

CORPORATE PRESENTATION

August 2020

WESTERN AREAS LTD



AGENDA

CORPORATE



GROWTH AND EXPLORATION



OPERATIONS



THE NICKEL MARKET



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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 and Mr Orunesu-Preiata 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 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



Corporate overview

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



ASX code	WSA
Share price	2.42
Shares outstanding (m)	274.7
Market Cap (A\$m) ¹	664.7
Cash (A\$m) ²	144.8

COSMOS

Odysseus

165kt Ni Ore Reserves
265kt Ni Mineral Resource
First Production CY2022

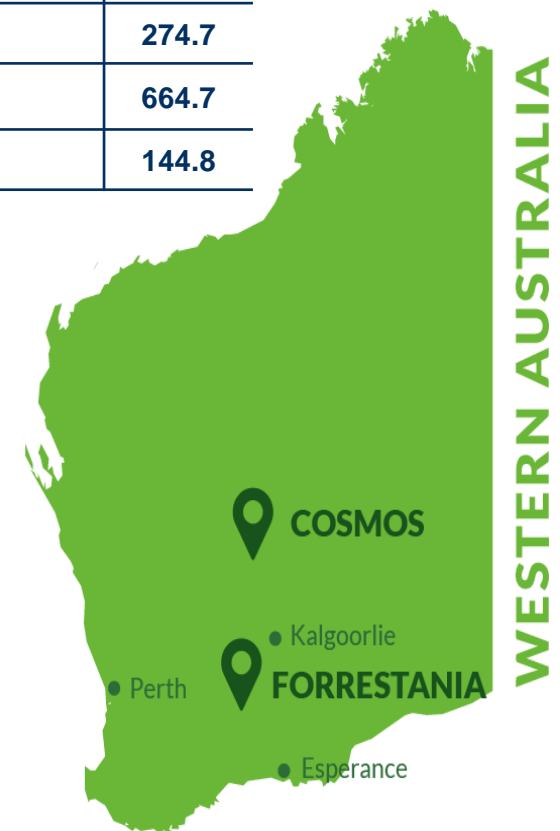
FORRESTANIA

Flying Fox

10.0kt Ni mined YTD
12.0kt Ni Ore Reserves
45.3kt Ni Mineral Resource

Spotted Quoll

13.3kt Ni mined YTD
49.6kt Ni Ore Reserves
65.2kt Ni Mineral Resource



FY20 Guidance – Achieved

Category	FY20 Guidance	FY20 Actuals
Nickel tonnes in Concentrate Production	21,000 to 22,0000	20,926
Unit Cash Cost of Production (Nickel in Concentrate)	A\$2.90/lb to \$3.20/lb	A\$3.13/lb
Mine Development	A\$33m to A\$38m	A\$33.2m
Property, Plant & Equipment	A\$7m to A\$10m	A\$8.4m
Cosmos Development & Feasibilities	A\$75m to A\$85m	A\$58.2m
Exploration	A\$14m to A\$17m	A\$15.6m

- **Covid-19** – No material impact to Australian activities
- **Nickel Production** – 99.7% achieved (72 nickel tonnes = 1 day mill production)
- **Unit cash costs** – A\$3.13/lb at mid point of guidance
- **Mine Development** – In line with guidance
- **Capital and Growth** – In line with guidance
- **Odysseus Development** – Below guidance range due to timing variances, mostly South African based activity related to haulage shaft infrastructure
- **Exploration** – In line with guidance

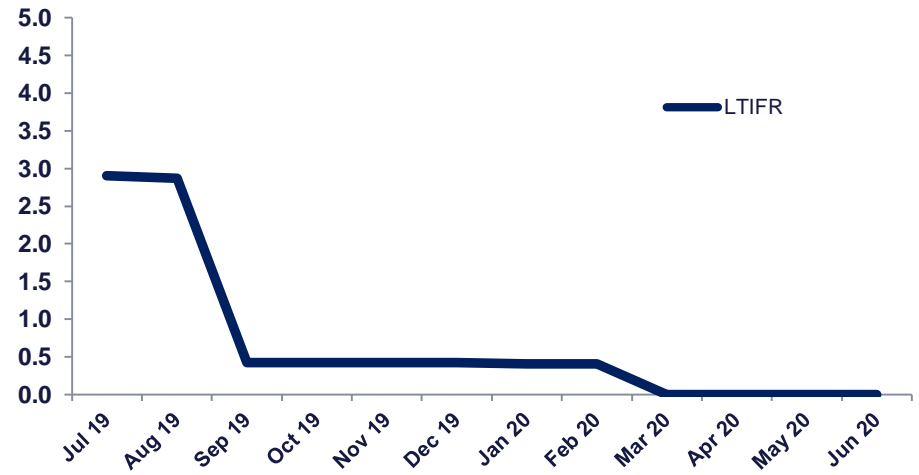
Western Areas are safe areas



Days LTI free

Spotted Quoll	3,365	Aug-11
Cosmos	1,734	
Cosmic Boy Concentrator	661	May-18
Exploration	648	Sep-18
Flying Fox	465	Mar-19

