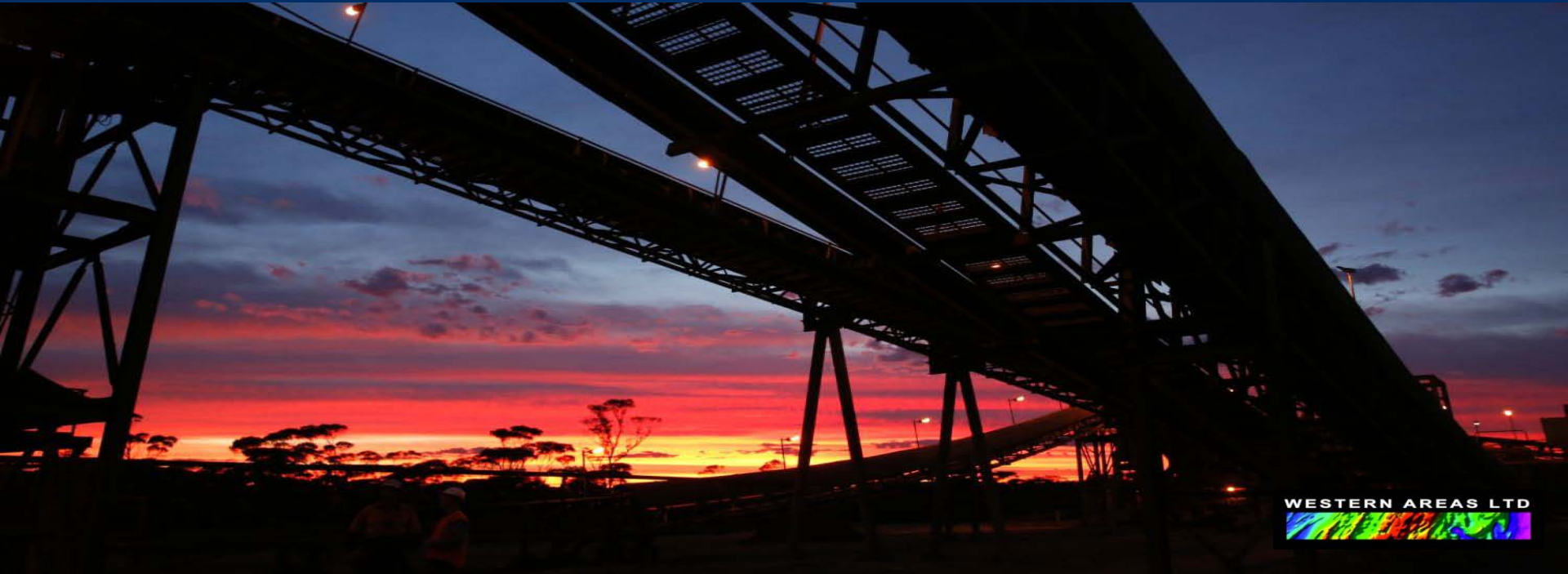


WESTERN AREAS LTD

Australian Nickel Conference

“Getting on with Business”

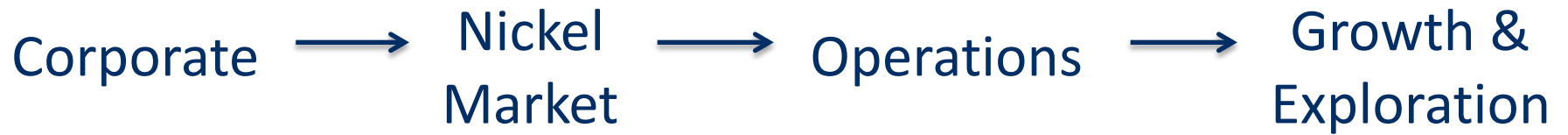
20 OCTOBER 2016



AGENDA



Spotted Quoll Open Pit



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This document contains forward-looking statements including nickel production targets and cost estimates. These statements are based on assumptions and contingencies that are subject to change without notice, and certain risks and uncertainties that could cause the performance or achievements of Western Areas Ltd to differ materially from the information set forth herein. 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. Western Areas Ltd undertakes no obligation to revise these forward-looking statements to reflect subsequent events or circumstances. Individuals should not place undue reliance on forward-looking statements and are advised to make their own independent analysis and determination with respect to the forecasted periods, which reflect Western Areas Ltd’s view only as of the date hereof.

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.

A photograph of three men in an industrial setting, likely a construction or manufacturing site. They are wearing white hard hats and safety vests. The man on the left is wearing glasses and a white hard hat. The man in the center is wearing glasses and a white hard hat with a headlamp. The man on the right is wearing glasses and a white hard hat. They are all smiling and looking towards the camera. The background shows industrial structures and scaffolding.

