

AUSTRALIAN NICKEL CONFERENCE

Building the future; 2030 here we come!

DAN LOUGHER | 6 October 2020

WESTERN AREAS LTD



20
YEARS

AGENDA

CORPORATE



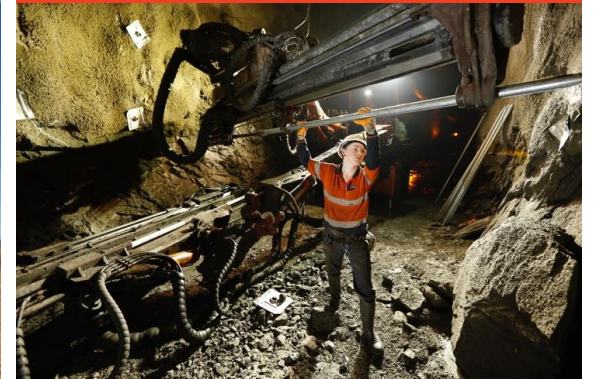
NICKEL MARKET



GROWTH



OPERATIONS



Disclaimer and forward looking statements

This presentation is being furnished to you solely for your information and for your use and may not be copied, reproduced or redistributed to any other person in any manner. You agree to keep the contents of this presentation and these materials confidential. The information contained in this presentation does not constitute or form any part of any offer or invitation to purchase any securities and neither the issue of the information nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment on the part of any person to proceed with any transaction.

The distribution of this presentation in jurisdictions outside Australia may be restricted by law, and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions. This is not for distribution or dissemination in the U.S.

The information contained in this presentation has been prepared by Western Areas Ltd. No representation or warranty, express or implied, is or will be made in or in relation to, and no responsibility or liability is or will be accepted by Western Areas Ltd, employees or representatives as to the accuracy or completeness of this information or any other written or oral information made available to any interested party or its advisers and any liability therefore is hereby expressly disclaimed. No party has any obligation to notify opinion changes or if it becomes aware of any inaccuracy in or omission from this presentation. All opinions and projections expressed in this presentation are given as of this date and are subject to change without notice.

This document contains forward-looking statements including nickel production targets and cost estimates. These statements are based on assumptions and contingencies that are subject to change without notice, and certain risks and uncertainties that could cause the performance or achievements of Western Areas Ltd to differ materially from the information set forth herein. 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. Western Areas Ltd undertakes no obligation to revise these forward-looking statements to reflect subsequent events or circumstances. Individuals should not place undue reliance on forward-looking statements and are advised to make their own independent analysis and determination with respect to the forecasted periods, which reflect Western Areas Ltd’s view only as of the date hereof.

