

CORPORATE PRESENTATION

August 2019

WESTERN AREAS LTD



AGENDA

CORPORATE



OPERATIONS



GROWTH AND EXPLORATION



THE NICKEL MARKET



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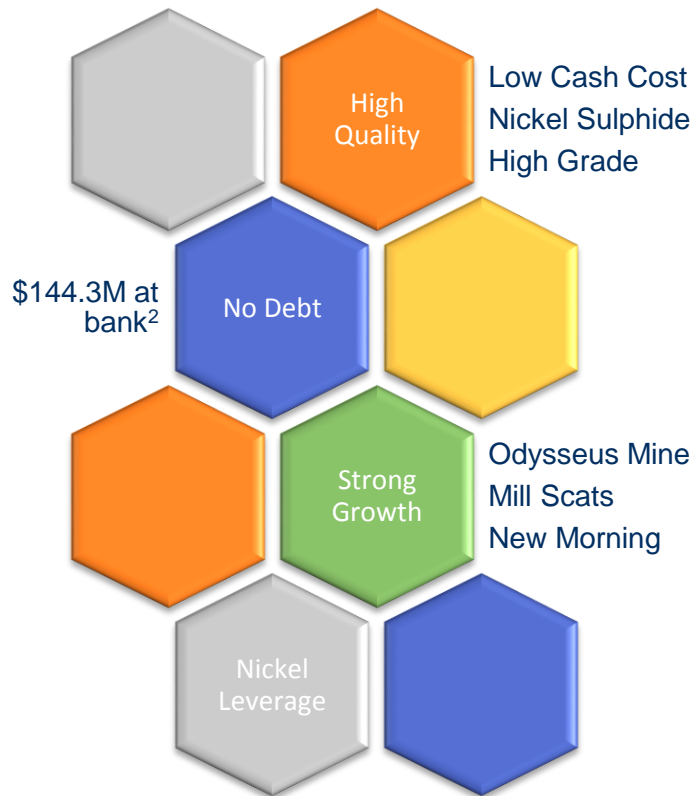
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CORPORATE



Corporate overview



ASX code	WSA
Share price	2.22
Shares outstanding (m)	273.5
Market Cap (A\$m) ¹	607.2
Cash (A\$m) ²	144.3

COSMOS Complex

592kt Ni Mineral Resources
165kt Ni Ore Reserves
DFS complete

FORRESTANIA

Flying Fox

9.8kt Ni mined FY19
21.1kt Ni Ore Reserves
79.3kt Ni Mineral Resources

Spotted Quoll

13.3kt Ni mined FY19
64.2kt Ni Ore Reserves
78.9kt Ni Mineral Resources



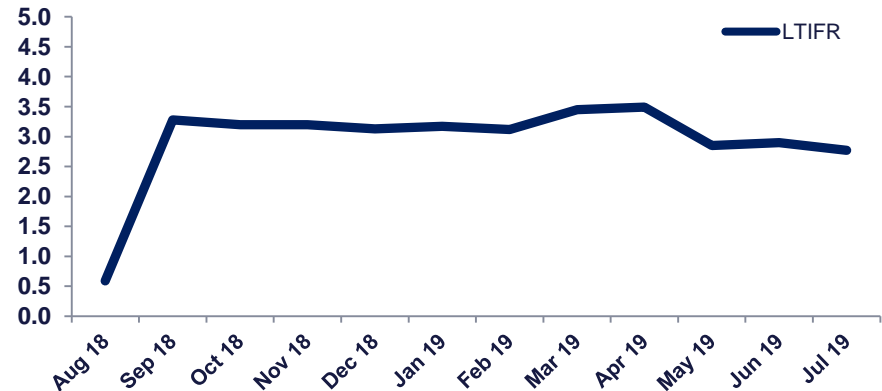
Western Areas are safe areas



Days LTI free

Spotted Quoll	3,032	Aug-11
Cosmos	1,399	Oct-15 (no injuries)
Cosmic Boy Concentrator	327	May-18
Exploration	313	Sep-18
Flying Fox	131	Mar-19

12 month LTIFR moving average



OPERATIONS

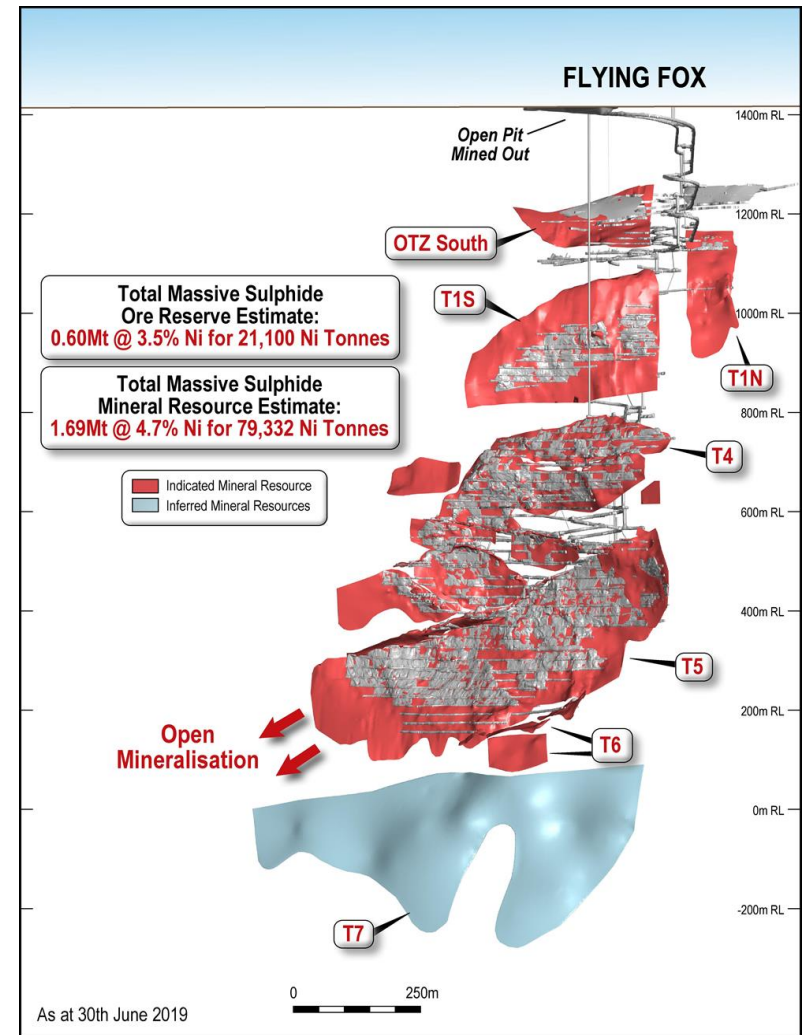


Flying Fox Mine

Reserve Contained nickel	0.60Mt @ 3.5% 21,100 Ni tonnes
Resource Contained nickel	1.69Mt @ 4.7% 79,332 Ni tonnes
Mine life (on reserves)	3 years

