



5 July 2019

ASX: WSA

News Release

ODYSSEUS PROJECT UPDATE – EARLY WORKS COMPLETED ON PLAN AND BUDGET

Western Areas Ltd (“Western Areas” or the “Company”) is pleased to announce that the early capital works at the Odysseus Project (ASX release 22 October 2018) have been completed as planned and to budget, with several key recent milestones achieved:

- **Decline rehabilitation completed down to the 10,000m RL pump station (500m Below Surface), with pump station mechanical and electrical designs complete.**
- **Dismantling of purchased shaft headgear and winder commenced and expedited in South Africa. Delivery to Perth expected in third quarter of FY2020, to support hoisting shaft operations.**
- **All required tenders and contracts for ongoing works awarded or substantially complete.**
- **Successful recruitment of experienced Project Manager and Construction Manager with extensive shaft construction experience.**

“Western Areas Managing Director, Dan Lougher, said that the Company is pleased to announce the completion of the early works programme, with the Odysseus Project now well on track to deliver the first nickel ore early in FY2023. The Company is fully committed to the development of the Odysseus mine and is very excited to be in a position to advance the next phase of the underground rehabilitation programme down to the AM5/6 orebodies, which will allow new decline development toward the Odysseus deposit.”

“In addition, Western Areas is continuing to work on the planned mining studies for the AM5/6 orebodies. It is important to note that the DFS did not include the 57.6kt nickel Indicated Mineral Resource contained in the AM5/6 deposits. The potential to mine ore from these deposits will provide both upside and optionality within the mining production sequence.”

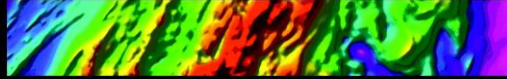
“The Odysseus mine is underpinned by a robust study that demonstrates attractive, long term financial returns and a mine life in excess of 10 years. The capital outlay for the coming years is expected to be funded from the Company’s operating cashflows and cash reserves, while the project retains significant funding optionality into the future. The Company’s balance sheet remains strong, finishing the financial year with A\$144.2m (unaudited) cash at bank and no debt.” Mr Lougher said.

Near-term Work Plan

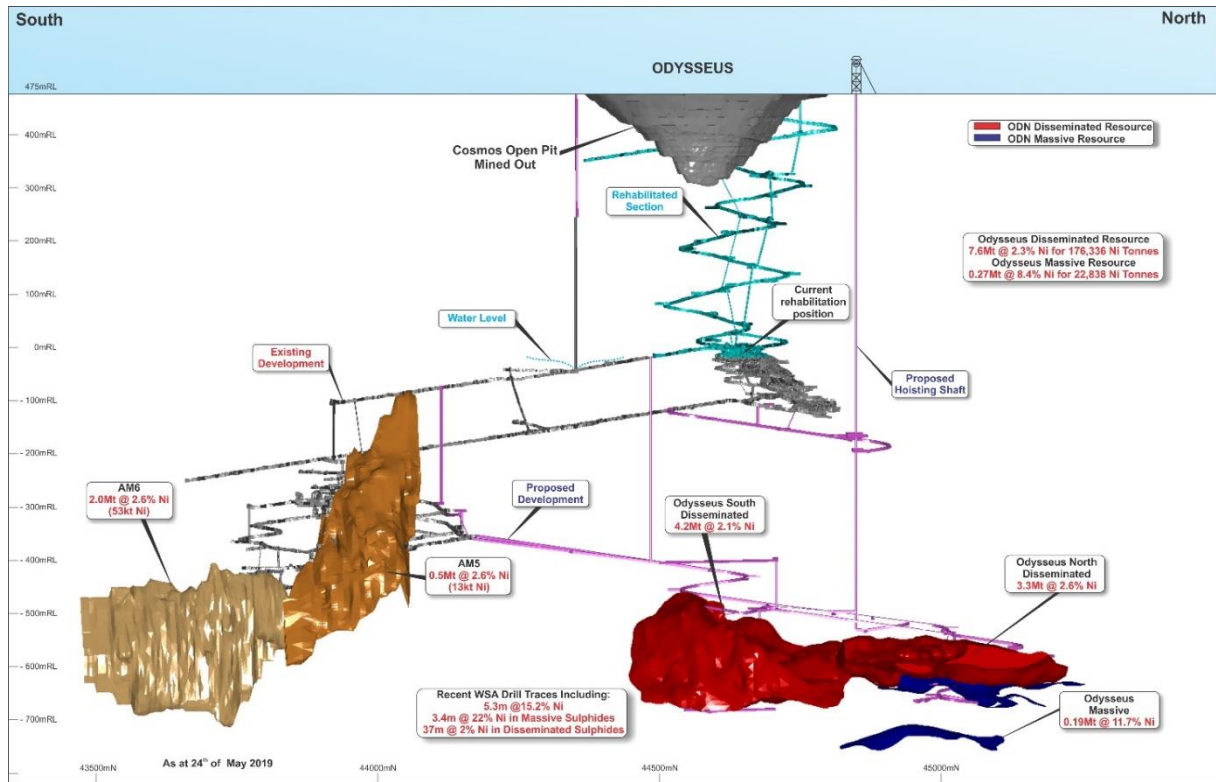
Underground life of mine infrastructure works will continue in parallel with decline rehabilitation down to the AM5/6 orebodies and to the new take off position for the Odysseus decline. Specific activities include:

