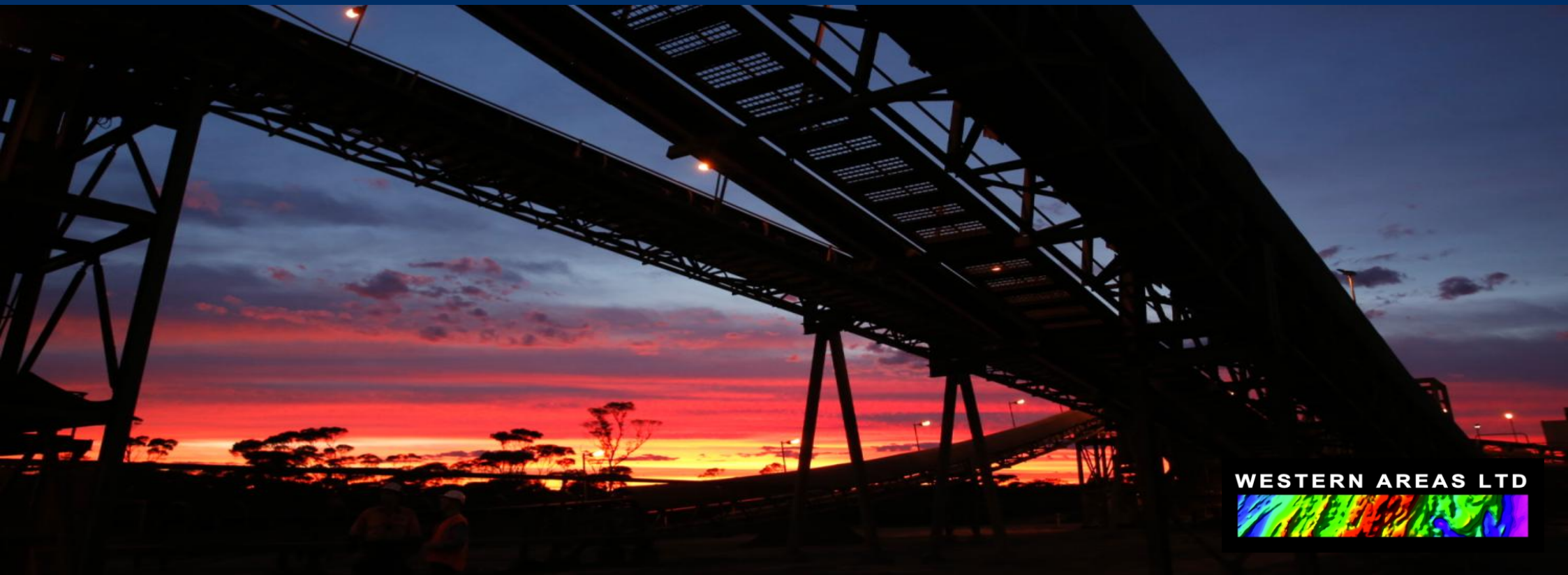


WESTERN AREAS LTD

Euroz Securities Institutional Conference

14 March 2017



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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.

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

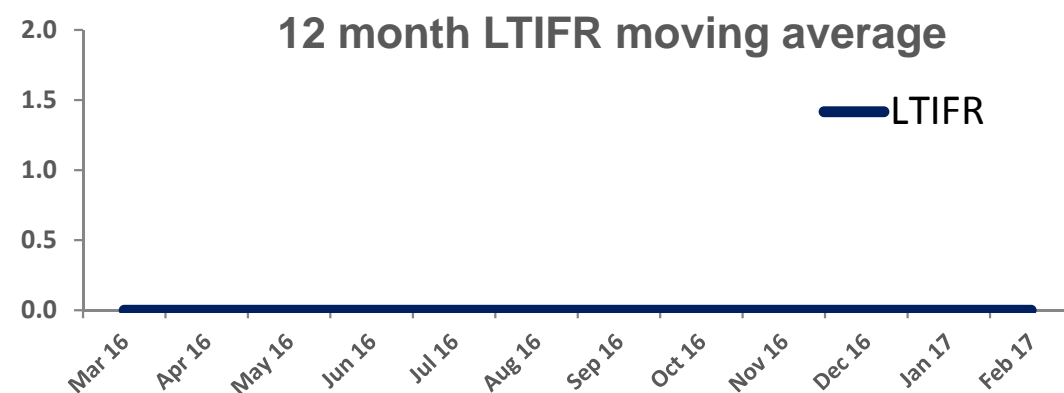
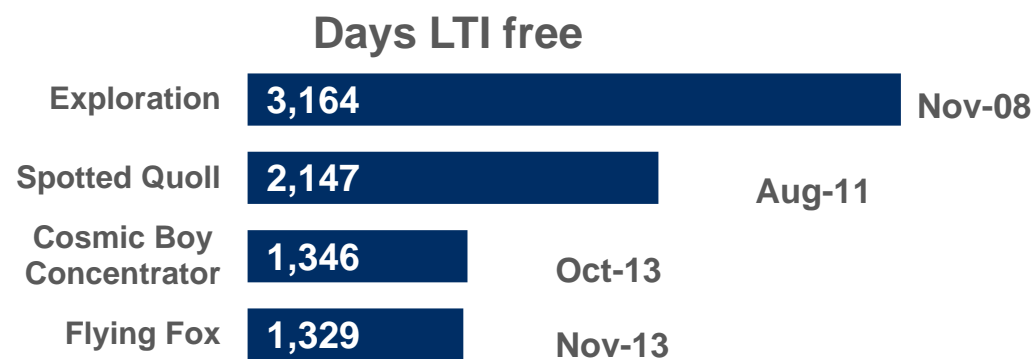


Corporate → Operations → Growth & Exploration → Nickel Market

A photograph of three men in an industrial setting, likely a construction or manufacturing site. They are all wearing white hard hats and safety glasses. The man on the left is wearing a white safety vest over a light-colored shirt. The man in the center is wearing a white safety vest over a light-colored shirt. The man on the right is wearing a white safety vest over a light-colored shirt. They are all smiling at the camera. The background shows industrial equipment and structures.

