

DIGGERS & DEALERS PRESENTATION

DAN LOUGHER | AUGUST 2021

WESTERN AREAS LTD



AGENDA

CORPORATE



NICKEL MARKET



GROWTH



EXPLORATION



OPERATIONS



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The information within this PowerPoint presentation was compiled by Western Areas management, but the information as it relates to exploration results, mineral resources or ore reserves was prepared by Mr Graeme Gribbin, Mr Andre Wulfse or Mr Marco Orunesu-Preiata respectively. Mr Gribbin, Mr Wulfse and Mr Orunesu-Preiata are full time employees of Western Areas Ltd. Mr Gribbin is a member of Australian Institute of Geoscientists (AIG). Mr Wulfse is a Fellow of Australian Institute of Mining and Metallurgy (AusIMM) and Mr Orunesu-Preiata is a member 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 Gribbin, Mr Wulfse and Mr Orunesu-Preiata consent to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.

This announcement is authorised for market release by Western Areas Limited Managing Director and CEO, Daniel Lougher.

Western Areas Registered Office: L2, 2 Kings Park Road, West Perth, 6005, Australia

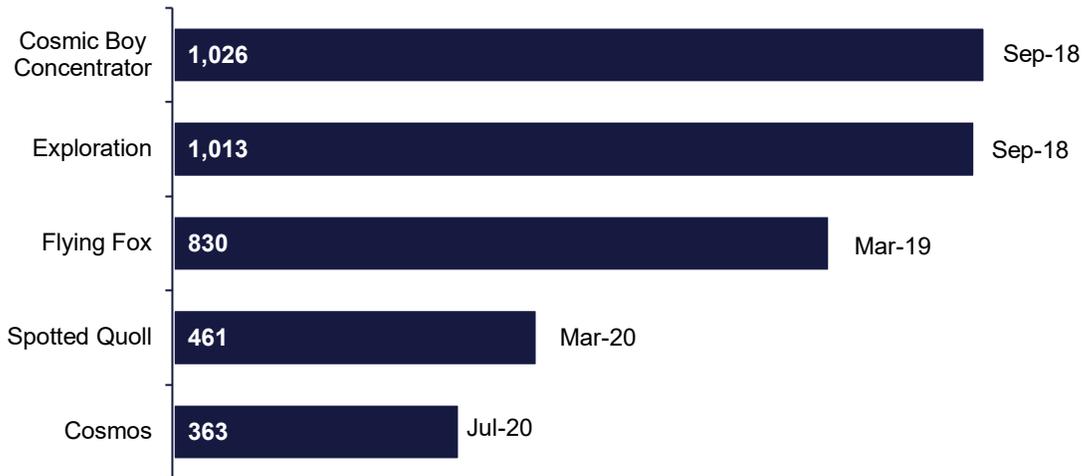
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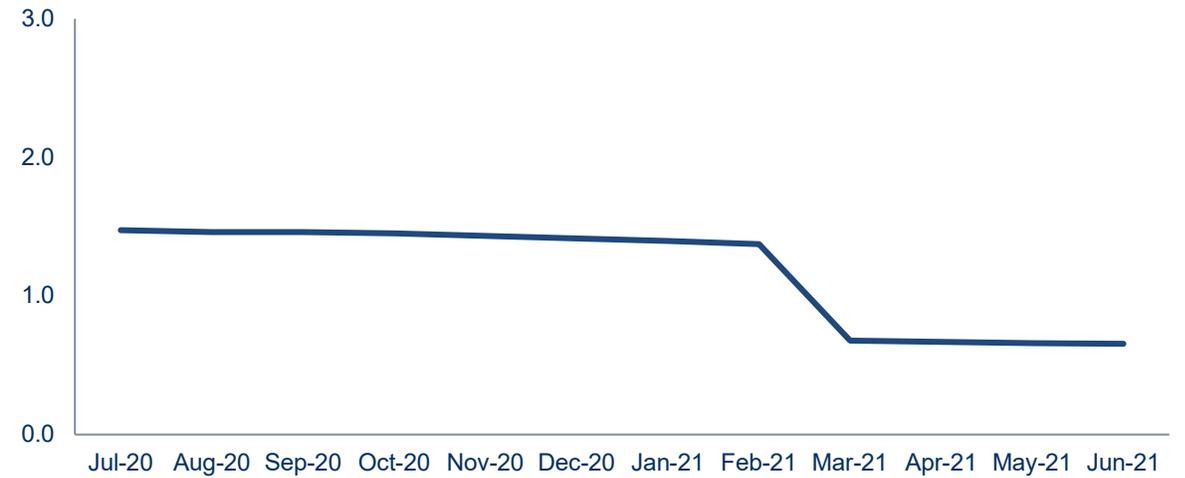
Western Areas, are safe areas



Days LTI free



12 month LTIFR moving average



Corporate overview

“The Company aims to be a sustainable and profitable, nickel focused, base metal miner, building value and scale while maintaining financial strength”

High Quality

- Low Cash Cost
- High Grade Nickel Sulphide

No Debt

- \$151.1m at bank¹

Strong Growth

- Odysseus Mine & AM6
- New Morning
- Diggers South
- Mt Goode

Nickel Leverage

- Panoramic Resources (WSA 19.9%)





“G”

- Inaugural Modern Slavery Statement published in Mar-21
- Increased diversity of the Board of Directors to 40% NED
- Reviewed and updated key policies such as Code of Conduct & Whistleblower Policy

Governance



Environment

- ## “E”
- Transparency & Disclosure (WSA ESG report, CDP and NGRS)
 - Published Climate Change Strategy
 - Zero Major environmental incidents
 - Third party verification of Scope 1 & 2 emissions



Social

- ## “S”
- LTIFR reduction to 0.71 (Mar-20 1.41)
 - Cultural Awareness Training
 - Maintain relationship with Tjiwarl Aboriginal Corporation
 - Teamed up with Performex WA to provide a Wellness Program



