees were negotiated on an arm's length basis and totalled $121,008 (FY14 - $162,185). Mr Readhead retired as a partner of Allion Legal as at 1 July 2015.

Options held by Key Management Personnel

There were no options held by key management at any time during FY15. As such, no portion of any KMP's remuneration for FY15 consisted of options or option related expenses. No loans and transactions were made to KMP during FY15.

	Short Term Employee Benefits				Post Employment	Long Term Employee Benefits		
2015	Base Salary	STI Payments / Bonuses (ii)	Allowances	Non Monetary	Super-annuation	Long Service Leave	Share Based Payments LTI (i)	TOTAL
Non-Executive Directors								
I Macliver	173,743	-	-	-	19,112	-	-	192,855
C Readhead	167,142	-	-	-	-	-	-	167,142
T Netscher (iii)	153,213	-	-	-	-	-	-	153,213
R Yeates	150,578	-	-	-	16,564	-	-	167,142
J Hanna	150,578	-	-	-	16,564	-	-	167,142
R Dunbar	83,570	-	-	-	-	-	-	83,570
Executive Directors								
D Lougher	780,180	341,000	4,000	48,262	35,000	12,203	562,311	1,782,956
D Southam	581,514	275,000	4,000	51,032	30,000	9,154	292,709	1,243,409
Executive Officers								
J Belladonna	382,032	187,000	4,000	50,595	30,000	6,168	202,406	862,201
W Jones	409,444	157,000	1,900	38,408	35,000	6,653	145,948	794,353
C Wilkinson	340,798	68,000	4,000	28,697	35,000	5,663	133,710	615,868
G Marshall	312,796	125,000	4,000	36,229	34,407	5,197	123,674	641,303
								6,871,154

(i) LTI refers to the value of Performance Rights that were expensed during the FY15. No Options were granted or remain outstanding at the end of the financial year.

(ii) Includes all paid and accrued bonuses in the applicable year.

(iii) Mr Netscher was appointed as an Independent Non-Executive Director on 1 August 2014.

2014	Short Term Employee Benefits				Post Employment	Long Term Employee Benefits		
	Base Salary	STI Payments / Bonuses(ii)	Allowances / Termination	Non Monetary	Super-annuation	Long Service Leave	Share Based Payments LTI (i)	TOTAL
Non-Executive Directors								
T Streeter	70,285	-	-	33,000	7,731	-	-	111,016
I Macliver	159,312	-	-	-	17,524	-	-	176,836
R Yeates	146,192	-	-	-	16,081	-	-	162,273
J Hanna	146,192	-	-	-	16,081	-	-	162,273
C Readhead	-	-	-	-	-	-	-	-
R Dunbar	162,273	-	-	-	-	-	-	162,273
Executive Directors								
D Lougher	729,800	309,500	4,000	30,595	25,000	6,800	678,268	1,783,963
D Southam	541,218	262,500	4,000	52,297	25,000	5,101	412,761	1,302,877
Executive Officers								
J Belladonna	330,200	163,500	4,000	45,969	25,000	3,200	255,269	827,138
W Jones	402,350	124,000	1,900	27,707	25,000	3,850	128,629	713,436
C Wilkinson	338,736	45,000	4,000	30,265	25,000	3,277	167,481	613,759
G Marshall	305,670	114,000	4,000	31,438	25,000	2,979	152,257	635,344
								6,651,188

Shareholding by Key Management Personnel

The number of shares held by KMP (and their related parties) in the group during the financial year is as follows:

	Balance at 1 July 2014	Granted as Remuneration	On Vesting of Performance Rights	Other Changes During the Year	Balance at 30 June 2015
I Macliver	28,948	-	-	-	28,948
D Lougher	89,957	-	76,421	(40,000)	126,378
D Southam	-	-	72,035	(35,300)	36,735
J Hanna	663,791	-	-	(63,700)	600,091
R Dunbar (*)	112,500	-	-	(22,500)	90,000
R Yeates	10,000	-	-	-	10,000
J Belladonna	50,000	8,000	43,220	(31,220)	70,000
W Jones	60,000	-	-	(60,000)	-
C Wilkinson	7,000	5,763	31,134	8,302	52,199
G Marshall	-	5,240	28,304	(17,000)	16,544
TOTAL	**1,022,196**	**19,003**	**251,114**	**(261,418)**	**1,030,895**

(*) Mr Dunbar resigned on 15 January 2015, the closing balance of shares held reflects Mr Dunbar's holding at this date.

Performance Rights held by Key Management Personnel

Details of Performance Rights granted but not yet vested under the LTI plan related to FY15 are outlined below:

	Grant date	Number granted	Vesting conditions	Fair value at grant date	Exercise price	Exercise date	Expiry date	Number vested
D Lougher	12/12/14	205,140	(a)	$3.58	Nil	Upon receipt of a vesting notice issued in FY17	30/6/18	-
D Southam	12/12/14	86,560	(a)	$3.58	Nil	As above	30/6/18	-
J Belladonna	12/12/14	77,765	(a)	$3.58	Nil	As above	30/6/18	-
W Jones	12/12/14	55,922	(a)	$3.58	Nil	As above	30/6/18	-
C Wilkinson	12/12/14	47,597	(a)	$3.58	Nil	As above	30/6/18	-
G Marshall	12/12/14	43,687	(a)	$3.58	Nil	As above	30/6/18	-
TOTAL		**516,671**						**-**

(a) Performance rights granted relating to FY15 were granted under the LTI plan and will vest subject to meeting the relative TSR measure for the period 1 July 2014 to 30 June 2017 against the peer group and satisfaction of the service based vesting condition which will provide that, notwithstanding the passing of the performance test, no Performance Rights will vest and become exercisable into shares unless the participant remains employed as at 30 June 2017.

	Balance at 1 July 2014	Number granted as Remuneration (*)	Number exercised	Number expired / Other	Balance at 30 June 2015	Portion vested (%)	Portion unvested (%)
D Lougher	836,971	205,140	(76,421)	-	965,690	-	100%
D Southam	434,465	86,560	(72,035)	-	448,990	-	100%
J Belladonna	270,584	118,859	(43,220)	-	346,223	-	100%
W Jones	149,396	121,851	-	-	271,247	-	100%
C Wilkinson	158,294	103,710	(31,134)	-	230,870	-	100%
G Marshall	143,905	94,698	(28,304)	-	210,299	-	100%
TOTAL	**1,993,615**	**730,818**	**(251,114)**	**-**	**2,473,319**	**-**	**100%**

(*) The number of performance rights granted to Messer's Belladonna, Jones, Wilkinson and Marshall includes a portion of performance rights that relate to FY14 allocations that were not allocated until FY15.

End of audited Remuneration Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the consolidated group's state of affairs occurred during the financial year.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the Consolidated Entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity has conducted exploration and development activities on mineral tenements. The right to conduct these activities is granted subject to State and Federal environmental legislation and regulations, tenement conditions and Mining Proposal commitments. The Consolidated Entity aims to ensure that a high standard of environmental management is achieved and, as a minimum, to comply with all relevant legislation and regulations, tenement conditions and Mining Proposal commitments. The Company has achieved a high level of compliance with all environmental conditions set for its projects and actively strives for continual improvement.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration to the Directors of Western Areas Ltd on page 40 forms part of the Director's Report for the year ended 30 June 2015.

NON-AUDIT SERVICES

The entity's auditor, Crowe Horwath, provided non-audit services amounting to $13,750 during FY15 (FY14: $7,000). The Board has the following procedures in place before any non-audit services are obtained from the auditors:

- all non audit services are reviewed and approved by the Board and the Audit and Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence as set out in APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' Report and the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors.

D Lougher
Managing Director

Perth, 20 August 2015

Crowe Horwath

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Western Areas Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, 20 August 2015

CONSOLIDATED INCOME STATEMENT

Year Ended 30 June 2015

	Notes	Consolidated Entity	
		2015 $'000	2014 $'000
Sales		312,680	320,078
Cost of sales		(236,474)	(234,114)
Gross profit		**76,206**	**85,964**
Other income	2	5,517	8,620
Finance costs	3	(15,472)	(26,592)
Employee benefit expense		(9,967)	(9,747)
Foreign exchange loss		(1,468)	(2,515)
Administration and other expenses	3	(7,346)	(9,914)
Acquisition costs – FinnAust Mining Plc	32	-	(636)
Share based payments		(1,569)	(1,956)
Impairment / write-off of non-current assets	11	(247)	(3,116)
Realised derivative gain / (loss)	3	2,181	(2,860)
Changes in fair value of derivatives	3	231	521
Profit before income tax		**48,066**	**37,769**
Income tax expense	4	(13,053)	(12,309)
Profit for the year		**35,013**	**25,460**
Basic earnings per share (cents per share)	19	15.1	12.2
Diluted earnings per share (cents per share)	19	14.9	12.1

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year Ended 30 June 2015

	Notes	Consolidated Entity	
		2015 $'000	**2014 $'000**
Profit for the year		35,013	25,460
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Changes in fair value of hedging instruments		281	(14)
Changes in financial assets at fair value through other comprehensive income		(426)	193
Exchange differences on translation of foreign controlled entities		1,114	(785)
Total comprehensive income for the year		**35,982**	**24,854**
Profit attributable to:			
Members of the parent entity		35,761	26,843
Non controlling interest	32	(748)	(1,383)
		35,013	**25,460**
Total Comprehensive income attributable to:			
Members of the parent entity		36,730	26,237
Non controlling interest	32	(748)	(1,383)
		35,982	**24,854**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2015

