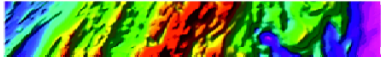


WESTERN AREAS LTD



ANNUAL GENERAL MEETING

Company Presentation

20 NOVEMBER 2014



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The information within this PowerPoint presentation was compiled by Western Areas management, but the information as it relates to mineral resources and reserves was prepared by Mr. Dan Lougher and Mr. Andre Wulfse. Mr. Lougher and Mr. Wulfse are full time employees of Western Areas Ltd. Mr. Lougher and Mr. Wulfse are members 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. Lougher and Mr. Wulfse consent to the inclusion in this presentation of the matters based on the information in the form and context in which it appears. The information contained in this presentation in relation to the Flying Fox Mine was prepared and first disclosed under the 2004 Edition of the JORC Code. It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

For the Purposes of Clause 3.4(e) in Canadian instrument 43-101, the Company warrants that Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

AGENDA

- Corporate
- Operations
- Exploration & Growth Outlook
- Nickel Market

Explore



Mine



Produce



Sales



CORPORATE OVERVIEW

Board & Senior Management

Name	Position
Ian Macliver	Independent Non-Executive Chairman
Dan Lougher	Managing Director & CEO
David Southam	Executive Director
Joseph Belladonna	Chief Financial Officer & Company Secretary
Julian Hanna	Non-Executive Director
Richard Yeates	Independent, Non-Executive Director
Robin Dunbar	Independent, Non-Executive Director
Craig Readhead	Independent, Non-Executive Director
Tim Netscher	Independent, Non-Executive Director

Key Information

as at 17 November 2014

Share price	4.51
52 week high/low (A\$)	5.30 / 1.94
Shares outstanding (m)	232.6
Market Capitalisation (A\$m)	1,002
Cash (A\$m) ¹	169.7
Debt (A\$m) ¹	125.0
Undrawn ANZ Facility	125.0

Some metrics worth noting.....

- ✓ WSA share price at the 21 November 2013 AGM - \$2.35
- ✓ Nickel price at the 21 November 2013 AGM - US\$6.06/lb
- ✓ WSA share price on 17 November 2014 - \$4.51 (92% increase)
- ✓ Nickel price on 17 November 2014 - US\$7.14 (15% increase)

1. Cash as at 30 September 2014 and convertible bond debt

FY14 AND GUIDANCE FOR FY15

FY14 was a year of two halves

- Tough nickel price environment in the first half, followed by a recovery in the second half with the Indonesian laterite ban
- All production and costs metrics were beaten for the year
- Cash costs of operations fell from A\$2.68/lb to A\$2.50/lb
- Reported NPAT of A\$25.5m versus a prior year loss of A\$94.1m
- Pre-financing cashflow increased A\$44.2.9m to A\$63.7m
- As promised, dividends returned with final fully franked dividend declared of 4c (5c for FY14)
- A\$95m convertible debt repaid on 2 July 2014

FY15 Guidance

Target	Metric
Mine Production	25,000 to 27,000 tonnes
Nickel in Concentrate Production	24,500 to 25,500 tonnes
Unit Cash Cost of Production	A\$2.70/lb to A\$2.80/lb
Capital Expenditure	A\$50m to A\$60m
Exploration	A\$20m