NICKEL MARKET



Offtake contracts best in class

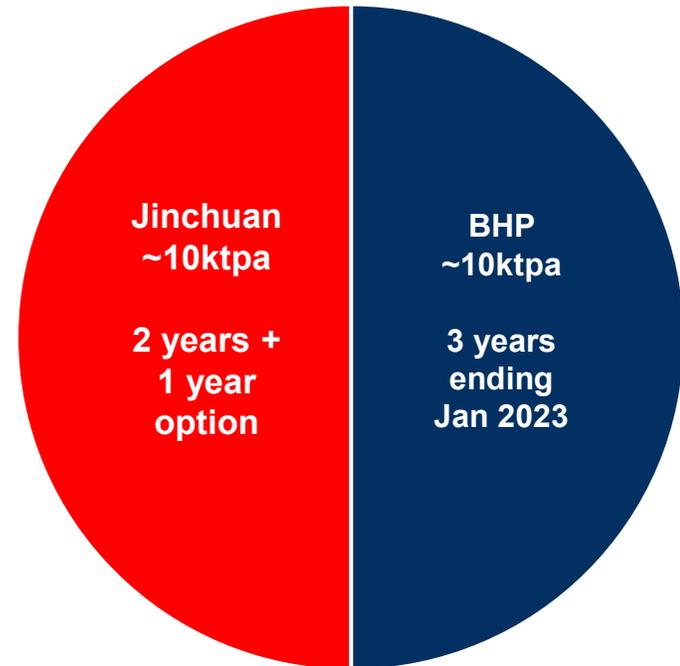
Current contracts executed with strategic partners “Best in Class”

Full benefit of improved commercial terms (compared to previous agreements) in FY21 onwards

Premium blending concentrate - superior commercial terms

Our Partners:

- **BHP: 50%**
 - ✓ Australia's largest nickel producer
 - ✓ Building a nickel sulphate plant in Kwinana Western Australia
- **Jinchuan: 50%**
 - ✓ China's largest nickel cathode producer
 - ✓ Direct feeder of the Chinese nickel sulphate market



Discussion ongoing with offtake parties that are linked to the Electric Vehicle battery pre-cursor sector for future MREP production of high grade, premium nickel sulphide and potential for Odysseus concentrate to feed this market.



New Odysseus concentrate offtake – timing is good!

- Tender process commenced for the uncontracted Odysseus concentrate
- Strong market environment for sustainable, nickel sulphide concentrates with OEM concerns on emerging deficits (ie BHP and Tesla Inc deal)
- Korea and Japan (Panasonic and LG Energy) moving “faster” to consolidate future offtake contracts. Potential to build new smelter and hydromet plants
- We may see changes in traditional “smelter short term” to LOM contracts, with improved commercial terms and potential downstream benefits
- Majors active in Ni assets M & A

Estimated electrification impact per vehicle (avg NMC battery)



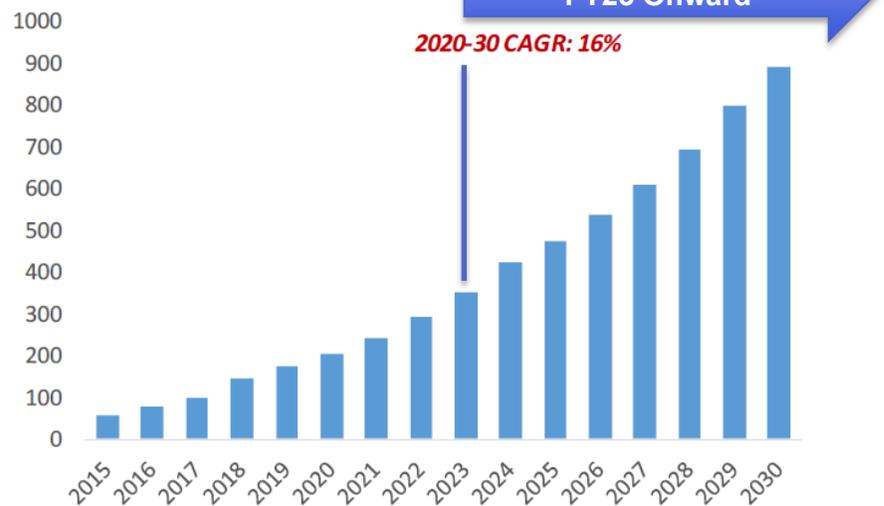
What we are seeing

- **BHP/Tesla Inc** announce partnership for nickel
- **Significant inbound battery producer interest**, targeting nickel offtake to feed production lines
- **Strong growth in EV production** and demand, especially in Europe, with increasing Government incentives globally

- **Tsingshan laterite to nickel matte conversion**, this product is needed, but what is the carbon footprint?
- **Jinchuan** (largest nickel cathode producer in China) increasing nickel sulphate volumes. Believed to be investing in pre-cursor production lines