--- CORPORATE

WESTERN AREAS ARE SAFE AREAS



Safe operations make efficient operations

CORPORATE OVERVIEW

High quality assets

- Highest grade, low cash cost nickel producer
- Operational cashflow positive at current prices

No debt, clean balance sheet, low costs

- Further flexibility with an undrawn ANZ facility
- Low unit cash cost producer

Organic growth options

- Strong near-mine and regional exploration
- Cosmos exploration and Odysseus PFS

Positioned for nickel recovery

- A\$1/lb lift in nickel price = circa A\$35m EBITDA
- New and improved offtake contracts executed

ASX code	WSA
Share price	2.34
Shares outstanding (m)	272.2
Market Cap (A\$m) ¹	636.9
Cash (A\$m) ²	103.8

Cosmos Nickel Complex

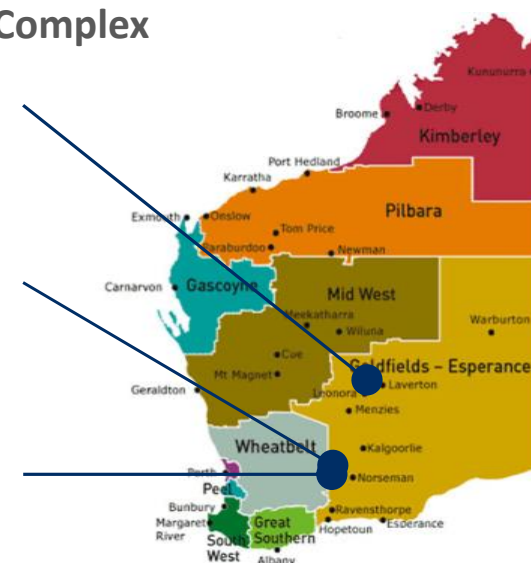
567kt Ni resources
PFS underway

Flying Fox

12kt Ni mined FY16
44kt Ni reserves
102kt Ni resources

Spotted Quoll

15kt Ni mined FY16
91kt Ni reserves
112kt Ni resources



A leading mid-tier base metal producer



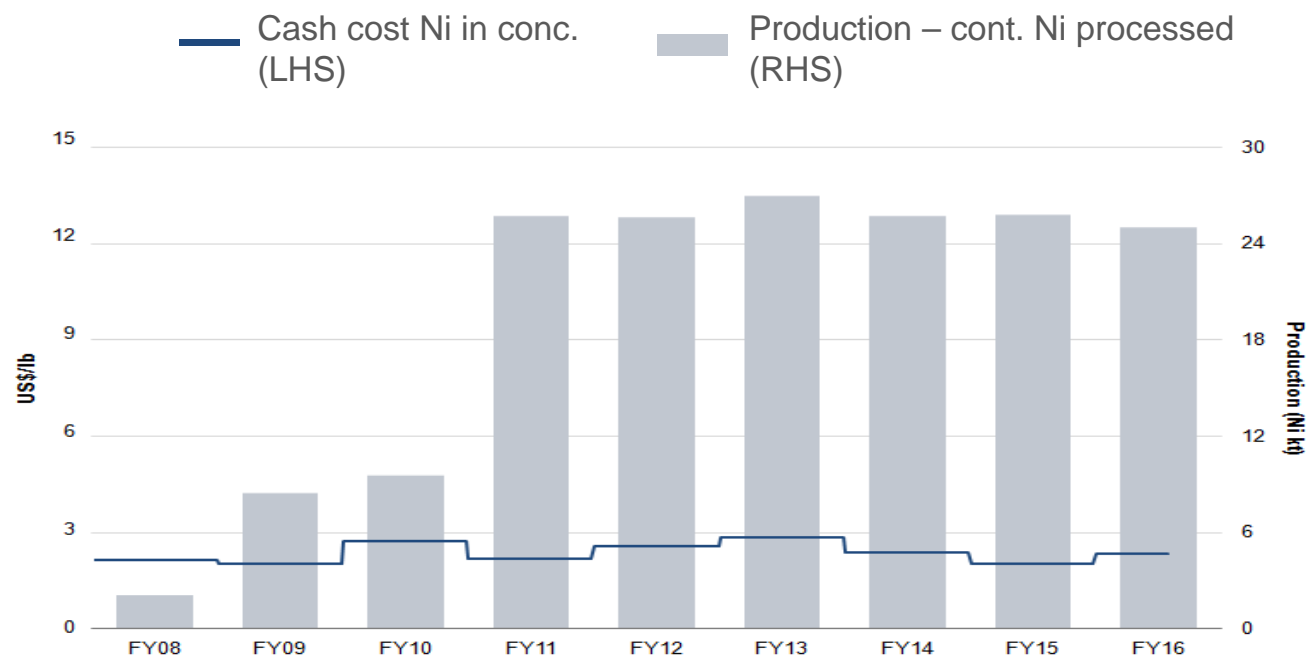
1. Based on share price on 8 March 2017
2. Cash as at 31 December 2016

KEY TAKEAWAYS – HALF YEAR

- LTIFR remains at ZERO with 1,057 LTI days free as of 22 February 2017
- Cash at Bank A\$103.8m
- Debt free balance sheet
- 11,607 nickel tonnes in concentrate produced
- 11,437 nickel tonnes contained in concentrate sold
- EBITDA of A\$29.4m:
 - Increase of 58% over 1HFY16, despite sale volume reduced by 1,077 nickel tonnes
 - Increase of 36% over 2HFY16, despite sale volume reduced by 842 nickel tonnes
- **Reported Net Profit After Tax (NPAT) of A\$0.5m:**
 - A\$20.6m improvement on 1HFY16 NLAT
 - January 2017 nickel price fall impacted after tax earnings by A\$2.9m
- **Pre-financing Cashflow of A\$22.5m (Operating Cashflow less all capex):**
 - A\$42.0m improvement on 1HFY16
 - Significant reduction in capital expenditure of A\$24.6m versus 1HFY16
- **Realised 1HFY17 nickel price of A\$6.59/lb (increase of 16% from 1HFY16), but nickel price volatility remains**
- **FY17 Guidance Metrics improved (see slide 12)**
- **New and improved Offtake Agreements signed which commenced 1 February 2017**

CONSISTENT LOW COST PRODUCER

- **FY17 GUIDANCE METRICS IMPROVED**
- LTIFR – ZERO – over 3 yrs LTI free
- Spotted Quoll mine tracking toward record production
- Unit cash cost of production at A\$2.44/lb (US\$1.84/lb) of nickel in concentrate
- Mill continued to perform well above nameplate capacity
- Exceptional consistency and 6 years without a guidance miss



A management team which consistently delivers guidance

FY17 GUIDANCE UPGRADED

Metric	Updated FY17 Guidance	Original FY17 Guidance
Mine Production (Nickel tonnes in Ore)	25,000 to 26,000	22,500 to 24,500
Nickel tonnes in Concentrate Production	22,000 to 23,000	20,200 to 22,000
Unit Cash Cost of Production (Nickel in Concentrate)	A\$2.35/lb to A\$2.50/lb	A\$2.40/lb to A\$2.75/lb
Sustaining Capex	No Change	A\$22.0m to A\$24.0m
Forrestania and Regional Exploration	No Change	A\$8.0m
Odysseus PFS	No Change	A\$2.0m

