



**21 October, 2013**

**ASX CODE: WSA**

Australian Securities Exchange  
Level 8 Exchange Plaza  
2 The Esplanade  
Perth Western Australia 6000

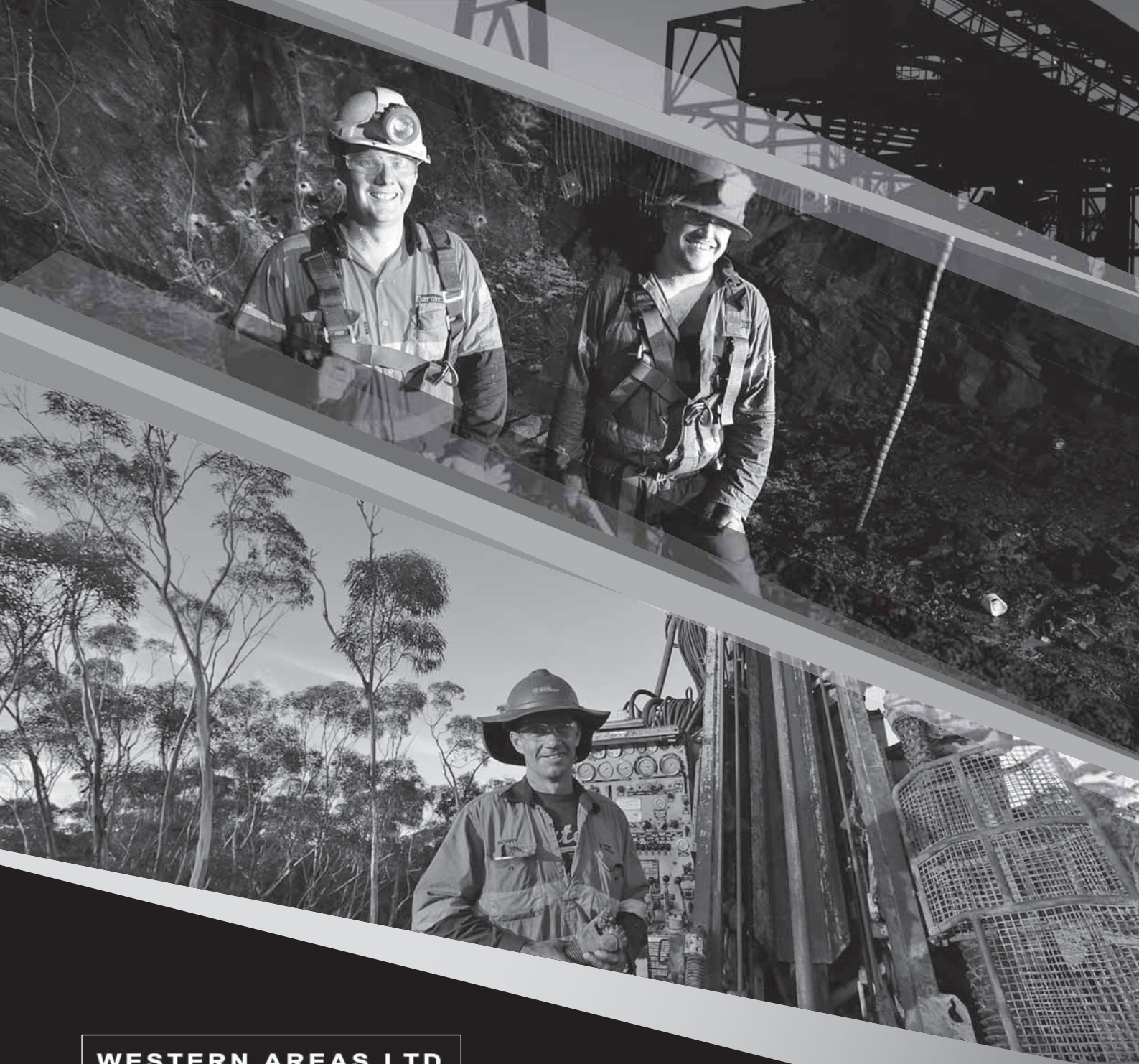
Dear Sirs,

**NOTICE OF ANNUAL GENERAL MEETING 2013**

In accordance with Listing Rule 3.17, attached is a copy of the Western Areas Ltd Notice of Annual General Meeting including Explanatory Statement and sample proxy form that will be mailed to shareholders.

Yours Faithfully

Joseph Belladonna  
Chief Financial Officer  
& Company Secretary



**WESTERN AREAS LTD**



ACN 091 049 357

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT**

Meeting to be held at Hyatt Regency Perth, Plaza Ballroom 1,  
99 Adelaide Terrace Perth, Western Australia, 6000  
on Thursday, 21 November 2013 at 10.00am (WST)

The Company is a designated foreign issuer as defined by Canadian National Instrument 71-102 – “Continuous Disclosure and Other Exemptions Relating to Foreign Issuers” and is subject to Australian law and the regulatory requirements of the Australian Securities and Investment Commission.

Western Areas Annual Report is now available at the Company's website [www.westernareas.com.au](http://www.westernareas.com.au)

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

### VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on Thursday, 21 November 2013 at:

Hyatt Regency Perth, Plaza Ballroom 1  
99 Adelaide Terrace  
Perth, Western Australia, 6000

### YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### VOTING BY PROXY

Voting by proxy can be completed in one of the following ways:

- a) Online : at [www.investorvote.com.au](http://www.investorvote.com.au)
- b) Mobile : scan QR Code on your Proxy Form
- c) By mail : complete and sign the enclosed Proxy Form and return to;  
Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne VIC 3001 Australia
- d) By Fax : complete and sign the enclosed Proxy Form and fax to;  
Inside Australia 1800 783 447  
Outside Australia +61 3 9473 2555
- e) Custodian voting: For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

Votes must be received not later than 10.00am (WST) on Tuesday, 19 November 2013.