Key points

- FY19 production – 9.9k Ni tonnes
- Has been operating for over 13 years
- Significant low grade disseminated resource
- Lower grade & heap leach evaluation underway

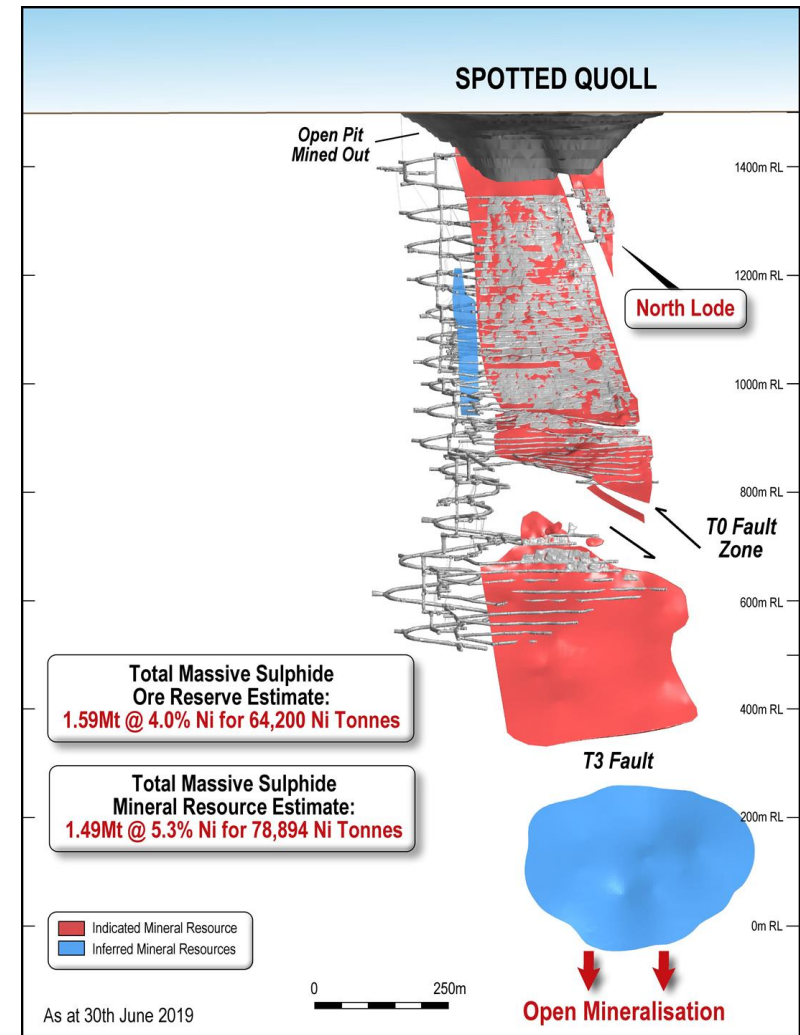


Spotted Quoll Mine

Reserve Contained nickel	1.59Mt @ 4.0% 64,200 Ni tonnes
Resource Contained nickel	1.49Mt @ 5.3% 78,894 Ni tonnes
Mine life (on reserves)	7 years

Key points

- Has never recorded an LTI
- FY19 production – 13.3k Ni tonnes
- Production has outperformed reserve tonnes and grade consistently
- Top down mining with paste fill
- Resource extension drilling commenced – Nickel tonnes being added to Resource



Cosmic Boy nickel concentrator

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 and roasters

Export Infrastructure and Logistics

- Export concentrate transported to Esperance Port in containers and shipped through to China
- BHP Nickel West concentrate delivered to Kambalda by road



Offtake contracts best in class

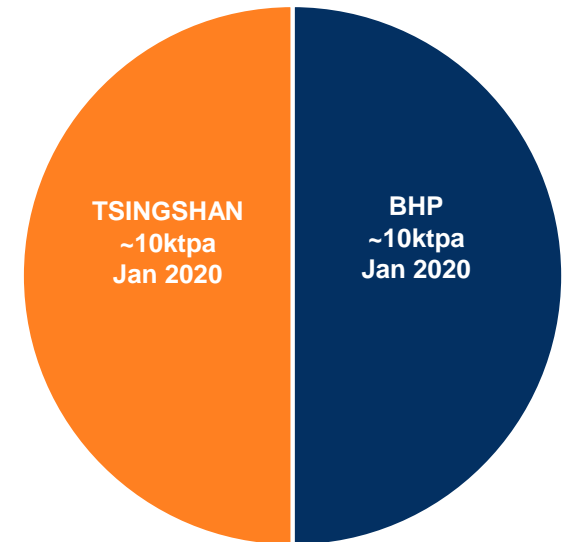
Opening new markets - Creating more value from the same nickel product

Superior commercial terms

Existing offtake agreement 6 months to expiry

Our Partners:

- **BHP:** 50%
 - **Tsingshan:** 50%
- ✓ China's largest stainless steel producer
 - ✓ Consumes ~25% of China's nickel demand
 - ✓ Revenue RMB85 billion in 2015, 20k employees