NICKEL DEMAND IN BATTERIES

GLOBAL

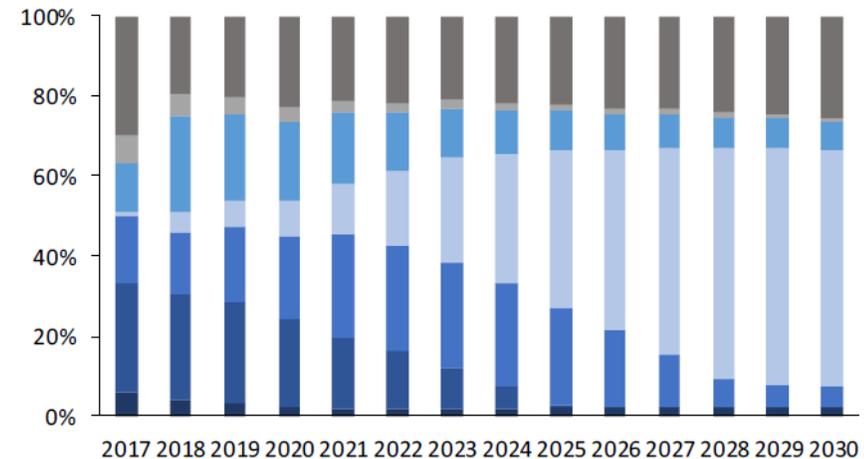


Source: Trafigura Research, SMM, CIAP – March 2020

MARKET SHARE

BY TYPE OF CATHODE MATERIAL

Stated as % of the market

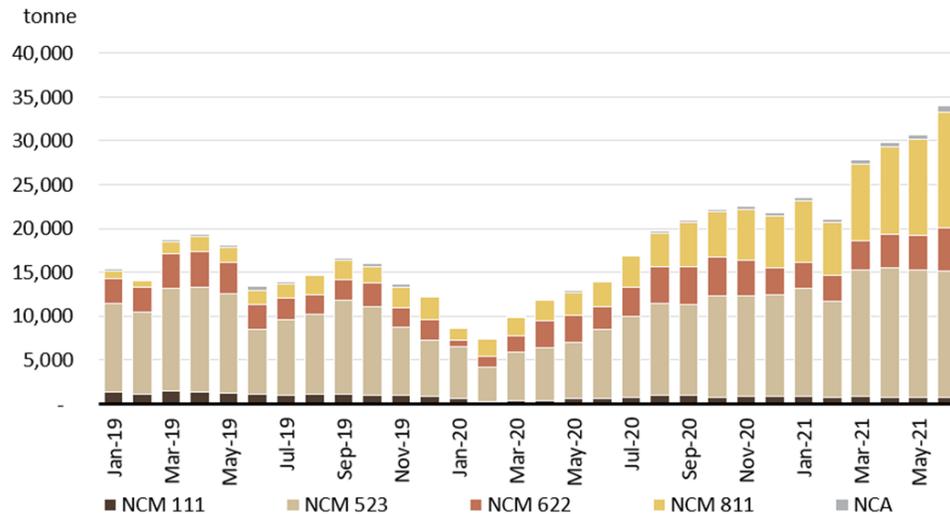


Source: Trafigura Research, SMM

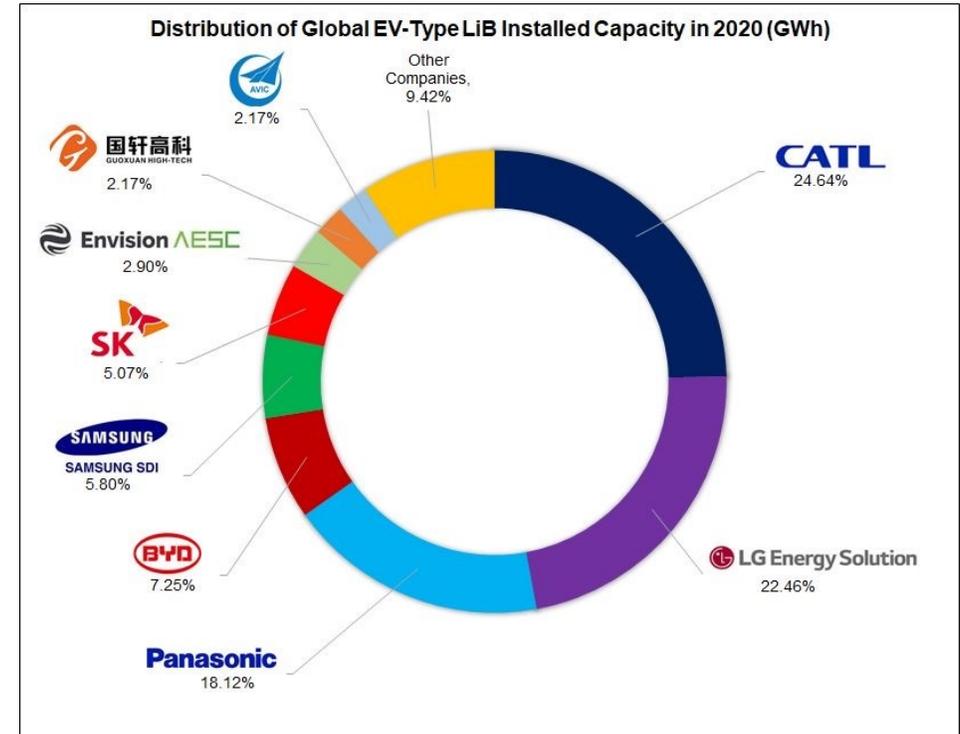
Battery market

- Battery producers currently dominated by China, Korea and Japan
- USA starting to positioning for supply – Looking abroad to find critical battery metals
- **Technology change to NCM 811** which requires higher quantity of nickel, gaining market momentum

Ternary cathode materials production breakdown (ton)



