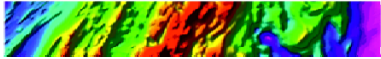


WESTERN AREAS LTD



ASIAN NICKEL CONFERENCE

Jakarta

23-24 SEPTEMBER 2014



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The information within this PowerPoint presentation was compiled by Western Areas management, but the information as it relates to mineral resources and reserves was prepared by Mr. Dan Lougher and Mr. Andre Wulfse. Mr. Lougher and Mr. Wulfse are full time employees of Western Areas Ltd. Mr. Lougher and Mr. Wulfse are members of Australian Institute of Mining and Metallurgy (AusIMM) 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. Lougher and Mr. Wulfse consent to the inclusion in this presentation of the matters based on the information in the form and context in which it appears. The information contained in this presentation in relation to the Flying Fox Mine 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.

For the Purposes of Clause 3.4(e) in Canadian instrument 43-101, the Company warrants that Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

AGENDA

- Corporate
- Operations
- Exploration & Growth Outlook
- Offtake & Nickel Market

Explore



Mine



Produce



Sales



WESTERN AREAS LTD



CORPORATE OVERVIEW



CORPORATE OVERVIEW

WSA vs ASX 200 Resources (FY14 YTD)¹



Key Information

as at 16 Sep 2014

Share price	4.87
52 week high/low (A\$)	5.30 / 1.94
Shares outstanding (m)	232.3
Market Capitalisation (A\$m)	1,140.0
Cash (A\$m) ²	230.5
Debt (A\$m) ²	220.2
Undrawn ANZ Facility	125.0

Board & Senior Management

Name	Position
Ian Macliver	Independent Non-Executive Chairman
Dan Lougher	Managing Director & CEO
David Southam	Executive Director
Joseph Belladonna	Chief Financial Officer & Company Secretary
Julian Hanna	Non-Executive Director
Richard Yeates	Independent, Non-Executive Director
Robin Dunbar	Independent, Non-Executive Director
Craig Readhead	Independent, Non-Executive Director
Tim Netscher	Independent, Non-Executive Director

1. ASX 200 Resources Index rebased to WSA Share Price
 2. Cash as at 30 June 2014 and convertible bond debt

KEY TAKEAWAYS – YEAR ENDED 30 JUNE 2014

- LTIFR of 1.98 (now 1.00 at 31 August 2014) – one of the lowest in the mining industry
- 28,686t nickel in ore production averaging 4.8% nickel
- Nickel in concentrate production of 25,700t
- A\$2.50/lb cash cost in concentrate (guidance was A\$2.70/lb):
 - Remains best in class in Australia
 - Reduction over the previous year of A\$2.68/lb
- Capital, Mine Development and Exploration Expenditure incurred A\$50.5m:
 - A\$20.5m reduction over FY13 and A\$14.5m below guidance
- Pre-Financing Cashflow of A\$63.7m
 - Increase of A\$44.9m (240%) on FY13 due to second half nickel price and reduced capex
- Reported NPAT of A\$25.5m on Underlying NPAT of A\$32.6m):
 - 2nd half Underlying NPAT of A\$28.3m vs 1st half of A\$4.3m
 - Impact of the Indonesian laterite export ban and positive quotational price movements
 - FY14 Underlying NPAT exceed FY13 by A\$27.0m (or 483% improvement)
- Net cash position of A\$10.3m versus net debt of A\$154.5m in FY13
- Final fully franked dividend of 4c for a total of 5c in FY14 (FY13 total 2c)

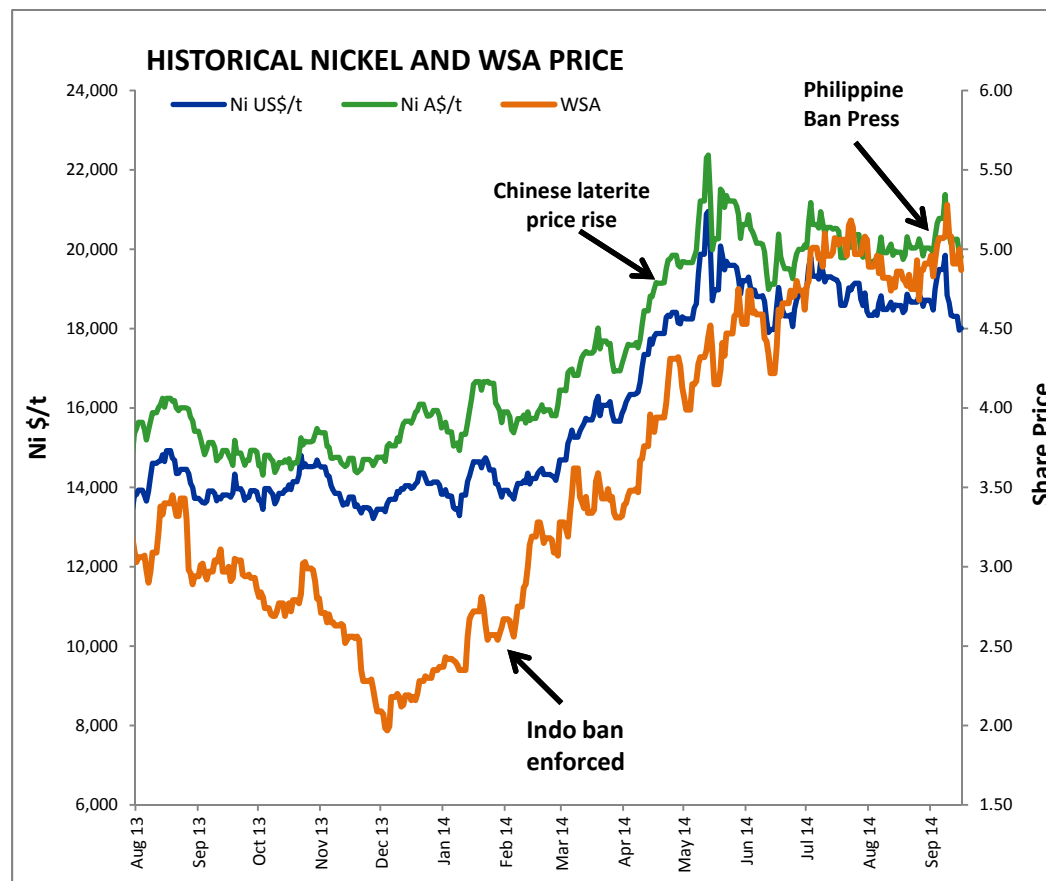
FY15 GUIDANCE

Target	Metric
Mine Production (Nickel in Ore)	25,000 to 27,000 tonnes
Nickel in Concentrate Production	24,500 to 25,500 tonnes
Unit Cash Cost of Production (Nickel in Concentrate)	A\$2.70/lb to A\$2.80/lb
Sustaining Capital Expenditure & Mine Development	A\$50m to A\$60m
Exploration	A\$20m