	Notes	Consolidated Entity 2015 $'000	Consolidated Entity 2014 $'000
Current Assets			
Cash and cash equivalents	20 (b)	195,355	230,537
Trade and other receivables	6	15,974	32,866
Inventories	7	23,407	39,207
Derivative financial instruments	17	-	10
Total Current Assets		234,736	302,620
Non Current Assets			
Property, plant and equipment	9	99,981	102,290
Intangible assets	10	506	525
Exploration & evaluation expenditure	11	60,979	47,008
Mine properties	12	200,453	206,434
Financial assets at fair value through other comprehensive income	8	954	1,263
Total Non Current Assets		362,873	357,520
Total Assets		597,609	660,140
Current Liabilities			
Trade and other payables	14	29,364	31,318
Borrowings	15	126,786	95,412
Provisions	16	2,457	2,153
Current tax liabilities		9,795	9,575
Derivative financial instruments	17	224	746
Total Current Liabilities		168,626	139,204
Non Current Liabilities			
Borrowings	15	210	119,140
Provisions	16	13,523	12,798
Deferred tax liabilities	13	14,135	11,242
Total Non Current Liabilities		27,868	143,180
Total Liabilities		196,494	282,384
Net Assets		**401,115**	**377,756**
Equity			
Contributed equity	18	369,936	369,936
Other reserves	31	32,757	43,490
Retained earnings		(7,473)	(40,766)
Equity attributable to members of the parent entity		**395,220**	**372,660**
Non controlling interest	32	5,895	5,096
Total Equity		**401,115**	**377,756**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June 2015

CONSOLIDATED ENTITY	Issued Capital	Capital Raising Costs	Share Based Payment Reserve	Hedge Reserve	Investment Reserve	Convertible Note Reserve	Foreign Exchange Reserve	Retained Earnings	Non-Controlling Interest	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total Equity at 1 July 2013	**277,842**	**(11,799)**	**18,200**	**(490)**	**(9,390)**	**32,958**	**862**	**(65,286)**	**107**	**243,004**
Comprehensive income										
Profit for the year								26,843	(1,383)	25,460
Other comprehensive profit for the year				(14)	193		(785)			(606)
Total comprehensive profit for the year				(14)	193		(785)	26,843	(1,383)	24,854
Transactions with owner in their capacity as owner, and other transfers										
Contributions of equity	106,342									106,342
Transaction costs on equity		(2,449)								(2,449)
Share based payments expense			1,956							1,956
Changes in non-controlling interest									6,372	6,372
Dividends paid								(2,323)		(2,323)
Total Equity at 30 June 2014	**384,184**	**(14,248)**	**20,156**	**(504)**	**(9,197)**	**32,958**	**77**	**(40,766)**	**5,096**	**377,756**
Comprehensive income										
Profit for the year								35,761	(748)	35,013
Other comprehensive profit for the year				281	(426)		1,114			969
Total comprehensive profit for the year				281	(426)		1,114	35,761	(748)	35,982
Transactions with owner in their capacity as owner, and other transfers										
Share based payments expense			1,569							1,569
Cash settled share based payments			(191)							(191)
Deferred tax asset on performance rights			733							733
Changes in non-controlling interest									1,547	1,547
Transfer of Convertible Note Reserve						(13,813)		13,813		
Dividends paid								(16,281)		(16,281)
Total Equity at 30 June 2015	**384,184**	**(14,248)**	**22,267**	**(223)**	**(9,623)**	**19,145**	**1,191**	**(7,473)**	**5,895**	**401,115**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended 30 June 2015

	Notes	Consolidated Entity	
		2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		331,073	304,681
Payments to suppliers and employees		(154,039)	(161,627)
Interest received		5,109	2,834
Royalties paid		(15,951)	(11,171)
Other receipts		768	6,201
Interest paid		(11,113)	(15,282)
Realisation on settlement of derivatives		1,828	(6,161)
Income tax paid		(9,206)	(2,445)
Net cash inflow from operating activities	20(a)	**148,469**	**117,030**
Cash flows from investing activities			
Payments for property, plant and equipment		(13,610)	(4,542)
Loss on sale of assets		(40)	(15)
Rental Deposit		-	24
Mine development expenditure		(42,403)	(29,438)
Exploration & evaluation expenditure		(15,723)	(19,405)
Purchase of financial assets at fair value through other comprehensive income		(117)	-
Net cash outflow from investing activities		**(71,893)**	**(53,376)**
Cash flows from financing activities			
Repayment of borrowings		(95,198)	(15,000)
Proceeds from issues of shares		-	106,342
Share issue transaction costs		-	(2,449)
Finance lease payments		(268)	(147)
Borrowing costs		(11)	(259)
Dividends paid to company's shareholders		(16,281)	(2,323)
Net cash (outflow) / inflow from financing activities		**(111,758)**	**86,164**
Net (decrease) / increase in cash and cash equivalents held		(35,182)	149,818
Cash and cash equivalents as at the beginning of the financial year		230,537	80,719
Cash and cash equivalents at end of financial year	20(b)	**195,355**	**230,537**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Western Areas Ltd and Controlled Entities (the 'consolidated group' or 'group').

The separate financial statements of the parent entity, Western Areas Ltd, have not been presented within this financial report as permitted by amendments made to Corporation Act 2001 effective as at 28 June 2010.

The group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The Financial Report was approved by the Board of Directors on 20 August 2015.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Adoption of new and revised Accounting Standards

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Western Areas Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Western Areas Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the Income Statement and Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED...)

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(c) Foreign Currency Transactions and Balances

The financial statements are presented in Australian dollars, which is Western Areas Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(d) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of Goods

Revenue from the sale of nickel is recognised when the risks and rewards of the products pass to the buyer, currently being the point at which the product is delivered on site to the buyer or passes the ships' rail or as otherwise agreed between Western Areas and the buyer. Revenue is recognised at estimated sales value. The estimated sales value is determined by reference to the estimated metal content, metal recovery, the metal price and exchange rate. An adjustment is made to reflect the final sales value when the actual metal content and metal recovery has been determined. The final metal content and metal recovery is generally known between 30 and 90 days after delivery to the customer.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(e) Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories on hand by the method most appropriate to each class of inventory with the majority being valued on an average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

The cost of consumables and spare parts includes cost of materials and transportation costs.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED...)

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Land and buildings are carried at cost, less accumulated depreciation for buildings.

Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(o) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated on a straight line basis over their useful lives or the estimated life of mine, if shorter. Land is not depreciated. The depreciation rates used for each major type of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Property	2-20%
Plant and equipment	2-33% or unit of production basis over the life of mine
Motor vehicles	20%
Furniture and fittings	6-27%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

(h) Exploration and Evaluation Expenditure

Exploration and evaluation expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised for areas of interest where rights of tenure are current, to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operation in relation to the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where it is determined that uncertainty exists as to the ability to recoup carry forward exploration, evaluation and development costs an impairment loss will be raised against the asset and charged against profit in the year that determination is made.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED...)

(i) Mine Properties

Development expenditure incurred by or on behalf of the Consolidated Entity is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises costs directly attributable to the construction of a mine, the related infrastructure and expenditure transferred from the capitalised exploration and evaluation expenditure phase.

Amortisation is charged using the units-of production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortisation charge proportional to the depletion of proved and probable reserves.

Mine properties are tested for impairment in accordance with the policy in Note 1(o).

Costs of site restoration are provided for over the life of the facility from when exploration commences and are included in the costs from that stage. Site restoration costs include obligations relating to dismantling and removing mining plant, reclamation, waste dump rehabilitation and other costs associated with restoration and rehabilitation of the site. Such costs have been determined using estimates for current costs and current legal requirements and technology.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(j) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Western Areas Limited (the 'Head Entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED...)

(l) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as non-current liabilities and are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

The Consolidated Entity has provided benefits to its Key Management Personnel in the form of share-based payments, whereby services were rendered partly or wholly in exchange for shares or rights over shares. The Remuneration and Nomination Committee approved the grant of performance rights as incentives to attract Executives and to maintain their long term commitment to the Company. These benefits are awarded at the discretion of the Board, or following approval by shareholders (equity-settled transactions).

The costs of these equity-settled transactions are measured by reference to the fair value of the equity instruments at the date on which they are granted. The fair value of performance rights granted is determined using the Black Scholes Option Pricing Model ('BSM') that includes a Monte Carlo Simulation Model to value the Rights, further details of which are disclosed in Note 30.

The costs of these equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the equity instrument (vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the Income Statement is the product of (i) the fair value at grant date of the award; (ii) the current best estimate of the number of equity instruments that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met and (iii) the expired portion of the vesting period. The charge to the Income Statement for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an equity instrument has vested, any amounts recorded will be adjusted if more or fewer equity instruments vest than were originally anticipated to do so. Any equity instrument subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the recipient of the award, as measured at the date of modification.

If an equity-settled transaction is cancelled (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new equity instrument is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new equity instrument are treated as if they were a modification of the original award, as described in the preceding paragraph.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED...)

(m) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(n) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the Income Statement immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:
a) the amount at which the financial asset or financial liability is measured at initial recognition;
b) less principal repayments;
c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Financial assets at fair value through profit and loss

As from 1 July 2013, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The group is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognised in profit or loss and presented net in the Income Statement within other income or other expenses in the period in which it arises. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognised or impaired and through the amortisation process using the effective interest rate method.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED...)

(n) Financial Instruments (Continued...)

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other revenue when the group's right to receive payments is established and as long as they represent a return on investment. This treatment has been selected as the equity investments in Mustang Minerals Inc, and Southern Cross Goldfields Limited, as these are deemed to be strategic equity investments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (all other loans and receivables are classified as non-current assets).

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

Derivative financial instruments are used by the consolidated entity to hedge exposures to commodity prices and foreign currency exchange rates.

The group documents at the inception of a transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been, and will continue to be, highly effective in offsetting changes in fair values or cash flows of hedged items.

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Hedging derivatives are either Fair Value Hedges or Cash Flow Hedges.

Fair Value Hedges

Changes in the fair value of derivatives classified as fair value hedges are recognised in the Income Statement, together with any changes in the fair value of the hedge asset or liability that are attributable to the hedged risk.

Cash Flow Hedge

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risk associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

All Other Derivatives

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised in the Income Statement.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED...)

(o) Impairment of Assets

At the end of each reporting period, the group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Reversal of impairment losses

An impairment loss recognised in prior periods for an asset/CGU is reversed if there has been a change in the estimates used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset/CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset/CGU in prior years.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(p) Rounding Amounts

The parent entity has applied the relief available to it under the ASIC Class Order 98/100 and accordingly, amounts in the financial report have been rounded to the nearest $1,000.

