NEWS RELEASE

23 June 2020

WESTERN AREAS LTD

DRILLING AT WESTERN GAWLER INTERSECTS SIGNIFICANT WIDTHS OF NICKEL AND COPPER BEARING MINERALISATION

Western Areas Ltd (ASX: WSA, "Western Areas" or the "Company") is pleased to announce highly encouraging results from the first diamond drill hole at the Sahara prospect within the Western Gawler Project in South Australia.

HIGHLIGHTS:

- **The first diamond hole at the Sahara prospect has intersected over 200m (down-hole length) of nickel and copper bearing sulphides** hosted by a thick pyroxenite intrusive body.
- Drill hole 20WGDD005 at the Sahara Prospect represents the first diamond hole completed by the Company on the Iluka Farm-in and Joint Venture ground.
- **Average 2%–5% sulphide content across the entire intrusive body**, with average sulphide content increasing with depth and Niton XRF values confirming elevated nickel and copper values (assays pending).
- Drilling targeted electromagnetic (EM) conductor plate F1-6 (target plate dimensions 80m strike x >200m dip), which was successfully intersected at 195m down-hole depth. **The EM conductor is currently unconstrained below 250m, remaining open at depth**.
- **Numerous interpreted mafic intrusive bodies (and accompanying EM conductors) remain to be tested** in the Firefly district, with the Company now modifying drilling plans to focus on the Sahara – Firefly area (Figure 5).

Western Areas Managing Director, Mr Dan Lougher, said, "This is an excellent result from our first drill hole at the Sahara prospect, intercepting broad widths of nickel and copper bearing mineralisation. We keenly await the assay results, but it is already clear from what we have seen in the drill core, that we have a significant exploration result that merits immediate follow up work."

"Importantly, we originally targeted this area due to its geological similarities to the Nova-Bollinger and Nebo-Babel nickel/copper deposits and this result adds to our belief that this area could host similar mineral accumulations. A lot more work is required to determine the extent of this mineralisation and we are in the process of updating our exploration plans to focus on this area" Mr Lougher said.