Comments

- ✓ Based on robust mine and processing plan
- ✓ Production units almost identical to FY14
- ✓ Unit costs remain well managed and below US\$3/lb for nickel in concentrate
- ✓ Mine Development expenditure includes creating access into Spotted Quoll North orebody
- ✓ Spotted Quoll to produce 12kt to 14kt of nickel in ore
- ✓ Flying Fox to produce between 13kt to 14kt of nickel in ore
- ✓ Mill throughput at around 600kt of ore with an average recovery of 89%

NICKEL PRICE AND WESTERN AREAS



WSA remains very sensitive to nickel price and AUD/USD fluctuations:

- WSA currently sells approx 55mlb of nickel in concentrate per annum
- Nickel price in AUD terms increased from approx A\$7/lb in Aug 2013 to A\$9/lb in Aug 2014
- Analyst consensus is WSA receives circa 70% payable price to LME
- Using the above assumptions it will increase free cashflow and EBIT by approx A\$70m on an annualised basis
- Nov 2013 to beginning of Jan 2014 was impacted by sentiment, rather than facts

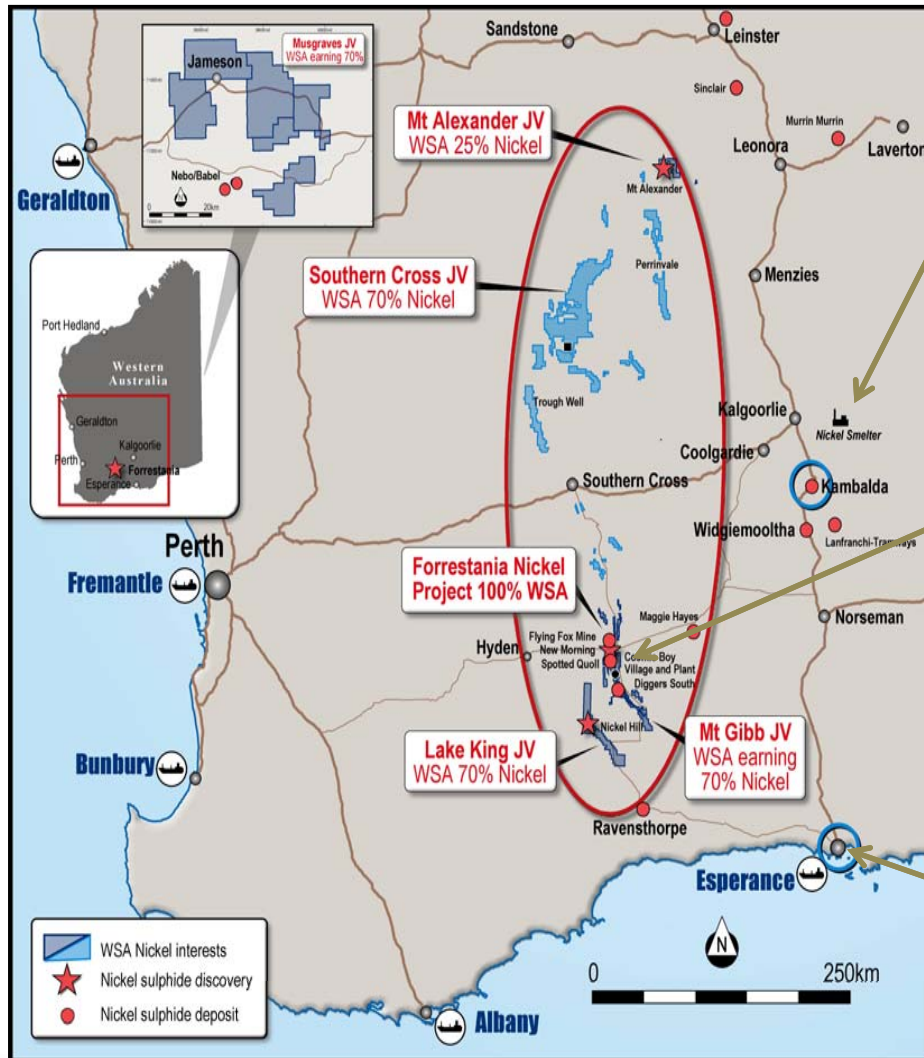
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OPERATIONS



WESTERN AREAS OPERATIONS



WSA concentrate to
BHP Billiton



WSA operations

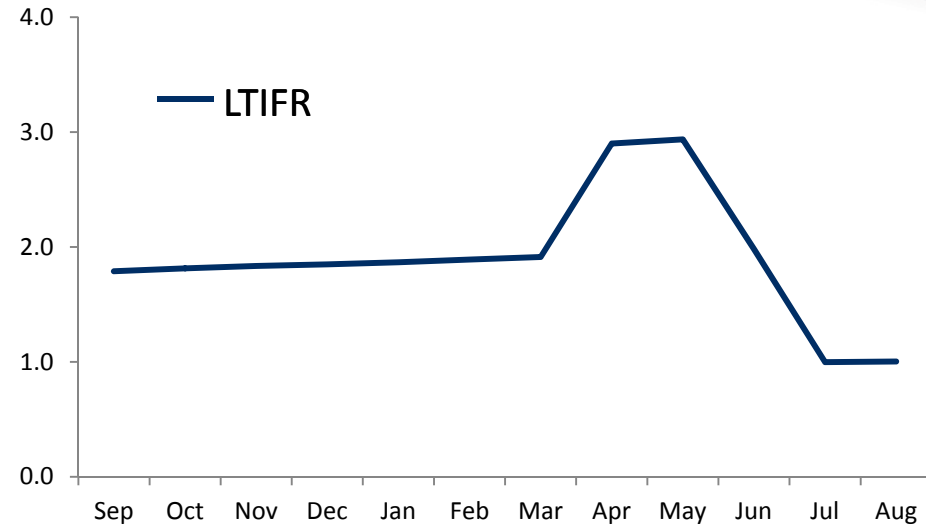


WSA
concentrate
exports

WESTERN AREAS ARE SAFE AREAS

Continuous Safety Improvement

- LTIFR 1.00
- Flying Fox >415 days LTI free
- Spotted Quoll >1,230 days LTI free
- Exploration >2,250 days LTI free
- Cosmic Boy Concentrator >430 days LTI free
- Contractors and employees fully integrated into a site wide commitment