Roasting

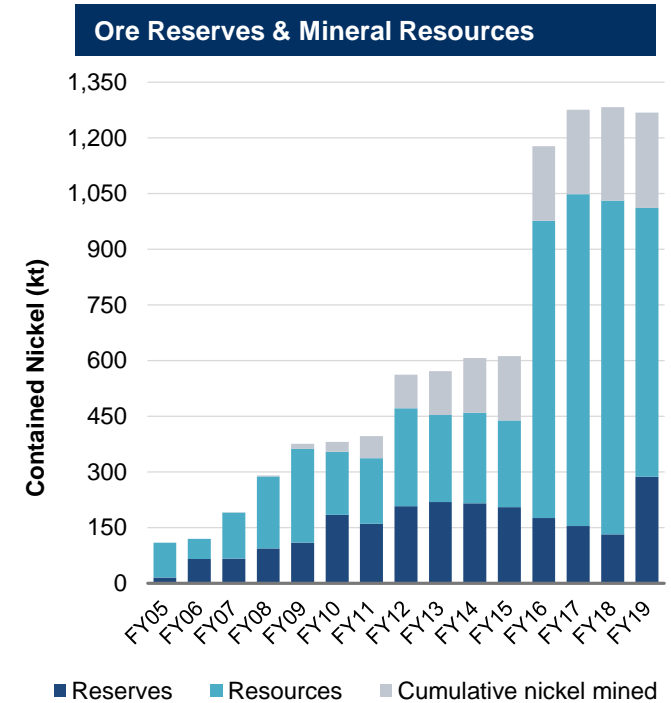
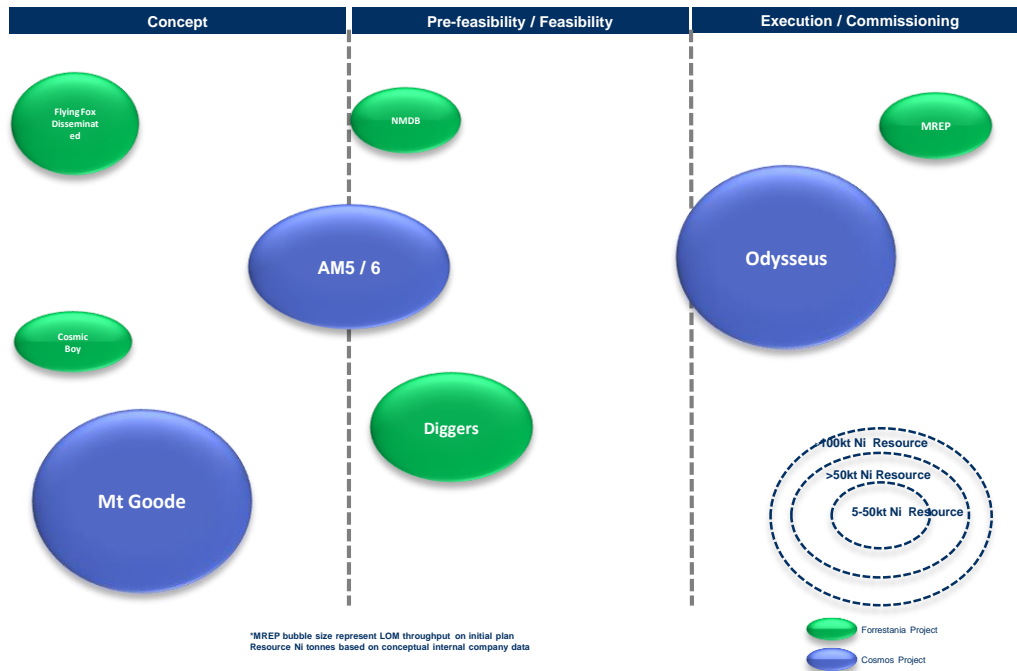
- Creates a high grade nickel oxide that can be blended with laterite ore
- By-product of sulphuric acid for 'pickling' stainless steel
- Most concentrates do not suit roasting
- Proven process - opening up opportunities with Tsingshan



GROWTH AND EXPLORATION



Nickel growth pipeline

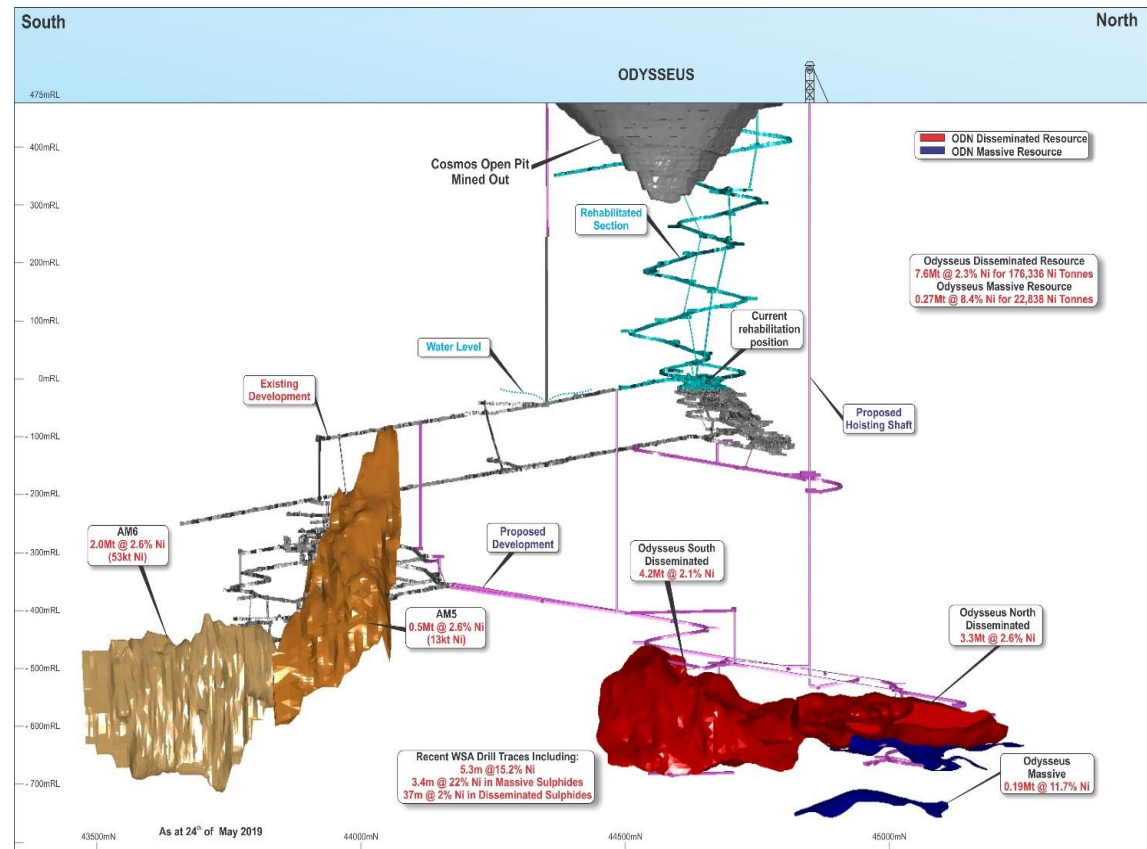


- Many projects in the pipeline to drive nickel production well into the future
- Ore Reserves have substantially increased in FY19 with Odyssey

Odysseus – now a long life project > 10yrs

Western Areas' Second Operation:

- 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 & AM6 deposits contain an Indicated Mineral Resource of 57.6kt of nickel (not included in DFS)
 - ✓ Record massive sulphide intersections



Shaft infrastructure

- WSA has purchased a high quality, second hand head gear and winder
- Shaft infrastructure dismantling commenced and will be refurbished in South Africa and shipped to Perth
- Significant economical benefit versus trucking.