CORPORATE

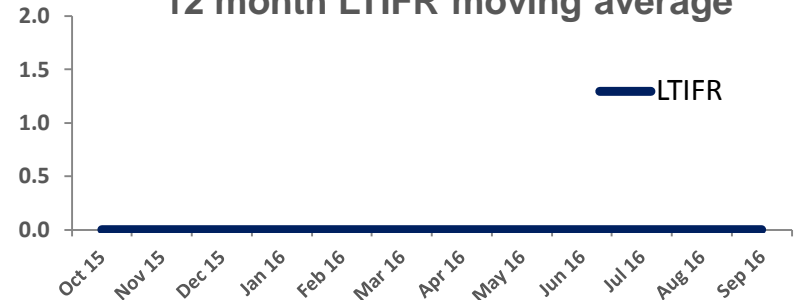
WESTERN AREAS ARE SAFE AREAS



Days LTI free

| | | |
|-------------------------|--------------|--------|
| Exploration | 3,013 | Nov-08 |
| Spotted Quoll | 1,996 | Aug-11 |
| Cosmic Boy Concentrator | 1,195 | Oct-13 |
| Flying Fox | 1,178 | Nov-13 |

12 month LTIFR moving average



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 undrawn A\$50m 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
- Portfolio delivers optionality

| | |
|--------------------------------|-------|
| ASX code | WSA |
| Share price | 2.67 |
| Shares outstanding (m) | 272.2 |
| Market Cap (A\$m) ¹ | 726.8 |
| Cash (A\$m) ² | 81.1 |

Cosmos Nickel Complex

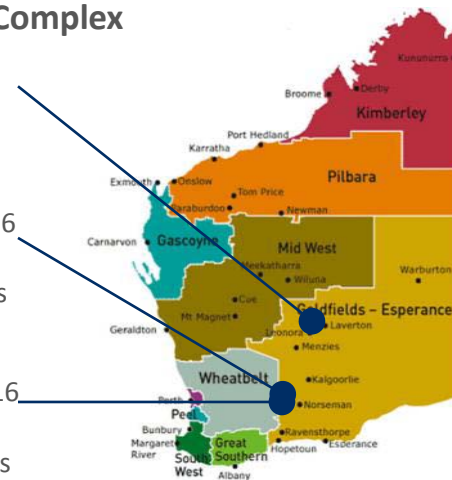
567kt Ni resources
PFS underway

Flying Fox

12.4kt Ni mined FY16
48.2kt Ni reserves
102.2kt Ni resources

Spotted Quoll

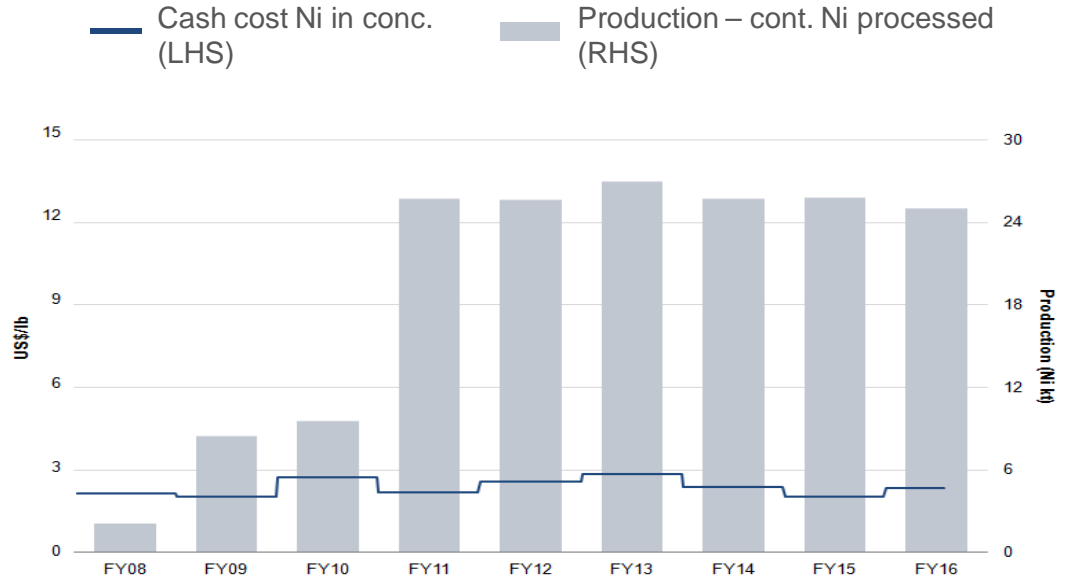
15.2kt Ni mined FY16
97kt Ni reserves
119.8kt Ni resources



A leading mid-tier base metal producer

CONSISTENT LOW COST PRODUCER

- **ALL FY16 GUIDANCE METRICS MET OR EXCEEDED**
- LTIFR – ZERO – over 2 yrs LTI free
- Exceptional consistency and 6 years without a guidance miss
- Record Spotted Quoll mine production of 15,175 Ni tonnes
- Unit cash cost of production at A\$2.26/lb (US\$1.64/lb) of nickel in concentrate
- Record annual mill throughput at 616,279 ore tonnes



A management team which consistently delivers guidance

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 – upgraded resource
- History of reserve/resource extension
- Mill Recovery Enhancement Project – lift metallurgical recoveries by 3-5% (evaluating Nickel Sulphate market)
- Evaluating Lithium potential at the Forrestania tenements