**Proxy Forms received later than this time will be invalid.**

# NOTICE OF MEETING

Notice is given that the Annual General Meeting of Western Areas Ltd (**Company**) will be held at Hyatt Regency Perth, Plaza Ballroom 1, 99 Adelaide Terrace Perth, Western Australia, 6000 on Thursday, 21 November 2013 commencing at 10.00am (WST).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement, Schedule and Proxy Form are part of this Notice of Meeting.

The Directors have determined, pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5.00pm (WST) on Tuesday, 19 November 2013.

Terms and abbreviations used in this Notice of Meeting, Schedule and Explanatory Statement are defined in the Glossary.

## AGENDA

### 1 WELCOME ADDRESS

By Terry Streeter, Non-Executive Chairman.

### 2 FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

**Note:** *There is no requirement for Shareholders to approve these reports.*

### 3 RESOLUTIONS

#### ORDINARY BUSINESS

##### **Resolution 1 – Re-election of Independent Non-Executive Director – Mr Ian Macliver**

**To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:**

*"That, for the purposes of clause 17.4 of the Constitution and Listing Rule 14.5 and for all other purposes, Mr Macliver who retires by rotation, and being eligible, seeks re-election, is re-elected as a Director of the Company."*

##### **Resolution 2 – Adoption of remuneration report**

**To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:**

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2013."*

**Note:** *the vote on this Resolution is advisory only and does not bind the Directors or the Company.*

Voting exclusions on Resolution 2 are set out under the heading "Entitlement to Vote" below.

#### SPECIAL BUSINESS

##### **Resolution 3 – Issue of Performance Rights to Daniel Lougher**

**To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:**

*"That, for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the allotment and issue of Performance Rights to Mr Daniel Lougher under the terms of the Company's Performance Rights Plan, as detailed in the Explanatory Statement."*

Voting exclusions on Resolution 3 are set out under the heading "Entitlement to Vote" below.

##### **Resolution 4 – Issue of Performance Rights to David Southam**

**To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:**

*"That, for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the allotment and issue of Performance Rights to Mr David Southam under the terms of the Company's Performance Rights Plan, as detailed in the Explanatory Statement."*

Voting exclusions on Resolution 4 are set out under the heading "Entitlement to Vote" below.

# NOTICE OF MEETING

## **Resolution 5 – Provision of financial assistance by Western Areas Nickel Pty Ltd**

**To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:**

*“That, for the purposes of Sections 260A and 260B of the Corporations Act and for all other purposes, approval is given for Western Areas Nickel Pty Ltd to provide financial assistance in connection with the Revised Facility Agreement, as detailed in the Explanatory Statement. ”*

**Note:** *this is a special resolution which requires at least 75% of the votes cast on the resolution to be in favour of the resolution.*

## **ENTITLEMENT TO VOTE**

### **Voting exclusions**

#### **Resolution 2 – Adoption of Remuneration Report**

Pursuant to Section 250R(4) of the Corporations Act, the Company is required to disregard any votes cast on Resolution 2 (in any capacity) by or on behalf of either:

- a) a member of key management personnel (**KMP**) of the Company, details of whose remuneration are included in the remuneration report; or
- b) a closely related party of such a member,  
(each a **Prohibited Person**).

However, the Company will not disregard a vote if:

- a) the Prohibited Person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution, and the vote is not cast on behalf of a Prohibited Person; or
- b) the person is the person chairing the meeting voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy even though Resolution 2 is connected with the remuneration of the KMP of the Company.

If you are KMP or a closely related party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include its Directors and certain senior executives.

#### **Resolutions 3 and 4 – Approval of issue of Performance Rights to Messrs Lougher and Southam**

The Company will disregard any votes cast on Resolutions 3 and 4 by or on behalf of any Director, on the basis they are eligible to participate in the Western Areas Performance Rights Plan, any of their associates (as defined in the Corporations Act) respectively; and as well as any votes cast as a proxy on Resolutions 3 and 4 by a KMP or a KMP's closely related party, unless the vote is cast:

- a) by a person as proxy for a person who is entitled to vote in accordance with a direction on the proxy form; or
- b) by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

A vote must not be cast on Resolutions 3 and 4 by a KMP, or a closely related party of a KMP, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolutions 3 and 4. However, the Company will not disregard any proxy votes cast on that resolution by a KMP if the KMP is the chair of the meeting acting as proxy and their appointment expressly authorised the proxy even though the resolution is connected with the remuneration of the KMP for the Company.

# NOTICE OF MEETING

## 4 CORPORATE PRESENTATION

By Daniel Lougher, Managing Director & CEO.

## EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of Meeting is incorporated in and comprises part of this Notice of Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Meeting and the Explanatory Statement.

## PROXIES

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

## CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative. An Appointment of Corporate Representative form is enclosed if required.

## "SNAP SHOT" TIME

The Directors have determined that all Shares of the Company that are quoted on ASX at 5.00pm (WST) on Tuesday, 19 November 2013 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

## BY ORDER OF THE BOARD OF DIRECTORS



Daniel Lougher  
Managing Director  
Western Areas Ltd  
21 October 2013

# EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting to be held on Thursday, 21 November 2013 at 10.00am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions.