Key Metrics:

- ✓ *5.5m 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.*



Odysseus – early works completed

Early Works Activities:

- Decline rehabilitation to 500m BS and Underground pump station construction commenced
- Water Management Ponds all constructed and operational
- Camp commissioned with over 150 rooms available out of 520. Additional 106 rooms being upgraded



Mill recovery enhancement project (MREP)

Produces additional new higher-grade product (45%-50% Ni)

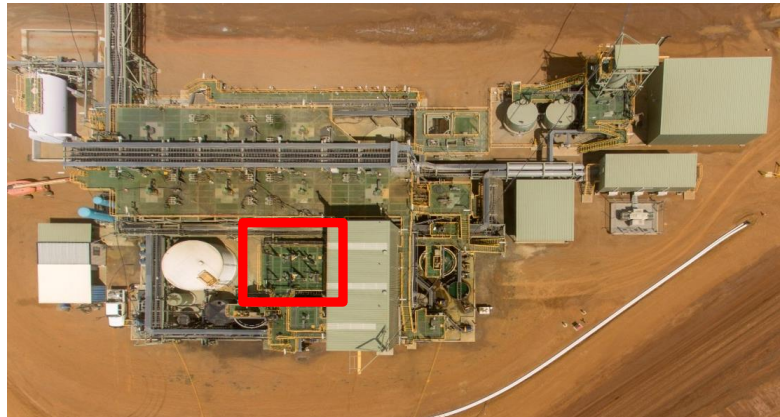
Generating value from waste tailings

New customers - EV battery market

- Product specification achieved. Now ramping up leach volume to nameplate capacity (1,400t nickel pa max)
- Filtration and bagging facilities to sell a new high grade nickel sulphide product complete
- Premium payables versus flotation concentrate
- Back-end of plant capable of up to 4,000t of nickel pa – Mill Scats, New Morning, Flying Fox LG to provide future feed options

Front End – BioHeap Leach

- 1400 tpa capacity
- Tailings stream from Cosmic Boy - applies BioHeap Leach, then passes to precipitation