Source: ICCSINO

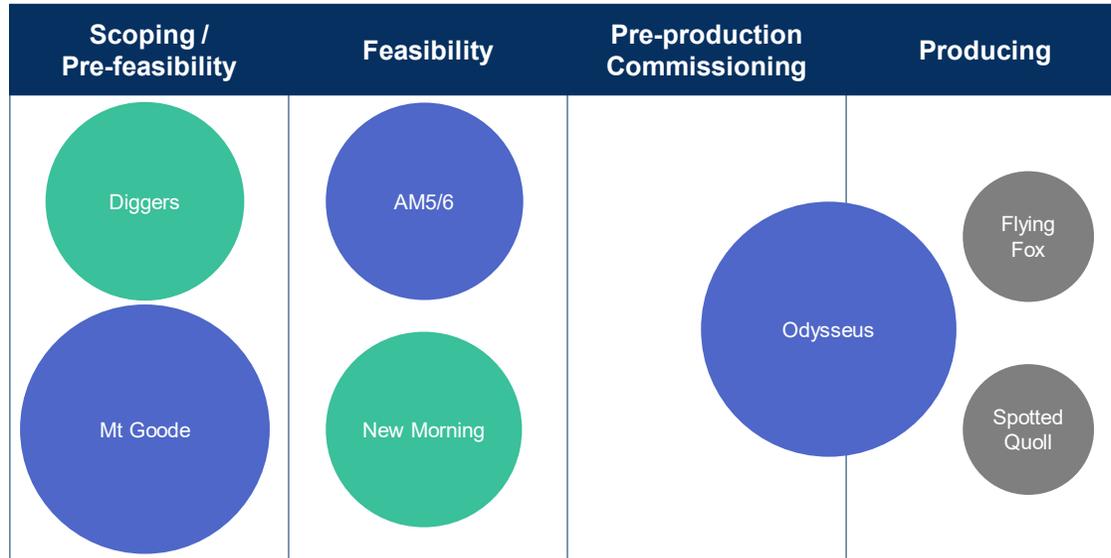


Source: Golden Dragon Capital Ltd

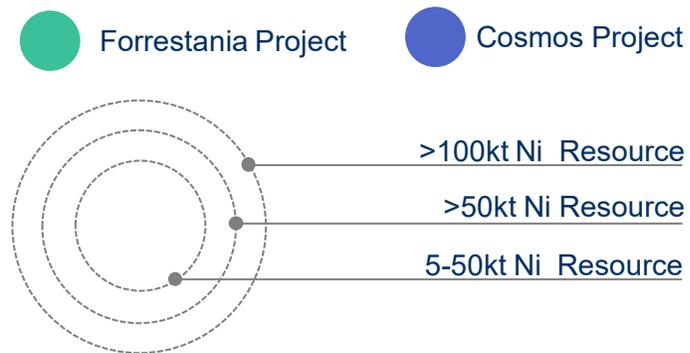
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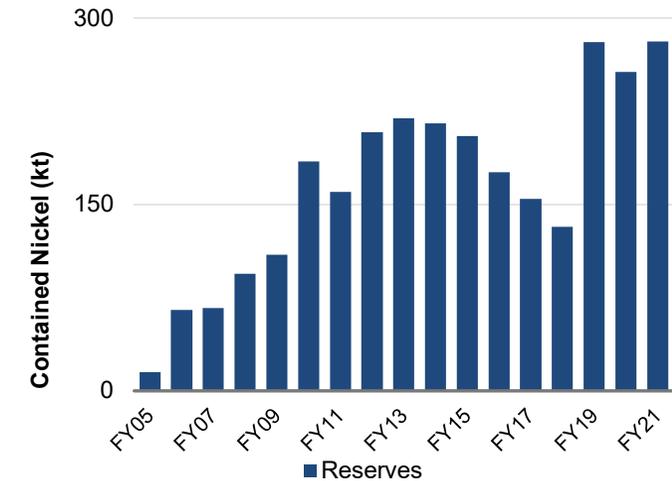
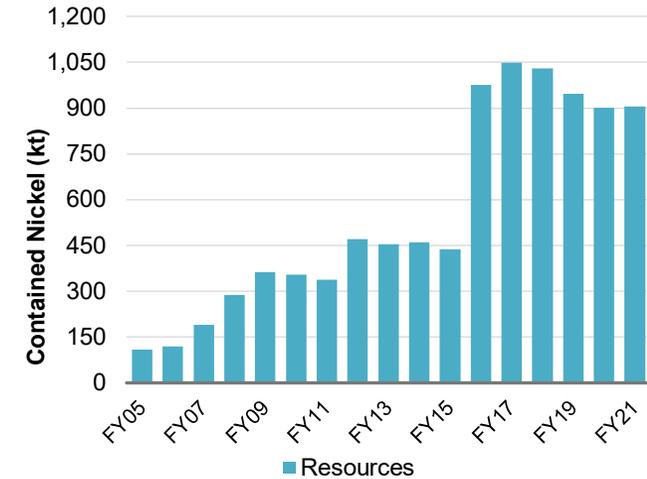
Nickel growth pipeline



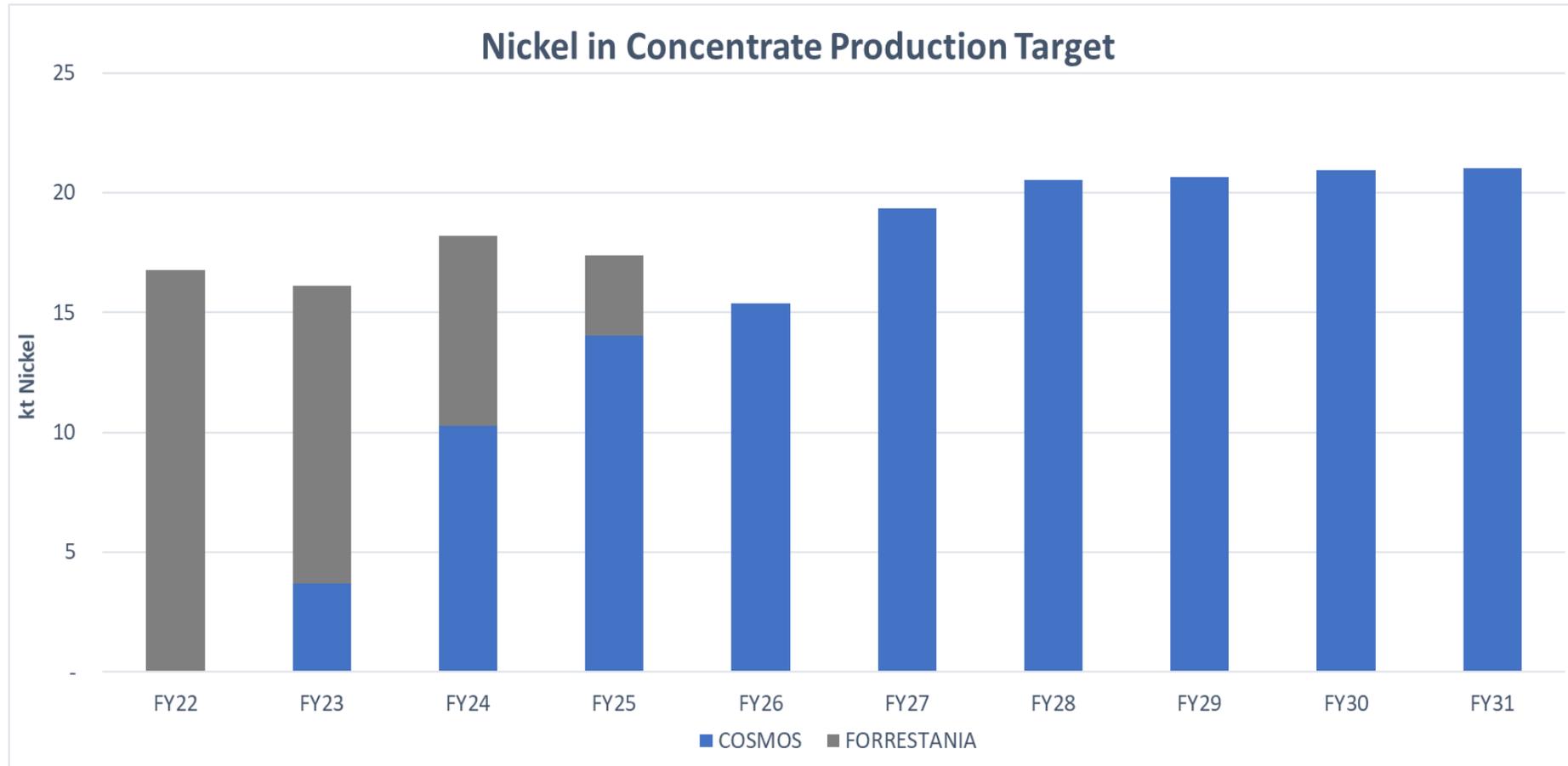
- Many projects in the pipeline to drive nickel production well into the future
- Ore Reserves have substantially increased in FY19 with Odysseus and in FY21 with the addition of AM6



Nickel Resources



10yr production profile



Graph data source:

Forrestania production targets based on Spotted Quoll and Flying Fox ore reserves. Refer to "June 2021 Quarterly Report" announcement

Cosmos production targets based on Odysseus and AM6 ore reserves. Refer to "Strong Odysseus DFS results in Decision to Mine," dated 22 October 2018 and "Maiden Ore Reserve at AM6 Boosts Odysseus Base Case," dated 2 September 2020 announcements