Figure 1. Breccia textured sulphide (pyrrhotite–pyrite–chalcopyrite) at 195m

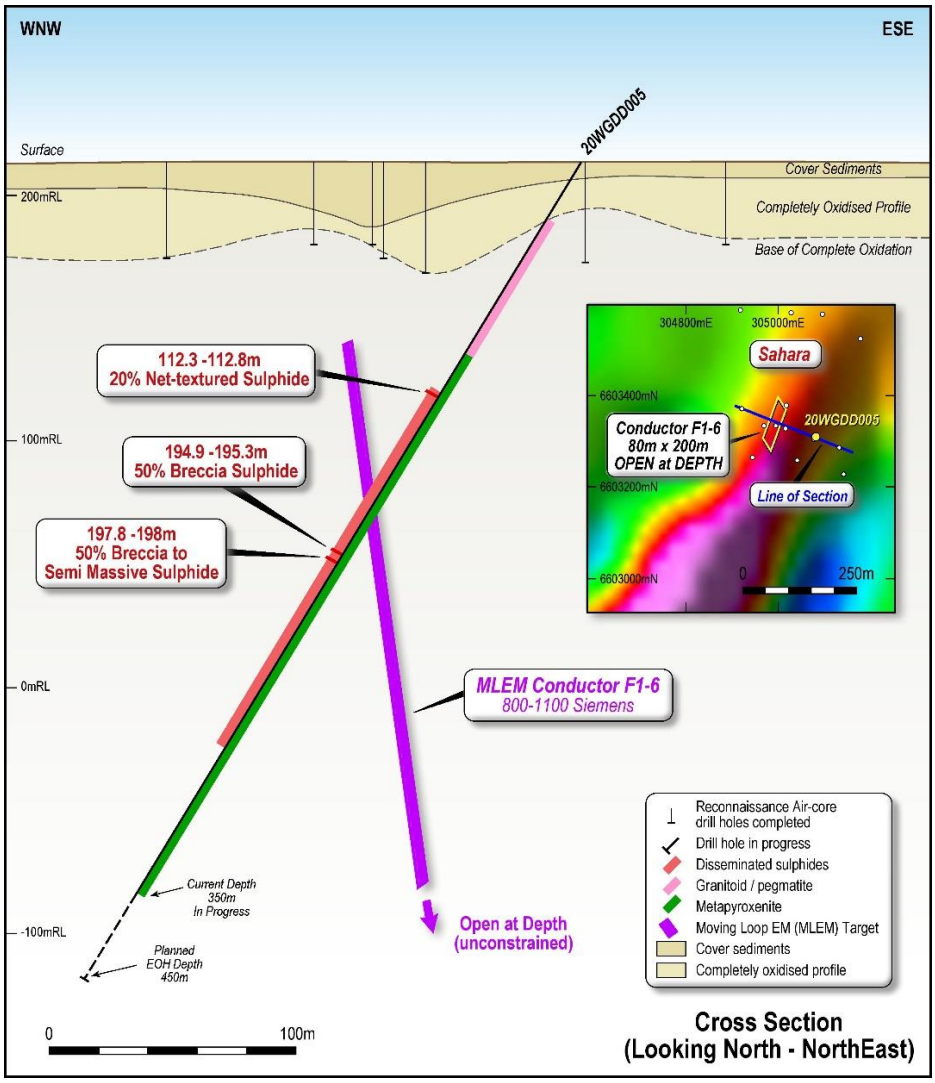

Figure 2. Sahara Prospect Cross Section

Sahara Prospect: Target and Early Observations

Following an extensive campaign of target generation and assessment in 2019, several priority targets within the Iluka Farm-In and Joint Venture area (WSA earning 75%) and the remaining Western Gawler Project (WSA 100%) were selected for diamond drilling (Figure 6).

The diamond drilling program commenced at Sahara on 10 June, targeting a coincident magnetic high and previously identified bedrock electromagnetic (EM) conductor. An additional moving loop EM (MLEM) survey, completed in July 2019, was designed to follow up, confirm and refine the previously identified conductor.

Early geological observations from drill hole 20WGDD005 indicate that sulphide mineralisation is hosted within a thick, medium to locally coarse-grained metapyroxenite, with the eastern margin observed to be in contact with a granitoid–pegmatite complex. The western margin of this unit is yet to be defined, as drilling continues in mineralised pyroxenite. The mineralised sulphide assemblage is dominated by pyrrhotite, with lesser pyrite, chalcopyrite (copper sulphide) and pentlandite (nickel sulphide). Sulphides are predominantly disseminated to matrix, with localised blebby and occasional stringer sulphide textures evident.

Sulphide concentrations are noted to be increasing with depth, with a summary of the key mineralised domains outlined below:

- 88.3 – 105m 1–2% disseminated sulphide
- 109 – 139m 2% disseminated sulphides throughout
- 141 – 195m 3–7% disseminated, with consistent increase in sulphide content downhole