Environment & Social

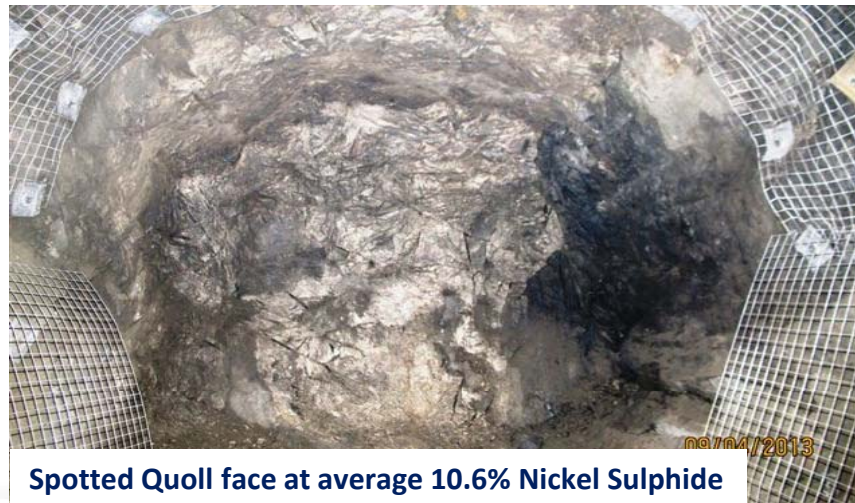
- No environmental breaches
- Strong local commitments to schools and associations around Forrestania, Perth Zoo (Western Quoll) and Starlight Children's Foundation WA



OPERATING HIGH GRADE MINES



Lounge Lizard 10m wide face of 7% Massive Nickel Sulphide



Spotted Quoll face at average 10.6% Nickel Sulphide

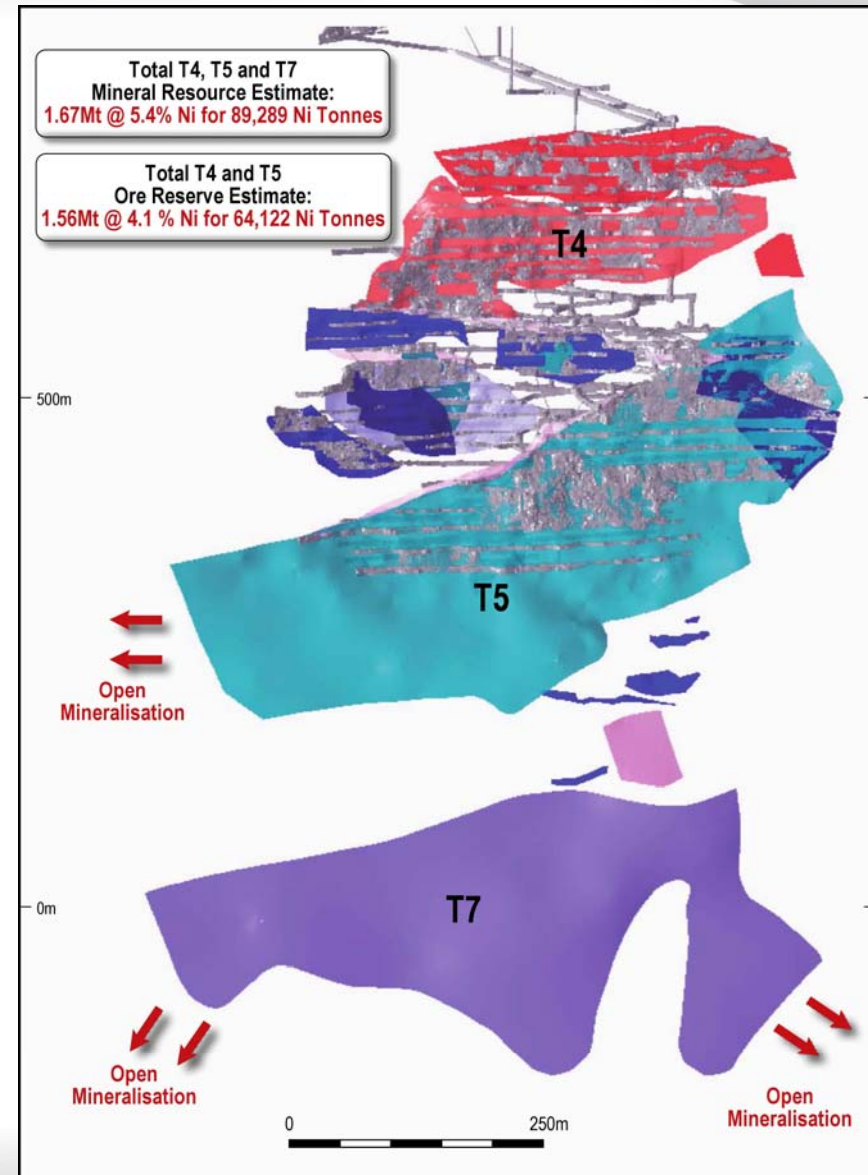
FLYING FOX MINE

Mineral Resource and Ore Reserve

- Reserve upgrade announced:
 - Added 7,572t nickel grading 6.5%
- High Grade (excluding disseminated sulphide resource) **Mineral Resource: 1.67Mt @ 5.4% Ni** containing 89,289 Ni Tonnes
- **Ore Reserve: 1.56Mt @ 4.1% Ni** containing 64,122 Ni Tonnes
- Underground drilling program to extend Mineral Resource remains a focus

