Western Areas NL

AGM – Shareholder Update

18 November 2011

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The information within this PowerPoint presentation was compiled by Mr. Julian Hanna and the information as it relates to mineral resources and reserves was prepared by Mr. Dan Lougher and Mr. John Haywood. Mr. Hanna, Mr. Lougher and Mr. Haywood are full time employees of Western Areas. Mr. Hanna, Mr. Lougher and Mr. Haywood are members of AusIMM and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr. Hanna, Mr. Lougher and Mr. Haywood consent to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.

For Purposes of Clause 3.4 (e) in Canadian instrument 43-101, the Company warrants that Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

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Agenda

WESTERN AREAS NL

- Western Areas Summary (DS)
- Nickel Industry (DS)
- Quarterly & Financials (DS)
- Operations (DL)
- Exploration & Growth (DL)

Western Areas Summary

Board of Directors

Proven Depth & Experience

- Terry Streeter & Julian Hanna founded Western Areas 11 years ago
- Extensive experience in nickel exploration, mining and processing
- Global expertise in project sourcing, exploration & mine development
- Strong banking, financial, M&A & corporate governance backgrounds
- Involvement with other successful nickel companies (Jubilee Mines)
- Solid understanding of Chinese markets, project financing & offtakes

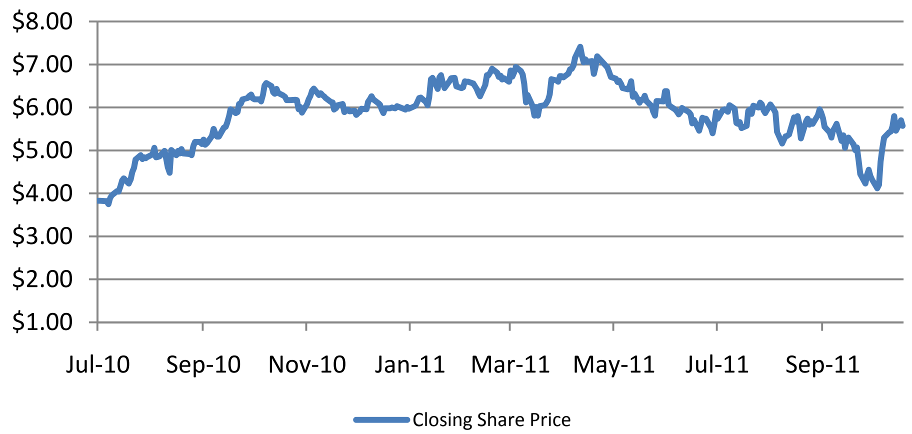
Left to right: Joseph Belladonna (Company Secretary), Dan Lougher (Exec Director – Operations), David Southam (Exec Director – Finance), Julian Hanna (Managing Director), Rick Yeates (Non-Exec Director), Terry Streeter (Non-Exec Chairman), Robin Dunbar (Non-Exec Director) & Ian Macliver (Non-Exec Director)

Introduction - Corporate Summary

Listings:	ASX & TSX Member of S&P ASX 200
Shares on Issue:	179.7M
Options: (varying strike prices >$7.00)	2.0M
Share Price:	~ A$5.70 (November 2011)
Market Cap: (undiluted)	A$1.02 billion
Cash & Receivables:	A$223M at 30 September 2011

Top 15 Shareholders	%
1 T Streeter	14.36
2 Colonial Group	7.02
3 M & A Greenwell	4.98
4 Northward Capital	3.87
5 Giivanni Santalucia	3.45
6 Ausbil Dexia	2.83
7 AMP Group	2.51
8 Goldman Sachs Investment Management	2.47
9 Platypus Asset Management	2.30
10 State Street Corporation	1.92
11 Vanguard Group	1.70
12 Mt Kellet Capital	1.70
13 UBS Asset Management	1.50
14 Independent Asset Management	1.41
15 Concise Asset Management	1.30
TOTAL	53.32

WSA 15 Month Share Price



The Business

WESTERN AREAS NL

Core Business

- Dominant position in 500km long nickel province in Western Australia
- 100% of two of the highest grade, lowest cost nickel mines in the world – tier 1 asset class
- Nickel concentrate plant plus all major surface infrastructure complete
- Independent producer with offtake contracts in Australia and China (4 customers)
- Unrivalled exploration potential for new, high grade nickel sulphide discoveries
- Strong balance sheet, dividend yield, cashflow generation and ready for further growth opportunities

WSA IS THE ONLY AUSTRALIAN NICKEL COMPANY WITH SIGNIFICANT UNCOMMITTED OFFTAKE AVAILABLE TO SMELTERS IN 2012

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Global Nickel Sulphide

WESTERN AREAS NL

There are only 15 nickel sulphide smelters globally. Secure access to supply is critical for downstream players—the reason why Norilsk paid US$6bn for LionOre and Xstrata paid US$3bn for Jubilee

Location							
No. of smelters	**1 smelter**: • Kalgoorlie	**4 smelters:** • Sudbury – Vale • Sudbury - Xstrata • Thompson • Long Harbour (under construction)	**3 smelters:** • Jilin Jien Smelter • Jinchuan Smelter/Refinery • Jinchuan Guangxi (under construction)	**4 smelters:** • Nadezhda Met Plant • Nickel Plant • Kola • Mechel OAO	**1 smelter**: • Harjavalta	**1 smelter:** • Tocantins	**1 smelter:** • Selebi Phikwe (BCL)
Smelter owner(s)	bhpbilliton	VALE xstrata	JNMC JIEN NICKEL	NORILSK NICKEL MECHEL	NORILSK NICKEL	Votorantim	Botswana RST Ltd
Producers	WESTERN AREAS NL INDEPENDENCE GROUP NL PANORAMIC RESOURCES LTD MINCOR xstrata	VALE QuadraFNX MINING LTD xstrata			TALVIVAARA	MIRABELA NICKEL LTD	NORILSK NICKEL xstrata