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

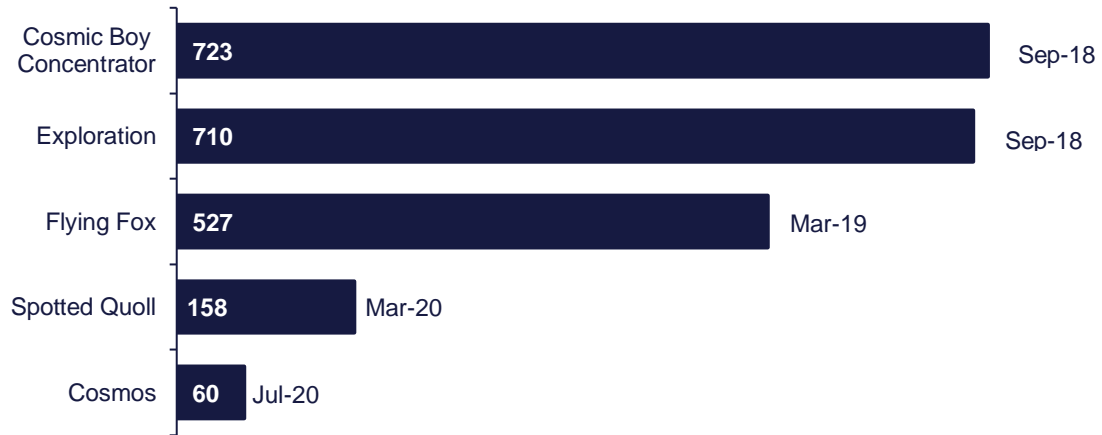
CORPORATE



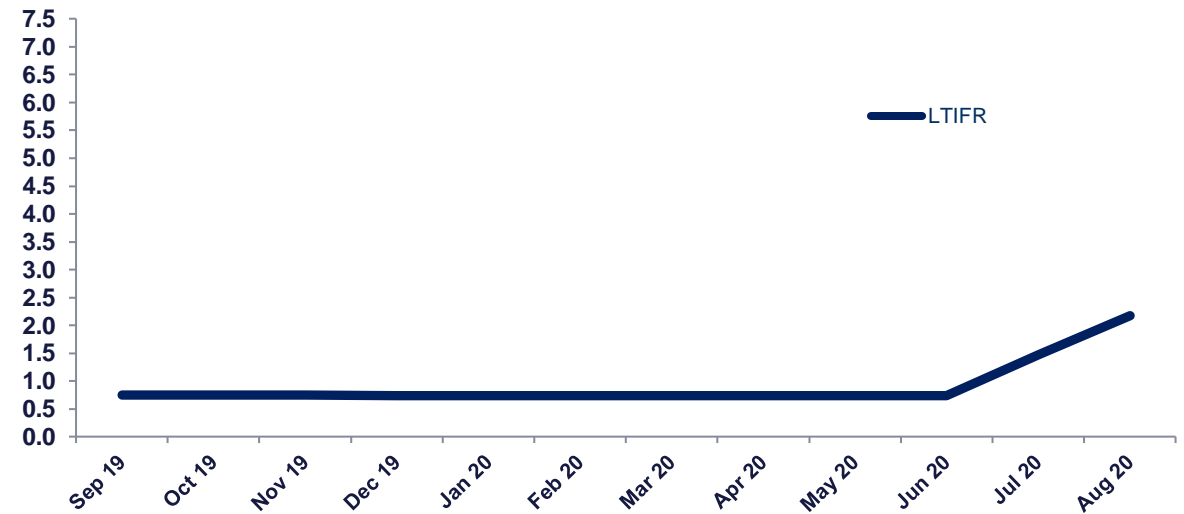
Western Areas are safe areas



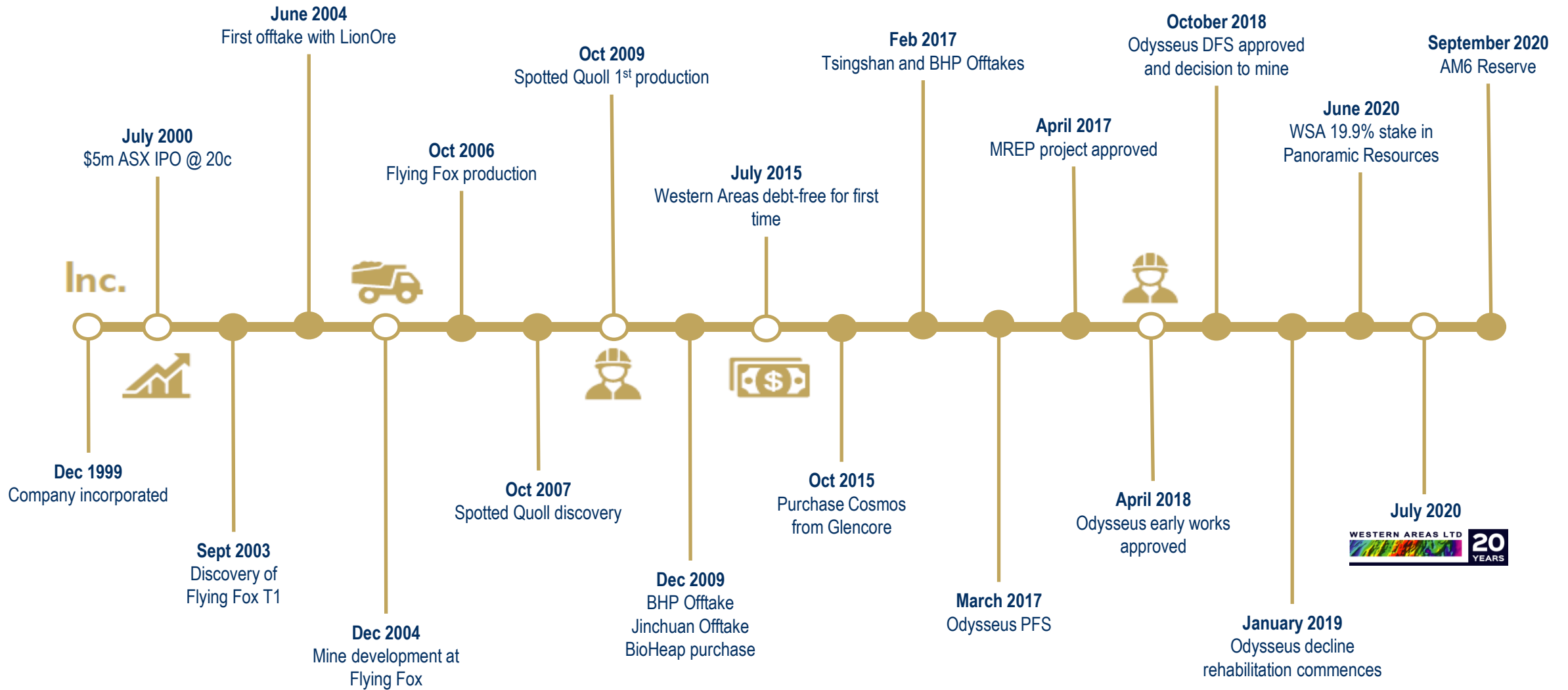
Days LTI free



12 month LTIFR moving average



Success timeline

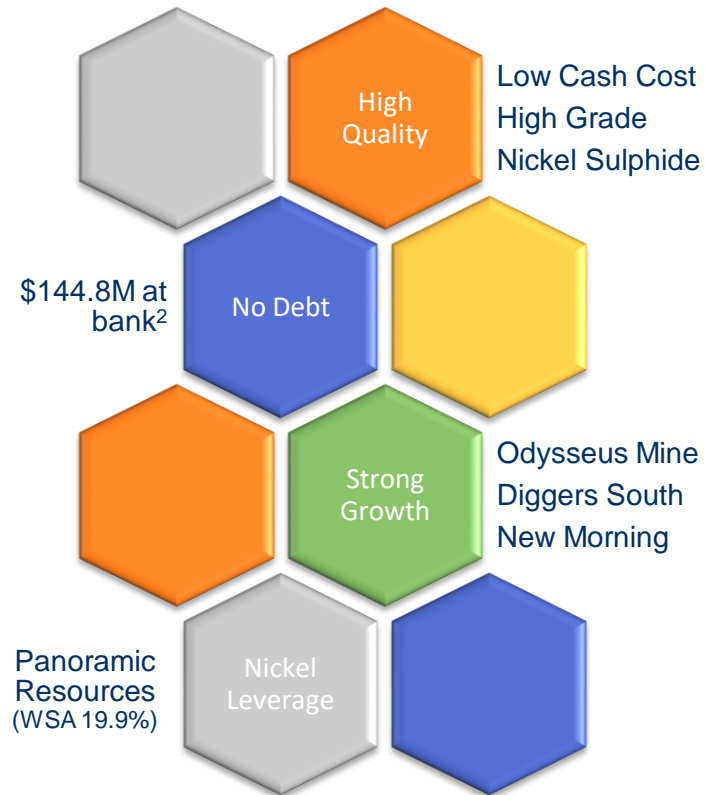


The past and present!



Corporate overview

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



ASX code	WSA
Share price	2.11
Shares outstanding (m)	274.7
Market Cap (A\$m) ¹	579.6
Cash (A\$m) ²	144.8

COSMOS

Odysseus

164kt Ni Ore Reserves
265kt Ni Mineral Resource
First Production CY2022

AM6

47kt Ni Ore Reserves
67kt Ni Mineral Resource

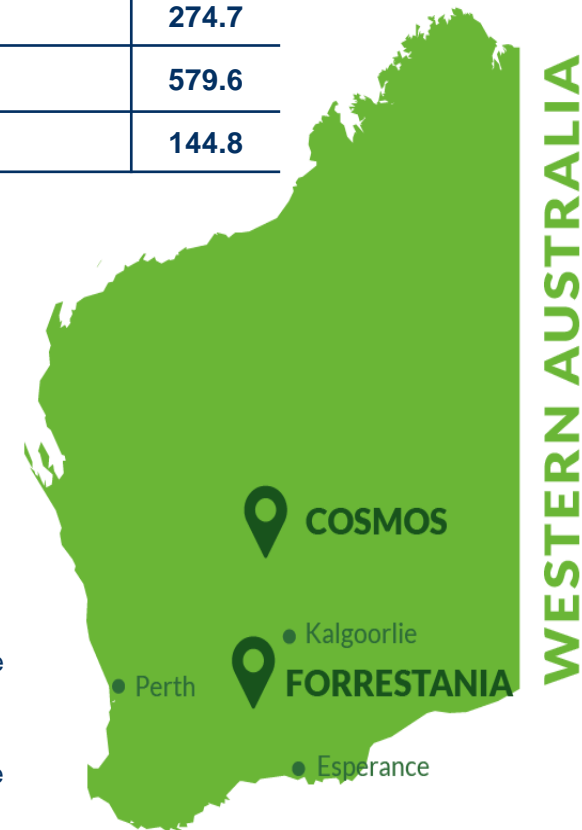
FORRESTANIA

Spotted Quoll

49.6kt Ni Ore Reserves
65.2kt Ni Mineral Resource

Flying Fox

12.0kt Ni Ore Reserves
45.3kt Ni Mineral Resource



NICKEL MARKET



Offtake contracts best in class

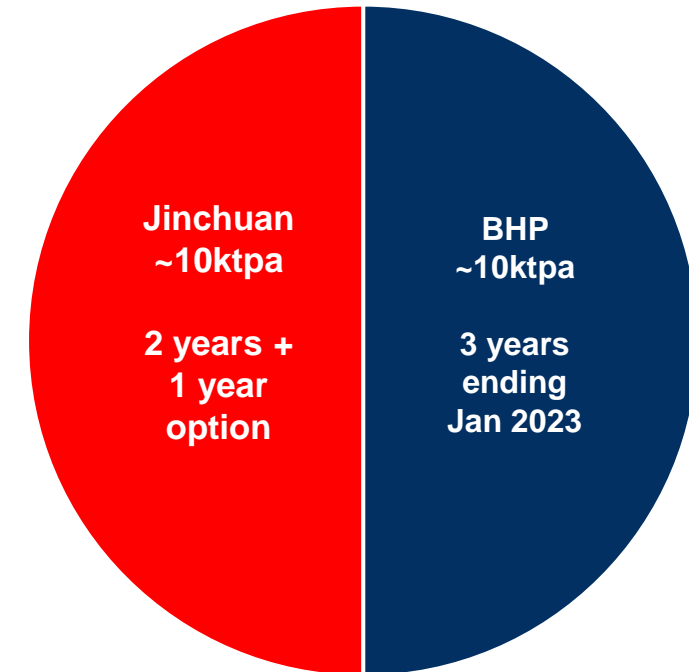
New contracts executed with strategic partners following successful completion of a highly competitive tender process

Seamless transition into new contracts. Full benefit of improved commercial terms (compared to previous agreements) commenced February 2020

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



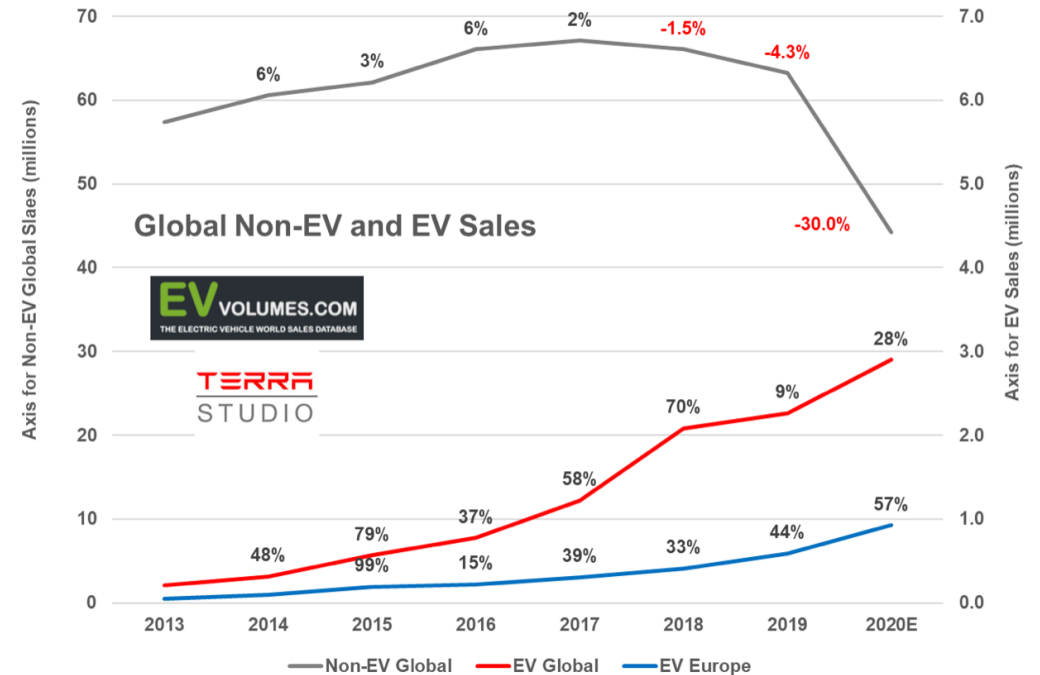
Discussion ongoing with offtake parties that are linked to the Electric Vehicle battery pre-cursor sector for future MREP production of high grade premium nickel sulphide and potential for Odysseus concentrate to feed this market.