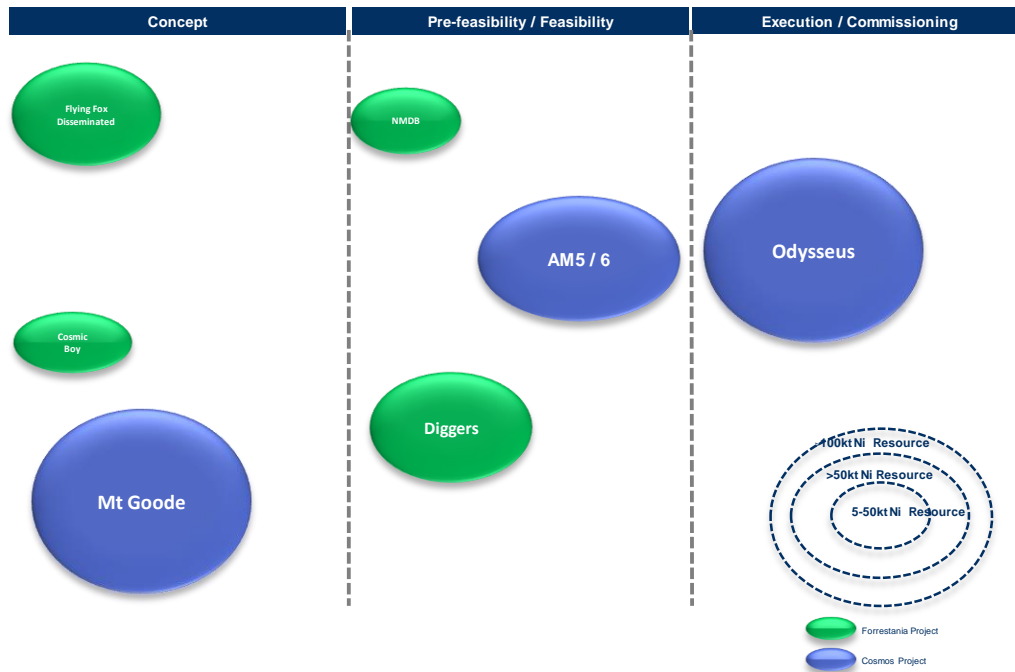
12 month LTIFR moving average



GROWTH AND EXPLORATION



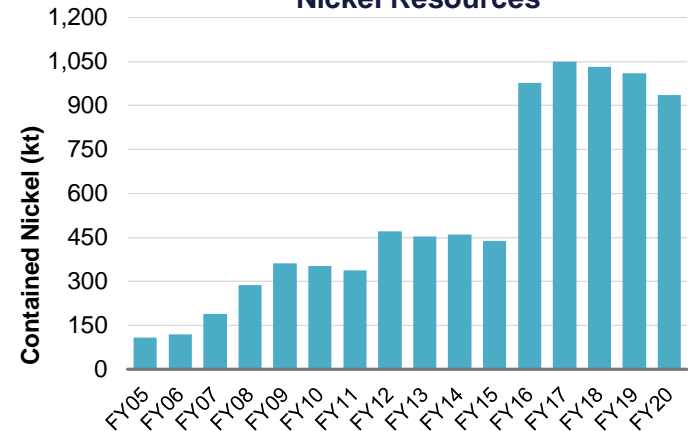
Nickel growth pipeline



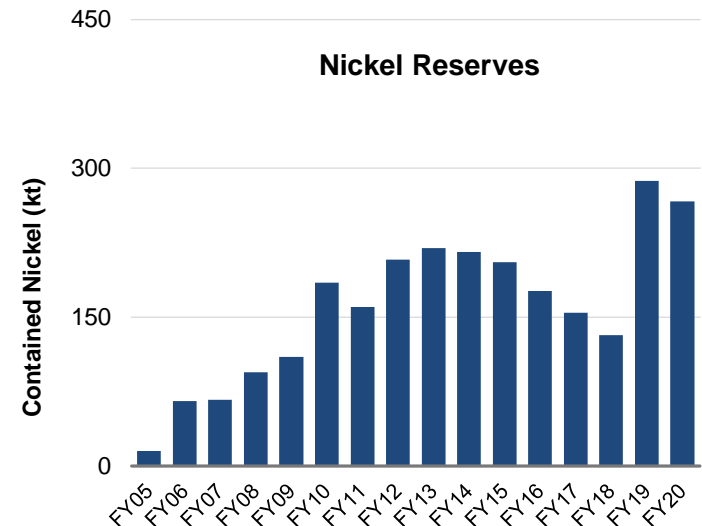
- Many projects in the pipeline to drive nickel production well into the future
- Ore Reserves have substantially increased in FY19 with Odysseus

Ore Reserves & Mineral Resources

Nickel Resources



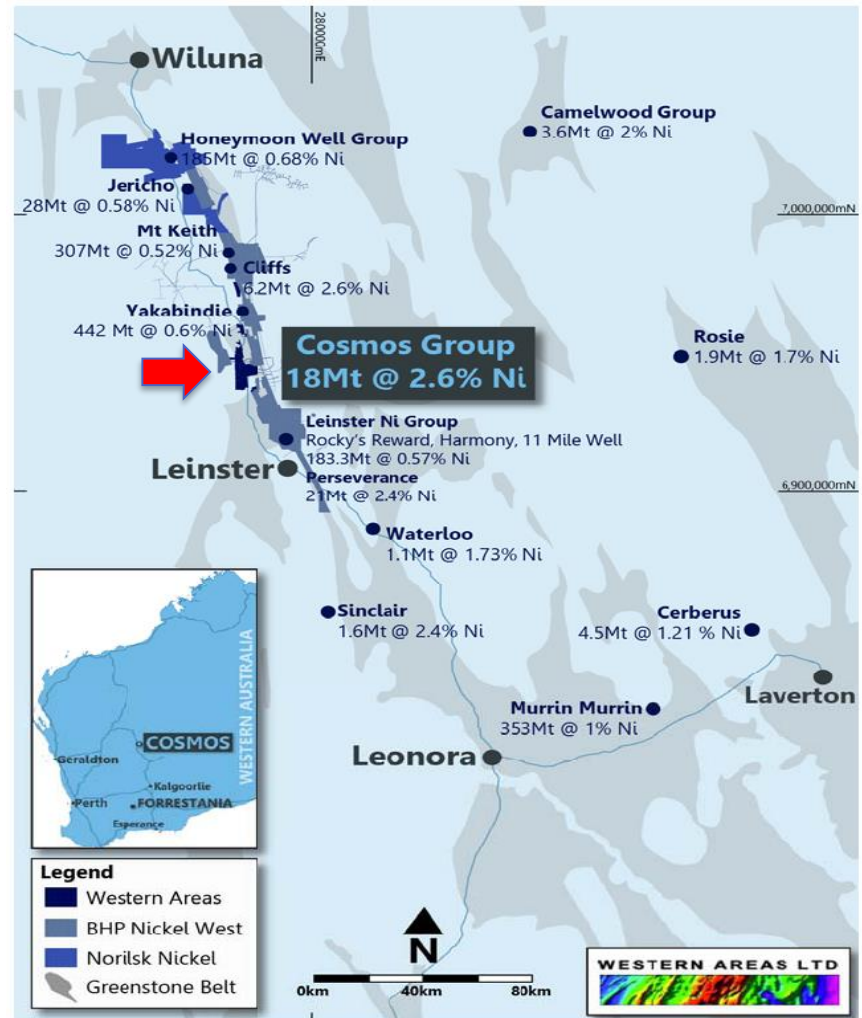
Nickel Reserves



Cosmos nickel operation – Odysseus mine

WESTERN AREAS' SECOND OPERATIONAL HUB:

- Outstanding nickel address
- Odysseus mine rehabilitation is now very near the new decline take-off position
- Camp commissioned with over 300 rooms available out of 520



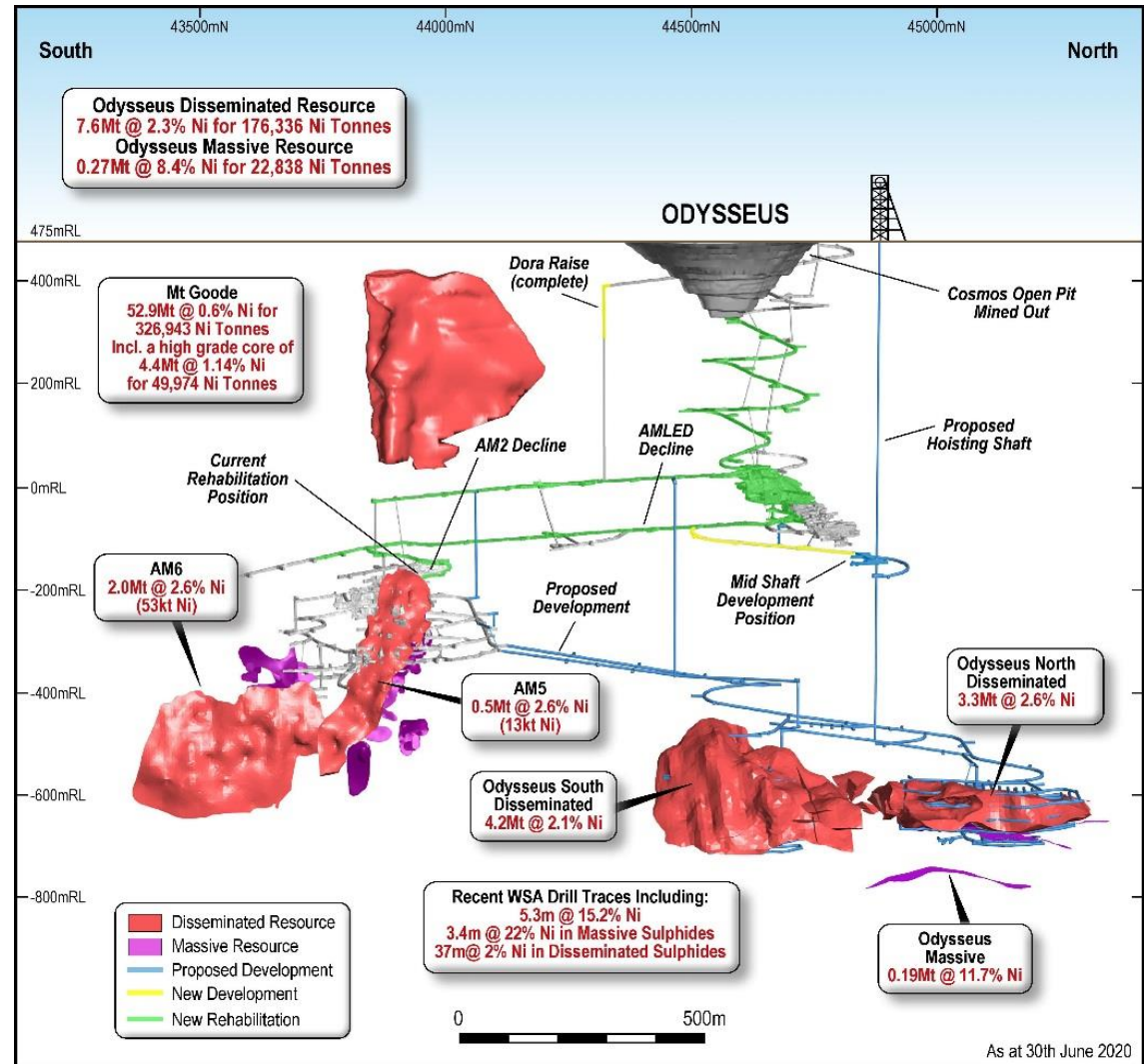
Odysseus mine – now a long life project > 10yrs