- 195 – 205m+ 5–15% disseminated and matrix sulphides

The Company is highly encouraged by the presence of nickel and copper bearing sulphides intersected in this first drill hole at Sahara, vindicating the Company's long-held belief that the Fowler Domain has the potential to host significant magmatic nickel and copper sulphide accumulations.

BHID	From (m)	To (m)	Geological Comments
20WGDD005	84.7	88.3	Granite - Pegmatite complex
	88.3	95.0	Intercalated amphibolite with coarse grained granitic lenses. Average 1% sulphide, locally to 2% (chalcopyrite dominant). Fine grained.
	95.0	104	Medium grained metapyroxenite. 1–2% average (minor locally to 5% pyrrhotite - chalcopyrite). Disseminated.
	104	109	Equigranular Mafic rock (Dolerite)
	109	139	Medium to coarse grained metapyroxenite (2% sulphide average and locally to 5%, pyrrhotite - chalcopyrite assemblage). Disseminated to locally blebby.
			Including 112.3 - 112.8: 20% pyrrhotite - chalcopyrite - pyrite - pentlandite
	139	141	Granite
	141	157	Metapyroxenite with average 3% pyrrhotite - pyrite - chalcopyrite. Disseminated to blebby and locally breccia-matrix textured.
	157	195	Medium grained metapyroxenite (grading from 2 - 3% and increasing downhole to 5 - 7% pyrrhotite - pyrite-chalcopyrite). Medium grained, disseminated to blebby.
	195	205	Metapyroxenite (Averaging 5 - 10% disseminated, locally to 20 - 50% net textured to matrix breccia sulphide comprising pyrrhotite - chalcopyrite - pyrite)
			Including 194.9 - 195.3: 50% breccia texture pyrrhotite - pyrite - chalcopyrite (Figure 1,2,3) Including 197.8 - 198m: 50% breccia to semi-massive pyrrhotite - pyrite - pentlandite (Figure 1, 4c)

