

NEWS RELEASE

8 November 2021

WESTERN AREAS LTD



ODYSSEUS MINE DEVELOPMENT UPDATE

Western Areas Ltd (ASX: WSA, “Western Areas” or the “Company”) is pleased to provide an update on development activities at the long-life Odysseus nickel mine.

The development of Odysseus continues to ramp up positively, with underground mining contractor Barmenco achieving a record-breaking 498 metres of lateral and decline development last month. It follows a significant milestone achieved at Odysseus early last month, with the production of first ore (see ASX announcement dated 5 October 2021).

The Company has also further de-risked the development schedule and go forward capital expenditure of the project, after it recently signed two contracts for major construction works.

The two Odysseus contracts encompass shaft haulage, infrastructure design, construction, and equipping agreement with RUC Cementation Mining Contractors Pty Ltd (RUC) and a Cosmos concentrator engineering, procurement and construction (EPC) agreement with GR Engineering Services Ltd (GRES).

Both contractors have a proven track record successfully completing work for Western Areas, with RUC being the contractor responsible for the recent raise bore breakthrough at Odysseus, and GRES the EPC contractor for the Company’s Forrestania Cosmic Boy Concentrator.

These new contracts represent a significant component of the pre-production capex for the project, which has an expected mine life of at least 10 years, and securing the work packages significantly reduces the potential risk of price inflation in Odysseus’ development.

The primary ventilation upgrade at Odysseus has also commenced, with the installation of the primary fans set to be commissioned next month. This will significantly improve the underground ventilation conditions and allow further advancement of development metres.

Western Areas Managing Director, Dan Lougher said, “The project is ramping up methodically at considerable pace, with first ore achieved last month and extensive development and construction activities progressing, in tandem with the Company generating strong interest for offtake tenders for new nickel sulphide supply into the class 1 nickel market.”

The award of these major packages of work to two highly regarded contractors also marks another substantial milestone in the progression of Odysseus, significantly de-risking the project both in monetary terms and project schedule.”

Cosmos Concentrator Refurbishment and Upgrade to 900ktpa

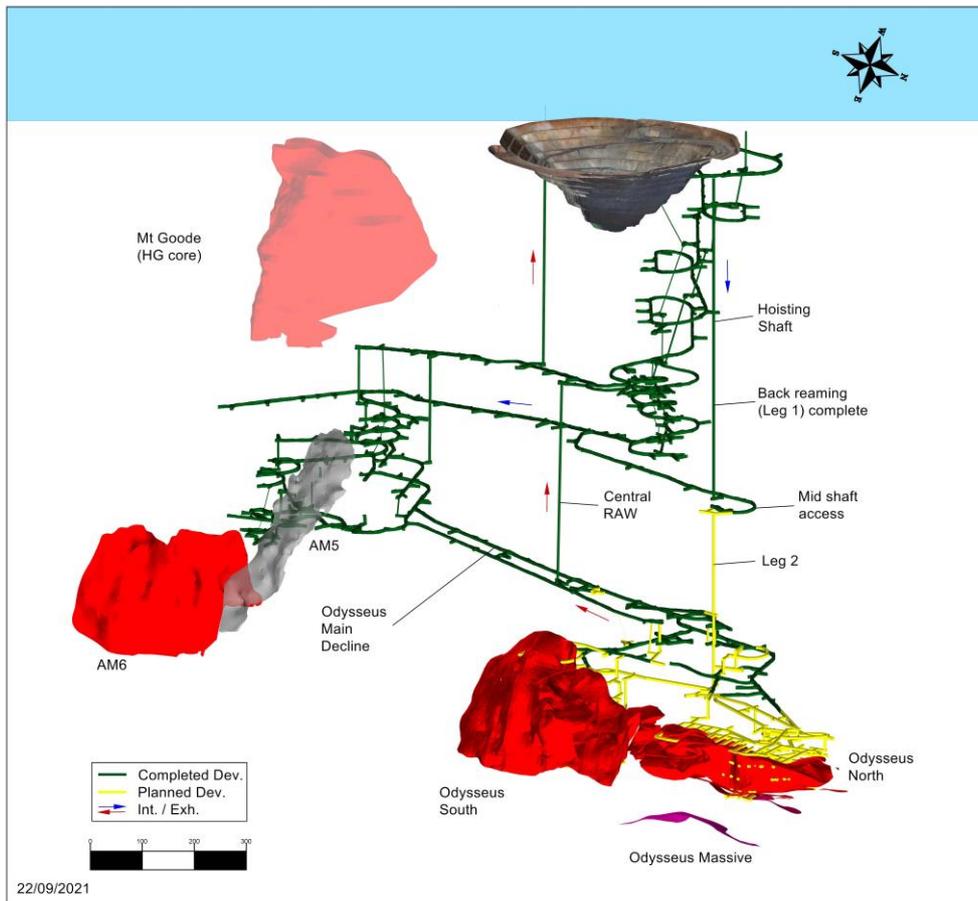
A site visit was undertaken to assess the current plant condition and layout with long lead items identified to be ordered in the coming month. The contract team is scheduled to commence site works late in the December quarter, with the majority of plant refurbishment works scheduled to start in the March 2022 quarter. First concentrate is expected in the December 2022 quarter.