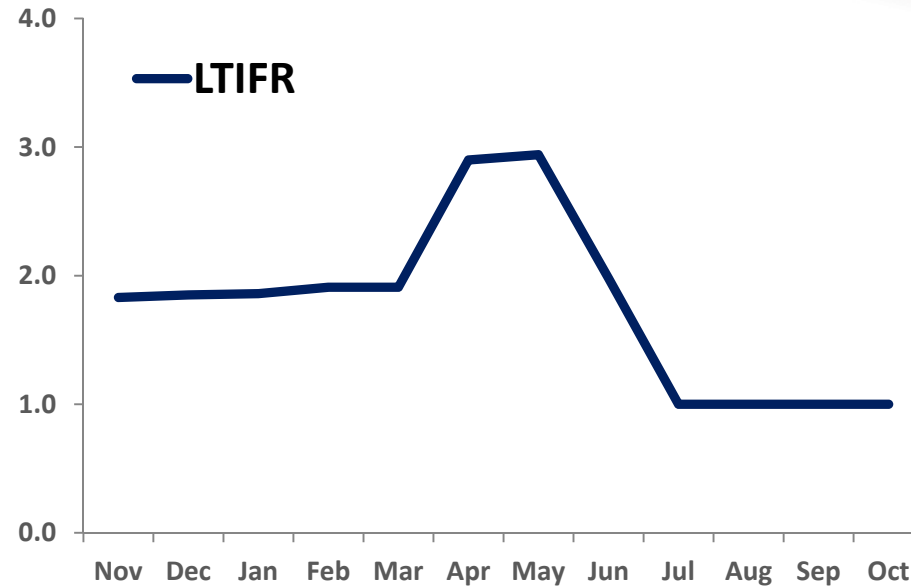
Solid 1st Quarter Report – FY15

- Costs tracking well – A\$2.50/lb. Continuing with a number of cost reduction initiatives and productivity improvements
- Production and capex in line with guidance
- Net cash position >A\$40m

WESTERN AREAS ARE SAFE AREAS

Continuous Safety Improvement

- LTIFR 1.00
- Flying Fox >478 days LTI free
- Spotted Quoll >1,294 days LTI free
- Exploration >2,313 days LTI free
- Cosmic Boy Concentrator >495 days LTI free
- Contractors and employees fully integrated into a site wide commitment



Environment & Social

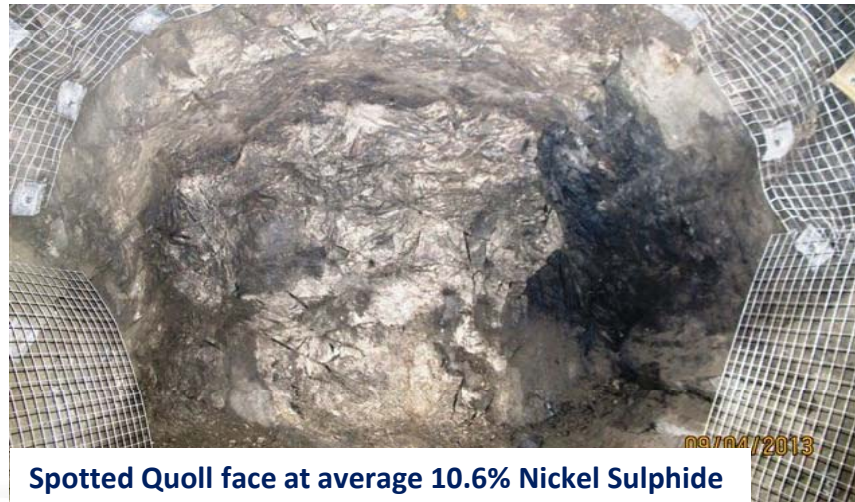
- No environmental breaches
- Strong local commitments to schools and associations around Forrestania, Perth Zoo (Western Quoll) and Starlight Children's Foundation WA
- Supporter of the WA Mining Club scholarship programme



