

14 March, 2012

### Kagara Completes the Sale of its Nickel Assets for A\$68M

Further to the announcement on 5 March 2012, Kagara Limited (ASX: KZL – “Kagara” or “the Company”) has now completed the sale of its Western Australia nickel assets.

Under the completed agreement, Western Areas has acquired 100% of Kagara’s nickel subsidiary, Kagara Nickel Pty Ltd. Reconciliation of final stockpile inventory adjustments and costs between the two companies will be completed over the coming month.

The assets acquired by Western Areas include the operating Lounge Lizard nickel mine as well as the surrounding package of 300km<sup>2</sup> of exploration tenements.

As announced on 5 March 2012, the cash injection from the sale is planned to be used to strengthen KZL’s balance sheet, support current activities in North Queensland and help underpin KZL’s longer-term growth strategy.

ENDS

**Geoff Day**  
**Managing Director**  
**14 March 2012**

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