- **Completion of the mining design for the AM5/6 deposits in the second quarter of FY2020;**
- **Construction and commissioning of the underground pump station and associated infrastructure early in the second quarter of FY2020;**
- **Rehabilitation of the Alec Mairs twin declines down to the new Odysseus decline take off, (adjacent to the AM5/6 orebodies) in the third quarter FY2020;**
- **Delivery of the shaft headgear and winder from South Africa in the third quarter FY2020; and**
- **A further 106 camp rooms to be upgraded (266 in total) during the first half of FY2020, to cater for increased construction activity.**

WESTERN AREAS LTD



Odyssey Project Long Section



Odyssey dewatering

Dewatering of the Cosmos open pit is substantially complete with only limited water to be removed.



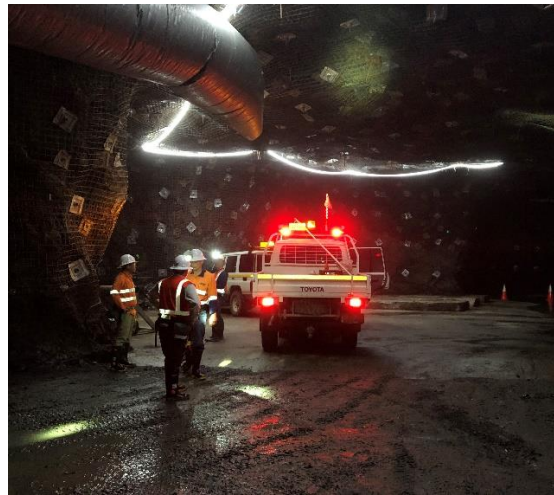


Decline rehabilitation

The decline rehabilitation is now complete down to the 10,000m RL pump station (500m BS). The pump station excavation has been prepared for the installation of the new life-of-mine pumping infrastructure, consisting of six centrifugal pumps, and installation of the rising main to surface. With this in place, ongoing dewatering of the Alec Mairs twin declines down to the AM5/6 orebodies and the new Odysseus decline can commence.



Alec Mairs Decline rehabilitation



10,000m RL Pump station chamber.

Shaft headgear and winder refurbishment

Dismantling and refurbishment plans are well advanced for the acquired hoist shaft headgear and winder, prior to shipping the components to Western Australia for installation at the Cosmos site. The early procurement of the headgear and winder infrastructure in South Africa, has been beneficial to Western Areas, enabling the Company to bring forward the site civils for re-erection of the headgear at Cosmos.

The geotechnical hole for the raise-bore shaft-barrel has also been completed, confirming that ground conditions for the axis of the shaft raisebore excavation appears very favourable.



Headgear and Winder



Manually turning the winder – pre dismantling



Measuring tolerances – pre dismantling

Water management ponds and high voltage reticulation

All water management ponds are now complete and being fully utilised.

Power requirements to run the surface infrastructure, dewatering pumps and to continue underground decline rehabilitation are also fully in place, utilising the existing power lines and two 1250 MVA hired gensets.

-ENDS-

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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: “the Odysseus Project now well on track to deliver the first nickel ore early in FY2023”, and, “The capital outlay for the coming years is expected to be funded from the Company’s operating cashflows and cash reserves, while the project retains significant funding optionality into the future .”

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.