Source: AME, company filings

Western Areas is Australia's 2nd largest nickel producer

Concentrate Supply & Offtake Contracts

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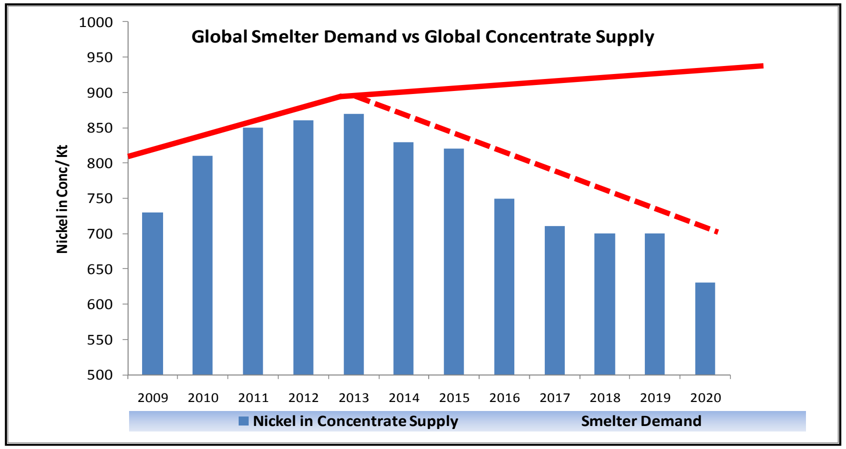
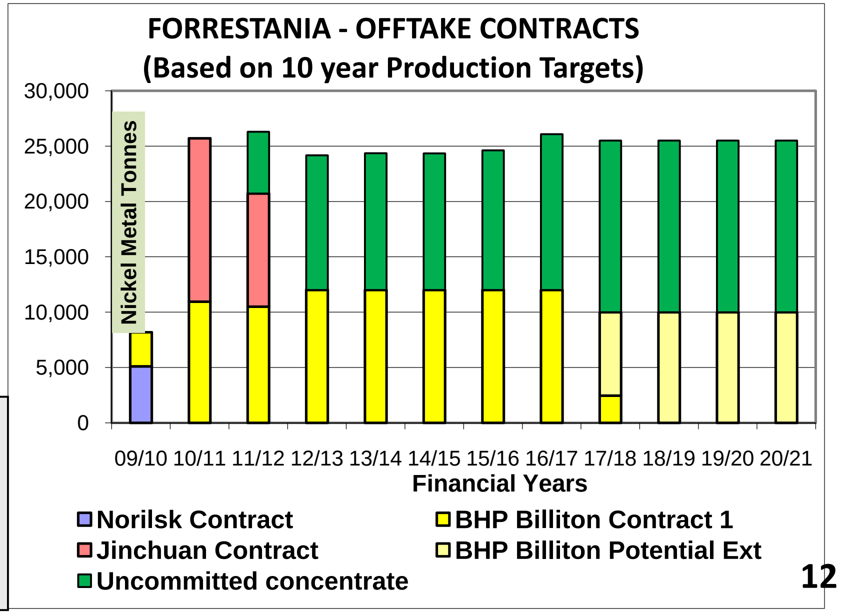
Concentrate Supply

- Reliable concentrate supply dwindling
- Quality nickel sulphide is difficult to find
- Global nickel grades in decline
- Tightness in smelter supply to be experienced from 2013
- Laterites & Nickel Pig Iron do fill the void

Offtake Contracts

- Long term offtake to BHP – 10ktpa lifting to 12ktpa nickel
- Jinchuan contract (25kt nickel fixed) complete Feb 2012
- Tender process underway for uncommitted offtake:
  - o many interested tier 1 parties
  - o negotiations to be completed by 30 November 2011
  - o potential opportunity for strategic alignments
  - o improvement on already excellent payability terms (goal)
- WSA in a unique position being an independent producer





NOTE: The above graph **FORRESTANIA – OFFTAKE CONTRACTS** is based on Western Areas' 10 Year Production Targets. These Targets include estimates and assumptions on production rates of existing ore reserves, conversion of existing mineral resources to ore resources and assumptions on potential extensions to existing mineral resources, based on current information. These Production Targets may vary due to future drilling results, nickel prices, costs and market conditions. **Refer to Disclaimer and Forward Looking Statement in Presentation**

WESTERN AREAS NL

Financial & Quarterly Performance

Full Year 2011 Highlights

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Highlights

- Low cash cost producer <A$2.50/lb
- NPAT of $135m
- Cashflow from operations $276m
  - capex profile decreasing
  - $30m exploration budget
- Yield stock – circa 5%
- Flexible balance sheet, strong cash
- Undrawn debt facility $125m
- 3 Convertible Bonds:
  - July 2012 @ 8.0% - A$105.5m (converts $7.73)
  - July 2014 @ 6.4% - A$110.2m (converts $7.53)
  - July 2015 @ 6.4% - A$120.0m (converts $6.46)

Highlights	FY 2010	FY 2011	FY Variance
Mine Production (tonnes Ni)	13,811	**32,222**	*18,411*
Mill Production (tonnes Ni)	9,576	**25,663**	*16,087*
Recovery	90%	**91%**	*1%*
Sales Volume (tonnes Ni)	10,866	**27,498**	*16,632*
Cash Costs (US$/lb)	2.65	**2.11**	*(0.54)*
Cash Costs (A$/lb)	3.00	**2.12**	*(0.88)*
Exchange Rate USD/ AUD	0.88	**0.99**	*0.11*
Nickel Price (U$/tn)	19,416	**24,000**	*4,584*
EBITDA ('000)	95,544	**312,018**	*216,474*
EBIT ('000)	53,710	**231,991**	*178,281*
NPAT ('000)	14,212	**134,973**	*120,761*
Cashflow from Operations ('000)	87,207	**276,235**	*189,028*
Net Cashflow ('000)	(14,842)	**143,580**	*158,422*
Cash at Bank	65,368	**208,948**	*143,580*
Earnings Per Share (cents)	8.0	**75.1**	*67.1*
Dividend (cents)	6.0	**25.0**	*19.0*

Quarter 1 Performance FY12

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Highlights

- Another excellent quarter on all metrics
- Unit cash costs lower at A$2.20/lb
- Flying Fox now into T5 – 4,256t Ni
- Spotted Quoll open pit delivered 3,400t Ni
- Mill production – 2nd highest on record
- Mill recoveries in excess of 93%

Sales, Stockpiles & Cash

- 4,751t Ni in concentrate sold:
  - o Ship delayed in Sept to Oct (circa 1,000t Ni)
  - o 3 Shipments scheduled for Oct
  - o Emphasis on Dec Quarter shipping
- Ore stockpiles programmed to decrease as Spotted Quoll transitions from open cut to underground
- Cash & Receivables at $223m

