

NEWS RELEASE

24 December 2020

WESTERN AREAS LTD



BANK FACILITY UPDATE – A\$75M CREDIT APPROVED TERM SHEET

Western Areas Ltd (ASX: WSA, “Western Areas” or the “Company”) is pleased to advise that a credit approved term sheet to establish a secured A\$75m Revolving Credit Facility (“RCF”) has been agreed between the Company and Commonwealth Bank of Australia (“CBA”).

Western Areas has been working with its lenders to refresh its banking facilities to provide financial flexibility and working capital options to the Company, if required, as it continues to develop the Odysseus mine at Cosmos. The RCF also allows the Company to continue to advance its active feasibility and exploration programmes across the Company’s assets. The facility builds on the Company’s significant cash reserves, strong balance sheet and cash flows from existing operations.

The credit approved term sheet will now move forward to full documentation and completion of all conditions precedent to financial close. The RCF remains subject to completion of due diligence, documentation and customary conditions precedent.

Key RCF Details

- ✓ Facility Amount – A\$75m
- ✓ Ability to increase the facility by A\$25m (total facility A\$100m), subject to lender consent
- ✓ Tenure – 3 years with option to extend by a further 1 year, if mutually agreed
- ✓ Purpose – General corporate purposes
- ✓ Repayment – Bullet at maturity
- ✓ First ranking security will be provided to the lender over the Company’s assets
- ✓ Customary conditions and warranties, including no material adverse change
- ✓ The company believes the facility establishment fees and ongoing interest chargers are competitive and comparable to market for such facilities

Western Areas Managing Director, Dan Lougher, said the refresh of the Company’s banking facilities provides comfort that working capital is in hand as we continue to advance construction of the Odysseus underground mine. Western Areas welcomes CBA as our new primary debt provider and looks forward to completing the facility agreements early in calendar year 2021.

-ENDS-

The announcement was authorised for release by the WSA Board. For further details, please contact:

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**FORWARD LOOKING STATEMENT:**

This release contains certain forward-looking statements including nickel production targets and cost guidance. 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.

Examples of forward looking statements used in this report include: “The credit approved term sheet will now move forward to full documentation and completion of all conditions precedent to financial close. The RCF remains subject to completion of due diligence, documentation and customary conditions precedent.”.

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. Western Areas Ltd undertakes no obligation to revise these forward-looking statements to reflect subsequent events or circumstances.

This announcement does not include reference to all available information on the Company and should not be used in isolation as a basis to invest in Western Areas. Any potential investors should refer to Western Area's other public releases and statutory reports and consult their professional advisers before considering investing in the Company.