Production

- FY14 – 317,031t @ 4.6% Ni for 14,713t nickel
- Low cash cost operation



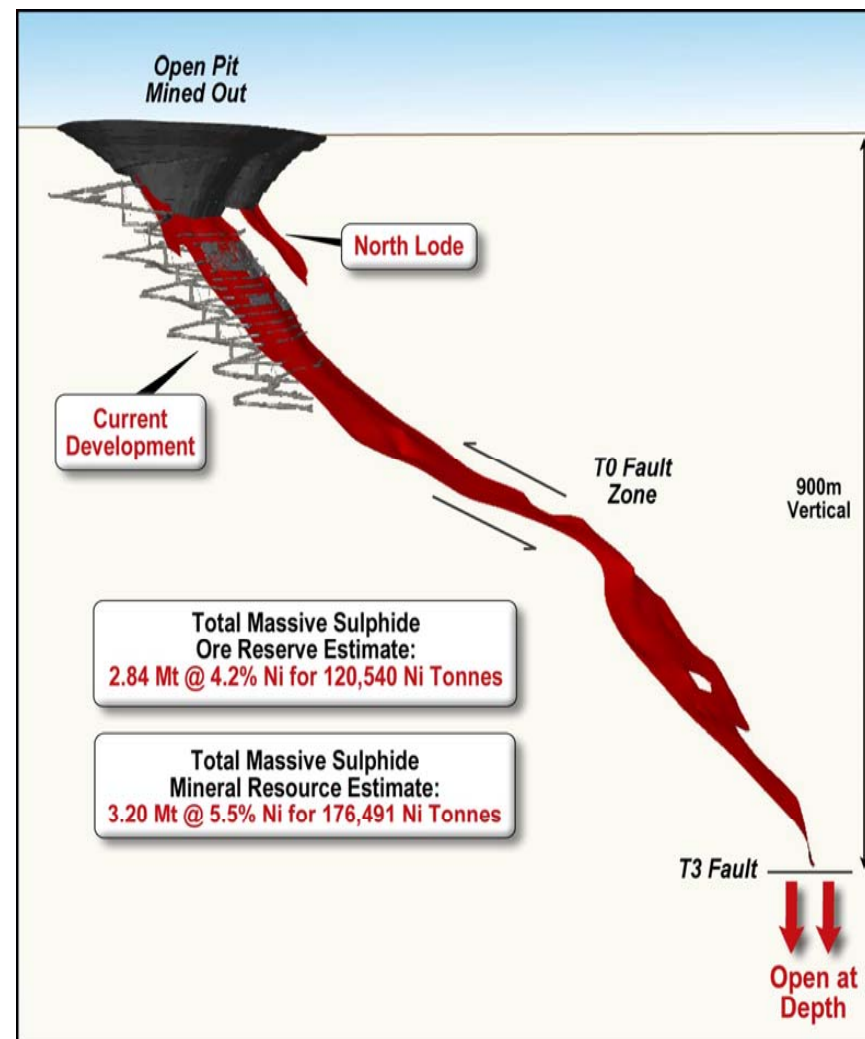
SPOTTED QUOLL MINE

Mineral Resource and Ore Reserve

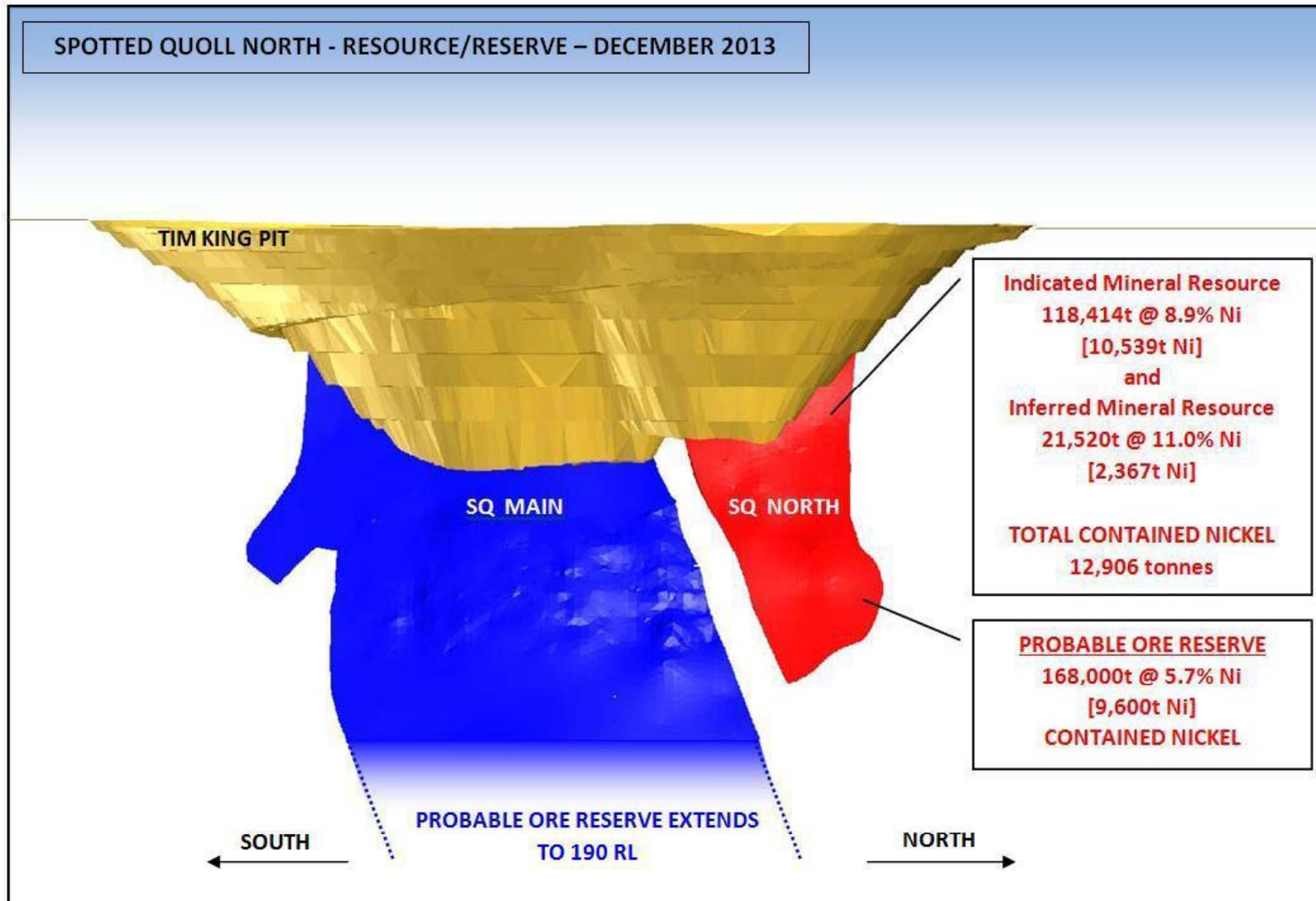
- **Mineral Resource: 3.20mt @ 5.5% Ni** containing 176,491 Ni tonnes
- **Ore Reserve: 2.84mt @ 4.2% Ni** containing 120,540 Ni tonnes
- Remains open at depth and to the North
- Already around a 10 year mine life on Reserve
- New Spotted Quoll North Indicated and Inferred Resource of 140kt @ 9.3% for 12,906t nickel

Production

- **Record in FY14** – 281,928t @ 5.0% Ni for 13,972t nickel
- Successfully ramped up nickel production to a sustainable 12ktpa run rate in FY14
- Top-down mining using paste fill



SPOTTED QUOLL NORTH



FORRESTANIA NICKEL CONCENTRATOR

Concentrator Summary

- Current nameplate capacity of 550,000tpa of ore but is achieving throughput 9% above capacity
- Nickel concentrate output circa 25,000tpa Ni
- Concentrate grades of around 14.0% Ni
 - Premium blending product (Fe/Mg ratio >15:1)
 - Desirable to smelters
- 14,000t of concentrate storage capacity

Export Infrastructure and Logistics

- Access to >1400 sealed shipping containers
- No environmental issues
- Using 25 trucks for concentrate transportation
- Shipping contract in place, FOB Esperance Port



