

WESTERN AREAS LTD



MODERN SLAVERY STATEMENT
Financial Year 2020



INTRODUCTION

Western Areas Limited's ("Western Areas", "WSA" or "Company") Modern Slavery Statement outlines the approach to recognising and managing the threat of modern slavery to the Company's operations and supply chain. Western Areas is committed to developing and implementing policies and procedures that will recognise and combat the potential threat of modern slavery within its sphere of influence.

Modern slavery is used to describe a range of exploitative practices including human trafficking, slavery, forced labour and child labour. Western Areas strongly opposes any form of modern slavery within the organisation and its supply chain.

ABOUT US

Western Areas is an Australian-based mining and exploration company that aims to be a sustainable and profitable, nickel-focused, base metal miner. Western Areas is focused on building value and scale while maintaining financial strength. The Company has been listed on the Australian Securities Exchange (ASX) under the ticker code "WSA" since July 2000 and is a member of the ASX 300. The Company owns a 100% interest in both the Forrestania Nickel Operation ("Forrestania") and the Cosmos Nickel Operation ("Cosmos"), which are both located in Western Australia.

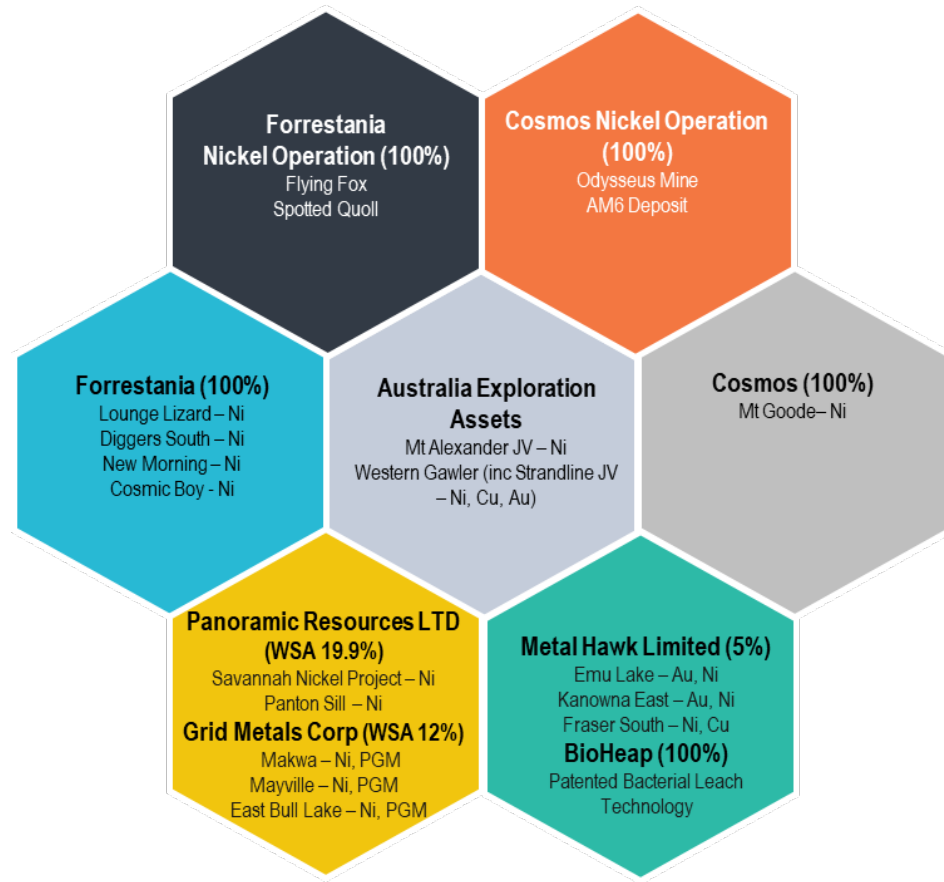
The Company's primary nickel producing asset is at Forrestania, located 400km east of Perth in Western Australia. Western Areas is a sulphide nickel miner producing approximately 16,000 to 20,000 nickel tonnes per annum from its Flying Fox and Spotted Quoll underground mines, which are high grade and low cost nickel operations. The nickel ore mined is processed through the Cosmic Boy Concentrator (CBC) and nickel concentrate is presently sold into offtake agreements with BHP Billiton for a minimum 10,000tpa nickel and the balance to the Jinchuan Group, China's largest nickel cathode producer.