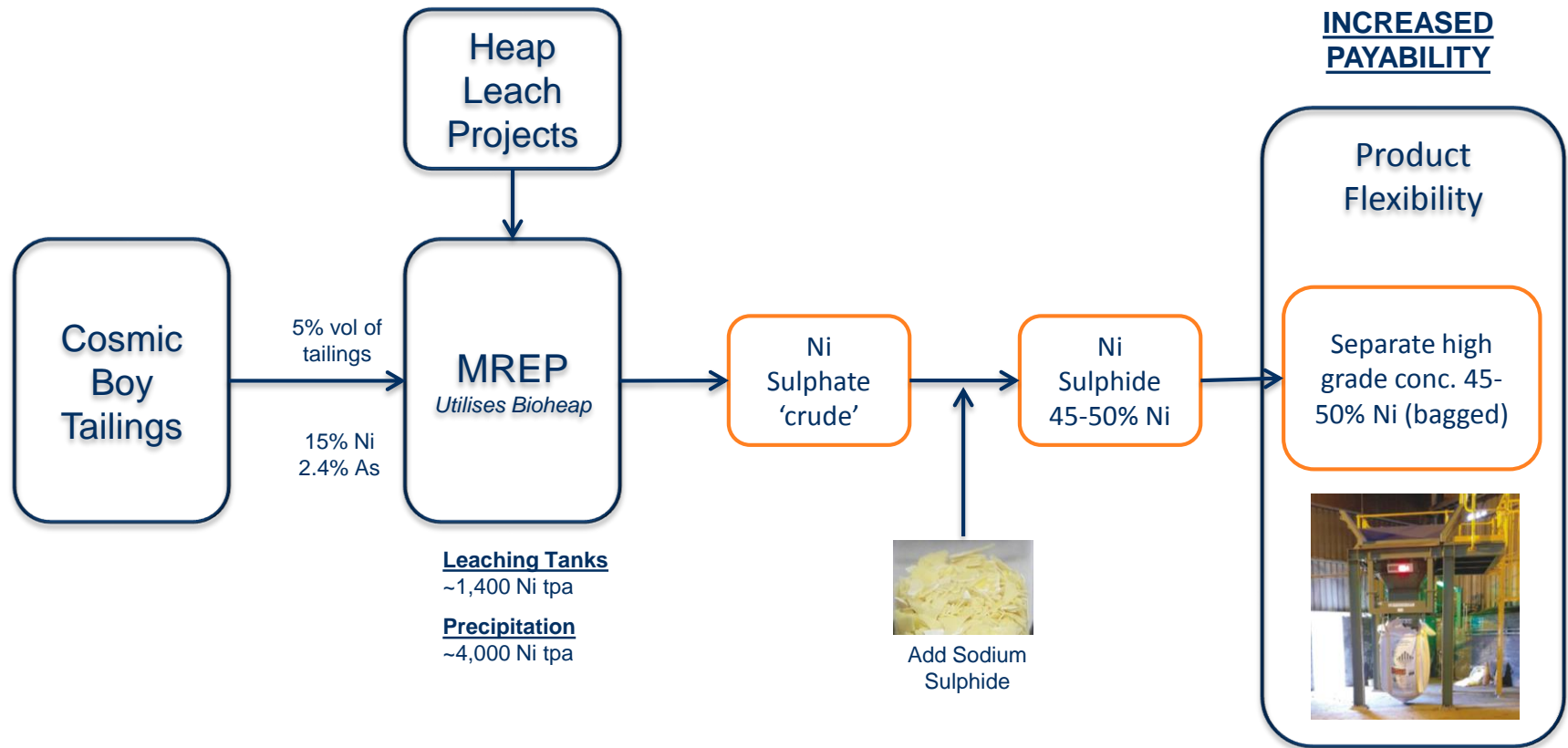


Back End – Precipitation

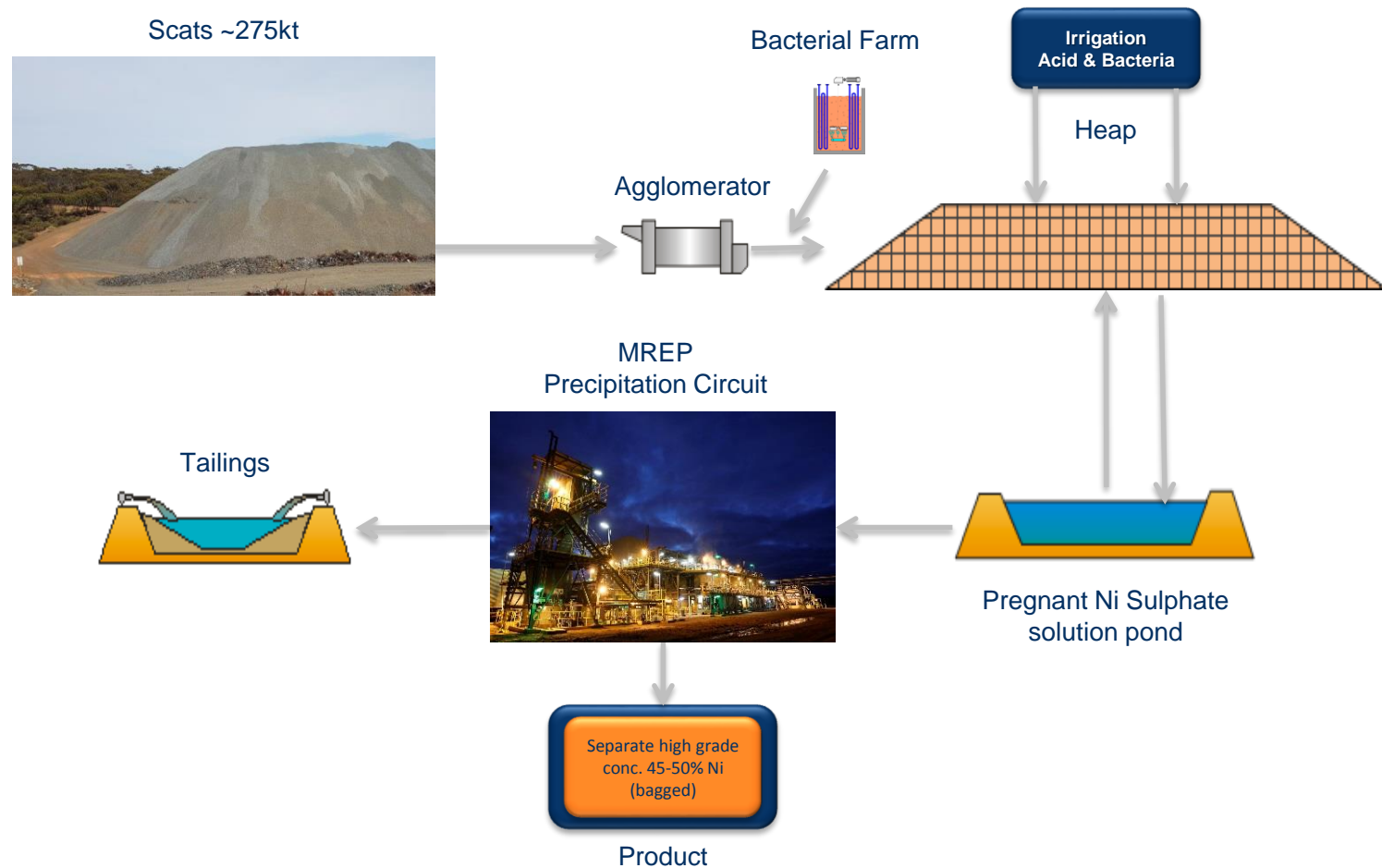
- 4000 tpa capacity
- 1400 tpa - leached material from BioHeap front end
- 2600tpa - other sources of nickel in solution eg. heap leach elsewhere in Forrestania, or scats treatment