		2010/2011			2011/2012
Tonnes Mined		**Dec Qtr**	**Mar Qtr**	**Jun Qtr**	**Sep Qtr**
Flying Fox					
Ore Tonnes Mined	Tn's	96,635	77,205	88,873	95,647
Grade	Ni %	4.6%	5.4%	4.8%	4.5%
Ni Tonnes Mined	Tn's	4,459	4,132	4,236	4,258
Spotted Quoll					
Ore Tonnes Mined	Tn's	56,696	53,819	69,133	59,955
Grade	Ni %	6.2%	6.1%	6.3%	5.7%
Ni Tonnes Mined	Tn's	3,500	3,268	4,325	3,400
Total - Ore Tonnes Mined	Tn's	153,331	131,024	158,006	155,602
Grade	Ni %	5.2%	5.6%	5.4%	4.9%
Total Ni Tonnes Mined	**Tn's**	**7,959**	**7,400**	**8,561**	**7,658**
Tonnes Milled and Sold		**Dec Qtr**	**Mar Qtr**	**Jun Qtr**	**Sep Qtr**
Ore Processed	Tns	123,027	126,383	138,513	134,413
Grade	%	5.4%	5.4%	5.3%	5.1%
Ave. Recovery	%	90%	92%	93%	93%
Ni Tonnes in Concentrate	**Tns**	**5,976**	**6,226**	**6,783**	**6,413**
Ni Tonnes in Concentrate Sold	Tns	5,594	6,813	6,497	4,751
Ni Tonnes in Ore Sold	Tns	507	119	830	357
Total Nickel Sold	**Tns**	**6,101**	**6,932**	**7,327**	**5,108**
Stockpiles					**Sep Qtr**
Ore	Tns	92,405	91,599	97,334	109,969
Grade	%	4.4%	4.8%	5.1%	4.8%
Concentrate	Tns	13,052	7,047	8,653	19,903
Grade	%	14.1%	14.0%	14.1%	14.3%
Contained Ni in Stockpiles	**Tns**	**5,906**	**5,418**	**6,169**	**8,132**
Financial Statistics		**Dec Qtr**	**Mar Qtr**	**Jun Qtr**	**Sep Qtr**
Group Production Cost/lb					
Mining Cost (*)	*A$/lb*	1.36	1.66	1.72	1.60
Haulage	*A$/lb*	0.08	0.09	0.08	0.09
Milling	*A$/lb*	0.40	0.33	0.39	0.35
Admin	*A$/lb*	0.19	0.17	0.14	0.18
By Product Credits	*A$/lb*	(0.02)	(0.02)	(0.02)	(0.02)
Cash Cost Ni in Con (***)	***A$/lb***	**2.01**	**2.23**	**2.31**	**2.20**
Cash Cost Ni in Con/lb (***)	***US$/lb (**)***	**1.99**	**2.24**	**2.45**	***2.29***
Exchange Rate US$ / A$		**0.99**	**1.00**	**1.06**	***1.05***

Operations

Project Location

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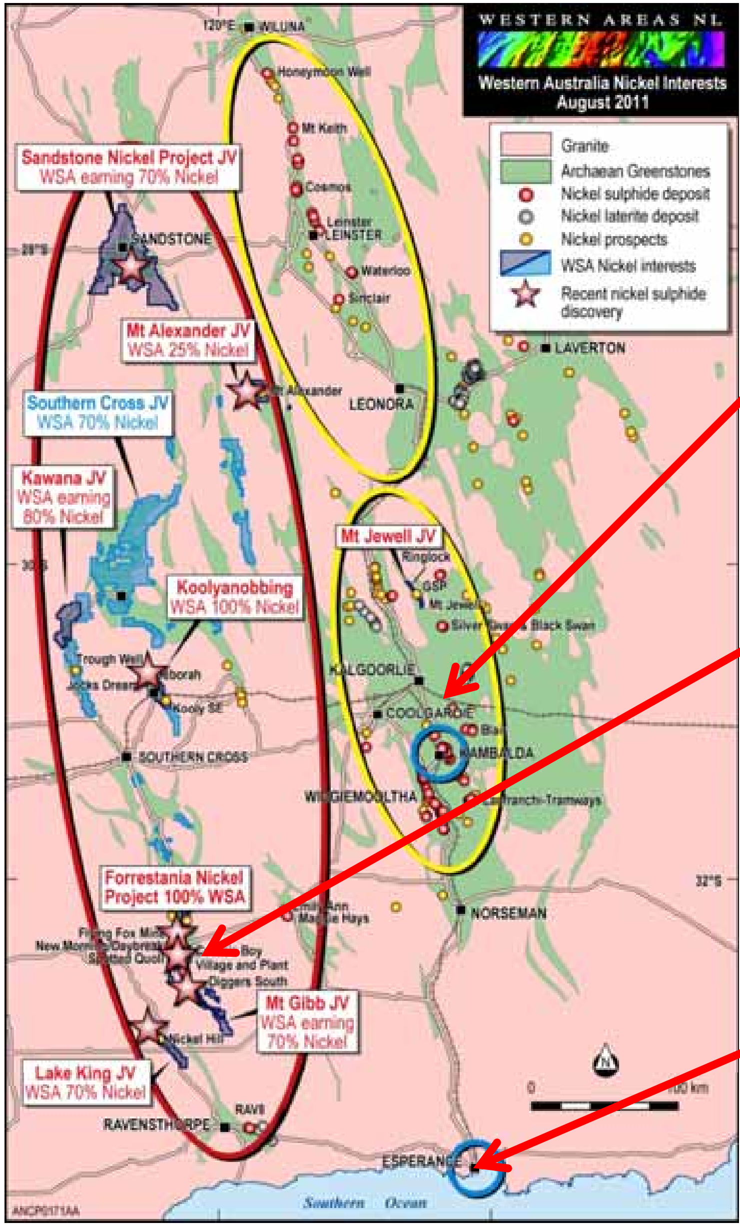


WSA concentrate to BHP Billiton

WSA operations

WSA concentrate exports

Flying Fox Mine

Summary

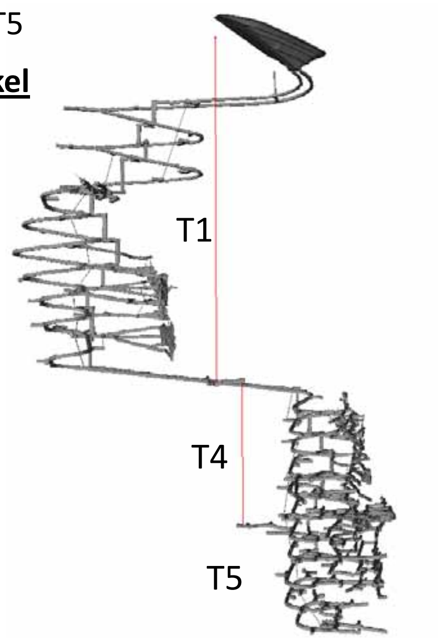
- **Continuous high grade Nickel to 1300m. Open at depth**
- **Ore grades increase at depth from 3.9% to 6.2% Nickel**
- Unusual Geology (positive), Excellent ground conditions