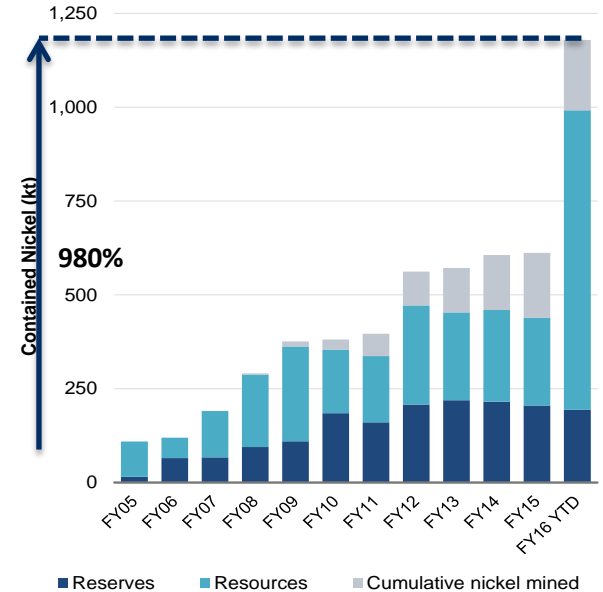
Cosmos Nickel Complex / Odysseus – Western Australia

- Existing resources and infrastructure (previous Glencore/ Xstrata/Jubilee Mines operation)
- Option to develop a new West Australian integrated Nickel operation
- Drilling at Neptune to commence around year end

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

MANAGING THROUGH THE CYCLE

Reducing cost structure

Cash cost reduction has been a consistent feature

- Expertise in dilution control and maximising grade and tonnage versus reserve / resource
- Maximising plant and equipment productivity
- Absolute cost out with contractors, suppliers and at the corporate level

Prudent capital management

Remaining debt free with A\$81.1m cash at bank

- Deferred the Mill Enhancement Project by 6 months, but long lead items ordered
- Exploration spend reduced, but still robust. Focus on Cosmos and Western Gawler
- Retain a strong balance sheet to provide flexibility

Opportunistic approach

Build portfolio

- Add quality projects that suffer through a lack of funding and/or play to our core strengths

Maintain valuation discipline

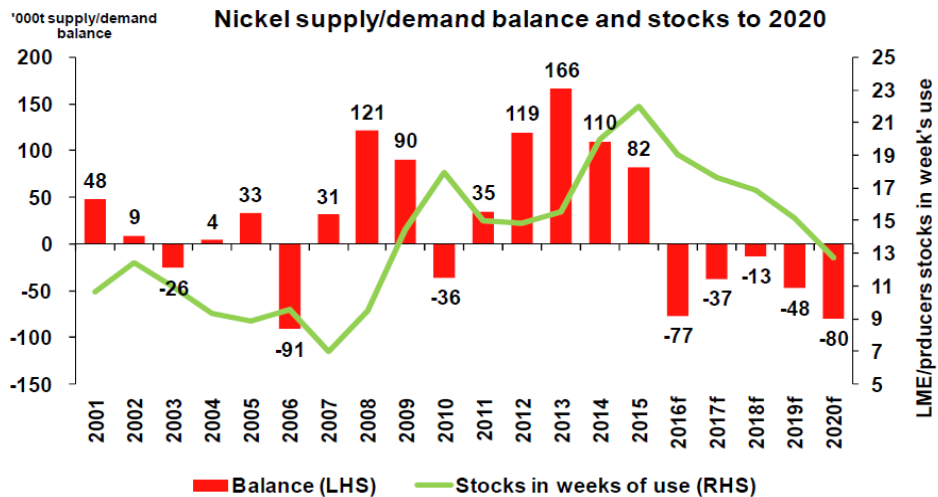
- Be patient in assessing opportunities. Do not succumb to the fear of “missing out”

The cost structure and capabilities to prosper throughout the cycle

NICKEL MARKET



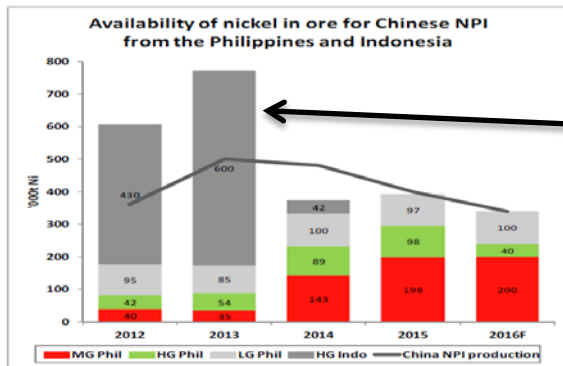
LARGE OVER-SUPPLY MOVING TO DEFICIT



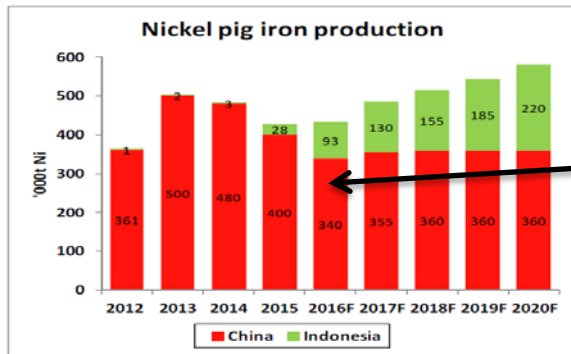
Source: INSG, Macquarie Research, May 2016

- Last 5 yrs of surplus supply
- **Forecast of 70-75k tonnes deficit in 2016**
- Does not factor in current Filipino environmental concerns and mine closures
- Current LME stockpiles falling and no increase in SHFE inventory
- Strong growth in 300 Series SS (contains 10-12% nickel)