Comments

- Production improvements reflect higher grade mainly from Spotted Quoll with reduced dilution and blasting innovations;
- Unit cash cost of production an outcome of higher production, improved grade and cost out initiatives;
- Sustaining capital includes the last major one-off item of capex at either mine – ventilation shaft for A\$6m; and
- Odysseus PFS due for release in the March quarter



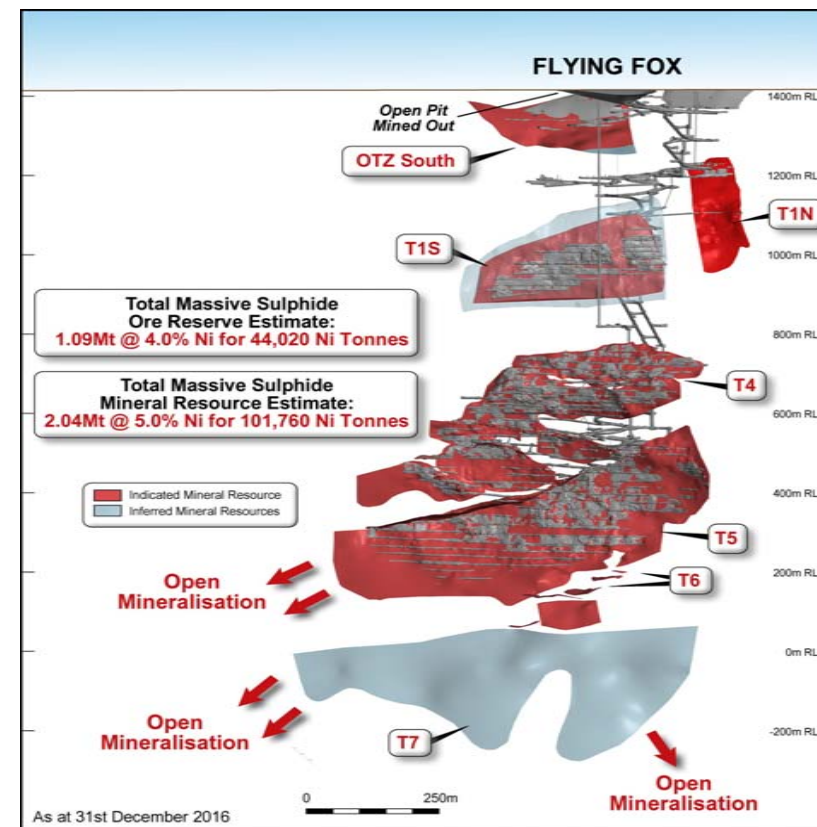
OPERATIONS

FLYING FOX MINE

Reserve Contained nickel	1.09Mt @ 4.0% 44,020 Ni tonnes
Resource Contained nickel	2.04Mt @ 5.0% 101,760 Ni tonnes
Mine life	5 years

Key points

- FY16 production – 12,432 Ni tonnes
- Reserve life has a demonstrated history of replenishment
- Added OTZ South Massive Zone – 182,898t @ 4.1% Ni for 7,417 nickel tonnes
- Recent drilling into T5 and T6 domain has been encouraging, including 6.3m @ 8.0% Ni
- Has been operating for over 10 years



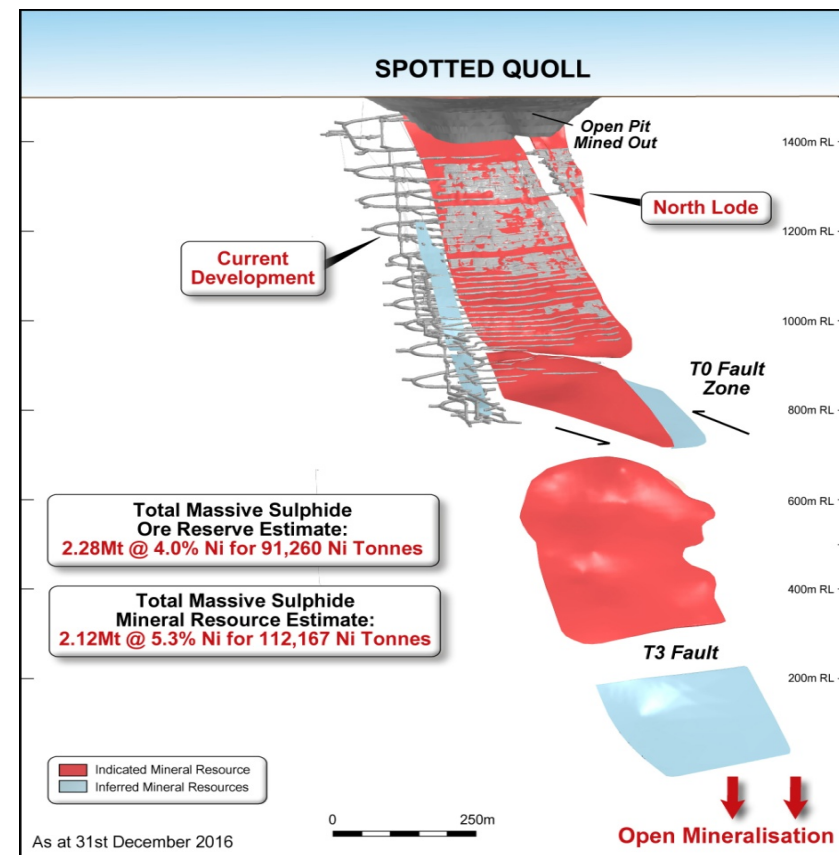
WSA's foundation asset within Forrestania

SPOTTED QUOLL MINE

Reserve Contained nickel	2.28Mt @ 4.0% 91,260 Ni tonnes
Resource Contained nickel	2.12Mt @ 5.3% 112,167 Ni tonnes
Mine life	+8 years

Key points

- Has never recorded an LTI
- FY16 record annual production – 15,175 Ni tonnes
- Discovered by WSA in 2007, 6km south of Flying Fox
- Remains open at depth and to the North
- Production has outperformed reserve tonnes and grade consistently
- Top down mining with paste fill



WSA Explored, Discovered and Developed

FORRESTANIA NICKEL CONCENTRATOR

Concentrator Summary

- Mill processed an annual record of 616k tonnes of ore in FY16, for 25,009 nickel tonnes
- 12% above name plate capacity of 550,000 tpa
- Concentrate grades of between 14.0% to 15.5% Ni
 - Premium blending product (Fe/Mg ratio >15:1)
 - Desirable to smelters