■ 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 >13.0ktpa (14.6ktpa from FY24-FY31)

■ Significant upside:

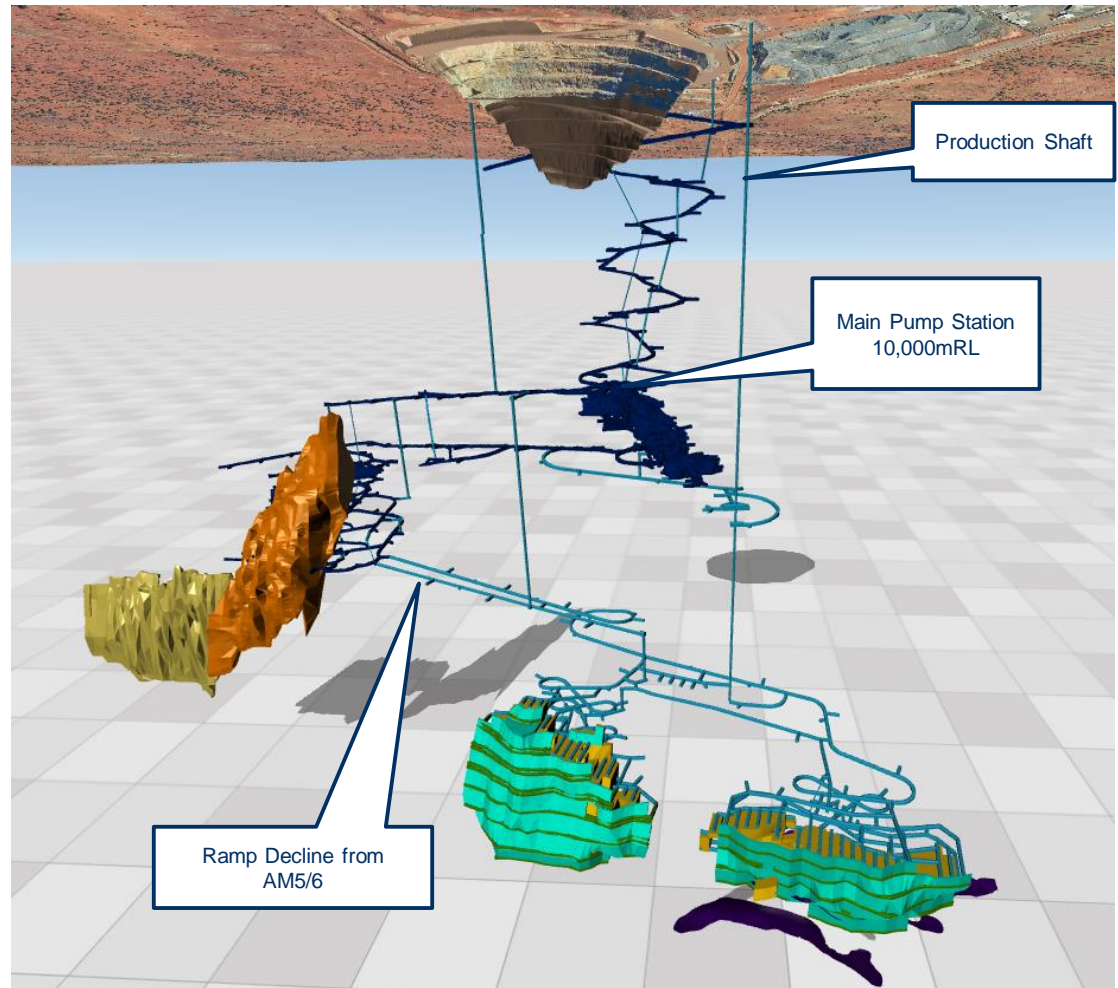
- ✓ AM5/6 deposits contain an Indicated Mineral Resource of 57.6kt of nickel (not included in DFS)
- ✓ Record massive sulphide intersections



Odysseus mine – underground infrastructure

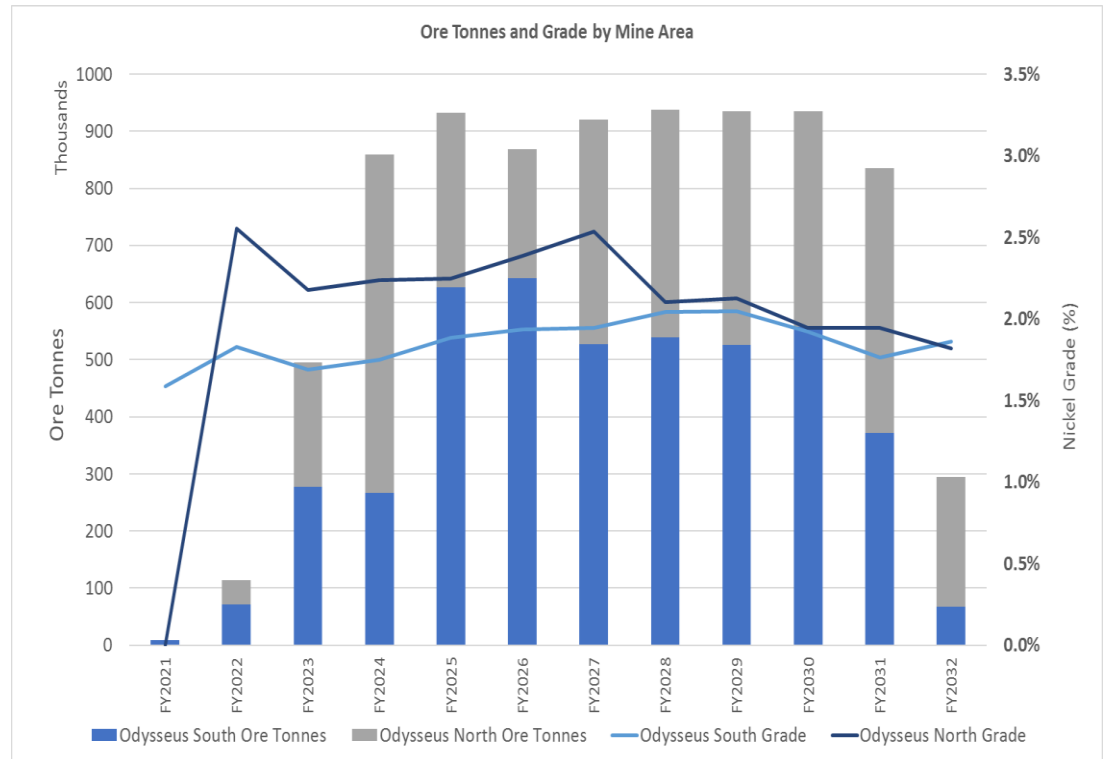
- **DFS study Pre-production capex A\$299m includes:**

- ✓ Updated development expenditure profile to be released with FY21 guidance
- ✓ Shaft hoisting system
- ✓ 900ktpa concentrator
- ✓ WSA is well funded with cash and has no debt
- ✓ Significant optionality on decision-making and spending