WESTERN AREAS LTD



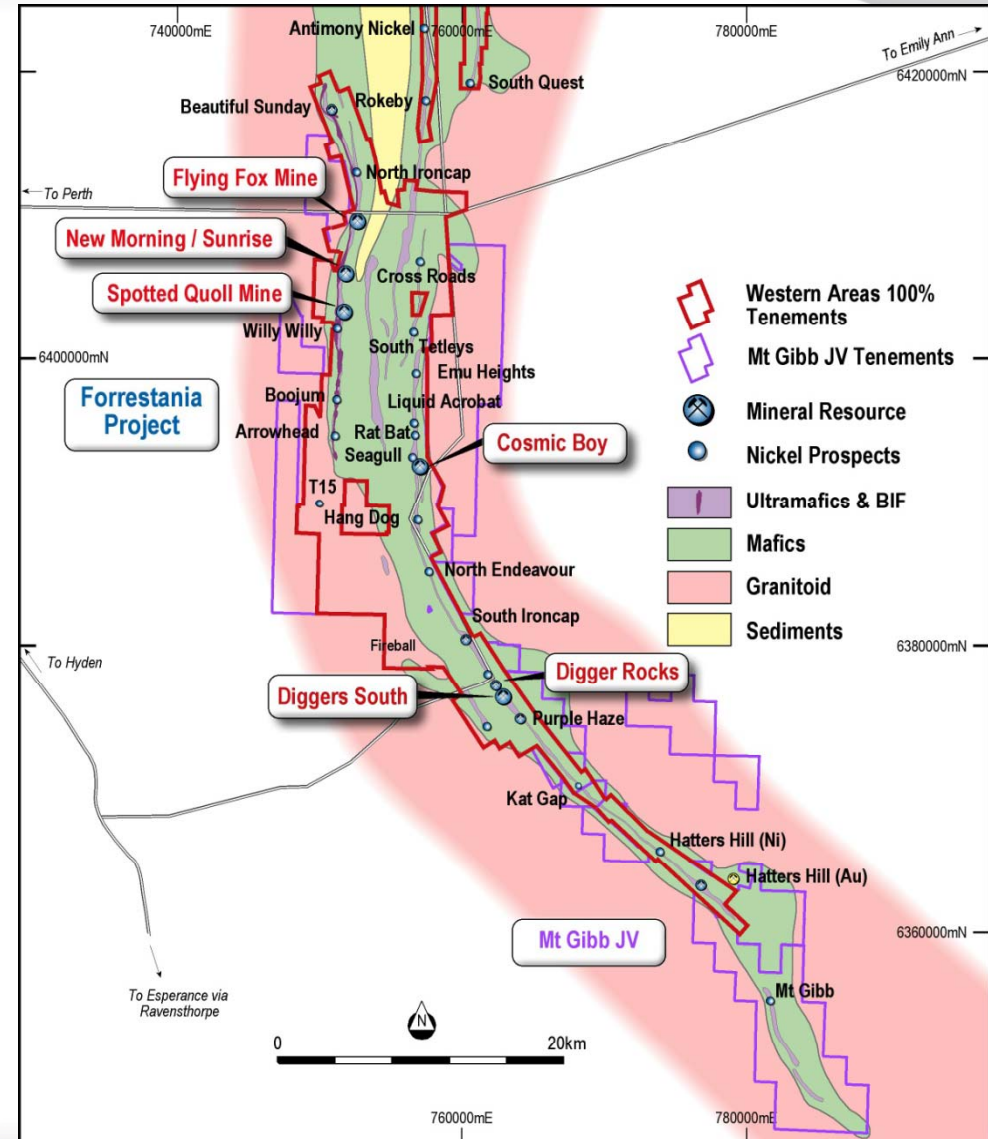
EXPLORATION AND GROWTH OUTLOOK



FORRESTANIA TENEMENTS

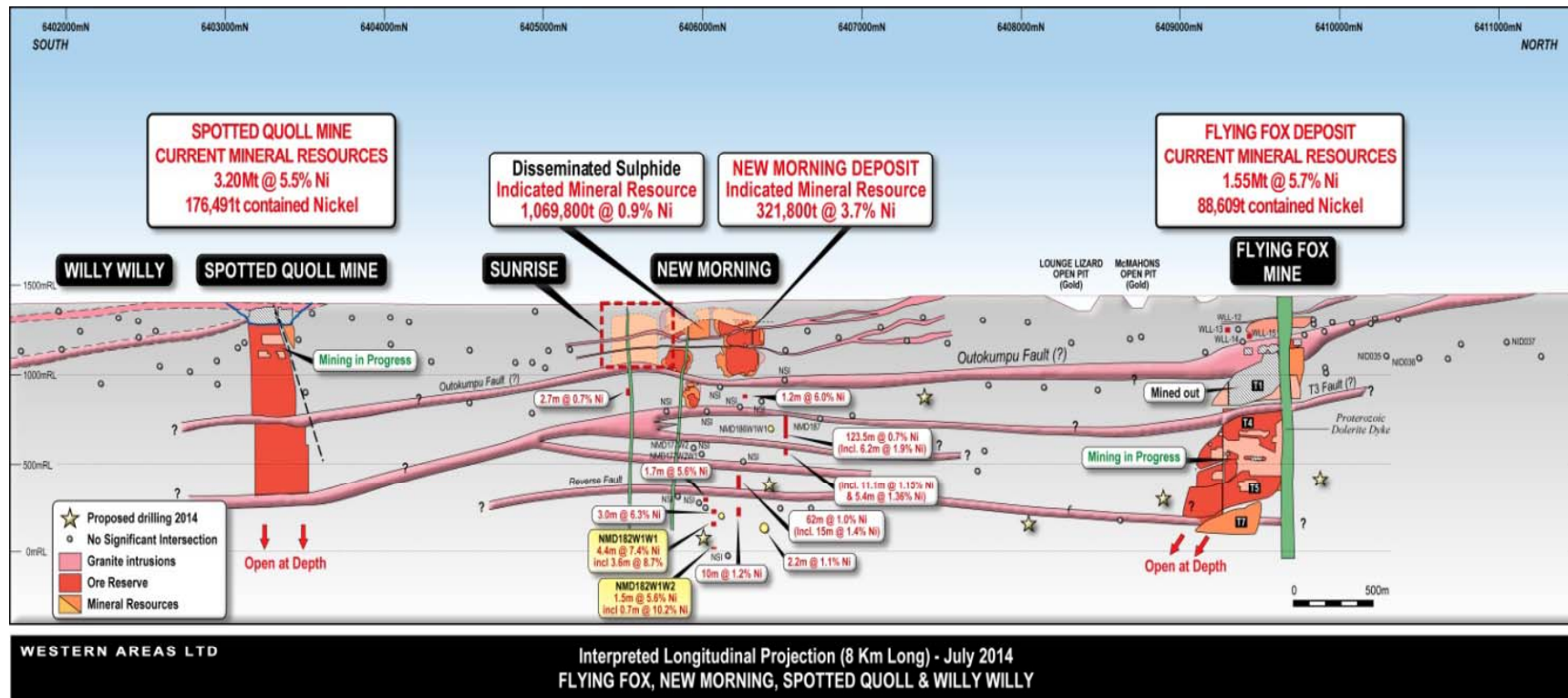
Regional Geology

- 120km strike length (900 sq km) of prospective Forrestania Nickel Project, within 400km long nickel province
- Six ultramafic belts
- Nickel sulphide deposits and most occurrences in two belts (Eastern and Western)
- Western Ultramafic Belt hosts the high grade Flying Fox, Spotted Quoll and New Morning deposits