Export Infrastructure and Logistics

- Export concentrate transported to Esperance Port in half height containers and through to China
- Shipping contract in place, FOB Terms
- BHPB Nickel West concentrate delivered to Kambalda



WSA produces a high quality and in demand nickel concentrate

OFFTAKE CONTRACTS

New Contracts Executed

- Most competitive tender process in WSA's history
- New contract terms will improve financial returns
- WSA's long term strategic plan executed to integrate with an end user (stainless steel) and capture additional value
- WSA has become a lead innovator with nickel concentrates

About Tsingshan Group

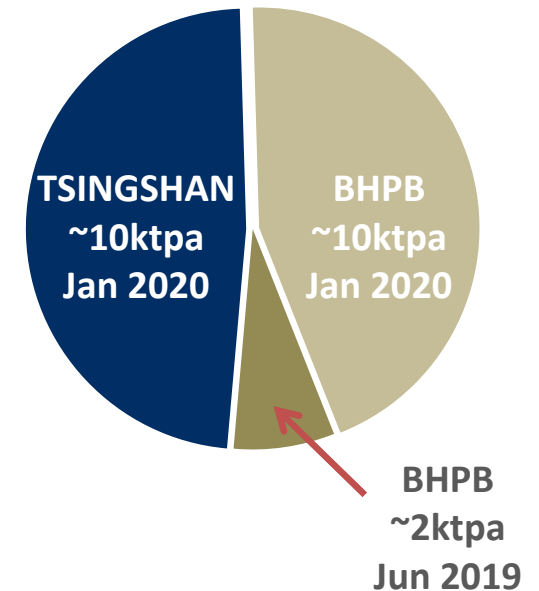
- China's largest stainless steel producer
- Estimated to consume 25% of China's nickel demand
- Revenue of RMB85 billion in 2015, 20,000 employees
- Contracted through associated Singaporean entity Golden Harbor International Pte Ltd

About Roasting

- WSA first tested its concentrate in 2012 and 2013 with Tsingshan
- Creates a high grade Nickel Oxide that can be blended with Laterite ore
- By-products of sulphuric acid for stainless steel
- Most concentrates do not suit roasting due to no by-product credits such as Cobalt, Copper and PGE's
- Proven process that opens up opportunities with Tsingshan



New & Improved Contracts



INNOVATION – BATTERY MARKET

Mill Recovery Enhancement Project (MREP)

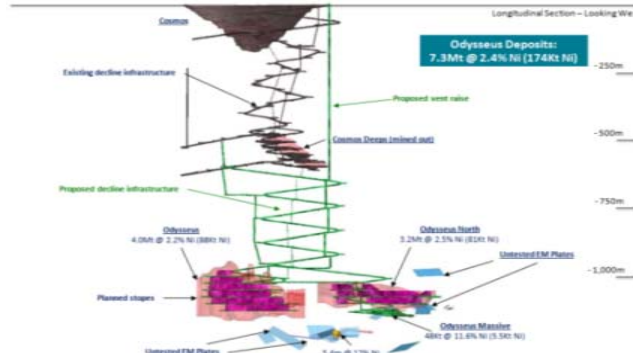
- Project status is under review, with long lead items purchased – circa 6 month construction period if approved and around A\$16m left to be spent
- MREP has the option to produce a high grade sulphide (approx 45% Ni)
- MREP can also be modified to produce sulphate crystals using ION exchange:
 - ❑ 3 lab simulation tests completed all with improving results
- Potential offtake partner discussions for sulphide and sulphate commenced over a year ago



GROWTH & EXPLORATION OUTLOOK



BUILDING THE PLATFORM



Exploration and Growth

- Cosmos Nickel Complex
- Western Gawler JV
- Forrestania

Development

- Odysseus PFS
- New Morning
- Mill Recovery Enhancement

Production

- Spotted Quoll
- Flying Fox
- Cosmic Boy Concentrator

A portfolio with production and growth optionality

ORGANIC GROWTH PROFILE

Large holding in 2 significantly endowed nickel provinces

Forrestania Operations – Western Australia

- New Morning project – Near mine leveraging existing infrastructure with studies underway
- History of reserve/resource extension
- Mill Recovery Enhancement Project – lift metallurgical recoveries by 3-5%
- Evaluating Lithium potential at the Forrestania tenements

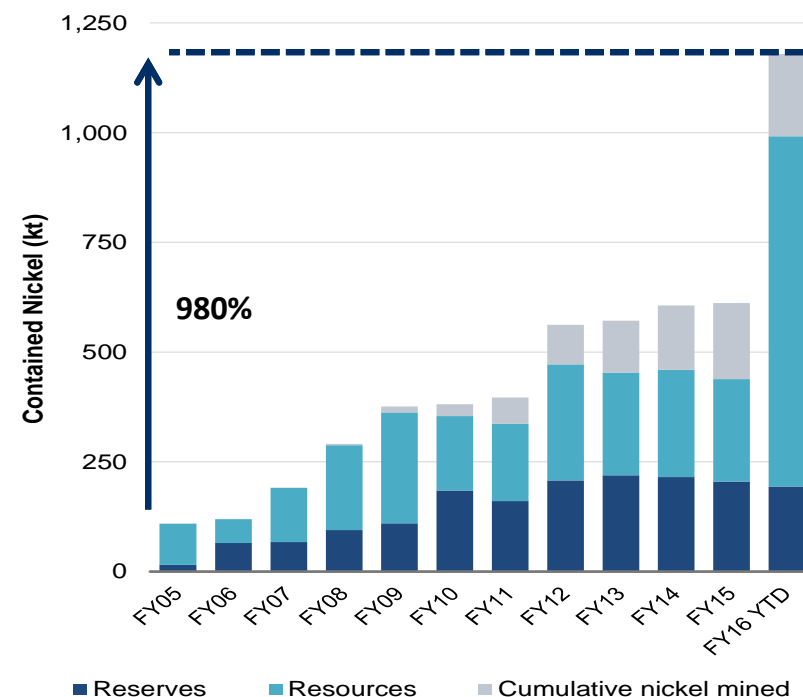
Cosmos Nickel Complex / Odyssey – Western Australia

- Existing resources and infrastructure (previous Glencore/Xstrata/Jubilee Mines operation)
- Odyssey PFS near completion and significant high grade intersections
- First pass drilling at Neptune successful