MREP Flowsheet

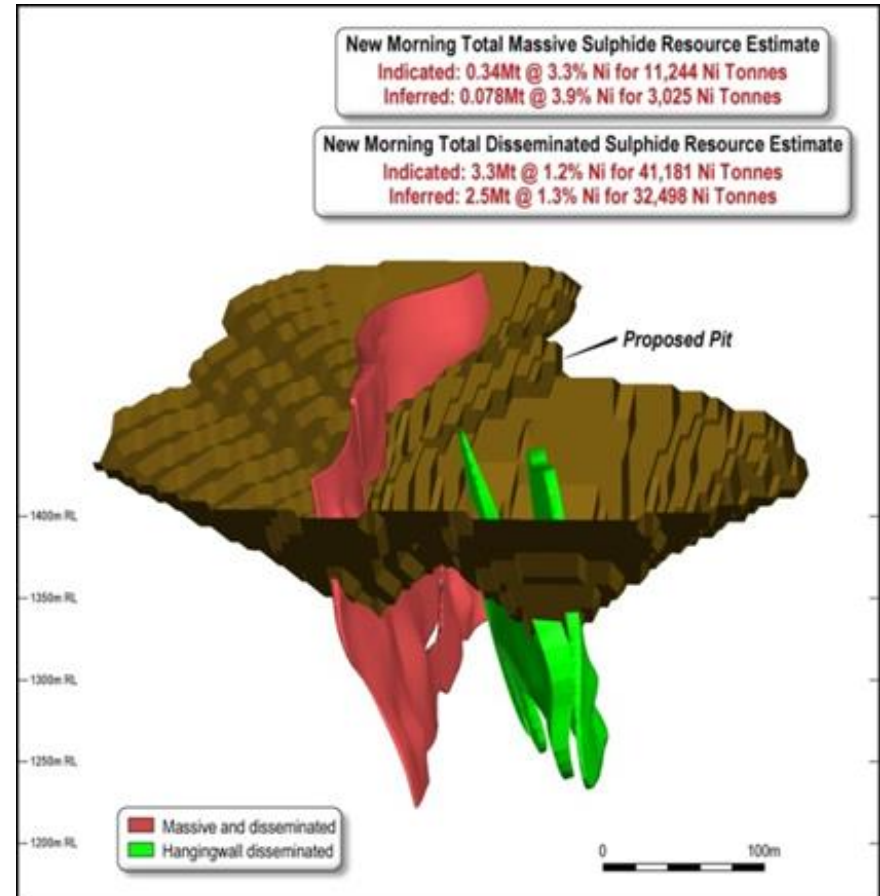


Conceptual flowsheet – Nickel Scats

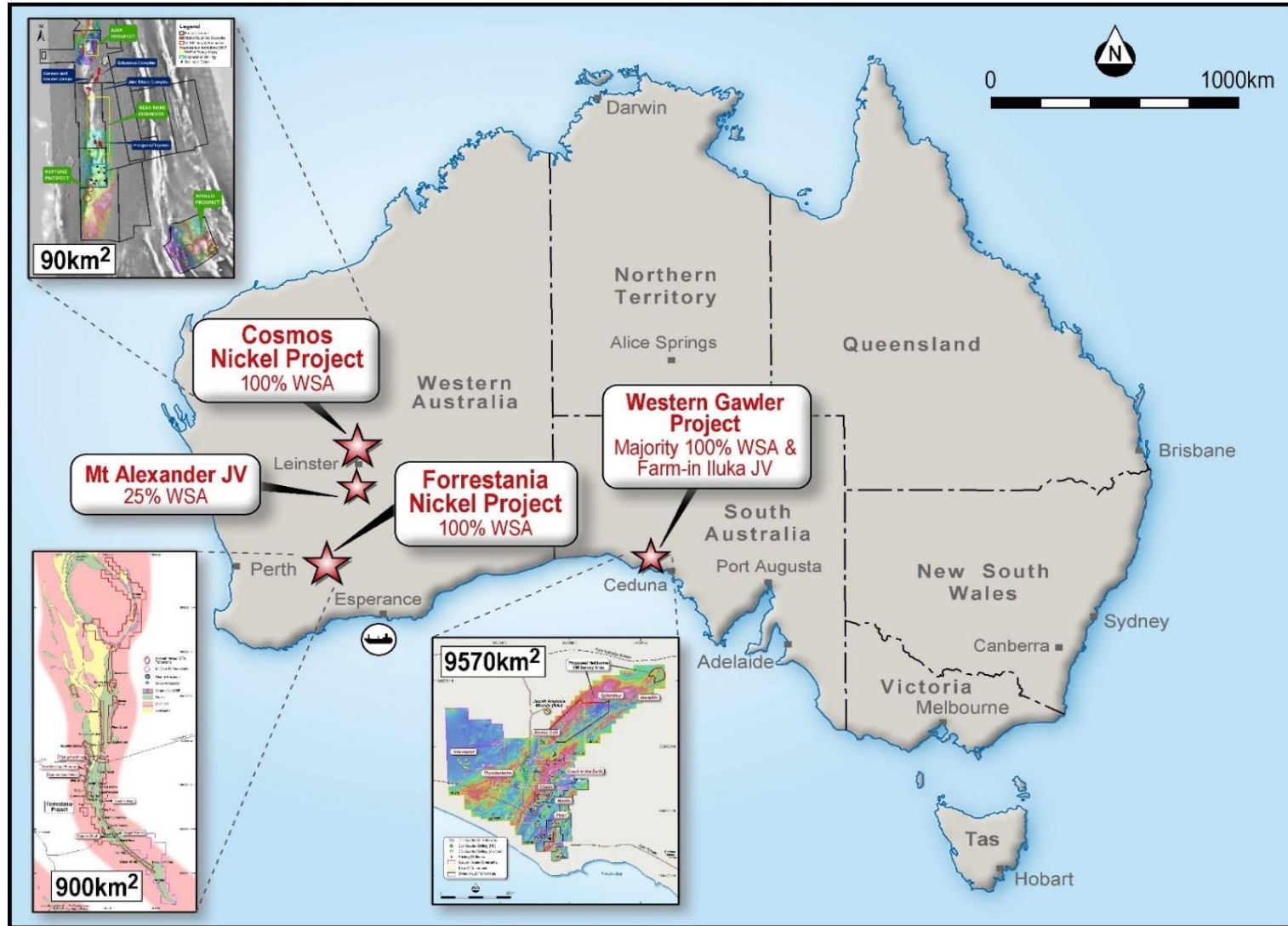


New morning / daybreak

- **Massive sulphide resource of 418kt @ 3.6% for 14,269 nickel tonnes**
- **Low grade resource (at 0.5% Ni COG) of 5.8m tonnes @ 1.3% for 73,679 nickel tonnes**
- Located 2.5km from Flying Fox and 2.8km from Spotted Quoll
- Open Pit Scoping Study commenced
- BioHeap® testwork ongoing to evaluate heap leach criteria



