

NEWS RELEASE

8th September 2020

WESTERN AREAS LTD



ODYSSEUS TWIN DECLINES COMMENCED - MINE CONSTRUCTION UPDATE

Western Areas Ltd (ASX: WSA, "Western Areas" or the "Company") is pleased to provide an update on the construction activities at its Odysseus mine, located at the Cosmos Operation.

HIGHLIGHTS:

- ✓ De-watering and rehabilitation of the main access decline complete
- ✓ Commencement of the main Odysseus decline and return airway full-face development
- ✓ Underground ventilation infrastructure advanced, with completion of DORA vent rise and the mid-shaft access
- ✓ Headframe and winder refurbishment (and associated assets) ongoing in South Africa (SA) with expected shipping date in second quarter FY21, which is within project critical timelines
- ✓ Life of mine pump stations commissioned and reticulation to the water management ponds complete
- ✓ Power plant upgrades ongoing to accommodate growing power demand
- ✓ All key personnel for ongoing construction activities employed at site
- ✓ 310 upgraded village rooms (out of 540) available for mining and construction crews
- ✓ Appointment of Barmenco as underground contractor

Western Areas Managing Director, Dan Lougher, said that excellent progress has been made on the underground and surface infrastructure works at Odysseus, with minimal Covid-19 impacts.

"We have reached a critical milestone with the firing of the full-face development of the Odysseus decline, which is now heading across to the orebody. A significant amount of preparation and support work has been delivered across the site to reach this milestone. We now have our eye on the delivery of the first ore tonnes mined from underground in the first quarter of FY22", said Mr Lougher.

Surface Infrastructure

Hoisting shaft civil works

Civil construction work is ongoing with the completion of the shaft box cut excavation and the commissioning of the batch plant, necessary for the concrete foundation works. Construction of the shaft sub-brace concrete slab is complete, as well as the RUC "sacrificial" foundation. Pilot hole drilling preparation work is now advancing for Stage 1 of the 5.7m diameter hoisting shaft, which is scheduled to commence in mid September. The Stage 1 pilot hole will be drilled to a depth of 645 meters, enabling it to hole into the mid-shaft access decline. This will be followed by the reaming of the 5.7m diameter shaft back to surface.



Shaft sub-brace concrete structure complete



Raisebore on the fresh air intake/hoisting shaft collar



Earthworks for the hoist winder room facilities are also progressing, with civil soil compaction works and headframe, rake leg foundations being constructed.

The final connection of the life of mine rising main is now complete, with underground water fully reticulated to the already commissioned surface water management ponds via the underground pump stations and rising main infrastructure.

Cosmos site power

Site surface construction and underground power needs are provided using diesel gensets. Currently the diesel gensets are providing ~4.7MW, with these expected to be upgraded in the new year to 10MW to accommodate the growing demand of the Project. The final power demand is estimated to be approximately 20MW, and the long-term strategy incorporates the use of gas and renewable energy sources.



Current site power generation

Underground infrastructure

The main decline rehabilitation and dewatering activities are now complete. Full face development of the new Odysseus decline and return airway (RAW) has commenced and is now the main focus of the underground development crew. Development is anticipated to reach the first Odysseus ore drive by September quarter 2021.

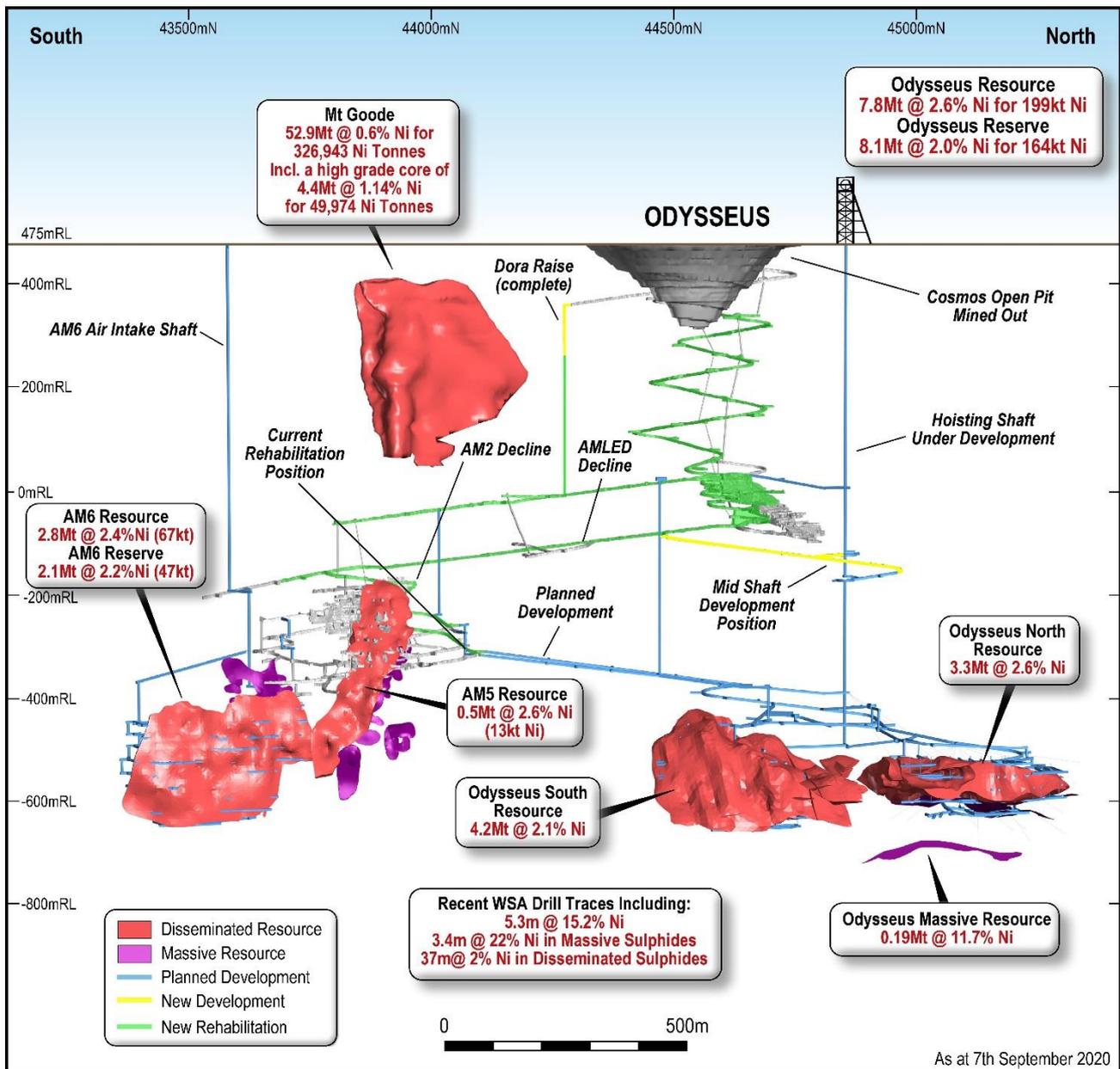
Ventilation lateral and vertical development is ongoing with completion of the DORA rise (connecting back into the open pit) and the development of the mid-shaft access decline. Pilot hole drilling has been completed for two new vent rises, with partial reaming complete. These airways are a critical component of the ventilation infrastructure for mining the Odysseus orebody.