This Explanatory Statement should be read in conjunction with the Notice of Meeting and Proxy Form. Capitalised terms in this Explanatory Statement are defined in the Glossary.

## FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

There is no requirement for Shareholders to vote on these reports and no vote will be taken on the reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. The Company's auditor, Crowe Horwath, will be present at the Annual General Meeting and Shareholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to the taking of questions at the Meeting, written questions to the Chairman about the management of the Company or to the Company's auditor about:

- the preparation and content of the auditor's report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting date (that is, by 5pm (WST) on Thursday, 14 November 2013) to the Company Secretary.

## ORDINARY BUSINESS

### RESOLUTION 1 – RE-ELECTION OF DIRECTOR – MR IAN MACLIVER

#### **Background to resolution**

Clause 17.4(b) of the Constitution and Listing Rule 14.5 require that an election of Directors must take place each year.

Clause 17.4(b) of the Constitution also requires that if no Director is required to retire at an Annual General Meeting the Director who has been in office longest since their last re-election is to retire, but, as between persons who became Directors on the same day, the Director to retire must be determined by lot, unless they otherwise agree between themselves. As no Director was required to retire, Mr Macliver has agreed to retire and submits himself for re-election.

Mr Macliver has been a Board member of Western Areas since 2011 and was endorsed throughout the year as the Lead Independent Non-Executive Director. Mr Macliver is Managing Director of Grange Consulting Group Pty Ltd which provides specialist corporate advisory services to both listed and unlisted companies. He has many years experience as a senior executive and Director of both resource and industrial companies, with particular responsibility for capital raising and other corporate initiatives.

Mr Macliver chairs the Audit & Risk Management and Treasury Committees and is a member of the Remuneration and Nomination Committee.

#### **Board recommendation**

The Board (other than Mr Macliver because of his interest in this resolution), unanimously recommends that Shareholders vote in favour of Resolution 1.



# EXPLANATORY STATEMENT

## RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT

### Non-binding resolution to approve the remuneration report

#### Background to resolution

A considerable amount of time has been spent redefining the Company's remuneration framework which was overwhelmingly passed by vote for adoption. During FY13, the Company continued to roll out the new remuneration framework.

#### Key Changes/Events from FY12 to FY13

- Reduction in the quantum of the maximum Short Term Incentive (**STI**) payments available to Executives, via the reduction of the percentage of base salary per employee available to be paid as an STI bonus.
- Executive and Management team forfeited a minimum of 50% of their STI payments that were triggered and earned via achievement of individual Key Performance Indicators (**KPI**). These payments have been cancelled not deferred.
- The Company has frozen salaries going into the FY14 financial year.
- The second tranche of the FY12 Long Term Incentive (**LTI**) allocations have not vested due to the relative Total Shareholder Return (**TSR**) minimum threshold not being reached.
- The LTI transition period has ended with all future LTI allocations being performance tested over a full three year period in line with typical market practice.
- For the second consecutive year, Non-Executive Director fees have also been frozen going into the FY14 financial year.

A summary of the framework is provided below. Full details of the changes and remuneration outcomes can be found in the Remuneration Report contained in the Company's Annual Report.

#### Executive remuneration framework

The remuneration framework is structured to align the Company closely to current market practice, most significantly around LTI. As such, the components of total annual remuneration for senior executives in FY13 included fixed remuneration (comprised of base salary, superannuation and non-monetary benefits), target STIs and target LTIs. The introduction of an annual LTI grant serves to place a larger portion of an Executive's remuneration at-risk and to focus the executives on long-term Shareholder value generation.

#### Fixed remuneration

The Company is Australia's second largest nickel sulphide company (the first being BHP Billiton) with extensive operations in the Forrestania region including mining, processing, marketing and export of nickel concentrates. The FY13 fixed remuneration levels of senior executives remained conservative when compared to market peers, furthermore Executive remuneration levels have been frozen for FY14.

The Non-Executive Directors have not had an individual fee increase for the last two years.

#### Short-term incentive

Despite challenging commodity market conditions, the Company maintained a strong operational performance during FY13. While strong operational performance was achieved, no member of KMP achieved 100% of their target STI opportunity, reflecting the challenging nature of the KPIs that were set. Above budgeted levels of performance were achieved for KPIs relating primarily to physical operational activities for the period.

In recognition of the difficult commodity price environment and its impact on FY13 earnings, the Executive Directors and Executives elected to voluntarily forfeit 50% of their respective STI payments earned during FY13. Despite target STI opportunity for Executives having been reduced by 10% in FY13 down to ranges of between 40% to 55% of their base salary, depending on the nature of their role.

The remuneration report for FY13 includes considerable detail on the KPIs that were used to assess performance.

# EXPLANATORY STATEMENT

## **Long-term incentive**

The Company's Performance Rights Plan was overwhelmingly approved by Shareholders at the 2011 AGM with grants being made under the Performance Rights Plan during FY12 and FY13. The intention of the LTI scheme is for Executives to receive a grant of Performance Rights each year, ensuring that LTI forms a key component of Executives' total annual remuneration and replacing the previous share option plan that was operated on an ad-hoc basis.