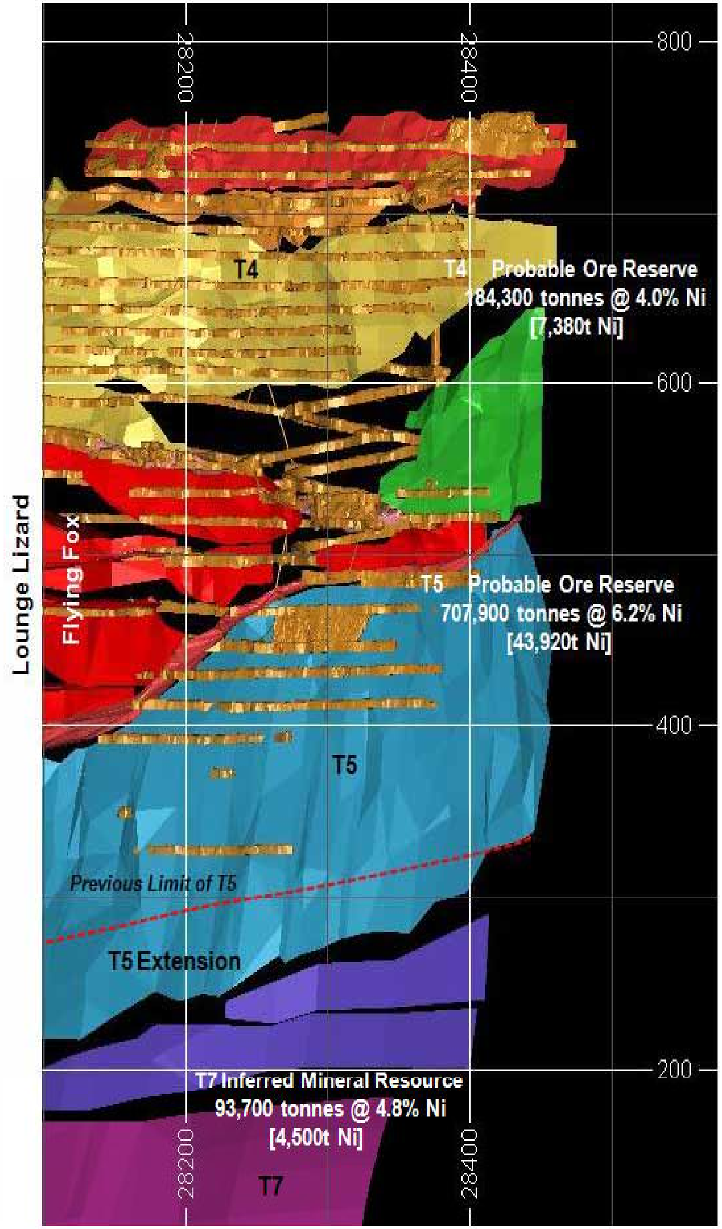
Production

- **FY 10/11 – 347,648t @ 4.7% nickel for 16,190t Nickel**
- Best Intersection : **78m @ 9.3% Nickel** in ore reserve

Resource Upside

- Resource extension potential north and below T5
- Announced intersection T6: **34.7m @ 8.9% Nickel**
- Best intersection T7 : **9.3m @ 5.1% Nickel**





Spotted Quoll – Tim King Pit

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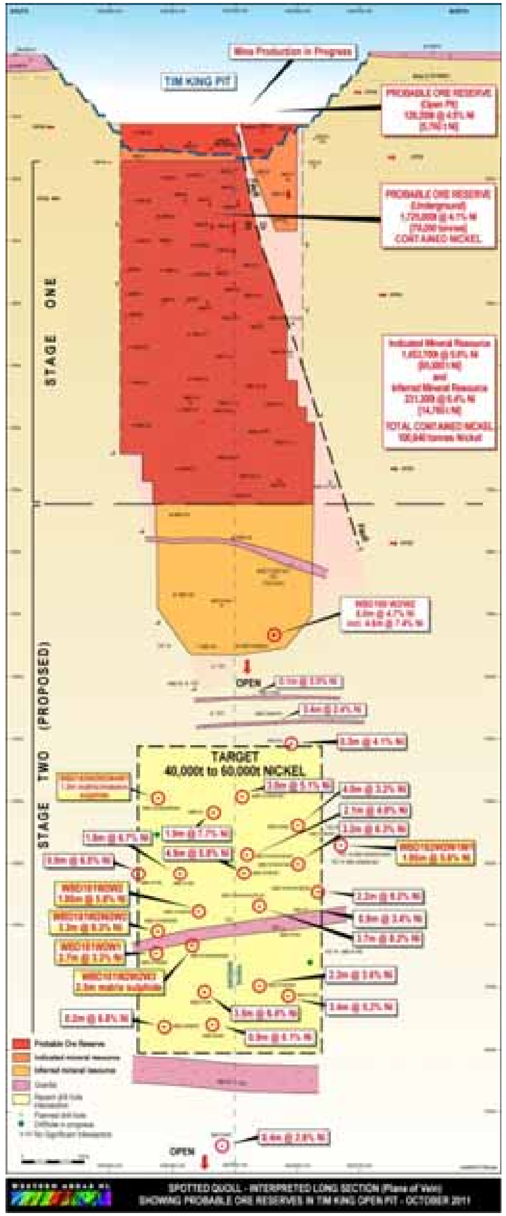
Open Pit Production

- FY 10/11 – 246,626t @ 6.5% Nickel for 16,032t nickel
- Cash cost : <US$2.00/lb nickel

Stage One Underground Mine (8 Years mine life to 450m depth)

- Ore Reserve – 1,730,000t @ 4.0% Ni containing 70,000t nickel

Stage Two Underground Mine (currently being drilled out to 1,000m)



Spotted Quoll Underground Development

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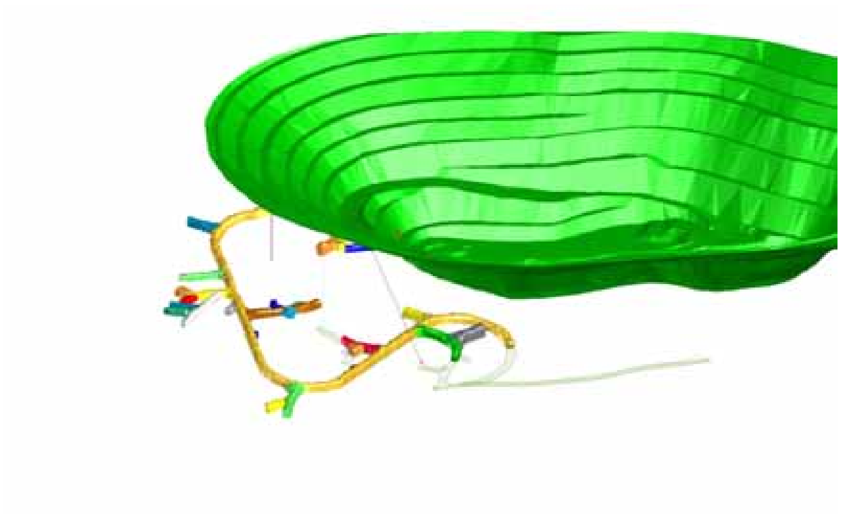
Ni Price US$/lb Exchange Rate US:AUD	$6.00 0.80	$8.00 0.90	$10.00 0.95	$12.00 1.00
NPV(BT)	A$90M	A$184M	A$297M	A$385
IRR(BT)	41%	67%	96%	116%
C1 Cost (US$/lb Ni in Conc.)	$2.29	$2.57	$2.71	$2.86
TOTAL NET CASH A$ M	$162M	$320M	$500M	$640M



FIRST ORE EXPECTED DECEMBER 2011

7 to 8 YEARS MINE LIFE BASED ON CURRENT ORE RESERVES

DRILLING IN PROGRESS (3 RIGS) TO EXTEND MINE LIFE >10 YEARS

UNDERGROUND CASH COSTS TARGET US$2.70/lb NICKEL (before smelter/refinery costs)