Cosmos Mill upgraded to 1.1Mtpa from FY27 onwards

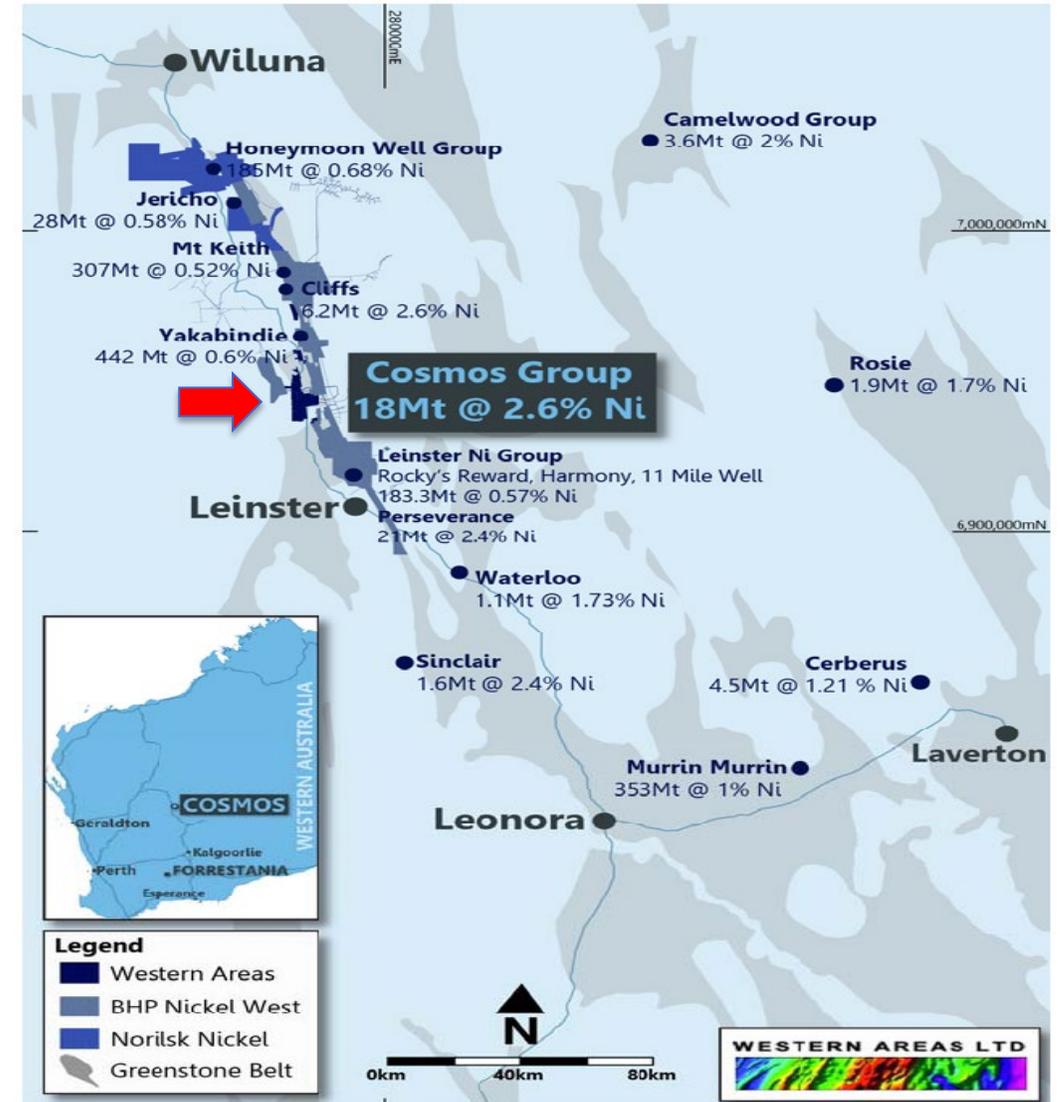
ODYSSEUS MINE DEVELOPMENT



Cosmos nickel operation

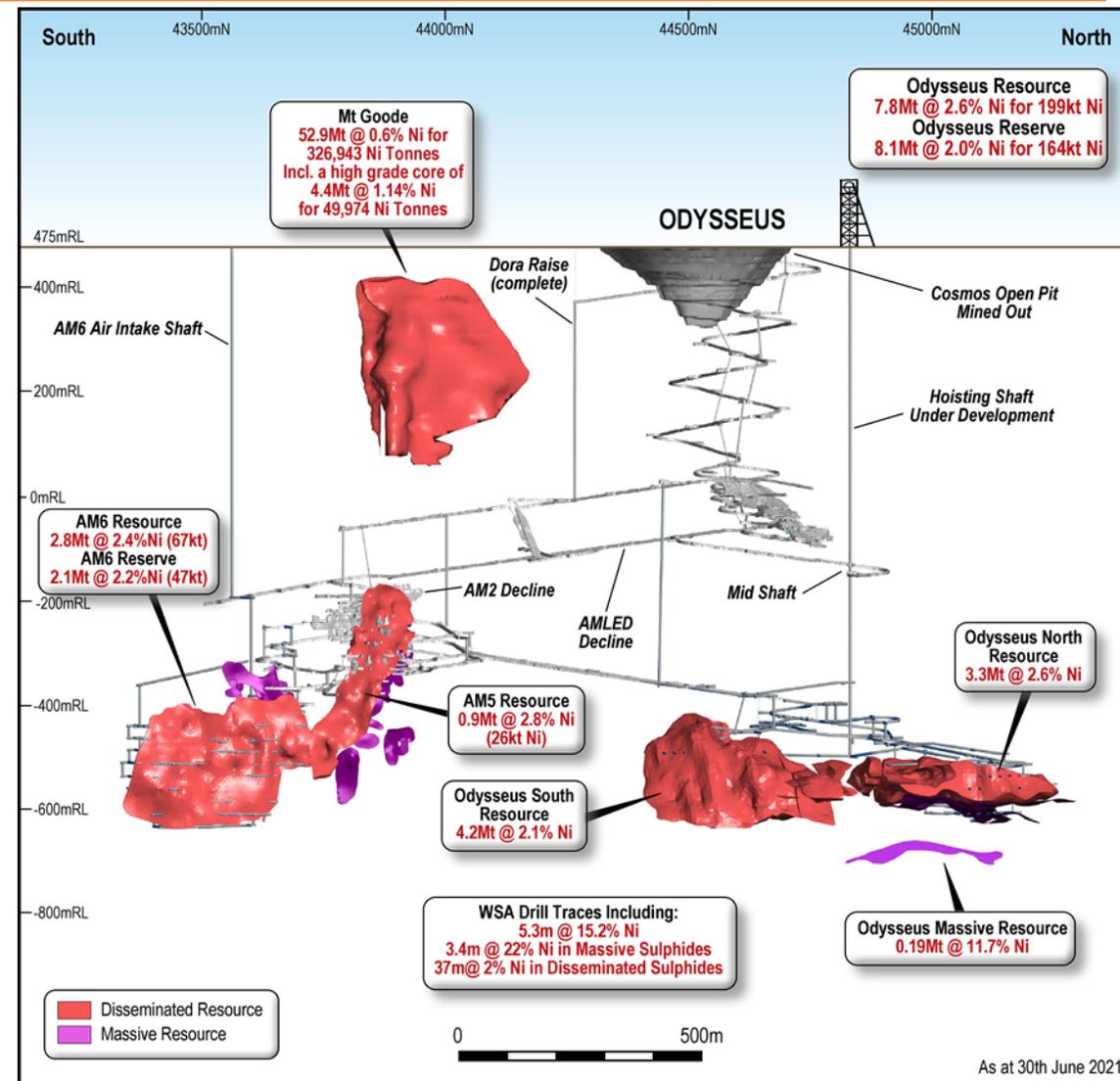
WESTERN AREAS' SECOND OPERATIONAL HUB:

- Outstanding nickel address
- **Total Ore Reserves of 211k tonnes of nickel**
- Strategically located between Nickel West's Leinster and Mt Keith mines
- Established infrastructure



Odysseus mine – a long life, low cost project, 10yrs +

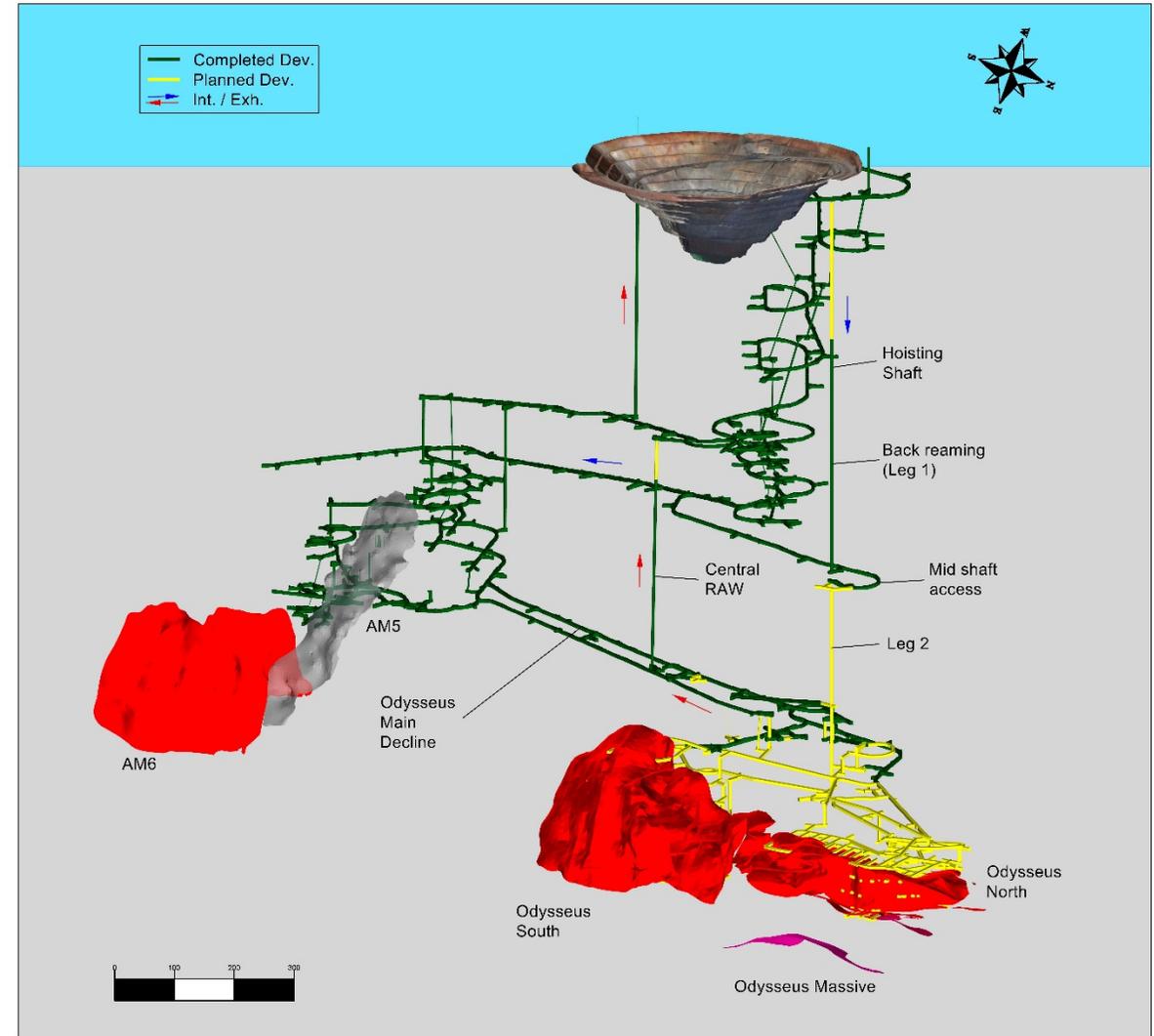
- **Odysseus - Long life, low cost project:**
 - ✓ Ore Reserve 8.1mt @ 2.0% for 164kt nickel
 - ✓ Mine life > 10 years
 - ✓ Attractive AISC – minimal capital post production
 - ✓ Average nickel in concentrate production 14.5ktpa from FY24
- **AM6 now a value add:**
 - ✓ Ore Reserve 2.1mt @ 2.2% for 47kt nickel
 - ✓ Additional 5ktpa nickel in concentrate from FY27
 - ✓ 211kt of nickel in combined Ore Reserves, increasing mine life and capital efficiency
- **Significant upside:**
 - ✓ Record 22% Ni massive sulphide intersections in lenses below Odysseus



Odysseus mine – underground development progress

■ Pre-production Activities:

- ✓ Headframe and winder infrastructure assets at site
- ✓ Winder house construction well advanced
- ✓ Odysseus decline development advanced +2.4km now above the Odysseus orebodies
- ✓ Hoisting shaft pilot hole completed for Leg 1 (630m). Back reaming (5.7m D) advanced +475m
- ✓ Central rise back reaming complete
- ✓ Mine development capex expenditure profile:
FY22 – A\$160m; FY23 – A\$55m
- ✓ WSA is fully funded with cash and agreed debt facilities



Infrastructure works gaining momentum



Headframe assets at Cosmos ready for installation



Infrastructure works gaining momentum

MAY 2020



OCTOBER 2020



NOVEMBER 2020



MARCH 2021



JULY 2021



Infrastructure works gaining momentum



Why a hoisting shaft?