(q) Cash and Cash Equivalents

Cash and cash equivalents comprise cash-on-hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

(r) Provisions

Provisions are recognised where the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow is able to be reliably measured.

(s) Convertible Bonds

The component of the convertible bonds that exhibits characteristics of a liability is recognised as a liability in the Statement of Financial Position, net of transaction costs. On issuance of the convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this is carried as a long term liability. The increase in the liability due to the passage of time is recognised as a finance cost.

The remainder of the proceeds are allocated and included in shareholder equity, net of transaction costs. The carrying amount of the convertible bonds is not remeasured in subsequent years.

(t) Critical Accounting Estimates and Balances

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED...)

(t) Critical Accounting Estimates and Balances (Continued...)

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. Costs incurred in or benefits of the productive process are accumulated as stockpiles, copper and other metals in process, ore on leach pads and product inventory. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing metal prices, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number contained metal ounces based on assay data, and the estimated recovery percentage based on the expected processing method.

Although the quantity of recoverable metal is reconciled by comparing the grades of the ore to the quantities of metals actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure. At 30 June 2015, there was $247k impairment charge made to Exploration, Evaluation and Development.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

Provision for restoration and rehabilitation

Provision is made for the costs of Restoration and Rehabilitation when the related environmental disturbance takes place as outlined in Note 16. The provision recognised represents management's best estimate of the costs that will be incurred, but significant judgement is required as many of these costs will not crystallise until the end of the life of the mine. Estimates are reviewed annually and are based on current regulatory requirements and the estimated useful life of the mine. Engineering and feasibility studies are undertaken periodically, however significant changes in the estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in Note (l), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED...)

(u) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit and loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(v) Comparative figures

Where necessary, comparative figures have been restated to conform with changes in presentation for the current year.

(w) Intangibles

Expenditure during the research phase of a project is recognised as an expense when incurred. Patents and trademarks are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Patents and trademarks have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(x) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(y) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquire is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(z) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED...)

(aa) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- The profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year (Note 19).

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(ab) New Accounting Standards and Interpretations not yet mandatory or early adopted

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition.

The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied.

Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

NOTE 2: OTHER INCOME

	Notes	Consolidated Entity 2015 $'000	Consolidated Entity 2014 $'000
- Interest income		4,749	3,250
- Income on sale of carbon credits		768	5,370
Total other income		**5,517**	**8,620**

NOTE 3: PROFIT BEFORE INCOME TAX

	Notes	2015 $'000	2014 $'000
Profit before income tax includes the following specific expenses:			
- Administration and other expenses:			
Administration and other expenses – Western Areas		6,642	6,621
Administration and other expenses – FinnAust Mining		704	3,293
Total administration and other expenses		7,346	9,914
- Depreciation of property, plant and equipment	9	15,077	14,441
- Amortisation of mine development asset	12	50,737	69,038
- Rental expenditure relating to operating leases		1,403	1,210
- Realised derivative (gains) / losses		(2,181)	2,860
- Changes in fair value of derivatives		(231)	(521)
- Employee benefits expense			
Defined contribution superannuation expense		2,288	1,974
- Finance costs:			
Interest expense – borrowings		8,046	14,774
Provisions: unwinding of discount		725	764
Bond accretion expense		5,429	8,723
Interest expense – finance leases		33	30
Borrowing costs amortised		1,239	2,301
Total borrowing costs		**15,472**	**26,592**

NOTE 4: INCOME TAX

	Notes	Consolidated Entity 2015 $'000	Consolidated Entity 2014 $'000
The components of the tax expense comprise:			
- Current tax		12,585	12,899
- Deferred tax	13	2,893	613
- R&D Tax offset		(1,688)	(887)
- Adjustment of current tax for prior periods		371	(316)
- Income tax benefit on share based payments		(1,108)	-
Income tax expense		**13,053**	**12,309**

The prima facie tax on the profit from ordinary activities before income tax at the statutory income tax rate to income tax expense at the groups' effective income tax rate is as follows:

	2015 $'000	2014 $'000
Prima facie tax on profit before income tax at 30% (2014: 30%)	14,420	11,330
Adjusted for the tax effect of:		
- Changes in fair value of derivatives	(69)	(156)
- Share based payment expense	471	587
- Other non allowable items	71	37
- Share issue costs deductible	(242)	-
- Other temporary differences	(2,119)	(2,106)
- Income tax benefit on share based payments	(1,108)	-
- Convertible bond accretion expense	1,629	2,617
Tax Expense	**13,053**	**12,309**

NOTE 5: DIVIDENDS

	2015 $'000	2014 $'000
Dividends proposed		
A fully franked final dividend of 4 cents per share is proposed for the year ended 30 June 2015 (2014: 4 cents fully franked). This has not been recognised in the 30 June 2015 financial year as it's a non-adjusting subsequent event.	9,326	9,292
Dividends paid		
A fully franked final dividend of 4 cents per share was paid for the year ended 30 June 2014 (2013: 0 cents).	9,292	-
Interim fully franked ordinary dividend of 3 cent (2014: 1 cent fully franked) per share.	6,989	2,323
	16,281	**2,323**

	Notes	Consolidated Entity 2015 $'000	Consolidated Entity 2014 $'000

NOTE 6: TRADE AND OTHER RECEIVABLES

	Notes	2015 $'000	2014 $'000
Trade debtors		11,278	29,942
Other debtors		830	398
GST refund due		629	-
Prepayments		3,237	2,526
		15,974	**32,866**

There are no balances within trade and other receivables that contain amounts that are past due. It is expected the balances will be received when due.

NOTE 7: INVENTORIES

	Notes	2015 $'000	2014 $'000
Ore stockpiles – at cost		18,357	33,350
Nickel concentrate stockpiles – at cost		1,143	2,065
Consumables and spare parts – at cost		3,907	3,792
		23,407	**39,207**

NOTE 8: FINANCIAL ASSETS

Financial assets at fair value through other comprehensive income include the following classes of financial assets:

Non-current assets

	Notes	2015 $'000	2014 $'000
Listed securities:			
- Equity securities		954	1,263
		954	**1,263**

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Notes	2015 $'000	2014 $'000
Property – at cost		44,264	41,061
Accumulated depreciation		(19,530)	(15,340)
		24,734	25,721
Plant & equipment – at cost		141,000	131,588
Accumulated depreciation		(66,334)	(55,586)
		74,666	76,002
Plant & equipment under lease		1,455	1,302
Accumulated depreciation		(874)	(735)
		581	567
Total property, plant & equipment – at cost		186,719	173,951
Accumulated Depreciation		(86,738)	(71,661)
Total		**99,981**	**102,290**

Assets Pledged as Security
The property, plant and equipment are assets over which a mortgage has been granted as security over project loans. The terms of the mortgage preclude the assets from being sold or being used as security for further mortgages without the permission of the existing mortgagor. Assets under lease are pledged as security for the associated lease liabilities.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED...)

Movement in carrying amounts:

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current year:

	Notes	Consolidated Entity	
		2015 $'000	2014 $'000
Property			
Written down value at the beginning of the year		25,721	29,609
- Additions		3,203	136
- Depreciation expense		(4,190)	(4,024)
Written down value at the end of the year		**24,734**	**25,721**
Plant & Equipment			
Written down value at the beginning of the year		76,003	82,125
- Additions		9,411	4,174
- Depreciation expense		(10,748)	(10,296)
Written down value at the end of the year		**74,666**	**76,003**
Plant & Equipment under Lease			
Written down value at the beginning of the year		566	376
- Additions		154	311
- Depreciation expense		(139)	(121)
Written down value at the end of the year		**581**	**566**

NOTE 10: INTANGIBLE ASSETS

Capitalised patents and trademarks costs – at cost		525	525
Write-off		(19)	-
Written down value at the end of the year		**506**	**525**

NOTE 11: EXPLORATION & EVALUATION EXPENDITURE

Exploration & Evaluation Expenditure consists of:			
- At cost		60,979	49,278
- Accumulated impairment loss		-	(2,270)
Total Exploration and Evaluation Expenditure		**60,979**	**47,008**

Movement in carrying amount:

Movement in the carrying amounts for exploration and evaluation expenditure between the beginning and the end of the current period:

Exploration & Evaluation Expenditure			
Written down value at the beginning of the year		47,008	32,182
- Expenditure incurred during the year		14,199	17,942
- Write-off		(228)	(846)
- Impairment charge		-	(2,270)
Written down value at the end of the year		**60,979**	**47,008**

NOTE 11: EXPLORATION & EVALUATION EXPENDITURE (CONTINUED...)

Impairment and write-off

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Management regularly evaluates the recoverability of exploration and evaluation assets.

At 30 June 2015, Management have assessed that exploration expenditure in relation to specific areas of interest that were impaired in the prior year have not lead to the discovery of commercially viable quantities of mineral resources and have therefore decided to write the impairment off, as such $2.3 million has been written off. A further $228k has been written off in the current financial year for exploration spend mainly related to tenement maintenance and abandonment costs on previously written off areas.

Carry Forward Exploration & Evaluation Expenditure

The recovery of the costs of exploration and evaluation expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits and their subsequent development and exploitation or alternatively their sale.