The Company continues to cultivate new, EV battery-linked, customers that purchase a value added, premium grade nickel sulphide precipitate (NSP) product that is produced by the Company's Mill Recovery Enhancement Plant (MREP) located at Forrestania. The MREP commercialised the Company's 100%-owned BioHeap™ bacterial leaching technology.

Western Areas' primary growth asset is the long-life Odysseus mine, located at Cosmos. Both surface infrastructure and underground preproduction mine development activities are well advanced with the operation scheduled to commence nickel concentrate production during FY23. The Odysseus mine will utilise an innovative and efficient shaft haulage system for ore and waste removal that enables this project to operate at a low all-in sustaining cost.

The Company is an active base metal explorer at both the Cosmos and Forrestania projects, while also boasting a significant landholding in the emerging Western Gawler region in South Australia. The Company has a JV agreement at Mt Alexander with St George Mining and Farm-in agreements with Iluka in the Fowler Domain and Metal Hawk across the Eastern Goldfields and within the Albany-Fraser province.

The Company remains focused on the core business of sustainable, long-life nickel production, new nickel discoveries and generating consistent returns to shareholders. In line with this, the Company has a strategic investment in Panoramic Resources Limited (PAN), holding a 19.9% interest. Western Areas has put in place the cost structure and capabilities to prosper through commodity price cycles that includes a prudent capital management strategy, an opportunistic approach to joint venture opportunities and value-based assessment of asset acquisition.





OUR APPROACH TO MODERN SLAVERY

WSA is committed to upholding the Human Rights of all stakeholders we engage with in our business. We strive to recognise and respect the rights and dignity of all people and to uphold ethical practices within our workplaces and supply chains. WSA values leading by example, acting with integrity and fostering an ethical culture where everyone embraces a sense of personal responsibility for doing the right thing in the right way. Respecting human rights across all our business activities helps to uphold our core values, which underpin our vision of creating long term, sustainable value for all our stakeholders. Our underlying values and guiding principles are detailed in the Company’s Code of Conduct and Human Rights Policy documents.