- Significant economical and environmental benefits versus trucking
- Combined with renewable power = energy efficient site, 85% reduction in CO₂
- Low, consistent opex and proven technology
- Cycle time: ~3 mins
- Save 1.5 ML diesel burnt pa (DPM)
- Remove 5 MW of heat generated from diesel engines
- Remove minimum 200m³/s of additional ventilation requirement

Key Metrics:

- 5.7m diam. raise bore
- 4 guide ropes per conveyance
- 1.27Mtpa (ore and waste)
- 12 t skips
- 1 truck required to feed shaft
- 4.5 MW peak power



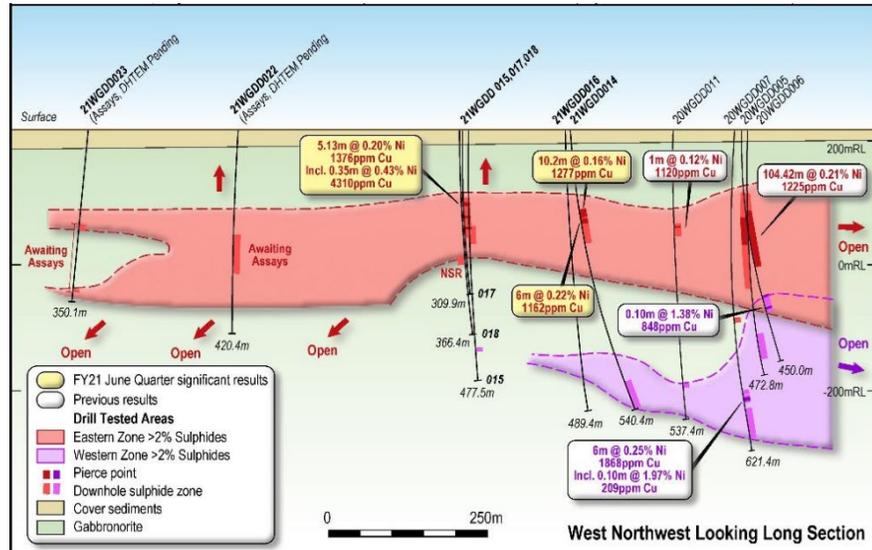
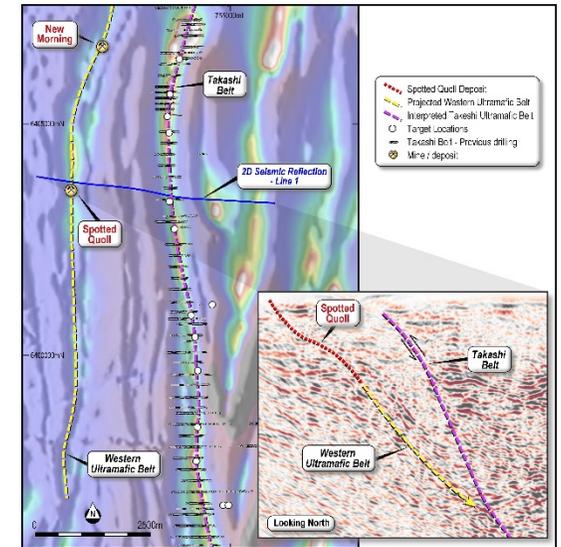
EXPLORATION



Diverse Exploration Portfolio

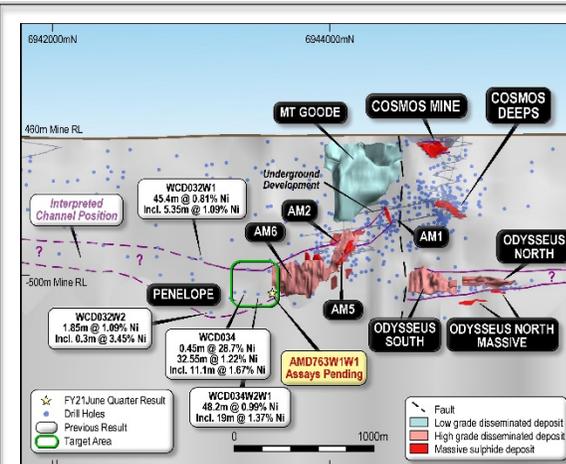
FORRESTANIA – NEW Target Space

- Series of 2D Seismic survey lines completed in September 2020 west and north of Spotted Quoll Mine
- New structural interpretation suggests the Takashi Belt represents a thrust repeat of the fertile Western Ultramafic Belt
- RC drilling completed (June – July) testing this underexplored new target area, with numerous ultramafic intervals intersected and assays pending



WESTERN GAWLER (ILUKA JV) - SAHARA

- Broad intervals of elevated nickel sulphides returned from maiden diamond hole (20WGD005)
- 104.42m @ 0.21% Ni, 0.12% Cu**
- Seven additional holes completed in 2021
- Elevated accumulations of disseminated (>2%) sulphide now intersected in excess 750m along strike
- More sulphides confirmed at regional targets (Firefly, F1-7 South and F1-7 North) with follow-up drilling planned**



COSMOS

- Centred within the prolific Leinster – Wiluna Nickel corridor
- Significant exploration upside identified along 9km of prospective ultramafic host sequence
- Recent underground exploration drilling completed with mineralisation identified south of the Alec Mairs (AM6) resource confirmed
- Future underground drilling will aim to unlock the full potential south of AM6