Forrestania Nickel Concentrator

Concentrator Summary

- Current capacity of 550,000tpa of ore
- Nickel concentrate output >25,000tpa Ni
- Expansion configured for upgrade to 1mtpa of ore
- Concentrate grades of around 14.0% Ni
- 14,000t of concentrate storage capacity ($43M value)

Export Infrastructure and Logistics

- Access to >1400 sealed shipping containers
- Using 25 trucks for concentrate transportation
- Shipping contract in place, FOB Esperance Port

Concentrator Expansion

- Built to be expandable
- Some items of infrastructure (crusher) already capable of 1mtpa
- Expansion study completed

Exploration & Growth

Growth Strategy

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Short Term < 12 Months

- Spotted Quoll > 10 years
- Flying Fox > 10 years
- Diggers > 10 years
- Mill Expansion feasibility
- Cash costs <US$2.50/lb
- Strong cashflow
- Dividends
- New offtake contract – 15ktpa
- List FinnAust Mining

Medium Term 2-5 years

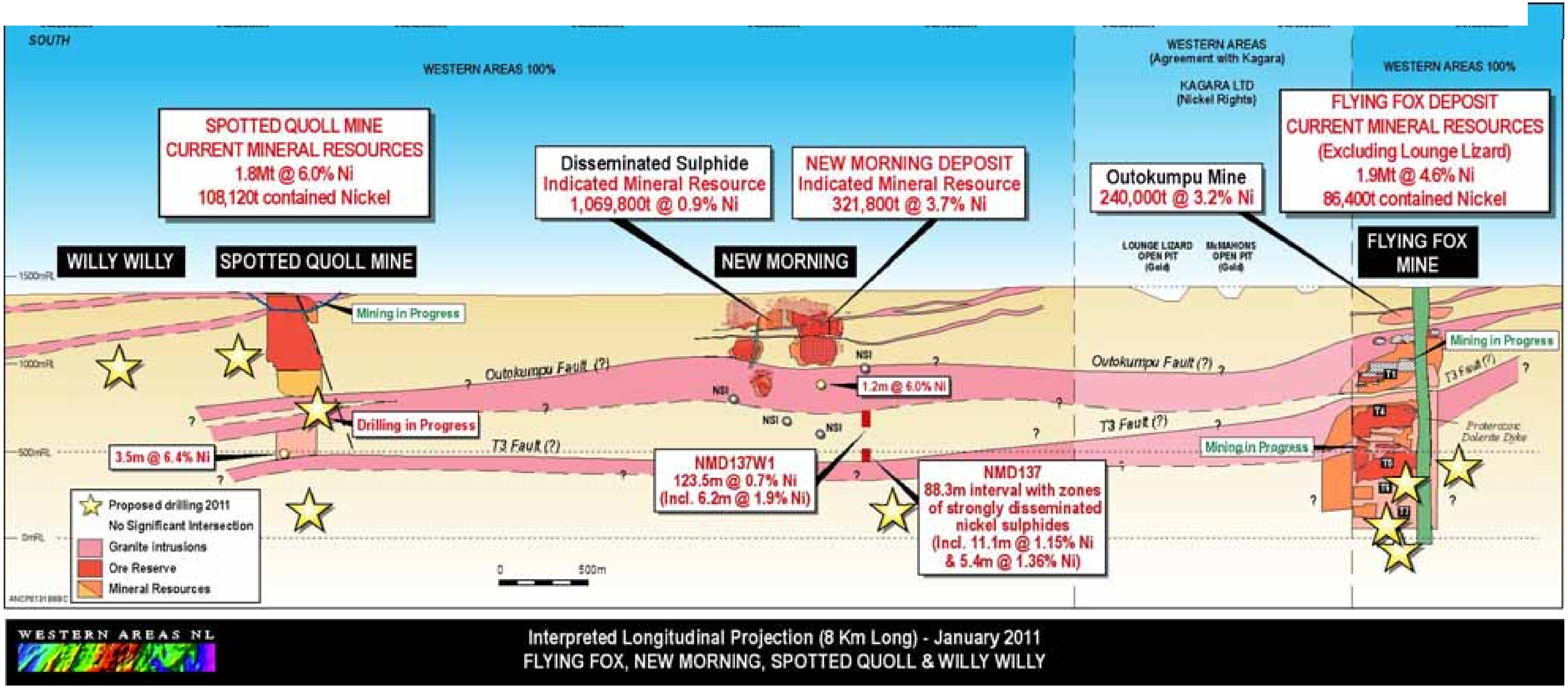
- Spotted Quoll & Flying Fox – 30ktpa
- Diggers – developed & first stage prod – 5ktpa
- Mill expanded 1mtpa
- First quartile cash costs
- Sandstone resource
- FinnAust in feasibility
- Dividends
- Mustang prod – 5ktpa
- Forrestania discovery

Long Term >5 years

- Base Case production 35-40ktpa , plus new mine of 10ktpa
- Sandstone producing – 10ktpa – 15ktpa
- FinnAust producing
- Base Metals exposed
- Dividends
- Continued exploration upside
- Independent producer

Short Term - Near Mine Exploration

- Exploration Budget of A$30M for 2011, majority to be spent on drilling at Forrestania
- 100km strike length of prospective Forrestania Nickel Project, within 500km long nickel province
- Drilling Priority within 8km long zone (below). New discovery would access existing mine infrastructure
- Drilling in progress at Spotted Quoll Deeps and testing T6, T7 and T8 deposits below Flying Fox



Diggers South – Planned underground mine

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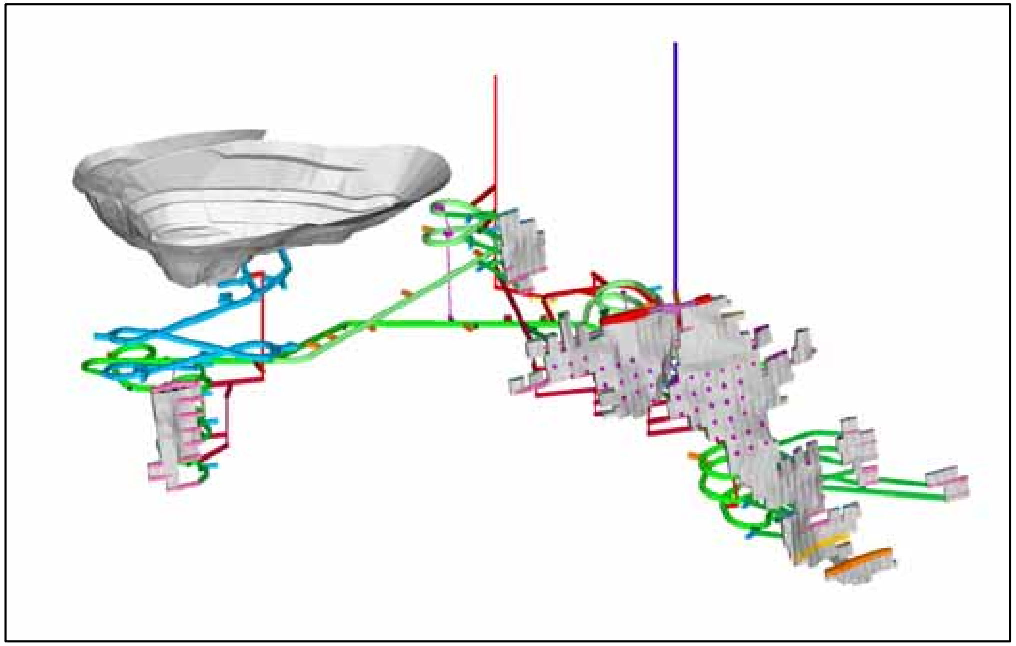
Summary

