

NEWS RELEASE

9 March 2021

WESTERN AREAS LTD



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A\$100M EQUITY RAISING TO FUND DEVELOPMENT OF ODYSSEUS AND ADVANCE EXPLORATION PORTFOLIO AND ORGANIC GROWTH PROJECTS

- Fully underwritten placement to raise A\$85 million
- Non-underwritten Share Purchase Plan available to eligible shareholders to raise up to A\$15 million at the same price as the placement
- Proceeds from the placement and Share Purchase Plan will be used to complete the Odysseus development, advance organic growth projects at Forrestania and Cosmos and continue exploration
 - Provides funding for mine development capital expenditure at Odysseus with development progressing on schedule and first concentrate production targeted in mid FY23. Once in steady state production, delivery of 14.6kt nickel in concentrate per annum is targeted from Odysseus¹
 - Allows progression of studies with respect to the inclusion of AM6 in the Odysseus mine plan and New Morning in the Forrestania mine plan
 - Proceeds will help advance Western Areas' targeted drilling campaign on its portfolio of exploration assets which includes Western Gawler, Metal Hawk and Forrestania (among other projects)

Western Areas Limited (“**Western Areas**” or the “**Company**”) is pleased to announce that it is conducting a fully underwritten institutional placement to sophisticated, professional and institutional investors to raise A\$85 million (“**Placement**”). Western Areas also intends to offer eligible shareholders the opportunity to participate in a Share Purchase Plan to raise up to A\$15 million (the “**SPP**”) which, together with the Placement, will raise gross proceeds of up to approximately A\$100 million (together, the Placement and SPP are the “**Equity Raise**”).

Western Areas Managing Director, Dan Lougher, said

“The Placement supports the development of the Odysseus underground mine which is progressing well with excellent advance rates being achieved while also providing funding for Western Areas’ exploration portfolio where we hope to make significant progress in 2021. With greater balance sheet flexibility, the Company will be able to take advantage of opportunities within the portfolio and maximise returns to our shareholders.”

The Equity Raise will be used to complete the Odysseus development, advance organic growth projects at Forrestania and Cosmos and continue exploration. The proceeds from the Equity Raise will be applied as follows:

Sources of Funds	(A\$m)	Uses of Funds	(A\$m)
Placement proceeds	85	Odysseus development	70
SPP proceeds	0 - 15	Exploration and growth	15 - 30
Total Funds	85 - 100	Total Funds	85 - 100

¹ As disclosed in Western Areas' ASX announcement dated 22 October 2018, 'Strong Odysseus DFS Results In Decision To Mine' available at www.asx.com.au. Western Areas confirms that all the material assumptions underpinning the production target disclosed in the ASX announcement dated 22 October 2018 continue to apply and have not materially changed.



Placement Overview

The fully underwritten Placement will be conducted via a bookbuild to determine the final Placement price ("**Final Price**"). The Placement has been underwritten at a floor price of A\$2.15 per share representing:

- 8.1% discount to the last closing price of A\$2.34 on 8 March 2021; and
- 15.2% discount to the 10-day volume weighted average price of A\$2.54 to 8 March 2021

The Placement will comprise the issue of new fully paid ordinary shares ("**Placement Shares**") with the Final Price to be announced on 10 March 2021 following completion of the bookbuild process.

Placement Shares will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

SPP Overview

Western Areas has announced a non-underwritten SPP to raise up to approximately A\$15 million which will be conducted at the Final Price (the same price as the Placement).

Western Areas will offer eligible existing shareholders on Western Areas' share register at 5:00pm (Perth time) on Monday, 8 March 2021 with registered addresses in Australia and New Zealand ("**Eligible Shareholders**") the opportunity to apply for up to \$30,000 worth of new fully paid ordinary shares in the Company ("**SPP Shares**"). SPP Shares issued under the SPP will rank equally with Western Areas' existing fully paid ordinary shares with effect from their issue. The Final Price is free of brokerage and commission.