IMPACT OF INDONESIAN AND FILIPINO LATERITE ORE



Source: Trade data, Nickel Asia, Macquarie Research, May 2016



Source: INSG, Macquarie Research, May 2016

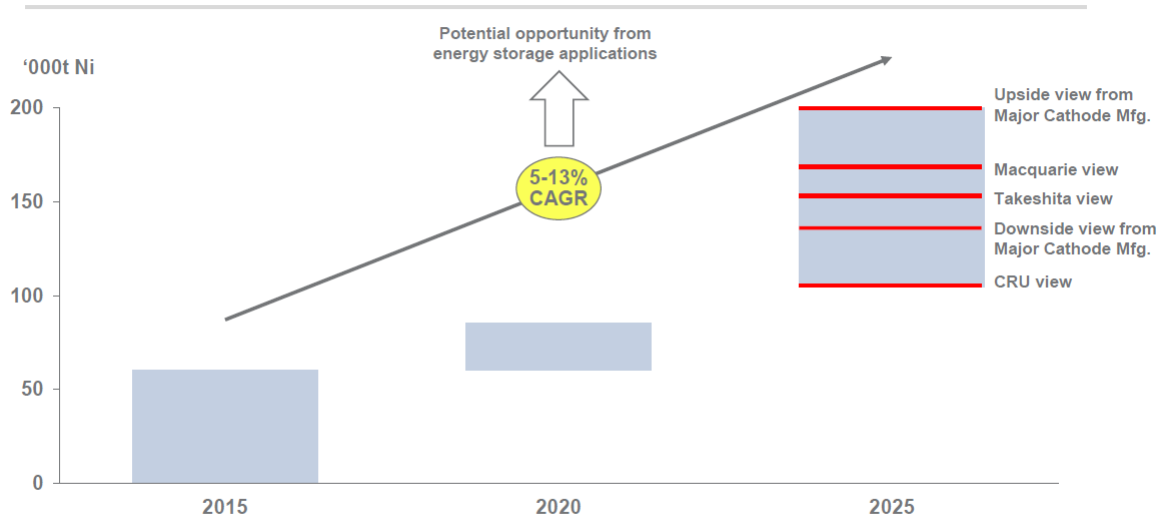
- Indonesian miners ramped up nickel production ahead of Jan 2014 ban – maybe 300kt+ nickel was stocked in China ahead of ban
- Philippines ramped up production after the ban – mainly lower grade ores (1.4 – 1.5% Ni vs. 1.8 – 2.0% from Indonesia)
- New Caledonian laterite exports have strict controls and is not additional material
- **Recent moves by Filipino Government to moderate environmental impact. Talks on potential ban – catalyst for recent Ni price movement**



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**

Forecast **nickel consumption** in the battery segment



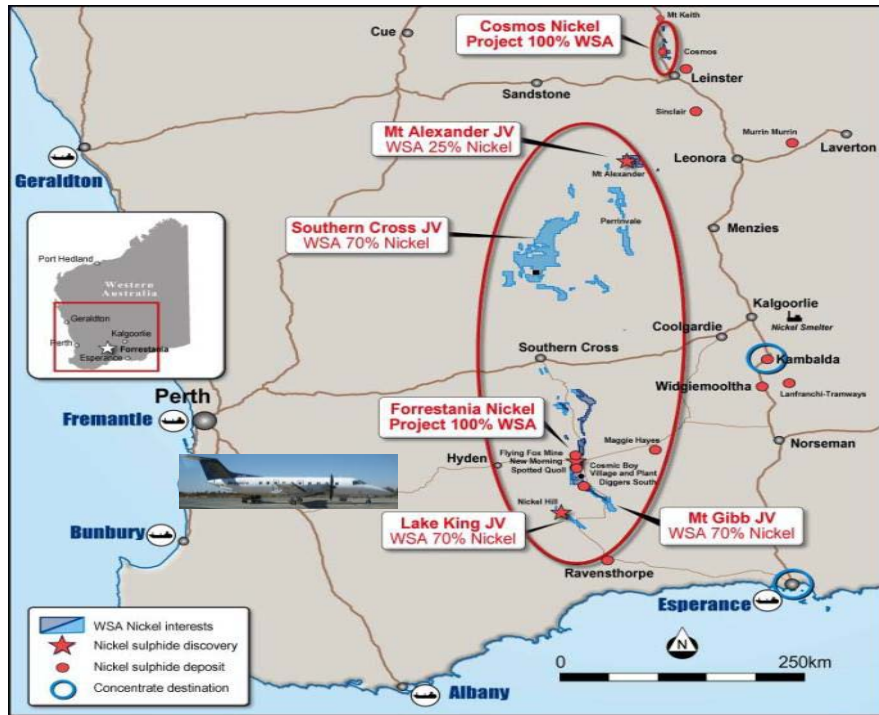
Source: Takeshita 2015, CRU, Macquarie, Vale sources