Odysseus production ~900k tpa ore

- Minimum 10 year mine life on reserves
- Annual ore production of 900kt
- First Ni concentrate late CY 2022
- Consistent annual nickel production
- Significant upside via inclusion of AM6 deposit



Shaft infrastructure

- WSA has purchased a high quality, second hand head frame and winder
- Shaft infrastructure dismantling completed. Now being refurbished in South Africa 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

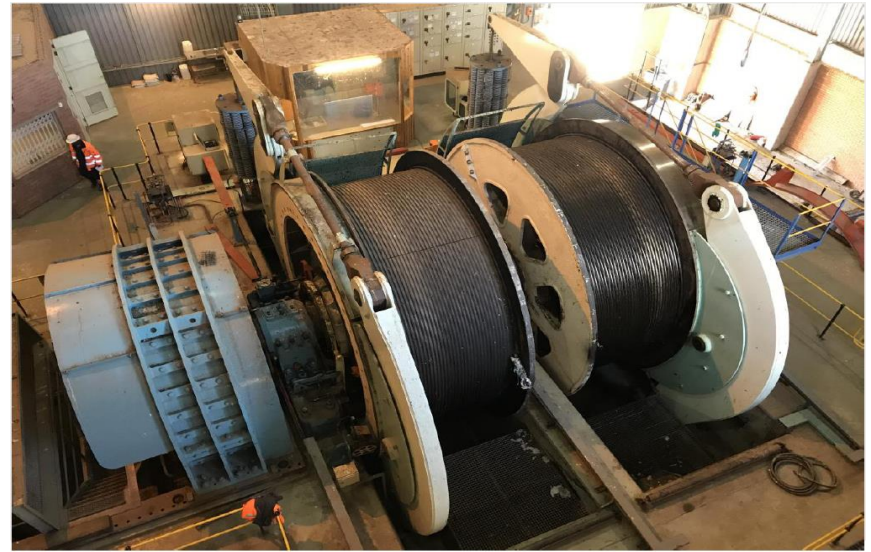


Key Metrics:

- ✓ 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

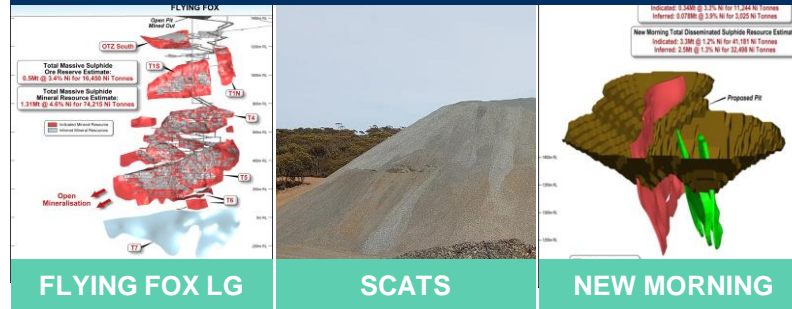


Infrastructure works ongoing



MREP unlocks value

Potential Heap Leach Projects



CB MILL FEED "HIGH As"

PREGNANT NI SULPHATE SOLUTION POND

Product Flexibility

INCREASED PAYABILITY

Ni Sulphate 'crude'