Western Gawler – South Australia

- First mover advantage
- Intrusive style and geologically similar to Nova

Historic reserves & resources



WSA has a track-record of discovery and development



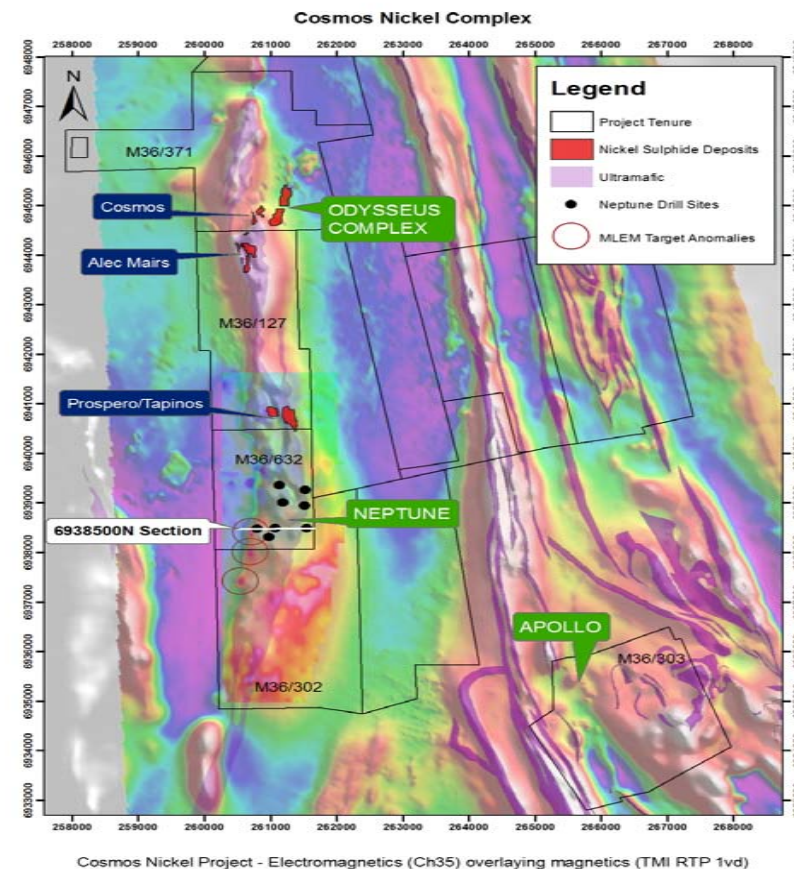
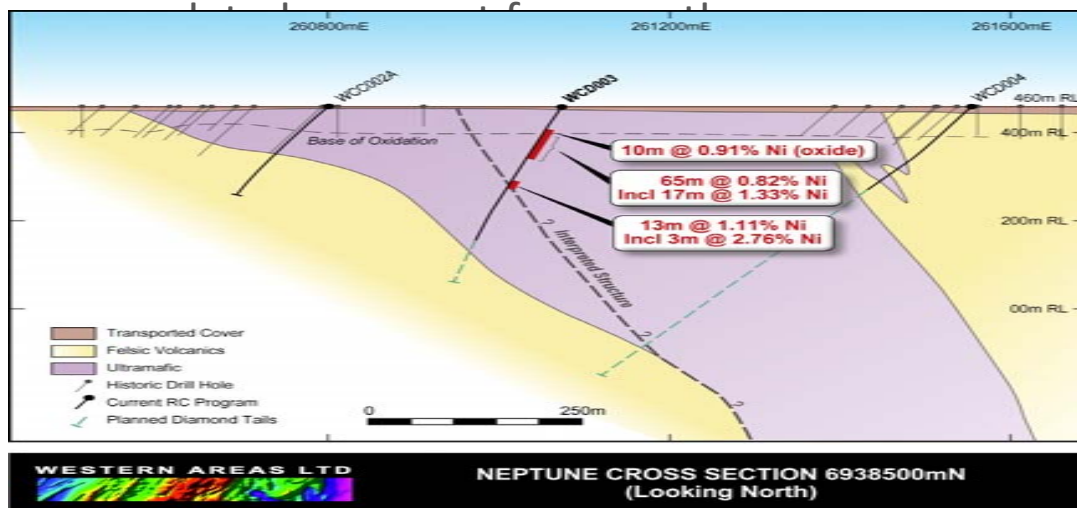
COSMOS EXPLORATION - NEPTUNE

Status

- WSA and Tjiwarl traditional owners have worked together and approved the first drill program, following anomalies detected through MLEM

Drilling Results

- First drill program completed with encouraging results
- RC pre-collars completed and diamond core tails to be

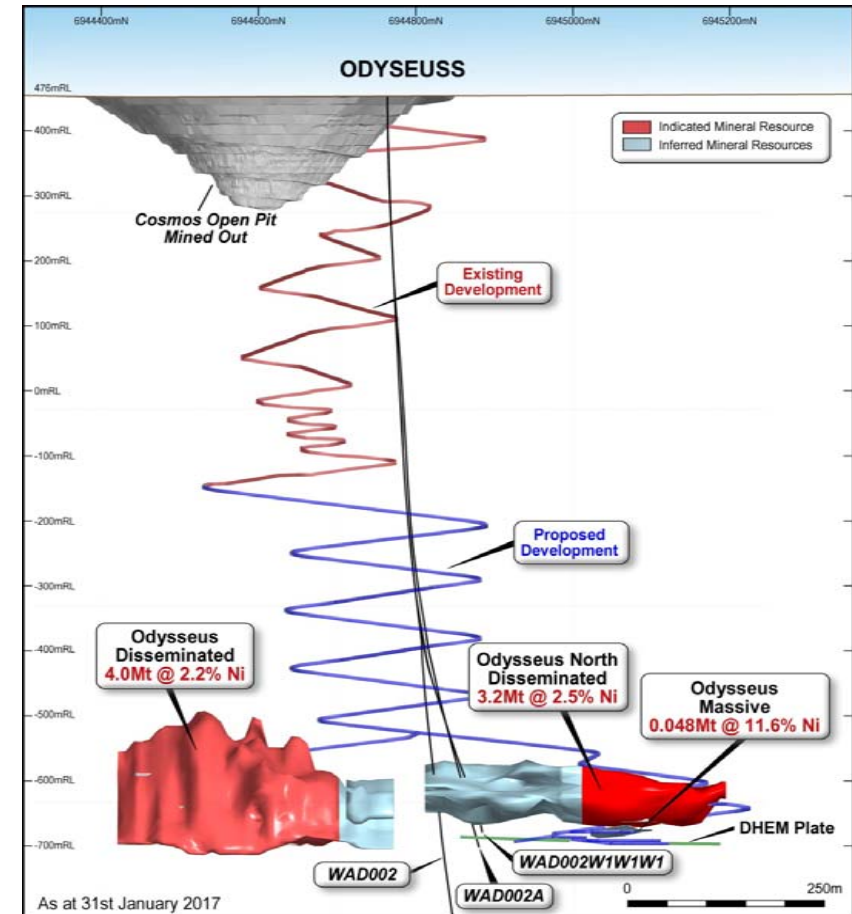


ODYSSEUS PRE-FEASIBILITY STUDY

Significant undeveloped resource containing massive sulphides, matrix sulphides and high grade disseminated sulphides