OPERATIONS

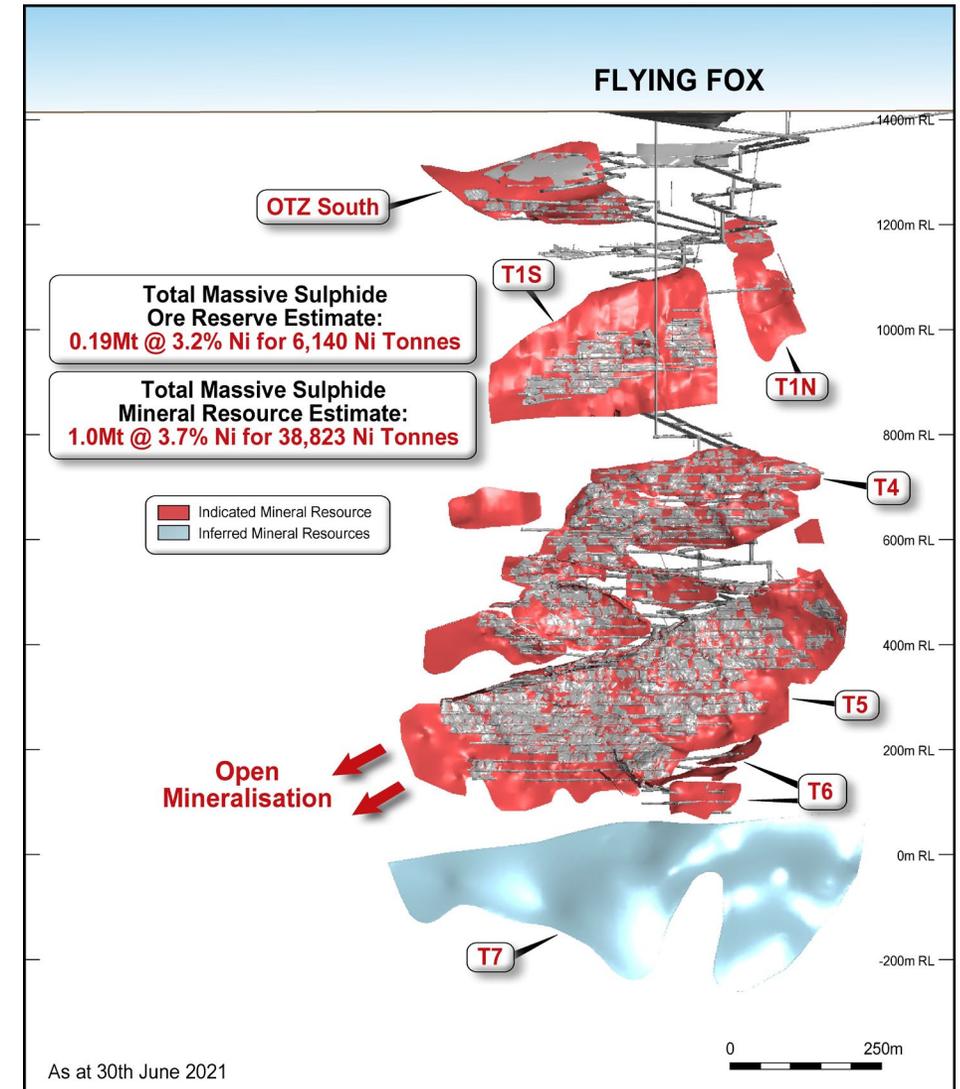


Flying Fox mine

Reserve Contained nickel	0.19Mt @ 3.2% 6,140 Ni tonnes
Resource Contained nickel	1.0Mt @ 3.7% 38,823 Ni tonnes
Mine life (on reserves)	<2 years

Key points:

- FY21 production – 5.7k Ni tonnes
- Has been operating for over 15 years
- Significant low grade disseminated resource

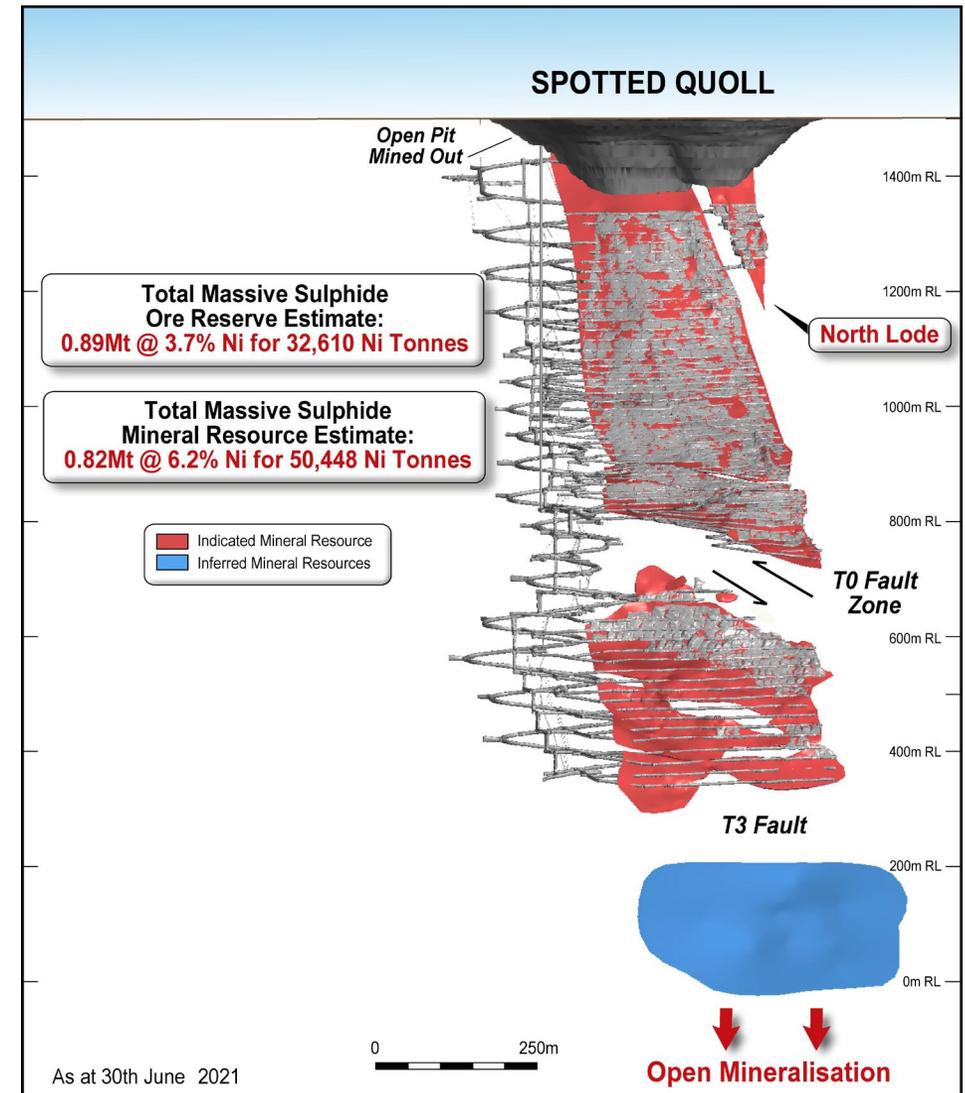


Spotted Quoll mine

Reserve Contained nickel	0.89Mt @ 3.7% 32,610 Ni tonnes
Resource Contained nickel	0.82Mt @ 6.2% 50,448 Ni tonnes
Mine life (on reserves)	4 years

Key points:

- FY21 production – 11.1k Ni tonnes
- Top down mining with paste fill
- Resource extension potential
- 2021 marks the 10th anniversary of Spotted Quoll Underground operations



Cosmic Boy nickel plant

Concentrator Summary

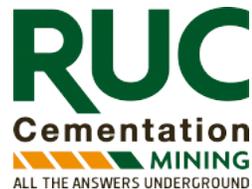
- Name plate capacity of 550,000 tpa
- Concentrate grades of between 15.0% to 16.0% Ni
 - ✓ Premium blending product (Fe/Mg ratio >15:1)
 - ✓ Desirable to smelters

MREP Summary

- Enhances average concentrator nickel recovery and generates value from waste tailings streams
- Produces additional higher-grade product (45%-50% Ni), being sold to new, EV battery linked customers – mainly refineries
- Current contract with Sumitomo Metals & Mining. Combined with several spot sales to other refineries



Thank you to our partners



WESTERN AREAS LTD



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