



9 January 2019

ASX: WSA

**News Release**

**ODYSSEUS PROJECT UPDATE – POST DFS WORKS ON PLAN AND BUDGET**

Western Areas Ltd (“Western Areas” or the “Company”) is pleased to announce that the early capital works and post DFS planning activities at the Odysseus Project (ASX release 22 October 2018) are progressing as planned and to budget, with several key recent milestones achieved.

- **Schlumberger submersible pump installed to accelerate dewatering**
- **Decline rehabilitation mining contract awarded to Barminco Ltd with mobilisation to commence mid-January 2019**
- **Construction of all surface water management ponds and high voltage electrical reticulation complete and operational**
- **Existing 520 person camp upgraded to cater for all staff required during the initial works**
- **Purchase of shaft headgear complete with planning for freight from South Africa to Perth underway**
- **Optimisation studies, including technical studies, for mining the AM5 and AM6 orebodies (in addition to DFS mining volumes) progressing well**

Western Areas Managing Director, Dan Lougher, said that the Company is pleased to be on track and on budget with the early capital works construction and post DFS activities at Odysseus.

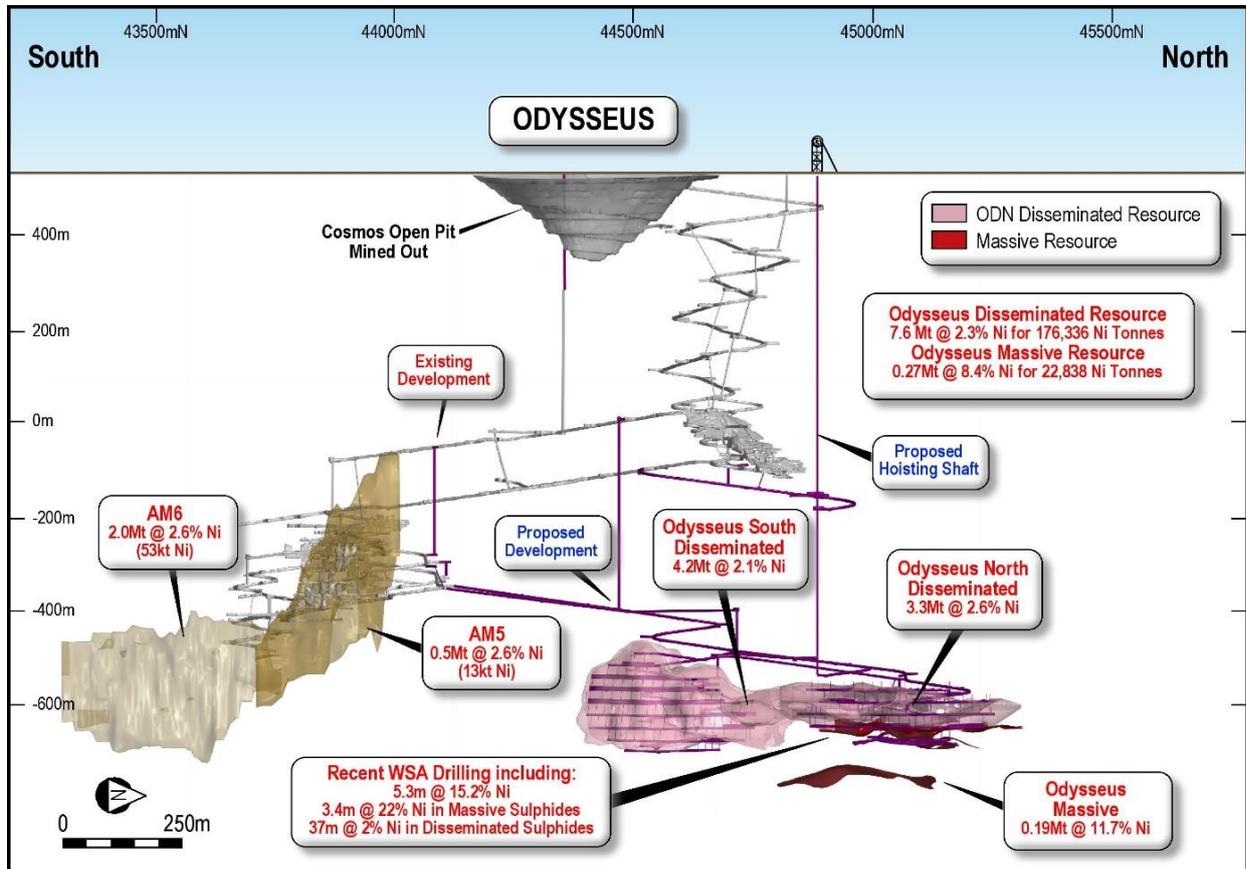
“Odysseus is an important growth asset for Western Areas and should be one of the few new global nickel sulphide operations scheduled to come online as the forecast uplift in nickel demand for electric vehicles impacts the market in the 2022 timeframe. To realise this potential, our focus now turns to the next phase of activity related to establishing the underground mine infrastructure,” Mr Lougher said.