WE OPERATE HIGH GRADE MINES AT LOW COST



Lounge Lizard 10m wide face of 7% Massive Nickel Sulphide



Spotted Quoll face at average 10.6% Nickel Sulphide

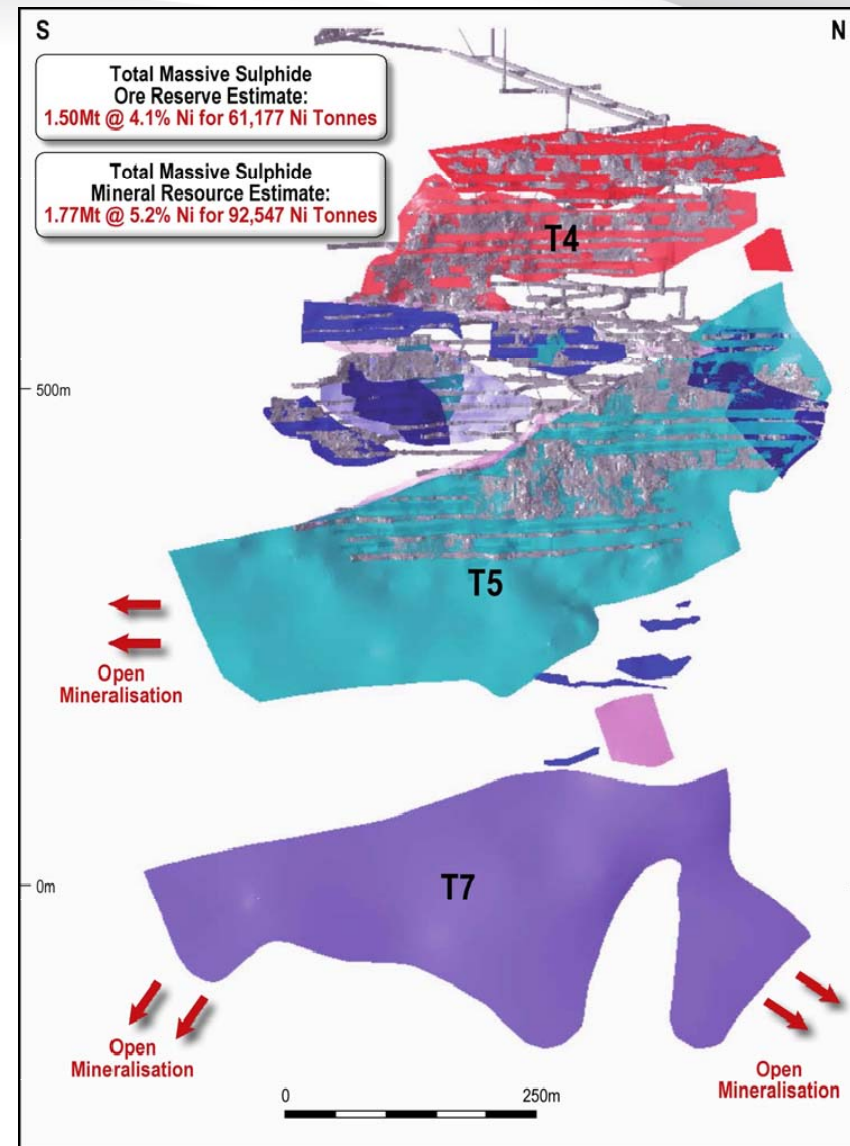
FLYING FOX MINE

Mineral Resource and Ore Reserve

- Reserve upgrade announced:
 - Added 7,572t nickel grading 6.5%
- **Mineral Resource: 1.77Mt @ 5.2% Ni** containing 92,547 Ni Tonnes (High grade only)
- **Ore Reserve: 1.50Mt @ 4.1% Ni** containing 61,177 Ni Tonnes
- Underground drilling program to extend Mineral Resource remains a focus