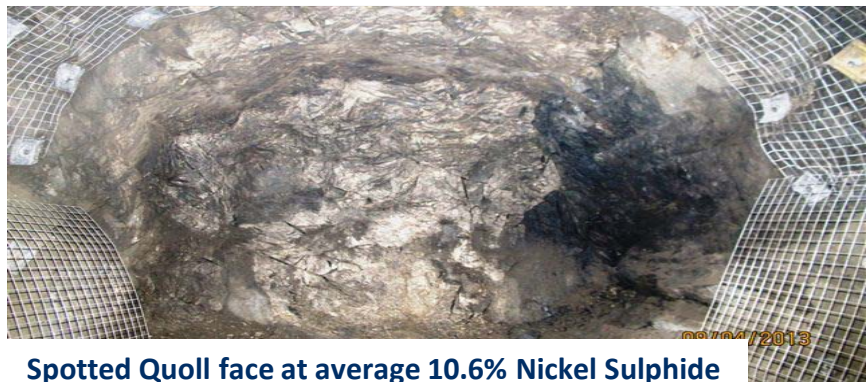
OPERATIONS



LOCATION – EASILY ACCESSIBLE SITES



Lounge Lizard 10m wide face of 7% Massive Nickel Sulphide



Spotted Quoll face at average 10.6% Nickel Sulphide

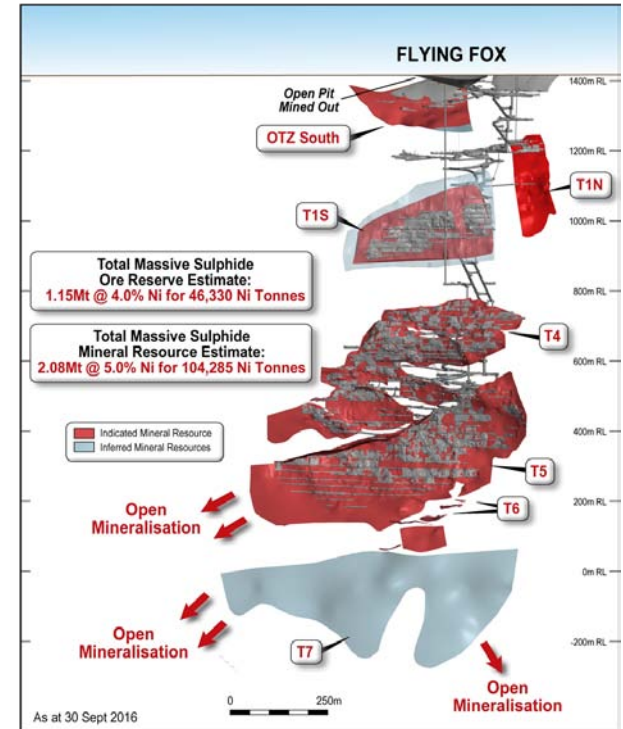
Premier and stable mining district with high quality mines and organic growth options

FLYING FOX MINE

| | |
|------------------------------|------------------------------------|
| Reserve Contained nickel | 1.15Mt @ 4.0% 46,330 Ni tonnes |
| Resource Contained nickel | 2.08Mt @ 5.0% 104,285 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



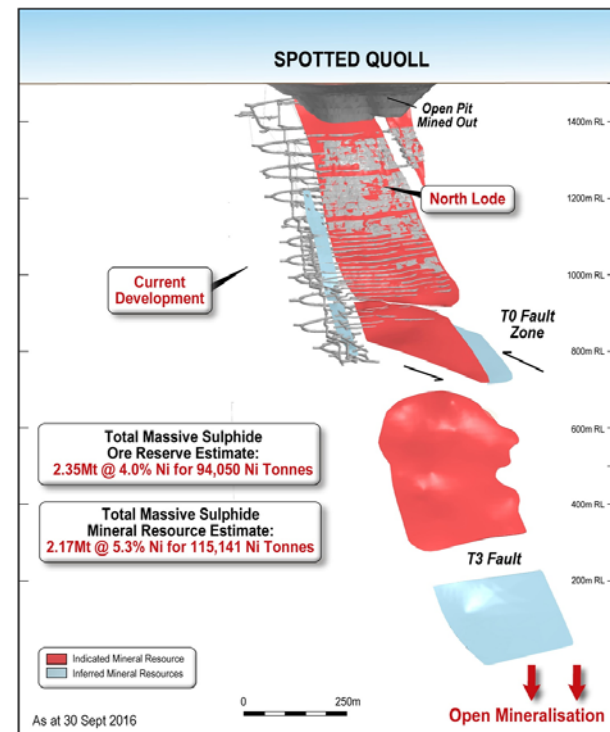
WSA's foundation asset within Forrestania

SPOTTED QUOLL MINE

| | |
|------------------------------|------------------------------------|
| Reserve Contained nickel | 2.35Mt @ 4.0% 94,050 Ni tonnes |
| Resource Contained nickel | 2.17Mt @ 5.3% 115,141 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

INDEPENDENT PRODUCER – OFFTAKE CONTRACTS

Offtake Contracts

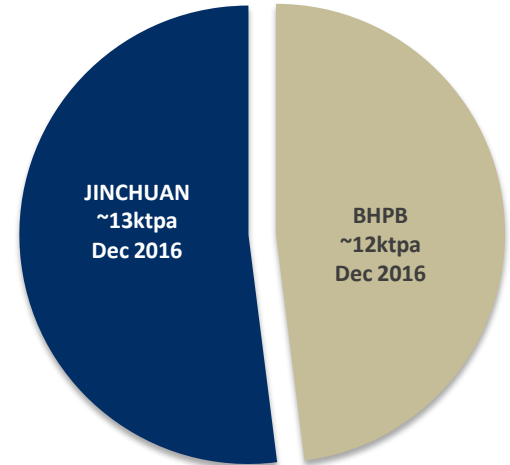
- Existing contracts with Jinchuan/BHPB
- “FOB” Terms
- Very competitive payable percentage of LME