- Feasibility Study and surface works complete
- Major dewatering infrastructure in progress
- Existing mine development to access higher grade zone
- Approx $100m capex required to develop mine and plant expansion to 1.0Mt



2011 Drilling & Development Program

- Drilling in progress to increase ore reserves to target > 60,000t Ni
- Target production ~6,000tpa Ni for >10 years
- Potentially deal with a strategic partner with part ownership and offtake rights

Medium Term - Regional Exploration

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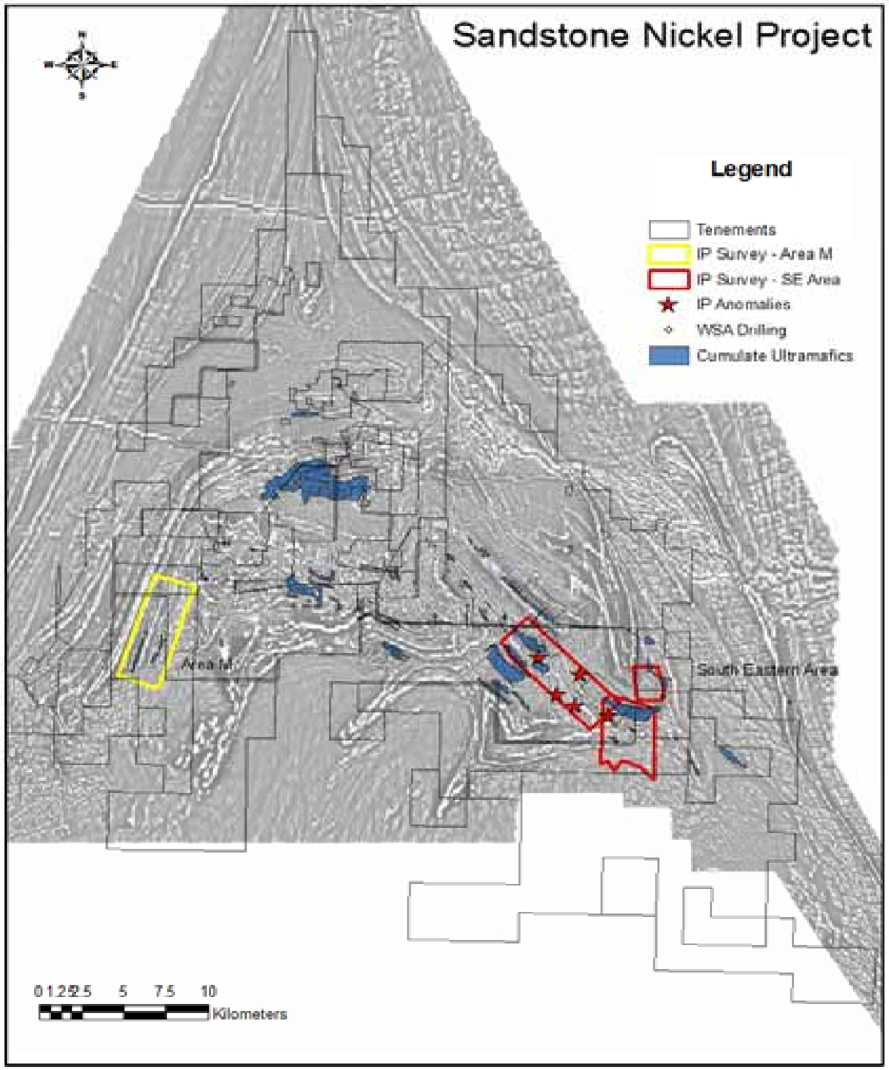
SANDSTONE JOINT VENTURE

Comments

- WSA earning 70% of nickel rights to the Sandstone JV with Troy Resources
- Targeting a major new nickel camp with potential for multiple mines
- One of largest areas of untested nickel prospective ground in Western Australia
- Encouraging early results with nickel sulphide intersected in 2010
- Major step up in drilling and geophysical program underway for 2011/12



Medium Term - Mustang Minerals

- WSA owns 19.9% of Mustang Minerals - a Canadian listed nickel and PGM company
- Mustang has recently acquired flotation plant for planned Makwa nickel/copper mine in Manitoba
- Feasibility nearing completion for the Makwa mine – targeting 5,000tpa nickel in concentrate
- WSA has two Board positions plus provides technical support to develop Makwa mine
- Potentially significant Palladium & Platinum discovery near Mayville copper/nickel deposit in Manitoba

Mayville drill core DDH 16:

74.7m @ 0.75% Cu and 0.24% Ni

Gabbro hosted

Open at depth, along strike

CANADA – East Bull Lake (WSA earning 65%)