Decline access to the Odysseus mine



Fully commissioned underground pump station



Construction of the underground high voltage (1000v) reticulation main is ongoing with the necessary cabling and underground sub-stations in place.

Rehabilitation of the underground diamond drill platform located at the end of the AMLED decline has commenced and will provide access for future diamond drilling of the AM6 orebody.

South African assets and engineering design

The headframe, winder and associated infrastructure components are currently undergoing their final inspections and refurbishments in SA. In-country works were temporarily suspended between March and June due to the impact of the COVID-19 restrictions. This has resulted in a delay to the expected delivery of the assets to November 2020.

This delay will not inhibit the progress of the underground development and the first delivery of waste rock and ore can be trucked to surface via the decline infrastructure.



Shaft headframe steelwork awaiting packaging



Shaft winder repairs (armature)

The project team has also commenced the final issue for construction (IFC) drawings to support the major contracts tender and award processes.

Accommodation village

The Cosmos village now has 310 rooms available (out of 540) for the current and growing construction staff. Further rooms will be made available as the demand increases. The site also has a gym and wet and dry mess facilities.

As the Odysseus mine site is located almost mid-way between Leinster and Mt Keith, staff currently utilise the BHP Nickel West fly-in fly-out (FIFO) facilities. Once staffing levels reach critical mass, the aerodrome at the Cosmos mine site will be upgraded to facilitate FIFO travel arrangements.



Cosmos village



Dry mess facilities at the Cosmos village

Staffing

The majority of the construction and mining technical staff have now been employed, with the remainder to be sourced from within WSA operations. Rosters for construction crews are typically 2 weeks on and 2 weeks off. While the majority of the technical and management staff work an 8 days on 6 days off roster, consistent with industry standards.

Key milestones and critical path activities

The critical path for the development of the Odysseus mine is associated, firstly, with the Odysseus decline and RAW being developed to the bottom of the hoisting shaft and, secondly, development of the hoisting shaft, as it provides fresh air to the top of the Odysseus mine. Any further delay in the delivery of the hoisting assets will be ameliorated by implementing a trucking fleet for a short initial period.

The following schedule gives the indicative dates of the key milestones for the completion of the Odysseus mine construction:

- Completion of Stage 1 hoisting shaft back reaming to 5.7m diameter -1st Q FY22



- First ore drive development - 1st Q FY22
- Commence Cosmos concentrator refurbishment - 3rd Q FY22
- Completion of Stage 2 hoisting shaft back reaming to 5.7m diameter - 4th Q FY22
- Permanent power (gas) 20MW - 1st Q FY23
- First nickel in concentrate - 2nd Q FY23
- Commissioning of hoisting shaft and winder - 3rd Q FY23

Construction Video Update

Due to COVID-19 travel restrictions and the limited opportunities to conduct site visits, a video update has been prepared and is accessible at the Western Areas website or via the following link <https://vimeo.com/454595437>.

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FORWARD LOOKING STATEMENT:

This release contains certain forward-looking statements including nickel production targets and cost guidance. 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 now have our eye on the delivery of the first ore tonnes mined from underground in the first quarter of FY22”, and, “Development is anticipated to reach the first Odysseus ore drive by September quarter 2021”, and “First nickel in concentrate - 2nd Q FY23”.

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.