Offtake Status – Opportunities for Western Areas

- 10ktpa contract for BHPB expires for first time in 7 years
- Tender process commenced in October 2016
- **Potential growth in roasting market in Asia – the Company is investigating alternative markets**
- Shortage of high quality premium blending concentrate
- Strong EOI’s already received from new and existing parties

Evaluating New Markets

- Potential to produce nickel sulphate through the mill recovery enhancement project



GROWTH & EXPLORATION OUTLOOK



COSMOS ACQUISITION

Strategic Rationale

- Low cost entry – Full purchase price \$24.5m plus stamp duty
- Right street address – historical highest grade mine globally; under explored ultramafic belt (88km²)
- Full infrastructure and facilities – Mill, camp, aerodrome, gas pipeline
- Potential 3rd mine – drilled out resources
- “Ready to go” when nickel prices support development



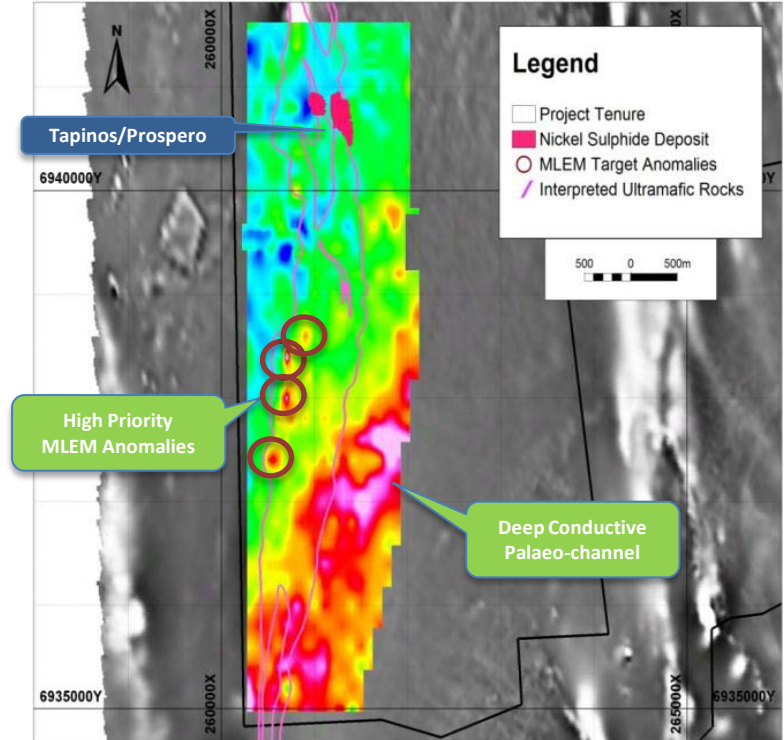
COSMOS EXPLORATION

Focus on Neptune (previously Lake Miranda)

- Significant anomalies detected through MLEM
- Heritage surveys successfully completed
- Section 18 lodged
- Drilling targeted by end of CY16
- DHEM being completed between Odysseus and Prospero

Review of Xstrata drill data base reveals intersections requiring follow-up work

- Prospero - 4.2m @ 12.5% Ni (incl 2.4m @ 19.7% Ni)
- Aries – 4.5m @ 12.3% Ni and 3.3m @ 10.6% Ni



