

NEWS RELEASE

3 December 2020

WESTERN AREAS LTD



AMENDED – ODYSSEUS SHAFT HOISTING EQUIPMENT ARRIVES IN WA

Western Areas Ltd (ASX: WSA, “Western Areas” or the “Company”) provides an amendment to the announcement titled “Odysseus Shaft Hoisting Equipment Arrives In WA”, correcting a typographical error. The amendment solely relates to the Key milestones section at the end of the release, the sixth bullet point is corrected to read “First nickel in concentrate production - December quarter CY22”.

-ENDS-

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

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ODYSSEUS SHAFT HOISTING EQUIPMENT ARRIVES IN WA

Western Areas Ltd (ASX: WSA, “Western Areas” or the “Company”) is pleased to advise the safe arrival of the shaft headframe and winder equipment from South Africa. The shaft ore haulage equipment will now be transported to the Cosmos site for installation at the long life Odysseus mine. There is no material change to the project timeline as released on the 8th September 2020.

Key Project updates

- ✓ All refurbished headframe and winder equipment arrived at the Henderson Port in Western Australia (WA) on 27 November from South Africa.
- ✓ Following Australian customs clearance, the equipment will be transported to the Cosmos site prior to the end of December for storage. Customs clearance is expected this week.
- ✓ The pilot hole for the hoisting shaft raise bore has completed 513m of the initial 630m first stage. Currently no notable issues have been encountered, with the pilot hole expected to be complete in December.
- ✓ Site civil works for the shaft winder, motor and winder house are well advanced with foundations over 50% complete.
- ✓ At the twin Odysseus decline and return airway development drives, full-face development is going extremely well with the decline advancing 430m to date, and 630m of total development completed across both tunnels.
- ✓ The addition of the AM6 reserve has added significant optionality to the project, with an integrated mine plan in the process of being developed.

Western Areas Managing Director, Dan Lougher, said that the arrival of the shaft headframe and winder equipment de-risks the hoisting shaft construction schedule, and represents a significant milestone for the Odysseus project.

“Excellent progress is also being made in the Odysseus decline and return airway development, which is now heading across to the Odysseus orebodies with 430m developed to date. We now have a clearer line of sight toward delivery of the first ore tonnes mined from the Odysseus ore bodies in the September quarter of CY21”, said Mr Lougher.

Arrival of critical equipment from South Africa

The headframe, winder and associated infrastructure components are currently at the Henderson port in WA and are awaiting customs clearance prior to transportation to the Odysseus mine site. This is a major achievement for the Odysseus project and largely de-risks the shaft establishment schedule. Only minor engineering design support works remaining to be completed in South Africa. All future works will be allocated to local engineering groups in WA.



BBC NYHAVN being offloaded at Henderson port



Shaft headframe sections being offloaded



Surface Infrastructure

Hoisting shaft civil works

Excellent progress is being made on the winder house civil foundation works in preparation for the construction of the winder house in the March quarter CY21. The headframe and the remaining shaft civil works will be completed once the raise bore reaming of the shaft barrel is completed.



Shaft winder house foundations and raise bore rig (at top right)

Underground infrastructure

Full face development of the new Odysseus decline and return airway (RAW) have commenced and is now the main focus of the underground mine development crew. Development advance to date in the decline and RAW is 430m and 200m respectively. With the completion of the underground southern primary ventilation airway, primary ventilation is now available closer to the working development areas.