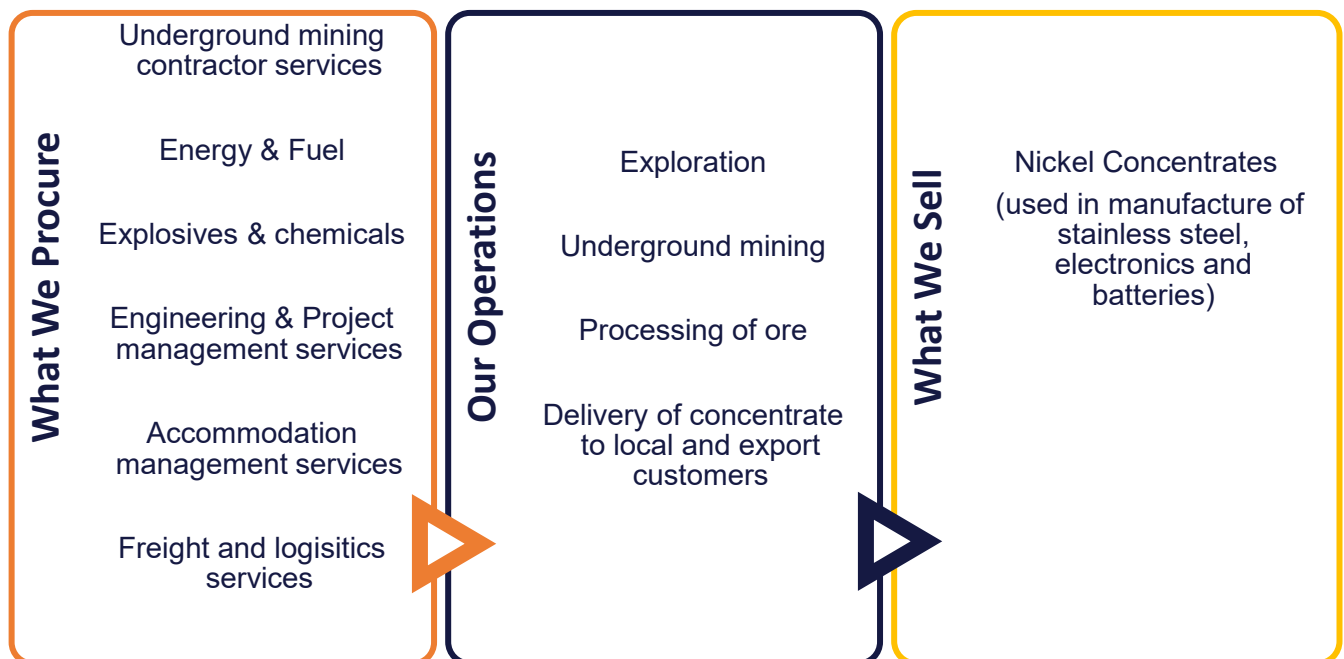
WSA’s management of Modern Slavery is captured within the Company’s broader view of environmental, societal and governance risks. This wide-reaching and comprehensive approach to risk management is used to take a risk-based approach to managing modern slavery within the supply chain and operations. WSA operates a company-wide Risk Management Program (RMP) and the risk of modern slavery is assessed and managed in line with the principles and standards contained in the RMP.

WSA understands that human rights due diligence is an ongoing process, one which is embedded in the risk and procurement processes of our business. As such, we have put in place appropriate systems and controls to identify and assess our human rights risks, and integrate those findings to manage them effectively. There is an ongoing process to update and refine the systems and controls within our business.

We currently assess our effectiveness in identifying and managing modern slavery and human rights risks by undertaking regular reviews of our policies and procedures, monitoring and tracking our actions and outcomes, and engaging with suppliers.