Western Areas intends to cap the SPP at A\$15 million but retains the right to accept oversubscriptions or scale back applications (in whole or in part) in its absolute discretion that may result in the SPP raising more or less than A\$15 million. Further information regarding the SPP (including terms and conditions of the SPP) will be provided to Eligible Shareholders in the SPP Booklet, which is expected to be lodged on the ASX on Monday, 15 March 2021 in accordance with the timetable.

Participation in the SPP by Eligible Shareholders is entirely optional.

The indicative timetable for the Placement and SPP is set out below:

Event	Date
Placement	
Trading halt	9 March 2021
Launch of Placement and lodgement of Investor Presentation	9 March 2021
Trading Halt lifted and completion of the Placement	10 March 2021
Settlement of Placement shares	12 March 2021
Allotment of Placement shares	15 March 2021
Share Purchase Plan	
Record date to be eligible to participate in SPP	8 March 2021
Dispatch of SPP documentation and SPP offer open date	15 March 2021
SPP closing date	6 April 2021
Announcement of SPP participation and results	9 April 2021
Allotment of new shares under the SPP	14 April 2021



The timetable is indicative only and remains subject to change at the Company's absolute discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable or cancel the SPP at any time before SPP Shares are issued, subject to regulatory requirements. The Company encourages Eligible Shareholders who wish to participate in the SPP to act promptly in submitting their application forms. The Company reserves the right to close the SPP early, in its sole and absolute discretion, should it be considered necessary to do so, by making an announcement to ASX.

Goldman Sachs Australia Pty Ltd is acting as Sole Lead Manager, Underwriter and Bookrunner to the Placement. Ashurst are Western Areas' Australian legal advisers in respect of the Placement and the SPP.

-ENDS-

The release has been authorised by the officers below. For further details, please contact:

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FORWARD LOOKING STATEMENTS:

This announcement contains certain forward-looking statements concerning Western Areas, including statements regarding the conduct, size and outcome of the Equity Raise. 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, expected timetables in connection with Western Areas' projects, anticipated production and expected costs, use of proceeds from the Placement and SPP, outcome and effects of the Equity Raise, anticipated exploration and project development, production or construction commencement dates and the future operations of Western Areas.

By their nature, forward looking statements involve known and unknown risks and uncertainties, including those generally associated with the nickel industry, and other factors that may cause actual results, performance and achievements to be materially greater or less than estimated. These factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic factors, increased capital costs and operating costs, the speculative nature of exploration and project development (including the risks of obtaining necessary licences and permits, diminishing quantities or grades of reserves and the ability to exploit successful discoveries), general mining and development risks, closure and rehabilitation risks, changes to the regulatory framework within which Western Areas operates or may in the future operate, environmental conditions including extreme weather conditions, geological and geotechnical events, and environmental issues, and the recruitment and retention of key personnel, industrial relations issues and litigation. Any such forward-looking statements, opinions and estimates provided in this announcement are also based on assumptions and contingencies which are subject to change without notice, and may ultimately prove to be materially incorrect, as are statements about market and industry trends, which are based on interpretations of current market conditions. You should consider the forward-looking statements in this announcement in light of those disclosures and not place undue reliance on any forward-looking statements (particularly in light of the current economic climate and significant volatility, uncertainty and disruption caused by the COVID-19 pandemic). Forward-looking statements including projections, guidance on future earnings and production and cost estimates, and guidance on industry trends are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve significant elements of subjective judgement, assumptions as to future events that may not be correct, known and unknown risks, uncertainties and other factors, many of which are outside the control of Western Areas.

Except as required by applicable law or regulation (including the ASX Listing Rules), Western Areas undertakes no obligation to provide any additional or updated information or update any forward-looking statements, whether as a result of new information, future events or results or otherwise. Neither Western Areas nor any of its directors, officers, employees, servants, advisers or agents makes any warranty as to the accuracy of any forward looking statements in this announcement.

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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.

This announcement is not a prospectus, product disclosure statement or other offering document under Australian law, or any other law. This announcement has not been lodged with the Australian Securities and Investments Commission (“ASIC”).

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.