Table 1: Initial Geological Observations

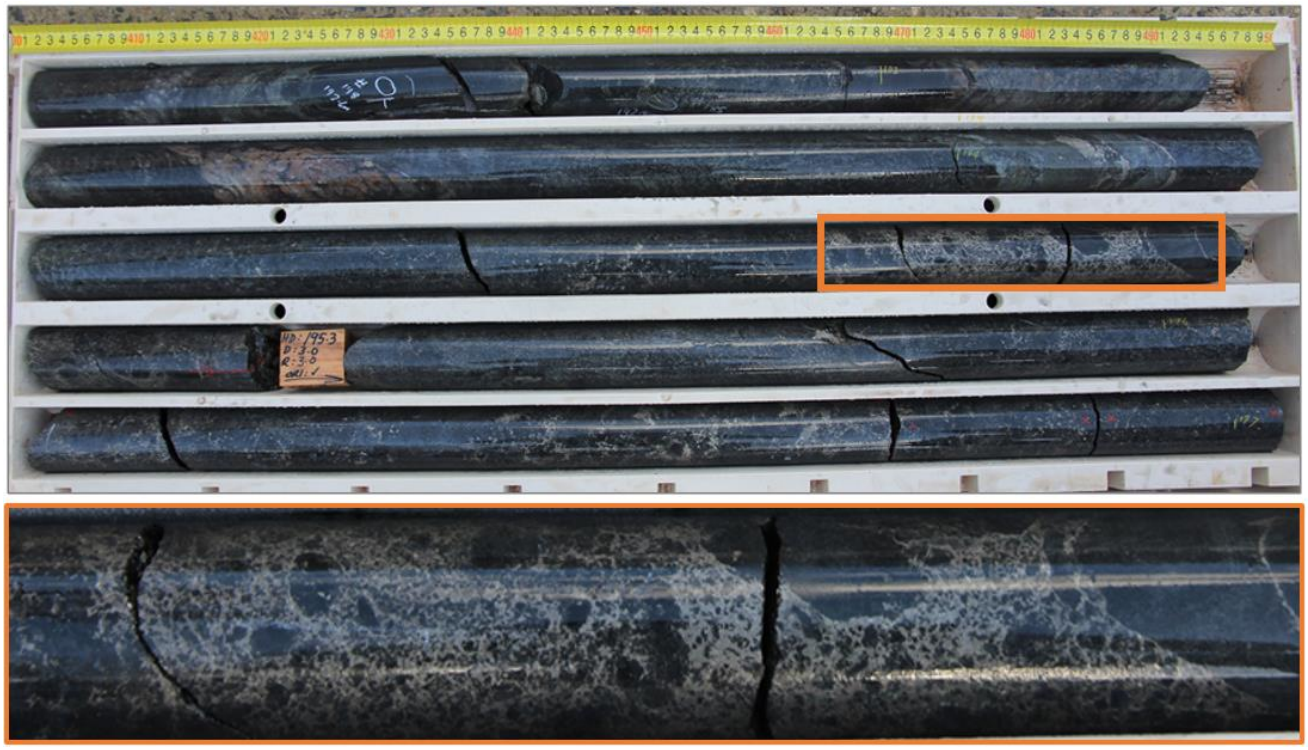

Figure 3. 20WGDD005 (192.3m – 197m), with lower insert from 194.9 – 195.2m

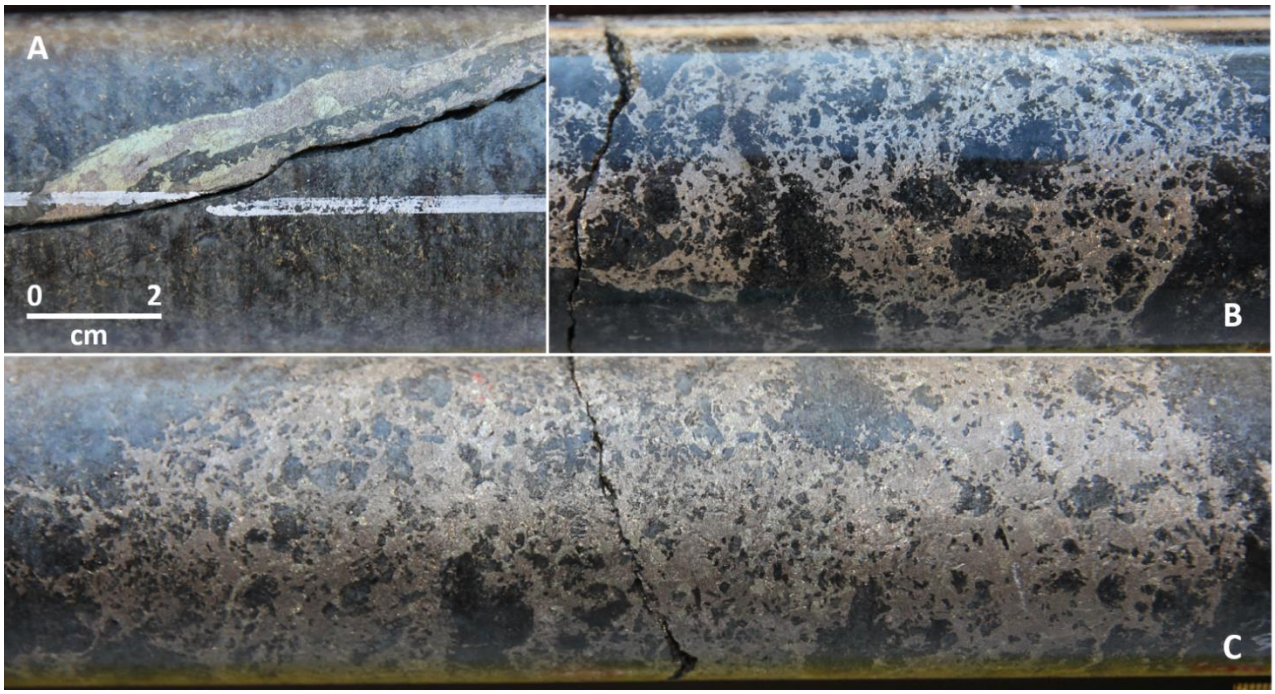

Figure 4. Variable sulphide textures: A) Late stage, remobilised pyrrhotite–chalcopyrite vein at 121.6m; B) Pyrrhotite–pyrite-pentlandite matrix sulphide at 204.3m; C) Pyrrhotite–pyrite–pentlandite breccia to semi-massive sulphides at 197.9m.