Ni Sulphide 45-50% Ni

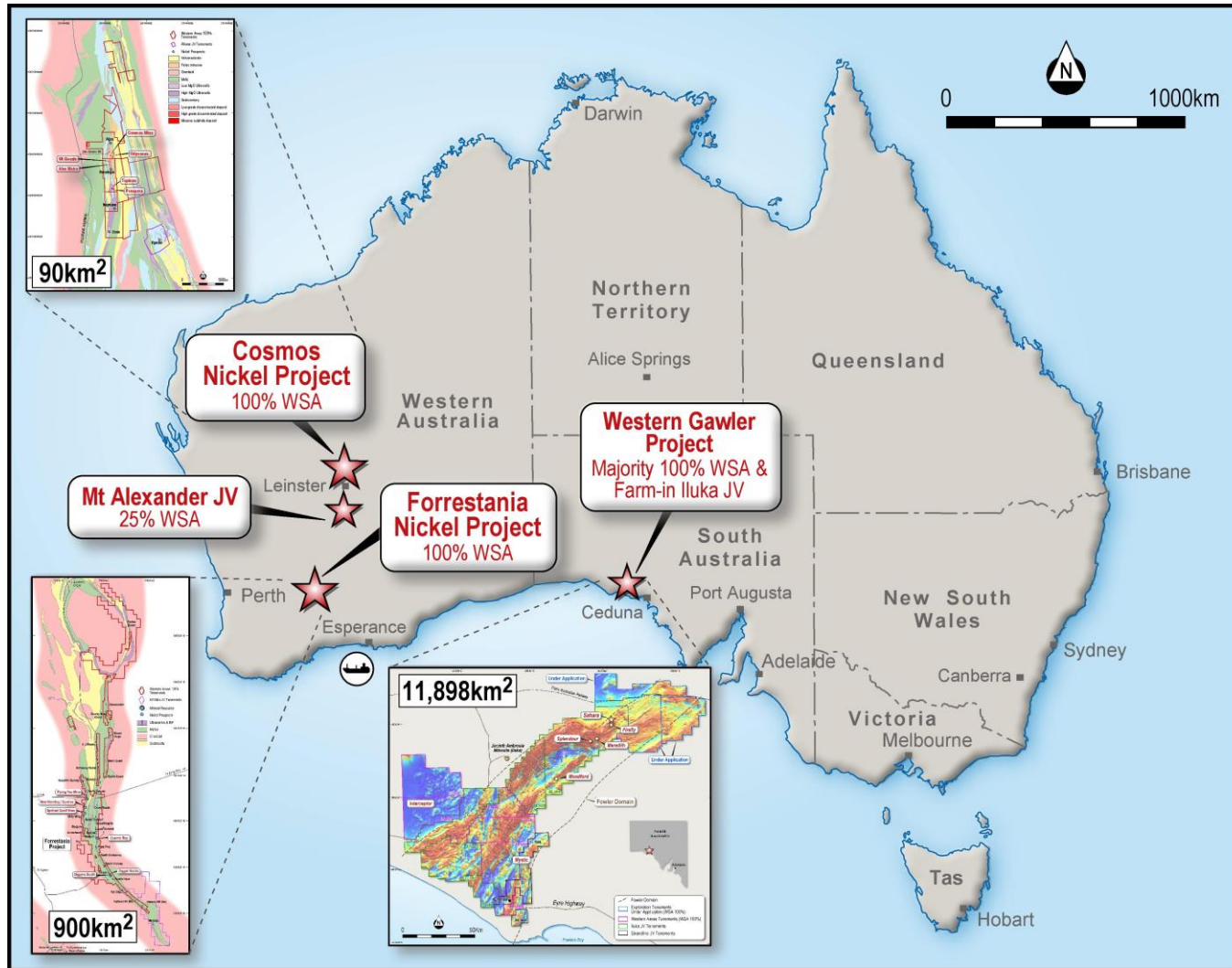
LEACH TANKS *Max 1,400 tpa Ni*

PRECIPITATION PLANT *4,000 tpa Ni*

CYCLONES

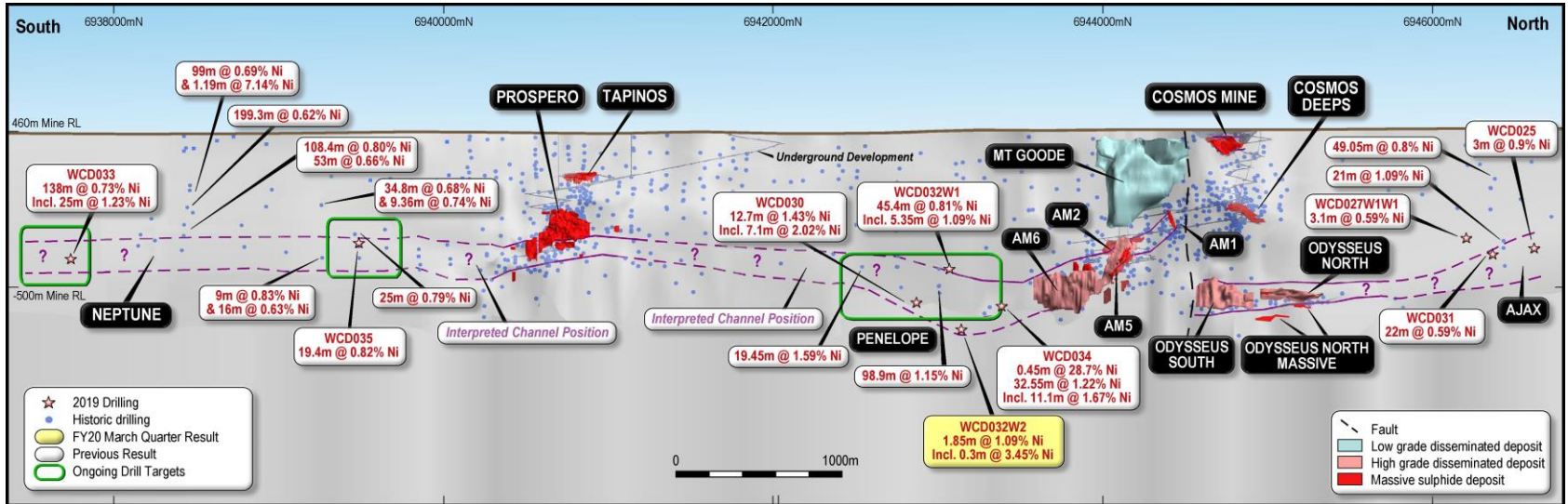
Blended with flotation concentrate

Exploration - key tenement holdings



Cosmos nickel exploration

> 9km of prospective host rocks

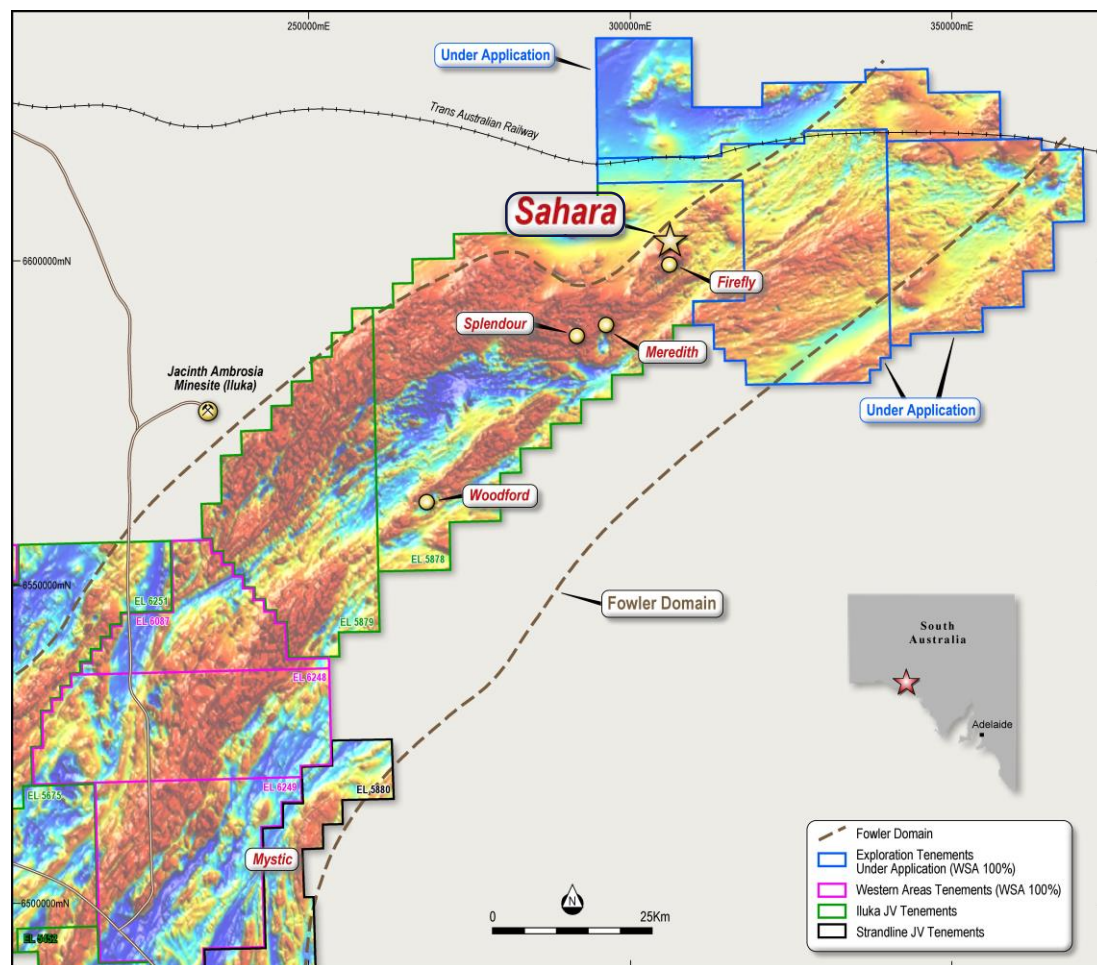


- Centred within the prolific Leinster – Wiluna Nickel corridor
- Additional accumulations of nickel sulphide identified within the Neptune and Penelope prospects
- Adjacent to good infrastructure and developing Odysseus mine



Western Gawler project (South Australia)

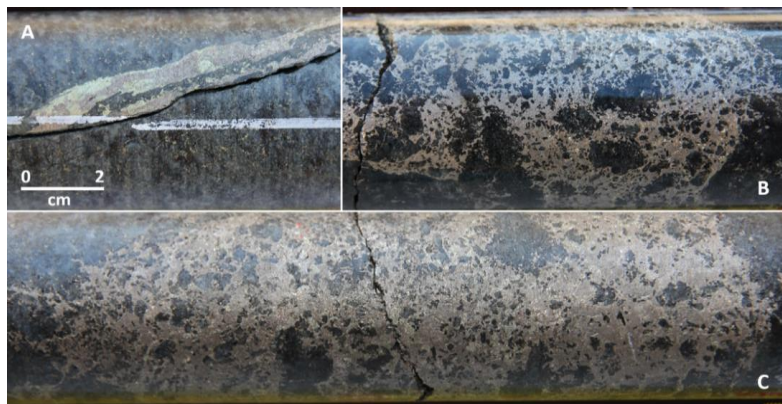
- Exploring within the highly prospective (Ni – Cu) Fowler Domain, with geological setting similar to districts hosting Nova-Bollinger and Nebo-Babel.
- Significant accumulations (over 250m) of nickel and copper bearing sulphides intersected within first diamond drill hole at the Sahara prospect.
- An 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.