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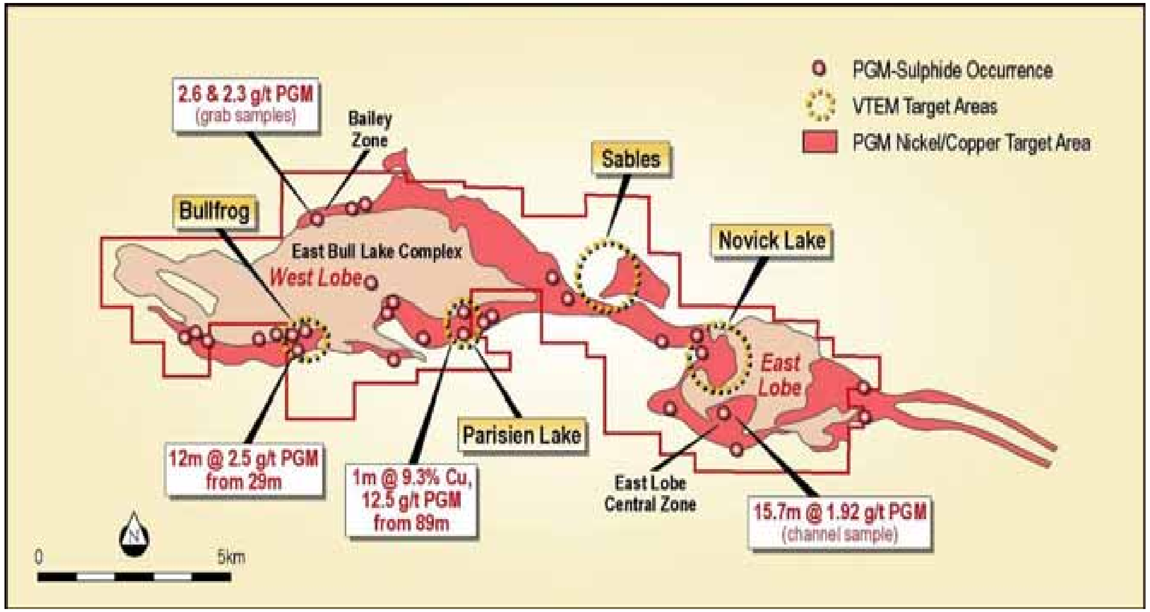
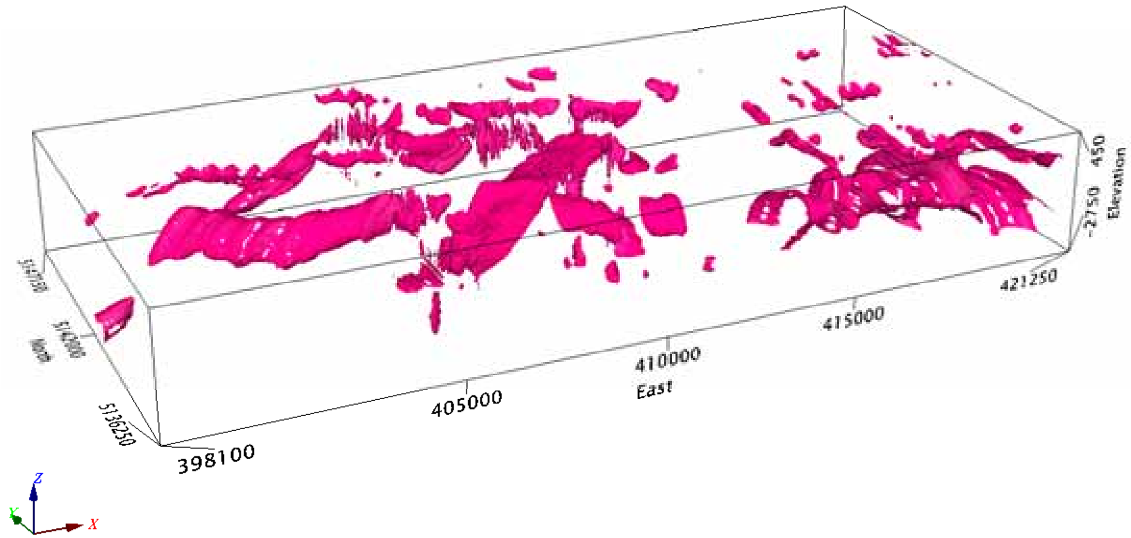
Highly anomalous Nickel/Copper and Platinum/Palladium in Gabbro intrusion - 80km west of Sudbury.

Sulphide mineralisation occurs in outcrop and shallow drilling around margins of intrusion.





Numerous ZTEM responses interpreted at base of Intrusion from 300m to 1500m depth.

Drilling planned to commence Mar Q 2011 to test these targets.

Medium to Long Term - FinnAust Mining Plc

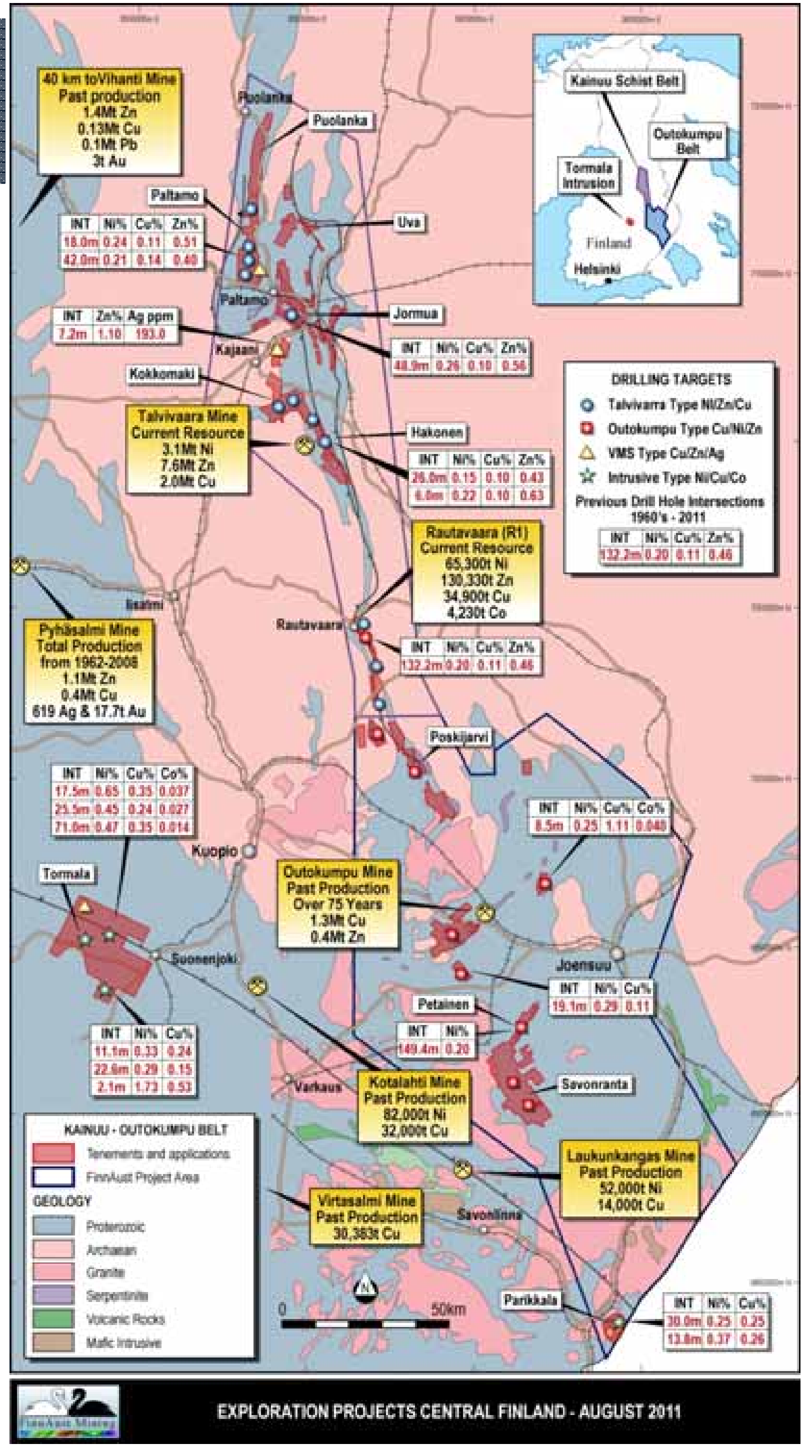
- 77.2% owned by WSA, 22.8% owned by Finland investors
- Finland based exploration company being prepared for AIM listing in early 2012
- Experienced Board, management and exploration team in Australia and Finland
- Dominant position in a major, underexplored mineral province in central Finland
- Initial mineral resource containing 65,000t nickel at Rautavaara R1 deposit. Drilling in progress highlights potential for significant increase in mineral resource at Rautavaara
- Very encouraging testwork results using BIOHEAP™ leaching technology. BIOHEAP™ license and full support contract will be supplied from Western Areas to FinnAust.