Exploration overview – key tenement holdings



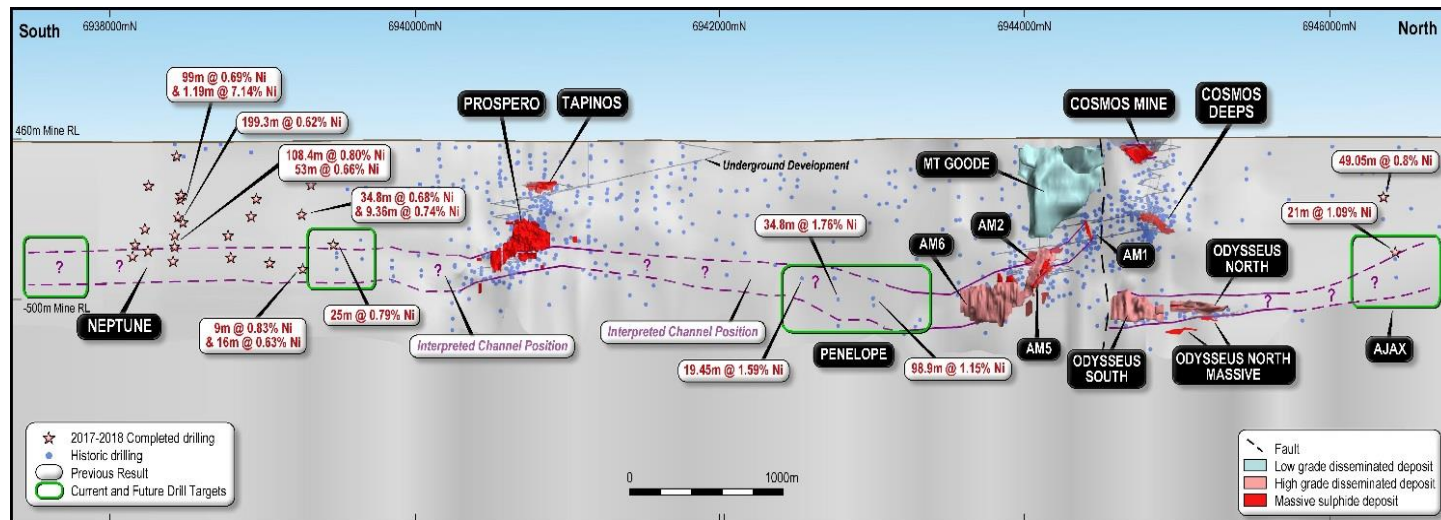
Cosmos exploration

Drilling Results - Neptune

- Phase 2 drilling campaign at Neptune well advanced with mineralisation confirmed over 1km along strike including
 - ✓ 108m @ 0.8% Ni, incl 0.3m @ 4.64% Ni
 - ✓ 16.5m @ 0.72% Ni; and
 - ✓ 0.55m @ 6.83% Ni

Drilling Results - Odysseus

- Very high grade drill results at Odysseus North, extension to project resource
- Significant exploration upside:**
 - ✓ Recent massive sulphide drilling success beneath Odysseus
 - ✓ 3.4m @ 22% Ni



Western Gawler Project

Prospective Greenfields Exploration Asset

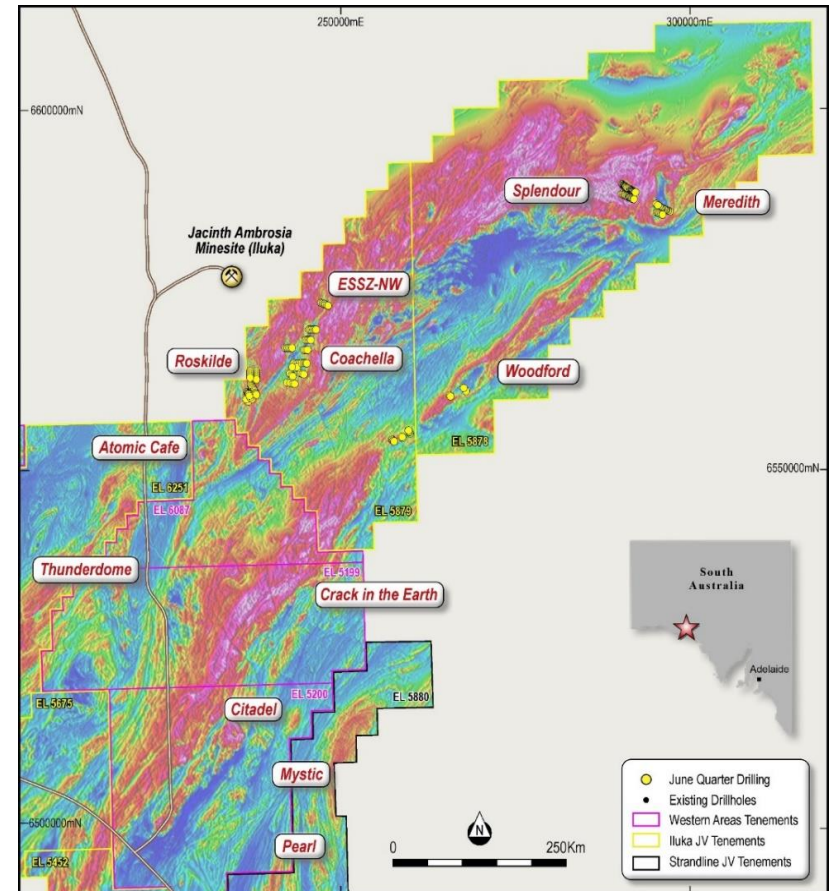
- 4,450km² WSA tenement holding
- Ramp-up of exploration activities across FY18
 - 217 drill holes.
 - 149 line kilometers of Moving Loop EM ground surveys
- Regional scale SkyTEM airborne EM survey completed in early FY19
- Identification of Thunderdome as emerging prospective corridor hosting numerous mafic intrusions

Strategic agreement with Iluka

- Five lease covering an additional 5,070km²
- Two stage Farm-in earning up to 75% base and precious metals rights
- Effectively representing close to 100% of the highly prospective Fowler Domain

Ramp-up of Exploration Activity

- Elevated funding support in FY19
- Integrated series of belt scale exploration campaigns planned
- Strong pipeline of targets identified



THE NICKEL MARKET



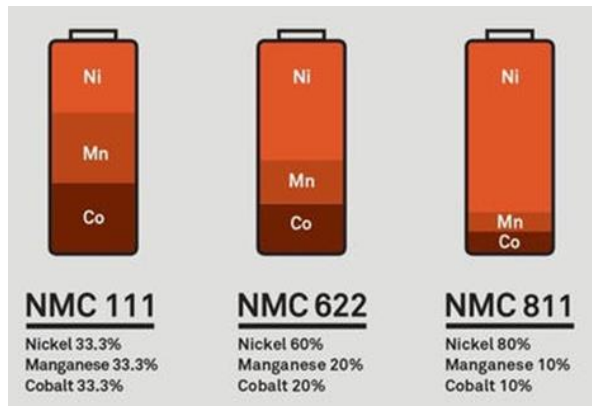
What we are seeing

▪ Recently visited

- ✓ Tsingshan (largest stainless steel producer in the world)
- ✓ Jinchuan (largest nickel cathode producer in China)
- ✓ CATL (China's largest EV pre-cursor producer)

▪ Significant increase in inbound off-take enquiries for Nickel Sulphide concentrate post current contract period, primarily linked to the Electric Vehicle battery sector;

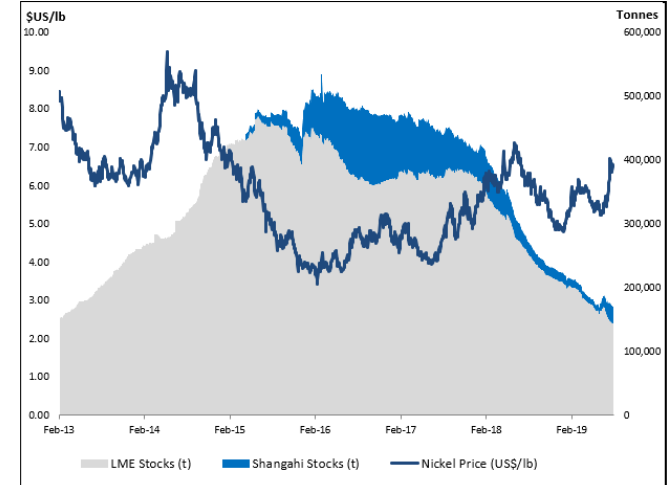
▪ Our partner, China's largest stainless steel producer, Tsingshan, has strong growth plan which will require significant additional nickel units – reinforcing industry wide trend;