NOTE 12: MINE PROPERTIES

	Notes	Consolidated Entity	
		2015 $'000	2014 $'000
Capitalised development expenditure consists of:			
- Mine development		144,544	140,847
- Acquisition of mining assets		59,796	59,796
- Exploration expenditure transfer		76,000	76,000
- Deferred mining expenditure		313,061	272,002
- Capitalised restoration costs		11,645	11,645
- Capitalised interest		11,175	11,175
- Accumulated amortisation		(415,768)	(365,031)
Total Mine Development		**200,453**	**206,434**

Movement in carrying amount:

Movement in the carrying amounts for mine development expenditure between the beginning and the end of the current period:

Development Expenditure		
Written down value at the beginning of the year	206,434	241,776
- Additions	44,756	27,894
- Increase in restoration provision	-	5,802
- Amortisation charge for the year	(50,737)	(69,038)
Written down value at the end of the year	**200,453**	**206,434**

NOTE 13: DEFERRED TAX LIABILITIES

	Notes	Consolidated Entity 2015 $'000	Consolidated Entity 2014 $'000
The balance comprises temporary differences attributable to:			
(a) Liabilities			
- Exploration & evaluation expenditure		(46,858)	(27,929)
- Property, plant and equipment		(3,106)	(4,106)
- Other		(40)	(376)
		(50,004)	(32,411)
(b) Assets			
- Provisions		4,794	4,532
- Mine development		29,742	16,571
- Employee share trust		1,222	-
- Other		111	66
		35,869	21,169
Net deferred tax liabilities		**(14,135)**	**(11,242)**
(c) Reconciliation			
(i) Gross movement The overall movement in the deferred tax account is as follows:			
Opening balance		(11,242)	(10,629)
Debit to Income Statement		(2,893)	(613)
Closing balance		(14,135)	(11,242)
(ii) Deferred tax liability The movement in the deferred tax liabilities for each temporary difference during the year is as follows:			
Exploration & development expenditure			
Opening balance		(27,929)	(24,120)
Debit to Income Statement		(18,929)	(3,809)
Closing balance		(46,858)	(27,929)
Property, plant and equipment			
Opening balance		(4,106)	(5,036)
Credit to Income Statement		1,000	930
Closing balance		(3,106)	(4,106)
Other			
Opening balance		(376)	(706)
Credit to Income Statement		336	330
Closing balance		(40)	(376)

NOTE 13: DEFERRED TAX LIABILITIES (CONTINUED...)

(iii) Deferred tax assets

The movement in the deferred tax assets for each temporary difference during the year is as follows:

	Notes	Consolidated Entity 2015 $'000	Consolidated Entity 2014 $'000
Provisions			
Opening balance		4,532	2,469
Credit to Income Statement		262	2,063
Closing balance		4,794	4,532
Mine development			
Opening balance		16,571	16,764
Credit / (Debit) to Income Statement		13,171	(193)
Closing balance		29,742	16,571
Employee share trust			
Opening balance		-	-
Credit to Income Statement		1,222	-
Closing balance		1,222	-
Other			
Opening balance		66	-
Credit to Income Statement		45	66
Closing balance		111	66

NOTE 14: TRADE & OTHER PAYABLES

	Notes	2015 $'000	2014 $'000
Trade payables		2,421	1,503
Accrued expenses		22,943	22,781
Accrued interest on convertible bonds (Note 15b)		4,000	7,034
		29,364	**31,318**

NOTE 15: BORROWINGS

	Notes	2015 $'000	2014 $'000
Current			
Corporate loan facility	15 (a)	-	-
Convertible bonds	15 (b)	125,000	95,198
Insurance funding		1,568	-
Lease liabilities	15 (c) & 21 (b)	218	214
		126,786	**95,412**
Non Current			
Convertible bonds	15 (b)	-	119,571
Convertible bonds borrowing costs		-	(760)
Lease liabilities	15 (c) & 21(b)	210	329
		210	**119,140**

NOTE 15: BORROWINGS (CONTINUED...)

(a) Corporate loan facility

The Corporate Loan facility is available for broad company purposes as agreed between the Australia and New Zealand Banking Group Ltd (ANZ) and Western Areas Ltd. In April 2014, the Company executed a revised loan facility that extends the existing loan facility between ANZ and Western Areas Ltd. At 30 June 2015, the maximum facility limit was $110M, is undrawn and remains in place until March 2017.

The carrying value of assets secured under the corporate loan facility is as follows:

	Notes	Consolidated Entity	
		2015 $'000	2014 $'000
Mine properties		200,453	206,434
Property, plant & equipment		99,400	101,156
		299,853	**307,590**
(b) Convertible bonds			
Current			
Convertible bonds (Issued April 2010)		125,000	95,198
Non-current			
Convertible bonds (Issued April 2010)		-	119,571
Total convertible bonds borrowing		**125,000**	**214,769**

The convertible bonds issued in April 2010 matured on 2 July 2015 and were paid off subsequent to the reporting period. Interest payable on the convertible bonds was 6.4%.

(c) Lease liabilities

The lease liabilities are secured over the assets under the lease. The finance leases have an average term of three years and an average implicit discount rate of 5.1%. Refer to Note 9 for the carrying value of the assets under lease.

NOTE 16: PROVISIONS

	Notes	2015	2014
Current			
Employee Entitlements	16 (a)	**2,457**	**2,153**
Non Current			
Rehabilitation and restoration cost			
Opening balance		12,798	6,298
Additional provision raised		-	5,803
Unwinding of discount		725	764
Rehabilitation expenditure incurred during the period		-	(67)
Closing balance	16 (b)	**13,523**	**12,798**

(a) Employee entitlements relate to the balance of annual leave and long service leave accrued by the consolidated entity's employees. Recognition and measurement criteria have been disclosed in Note 1.

(b) Rehabilitation and restoration costs relate to an estimate of restoration costs that will result from the development of the Forrestania Nickel Project. The current mine life is 10 years, after which time the rehabilitation activities will be undertaken.

NOTE 17: DERIVATIVE FINANCIAL INSTRUMENTS

	Notes	Consolidated Entity	
		2015 $'000	**2014 $'000**
Current Assets			
Nickel collar options	28 (c)	**-**	**10**
Current Liabilities			
Nickel collar options	28 (c)	-	746
Foreign exchange options		224	-
		224	**746**

Collar options are used to hedge cash flow risk associated with future transactions. Gains and losses arising from changes in the fair value of derivatives are initially recognised directly in the Statement of Comprehensive Income. At the date of settlement, amounts included in the hedge reserve are transferred from equity and included in the Income Statement.

NOTE 18: ISSUED CAPITAL

Issued capital

233,149,778 fully paid ordinary shares (2014: 232,310,014)	369,936	369,936

Movements in issued capital

2015	**Number of Shares**	**$'000**
Balance at beginning of the financial year	232,310,014	369,936
- Performance rights vested issued as shares	839,764	-
Balance at end of the financial year	**233,149,778**	**369,936**

2014	**Number of Shares**	**$'000**
Balance at beginning of the financial year	196,843,803	266,043
- Issued via share placement	35,466,211	106,342
- Share issue expense	-	(2,449)
Balance at end of the financial year	**232,310,014**	**369,936**

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business. There were no changes to the consolidated entity's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Board effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

Performance rights

Information relating to performance rights issued, exercised, lapsed during the year and the performance rights outstanding at the end of the year are detailed in Note 30 Share Based Payments.

Terms and conditions of ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTE 19: EARNINGS PER SHARE

	Notes	Consolidated Entity 2015 $'000	Consolidated Entity 2014 $'000
Earnings used to calculate basic / diluted earnings per share		35,013	25,460

	2015 Number	2014 Number
Weighted average number of ordinary shares outstanding during the year used in calculating earnings per share	232,559,757	208,025,041
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive earnings per share	234,847,060	210,127,619

NOTE 20: CASH FLOW INFORMATION

a) Reconciliation of the net profit after tax to net cash provided by operating activities

	2015 $'000	2014 $'000
Profit after income tax	35,013	25,460
Depreciation expense	15,077	14,441
Amortisation expense	51,976	71,339
Convertible bonds accretion expense	5,429	8,723
Impairment / write-off expenses	247	3,116
Interest receivable	360	416
Other	68	(298)
Share based payment expense	1,569	1,956
Changes in fair value of derivatives	231	521
Rehabilitation provision interest unwound	725	764
Provision for employee entitlements	304	221
Foreign currency translation reserve	1,114	(787)
Change in Assets and Liabilities		
Decrease in trade and other payables	(319)	(357)
Decrease / (increase) in inventories	15,914	(8,889)
Decrease / (increase) in trade and other receivables	18,401	(15,354)
Decrease in interest payable	(3,034)	(478)
Increase in tax liabilities	3,847	9,864
Movement in non-controlling interest	1,547	6,372
Net cash provided by operating activities	**148,469**	**117,030**

b) Reconciliation of Cash and Cash Equivalents

	2015 $'000	2014 $'000
Cash and cash equivalents comprises:		
Cash on hand and at bank	**195,355**	**230,537**

The cash at bank on 30 June 2015 includes restricted cash of $4.0 million (2014: $7.0 million) interest on convertible bonds and $125 million (2014: $95.2 million) convertible bonds repayment payable on 2 July 2015.

NOTE 20: CASH FLOW INFORMATION (CONTINUED...)

c) Financing Facilities Available

As at the reporting date the Consolidated Entity had the following financing facilities in place:

	Total Facility	Utilised at Balance Date	Available Facilities (*)
	$'000	$'000	$'000
Banking Facilities:-			
ANZ Banking Group			
- Cash advance facility*	110,000	-	110,000
Performance Guarantees:-			
ANZ Banking Group			
- Security bond facility	10,000	636	9,364
	120,000	**636**	**119,364**

* The facility is made available to the Company upon satisfaction of conditions precedent typically associated with corporate loans. At 30 June 2015, the maximum facility limit was $110M, is undrawn and remains in place until March 2017.

d) Non Cash Financing Activities

During the year, the Consolidated Entity acquired plant & equipment by means of a finance lease to the value of $153k (2014: $311k).

NOTE 21: COMMITMENTS

The Directors are not aware of any commitments as at the date of these financial statements other than those listed below.

a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

	Notes	Consolidated Entity	
		2015 $'000	2014 $'000
- no later than 1 year		968	967
- later than 1 year and not later than 5 years		2,956	3,871
Lease expenditure contracted for at year end		3,924	4,838

The operating leases are for miscellaneous office equipment and office premises in West Perth. The West Perth office lease expires September 2018.

b) Finance Lease Commitments

- no later than 1 year	218	214
- later than 1 year and not later than 5 years	210	328
Total Minimum Lease Payments	428	542
- future finance charges	22	48
Total Lease Liability	450	590
- current	227	236
- non current	223	354
	450	590

The finance lease commitments relate primarily to motor vehicles, but also include some office equipment. Motor vehicles are finance leased under three year contracts at normal commercial rates, balloon payments are generally required at the expiry of the finance lease, at which point the Company takes ownership of the vehicle.