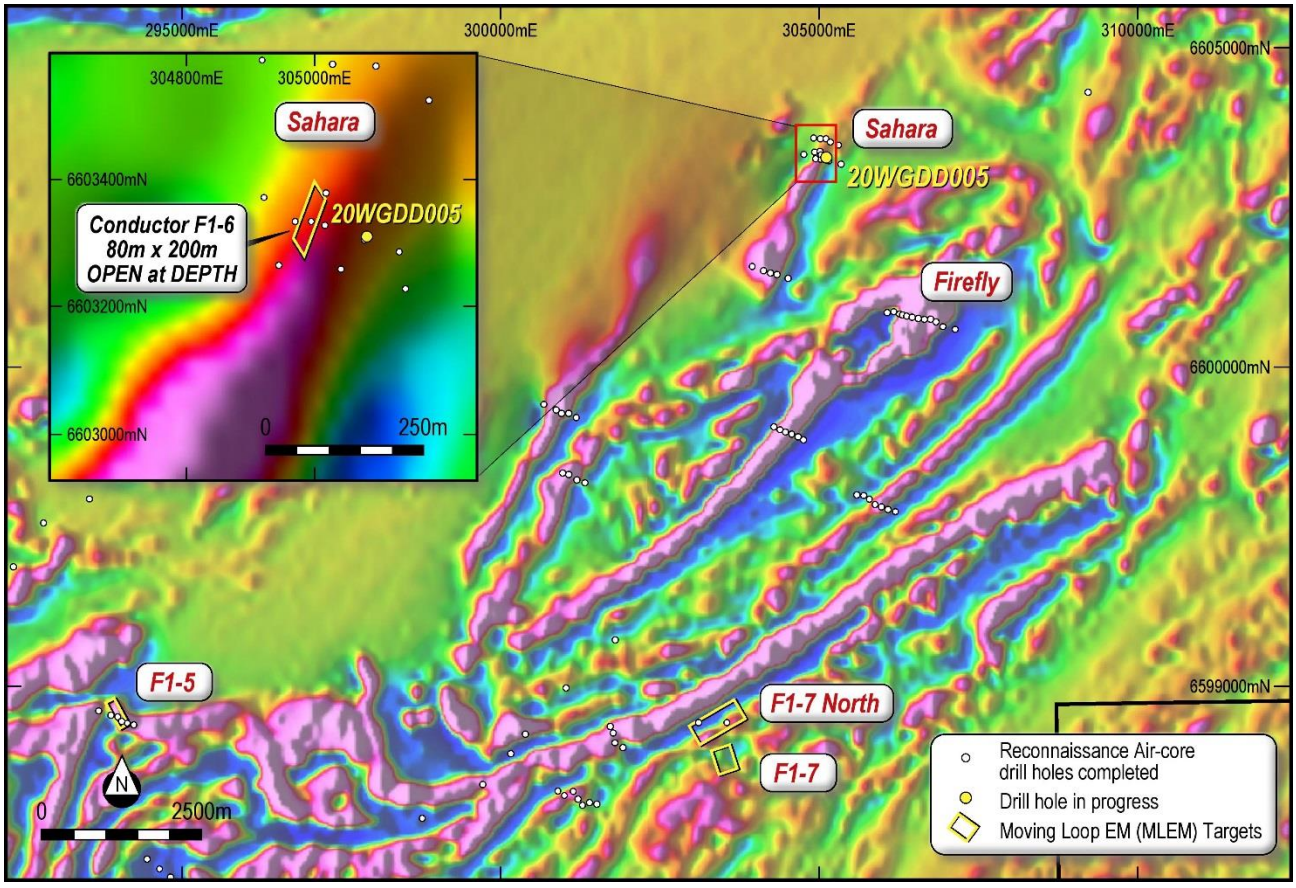

Figure 5. Sahara Prospect and additional regional targets

Future Work

Drill hole 20WGDD005 is still in progress, with sulphide development increasing within the metapyroxenite (Figure 2). The immediate aim is to test the western contact of this intrusive body. Geological understanding of the Sahara prospect is rapidly evolving, with the true dimensions of the metapyroxenite host unit to be further defined upon completion of this and subsequent diamond holes. Recovered core is being prioritised for logging, and assaying is being expedited to quantify the nickel–copper–cobalt–PGE grade distribution throughout the host intrusive.

An immediate follow-up hole is planned to test the F1-6 (Sahara) conductor 50–75m down-dip from the current hole, with this second hole designed to test for elevated sulphide concentrations within the vicinity of the interpreted conductor and further delineate the dimensions of the host intrusive body.

Down-hole electro-magnetic (DHEM) contractors have been mobilised to site, with a survey planned for drill hole 20WGDD005 towards the end of this week. Results from the DHEM survey will assist in optimising further hole locations to test for extensions of mineralisation along strike to the north and south.

Regional Location and Land holdings

The Company is very excited that drilling has confirmed significant accumulations of both nickel and copper-bearing sulphides from this diamond drilling campaign at the West Gawler project. The Sahara prospect lies within the Iluka Farm-in and Joint Venture (WSA earning up to 75%), encompassing a total of five tenements (EL 5452, EL 5675, EL 5878, EL5879 and EL 6251) located with the northern portion of the highly prospective Fowler Domain (Figure 6). The Sahara prospect is located 10km south of the Trans Australian Railway.

Encouraged by these strong sulphide intersections, the Company has applied for an additional three exploration licences covering the interpreted far northern extension of the Fowler Domain, as shown in Figure 6. The additional three tenements, covering an area of 2,378km², combine with the existing WSA 100%-held tenure and Iluka Farm-In JV ground, resulting in a contiguous tenure of 11,898km², encompassing the entire Fowler Domain.