Production

- FY14 – 317,031t @ 4.6% Ni for 14,713t nickel
- Low cash cost operation



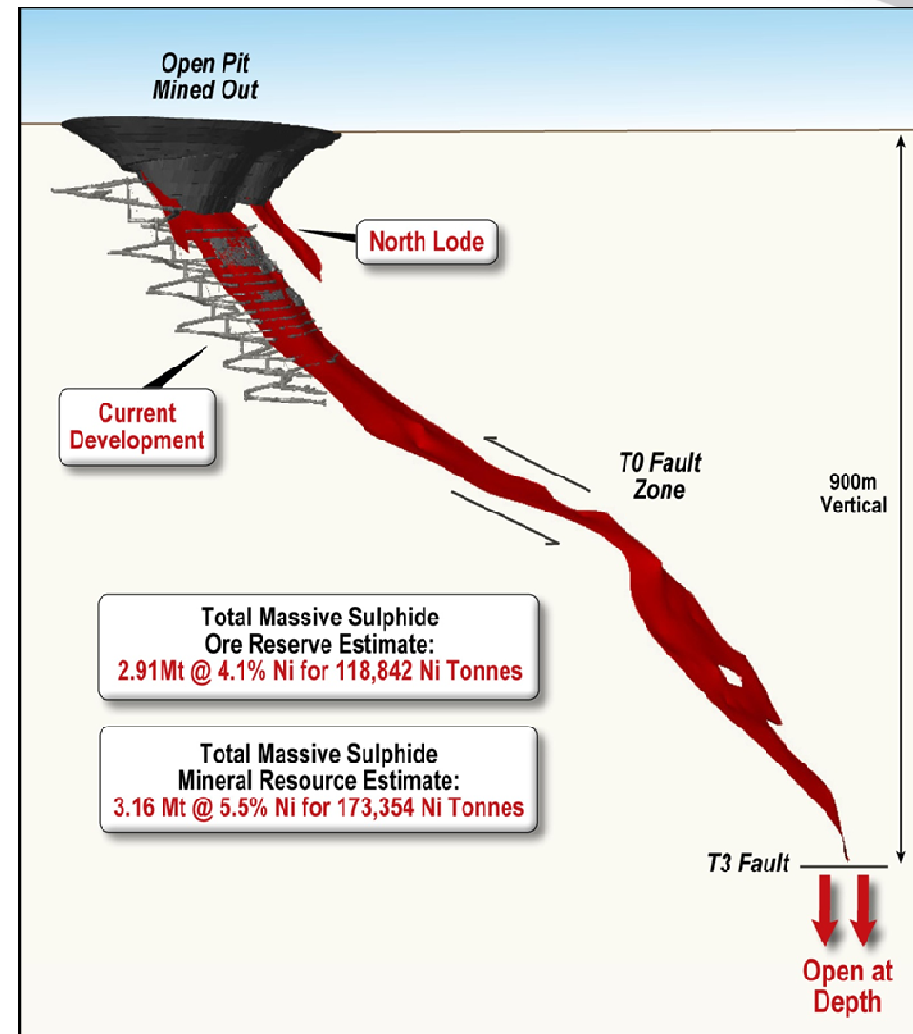
SPOTTED QUOLL MINE

Mineral Resource and Ore Reserve

- **Mineral Resource: 3.16Mt @ 5.5% Ni** containing 173,354 Ni tonnes
- **Ore Reserve: 2.91Mt @ 4.1% Ni** containing 118,842 Ni tonnes
- Remains open at depth and to the North
- Already around a 10 year mine life on Reserve
- New Spotted Quoll North Indicated and Inferred Resource of 140kt @ 9.3% for 12,906t nickel

Production

- **Record in FY14** – 281,928t @ 5.0% Ni for 13,972t nickel
- Successfully ramped up nickel production to a sustainable 12ktpa run rate in FY14
- Top-down mining using paste fill



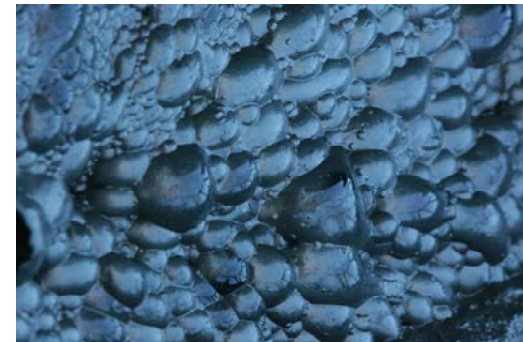
FORRESTANIA NICKEL CONCENTRATOR

Concentrator Summary

- Current nameplate capacity of 550,000tpa of ore but is achieving throughput 9% above capacity
- Nickel concentrate output circa 25,000tpa Ni
- Concentrate grades of around 14.0% Ni
 - Premium blending product (Fe/Mg ratio >15:1)
 - Desirable to smelters
- 14,000t of concentrate storage capacity