Talvivaara Mining Plc – bacterial leaching pads and processing plant

FinnAust Mining – Priority Drilling Targets

- 300km long base metal province in Finland
- Numerous nickel/copper/zinc sulphide occurrences
- 10 major project areas, many drilling targets
- Potential for Talvivaara, Outokumpu & VMS deposits
- Geophysics proving very effective in defining targets
- Significant results from historic and FinnAust drilling
- First mineral resource defined at Rautavaara
- Major ramp up of drilling starting early 2012

Talvivaara type sulphide mineralisation – widespread through northern region



The End

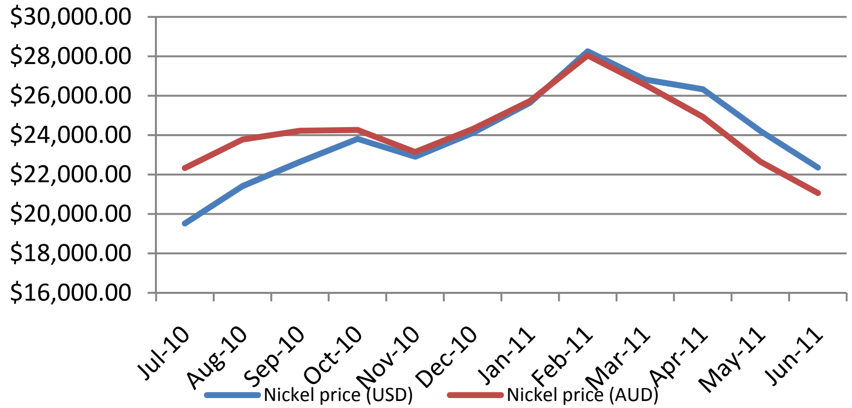
Financial Appendices

Profitability

WESTERN AREAS NL

Earnings Data (A$'000)	2H 2009/10	2H 2010/11	FY 2010	FY 2011	*FY Variance*
Exchange Rate USD/ AUD	0.88	**1.03**	0.88	**0.99**	*0.11*
Nickel Price (U$/tn avg)	21,217	**25,600**	19,416	**24,000**	*4,584*
Revenue	84,834	**237,786**	170,365	**468,659**	*298,294*
EBITDA	**45,117**	**156,152**	**95,544**	**312,018**	***216,474***
Depreciation & Amortisation	23,131	**41,318**	41,834	**80,027**	*38,193*
EBIT ('000)	**21,986**	**114,834**	**53,710**	**231,991**	***178,281***
Interest Expense ('000)	16,015	**18,605**	30,852	**36,721**	*5,869*
Tax ('000)	2,434	**28,420**	8,646	**60,297**	*51,651*
NPAT ('000)	**3,537**	**67,809**	**14,212**	**134,973**	***120,761***
Dividend (cents)	3.0	**15.0**	6.0	**25.0**	*19.0*
Earnings per share (cents)	2.0	**37.5**	8.0	**75.1**	*67.1*

12 Month Nickel Price



Commentary

- 2nd half NPAT A$0.6m higher than 1st half NPAT (A$67.2m) despite lower AUD nickel price.
- Full Year NPAT reflects 12 months of SQ production and the upgraded mill.
- Tax losses are near fully utilised.
- Quotation period adjustments in H2 were negative A$16.4m versus a H1 positive adjustments of A$24.8m. Reflected a reducing nickel price in Q4.
- All financial metrics & corresponding period improved upon.

Cashflow Summary

Cashflow Statement (A$'000)	2H 2009/10	2H 2010/11	FY 2010	FY 2011	*FY Variance*
Operating Cashflow	36,850	**160,495**	87,207	**276,235**	*189,028*
Less:					
Exploration	(9,267)	**(8,583)**	(19,564)	**(20,074)**	*(510)*
Mine Development	(37,582)	**(38,365)**	(61,376)	**(70,664)**	*(9,288)*
Capital Expenditure	(24,126)	**(9,653)**	(33,476)	**(13,417)**	*20,059*
Investment activities	(64)		(64)	**(1,999)**	*(1,935)*
Income Tax Paid	-	**-**	-	**-**	-
Proceeds from Share Issues	-	**-**	3,717	**380**	*(3,337)*
Proceeds/(Costs) from Financing	14,281	**(49)**	14,105	**(3,517)**	*(17,622)*
Dividends Paid	(5,391)	**(17,973)**	(5,391)	**(23,364)**	*(17,973)*
Net Cashflow	**(25,299)**	**83,872**	**(14,842)**	**143,580**	*158,422*
Cash at Bank	**65,368**	**208,948**	**65,368**	**208,948**	***143,580***

Commentary

- 2nd half Net Cashflow A$24.2m higher than 1st half (A$59.7m) despite stronger AUD & higher 2nd half dividend payment.
- FY net cashflow was A$158m higher at A$143.6m versus 2009/10
- Dividend payments increased $18.0m from 2009/10, representing a strong yield
- Exploration budgeted to increase from A$20.1m in 2010/11 to A$30.0m in 2011/12.

Balance Sheet

WESTERN AREAS NL

Balance Sheet (A$'000)	FY 2010	FY 2011	*Variance*
Cash at Bank	65,368	**208,948**	*143,580*
Receivables	16,700	**27,719**	*11,019*
Stockpiles	25,228	**30,942**	*5,714*
PP&E	111,108	**111,683**	*575*
Exploration & Evaluation	94,895	**91,875**	*(3,020)*
Mine Development	180,403	**209,454**	*29,051*
Other	27,037	**11,705**	*(15,332)*
TOTAL ASSETS	**520,739**	**692,326**	***171,587***
Trade & Other Payables	48,401	**59,852**	*11,451*
Long Term Borrowings	300,256	**344,016**	*43,760*
TOTAL LIABILITES	**348,657**	**403,868**	***55,211***
SHAREHOLDERS EQUITY	**172,082**	**288,458**	***116,376***

Commentary

- Well configured balance sheet with particularly strong cash A$209.0m.
- Debtors higher in 2010/11 due to the doubling of operations.
- Long Term borrowings reflect 3 convertible bonds detailed below.
- A$105.5m Bond planned to be repaid
- No foreign exchange hedging in place
- 25% of nickel production hedged for 1 year using zero cost collars. Typical floor price US$10/lb and cap US$12/lb
- A$21m transferred from Exploration to Mine Development

Convertible Bonds:

- ✓ **A$105.5m due in July 2012 @ 8.0% coupon (converts A$7.73)**
- ✓ **A$110.2m due in July 2014 @ 6.4% coupon (converts A$7.53)**
- ✓ **A$125.0m due in July 2015 @ 6.4% coupon (converts A$6.46)**