SHORT TERM – NEAR MINE EXPLORATION

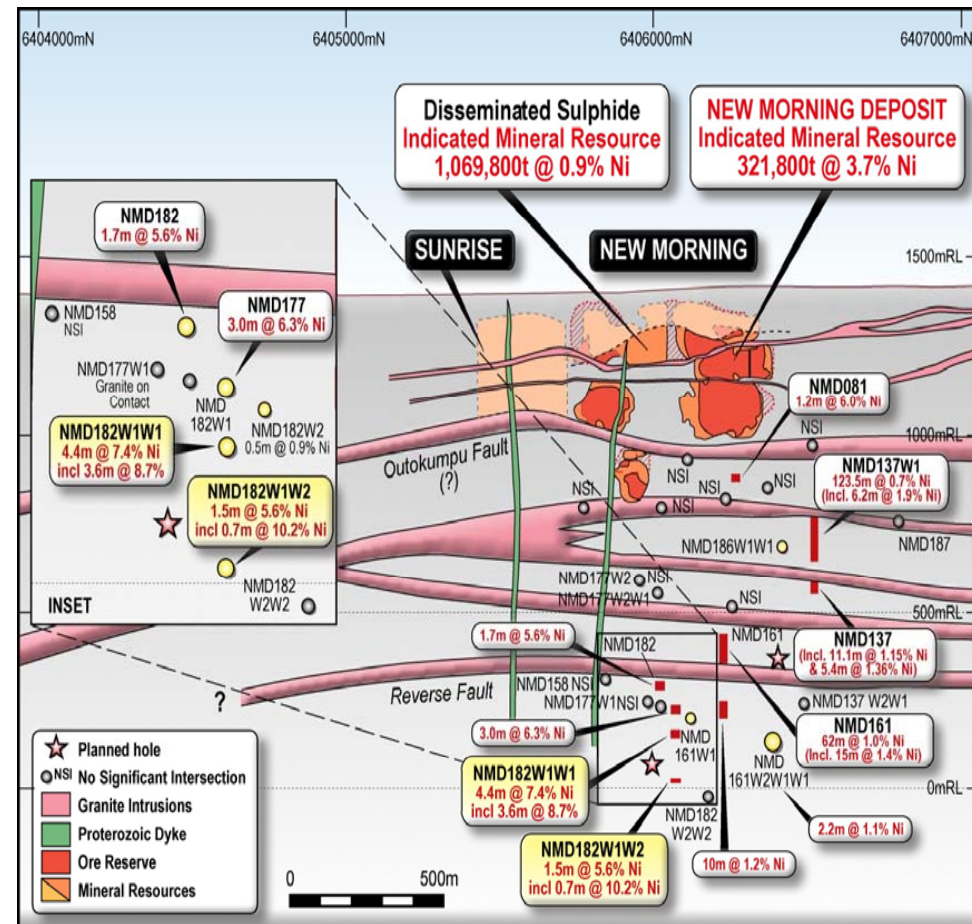
- Exploration spend in FY15 likely to increase beyond FY14 spend of A\$14m
- Drilling priority within 8km long zone (below). New discovery would access existing mine infrastructure. Systematic approach



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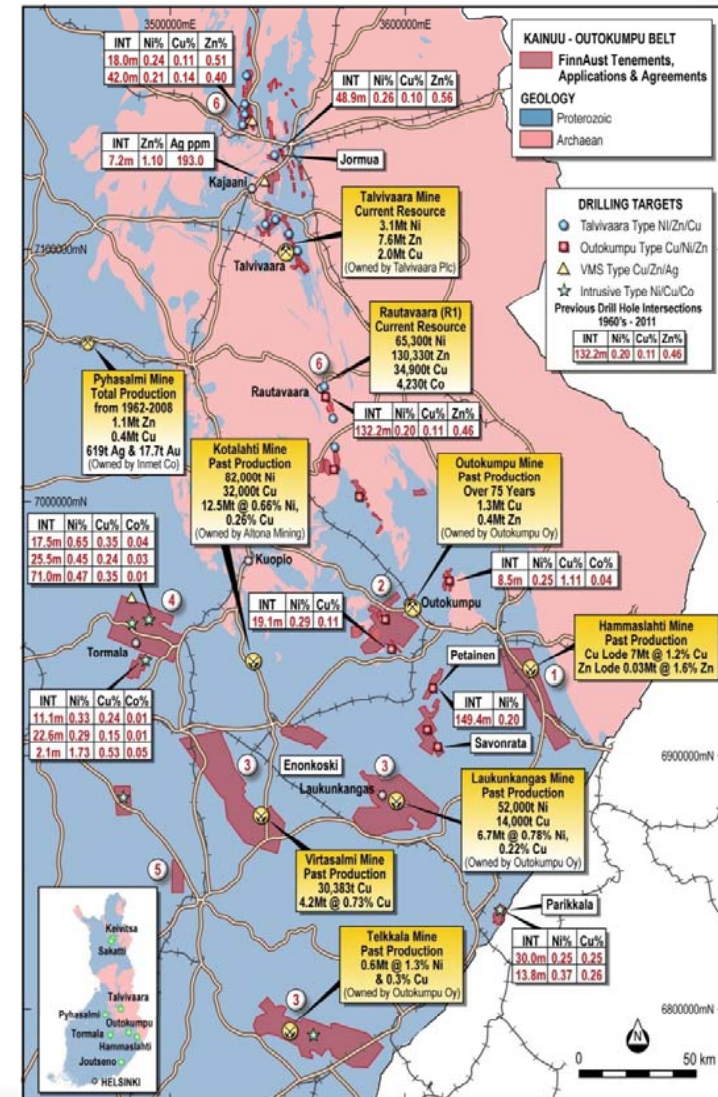
HIGH GRADE DISCOVERY AT NEW MORNING

- 2.5km from Flying Fox and 2.8km from Spotted Quoll
- All material approvals in place, potential major capex savings & accessible from either mine
- Massive sulphide discovered below New Morning:
 - 4.4m @ 7.4% nickel including 3.6m @ 8.7% nickel
 - 3.0m @ 6.3% nickel including 2.4m @ 7.6% nickel
 - 1.5m @ 5.6% nickel including 0.7m @ 10.2% nickel
- Significant disseminated intersections



FINLAND – FINNAUST MINING PLC PROJECTS

- Listing on AIM completed in December 2013 and 68% WSA owned post listing
- Current market cap circa A\$10m
- 300km long base metal province in Finland
- Numerous nickel/copper/zinc mines & occurrences
- Recent drilling at the Hammaslahti Project:**
 - 5.6m at 3.2% Cu, 2.7% Zn, 0.7% Pb, 71gpt Ag and 0.76 gpt Au from 196.80m downhole.
 - Includes 8.65m at 2.2% Cu, 2.0% Zn, 0.5% Pb, 47gpt Ag and 0.50 gpt Au.
- Drilling commenced for potential extensions and repetitions to known copper deposits
- Geophysics proving very effective in defining targets - ZTEM survey completed



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OFFTAKE CONTRACTS AND NICKEL MARKET