For FY13 grants:

- The LTI dollar value of grants made to Executives was set at a fixed percentage of their base salary, ranging from 50% to 100% of base salary, depending on the Executive's position within the Company.
- The Performance Rights will vest subject to a relative TSR hurdle, with the Company's TSR performance being assessed against a customised peer group of companies of a similar nature. Note that no Performance Rights will vest unless the percentile ranking of the Company's TSR for the relevant performance year, as compared to the TSRs for the peer group companies, is at or above the 50th percentile.
- The FY13 LTI awards were made to Executives (vesting in tranches) as part of the transition towards a structure that in the future would be solely focused on long term sustainable shareholder value generation.
- From FY14 onward, grants will vest over a minimum three year period to align with common market practice. Details of these transitional awards are outlined in the FY13 remuneration report.

## **Executive service agreements**

All senior Executives are employed under executive service agreements that align with current market expectations and in accordance with current laws. The service agreements include notice periods ranging from six months up to the standard maximum of 12 months. There were no material changes to the agreements during the financial year.

## **Non-Executive Director remuneration**

For the second consecutive year, it has been decided that Non-Executive Directors' fees will be frozen for FY14. Non-Executive Directors have not had an individual fee increase since 1 July 2011.

## **Non-binding resolution**

Shareholder approval is being sought to adopt the remuneration report under Section 250R(2) of the Corporations Act. Shareholders are advised that pursuant to Section 250R(3) of the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company. However, the Corporations Act provides that if the Company's remuneration report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent remuneration report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, the Corporations Act sets out a "two strikes" re-election process. Under the "two strikes" re-election process, if the Company's remuneration report receives a "no" vote of 25% or more of all votes cast at two consecutive Annual General Meetings (that is, "two strikes"), a resolution (the "spill resolution") must be put to the second Annual General Meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the "spill meeting") to consider the appointment of all of the Directors who must stand for re-appointment (other than the Managing Director). If the spill resolution is approved at the Annual General Meeting by a simple majority of 50% or more of the eligible votes cast, the spill meeting must be held within 90 days of that second Annual General Meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment).

The Company's remuneration report did not receive a "no" vote of 25% or more at the Company's previous Annual General Meeting held on 23 November 2012.

Further information will be provided on the "spill resolution" and "spill meeting" for any Annual General Meeting at which the Company may face a "second strike".

A reasonable opportunity will be given to Shareholders at the meeting to ask questions about, or make comments on, the remuneration report.

## **Board recommendation**

The Non-Executive Directors recommend that Shareholders vote in favour of the resolution to approve the remuneration report. The Executive Directors whose remuneration has been disclosed in the remuneration report are interested in the outcome of this resolution and therefore do not consider it appropriate to make a recommendation to Shareholders.

The Chairman of the Meeting intends to vote all available proxies to the extent expressly authorised in favour of this Resolution.

# EXPLANATORY STATEMENT

## SPECIAL BUSINESS

### **RESOLUTION 3 & 4 – ISSUE OF PERFORMANCE RIGHTS TO MR DANIEL LOUGHER AND MR DAVID SOUTHAM**

#### **Background to resolutions**

At the 2011 AGM, Shareholders of the Company overwhelmingly approved the introduction of the Performance Rights Plan for the senior Executives of the Company. For the purposes of making FY14 grants, Resolutions 3 and 4 seek Shareholder approval for the issue of 465,750 Performance Rights to Mr Lougher and 196,530 Performance Rights to Mr Southam in accordance with the approved Performance Rights Plan.

The Company notes that the second tranche of the FY12 LTI allocations have not vested due to the relative TSR minimum threshold not being met by a small margin. This demonstrates that the challenging performance hurdles contained in the Performance Rights Plan offer reward for performance.

#### **ASX Listing Rules**

Listing Rule 10.11 provides a general restriction against issuing equity securities (including Performance Rights) to “related parties” (which includes Directors) without Shareholder approval.

Listing Rule 10.14 provides that a company must not issue equity securities to a Director of the Company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. If approval is given by Shareholders under Listing Rule 10.14, separate Shareholder approval is not required under Listing Rule 10.11.

Under Resolution 3 and 4, the Company seeks approval for the purposes of Listing Rule 10.14 from Shareholders for the issue of Performance Rights to Messrs Lougher and Southam which constitute the issue of equity securities to Directors under an employee incentive scheme.

#### **Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of “financial benefits” to “related parties” by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit.

A “related party” for the purposes of the Corporations Act is defined widely. It includes a Director of a public company and specified members of the Director’s family. It also includes an entity over which a Director maintains control or a person who may be seen as acting in concert with the Company on the understanding that a financial benefit will be received. Further, a Director of an entity that controls a public company is a related party of the Company.

A “financial benefit” for the purposes of the Corporations Act is also defined widely. It includes a public company issuing securities or granting options to a related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and the effect of the transaction (rather than just the legal form) and any consideration which has been given is to be disregarded, even if it is full or adequate.

Under Resolution 3 and 4, the Company seeks approval for the purposes of Chapter 2E of the Corporations Act from Shareholders for the issue of Performance Rights to Messrs Lougher and Southam which constitute the giving of financial benefits to related parties.

#### **Listing Rules and Corporations Act information requirements**

In compliance with the information requirements of Listing Rule 10.15 and Section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the proposed grant of Performance Rights contemplated by Resolution 3 and 4.

- (a) *Identity of the related parties to whom Resolution 3 and 4 permits financial benefits to be given and the nature of their relationship with the Company.*

The Performance Rights will be granted to Messrs Daniel Lougher (the Managing Director and Chief Executive Officer) and David Southam (Executive Director).

# EXPLANATORY STATEMENT

## *(b) Nature of financial benefit to be given pursuant to Resolution 3 and 4*

It is proposed that the Company issues Performance Rights to each of Messrs Lougher and Southam pursuant to the Performance Rights Plan approved by Shareholders of the Company at the 2011 AGM.