“In addition, Western Areas is continuing to work on the planned optimisation studies as outlined in the DFS announcement. It is important to note that the DFS did not include the 57.6kt nickel Mineral Resource contained in the adjacent AM5 and AM6 deposits and the potential to mine ore from these deposits will give the project both upside and optionality within the mining production sequence if required.

“The Odysseus Project is a robust project and the Company is excited to move into the next phase of project construction. The capital outlay for the coming years is expected to be funded from the Company’s cash reserves, with significant capital not required until FY22 and FY23,” Mr Lougher said.



Odysseus Project Long Section



Cosmos open pit dewatering

Since the start of the early works program, all dewatering activities have been from within the Cosmos open pit. To date over one million cubic metres of water have been pumped into surface water management ponds, reducing the water level by 37m.





## Installation of the Schlumberger submersible pump

The Schlumberger pump will add an additional 100 l/s pumping capacity from a depth of 500m below surface. It is currently being installed in one of the existing rising main infrastructure holes. A step change in dewatering will be achieved via the introduction of this pump.



## Water management ponds and high voltage reticulation

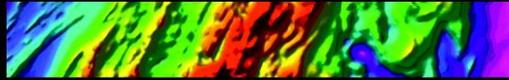
The first phase of the early works schedule was the rehabilitation of the existing water management ponds (WMP 1-5) and the construction of two new evaporation ponds (WMP 8 and 9). These are now complete and being fully utilised.

All the power requirements to run the surface infrastructure, dewatering pumps and for commencement of the underground decline rehabilitation are in place utilising the existing power lines and hired gensets.



## Decline rehabilitation

The decline rehabilitation represents the second phase of the early works program. The contract for this work was recently awarded to Barminco, an underground mining specialist. Commencing in mid-January 2019, this will take 6 months to complete after which a pump station will be constructed to assist in ongoing dewatering down to the AM5 and AM6 ore body position.

**Shaft headgear acquisition**

In late December 2018, the Company completed the purchase conditions, financially settled and took control of the shaft infrastructure assets in South Africa. Plans are now well advanced with RSV International (RSV) for completion of any required refurbishments prior to shipping to Western Australia and installation at the Cosmos site.



The finalisation of the shaft acquisition and the Schlumberger pump installation represent the final, near-term, long-lead items required for the Odyssey project.

**Cosmos village refurbishment**

The existing Cosmos village consists of 520 en-suite rooms with associated support infrastructure. In preparation for the ramp up in activity in January 2019, 150 rooms have been re-established. In addition, dry-mess facilities have also been established along with a reverse osmosis plant for potable water.

# WESTERN AREAS LTD



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**FORWARD LOOKING STATEMENT:**

This release contains certain forward-looking statements including nickel production 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: “Odysseus should be one of the few new global nickel sulphide operations scheduled to come online as the forecast uplift in nickel demand from Electrical Vehicles impacts the market in the 2022 timeframe”, and, “The finalisation of the shaft acquisition and the Schlumberger pump installation are the final, near term, long lead items required for the Odysseus project.”

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. 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.