What we are seeing

- **Tesla announce** that they will manufacture own battery cathode to ensure ongoing supply, due to potential shortage of pre-cursor materials such as nickel
- **Growing EV demand** in first half 2020, especially in Europe
- **Major car OEM's** taking position in Chinese market
- **Technology change to NCM 811** which requires higher quantity of nickel, gaining market momentum
- **Jinchuan** (largest nickel cathode producer in China) increasing nickel sulphate volumes
- **Other stockpiles** shrinking on the back Indonesian ban and stainless demand
- **Indonesia ore** export ban still in place, but NPI volume increasing in-country to supply SS demand

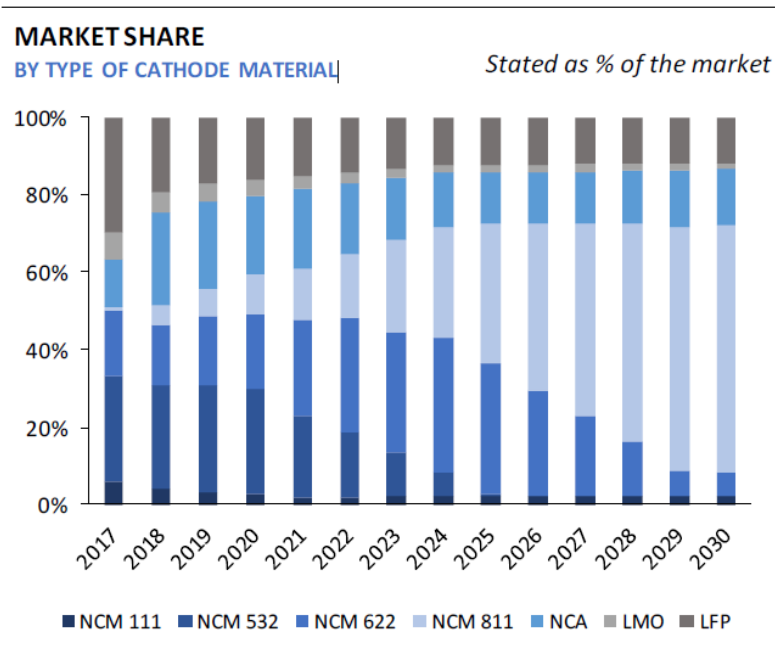
Estimated electrification impact per vehicle (avg NMC battery)

40-50kg Ni	50-75kg Cu
5-15kg Co	+ Cu for charging point + Cu for grid access

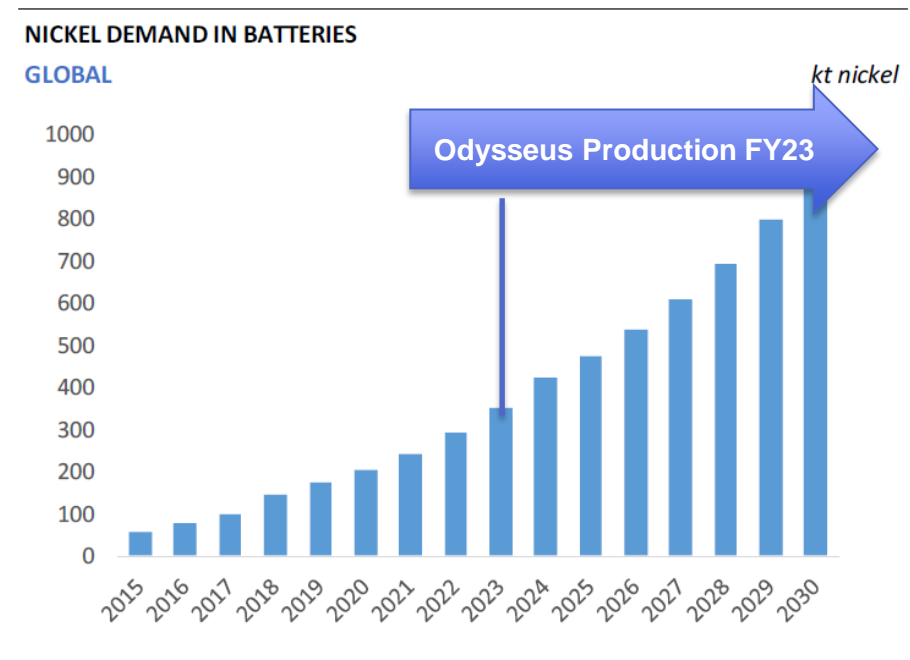


The future – EV demand for nickel

- **Tesla announce;** "Musk said Tesla's new, larger 4680 cell design used cobalt-free cathodes with a high nickel content as it embraced a mine-to-battery approach to drive battery costs lower, increase manufacturing efficiencies and accelerate the world's transition to sustainable energy."
- **Potentially very significant** incremental demand versus a current nickel market size of c.2,2mt
- **Research indicates NMC 811** will be the fastest growing battery combination by 2025!
- **VW announced its Zwickau Plant** — currently the world's largest automotive plant — produced its last car with a combustion engine
- **BMW iX3 SUV** recently launched with an 811 NCM battery



Source: Trafigura Research, SMM, CIAP – March 2020

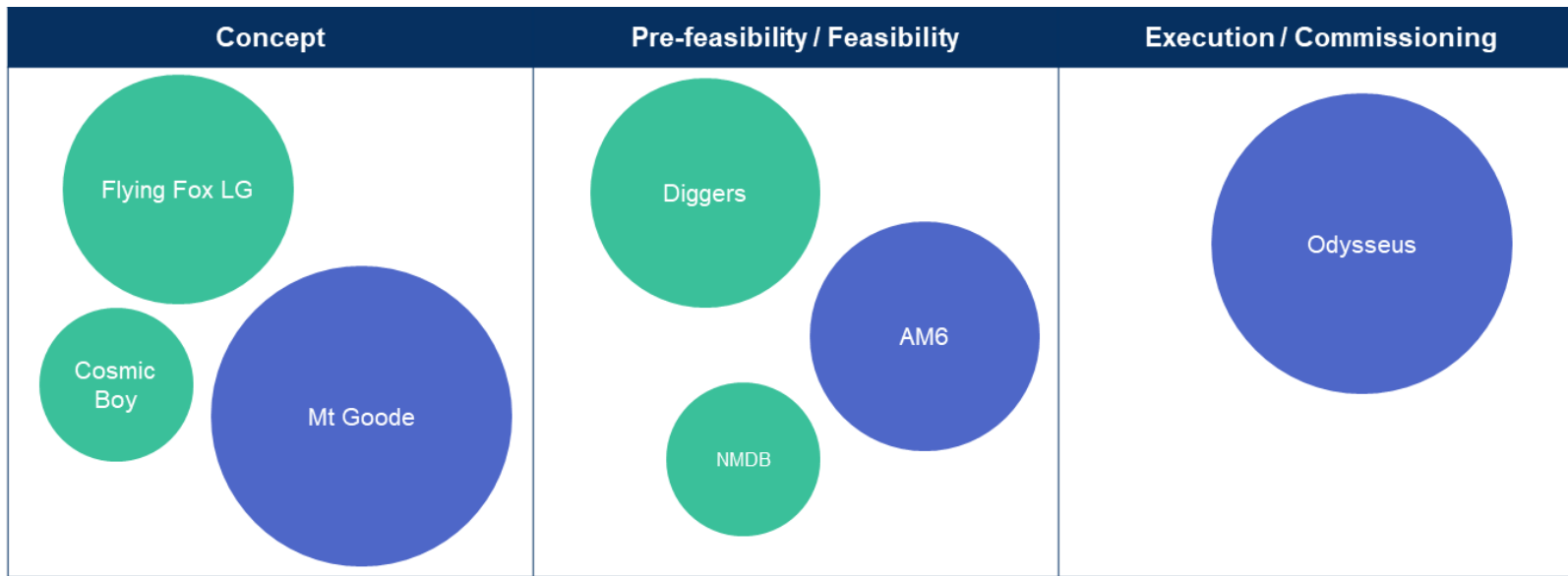


Source: Trafigura Research, SMM, CIAP – March 2020

GROWTH AND EXPLORATION



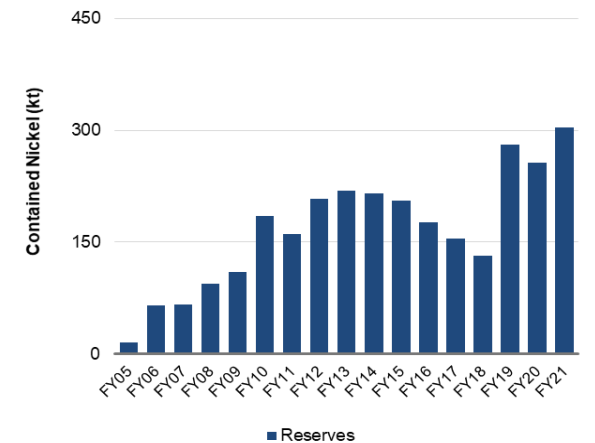
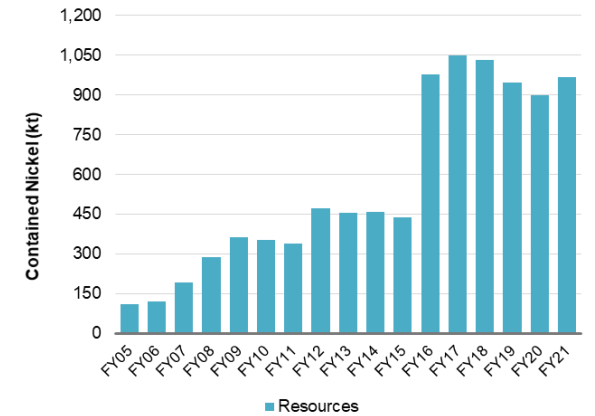
Nickel growth pipeline