NOTE 21: COMMITMENTS (CONTINUED...)

c) Capital Expenditure Commitments

	Notes	Consolidated Entity	
		2015 $'000	2014 $'000
- no later than 1 year		34,500	-
- later than 1 year and not later than 5 years		11,377	-
Total minimum commitments		45,877	-

On 19 June 2015, the Company announced a binding agreement with Xstrata Nickel Australasia Operations Pty Ltd, a subsidiary of Glencore, to acquire the Cosmos Nickel Complex. The acquisition price of A$24.5m is payable in instalments of A$11.5m at close and two deferred payments of A$7m and A$6m nine and eighteen months post-closing respectively. Commitment is subject to terms and conditions of the binding agreement.

On 21 July 2015, the Company announced the commencement of the mill enhancement project with GR Engineering. A total of $16m is expected to be spent no later than 1 year and $5.4m in the financial year beginning 1 July 2016.

d) Exploration Expenditure Commitments

	2015 $'000	2014 $'000
- no later than 1 year	4,170	4,595
- later than 1 year and not later than 5 years	16,678	20,422
Total Minimum Payments	20,848	25,017

Under the terms and conditions of the Company's title to its various tenements, it has an obligation to meet tenement rents and minimum levels of exploration expenditure as gazetted by the Department of Mines and Petroleum.

NOTE 22: AUDITOR REMUNERATION

	2015 $'000	2014 $'000
During the year the following fees were paid or payable for services provided by the auditor of the Company:		
- Audit and review of financial statements	125	128
- Audit of Jobs and Competitiveness Program Assistance Application	14	7
	139	135

NOTE 23: MATERIAL CONTRACTS

The Company has two main customers. A summary of the key terms of the off-take agreements entered into with these customers are detailed below. Credit risk associated with these customers is detailed in Note 28.

In May 2009, the Company entered a Concentrate Purchase Agreement ('CPA') with BHP Billiton Ltd. Under the terms of this agreement, BHP Billiton are entitled to purchase up to 10,000 tonnes per annum of nickel in concentrate produced from the Forrestania tenements. The agreement is for a term of 7.5 years. In March 2012, the quantity of nickel in concentrate sold to BHP was increased to 12,000 tonnes per annum.

In March 2014, the Company entered into a new Sale and Purchase Agreement for Nickel Concentrates with Jinchuan Group Ltd ('Jinchuan') to deliver up to 26,000 tonnes of nickel in concentrate. This equates to approximately 2 years of nickel shipments.

NOTE 24: CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities as at the date of these financial statements.

NOTE 25: SUBSEQUENT EVENTS

On 20 August 2015, the Board of Directors declared a final fully franked dividend of 4 cents per share to the holders of fully paid ordinary shares.

On 2 July 2015, the Consolidated Entity repaid the final outstanding $125 million of convertible bonds issued in April 2010. The payment was made from existing cash reserves.

Other than matters detailed above, there have been no subsequent events after 30 June 2015 which have a material effect on the financial statements for the year ended 30 June 2015.

NOTE 26: STATEMENT OF OPERATIONS BY SEGMENTS

Identification of reportable segment

The group identifies its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

NOTE 27: KEY MANAGEMENT PERSONNEL

Key Management Personnel

Key management personnel of the Consolidated Entity (as defined by AASB 124: Related Party transactions) include the following:

I Macliver	Chairman (Non-Executive)
J Hanna	Director (Non-Executive)
R Yeates	Director (Non-Executive)
C Readhead	Director (Non-Executive)
T Netscher	Director (Non-Executive) (Appointed 1 August 2014)
R Dunbar	Director (Non-Executive) (Resigned 15 January 2015)
D Lougher	Managing Director
D Southam	Executive Director
J Belladonna	Chief Financial Officer / Company Secretary
W Jones	General Manager Operations
C Wilkinson	General Manager Exploration
G Marshall	General Manager Commercial

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the group's key management personnel for the year ended 30 June 2015.

The total of remuneration paid to key management personnel of the Consolidated Entity during the year is detailed below:

	2015 '000	2014 '000
Short term employee benefits	5,113	4,649
Share based payments	1,461	1,795
Post-employment benefits	297	207
	6,871	6,651

NOTE 28: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Treasury Committee consisting of senior management and non-executive board members meets on a regular basis to analyse and discuss amongst other issues, monitoring and managing financial risk exposures of the Consolidated Entity. The Treasury Committee monitors the Consolidated Entity financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counter party credit risk, currency risk, financing risk and interest rate risk.

The Treasury Committee's overall risk management strategy seeks to assist the Consolidated Entity in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and commodity and equity price risk.

NOTE 28: FINANCIAL RISK MANAGEMENT (CONTINUED...)

a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets exposed to credit risk is detailed below:

	2015 '000	2014 '000
Cash and cash equivalents	195,355	230,537
Trade and other receivables	15,974	32,866
Financial assets at fair value through other comprehensive income	954	1,263
Derivative financial instruments	-	10

Cash and cash equivalents and derivative financial instruments

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

Trade and other receivables

The consolidated entity does not have significant credit risk exposure to trade receivables as the consolidated entity's customers are considered to be of high credit quality. There were no balances within trade and other receivables that are past due. It is expected these balances will be received when due.

Financial assets at fair value through other comprehensive income

Credit risk on financial assets at fair value through other comprehensive income is minimised by undertaking transactions with recognised counterparties on recognised exchanges.

b) Liquidity Risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms which include:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities, to the extent that they exist;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing surplus cash only with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

NOTE 28: FINANCIAL RISK MANAGEMENT (CONTINUED...)

b) Liquidity Risk (Continued...)

The tables below reflect an undiscounted contractual maturity analysis for financial assets and liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

The Consolidated Entity's contractual maturity analysis of financial assets and financial liabilities is shown below:

2015 Consolidated Entity	1 year or less $'000	Over 1 to 5 years $'000	More than 5 years $'000	Total contractual cash flows $'000
Financial Assets – Non Derivative				
Cash and Cash Equivalents	195,355	-	-	**195,355**
Trade and Other Receivables	15,974	-	-	**15,974**
Financial assets at fair value through other comprehensive income	-	-	954	**954**
Financial Assets – Derivative				
Derivative Collar Options (net settled)	-	-	-	-
	211,329	-	954	**212,283**
Financial Liabilities – Non Derivative				
Trade and Other Payables	29,364	-	-	**29,364**
Convertible Bonds	125,000	-	-	**125,000**
Insurance funding	1,568	-	-	**1,568**
Lease Liabilities	218	210	-	**428**
Financial Liabilities – Derivative				
Derivative Collar Options (net settled)	224	-	-	**224**
	156,374	210	-	**156,584**
Net Financial Assets/(Liabilities)	**54,955**	**(210)**	**954**	**55,699**

2014 Consolidated Entity	1 year or less $'000	Over 1 to 5 years $'000	More than 5 years $'000	Total contractual cash flows $'000
Financial Assets – Non Derivative				
Cash and Cash Equivalents	230,537	-	-	**230,537**
Trade and Other Receivables	32,866	-	-	**32,866**
Financial assets at fair value through other comprehensive income	-	-	1,263	**1,263**
Financial Assets – Derivative				
Nickel Collar Options (net settled)	10	-	-	**10**
	263,413		1,263	**264,676**
Financial Liabilities – Non Derivative				
Trade and Other Payables	31,318	-	-	**31,318**
Convertible bonds	95,198	133,000	-	**228,198**
Lease liabilities	214	328	-	**542**
Financial Liabilities – Derivative				
Collar options (net settled)	746	-	-	**746**
	127,476	133,328	-	**260,804**
Net Financial Assets/(Liabilities)	**135,937**	**(133,328)**	**1,263**	**3,872**

NOTE 28: FINANCIAL RISK MANAGEMENT (CONTINUED...)

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, price risk and currency risk.

i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Interest rate risk is managed using a mix of fixed and floating rate debt.

At the reporting date, the interest rate risk profile of the consolidated entity's interest bearing financial instruments was as follows:

2015 Consolidated Entity		Fixed Interest maturing in:					
	Floating Interest Rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-Interest Bearing	Total	Weighted Average Interest Rate
	$'000	$'000	$'000	$'000	$'000	$'000	
Financial Assets							
Cash and Cash Equivalents	195,355	-	-	-	-	**195,355**	2.0%
Trade and Other Receivables	-	-	-	-	15,974	**15,974**	
Financial assets at fair value through other comprehensive income	-	-	-	-	954	**954**	
	195,355	-	-	-	16,928	**212,283**	
Financial Liabilities							
Trade and Other Payables		-	-	-	(29,786)	**(29,786)**	
Convertible bonds	-	(125,000)	-	-	-	**(125,000)**	6.4%
Insurance funding	-	(1,568)	-	-	-	**(1,568)**	2.5%
Lease liability	-	(218)	(210)	-	-	**(428)**	5.1%
		(126,786)	(210)	-	-	**(156,782)**	
Net Financial Assets / (Liabilities)	**195,355**	**(126,786)**	**(210)**	**-**	**(12,858)**	**55,501**	

2014 Consolidated Entity		Fixed Interest maturing in:					
	Floating Interest Rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-Interest Bearing	Total	Weighted Average Interest Rate
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets							
Cash and Cash Equivalents	230,537	-	-	-	-	**230,537**	3.0%
Trade and Other Receivables	-	-	-	-	32,866	**32,866**	
Financial assets at fair value through other comprehensive income	-	-	-	-	1,263	**1,263**	
	230,537	-	-	-	34,129	**264,666**	
Financial Liabilities							
Trade and Other Payables	-	-	-	-	(31,318)	**(31,318)**	
Convertible bonds	-	(95,198)	(125,000)	-	-	**(220,198)**	6.4%
Lease liability	-	(214)	(328)	-	-	**(542)**	6.0%
	-	(95,412)	(125,328)	-	(31,318)	**(252,058)**	
Net Financial Assets / (Liabilities)	**230,537**	**(95,412)**	**(125,328)**	**-**	**2,811**	**12,608**	

Interest rate sensitivities have not been included in the financial report as the changes in profit before tax due to changes in interest rate is not material to the results of the Consolidated Entity.