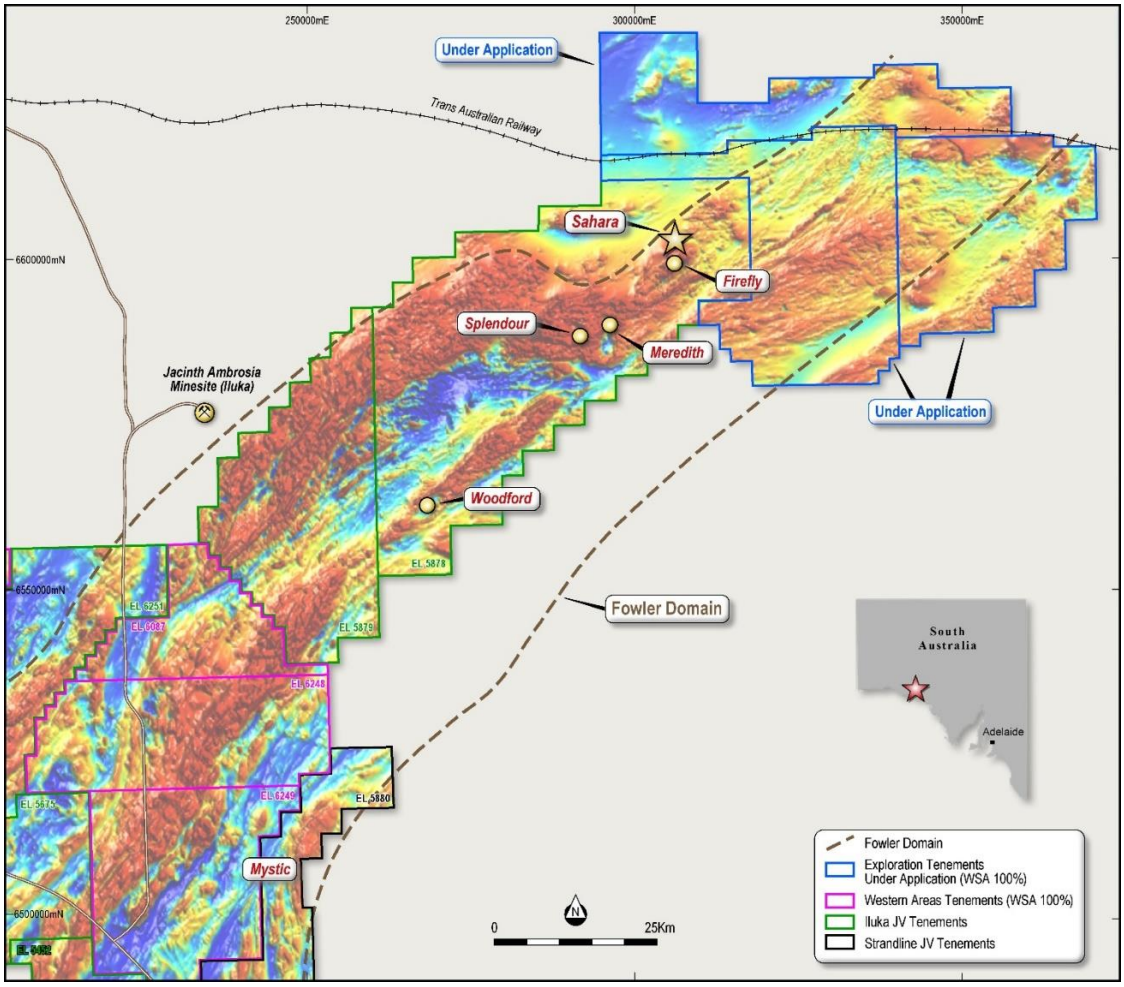

Figure 6. Western Gawler Project and Location of the Sahara Prospect

Project History

The Western Gawler Project lies within the Fowler Domain of western South Australia. The Fowler Domain is an orogenic belt (mobile zone) of Proterozoic age, marginal to the Gawler Craton. The Fowler Domain, which is known to host mafic and ultramafic intrusive rocks, is overlain by recent sedimentary cover of the Eucla Basin. Similar orogenic belts in Australia contain significant mafic-ultramafic intrusive associated nickel-copper deposits, including Nova-Bollinger and Nebo-Babel. The Company's exploration strategy is to explore for these deposits through systematic evaluation of targets which lie below cover sequences, using modern geophysical techniques and targeted drilling campaigns.