- 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



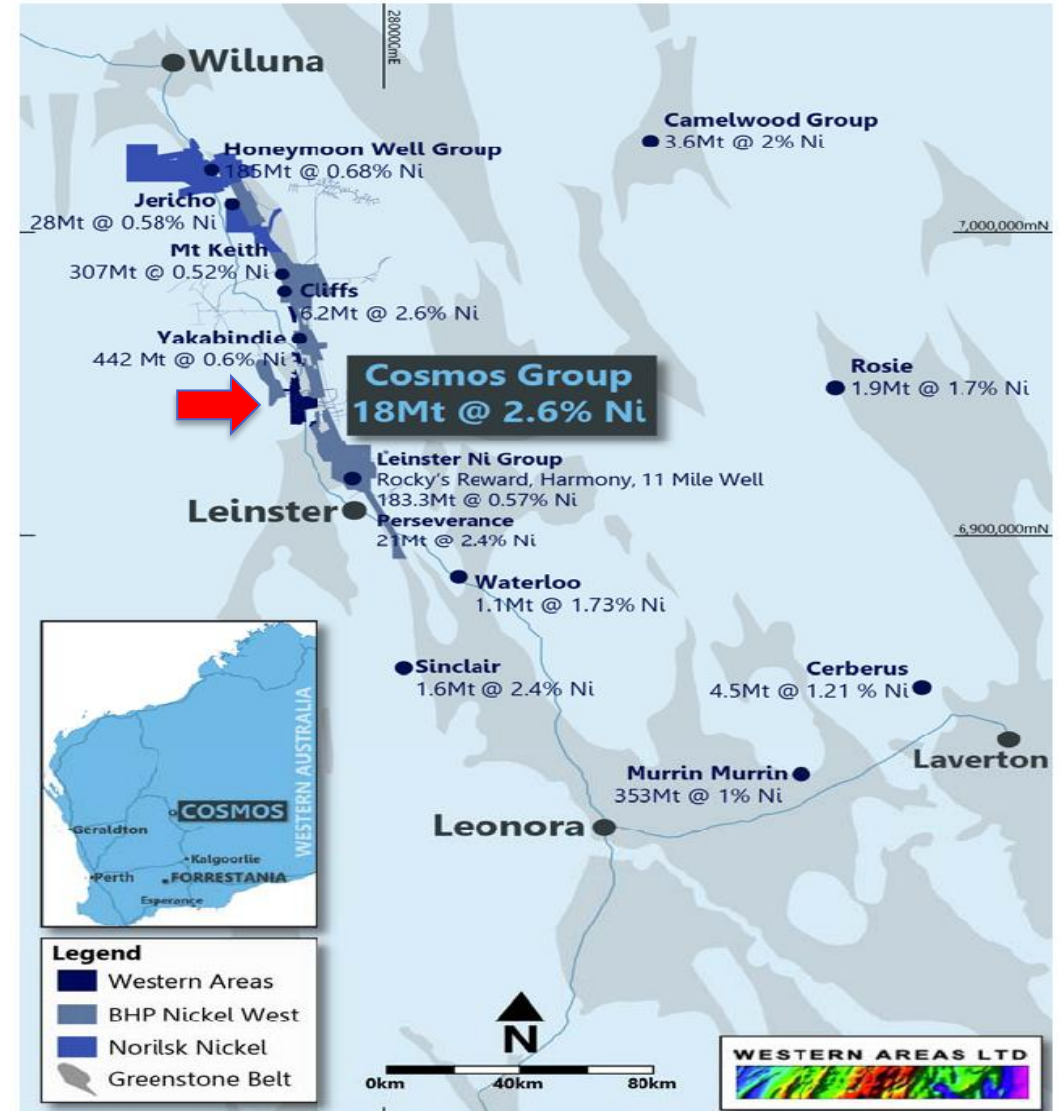
Nickel Resources/Reserves



Cosmos nickel operation – Odysseus mine

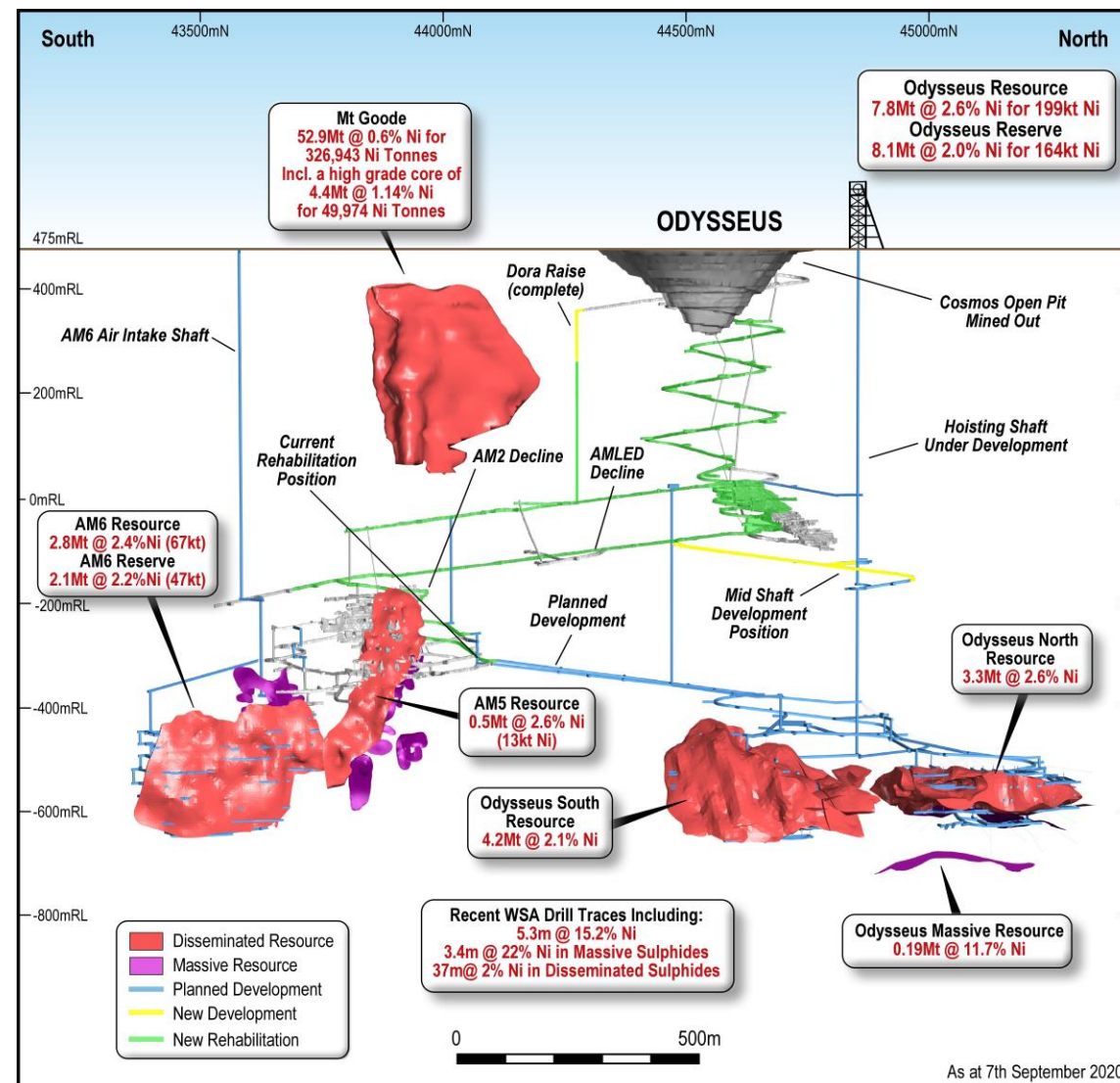
WESTERN AREAS' SECOND OPERATIONAL HUB:

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



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

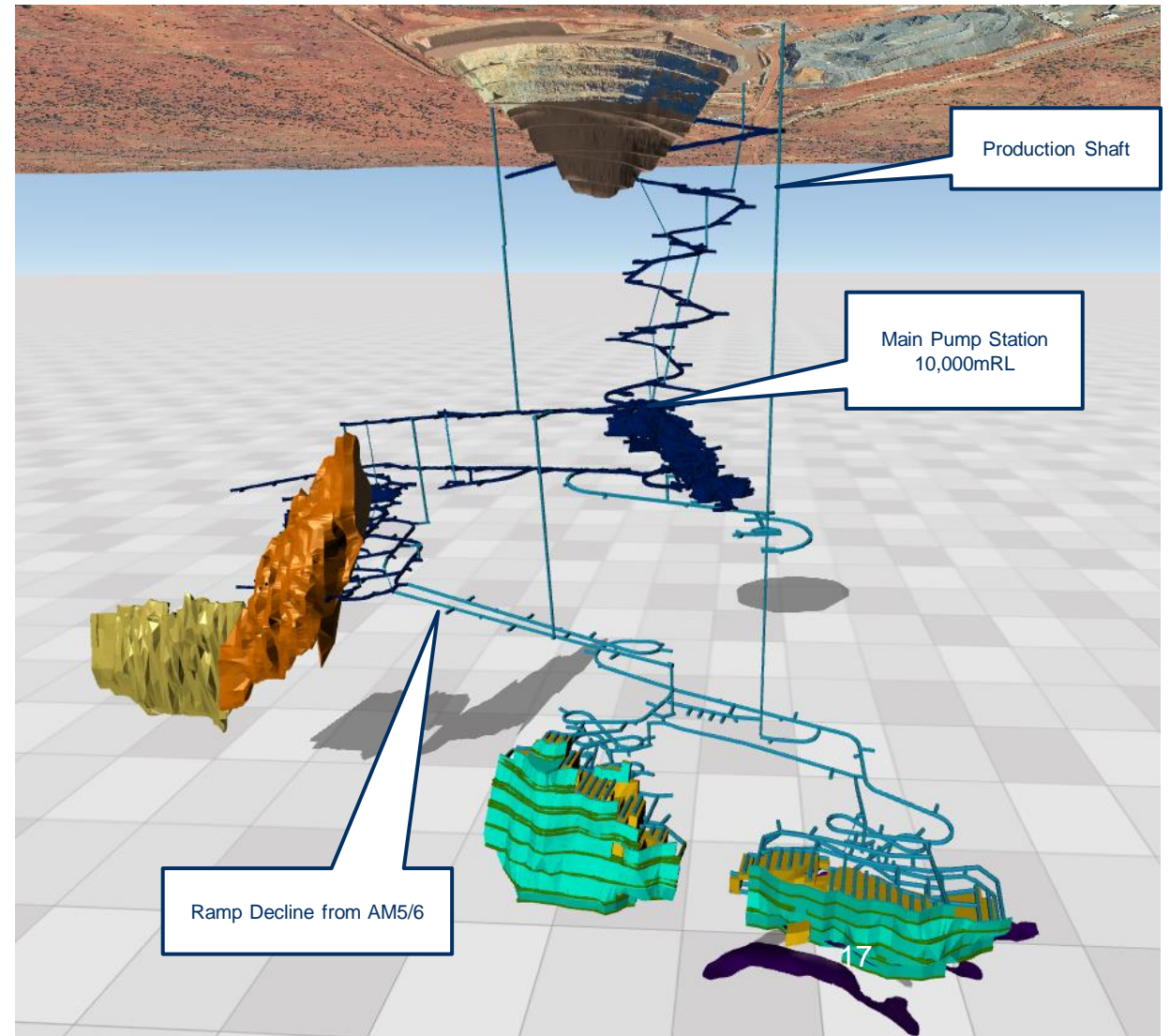
- **Odysseus - Long life, low cost project:**
 - ✓ Ore Reserve 8.1mt @ 2.0% for 164kt nickel
 - ✓ Mine life > 10 years
 - ✓ AISC A\$3.50/lb
 - ✓ Average nickel in concentrate production 14.5ktpa from FY24
- **AM6 now a value add:**
 - ✓ Ore Reserve 2.1mt @ 2.2% for 47kt nickel
 - ✓ Increasing mine life and capital efficiency
- **Significant upside:**
 - ✓ Record 22% Ni massive sulphide intersections in lenses below Odysseus