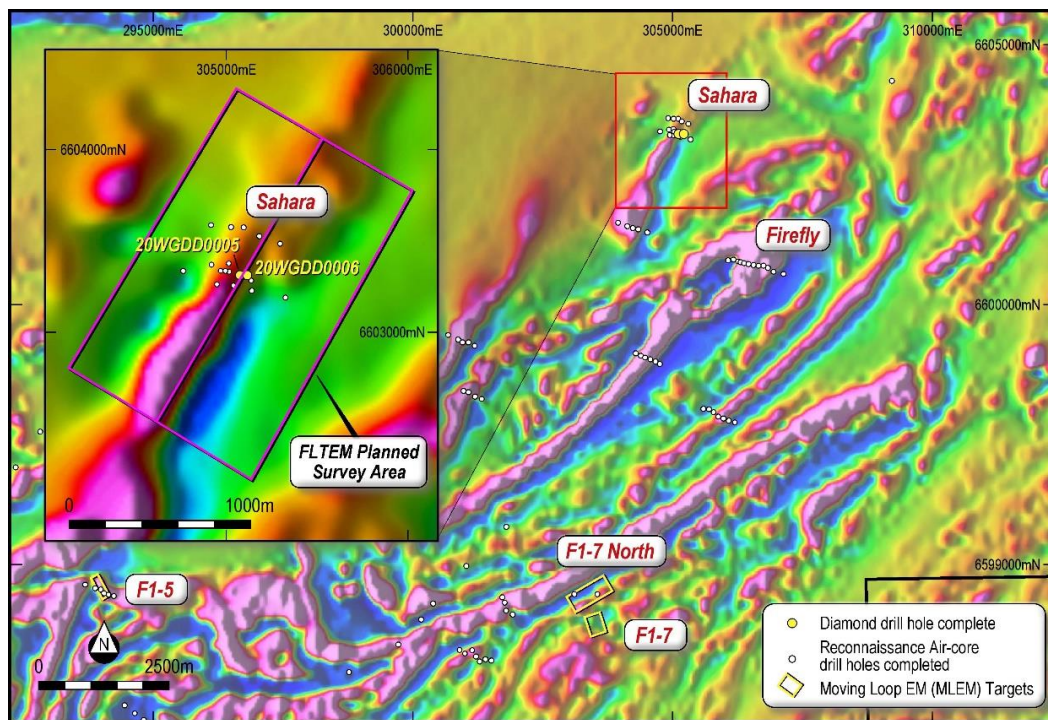
Western Gawler project (South Australia)

SAHARA

- Sulphide bearing metagabbro (pyroxenite) identified across greater than 250m core length.
- Coincident magnetic and electromagnetic (EM) conductor, with EM conductor open at depth below 250m.
- Numerous additional untested EM conductors in the surrounding Sahara – Firefly district
- These early drill results vindicate the Company's long-held belief in the Ni-Cu potential of the Western Gawler



Variable sulphide textures within drill hole 20WGDD0005. A) Late stage, pyrrhotite-chalcopyrite vein at 121.6m; B) Pyrrhotite-pentlandite matrix sulphide at 204.3m; C) Pyrrhotite-pyrite-pentlandite breccia to semi-massive sulphides at 197.9m.



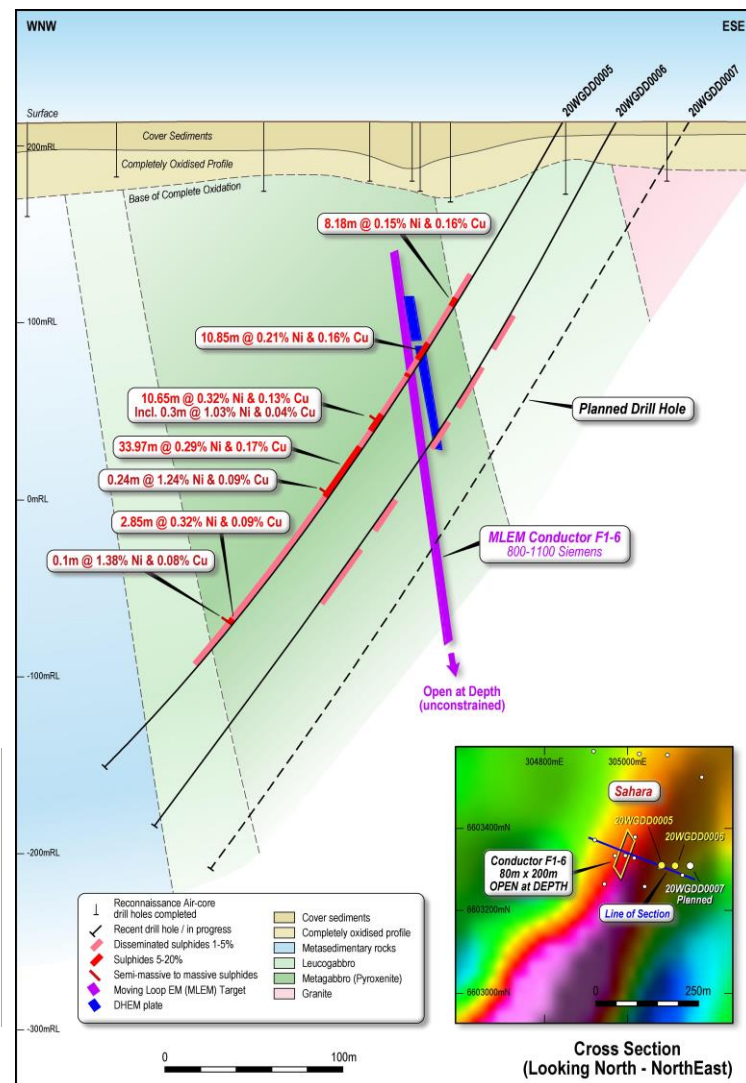
Western Gawler project (South Australia)