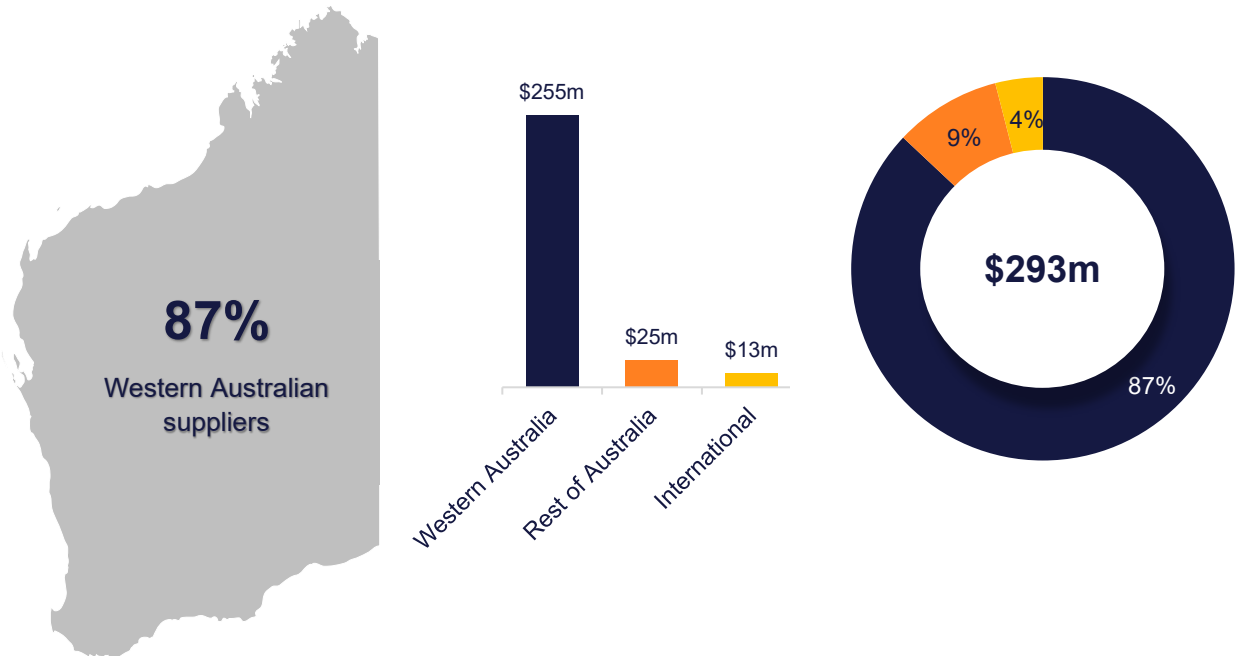
WESTERN AREAS OPERATIONS & SUPPLY CHAIN

Although the Australian mining industry is considered a low risk for modern slavery, WSA is committed to running modern slavery-free operations and supply chains. Through contractual arrangements and procurement policies, consultants, agents, contractors and suppliers are required to comply with the WSA Code of Conduct. The Company’s standard terms and conditions also require that a minimum standards in environmental, ethical and health & safety measures are met. Underlying mechanisms are in place to support compliance with the code of conduct and assurance that relevant controls are being correctly applied.





During FY20, over 96% of the goods and services were procured from Australian suppliers, with 87% from Western Australian suppliers.



FY20 ACTIONS

During FY20, as part of the RMP, a risk assessment was conducted across the business to assess and identify any key risk areas and if any remedial action was required. All company policies and procedures with respect to human rights and, specifically, modern slavery were comprehensively reviewed. This review identified the requirement to update our Code of Conduct and contractual terms and conditions (including purchase order terms and conditions).

WSA conducted desktop due diligence of all its operations including suppliers for risks of modern slavery. This assessment did not identify any high-risk areas, but the Company will continue to monitor its suppliers to ensure that it recognises and manages any potential change in the exposure to modern slavery.

IMPROVEMENT PROGRAM

WSA is committed to ongoing improvement with respect to its influence on Human Rights and Modern Slavery by:

- Ensuring Company policies recognise aspects of modern slavery and these are communicated to all relevant parties.
- Continuing to educate all stakeholders on aspects of modern slavery and the importance of preventing modern slavery.
- Refining internal controls to improve the Company’s prevention and mitigation of potential modern slavery risks.



- Conduct further due diligence and endeavor to more fully understand the complex supply chain that exists beyond our immediate suppliers and customers.
- Continue to monitor and assess the Company's activities to provide assurance that Company policies and procedures are being effectively executed.

GOVERNANCE

The Western Areas Board of Directors' has established a publicly-available, confidential whistle-blower service. As one element of a broad spectrum, this service provides the opportunity for suspected breaches of the Modern Slavery Act or human rights abuses to be reported. No reports have been received, in 2020 or ever, related to modern slavery or human rights violations. Should a report be received in the future, a full and thorough investigation will be completed in line with the Company's clearly articulated procedures.

APPROVAL

The Board members of Western Areas Limited (ACN 091 049 357), and of its relevant operating subsidiaries Australian Nickel Investments Pty Ltd (ACN 111 599 323) and BioHeap Limited (ACN 009 225 398), have authorised and approved the publication of this Statement.

A handwritten signature in black ink that reads "DR Lougher".

Daniel Lougher

Chief Executive Office and Managing Director
Western Areas Limited

24 March 2021