Odysseus mine – underground infrastructure

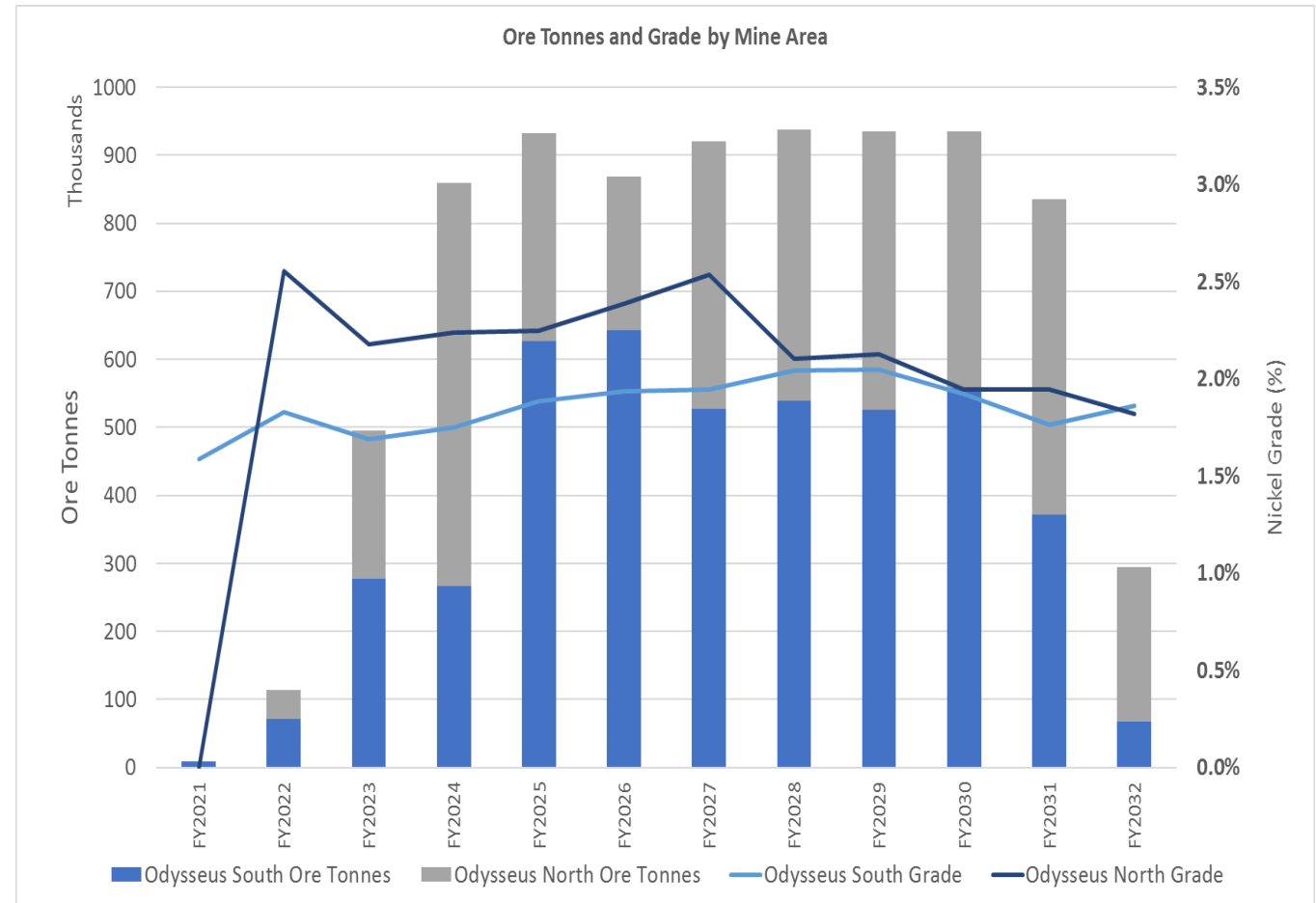
▪ Pre-production Activities:

- ✓ Main pump stations and water infrastructure complete
- ✓ Full face development commenced in the Odysseus decline and RAW
- ✓ Mine development expenditure profile:
FY21 – A\$90m FY22 – A\$120m
FY23 – A\$42m
- ✓ Pilot hole commenced for hoisting shaft
- ✓ 900ktpa concentrator – optimisation studies ongoing
- ✓ WSA is well funded with cash and has no debt



Odysseus production ~900k tpa ore

- Minimum 10 year mine life on reserves (OD only)
- Annual ore production of 900kt. First ore scheduled for late CY 21
- First Ni concentrate late CY 2022
- Consistent annual nickel production
- Significant upside now a reality with inclusion of 47kt Ni Reserve for AM6
- Optimisation studies commenced to integrate AM6 Reserves



Why a hoisting shaft?

- Shaft infrastructure dismantling and refurbishment completed. Now being delivered to South Africa port, prior to shipping to Perth
- 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



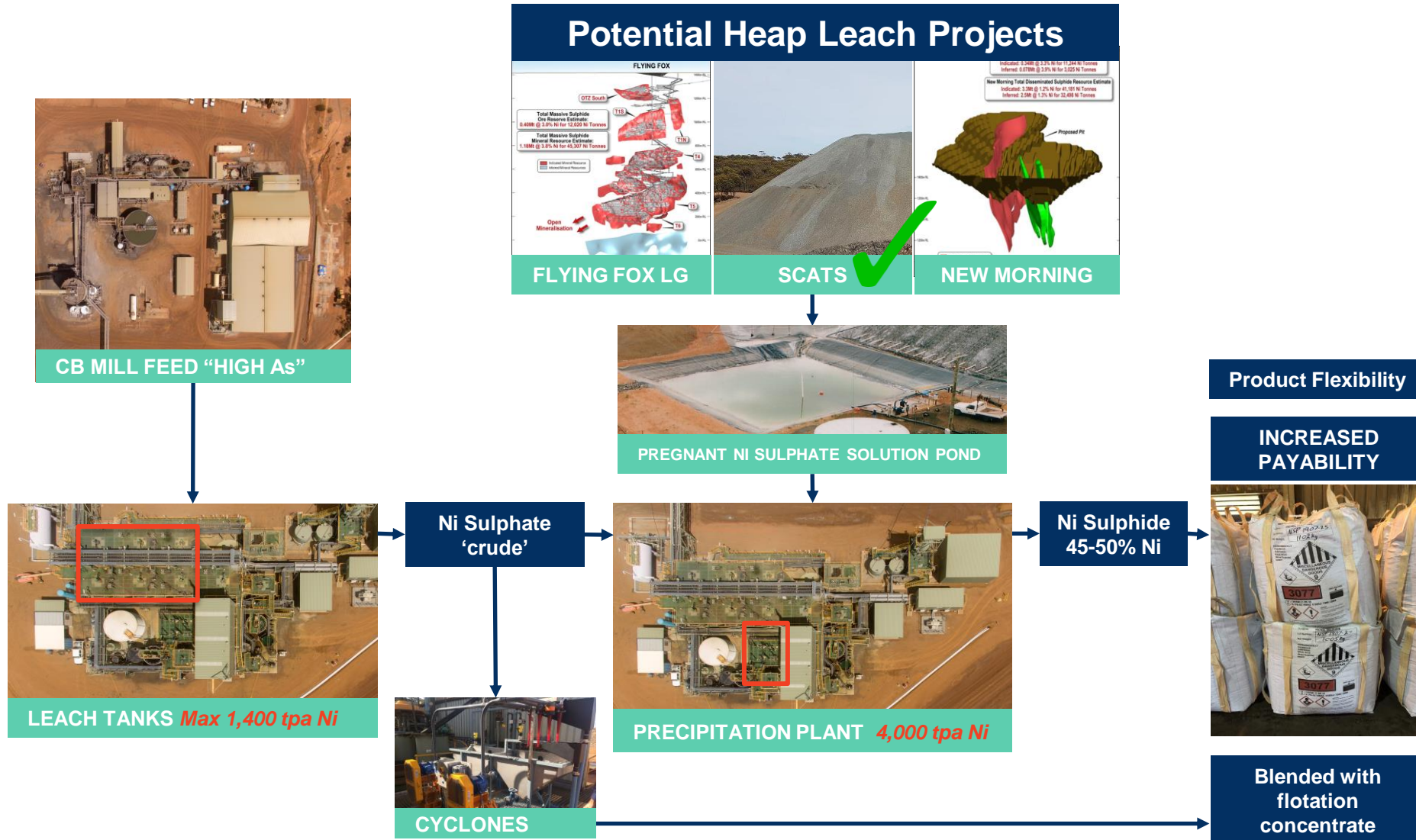
Key Metrics:

- 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

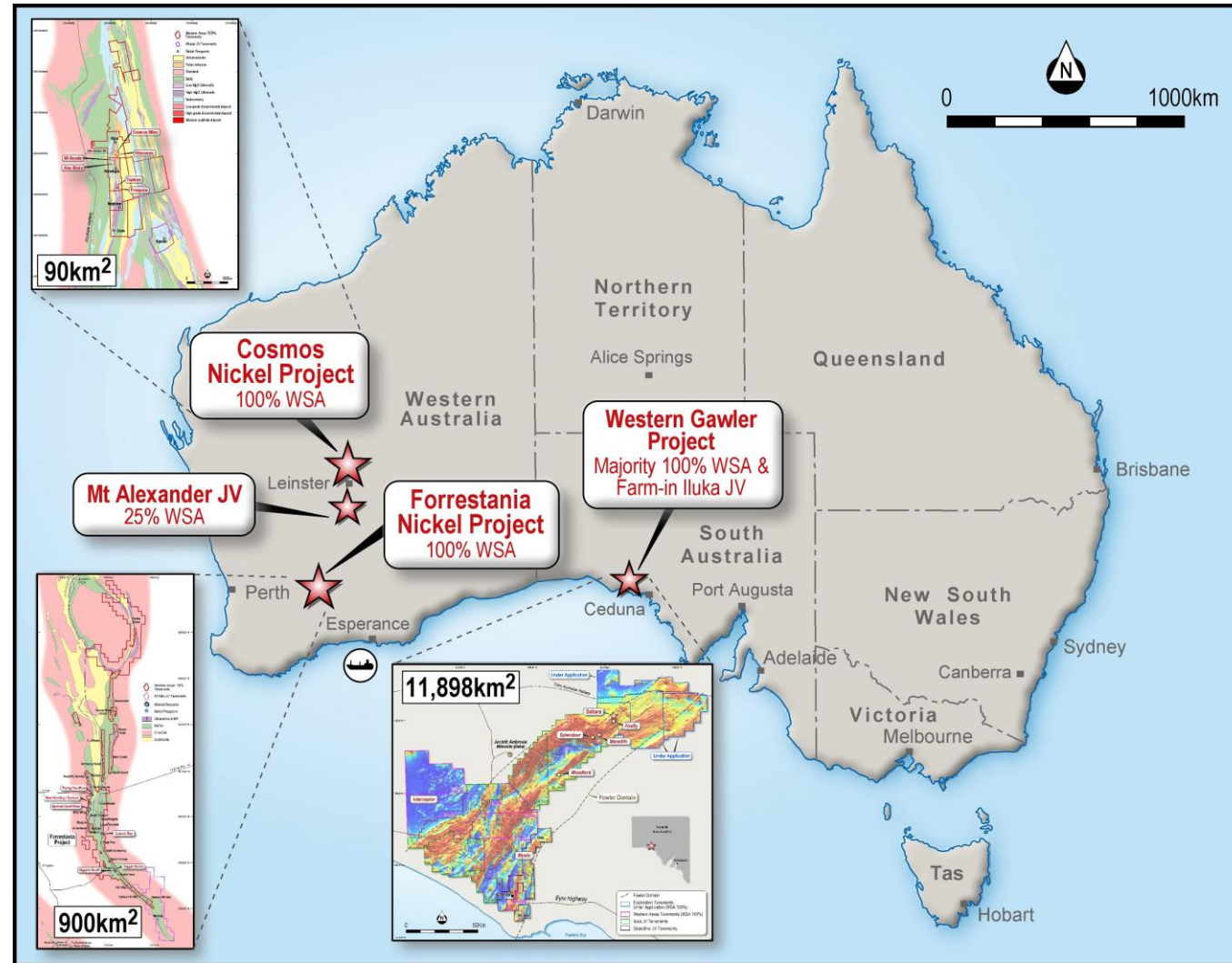
Infrastructure works gaining momentum



MREP unlocks value

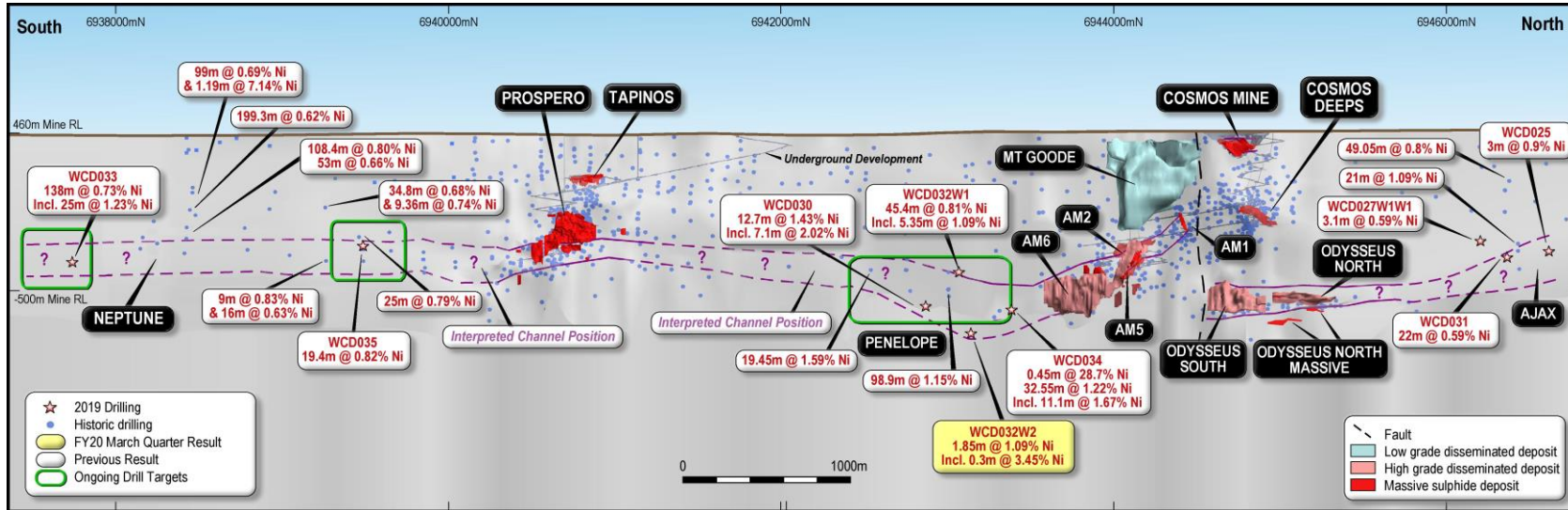


Exploration - key tenement holdings

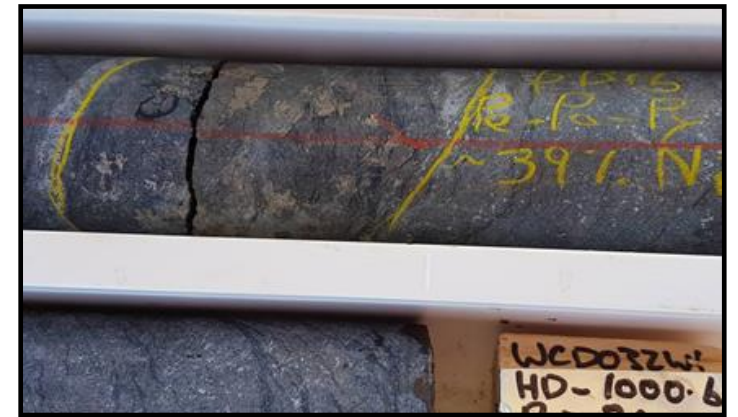


Cosmos nickel exploration

> 9km of prospective host rocks

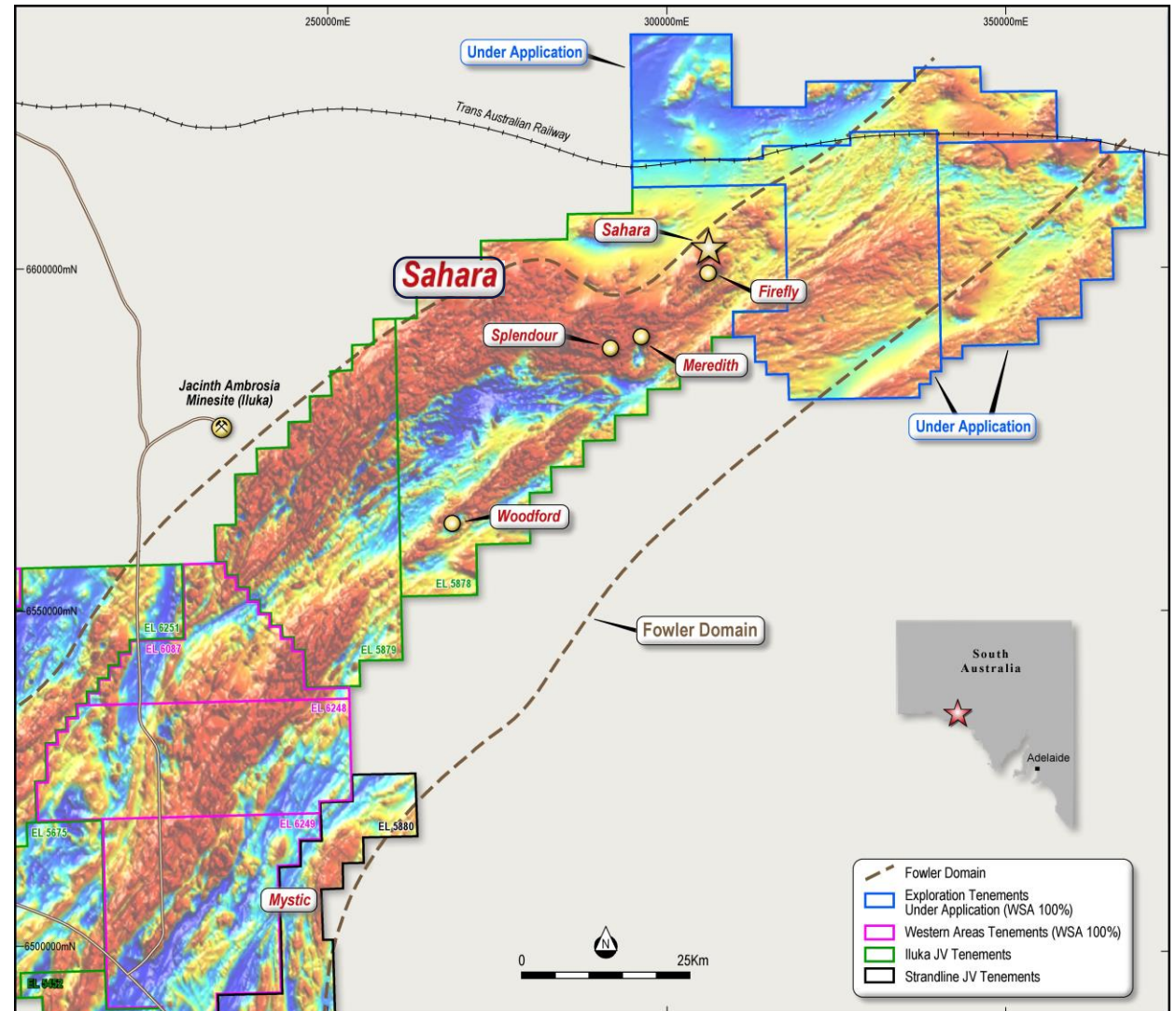


- Centred within the prolific Leinster – Wiluna Nickel corridor
- Additional accumulations of nickel sulphide identified within the Neptune and Penelope prospects
- Adjacent to good infrastructure and developing Odysseus mine



Western Gawler project (South Australia)

- Exploring within the highly prospective (Ni – Cu) Fowler Domain, with geological setting similar to districts hosting Nova-Bollinger and Nebo-Babel.
- Significant accumulations (over 250m) of nickel and copper bearing sulphides intersected within first diamond drill hole at the Sahara prospect.