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



OPERATIONS

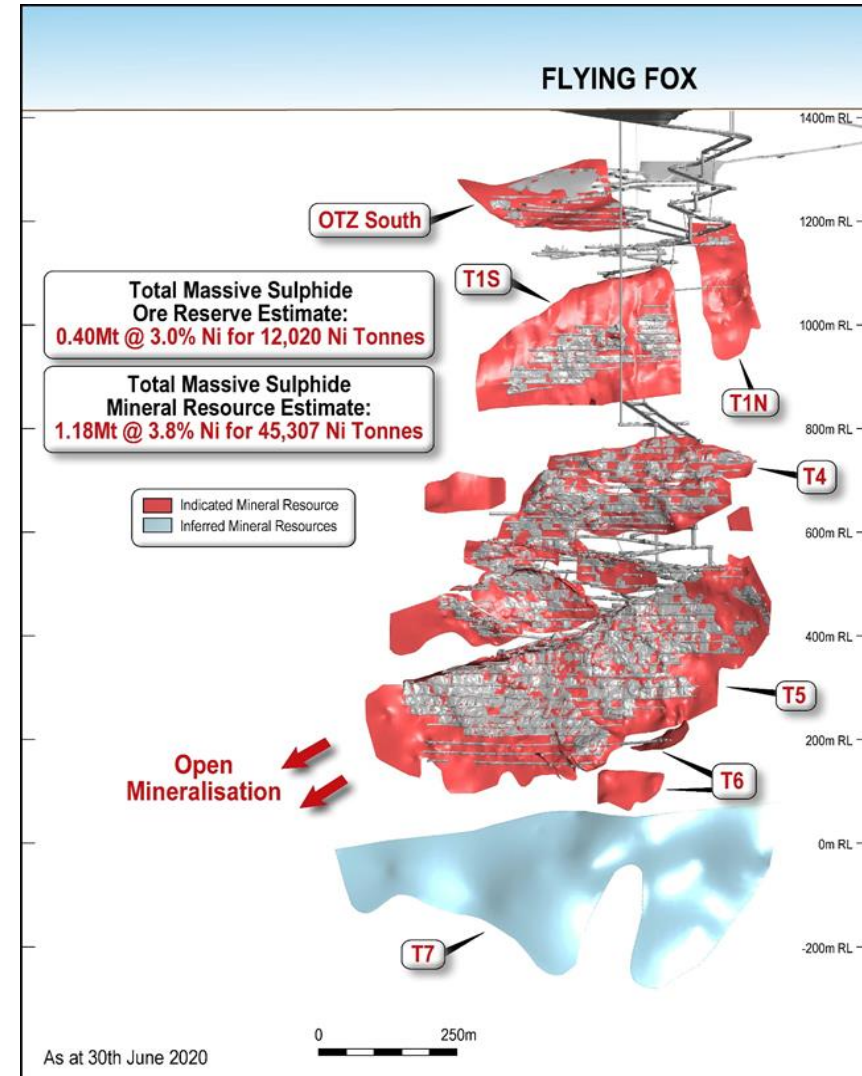


Flying Fox mine

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

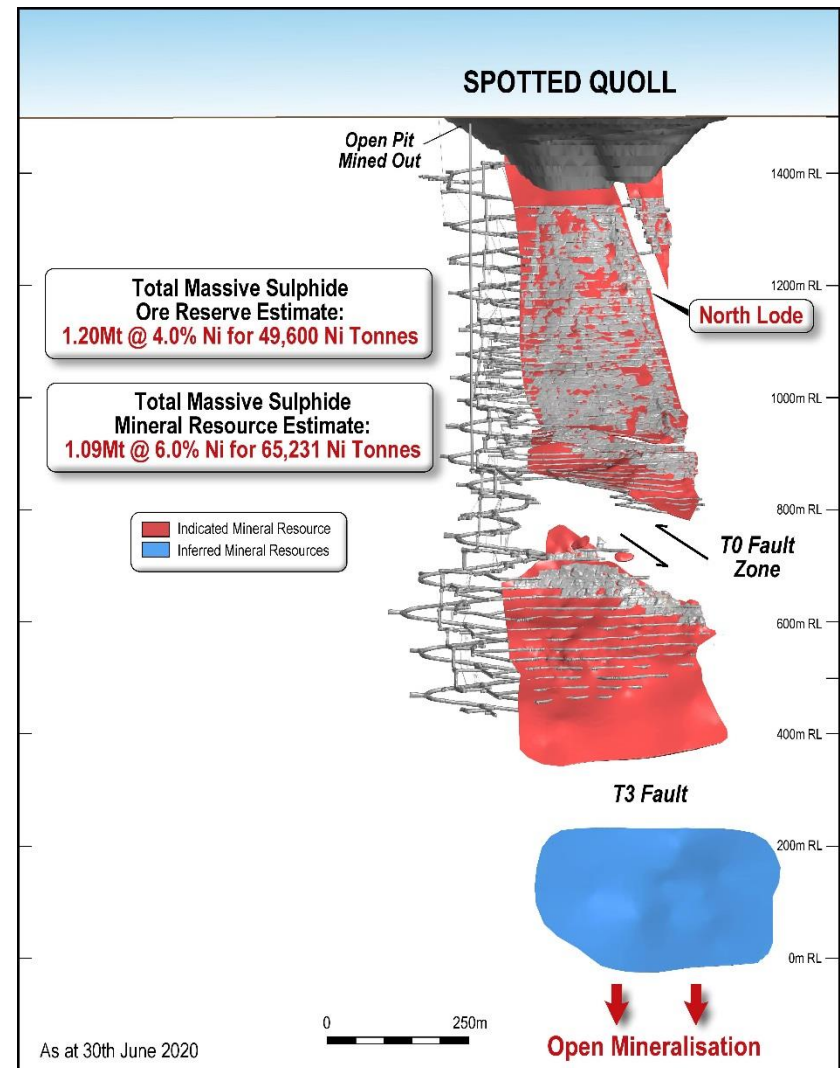


Spotted Quoll mine

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:

- Has never recorded an LTI
- 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



THE NICKEL MARKET



Offtake contracts best in class

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

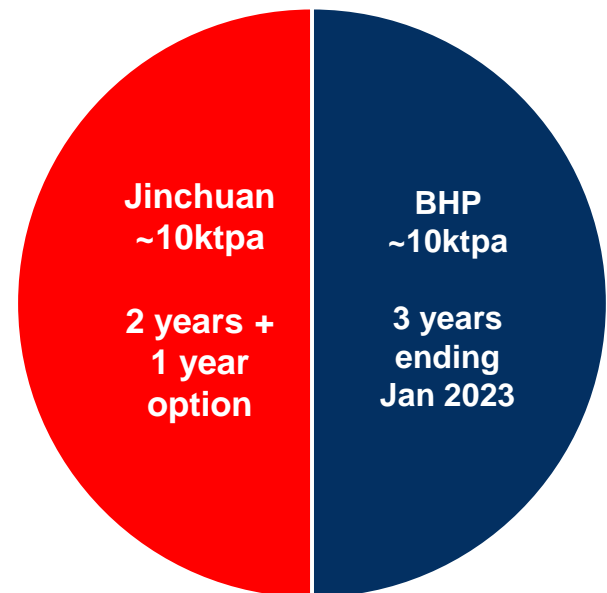
Seamless transition into new contracts. Full benefit of improved commercial terms (compared to previous agreements) commenced February 2020

Premium blending concentrate - superior commercial terms

Our Partners:

- **BHP:** 50%
- **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.

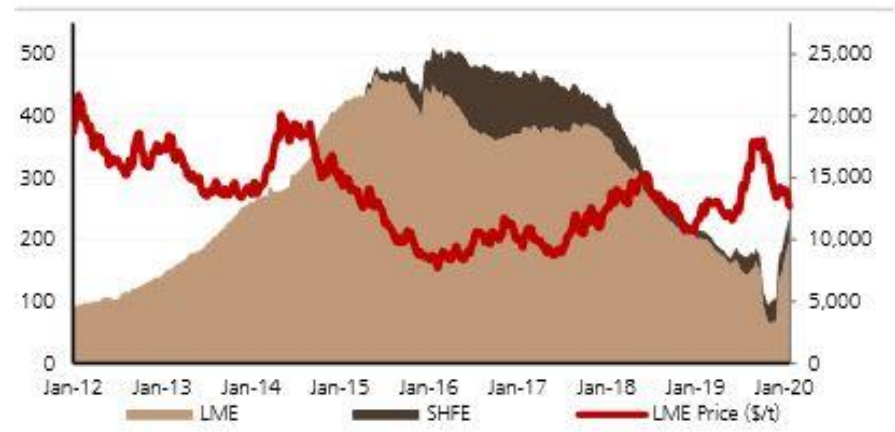


What we are seeing

- **Covid-19** expected to delay some consumption. On the flipside it will also reduce some production
- **Technology change to NCM 811** which requires higher quantity of nickel
- **Jinchuan** (largest nickel cathode producer in China) increasing nickel sulphate volumes
- **Indonesian** ore export ban in place. Pre-ban stockpiled material to be processed over coming months
- **LME** material no longer building. SHFE material now falling (slowly)
- **Other stockpiles** shrinking on the back Indonesian ban and stainless 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

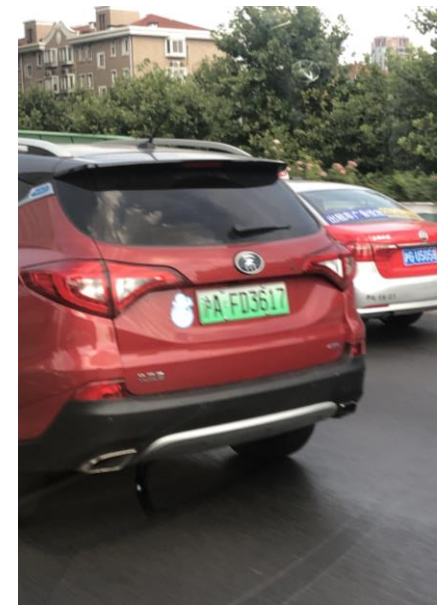
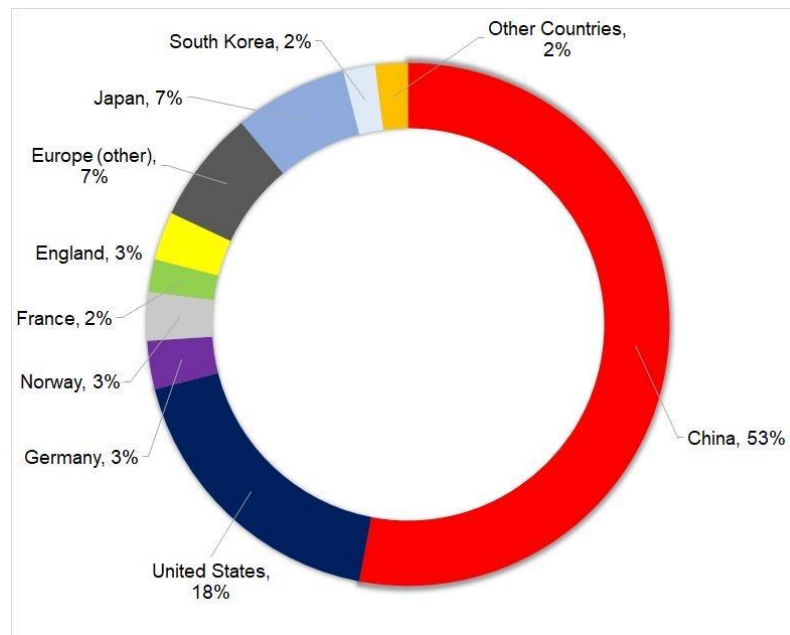