The Company now has a contiguous land holding with 100% interest covering five tenements across the Western Gawler Project with an additional 90% interest in a sixth tenement held by Strandline Resources. Additional to this, in July 2018 the Company further consolidated its regional presence across the Western Gawler region via the execution of a Farm-in and Joint Venture with Iluka (Eucla Basin) Pty Limited (Iluka), a 100%-owned subsidiary of Iluka Resources Limited.

-ENDS-

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

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COMPETENT PERSON'S STATEMENT:

The information within this report as it relates to exploration results is based on information compiled by Mr Graeme Gribbin of Western Areas Ltd. Mr Gribbin is a member of AIG and a full time employee of Western Areas. Mr Gribbin has sufficient experience which is relevant to the style of mineralisation and type of activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Gribbin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

FORWARD LOOKING STATEMENT:

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

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 Ltd. Potential investors should refer to Western Areas' other public releases and statutory reports and consult their professional advisers before considering investing in the Company.

JORC 2012 TABLE 1: WESTERN GAWLER PROJECT

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code Explanation	Commentary
Sampling techniques	▪ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. ▪ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. ▪ Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	▪ **Exploration targets were tested from diamond drilling (DD) core, and holes were mostly drilled perpendicular to the strike (NE-SW) of the stratigraphy.** ▪ **Drill holes were located with handheld GPS.** ▪ **Diamond Drilling is used to obtain high quality samples that are from oriented core, and logged for lithological, structural and geotechnical attributes.** ▪ **Drill hole sampling and assaying is yet to be completed.**
Drilling Techniques	▪ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	▪ **Exploration targets are tested using DDH drilling.** ▪ **Drilled at 60 degrees.** ▪ **A track-mounted Sandvik diamond drill-rig was used.** ▪ **Diamond drilling comprises HQ3 and NQ2 sized core.**
Drill sample recovery	▪ Method of recording and assessing core and chip sample recoveries and results assessed. ▪ Measures taken to maximise sample recovery and ensure representative nature of the samples. ▪ Whether a relationship exists between sample recovery and grade and whether sample bias	▪ **Diamond core recoveries have been logged and recorded in the database** ▪ **Overall observed recoveries are >95% and there was no core loss issues or significant sample recovery problems.** ▪ **Diamond core was reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the drillers.** ▪ **The drilling by diamond core method has high recoveries.**

Logging	▪ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. ▪ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) ▪ The total length and percentage of the relevant intersections logged.	▪ **Geological logging is recorded and validated in 'Ocris' Logging Software (Toughbook platform) & stored in an Acquire database.** ▪ **Drill core is logged for lithology, mineralogy, mineralisation, weathering, fabric, grainsize, colour, structure, and other relevant features.** ▪ **Geotechnical logging was not completed due to the nature of drill method.** ▪ **Core is photographed both in wet and dry form.** ▪ **All holes have been logged from the surface to the end of hole.** ▪ **Petrology is used to verify the field geological logging.**
Sub-sampling techniques and sampling preparation	▪ If core, whether cut or sawn and whether quarter, half or all core taken. ▪ If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. ▪ For all sample types, the nature, quality and appropriateness of the sample preparation technique. ▪ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. ▪ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling ▪ Whether sample sizes are appropriate to the grain size of the material being sampled.	▪ **Not applicable** ▪ **Sampling of the drill hole is yet to be completed**
Quality of assay data laboratory tests	▪ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. ▪ For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. ▪ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	▪ **Not Applicable** ▪ **Sampling of the drill hole is yet to be completed**
Verification of sampling and assaying	▪ The verification of significant intersections by either independent or alternative company personnel.	▪ **Not Applicable**

	▪ The use of twinned holes. ▪ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. ▪ Discuss any adjustment to assay data.	
Location of data points	▪ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ▪ Specification of the grid system used. ▪ Quality and adequacy of topographic control.	▪ **Drill holes were located using hand held GPS.** ▪ **Elevation data is captured with handheld GPS, and cross referenced with local topographical maps,** ▪ **Downhole survey data is collected using a digital Reflex survey tool,** ▪ **MGA94 Zone 53 grid coordinate system is used.**
Data spacing and distribution	▪ Data spacing for reporting of Exploration Results. ▪ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. ▪ Whether sample compositing has been applied.	▪ **Drill holes are located and specifically planned according to target location and stratigraphic location.** ▪ **Drill hole spacing will vary according to the nature of the target type.**
Orientation of data in relation to geological structure	▪ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. ▪ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	▪ **The drill hole is drilled at 60 degrees to achieve the best possible intersection angle in steeply dipping terrane.** ▪ **No orientation-based sampling bias has been observed in the data, intercepts are reported as down-hole lengths.**
Sample Security	▪ The measures taken to ensure sample security.	▪ **Not Applicable**
Audits and Reviews	▪ The results of any audits or reviews of sampling techniques and data.	▪ **Adrian Black of Newexco Pty Ltd (a member of the AIG), an independent exploration company, has reviewed the data and sampling techniques employed by WSA.**