NOTE 28: FINANCIAL RISK MANAGEMENT (CONTINUED...)

c) Market Risk (Continued...)

ii) Price Risk

a) Equity Price Risk

The consolidated entity is exposed to equity securities price risk. This arises from investments held by the group and classified on the Statement of Financial Position as financial assets at fair value through other comprehensive income.

A majority of the Consolidated Entity's equity investments are publicly traded and are quoted either on the ASX or the TSX.

The table below summarises the impact of increases/decreases of these two indexes on the Consolidated Entity's comprehensive income. The analysis is based on the assumption that the equity indexes had increased by 10%/decreased by 10% (2014 - increased by 10%/decreased by 10%) and foreign exchange rate increased by 5%/decrease by 5% (2014 increased by 5%/ decrease by 5%) with all other variables held constant and all the Consolidated Entity's equity instruments moved according to the historical correlation with the index. The percentages are the sensitivity rates used when reporting equity price risk internally to key management personnel and represents management's assessment of the possible change in equity prices.

	Impact on comprehensive income	
Financial assets at fair value through other comprehensive income Index	**30 June 2015 $'000**	**30 June 2014 $'000**
ASX	7	7
TSX	182	177

Comprehensive income would increase/decrease as a result of gains/losses on equity securities classified as financial assets at fair value through other comprehensive income. A decrease in the share price and exchange rate would result in a further decrease in fair value compared to cost.

b) Commodity Price Risk

The Consolidated Entity is exposed to commodity price risk. Commodity price risk arises from the sale of nickel. The entity manages its commodity price risk exposure arising from future commodity sales through sensitivity analysis, cash flow management and forecasting and where appropriate utilise derivative financial instruments to reduce price risk.

The following table details the Consolidated Entity's sensitivity to a USD 500 / tonne increase and decrease in the nickel price. USD 500 is the sensitivity rate used when reporting commodity price risk internally to key management personnel and represents management's assessment of the possible change in commodity price. The table below assumes all other variables remaining constant.

Sensitivity analysis	**Profit**	**Equity**
	$'000	**$'000**
Year Ended 30 June 2015		
+- $500 / tonne nickel	499	(499)

	Profit	**Equity**
	$'000	**$'000**
Year Ended 30 June 2014		
+- $500 / tonne nickel	+/- 1,519	+/- 1,519

NOTE 28: FINANCIAL RISK MANAGEMENT (CONTINUED...)

c) Market Risk (Continued...)

ii) Price Risk (Continued...)

Nickel Collar Options

The Consolidated Entity enters into financial transactions in the normal course of business and in line with Board guidelines for the purpose of hedging and managing its expected exposure to nickel prices. The hedges are treated as cash flow hedges in accordance with AASB 9 'Financial Instruments: Recognition and Measurement'.

There were no nickel collar options and swaps open at 30 June 2015. Additional information on nickel collar options and swaps open at 30 June 2014 is detailed in the table below:

	30 June 2015		30 June 2014	
	Collar Options	Swaps	Collar Options	Swaps
Nickel Tonnes	-	-	750	300
Average US Price ($/tonne)	-	-	-	17,400
USD Value ($'000)	-	-	-	5,220
US Price ($/tonne) Cap	-	-	17,750	-
USD Value ($'000)	-	-	13,313	-
US Price ($/tonne) Floor	-	-	23,650	-
USD Value ($'000)	-	-	17,738	-

iii) Currency Risk

Currency risk arises when future commercial transactions and recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency. The Consolidated Entity manages its foreign currency risk exposure through sensitivity analysis, cash flow management, forecasting and where appropriate, utilises derivative financial instruments. The carrying amount of the Consolidated Entity's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	30 June 2015		30 June 2014	
	Financial liabilities	Financial assets	Financial liabilities	Financial assets
US$ '000	-	24,224	-	59,107
UK Stirling '000	-	795	-	1,706

NOTE 28: FINANCIAL RISK MANAGEMENT (CONTINUED...)

c) Market Risk (Continued...)

iii) Currency Risk (Continued...)

The following table details the Consolidated Entity's sensitivity to a 5% increase and decrease in the Australian Dollar against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

Sensitivity analysis	Profit $'000	Equity $'000
Year Ended 30 June 2015		
+ 5% in $A/$US	612	612
- 5% in $A/$US	(554)	(554)

	Profit $'000	Equity $'000
Year Ended 30 June 2014		
+ 5% in $A/$US	(2,598)	(2,598)
- 5% in $A/$US	2,871	2,871

Foreign exchange collar options

The consolidated entity did not have any open foreign exchange collar options at 30 June 2015 relating to highly probable forecast transactions and recognised financial assets and financial liabilities. These contracts commit the group to buy and sell specified amounts of foreign currencies in the future at specified exchange rates. The hedges are treated as cash flow hedges in accordance with AASB 9 'Financial Instruments: Recognition and Measurement'.

The following table summarises the notional amounts of the consolidated entity's commitments in relation to foreign exchange collar options. The notional amounts do not represent amounts exchanged by the transaction counter parties and are therefore not a measure of the exposure of the consolidated entity through the use of these contracts.

	Notional Amounts		Exchange Rate	
Consolidated Group	**2015 $000**	**2014 $000**	**2015 $**	**2014 $**
Buy AUD / Sell USD			Put Call	Put Call
Settlement				
- less than 6 months	40,000	-	0.83-0.72	-
- 6 months to 1 year	15,000	-	0.78-0.70	-

NOTE 28: FINANCIAL RISK MANAGEMENT (CONTINUED...)

d) Net fair values

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the group. Most of these instruments which are carried at amortised cost are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the group.

		2015		2014	
		Carrying Amount $'000	Net Fair Value $'000	Carrying Amount $'000	Net Fair Value $'000
Financial Assets:					
Cash and cash equivalents	(i)	195,355	195,355	230,537	230,537
Financial assets at fair value through other comprehensive income	(ii)	954	954	1,263	1,263
Derivative financial assets	(iii)	-	-	10	10
Loans and receivables	(i)	15,974	15,974	32,866	32,866
		212,283	212,283	264,676	264,676

		2015		2014	
		Carrying Amount $'000	Net Fair Value $'000	Carrying Amount $'000	Net Fair Value $'000
Financial Liabilities:					
Trade and other payables	(i)	29,364	29,364	31,318	31,318
Convertible bonds	(iv)	125,000	125,000	214,769	220,198
Derivative financial liabilities	(iii)	224	224	746	746
Insurance premium facility	(iv)	1,568	1,568	-	-
Other liabilities	(i)	428	428	542	542
		156,584	156,584	247,375	252,804

NOTE 28: FINANCIAL RISK MANAGEMENT (CONTINUED...)

d) Net fair values (Continued...)

The fair values disclosed in the above table have been determined based on the following methodologies:

i) Cash and cash equivalents, trade and other receivables and trade and other liabilities are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.
ii) Quoted closing bid prices at reporting date.
iii) Fair valuation performed by financial risk management firm which include valuation techniques incorporating observable market data relevant to the hedged position.
iv) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at reporting date for similar types of loans and advances. Differences between fair values and carrying values largely represent movements of the effective interest rate determined on initial recognition and current market rates.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Consolidated Group	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
2015				
Financial assets:				
Financial assets at fair value through other comprehensive income	954	-	-	954
Financial liabilities:				
Derivative financial instruments	-	224	-	224
2014				
Financial assets:				
Financial assets at fair value through other comprehensive income	1,263	-	-	1,263
Derivative financial instrument	-	10	-	10
Total financial assets	1,263	10	-	1,273
Financial liabilities:				
Derivative financial instruments	-	746	-	746

NOTE 29: RELATED PARTY TRANSACTIONS

There were no other related party transactions during the financial year other than those included in this note and the key management compensation as disclosed in the Directors' Report.

Mr Craig Readhead, a Non-Executive Director of the Company since 26 June 2014, was a partner of Allion Legal during FY15, a law firm that the Company engages from time to time for the provision of legal services and advice. All FY15 fees were negotiated on an arm's length basis and totalled $121,008. Mr Readhead retired as a partner of Allion Legal as at 1 July 2015.

NOTE 30: SHARE BASED PAYMENTS

(a) Expenses arising from share based transactions

	Consolidated Entity	
	2015 $'000	2014 $'000
Equity settled share options and performance rights granted during:		
Year ended 30 June 2015	551	-
Year ended 30 June 2014	761	525
Year ended 30 June 2013	257	1,068
Year ended 30 June 2012	-	363
Total expense recognised as employee costs	1,569	1,956

(b) Performance rights

Under the Performance Rights plan, Executives are granted a right to be issued a share in the future subject to the performance based vesting conditions being met. The Company's share price performance is measured via a relative total shareholder return ('TSR'). The Company's TSR will be measured against a customised peer group of companies.

For grants made under the Long Term Incentive (LTI) plan during FY13, vesting will occur subject to the meeting of a three year service condition to 30 June 2015 and performance conditions as follows:

- Two thirds of the rights will be performance tested against the relative TSR measure for the period 1 July 2012 to 30 June 2014.
- One-third of the rights will be performance tested against the relative TSR measure for the period 1 July 2012 to 30 June 2015.

For grants made under the LTI plan during FY14, vesting will occur subject to the meeting of a three year service condition to 30 June 2016 and the performance condition tested against the relative TSR measure for the period 1 July 2013 to 30 June 2016.

For grants made under the LTI plan during FY15, vesting will occur subject to the meeting of a three year service condition to 30 June 2017 and the performance condition tested against the relative TSR measure for the period 1 July 2014 to 30 June 2017.

The following table sets out the vesting outcome based on the Company's relative TSR performance:

Relative TSR performance	Performance Vesting Outcomes
Less than 50th percentile	0% vesting
At the 50th percentile	50% vesting
Between 50th and 75th percentile	Pro-rata / progressive vesting from 50% - 100%
At or above 75th percentile	100% vesting

No Performance Rights will vest unless the percentile ranking of the Company's TSR for the relevant performance year, as compared to the TSRs for the peer group companies, is at or above the 50th percentile.