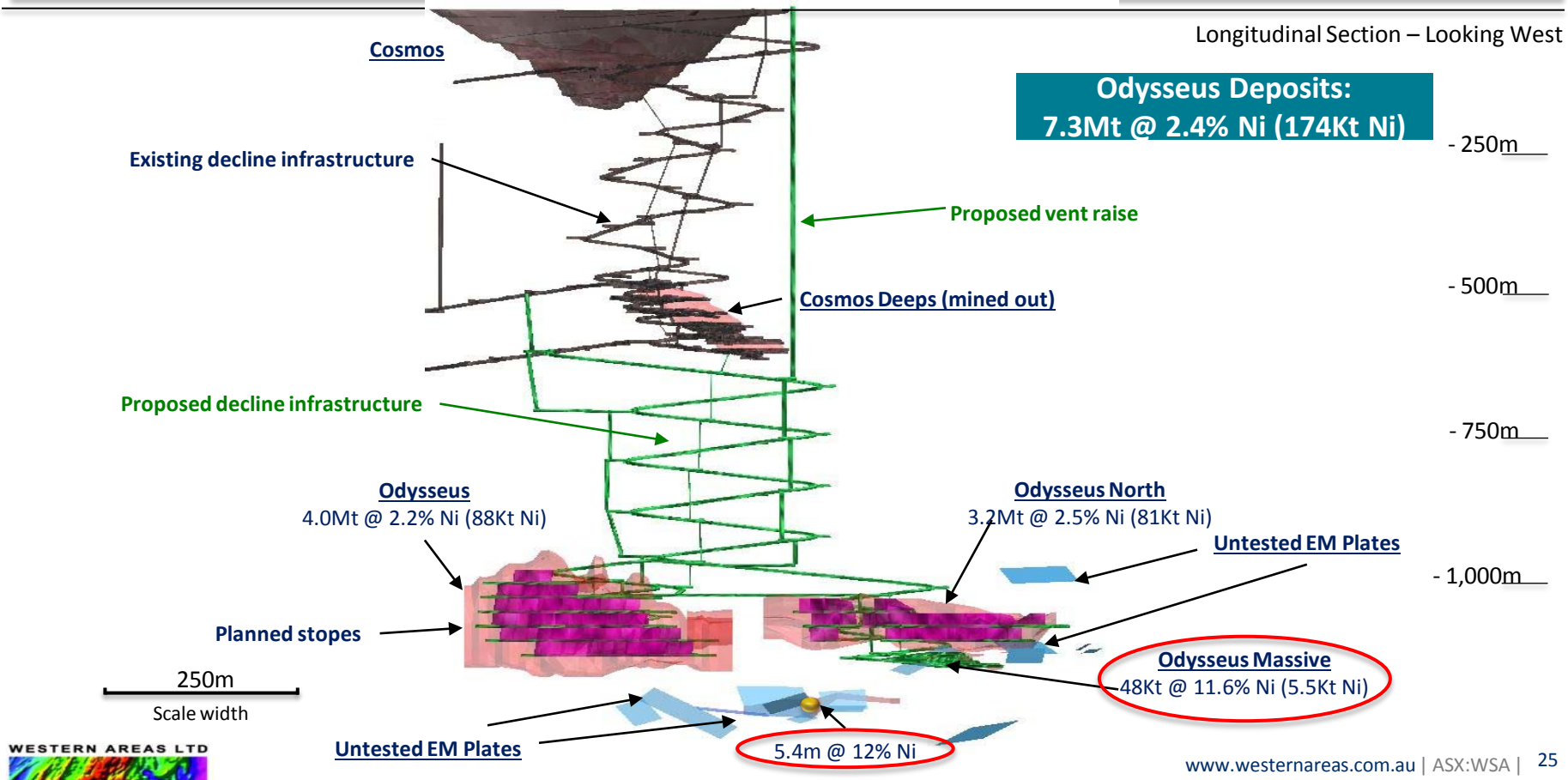
ODYSSEUS PRE-FEASIBILITY STUDY

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

Pre-feasibility Study Commenced

- Targeted completion in December quarter 2016
- Significant savings >30% identified for operating and capital costs
- Review mining method, mining schedule and underground 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 feasibility study planned for CY2017

ODYSSEUS CONCEPTUAL MINE DESIGN



WESTERN GAWLER JOINT VENTURE

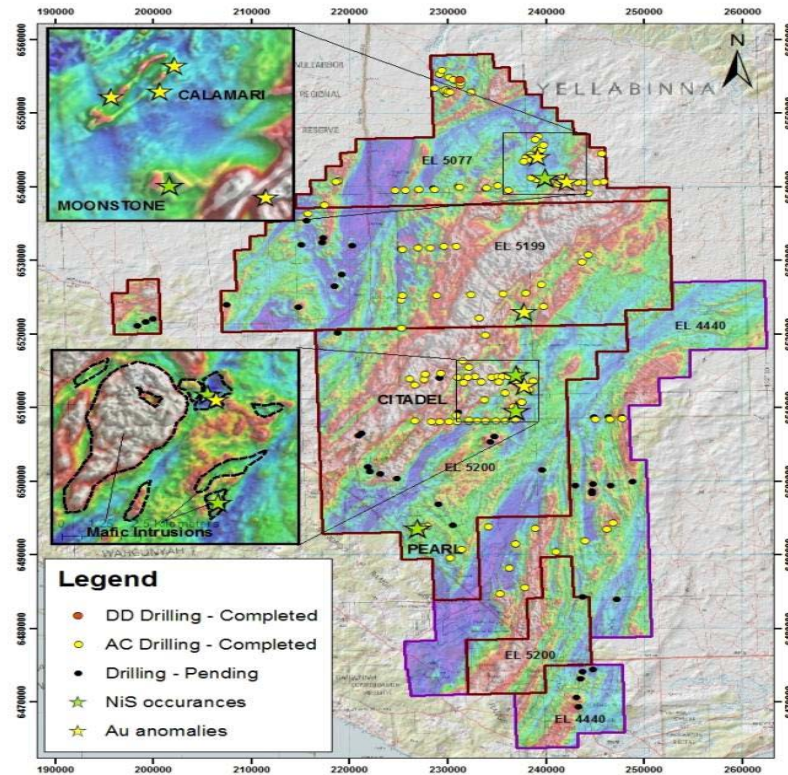
- Greenfields Exploration
 - Large strategic holding (4,450km²)
 - Camp scale opportunities
 - Majority 100% owned
 - With Strandline farm in agreement – WSA earning up to 90%
- Right Address
 - Prospective under explored belt
 - Analogous to Fraser Range
 - Targeting poly-metallic base metal and gold mineralisation
- Right Rocks
 - Mafic/Ultramafic intrusive rocks
 - Magmatic nickel sulphides confirmed in multiple locations (Petrology)
- Right Signatures
 - Anomalous values returned from drilling