SECTION 2: REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	▪ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. ▪ The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	▪ **The Western Gawler Project comprises 5 exploration licenses covering some 4,450km², of which 5 are held 100% WSA. EL 6087(formerly EL 5077), EL6248 (formerly EL 5199), EL6249 (formerly EL5200), EL5688 and EL5939** ▪ **Licence EL 5880 (formerly EL 4440) is operated under the Strandline Resources Ltd / Western Areas Ltd Farm-In and Joint Venture (JV) Agreement.** ▪ **The Iluka JV Project consists of 5 exploration licenses under a Farm In and Joint Venture Agreement (FIJVA) between Iluka (Eucla Basin) Pty Limited and Western Areas Limited, all of which all are held by Iluka (Eucla Basin) Pty Limited. EL5878, EL5879, EL6251, EL5675 and, EL5452.**
Exploration done by other parties.	▪ Acknowledgment and appraisal of exploration by other parties.	▪ **The project area was originally explored by BHP Billiton as part of its extensive gold, titanium, iron and nickel target generation work, and more recently by Gunson Resources Limited (Nickel), Equinox (Base Metals and Gold) and Iluka Resources Ltd (Mineral Sands). It is deemed that the previous exploration was of variable effectiveness.** ▪ **The South Australian Government has performed widely spaced stratigraphic diamond drilling along a number of traverses in the tenure** ▪ **The success rate of historical RC drilling is low, while the AC and Diamond drilling was effective.** ▪ **Gravity, Magneto Tellurics and Airborne Electromagnetics have been used in selective locations within the project area.** ▪ **The historical geophysics is deemed to have been effective.**
Geology	▪ Deposit type, geological setting and style of mineralisation.	▪ **The Western Gawler Project lies within the Fowler Domain of western South Australia. The Fowler Domain is a mesoproterozoic orogenic belt comprised of medium to high metamorphic grade basement lithologies and younger felsic, mafic and ultramafic intrusives.** ▪ **Similar aged terranes globally contain significant accumulations of nickel and copper sulphides.** ▪ **Whilst not primary target types, the area may also be prospective for orogenic gold, IOCG and skarn related mineralisation.**
Drill hole Information	▪ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ▪ Easting and northing of the drill hole collar ▪ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ▪ dip and azimuth of the hole ▪ down hole length and interception depth	**All collar related information pertaining to the location of the reported assay results are included within the exploration results table contained within the body of this report.** HOLEID | Easting | Northing | RL | EOH Depth (m) | Type | DIP | Azimuth 20WGDD0005 | 305078 | 6603313 | 215 | 350* | DD | -60 | 290 **Datum MGA94 (Z53)** ***hole depth at time of report, hole is ongoing**

	▪ hole length. ▪ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	▪ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. ▪ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ▪ The assumptions used for any reporting of metal equivalent values should be clearly stated.	▪ **Not applicable**
Relationship between mineralisation widths and intercept lengths	▪ These relationships are particularly important in the reporting of Exploration Results. ▪ If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ▪ If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	▪ **Not applicable**
Diagrams	▪ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	▪ **Refer to the body of the report for location coordinates relating to the observed sulphide intervals.**
Balanced reporting	▪ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	▪ **Balanced reporting of material results is provided.**
Other substantive exploration data	▪ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey	▪ **At the time of reporting, drill core was in the process of being logged. Table 1 within the body of the report provides the most recent compilation of geological observations from drill hole 20WGDD005.**

	results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	▪ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). ▪ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	▪ **Exploration within the Western Gawler Project is ongoing.** ▪ **At this stage of the exploration program, the nature of the geological model is evolving. Details of further work and will be forthcoming as the project progresses.**