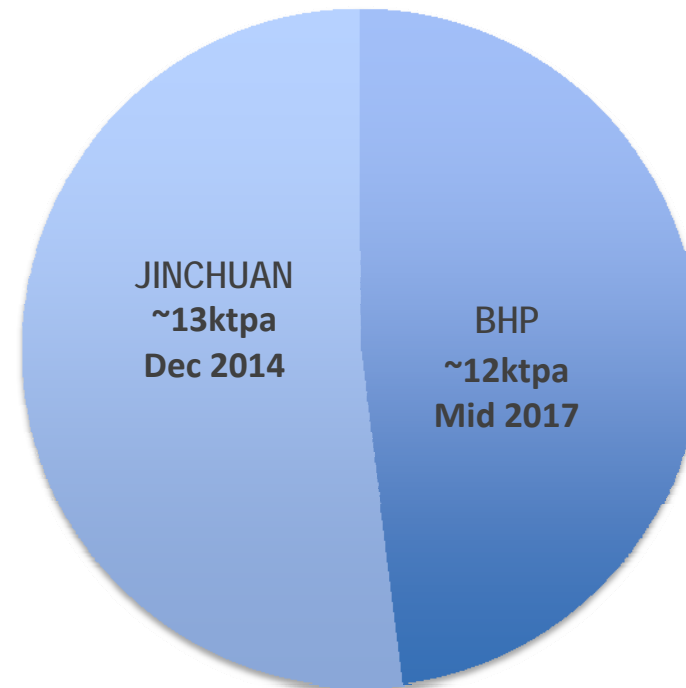
INDEPENDENT PRODUCER – OFFTAKE CONTRACTS

Offtake Contracts

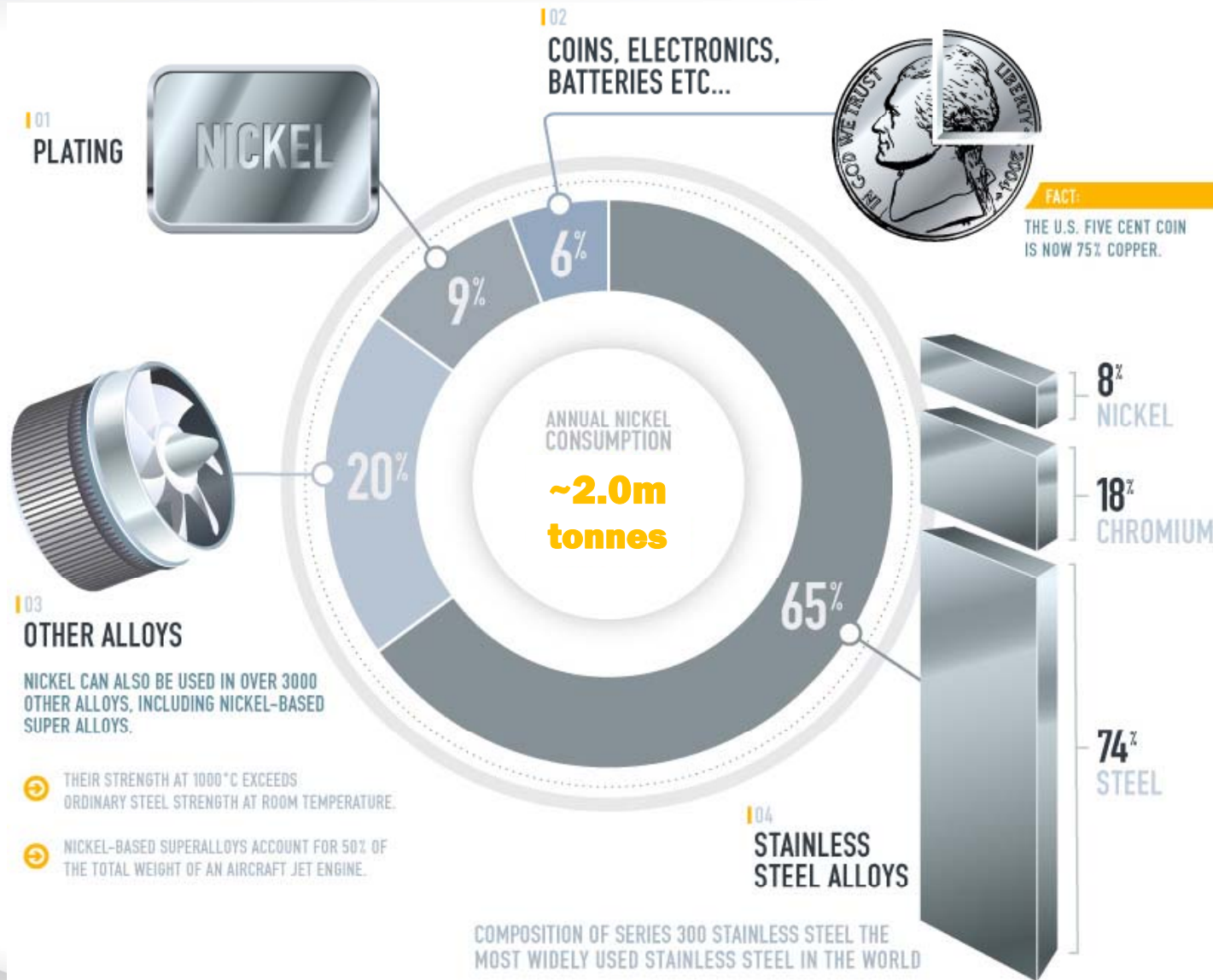
- FOB Terms
- Very competitive payable percentage of LME

Offtake Tender Announced

- Expressions of Interest already received
- Aiming to complete in the December quarter
- 1 to 2 year contract anticipated
- Tightness in smelter supply being experienced now
- New market entrants including traders, stainless steel producers and Nickel Pig Iron (NPI)
- Global nickel sulphide grades in decline
- Laterites and NPI do not fill the void – Indonesian Ban has severely impacted NPI production



NICKEL INDUSTRY



Whilst best known for its use in coins, nickel has far more strategic uses

It can be alloyed with other metals to create truly extraordinary materials

NICKEL PRICE DRIVERS

There are a number of factors that influence the nickel price including:

1. Level of global nickel supply
2. Cost and capacity of Chinese nickel pig iron (“NPI”) production
3. Indonesian nickel laterite export ban
4. Global stainless steel demand
5. Shorter term political factors



What we believe is occurring:

- Many commentators believe nickel supply now in equilibrium or a small deficit heading into FY15 – low price supply response began in CY13 selected operations shut down
- NPI production CY13 450kt to 500kt – cost effective RKEAF relied on Indonesian laterite
- Indonesian ban implemented and exports have ceased – Supply squeeze for China NPI
- Stainless steel demand remains strong in China
- European stainless steel demand appears to be improving – Order Books full but some capacity closed
- Still a noisy market – Philippines ban, Russia sanctions, etc