Estimated electrification impact per vehicle (avg NMC battery)



LME and SHFE Nickel Stocks vs Nickel Price*

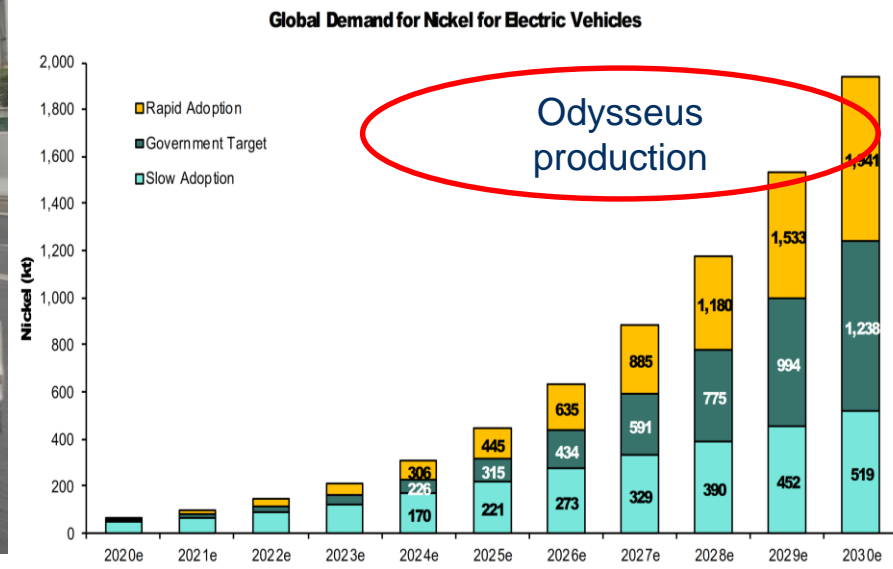


Source: Global Mining Research, Bloomberg

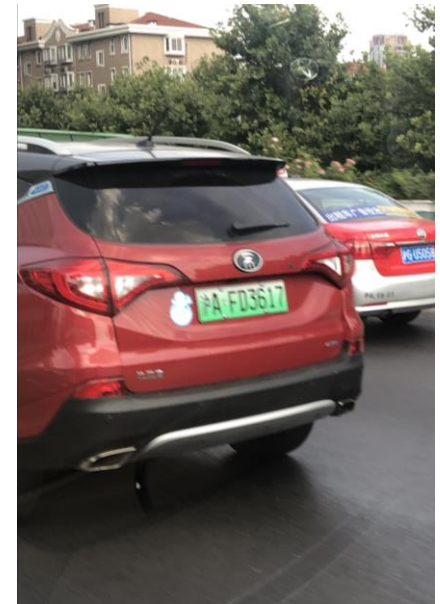


The future – EV demand for nickel

- Potentially very significant incremental demand versus a current nickel market size of c.2,200kt
- Research indicates NMC 811 will be the fastest growing battery combination by 2025!



Source: Bernstein - June 2018



Nickel deficits NOW a reality!

Long term trends supporting Ni consumption growth:



Vehicle Electrification



Increasing mobility



Growth in
Renewables



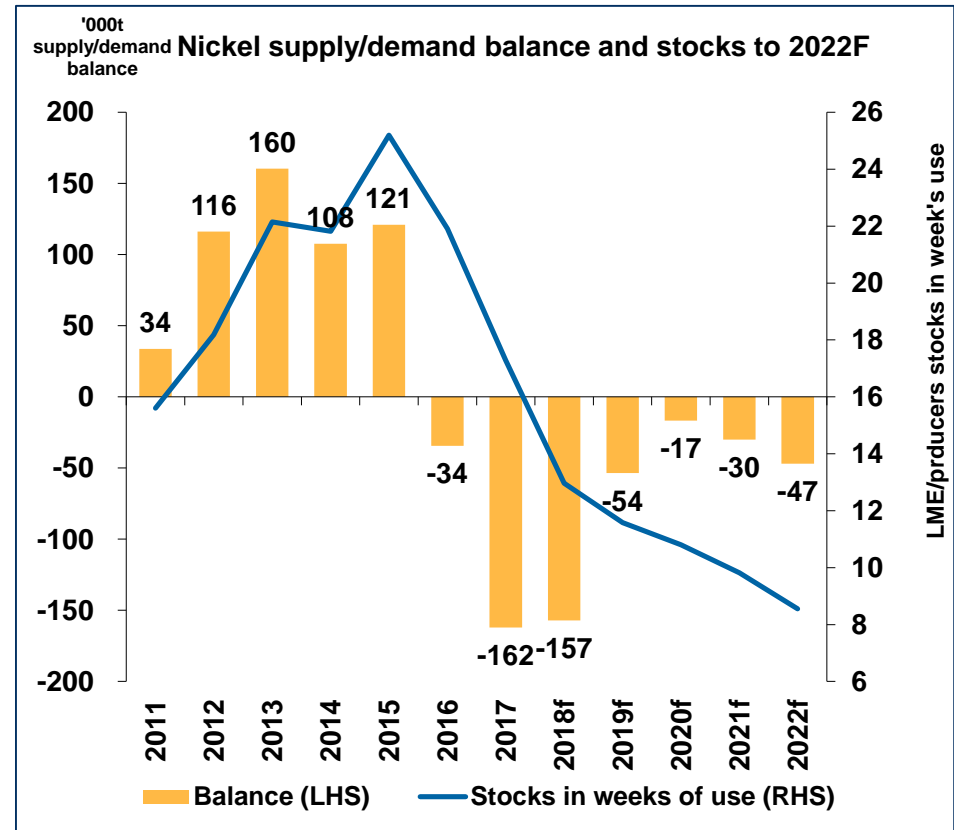
Population growth



Growing disposable
incomes



Urbanization



Source: INSG, CRU, LME, Macquarie Strategy, August 2018



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