Source: Bloomberg, UBS estimates



The present – driven by stainless steel, but...

- Increasing forecasts of hybrid and EV production in China – Subsidies to stay
- Current nickel price too low to incentivise new project development. New mine development can take 3 years – the nickel “pie” is not expanding
- May see divergent market in nickel supply emerging between stainless steel and EV
- Major car OEM’s taking position in Chinese market



Source: Golden Dragon Capital, January 2020



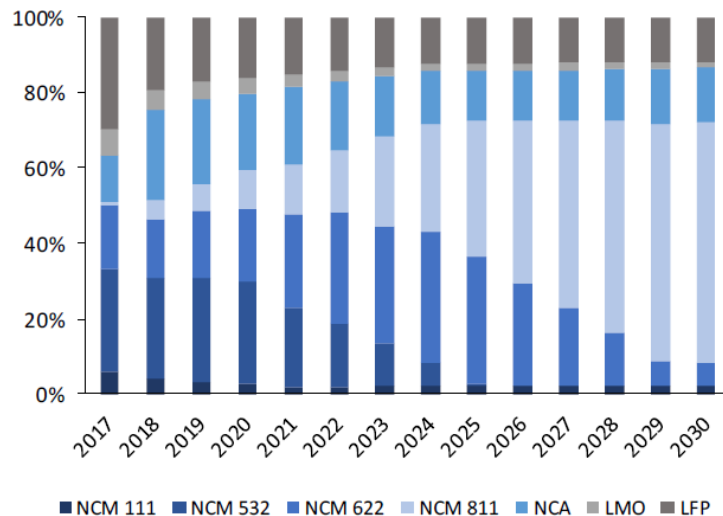
The future – EV demand for nickel

- 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 launching the “I.D. Family” electric vehicle range with lithium ion batteries. Recently announced its Zwickau Plant — currently the world’s largest automotive plant — produced its last car with a combustion engine.

MARKET SHARE

BY TYPE OF CATHODE MATERIAL

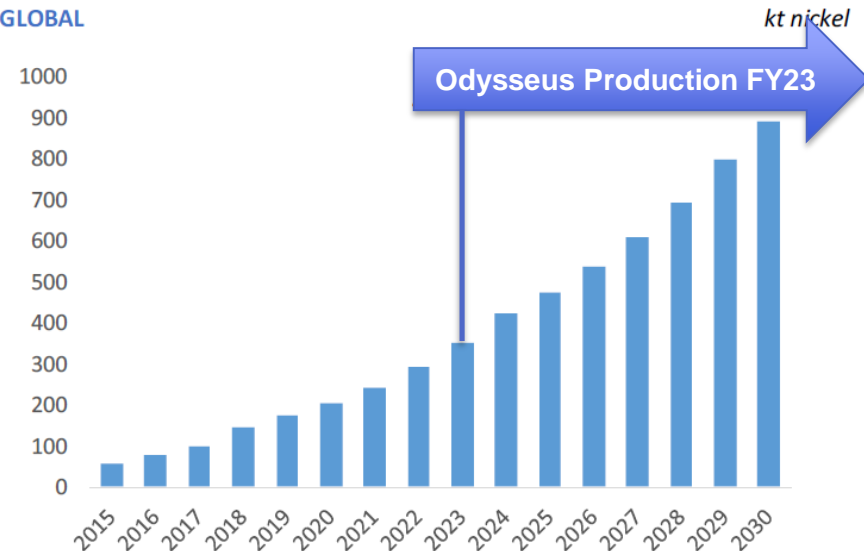
Stated as % of the market



Source: Trafigura Research, SMM, CIAP – March 2020

NICKEL DEMAND IN BATTERIES

GLOBAL



Source: Trafigura Research, SMM, CIAP – March 2020



Nickel deficits NOW a reality!

Long term trends supporting Ni consumption growth:



Vehicle Electrification



Increasing mobility



Growth in
Renewables



Population growth

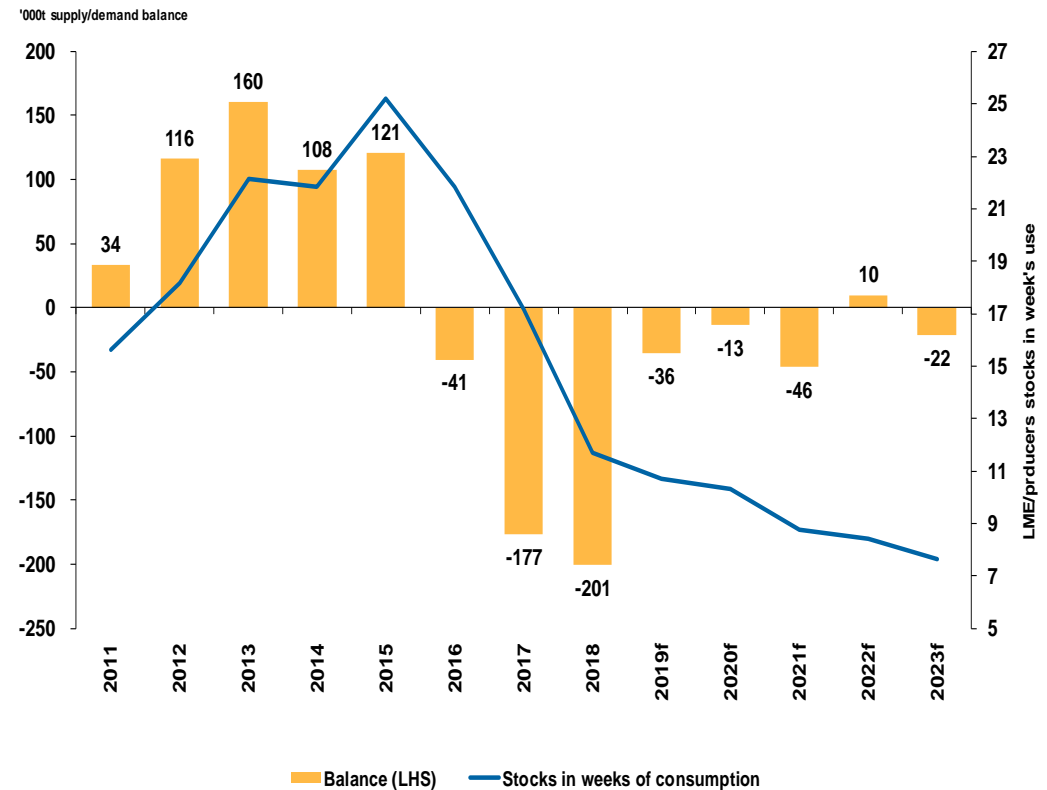


Growing disposable
incomes



Urbanization

Nickel supply/demand balance and stocks to 2023F



Source: INSG, Company reports, Macquarie Commodities Strategy, February 2020





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