The valuation inputs used in determining the fair value of performance rights issued during the year is detailed below:

	2015	2014
Underlying share price	$4.29	$2.35
Exercise price of rights	Nil	Nil
Risk free rate	2.5%	3.11%
Volatility factor	45%	45%
Dividend yield	1.2%	2.5%
Effective life	3.0 years	3.0 years
Entitled number of employees	16	7

NOTE 30: SHARE BASED PAYMENTS (CONTINUED...)

(b) Performance rights (Continued...)

Performance Rights held by Key Management Personnel at 30 June 2015

	Balance at 1 July 2014	Granted as Remuneration	Exercise of Performance Rights	Expired/Lapsed/ Cancelled	Balance at 30 June 2015	Performance Rights Vested
D Lougher	836,971	205,140	(76,421)	-	965,690	-
D Southam	434,465	86,560	(72,035)	-	448,990	-
J Belladonna	270,584	118,859	(43,220)	-	346,223	-
W Jones	149,396	121,851	-	-	271,247	-
C Wilkinson	158,294	103,710	(31,134)	-	230,870	-
G Marshall	143,905	94,698	(28,304)	-	210,299	-
TOTAL	**1,993,615**	**730,818**	**(251,114)**	**-**	**2,473,319**	**-**

Performance Rights held by Key Management Personnel at 30 June 2014

	Balance at 1 July 2013	Granted as Remuneration	Exercise of Performance Rights	Expired/Lapsed/ Cancelled	Balance at 30 June 2014	Performance Rights Vested
D Lougher	408,691	465,750	-	(37,470)	836,971	-
D Southam	273,254	196,530	-	(35,319)	434,465	-
J Belladonna	168,485	123,290	-	(21,191)	270,584	-
W Jones	83,476	65,920	-	-	149,396	
C Wilkinson	117,449	56,110	-	(15,265)	158,294	-
G Marshall	106,773	51,010	-	(13,878)	143,905	-
TOTAL	**1,158,128**	**958,610**	**-**	**(123,123)**	**1,993,615**	**-**

(c) Option plans

There were no options outstanding as at 30 June 2015.

NOTE 31: RESERVES

(i) Share Based Payment reserve

The share based payment reserve records the items recognised as expenses on valuation of employee share options and performance rights.

(ii) Hedge reserve

The hedge reserve records revaluations of items designated as hedges.

(iii) Investment Revaluation reserve

The investment revaluation reserve records revaluations of financial assets at fair value through other comprehensive income.

(iv) Convertible Bond Reserve

The Convertible bond reserve records the equity proportion value of the convertible bonds.

(v) Foreign Exchange Reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

NOTE 32: INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1:

Name	Country of Incorporation	Percentage of equity held	
		2015	2014
Western Platinum NL	Australia	100%	100 %
Australian Nickel Investments Pty Ltd	Australia	100%	100 %
Bioheap Ltd	Australia	100%	100%
Western Areas Nickel Pty Ltd	Australia	100%	100%
Western Areas Employee Share Trust	Australia	100%	-

All the entities above are members of the tax consolidated group of which Western Areas Ltd is the head entity. Western Areas Ltd is the parent entity and is incorporated and domiciled in Australia.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in Note 1:

Name	Country of Incorporation	Percentage of equity held	
		2015	2014
FinnAust Mining Plc	United Kingdom	60%	68%

Summarised financial information

Summarised financial information of the subsidiary with non-controlling interests that are material to the consolidated entity is set out below:

	FinnAust Mining Plc	
Summarised Statement of Financial Position	**2015 $'000**	**2014 $'000**
Current Assets	1,734	3,267
Non Current Assets	17,286	14,713
Total Assets	19,020	17,980
Current Liabilities	479	388
Non Current Liabilities	128	226
Total Liabilities	607	614
Net Assets	**18,413**	**17,366**
Summarised statement of profit or loss and other comprehensive income		
Revenue	-	-
Expenses	(1,870)	(4,324)
Loss before income tax	**(1,870)**	**(4,324)**
Income tax	-	-
Loss after income tax	**(1,870)**	**(4,324)**
Other comprehensive expenses	-	(621)
Total Comprehensive Income	**(1,870)**	**(4,945)**

NOTE 32: INTERESTS IN SUBSIDIARIES (CONTINUED...)

	FinnAust Mining Plc	
Statement of cash flows	2015 $'000	2014 $'000
Net cash from operating activities	(1,798)	(2,454)
Net cash used in investing activities	(2,389)	(1,391)
Net cash used in financing activities	2,559	6,748
Net increase/(decrease) in cash and cash equivalents	**1,628**	**2,903**
Other Financial Information		
Opening Balance	5,096	107
Loss attributable to non-controlling interests	(748)	(1,383)
Change in non-controlling interest	1,547	6,372
Accumulated non-controlling interests at the end of reporting period	**5,895**	**5,096**

NOTE 33: PARENT INFORMATION

The following information has been extracted from the books of the parent and has been prepared in accordance with the accounting standards.

Statement of Financial Position	Parent Entity	
	2015 $'000	2014 $'000
Assets		
Current Assets	236,312	300,582
Non Current Assets	398,112	388,757
Total Assets	634,424	689,339
Liabilities		
Current Liabilities	169,761	138,678
Non Current Liabilities	45,227	154,279
Total Liabilities	214,988	292,957
Net Assets	**419,436**	**396,382**
Equity		
Issued capital	369,936	369,936
Reserves	31,565	43,413
Retained Earnings	17,935	(16,967)
Total Equity	**419,436**	**396,382**
Statement of Comprehensive Income		
Profit for the year	**37,371**	**30,924**
Total comprehensive income for the year	**38,340**	**31,103**

NOTE 33: PARENT INFORMATION (CONTINUED...)

Guarantees

Western Areas Ltd has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent Liabilities

The Directors are not aware of any contingent liabilities as at the date of these financial statements.

Contractual Commitments

Refer to Note 21 as all commitments entered into were by Western Areas Ltd.

NOTE 34: ADDITIONAL COMPANY INFORMATION

Western Areas Ltd is a Public Company, incorporated and domiciled in Australia.

Registered office and Principal place of business:
Level 2
2 Kings Park Road
West Perth WA 6005
Tel: +61 8 9334 7777
Fax: +61 8 9486 7866
Web: www.westernareas.com.au
Email: info@westernareas.com.au

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Western Areas Ltd:

(a) the Consolidated Entity's financial statements and notes set out on pages 41 to 82 are in accordance with the Corporations Act 2001, including:
   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance, for the financial year ended on that date; and
   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as set out in Note 1;
(c) the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001;
(d) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer, Managing Director, Executive Director and Chief Financial Officer for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Board of Directors.

D Lougher
Managing Director

Dated this 20th day of August 2015

Crowe Horwath™

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WESTERN AREAS LTD

We have audited the accompanying financial report of Western Areas Ltd, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report
The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion
In our opinion:

(a) the financial report of Western Areas Ltd is in accordance with the *Corporations Act 2001*, including:
    (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
    (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Crowe Horwath™

REPORT ON THE REMUNERATION REPORT
We have audited the Remuneration Report included in pages 10 to 19 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion
In our opinion, the Remuneration Report of Western Areas Ltd for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001.*

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, 20 August 2015

TENEMENT LISTING

Year Ended 30 June 2015

Name	Lease	Status	WSA Interest	Applicant/Holder
Forrestania	E74/0470	Granted	100%	Western Areas Ltd
	E74/0499	Granted	100%	Western Areas Ltd
	E77/1865	Granted	100%	Western Areas Ltd
	E77/2099	Granted	100%	Western Areas Ltd
	G70/0226	Granted	100%	Western Areas Ltd
	G70/0231	Granted	100%	Western Areas Ltd
	L70/0111	Granted	100%	Western Areas Ltd
	L74/0011	Granted	100%	Western Areas Ltd
	L74/0012	Granted	100%	Western Areas Ltd
	L74/0025	Granted	100%	Western Areas Ltd
	L74/0044	Granted	100%	Western Areas Ltd
	L77/0104	Granted	100%	Western Areas Ltd
	L77/0141	Granted	100%	Western Areas Ltd
	L77/0182	Granted	100%	Western Areas Ltd
	L77/0197	Granted	100%	Western Areas Ltd
	L77/0203	Granted	100%	Western Areas Ltd
	L77/0204	Granted	100%	Western Areas Ltd
	M74/0057	Granted	100%	Western Areas Ltd
	M74/0058	Granted	100%	Western Areas Ltd
	M74/0064	Granted	100%	Western Areas Ltd
	M74/0065	Granted	100%	Western Areas Ltd
	M74/0081	Granted	100%	Western Areas Ltd
	M74/0090	Granted	100%	Western Areas Ltd
	M74/0091	Granted	100%	Western Areas Ltd
	M74/0092	Granted	100%	Western Areas Ltd
	M77/0098	Granted	100%	Western Areas Ltd
	M77/0215	Granted	100%	Western Areas Ltd
	M77/0216	Granted	100%	Western Areas Ltd
	M77/0219	Granted	100%	Western Areas Ltd
	M77/0284	Granted	100%	Western Areas Ltd
	M77/0285	Granted	100%	Western Areas Ltd
	M77/0286	Granted	100%	Western Areas Ltd
	M77/0329	Granted	100%	Western Areas Ltd
	M77/0335	Granted	100%	Western Areas Ltd
	M77/0336	Granted	100%	Western Areas Ltd
	M77/0389	Granted	100%	Western Areas Ltd
	M77/0399	Granted	100%	Western Areas Ltd
	M77/0458	Granted	100%	Western Areas Ltd
	M77/0542	Granted	100%	Western Areas Ltd
	M77/0543	Granted	100%	Western Areas Ltd
	M77/0545	Granted	100%	Western Areas Ltd
	M77/0550	Granted	100%	Western Areas Ltd
	M77/0568	Granted	100%	Western Areas Ltd