Export Infrastructure and Logistics

- Access to >1400 sealed shipping containers
- No environmental issues
- Using 25 trucks for concentrate transportation
- Shipping contract in place, FOB Esperance Port



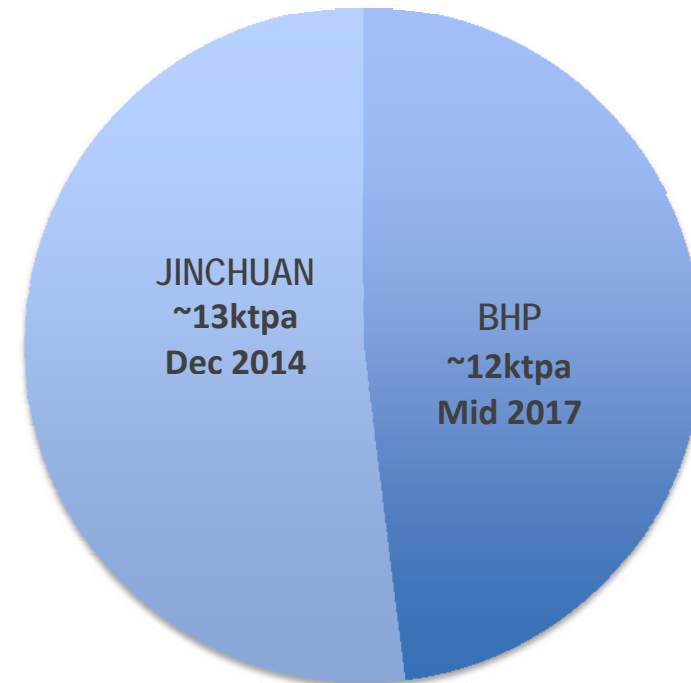
INDEPENDENT PRODUCER – OFFTAKE CONTRACTS