### Choice of financial benefit to be given

Performance Rights are one of the most prevalent equity instruments used by companies in the market. Performance Rights are also simple in nature and are easily understood by employees as well as by Shareholders. The Board believes that by issuing Performance Rights, Messrs Lougher and Southam's interests are better aligned with those of Shareholders.

### Maximum number of Performance Rights

Resolution 3 seeks approval from Shareholders to allow the Company to issue aggregate maximum of 465,750 Performance Rights to Daniel Lougher.

Resolution 4 seeks approval from Shareholders to allow the Company to issue a maximum of 196,530 Performance Rights to David Southam.

### Allocation methodology

The number of Performance Rights to be issued has been determined by the allocation methodology formula as outlined below.

In determining the number of Performance Rights to be granted, the Board has determined to use LTI quantum divided by the fair value (**FV**) of one Performance Right (as determined by an independent valuer, PricewaterhouseCoopers (**PwC**)) as follows:

$$\frac{\text{LTI quantum (\$)}}{\text{FV of one Performance Right}} = \text{Number of Performance Rights to be granted}$$

In accordance with the independent valuation undertaken by PwC, the FV of one Performance Right is \$1.46. The valuation was prepared in accordance with Australian Accounting Standards (AASB2) 'Share Based Payments'. The valuation was undertaken using the Black Scholes Option Pricing Model (**BSM**) that includes a Monte Carlo Simulation Model to value the Rights.

The BSM model relied on the following assumptions:

- Vesting period - 1 July 13
- Market price - \$2.32 per Share
- Volatility measure - 45%
- Dividend yield - 2%
- Risk free interest rate - 2.8%

### Valuation of financial benefit

The quantum to be issued for the FY14 LTI grants has been determined with reference to the approved LTI scheme for FY14 as described above. Based on the FV per Performance Right of \$1.46, the dollar value of the LTI grants will be as follows:

- Mr Lougher: equivalent to 100% of fixed remuneration which equals \$680,000; and
- Mr Southam: equivalent to 75% of fixed remuneration which equals \$382,500.

### Performance period

The Performance Rights granted for FY14 will be subject to a three year continuous service condition.

# EXPLANATORY STATEMENT

## Vesting conditions and performance hurdles

Performance Rights will also be tested against a three year relative TSR hurdle for the period 1 July 2013 to 30 June 2016.

For the FY14 LTI grant, the relative TSR performance will be assessed against the performance of a custom peer group of companies as follows:

Aditya Birla Minerals Ltd	Gindalbie Metals Ltd	PanAust Ltd
Alumina Ltd	Independence Group NL	Paladin Energy Ltd
Aquarius Platinum Ltd	Medusa Mining Ltd	Panoramic Resources Ltd
Atlas Iron Ltd	Mincor Resources NL	Perilya Ltd
Beadell Resources Ltd	Mirabela Nickel Ltd	Rex Minerals Ltd
Bougenville Copper Ltd	Mt Gibson Iron Ltd	Sandfire Resources Ltd
Cudoco Ltd	OM Holdings Ltd	Zimplats Holdings Ltd
Discovery Metals Ltd	Oz Minerals Ltd	

The FY14 LTI grant will become performance-qualified as follows:

Relative TSR performance	Outcome
Less than 50 <sup>th</sup> percentile	Nil
At the 50 <sup>th</sup> percentile	50% of the relevant tranches grant will become performance-qualified
Between the 50 <sup>th</sup> and 75 <sup>th</sup> percentile	For each percentile over the 50 <sup>th</sup> , an additional 2% of the relevant tranches grant will become performance-qualified
At or above the 75 <sup>th</sup> percentile	100% vesting of the relevant tranche

Shareholders should note that Performance Rights must satisfy both the three year TSR performance hurdle and the three year service condition in order for the Performance Rights to vest. As such, Messrs Lougher and Southam will not receive any of the potential value from the FY14 LTI grant for any Performance Rights until the conclusion of the three-year vesting period (i.e. at the end of FY16).

There will be no retesting of performance. Any Performance Rights that fail to become exercisable due to a failure to satisfy the vesting conditions and performance hurdles will lapse and be forfeited.

The Shares to be issued upon vesting of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

The summary of the Performance Rights Plan is outlined in the Schedule to this Notice of Annual General Meeting.

### (c) Issue price and date

No consideration is payable by Messrs Lougher and Southam at the time of grant of the Performance Rights or upon the allocation of Shares to which each may become entitled to on the vesting of the Performance Rights.

It is expected that the Performance Rights will be granted to Messrs Lougher and Southam as soon as practicable after Shareholder approval is received and in any event no later than 12 months from the date of the Annual General Meeting without obtaining further Shareholder approval.

### (d) Dilution

If the Performance Rights vest and are exercised, the effect will be to dilute the holdings of Shares of other Shareholders. The issue of the Performance Rights will in aggregate be equal to approximately 0.37% of the Company's fully diluted share capital (based on the number of Shares and Options on issue as at the date of this Notice of Annual General Meeting), resulting in a total of 197,506,083 Shares on issue.

### (e) Interests of Daniel Lougher and David Southam in the Company

The direct and indirect interests of Daniel Lougher and David Southam in securities of the Company as at the date of this Notice of Annual General Meeting are:

Name	Securities
Daniel Lougher	79,957 Shares
	371,221 Performance Rights
David Southam	237,935 Performance Rights

# EXPLANATORY STATEMENT

*(f) Remuneration of Daniel Lougher and David Southam*

Details of the remuneration of Daniel Lougher and David Southam, including their related entities, for the year ended 30 June 2013, is set out below.