- An additional three tenements (2378km²) under application, with the company now able to explore across 11,898km² of contiguous Fowler Domain tenure.
- Numerous interpreted intrusives to be tested through FY21 including prospective targets at Sahara, Firefly, Splendour, Meredith and Mystic.



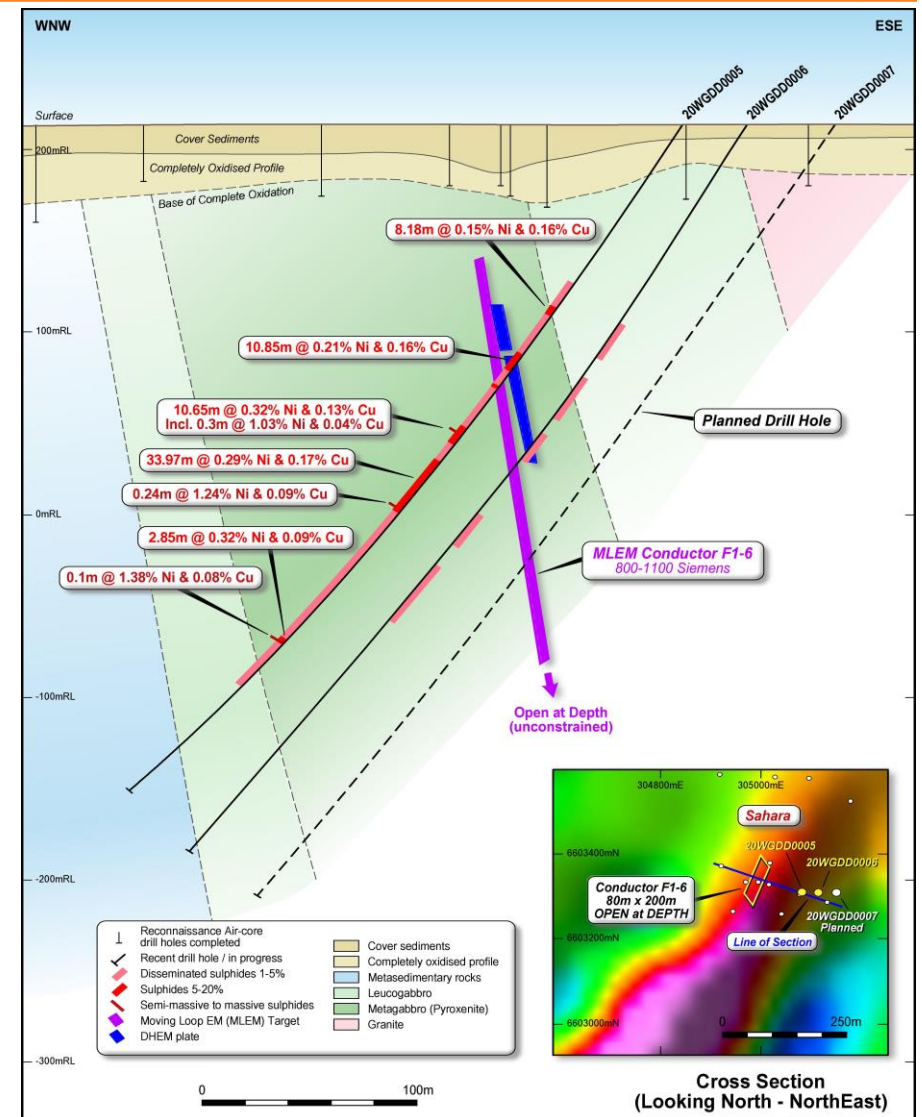
Western Gawler project (South Australia)

SAHARA EARLY RESULTS

- Over 250m (downhole length) of nickel and copper-bearing sulphides intersected within maiden diamond drillhole 20WGDD0005.
- Broad intervals of elevated nickel sulphide mineralisation returned including
 - ✓ **104.42m @ 0.21% Ni, 0.12% Cu including 33.97m @ 0.29% Ni, 0.17% Cu**
- Elevated nickel assays within semi-massive to massive sulphide accumulations including
 - ✓ **0.24% Ni @ 1.24% Ni and**
 - ✓ **0.10m @ 1.38% Ni**
- Regional-scale high-power Fixed Loop EM survey to commence at Sahara in August, testing the system 2km along strike and at depth.