Offtake Contracts

- FOB Terms
- Very competitive payable percentage of LME

Offtake Tender Announced

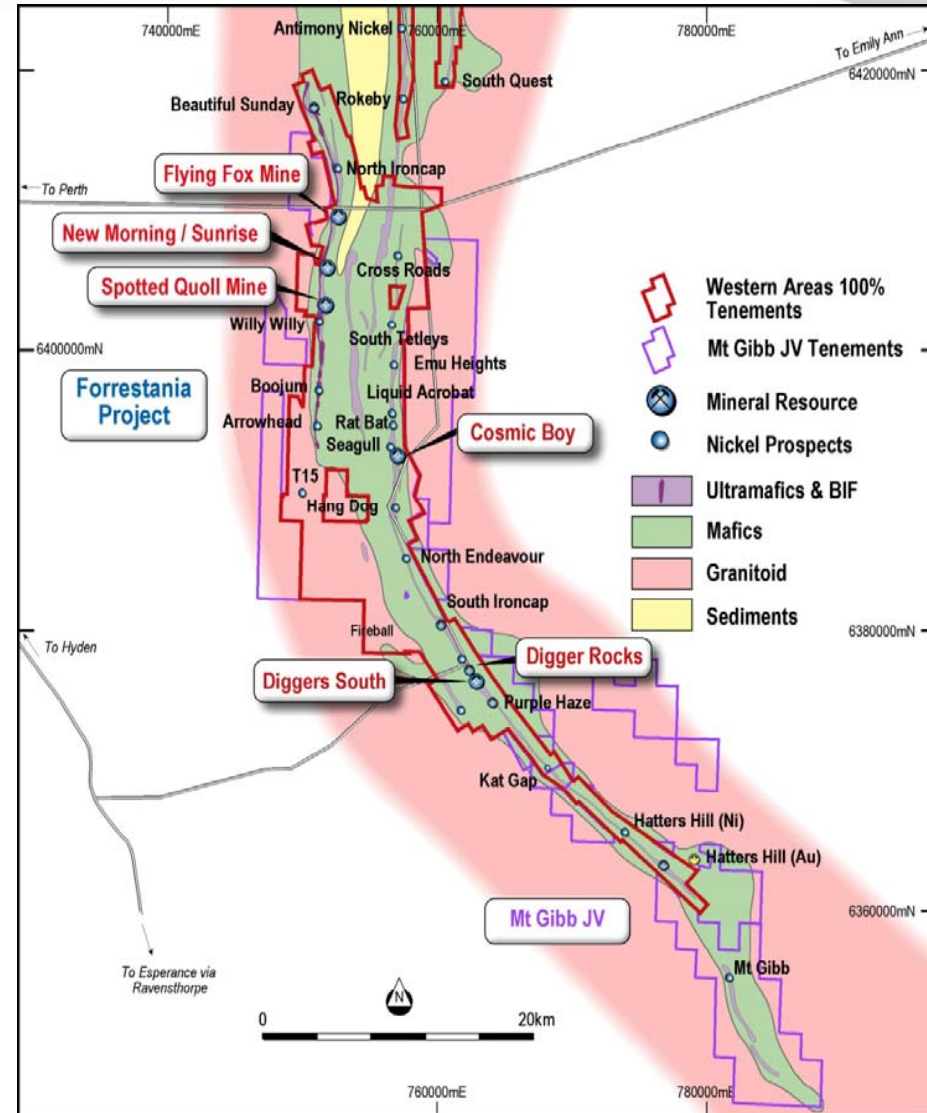
- Expressions of Interest already received
- Aiming to complete in the December quarter
- 1 to 2 year contract anticipated
- Tightness in smelter supply being experienced now
- New market entrants including traders, stainless steel producers and Nickel Pig Iron (NPI)
- Global nickel sulphide grades in decline
- Laterites and NPI do not fill the void – Indonesian Ban has severely impacted NPI production