As part of the upgrade engineering design works, the GRES team also included design for an increase in mill capacity from 900ktpa to 1.1Mtpa, which allows for integration of production from the AM6 deposit. Certain critical components for that upgrade have been included in the 900ktpa design.

Hoisting Shaft Project

The shaft survey work (laser and lidar) has been completed indicating that the shaft barrel vertical alignment is well within the 200mm tolerance level and work has commenced now on the Leg 2 pilot hole drilling. This is expected to be completed early in the December quarter, with shaft reaming due to be completed early in the June 2022 quarter. The sub-brace civil works is now well advanced with the wall construction ongoing and backfilling of the box-cut commenced.

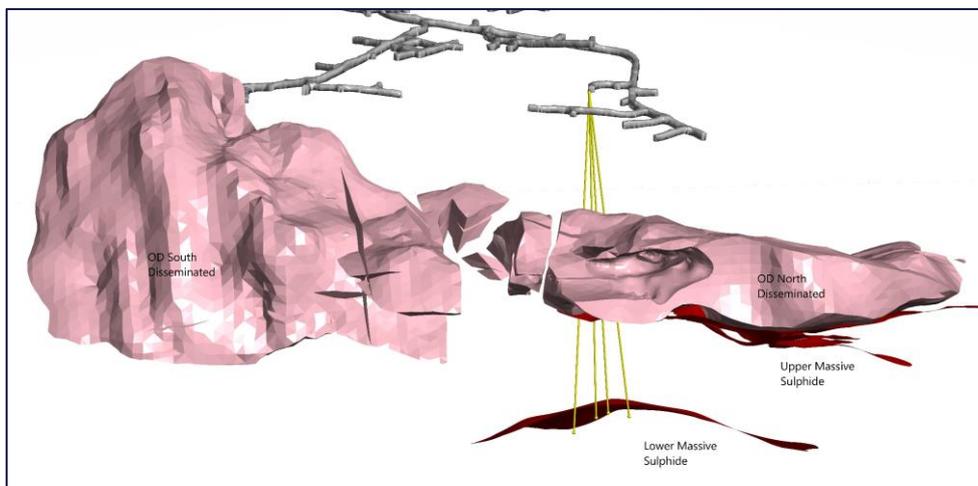
The shaft equipping can then proceed in the March 2022 quarter, after backfilling of the box-cut has been completed. The shaft hoisting system is scheduled to be fully operational early in the June 2023 quarter.



Long section of the Odysseus project showing completed shaft development

Odysseus Massive Sulphide Drilling

As noted in the September quarterly report, drilling is due to commence this month to test the extensions of the high-grade massive sulphide lenses located directly below the Odysseus North disseminated deposit. The diamond drilling contractor is scheduled to be onsite mid-November to complete four holes from the 9,500m RL. The Odysseus massive sulphide mineral resource consists of **195,000 tonnes at 11.7% Ni for 22,816 nickel tonnes¹**.



¹ See Western Areas Ltd September Quarterly Report 2021



Odysseus Concentrate Offtake Process

An offtake tender process commenced in the September quarter for the first two years of Odysseus concentrate. The process received very strong interest from a large group of potential offtake partners. Preferred parties have been shortlisted for final discussions on terms. The Company is pleased to advise that the tender bids are extremely positive, reinforcing the strong demand for nickel concentrate for the Electric Vehicle battery market.

-ENDS-

This release has been authorised by the officers below. For further details, please contact:

Dan Lougher
Managing Director – Western Areas Ltd
Telephone +61 8 9334 7777
Email: dlougher@westernareas.com.au

Joseph Belladonna
Chief Financial Officer – Western Areas Ltd
Telephone +61 8 9334 7777
Email: jbelladonna@westernareas.com.au

Shane Murphy
FTI Consulting
Telephone +61 8 9321 8533 / 0420 945 291
Email: shane.murphy@fticonsulting.com

Or visit: www.westernareas.com.au

FORWARD LOOKING STATEMENT:

This release contains certain forward-looking statements including nickel production forecasts. 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.

An example of a forward looking statement used in this report include: “First concentrate is expected in the December 2022 quarter, and the shaft equipping can then proceed in the March 2022 quarter, after backfilling of the box-cut has been completed. The shaft hoisting system is scheduled to be fully operational early in the June 2023 quarter.”

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.