Pre-feasibility Study Nearing Completion:

- March quarter 2017 completion;
- Significant savings >30% identified from Xstrata results in both operating costs and capex;
- Review mining method, mining schedule and UG infrastructure
- Produce concentrate grade in line with FNO grades and improve nickel recovery
- Review metallurgical testwork and flow sheet to optimise processing plant
- Further optimise capital and operating cost assumptions
- Explore contractor versus owner operator alternatives and leverage FNO experience
- Full definitive feasibility study planned for CY2017, assuming Board approval of the PFS



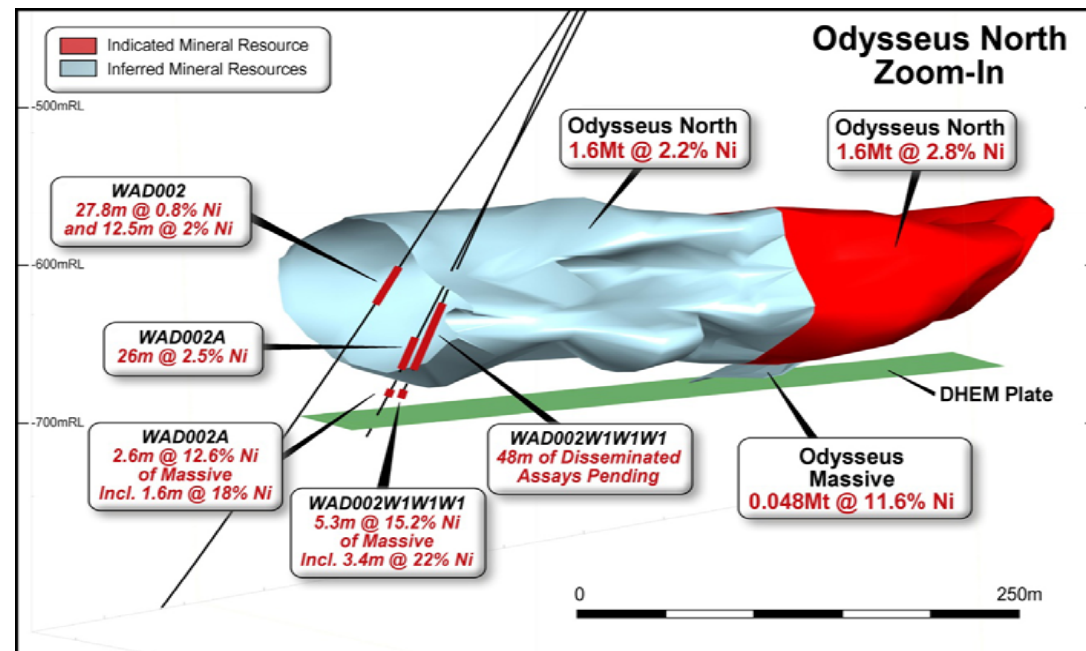
ODYSSEUS NORTH EXPLORATION RESULTS

Program Design

- Drill Inferred Resource at ODYN with 2 goals:
 - Increase Indicated Resource category
 - Test high grade potential of Odysseus massive sulphide

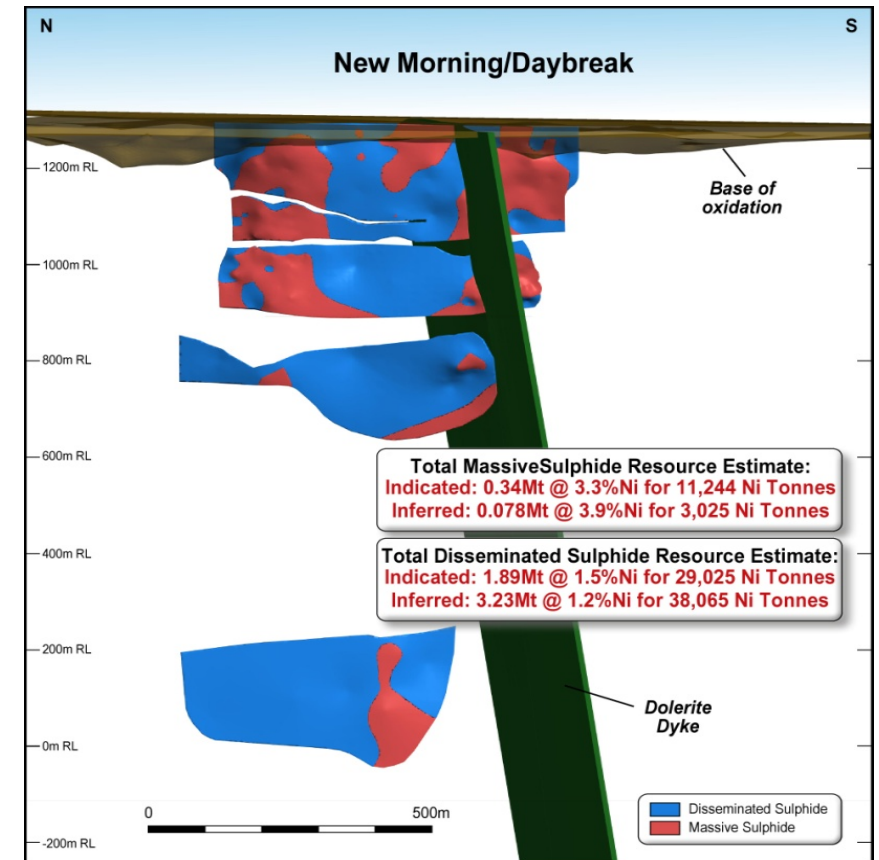
Drilling Outcome

- New high grade zone discovered with two significant intersections, best being **5.3m @ 15.2% Ni, including 3.4m @ 22.0% Ni**
- Represents upside opportunity to Odysseus studies not included in PFS
- DHEM modelled plate 160m South of existing high grade Inferred Resource of **0.5Mt at 11.6% Ni**
- Significant high grade disseminated intersections that should convert a substantial portion of Inferred to Indicated category, including **26.0m @ 2.5% Ni** and 48.0m (awaiting assays)



NEW MORNING / DAYBREAK

- 2.5km from Flying Fox and 2.8km from Spotted Quoll
- All material approvals in place, potential major capex savings and accessible from either mine
- Open Pit and shallow underground studies commenced
- BioHeap testwork ongoing to evaluate heap leach criteria
- **Massive sulphide Resource of 418kt @ 3.4% for 14,249 nickel tonnes**
- **Low grade resource (at 0.5% Ni COG) of 5.1m tonnes @ 1.3% for 67,090 nickel tonnes**