FORRESTANIA TENEMENTS

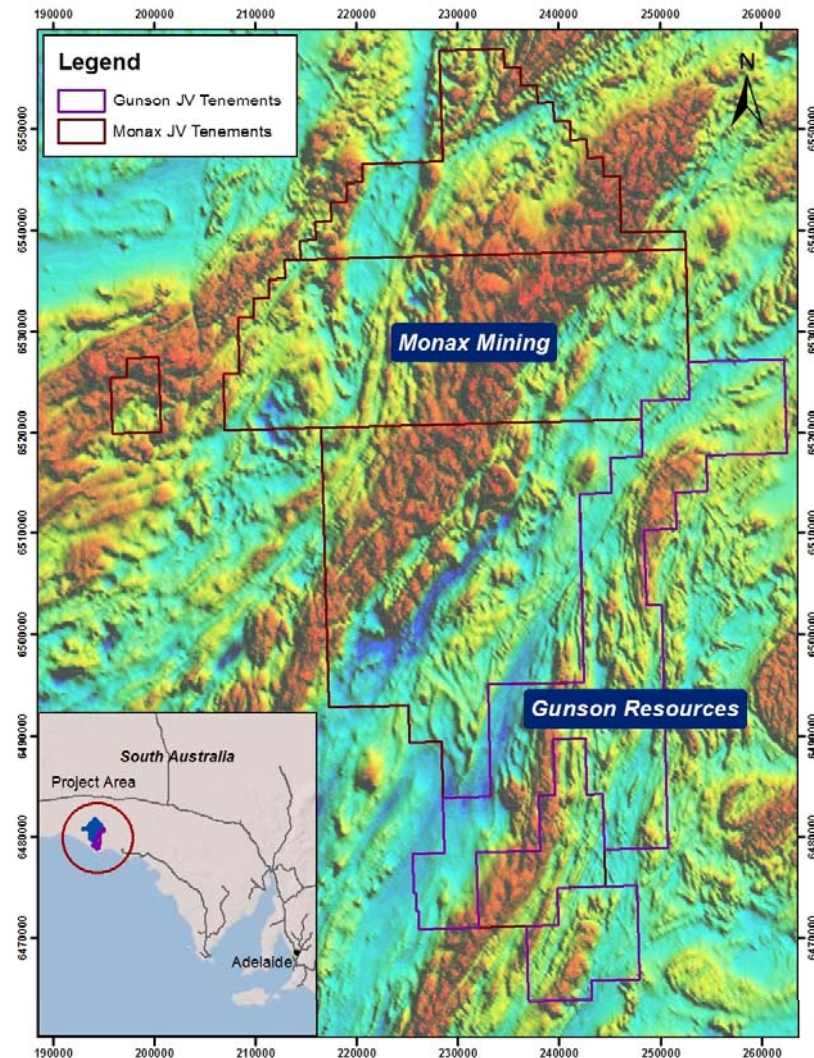
Regional Geology

- 120km strike length (900 sq km) of prospective Forrestania Nickel Project, within 400km long nickel province
- Six ultramafic belts
- Nickel sulphide deposits and most occurrences in two belts (Eastern and Western)
- Western Ultramafic Belt hosts the high grade Flying Fox, Spotted Quoll and New Morning deposits



WESTERN GAWLER JOINT VENTURES

- Part of regional exploration strategy
- Two separate Farm-In Agreements with Gunson Resources Ltd and Monax Mining Ltd:
 - A\$0.8m on each to earn 75% over 2 years
 - Further A\$0.4m on each for 90% over additional 18 months
 - Close to existing infrastructure
 - Total area 2,746km²
- First mover advantages targeting massive high grade poly-metallic mineralisation
- Potential to host mafic-ultramafic intrusive related deposits
- Detailed high resolution airborne geophysics combined with other geophysics and subsequent drilling



WESTERN AREAS VALUE EQUATION

- High Grade = Margin
- Survival

Highest Grade Nickel Globally



- Returns to shareholders in Dividends

Cashflow Positive



- Guidance continually met or exceeded

Strong Track Record of Delivery



- Looming shortage of nickel post Indo ban

Nickel Price Primed for Upside



- New mine successfully brought on in 24 months

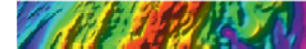
History of Discovery and Development



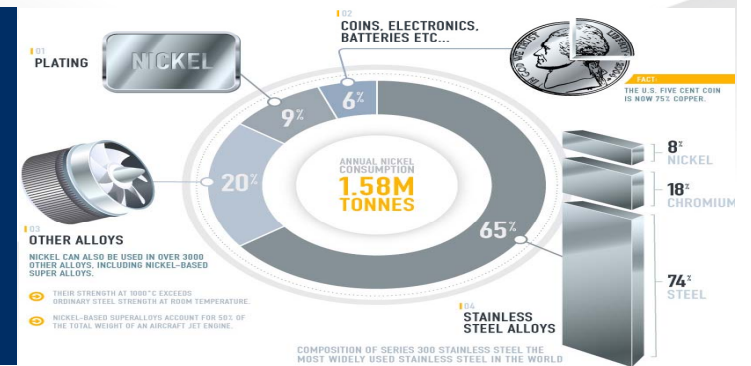
- Flexibility in meeting future demands or opportunities

Strong Balance Sheet





NICKEL MARKET



NICKEL IS A VALUABLE, BUT COMPLEX COMMODITY

→ Nickel Sulphide Ore

→ Nickel Laterite Ore



→ Nickel Concentrate

→ High Pressure Acid Leaching (HPAL)

→ Nickel Matte
(Smelter BHP/Jinchuan)

→ LME/MHP



→ Refinery (LME Nickel)

→ FerroNickel

→ Mixed Hydroxide
Products (MHP)

→ Nickel Pig Iron (NPI)
Blast Furnace/ EAF / RKEAF



World Production ~ 2M tonnes Ni

- Stainless Steel 75%
- Europe Scrap Stainless Steel >50%
- China Scrap Stainless Steel <25%