NICKEL MARKET OUTLOOK

Strong demand / supply dynamics provide a favourable pricing outlook

Reduction in global nickel supply

- Supply response began in CY13 with a number of operations closing
- Chinese Nickel Pig Iron (“NPI”) production potentially set to fall by 60% in 2015 as it relies on Indonesian imports
- If Chinese capacity cannot be sufficiently replaced in the short to medium term in Indonesia it could create a longer-term shortfall in supply

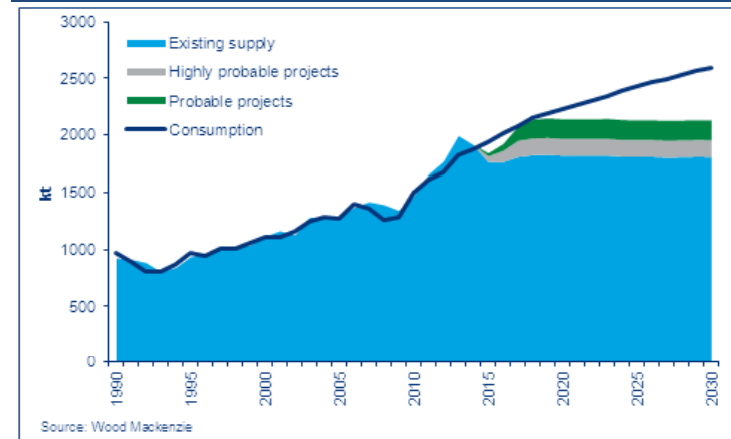
Increasing global stainless steel demand to drive higher nickel demand

- Driven by China - Nickel consumption +7.1% p.a. to 2017 and +2.7%p.a to 2030
- US and European mills are now cautiously optimistic on outlook for stainless steel

Market view

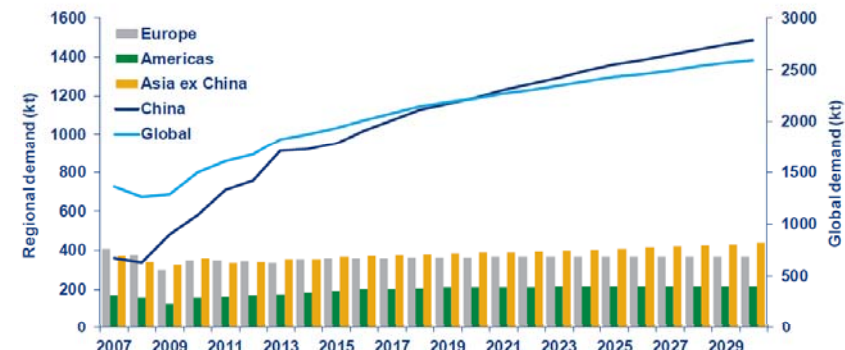
- Wood Mackenzie forecast a long-term nickel price of US\$11.60/lb (based on incentive price analysis)

Nickel supply & demand – long-term shortfall



Source Wood Mackenzie (2Q 2014 Long-term outlook)

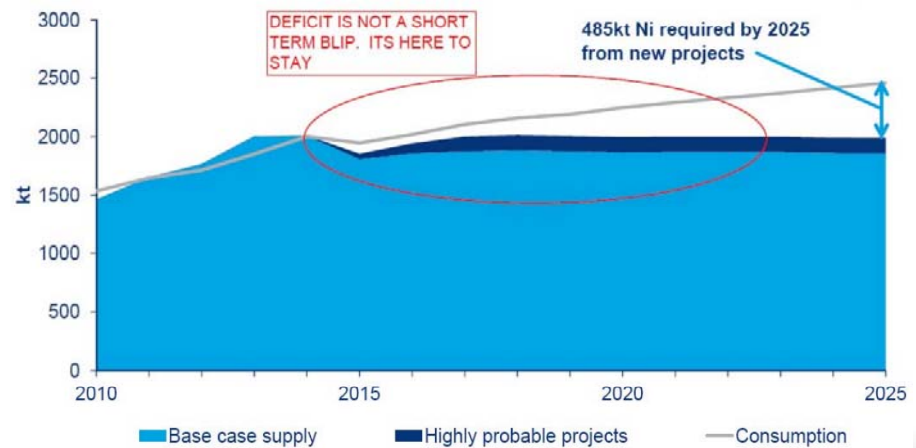
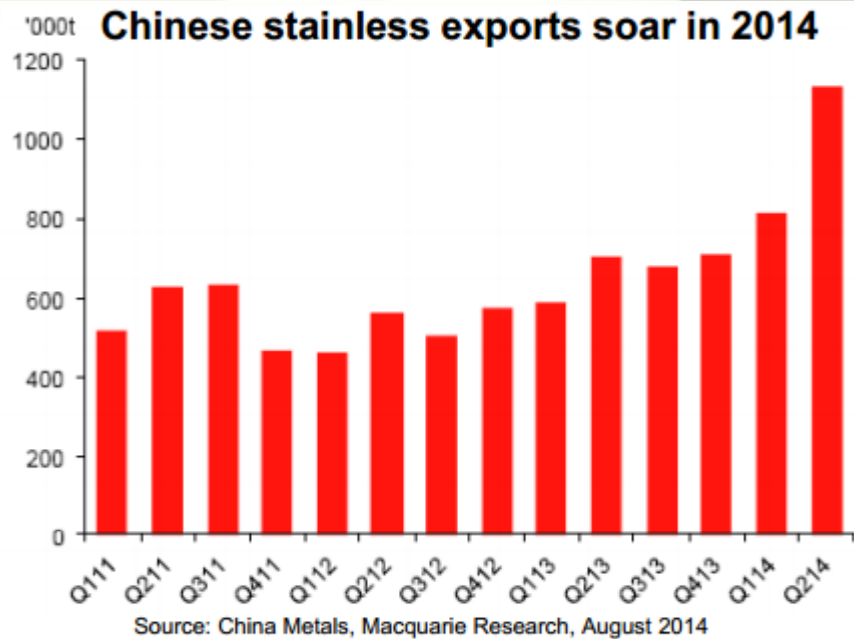
Global nickel consumption



Source Wood Mackenzie (2Q 2014 Long-term outlook)

NICKEL MARKET IMPACTS

- Market is viewing a structural change in stainless steel and nickel demand
- Producing nickel companies have become increasingly market attractive , most have had share price re-rated
- Projects on Care & Maintenance are being opportunistically purchased or re-assessed for production
- Aspirational project developers are acquiring projects and infrastructure from shuttered operations, with a view to develop
- Junior explorers have new found confidence in their ability to raise funding to explore



WESTERN AREAS VALUE EQUATION

- High Grade = Margin
- Survival

Highest Grade Nickel Globally



- Returns to shareholders in Dividends

Cashflow Positive



- Guidance continually met or exceeded

Strong Track Record of Delivery



- Looming shortage of nickel post Indo ban

Nickel Price Primed for Upside



- New mine successfully brought on in 24 months

History of Discovery and Development



- Flexibility in meeting future demands or opportunities

Strong Balance Sheet



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QUESTIONS?