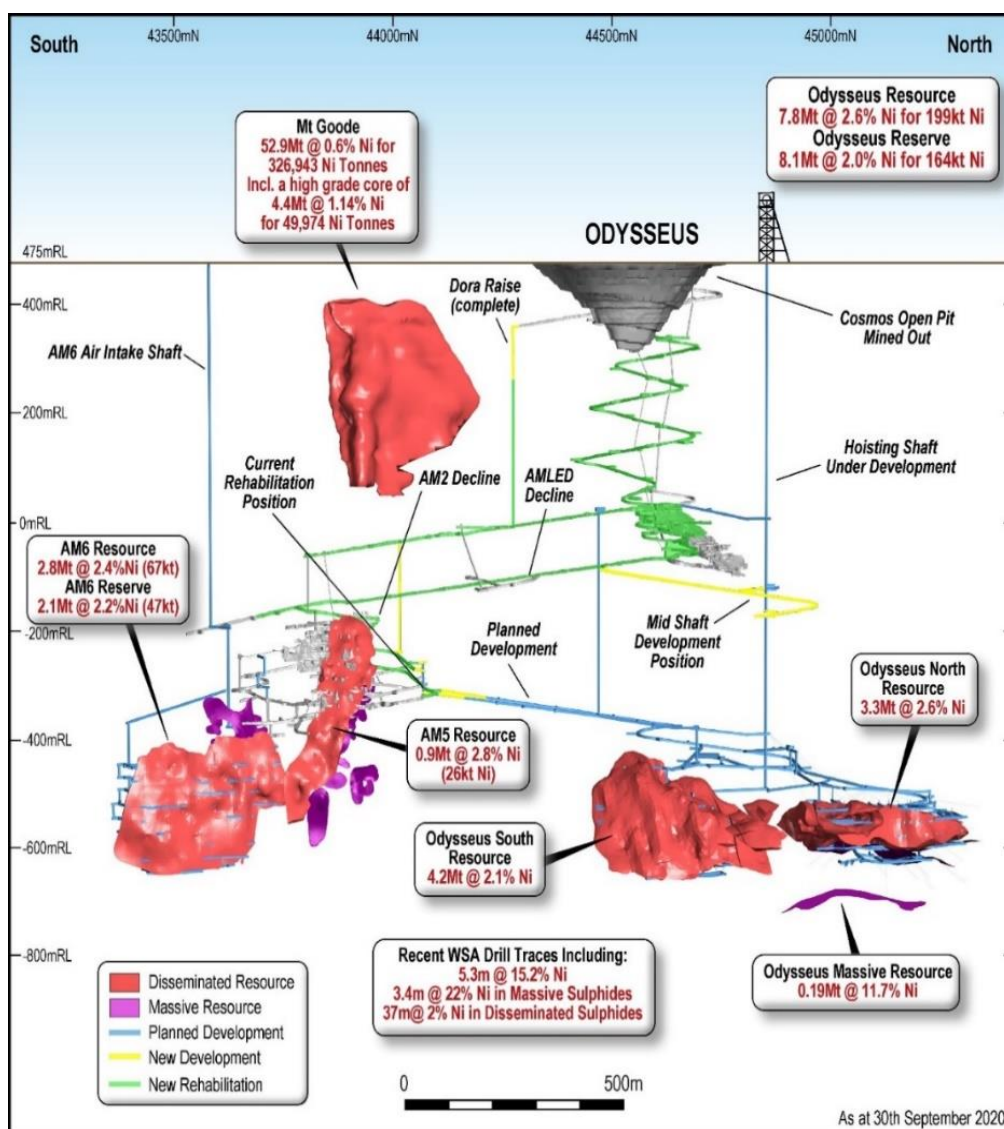
Ground conditions to date have been good and the planned progress is on track to reach first ore in the September quarter of calendar year 2021.

In addition, the development of the mid-shaft access decline to accept the hoisting shaft pilot hole is complete. At end of November, approximately 520m of first leg of the pilot hole drilling had been completed (target depth 630m). It is expected that the initial section of the pilot hole will be completed during December in advance of back-reaming.

AM6 optimisation study

A pre-feasibility study was completed for the AM6 deposit (see ASX announcement, 2 September 2020) with an AM6 maiden Probable Ore Reserve of 2.1Mt of ore at a grade of 2.2% Ni for 47,100 nickel tonnes. Work has now commenced on the feasibility study and optimisation studies for the combination of tonnages from the AM6 and Odysseus orebodies.

The initial work consists of a geotechnical review and an underground diamond drilling programme to provide diamond drill core for metallurgical optimisation work.



Key milestones and critical path activities

There has been no change to the project timeline as released on the 8th September 2020.

The following schedule gives the indicative dates of the key milestones of the Odysseus mine construction:

- Completion of Stage 1 hoisting shaft back reaming to 5.7m diameter - September quarter CY21
- First ore drive development - September quarter CY21
- Commence Cosmos concentrator refurbishment - March quarter CY22
- Completion of Stage 2 hoisting shaft back reaming to 5.7m diameter - June quarter CY22
- Permanent power (gas) 25MW - September quarter CY22
- First nickel in concentrate production – December quarter CY22
- Commissioning of hoisting shaft and winder - March quarter CY23

-ENDS-



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FORWARD LOOKING STATEMENT:

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

Examples of forward looking statements used in this report include: “The pilot hole for the hoisting shaft raise bore has completed 513m of the initial 630m first stage. Currently no notable issues have been encountered, with the pilot hole expected to be complete in December”, and “Ground conditions to date have been good and the planned progress is on track to reach first ore in the September quarter of calendar year 2021”.

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. Any potential investors should refer to Western Area's other public releases and statutory reports and consult their professional advisers before considering investing in the Company.