NICKEL PRICE DRIVERS

There are a number of factors that influence the nickel price including:

1. Level of global nickel supply
2. Cost and capacity of Chinese nickel pig iron (“NPI”) production
3. Indonesian nickel laterite export ban
4. Global stainless steel demand
5. Shorter term political factors



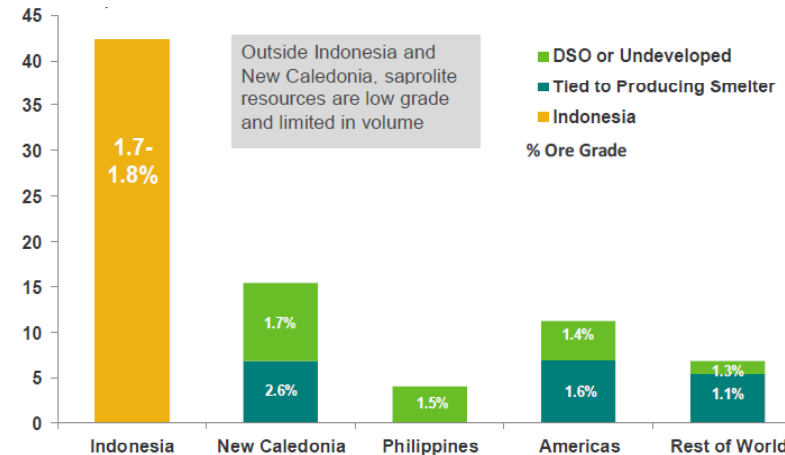
What we believe is occurring:

- Many commentators believe nickel supply now in equilibrium or a small deficit heading into FY15 – low price supply response began in CY13 selected operations shut down
- NPI production CY13 450kt to 500kt – cost effective RKEAF relied on Indonesian laterite
- Indonesian ban implemented and exports have ceased – Supply squeeze for China NPI
- Stainless steel demand remains strong in China
- European stainless steel demand appears to be improving – Order Books full but some capacity closed
- Still a noisy market – Philippines ban, Russia sanctions and an increasing LME stockpile

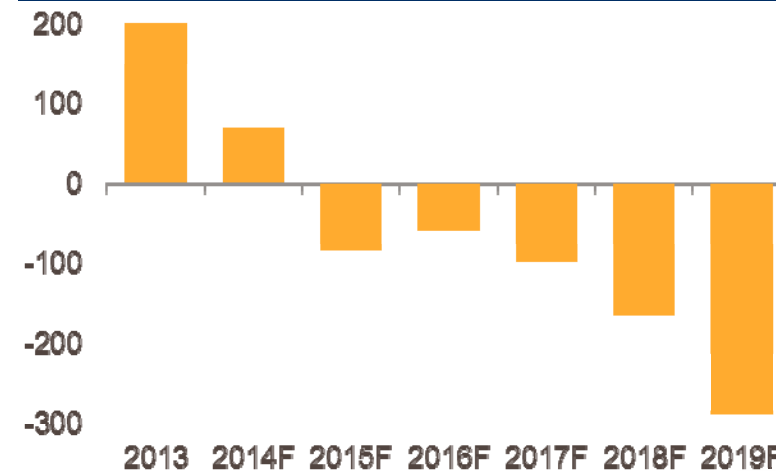
NICKEL MARKET DYNAMICS

- Indonesia in a unique position in respect of high Ni grade, low Fe, Laterite product
- Very strong message from the Indonesian government that **the ban is permanent**
- Reduction in Chinese NPI and Ferronickel from Japan of approximately 300ktpa contained nickel
- Approvals for Indonesian based NPI take a minimum of 18 months, plus construction, power supply and skilled labour issues mean that any meaningful production in at least 5 years away
- Nickel market deficits set to start in CY15, assuming 4% nickel demand growth and the Indonesian ban holding

World Saprolite Resources (Mt Ni contained)



Forecast nickel market balance (kt)



Source: Glencore

QUESTIONS?