The Company expects the total remuneration for each of Daniel Lougher and David Southam for the year ended 30 June 2014 to be similar to that set out below in respect of the previous financial year.

Name	Remuneration	
Daniel Lougher	\$680,000	Base salary
	\$107,000	STI quantum
	\$680,000	LTI quantum
	294,800	Performance Rights
David Southam	\$510,106	Base salary
	\$382,580	LTI quantum
	\$77,500	STI quantum
	165,900	Performance Rights

*(g) Previous issues under the Performance Rights Plan*

None of the proposed FY2014 grants have been made under the Performance Rights Plan as at the date of this Explanatory Statement, and it is expected that none will be made until after the date of the 2013 Annual General Meeting.

It is noted the second tranche of the FY12 LTI allocations did not vest due to the relative TSR minimum threshold not being reached by a small margin. These rights were cancelled.

*(h) Eligible participants under the Performance Rights Plan*

Executive Directors are entitled to participate in the Performance Rights Plan. Those persons who are presently entitled to participate in the Performance Rights Plan, and whose grant of Performance Rights are subject to Shareholder approval under Resolutions 3 and 4, are Messrs Lougher and Southam.

*(i) Loans in relation to the acquisition of Performance Rights*

No loans will be made by the Company in connection with the acquisition of the Performance Rights.

A voting exclusion statement for Resolutions 3 and 4 is included in the Notice of Meeting.

**Board recommendation**

The Board (other than Mr Lougher in respect of Resolution 3, and Mr Southam in respect of Resolution 4) have considered the corporate governance issues relevant to executive compensation arrangements, including the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations". The Board has formed the view that the grant of the Performance Rights to the Directors on the terms and conditions set out in this Explanatory Statement is reasonable and that the value and quantum of the Performance Rights are not excessive nor unusual for a company of the Company's size in light of recent market practice of remuneration of officers in similar positions, and Mr Lougher and Mr Southam's importance (both now and in the future) to the ongoing business operations of the Company.

The Board (other than Mr Lougher in respect of Resolution 3, and Mr Southam in respect of Resolution 4) do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Performance Rights to Messrs Lougher and Southam pursuant to Resolution 3 and 4.

The Board (other than Mr Lougher because of his interest in Resolution 3) unanimously recommends that Shareholders vote in favour of Resolution 3 to approve the grant of Performance Rights under the Performance Rights Plan to Mr Lougher.

The Board (other than Mr Southam because of his interest in Resolution 4) unanimously recommends that Shareholders vote in favour of Resolution 4 to approve the grant of Performance Rights under the Performance Rights Plan to Mr Southam.

# EXPLANATORY STATEMENT

## RESOLUTION 5 – PROVISION OF FINANCIAL ASSISTANCE BY WESTERN AREAS NICKEL PTY LTD

### **Background to resolution**

On 14 March 2012, the Company announced that it had completed the acquisition of 100% of the shares in Western Areas Nickel Pty Ltd (then known as Kagara Nickel Pty Ltd) (**Western Areas Nickel**), including the Lounge Lizard nickel deposit, from Kagara Limited (**Acquisition**).

The Acquisition was funded from a mix of cash reserves and the Company's syndicated corporate bank facility with the Australia and New Zealand Banking Group Limited (**ANZ**) as agent and financier (**Facility**).

On 8 March 2013, the Company announced a revised syndicated corporate bank facility with ANZ of \$125 million (**Revised Facility Agreement**) which extended and enlarged the existing Facility.

In accordance with the terms of the Revised Facility Agreement, the Company must procure that Western Areas Nickel (a wholly owned subsidiary of the Company following the Acquisition):

- becomes an additional guarantor under the Revised Facility Agreement; and
- secures its obligations under the Revised Facility Agreement by providing a first ranking security interest over all of its assets and undertakings, or such other form of security as the financiers may require.

The Company considers the proposed provision of the guarantee and security by Western Areas Nickel may constitute provision of financial assistance within the meaning of Part 2J.3 of the Corporations Act (**Financial Assistance**) as a result of the Acquisition being partially funded by the Facility.

Accordingly, the Company seeks approval by special resolution (which requires at least 75% of the votes that are cast on Resolution 5 to be in favour of Resolution 5) for the provision of Financial Assistance by Western Areas Nickel in order to allow the Company to comply with certain of its obligations under the Revised Facility Agreement.

### **Financial Assistance under the Corporations Act**

Under Section 260A of the Corporations Act, a company may financially assist a person to acquire shares in it or its holding company only in certain limited circumstances, including where the assistance is approved by Shareholders under section 260B.

Under Section 260B(1) of the Corporations Act, Shareholder approval must be given by the Shareholders of the Company at a general meeting by either:

- (a) a special resolution, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary Shareholders.

In addition, under Section 260B(2) of the Corporations Act, as Western Areas Nickel became a subsidiary of a listed holding corporation (being the Company) immediately after the acquisition of shares, the Financial Assistance must also be approved by a special resolution passed at a general meeting of the Company.

The giving of the Financial Assistance has been approved by a unanimous resolution of the sole Shareholder of Western Areas Nickel (being the Company) in accordance with Section 260B(1) of the Corporations Act. Accordingly, it is proposed that the Financial Assistance now be approved by special resolution of the Shareholders of the Company.

In compliance with the information requirements of Section 260B(4) of the Corporations Act, Shareholders are advised of the information below.