EXPLORATION SUMMARY

Broad scale prospectivity for Ni/Cu and Gold

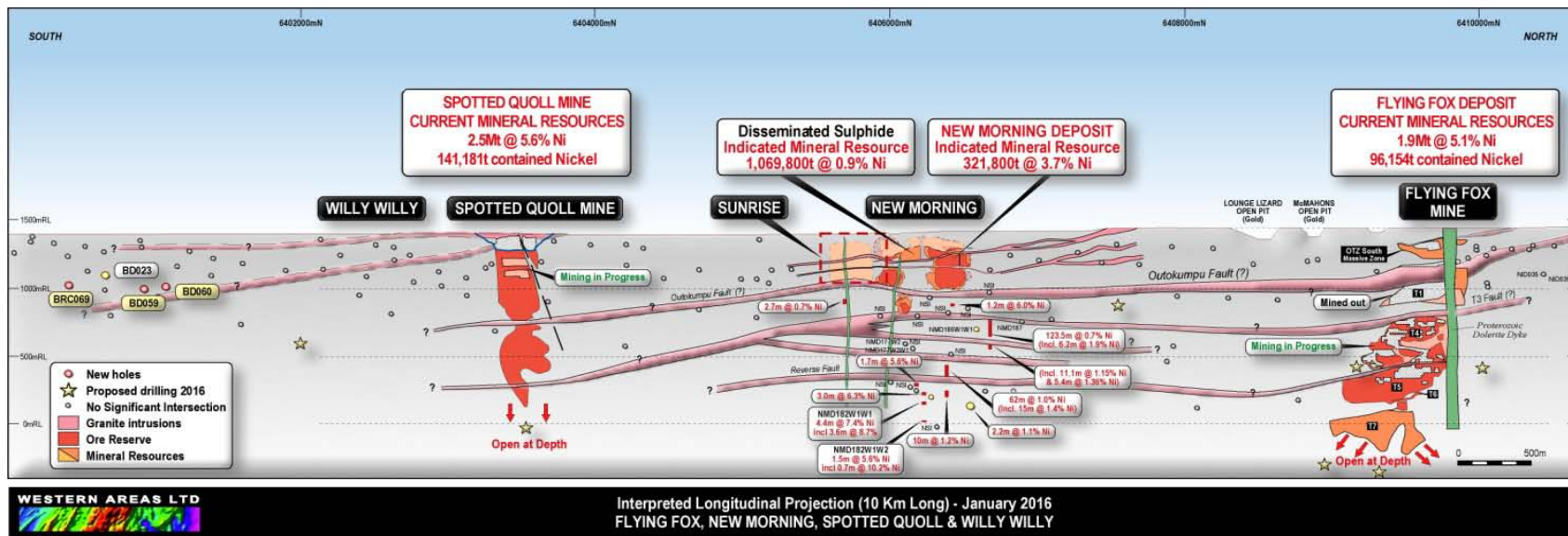
- Successful first phase of exploration
 - Mafic/Ultramafic intrusions identified
 - Broad spaced drilling in progress
 - 150 AC holes -12,451m , 1xDDH – 582.6m
- Numerous areas of potential identified –
 - Coincident magnetic and gravity anomalies and geochemical anomalism from drilling
 - Pearl, Atomic Café, Citadel, Moonstone, Calamari
- Planned exploration (next six months)
 - Further testing prospect areas
 - Pearl, Citadel, Moonstone
 - Gravity and ground electromagnetic surveys
 - Prospect generation – Yalata area
 - On ground exploration to commence
 - Gravity / First phase drilling
 - Drill testing of anomalies
- Community – Proactive engagement to support activities



Exploration drilling overlaying magnetics (RTP)

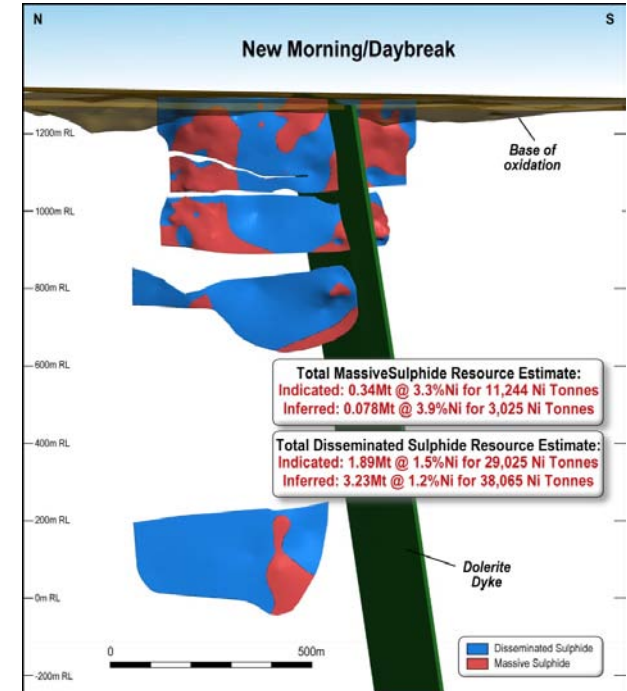
FORRESTANIA – NEAR MINE EXPLORATION

- Focus is on near mine opportunities
- Upgrade New Morning / Daybreak resource – potential open pit



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 AREAS VALUE EQUATION

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

- Zero Lost Time Injuries in past 24 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