WESTERN GAWLER JOINT VENTURE

Greenfields Exploration

- Large strategic holding (4,450km²)
- Camp scale opportunities
- Majority 100% owned
 - With Strandline farm in agreement – WSA earning up to 90%

Right Address

- Prospective under explored belt
- Analogous to Fraser Range
- Targeting poly-metallic base metal and gold mineralisation

Right Rocks

- Mafic/Ultramafic intrusive rocks
- Magmatic nickel sulphides confirmed in multiple locations (Petrology)

Right Signatures

- Anomalous values returned from drilling



EXPLORATION SUMMARY – WESTERN GAWLER

Broad scale prospectivity for Ni/Cu and Gold

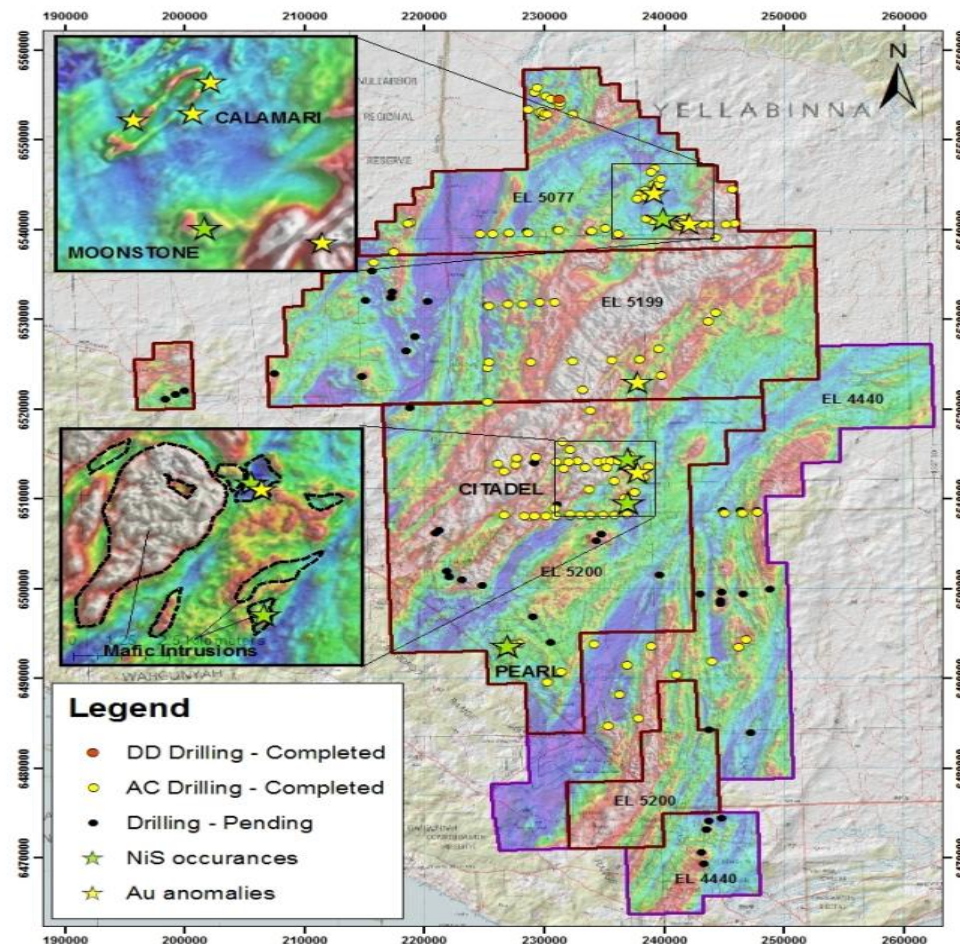
Successful first phase of exploration

- Broad spaced drilling complete
- Mafic/Ultramafic intrusions identified
- Coincident magnetic and gravity anomalies identified such as Pearl, Citadel, Moonstone, Calamari

Planned exploration (next six months)

- Currently completing gravity and ground EM surveys at Pearl and Citadel
- Finalise targeting with AC/RC drilling to commence in June quarter FY17
- Confirm lithology with focus on base metals and gold

Community – Proactive engagement to support activities



Exploration drilling overlaying magnetics (RTP)



NICKEL MARKET



GEO-POLITICAL FORCES, BUT STRONG DEMAND

Pre Indonesian Ore Ban Relaxation

- 2017 heading for a deficit of between 70-75k nickel tonnes
- Recent 300 series stainless steel growth in China has been around 13%

Indonesia relaxes the laterite ore export ban implemented in 2014

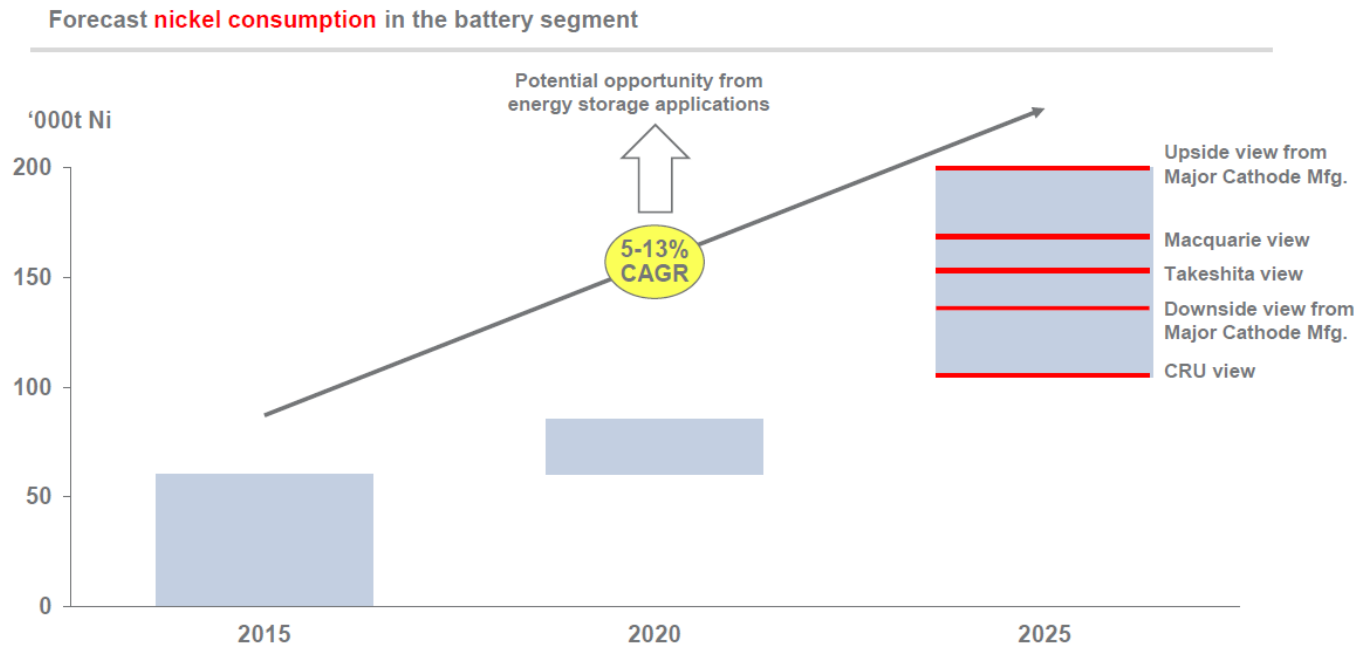
- Limited information on the new legislation released
- This is not a reversal of the ban and exports allowed under certain circumstances
 - The volume of ore that can be exported is being finalised
 - Exporter must show plans and demonstrate progress to constructing in-country processing facilities
 - Only impacts ore <1.7% nickel
 - Exporters must prove 30% of low grade is processed in-country
 - Rules on majority ownership transfer over 10 years