Name	Lease	Status	WSA Interest	Applicant/Holder
	M77/0574	Granted	100%	Western Areas Ltd
	M77/0582	Granted	100%	Western Areas Ltd
	M77/0583	Granted	100%	Western Areas Ltd
	M77/0584	Granted	100%	Western Areas Ltd
	M77/0585	Granted	100%	Western Areas Ltd
	M77/0586	Granted	100%	Western Areas Ltd
	M77/0587	Granted	100%	Western Areas Ltd
	M77/0588	Granted	100%	Western Areas Ltd
	M77/0589	Granted	100%	Western Areas Ltd
	M77/0911	Granted	100%	Western Areas Ltd
	M77/0912	Granted	100%	Western Areas Ltd
	P74/0348	Granted	100%	Western Areas Ltd
	E77/2127	Pending	100%	Western Areas Ltd
	E77/2228	Pending	100%	Western Areas Ltd
	E77/2235	Pending	100%	Western Areas Ltd
	E77/2236	Pending	100%	Western Areas Ltd
	E77/2261	Pending	100%	Western Areas Ltd
	P77/4278	Pending	100%	Western Areas Ltd
	P77/4279	Pending	100%	Western Areas Ltd
	E77/1086	Granted	100%	Western Areas Nickel Pty Ltd
	E77/1399	Granted	100%	Western Areas Nickel Pty Ltd
	E77/1400	Granted	100%	Western Areas Nickel Pty Ltd
	E77/1416	Granted	100%	Western Areas Nickel Pty Ltd
	E77/1436	Granted	100%	Western Areas Nickel Pty Ltd
	E77/1581	Granted	100%	Western Areas Nickel Pty Ltd
	M77/0099	Granted	100%	Western Areas Nickel Pty Ltd
	M77/0324	Granted	100%	Western Areas Nickel Pty Ltd
	M77/0467	Granted	100%	Western Areas Nickel Pty Ltd
	M77/0468	Granted	100%	Western Areas Nickel Pty Ltd
	M77/0544	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3735	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3736	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3737	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3738	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3743	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3748	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3749	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3750	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3751	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3752	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3758	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3836	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3837	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3838	Granted	100%	Western Areas Nickel Pty Ltd

Name	Lease	Status	WSA Interest	Applicant/Holder
	P77/3839	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3840	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3846	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3847	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3862	Granted	100%	Western Areas Nickel Pty Ltd
	P77/3865	Granted	100%	Western Areas Nickel Pty Ltd
	P77/4067	Granted	100%	Western Areas Nickel Pty Ltd
Lake King JV	E70/2148	Granted	70% Ni Rights	Swanoak Holdings Pty Ltd
	E70/4029	Granted	70% Ni Rights	Western Areas Ltd & Swanoak Holdings Pty Ltd
	E70/4428	Granted	70% Ni Rights	Western Areas Ltd & Swanoak Holdings Pty Ltd
	E70/4429	Granted	70% Ni Rights	Western Areas Ltd & Swanoak Holdings Pty Ltd
	E70/4430	Granted	70% Ni Rights	Western Areas Ltd & Swanoak Holdings Pty Ltd
	E74/0532	Granted	70% Ni Rights	Western Areas Ltd & Swanoak Holdings Pty Ltd
	E74/0533	Granted	70% Ni Rights	Western Areas Ltd & Swanoak Holdings Pty Ltd
	P70/1641	Granted	70% Ni Rights	Swanoak Holdings Pty Ltd
Mt Gibb JV	E74/0305	Granted	70%	Jindalee Resources Ltd/Uran Ltd
	E74/0368	Granted	70%	Great Western Exploration Ltd
	E74/0428	Granted	70%	Great Western Exploration Ltd
	E74/0446	Granted	70%	Great Western Exploration Ltd
Mt Alexander BHPB JV	E29/00638	Granted	25%	BHP Billiton Nickel West Pty Ltd/Western Areas Ltd
	E29/953	Pending	100%	Western Areas Ltd
Cosmos	M36/0127	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0180	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0302	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0303	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0305	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0329	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0330	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0332	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0349	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0371	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0377	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0467	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0632	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0633	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	M36/0659	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0080	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0081	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0094	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0095	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0118	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0119	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0145	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited

Name	Lease	Status	WSA Interest	Applicant/Holder
	L36/0148	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0159	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0171	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0172	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0189	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0194	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
	L36/0199	Granted	100%	Xstrata Nickel Australasian Operations Pty Limited
Western Gawler JV	EL4440	Granted	25%	Gunson Resources Limited
	EL5077	Granted	15%	Monax Mining Ltd
	EL5199	Granted	27%	Monax Mining Ltd
	EL5200	Granted	33%	Monax Mining Ltd
Southern Cross Goldfields JV	E29/00593-I	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	E29/00653-I	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	E29/00655-I	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	E30/00331-I	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	E77/01117-I	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	E77/01164-I	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/01321-I	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	E77/01322-I	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	E77/01376-I	Granted	70% Ni rights	Polaris Metals Pty Ltd
	E77/01423	Granted	70% Ni rights	Southern Cross Goldfields Ltd International Petroleum Ltd
	E77/01459	Granted	70% Ni rights	Polaris Metals Pty Ltd
	E77/01474	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/01477	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/01509	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/01741-I	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/01766	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/01773	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/01775	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/01776	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/01814	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/01817	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/1462	Granted	70% Ni rights	Polaris Metals Pty Ltd
	E77/1911	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/1965	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/1997	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/2025	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	E77/2067	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	G77/00035	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	M77/00166	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	M77/00228	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	M77/00394	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	M77/00576	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	M77/00646	Granted	70% Ni rights	Southern Cross Goldfields Ltd

Name	Lease	Status	WSA Interest	Applicant/Holder
	M77/00824	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	M77/00931	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	M77/00962	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	M77/01025	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	M77/01044	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	M77/01256	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P29/01922-I	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	P29/01923-I	Granted	70% Ni rights	Cliffs Asia Pacific Iron Ore Pty Ltd
	P30/01011-I	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03460	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03461	Granted	70% Ni rights	Polaris Metals Pty Ltd
	P77/03462	Granted	70% Ni rights	Polaris Metals Pty Ltd
	P77/03628	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03629	Granted	70% Ni rights	Southern Cross Goldfields Ltd International Petroleum Ltd
	P77/03645	Granted	70% Ni rights	Southern Cross Goldfields Ltd International Petroleum Ltd
	P77/03801	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03898	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03899	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03901	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03903	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03936	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03978	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03979	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/03994	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/04055	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4076	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4077	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4078	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4101	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4170	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4171	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4179	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4180	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4181	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4185	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4193	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4194	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4195	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4204	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4226	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4227	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4228	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4229	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4230	Granted	70% Ni rights	Southern Cross Goldfields Ltd
	P77/4231	Granted	70% Ni rights	Southern Cross Goldfields Ltd

Name	Lease	Status	WSA Interest	Applicant/Holder
	P77/4239	Granted	70% Ni rights	Black Oak Minerals Ltd
	P77/4240	Granted	70% Ni rights	Black Oak Minerals Ltd
	P77/4238	Granted	70% Ni rights	Black Oak Minerals Ltd
	E77/2165	Granted	70% Ni rights	Black Oak Minerals Ltd
	E77/2172	Granted	70% Ni rights	Black Oak Minerals Ltd
	E77/2269	Granted	70% Ni rights	Majeka Minerals Pty Ltd
	E77/2274	Granted	70% Ni rights	Formula Resources Pty Ltd
	E77/2275	Granted	70% Ni rights	Formula Resources Pty Ltd
	E77/2272	Granted	70% Ni rights	Snap Hook (WA) Pty Ltd
	E77/2273	Granted	70% Ni rights	Snap Hook (WA) Pty Ltd
	E77/2276	Granted	70% Ni rights	Formula Resources Pty Ltd
	E77/2288	Pending	70% Ni rights	Flatrock Resources Pty Ltd

SHAREHOLDER INFORMATION

The Shareholder Information set out below shows the position as at 31 August 2015.

A. DISTRIBUTION OF SHAREHOLDINGS

		Ordinary Shares*
i)	Distibution schedule of holdings	
	1 – 1,000	2,274
	1,001 – 5,000	2,311
	5,001 – 10,000	754
	10,001 – 100,000	765
	100,001 – over	105
	Total number of holders	6,209
ii)	Number of holders of less than a marketable parcel	541
iii)	Number of overseas holders	192
iv)	Percentage held by 20 largest holders	50.2%

* All ordinary shares carry one vote per share without restriction

B. LARGEST SECURITY HOLDERS

Names of the 20 largest holders of Ordinary Shares are listed below:

Name	No. of shares held	%
JCP Investment Partners	13,823,222	5.9%
Schroder Investment Mgt	13,781,714	5.9%
Mr & Mrs Allan R Greenwell	9,153,448	3.9%
Antares Equities	8,331,097	3.6%
NovaPort Capital	7,230,659	3.1%
BlackRock Investment Mgt	5,932,066	2.5%
Martin Currie Australia	5,917,095	2.5%
Tribeca Investment Partners	5,787,060	2.5%
Perennial Growth Mgt	5,281,385	2.3%
Avoca Investment Mgt	5,101,783	2.2%
Paradice Investment Mgt	4,952,177	2.1%
Helaba Invest	4,264,700	1.8%
Colonial First State - Core Australian Equities	4,137,291	1.8%
Celeste Funds Mgt	3,903,358	1.7%
Ausbil Investment Mgt	3,734,815	1.6%
Dimensional Fund Advisors	3,511,251	1.5%
Haywood Securities	3,192,100	1.4%
Norges Bank Investment Mgt	3,110,076	1.3%
Vanguard Investments Australia	3,096,905	1.3%
Westoz Funds Mgt	3,000,000	1.3%
Total	**117,242,202**	**50.2%**

C. SUBSTANTIAL SHAREHOLDERS

Name	No. of shares held	%
Jungle Creek Gold Mines Pty Ltd	16,789,858	7.2%
JCP Investment Partners	13,823,222	5.9%
Schroder Investment Mgt	13,781,714	5.9%

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