#### *(a) Reason for the provision of the Financial Assistance*

The reason for the giving of the Financial Assistance is to enable the Company to comply with certain of its obligations under the Revised Facility Agreement (as described above). If such obligations are not complied with in a timely manner, this failure to comply may constitute an event of default under the Revised Facility Agreement.

# EXPLANATORY STATEMENT

## *(b) Effect of the Financial Assistance*

The substantial effect of the Financial Assistance on Western Areas Nickel is that Western Areas Nickel will have guaranteed all amounts payable under the Revised Facility Agreement and granted security over its assets and undertaking for the obligations under the Revised Facility Agreement.

Western Platinum NL, and Australian Nickel Investments Pty Ltd (being two wholly owned subsidiaries of the Company) are existing guarantors under the Revised Facility Agreement. Accordingly, the giving of the Financial Assistance by Western Areas Nickel is unlikely to adversely affect the Company or Western Areas Nickel, except that the operations of the Western Areas Nickel may be restricted by the representations and undertakings given by them under the Revised Facility Agreement, which include:

- a negative pledge;
- undertakings not to acquire or dispose of assets;
- undertakings not to incur financial obligations; and
- undertakings not to make distributions to Shareholders,

in each case subject to agreed exceptions.

These terms are the same terms upon which the other 100% subsidiaries, Western Platinum NL, and Australian Nickel Investments Pty Ltd have guaranteed the obligations of the Company under the Revised Facility Agreement.

## *(c) Advantages of the Financial Assistance*

The principal advantage to the Company (and, indirectly, Western Areas Nickel) is ensuring that the Company and its subsidiaries continue to have the benefit of, and meet their obligations under, the Revised Facility Agreement.

## *(d) Disadvantages of the Financial Assistance*

As the Company is already liable for the amounts due, and two of the Company's wholly owned subsidiaries are existing guarantors, under the Revised Financing Agreement, the Directors do not believe there are any material disadvantages to the Company by the provision of the Financial Assistance.

The potential disadvantages of the proposed resolution for Western Areas Nickel include the following:

- it will become liable for the amounts due under the Revised Facility Agreement;
- its assets and undertaking will be subject to the security granted by it; and
- its operations will be restricted by the representations and undertakings given by them under the Revised Facility Agreement.

However, the Directors consider that these risks are acceptable in the circumstances based on information available at this time.

The Directors do not currently have any reason to believe that the Company or any of its subsidiaries are in, or would be likely to, default on their obligations under the Revised Facility Agreement.

## **Prior notice to ASIC**

A copy of this Notice of Annual General Meeting was lodged with ASIC before being sent to the Shareholders of the Company, as required by Section 260B(5) of the Corporations Act.

## **Board recommendation**

The Directors consider that this Explanatory Statement contains all information known to the Company that is material to the decision of how to vote on Resolution 5, other than information that it would be unreasonable to require the Company to disclose because the Company has previously disclosed the information to its members.

The Board unanimously recommends that Shareholders vote in favour of Resolution 5 to approve the provision of the Financial Assistance by Western Areas Nickel to the Company.

## **ENQUIRIES**

Shareholders should contact the Company Secretary, Mr Joseph Belladonna on (+61 8) 9334 7777 if they have any queries in respect of the matters set out in these documents.



# GLOSSARY

<b>A\$ or \$</b>	Australian dollars.
<b>ASX</b>	ASX Limited.
<b>Board</b>	board of Directors.
<b>Company</b>	Western Areas Ltd ABN 68 091 049 357.
<b>Constitution</b>	the constitution of the Company, as amended from time to time.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Director</b>	Director of the Company.
<b>Explanatory Statement</b>	the explanatory statement that accompanies the Notice.
<b>Listing Rules</b>	the Listing Rules of the ASX.
<b>Meeting or General Meeting or Annual General Meeting</b>	the meeting convened by the Notice of Meeting.
<b>Notice or Notice of Meeting</b>	this Notice of Annual General Meeting.
<b>Performance Right</b>	an entitlement granted to a participant in the Performance Rights Plan to receive one Share subject to the satisfaction of applicable vesting conditions and/or performance hurdles.
<b>Performance Rights Plan</b>	the Company's Performance Rights Plan as amended from time to time.
<b>Resolutions</b>	the resolutions set out in the Notice of Meeting.
<b>Schedule</b>	a schedule to this Notice of Meeting and Explanatory Statement.
<b>Share</b>	fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	holder of a Share in the Company.
<b>WST</b>	Australian Western Standard Time.

# SCHEDULE - TERMS OF PERFORMANCE RIGHTS PLAN

A summary of the Performance Rights Plan is set out below:

Eligibility:	The Performance Rights Plan is open to full time and part-time employees of the Company or its related bodies corporate ( <b>Group</b> ), Directors of any member of the Group, and any other person who is declared by the Board of the Company ( <b>Board</b> ) to be eligible to participate in the Performance Rights Plan.
Instruments:	The Performance Rights Plan allows the Board to grant Performance Rights, that is, zero exercise priced options, with each Performance Right representing a right to acquire one Share, provided that the relevant vesting conditions and/or performance hurdles are satisfied.
Equity pool:	Up to 5% of the issued capital of the Company is available for grant under the Performance Rights Plan (assuming all outstanding Performance Rights granted under the Performance Rights Plan are exercised).
Grant of Performance Rights:	The individual grants of Performance Rights to those eligible to participate in the Performance Rights Plan will be as determined by the Board in its sole and absolute discretion, subject to any necessary Shareholder approvals.
Grant date:	The timing and frequency of the grant of Performance Rights will be as determined by the Board in its sole and absolute discretion.
Exercise price:	Performance Rights will be granted with a nil exercise price.
Life of Performance Rights:	Unless otherwise determined by the Board in its sole and absolute discretion, Performance Rights granted will have a maximum life of four years, such that if they are not exercised before the four year anniversary of their grant ( <b>Expiry Date</b> ) they will lapse.
Transferability of Performance Rights:	Performance Rights will not be transferable, other than: <ul style="list-style-type: none"> <li>• to a nominated party of a participant, where the Board determines that that participant may do so;</li> <li>• with the prior consent of the Board; or</li> <li>• on a participant's death, to the participant's legal personal representative.</li> </ul>
Rights attaching to Performance Rights:	Participants will have no voting or dividend rights until Performance Rights are exercised and the participants hold Shares.
Vesting conditions and performance hurdles:	The vesting of Performance Rights will be conditional on the satisfaction of any vesting conditions and/or performance hurdles which the Board has determined will attach to any Performance Rights.
Vesting notification:	When a Performance Right vests, the Company will issue a vesting notification to the relevant participant, after which the vested Performance Right will be automatically exercised within a period specified by the Board.
Lapsing conditions:	Unless otherwise determined by the Board in its sole and absolute discretion, any unvested Performance Rights will lapse on the earlier of: <ul style="list-style-type: none"> <li>• the cessation of a participant's employment or office (subject to the rules governing cessation of employment summarised below);</li> <li>• where a participant has acted fraudulently, dishonestly, or wilfully breached their duties;</li> <li>• if any applicable vesting conditions and/or performance hurdles are not, or, in the opinion of the Board, cannot be, achieved by the relevant time; or</li> <li>• the Expiry Date.</li> </ul>

# SCHEDULE - TERMS OF PERFORMANCE RIGHTS PLAN

Cessation of employment or office:	<p>Where a participant ceases employment or office as a "Good Leaver", the Board may determine in its sole and absolute discretion to allow some or all of the unvested Performance Rights held by that participant to vest and be automatically exercised.</p> <p>Where a participant ceases employment or office as a "Bad Leaver", all unvested Performance Rights will automatically be forfeited by the participant and lapse, subject to the Board determining otherwise in its sole and absolute discretion.</p> <p>A "Bad Leaver" is defined as a participant whose employment or office ceases in the following circumstances:</p> <ul style="list-style-type: none"> <li>• the participant is dismissed from employment or office due to serious misconduct, material breach of the terms of any contract of employment or office, gross negligence, or other conduct justifying summary dismissal;</li> <li>• the participant voluntarily resigns;</li> <li>• the participant ceases employment or office for any reason and acts in breach of any post-termination restrictions;</li> <li>• the participant being ineligible to hold office for the purposes of Part 2D.6 of the Corporations Act; or</li> <li>• any other reason the Board determines in its sole and absolute discretion.</li> </ul> <p>A "Good Leaver" is defined as a participant whose employment or office ceases and who is not a "Bad Leaver".</p>
Rights attaching to Shares:	All Shares acquired by participants upon the exercise of Performance Rights will rank equally with existing Shares on and from the date of acquisition.
Disposal restrictions on Shares:	<p>Prior to the grant of any Performance Rights, the Board may impose disposal restrictions on Shares acquired by participants following the exercise of Performance Rights, for example, by way of the use of an employee share trust or an ASX holding lock.</p> <p>During any Share disposal restriction period, participants will have full dividend and voting rights.</p>
Change of control event:	<p>A change of control event occurs if:</p> <ul style="list-style-type: none"> <li>• a person or entity becomes a legal or beneficial owner of 50% or more of the issued share capital of the Company;</li> <li>• a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the issued share capital of the Company; or</li> <li>• a Court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies.</li> </ul> <p>In the event of a change of control event occurring, the Board may determine that some or all unvested Performance Rights will vest and be automatically exercised. Any Performance Rights that the Board determines will not vest in such circumstances will automatically lapse.</p>
Bonus issues:	Subject to the Listing Rules, if there is a bonus issue to the holders of Shares, then the number of Shares over which a Performance Right is exercisable will be increased by the number of shares which the holder of the Performance Right would have received if the Performance Right had been exercised before the record date for the bonus issue.
Pro rata issues:	If the Company makes a pro rata issue to the holders of Shares, then the number of Shares over which Performance Rights can be exercised will be reduced in accordance with the Listing Rules.
Reorganisation:	In the event of any reorganisation (including consolidation, sub-division, reduction, return or cancellation) of the issued capital of the Company, the number of Performance Rights to which each participant is entitled will be changed in accordance with the Listing Rules.
Buy-back:	The Company may buy-back Performance Rights and/or Shares acquired upon exercise of Performance Rights in accordance with the rules of the Performance Rights Plan.




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**Proxy Form**



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**SRN/HIN: PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:00am (WST) Tuesday 19 November 2013**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions for Postal Forms**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Western Areas Ltd hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Western Areas Ltd to be held at Hyatt Regency Perth, The Plaza Ballroom 1, 99 Adelaide Terrace Perth, Western Australia, 6000 on Thursday 21 November 2013 at 10.00am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2, 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 2, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 2, 3 and 4 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### Ordinary Business

For Against Abstain

Resolution 1	Re-election of Independent Non-Executive Director – Mr Ian Macliver	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Special Business

Resolution 3	Issue of Performance Rights to Daniel Lougher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Performance Rights to David Southam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Provision of Financial Assistance by Western Areas Nickel Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_