

**23 November 2017****ASX: WSA****News Release****CHAIRMAN'S ADDRESS - 2017 ANNUAL GENERAL MEETING**

On behalf of the Board of Director, I am pleased to welcome you to the 2017 Annual General Meeting.

Western Areas has had another strong year of production from our mines, demonstrating innovation, operational improvements and cost discipline, whilst advancing our growth projects, including the construction of the Mill Recovery Enhancement Project (MREP) at Forrestania and the delivery of a Pre-Feasibility Study (PFS) on the Odysseus Project at Cosmos. Importantly all of this was achieved in an environmentally responsible and safe manner. This performance is coupled with a strong debt free balance sheet that ensures we are well-positioned to take advantage of any opportunities which are presented, while remaining well placed to face any challenging times should they be encountered.

For a substantial portion of the 2017 financial year, the Company dealt with a volatile nickel price environment. However, despite this uncertainty the Company returned to an after-tax profit position and importantly generated positive free cashflow. The earnings and cashflow results are a major achievement in light of the nickel price challenges experienced and the 2 cent per share dividend an appropriate return based on the cash value realised from the sale of selected non-core assets.

In addition, cash at bank for the year increased by A\$65m mainly due to lower operating costs, improved terms from the new offtake contracts and the staged sale of the Company's interest in Bluejay Mining Plc which realised cash to the value of \$32m in the latter half of the financial year. During the year Western Areas continued to deliver on its objective to derive value for non-core assets, such as the Lithium exploration rights on its Forrestania northern tenements. Following two transactions, Western Areas now holds just under 5.0% of Kidman Resources Ltd and as such retains ongoing exposure to any lithium exploration upside on the tenements.

At our operations we continue to be very focused on controlling costs, further optimising our business and strategically positioning ourselves to benefit from a change in the nickel price. In February, we commenced new and improved offtake contracts with both BHP Nickel West and Tsingshan Group. Through the Tsingshan contract, we have uniquely strategically positioned ourselves in the stainless steel supply chain, with China's largest producer of stainless steel and biggest nickel consumer. Tsingshan offers a new delivery port in China and we are pleased to report that the change to Tsingshan has been implemented seamlessly.

In April, the Company was pleased to announce the go ahead for the Mill Recovery Enhancement Project. Construction works have progressed on time and on budget with commissioning and production scheduled for late in the March 2018 quarter. We are confident that additional nickel product can either be blended into the concentrate we already sell, or potentially sold into a new offtake agreement directly into the emerging EV battery market. This new and innovative process has the potential to generate high value product for sale directly into the battery manufacturing market, and is something management have been working on for a number of years as we identified this emerging trend some time ago.

Many market commentators suggest a key driver of the resurgence in the nickel price will be from electric vehicle demand, consumer electronic and sustainable energy markets which all require the lithium-ion battery as a power source. The start of the 2017 financial year saw the nickel price trading at close to US\$4 per pound, and then it reached highs of over \$US5 per pound before being pulled lower due to emerging geopolitical impacts on the nickel market. We have had a promising start to the new financial year with a rally in the nickel price and we will continue to strategically position ourselves to capitalise, on what we hope, will be a continued rise given the encouraging medium term nickel demand fundamentals.

WESTERN AREAS LTD



Going forward, the Company's focus is to continue providing a safe working environment for all our staff and contractors, driving further efficiency gains and to maintain a strong financial position. We will also advance our organic growth projects and pursue our excellent exploration potential at the Forrestania, Cosmos and Western Gawler regions. The exploration potential at our Cosmos project was evidenced in December when we announced world class intersections below the Odysseus deposit. Combined with the robust PFS announced for Odysseus, we are very encouraged by the significant upside opportunities for the group. We look forward to completing and reporting on the DFS for the Odysseus project which remains on track for delivery in April 2018.

In closing, I would like to take this opportunity to thank all our staff, contractors and suppliers for their support throughout the year. The valuable insights and hard work of everyone has been instrumental in keeping the focus on the core business of low cost, long life nickel production and new discoveries for Western Areas.

-ENDS-

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FORWARD LOOKING STATEMENT:

This release contains certain forward-looking statements including nickel production and cost targets. 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.

Examples of forward looking statements used in this report include: “We have had a promising start to the new financial year with a rally in the nickel price and we will continue to strategically position ourselves to capitalise, on what we hope, will be a continued rise given the encouraging medium term nickel demand fundamentals”.

These 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.

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.