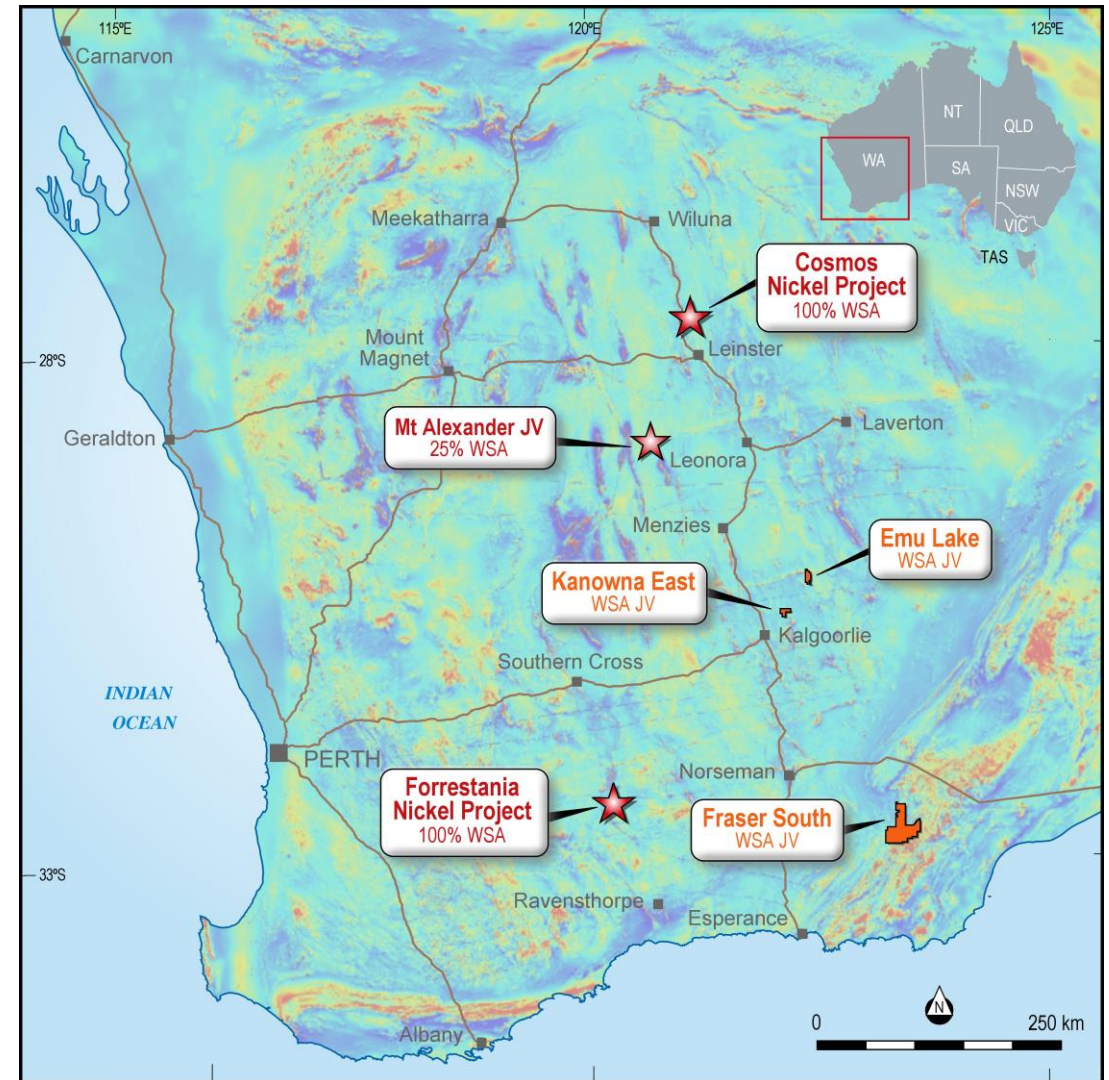


Massive sulphide intersected in 20WGDD0005 (340.4 – 340.5m) grading 1.38% Ni



Metal Hawk JV

- Western Areas has entered into a strategic partnership with Metal Hawk Ltd on highly prospective base metals tenure within both the Eastern Goldfields and Albany - Fraser
- Kanowna East (*earning in to all non-gold rights*)
 - ✓ 10km south of high-tenor Silver Swan complex
- Emu Lake (*earning in to all non-gold rights*)
 - ✓ Along strike from Binti Binti Nickel prospect
- Fraser South (*earning in to all mineral rights*)
 - ✓ Southern, underexplored structural continuation of Albany-Fraser
- Stage 1: \$3m over 3 years for 51%
- Stage 2: \$4m over 2 years for total 75%



OPERATIONS

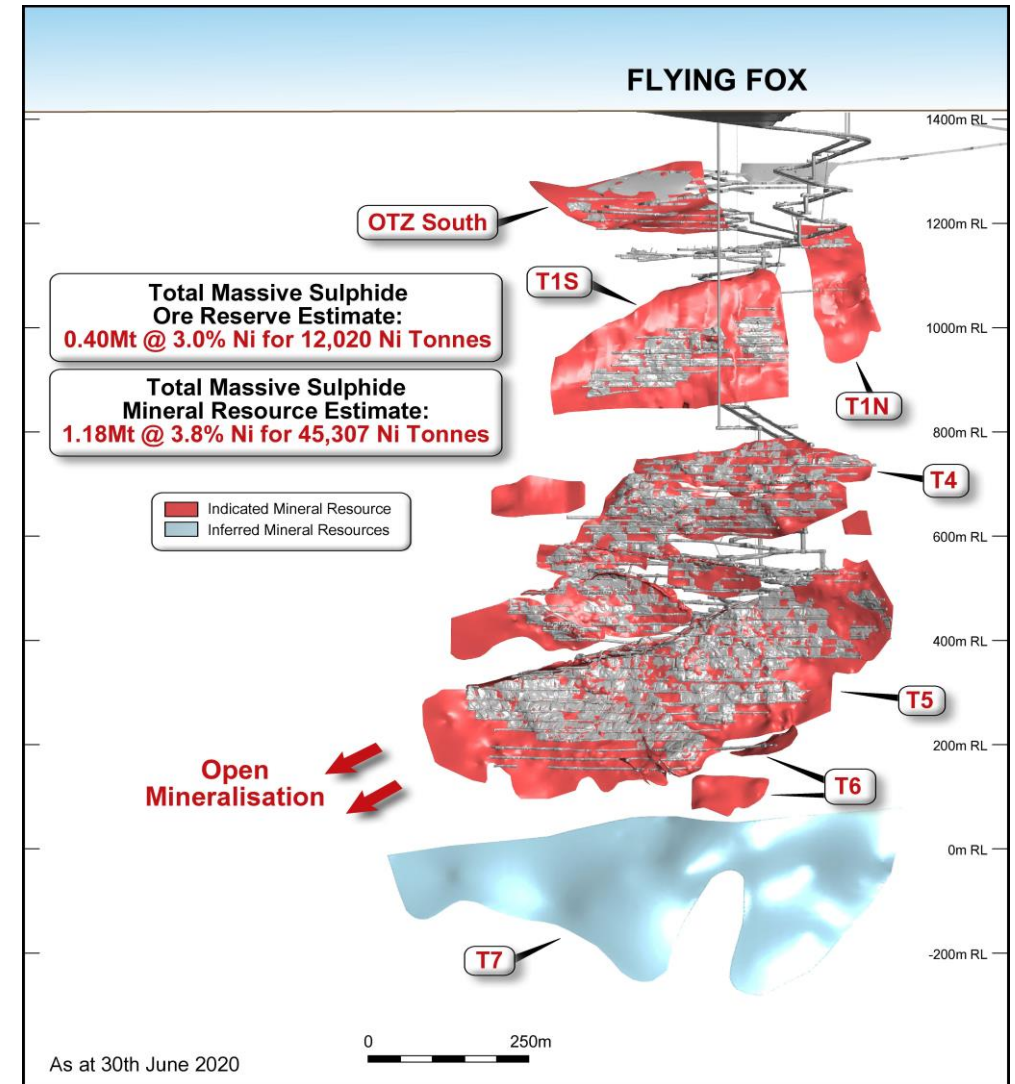


Flying Fox mine

Reserve Contained nickel	0.40Mt @ 3.0% 12,020 Ni tonnes
Resource Contained nickel	1.18Mt @ 3.8% 45,307 Ni tonnes
Mine life (on reserves)	2 years

Key points:

- FY20 production – 10.1k Ni tonnes
- Has been operating for over 15 years
- Significant low grade disseminated resource

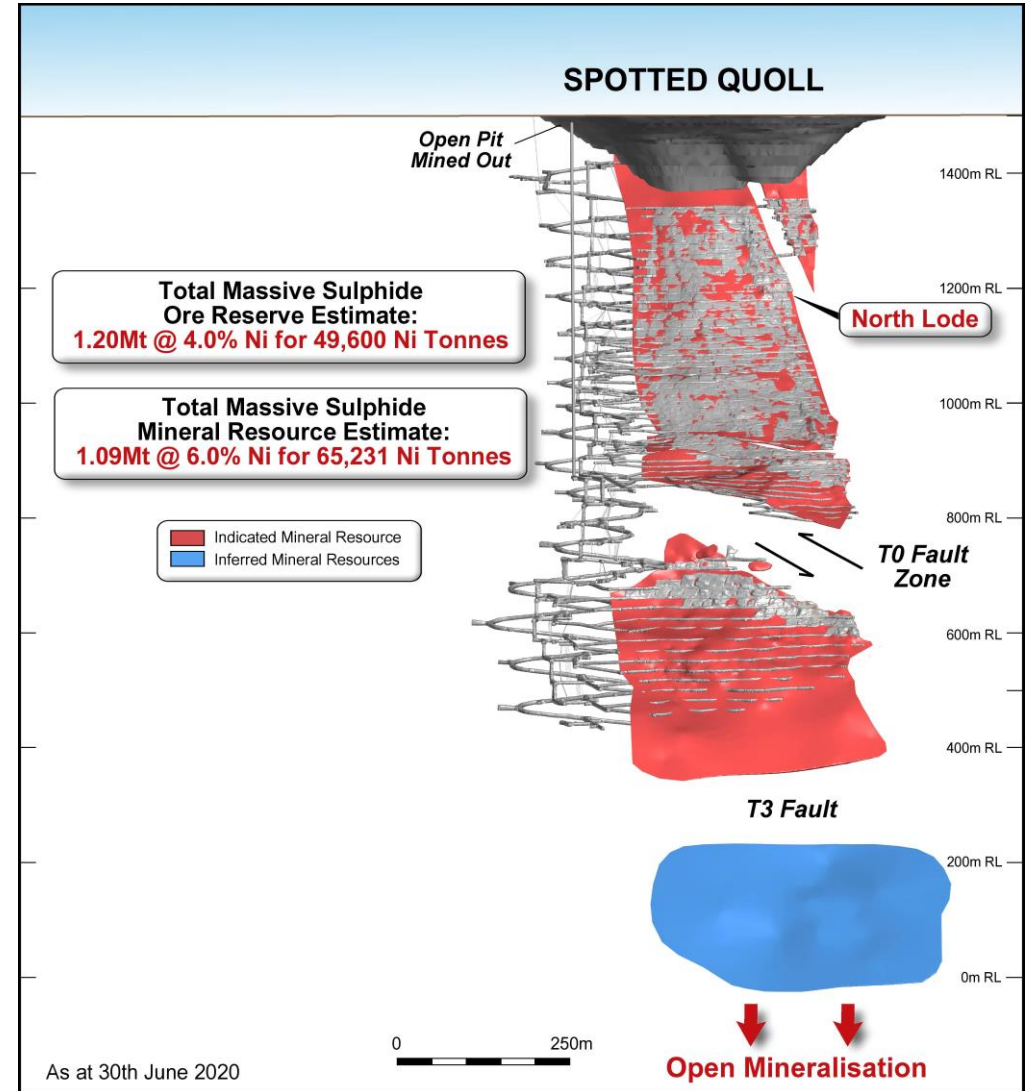


Spotted Quoll mine

Reserve Contained nickel	1.20Mt @ 4.0% 49,600 Ni tonnes
Resource Contained nickel	1.09Mt @ 6.0% 65,231 Ni tonnes
Mine life (on reserves)	5 years

Key points:

- FY20 production – 13.3k Ni tonnes
- Production has outperformed reserve tonnes and grade consistently
- Top down mining with paste fill
- Resource extension drilling on going – nickel tonnes being added to Resource



Cosmic Boy nickel plant

Concentrator Summary

- 12% above 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





WESTERN AREAS LTD



20
YEARS

www.westernareas.com.au

ASX:WSA

PO Box 1891 West Perth 6872
+61 8 9334 7777