Philippines has announced significant nickel mine closures and suspensions

- Mining and Resources Secretary Lopez announces closures and suspensions that could impact 50% of domestic laterite nickel exports
- Concerned about mining in Water Sheds
- Strong opposition from mining groups and appeal process underway
- Only President Duterte can reverse the decision – to date he has been a vocal supporter of Lopez

GROWING EMERGING MARKET – ELECTRIC VEHICLES

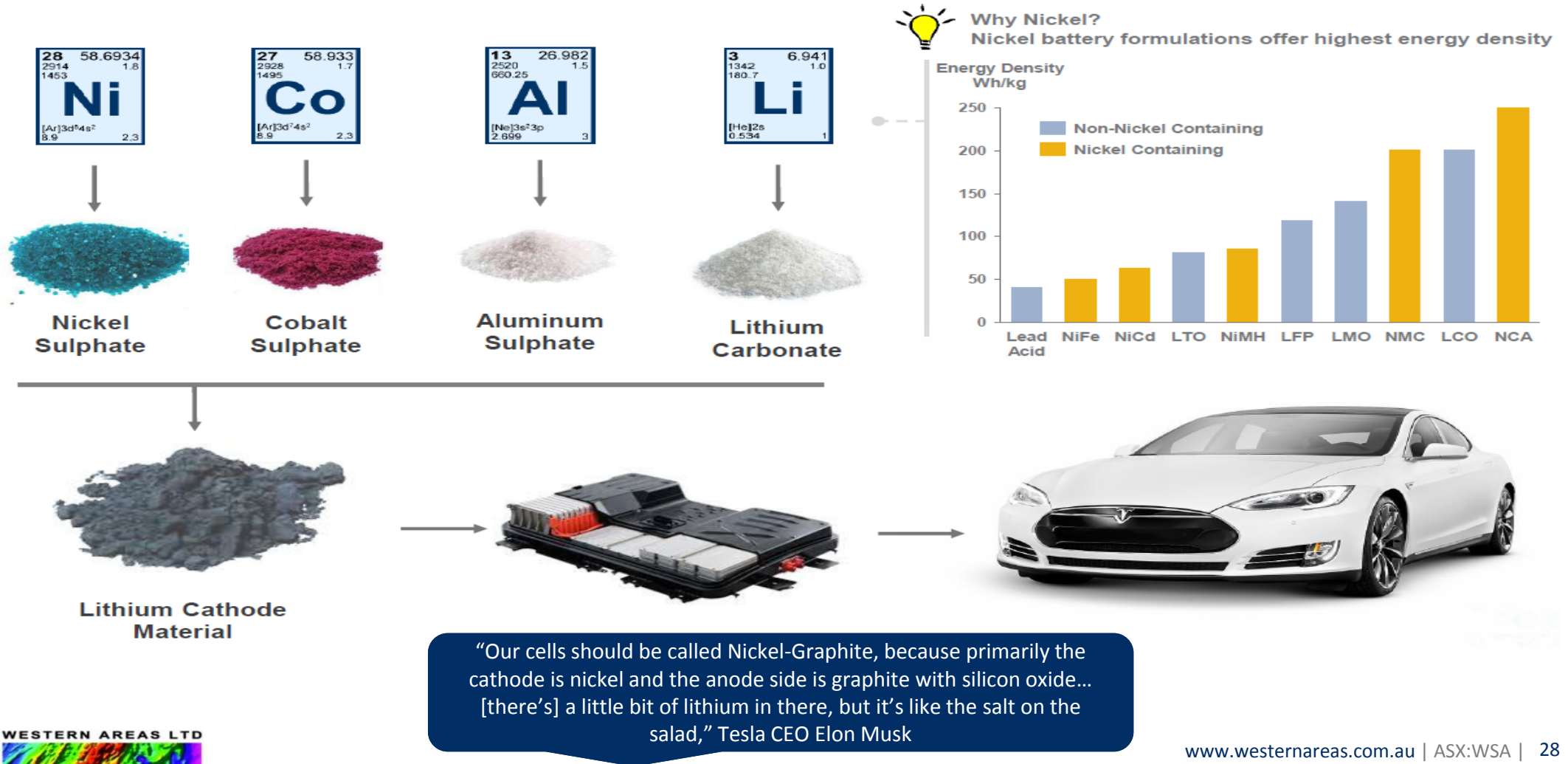
- Nickel is increasingly being included in battery formulations as it leads to higher energy density batteries. Approximately 50kgs Ni in each Tesla EV.
- **Nickel demand from batteries is expected to grow at faster pace than seen historically, from ~50kt in 2015 to 150-200kt by 2025**



Source: Takeshita 2015, CRU, Macquarie, Vale sources



NICKEL IS A KEY INGREDIENT IN LITHIUM-ION BATTERIES (~50KG NI PER CAR)



WESTERN AREAS VALUE EQUATION

Strong leverage to turnaround in nickel price through current operations and organic projects

- Zero Lost Time Injuries in past 36 months

Safety



- High Grade
- Lowest Quartile Cash Costs

Highest Grade Nickel Globally



- Operational cashflow positive

Cashflow Positive



- Guidance continually met or exceeded

Strong Track Record of Delivery



- Pipeline of growth opportunities

Growth



- Fundamentals and forecasts positioned to rebound

Nickel Price Primed for Upside



- Strong “can do” management

History of Discovery and Development



- No debt with significant financial flexibility

Strong Balance Sheet



THE END

