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PRELIMINARY TRANSCRIPT

WSA.AX - Western Areas Ltd Annual Shareholders Meeting

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CORPORATE PARTICIPANTS**Daniel Richard Lougher** *Western Areas Limited - MD, CEO & Director***Ian Alexander Macliver** *Western Areas Limited - Independent Non-Executive Chairman***Joseph Belladonna** *Western Areas Limited - CFO & Company Secretary***Yasmin Broughton** *Western Areas Limited - Independent Non-Executive Director***PRESENTATION****Ian Alexander Macliver** - *Western Areas Limited - Independent Non-Executive Chairman*

Ladies and gentlemen, today, for those that don't know, my name is Ian Macliver, I'm Chairman of Western Areas. So we've now reached the important time to commence our Annual General Meeting. And I've been advised that we have this quorum. So I welcome you all, both members and guests, to our 2020 Annual General Meeting and I declare the meeting open and properly constituted.

I also welcome members and guests who joined (inaudible). I take this opportunity to welcome and introduce my fellow directors. So on my far right, Yasmin Broughton, who has recently joined our Board. Yasmin (inaudible) due to (inaudible); next to her right, (inaudible) Director, Natalia Streltsova, who's (inaudible); Craig Redhead, who's retiring at the end of this meeting (inaudible) Craig; Dan Lougher, our Managing Director; and Joseph Belladonna, who's managing -- our CFO and governing Secretary (inaudible)

So before moving to the formal to the formal business of today's meeting, I just like to share an overview with you of the company's performance over the past year, our significant developments and outlook for the next 12 months.

As we are all aware, 2020 has been marked by new and dynamic challenges as a result of the COVID-19 pandemic. Companies have been forced to respond proactively and quickly to ensure the health and safety of their workforce, while balancing importance of operational continuity. I would like to personally acknowledge the professional and willing attitude displayed by all staff at Western Areas. This has not only ensured the wellbeing of our workforce but allowed us to continue to progressing significant infrastructure work developing our new Odysseus mine at Cosmos while operating our producing assets well throughout 2020.

Pleasingly, the strong financial result was achieved in FY '20, with an increase in the average nickel price received, driving higher revenues that underpinned a healthy increase in earnings. Consistent and reliable performance from Forrestania delivered a 51% increase in EBITDA and our highest net profit after tax in 7 years, up 125% to \$31.9 million.

Overall, the group's balance sheet remained strong with approximately \$145 million cash at bank and no debt at the end of the financial year. Our financial position has enabled us to progress a number of key work streams as we advance development of our next operating mine at Odysseus. Construction and development activities for the long-life mine have reached several important milestones, including commencement of the twin declines toward the Odysseus deposits following completion of the underground rehabilitation and dewatering works. The new mine is a significant component of Western Areas' growth outlook and will become a long-life, low-cost mine, we first nickel concentrate production scheduled toward the end of calendar year 2022.

Unsurprisingly, the nickel price has been volatile over the year. This was predominantly due to the unpredictable global geopolitical news flows related to the Indonesian government policy ban on nickel laterite exports and also the impact of COVID-19 on base metal prices including nickel and the wider financial markets.

The nickel price has somewhat recovered early in the year financial year 2021 and has recently benefited from resilient stainless steel production rates and reduced availability of nickel pig iron feedstocks in China. The company remains confident that the nickel market will continue to consolidate and stabilize, supporting operations in 2021 and beyond. This confidence is driven by confirmation that nickel-rich battery technology will play a large part in the continued evolution of battery packs for electric vehicles and this is driving a positive long-term outlook for nickel.

Towards the end of the financial year, Western Areas also made a significant strategic investment in Panoramic Resources Limited, acquiring a 19.9% stake for a total cash consideration of \$28.6 million. The investment in Panoramic is consistent with the company's growth strategy and increases exposure to the emerging EV market. We are encouraged by the development at Savannah North and look forward to the future restart of the promising Savannah project.

Subsequent to year end, we have released revised FY '21 guidance, taking into account variations in production and unit cost as the Forrestania operation increased production from lower grade areas of the Flying Fox mine. Flying Fox has been an exceptional mine over its 15-year life. But as we enter its final years, there is limited flexibility in the mine plan when unexpected issues occur. Variability in the operating results will be evident as we transition to include lower grade areas into the mine plan. However, we remain focused while maximizing cash flow generation over Flying Fox's remaining life.

As we look ahead, the company remains in a strong debt-free financial position. So we are very well placed to progress the new Odysseus mine, and we are also actively pursuing our organic growth opportunities. Western Areas will also continue to manage the challenges posed by COVID-19 by maintaining sensible work practices to ensure the safety and wellbeing of our staff and operational continuity.

Before closing, I'd like to note some recent board changes announced in October and welcome Yasmin Broughton as an independent, Non-Executive Director. Yasmin is a barrister and solicitor with significant experience, and we are incredibly pleased to have a high-quality Western Australian based Director joining the board of Western Areas. Her well-rounded legal, governance and risk management skills are an invaluable addition to the board.

In other board changes, Mr. Craig Redhead has advised that he will not be seeking reelection at this year's Annual General Meeting. On behalf of the company and its shareholders, I wish Craig all the best in the future, and thank him for his significant and sustained efforts over the past 6 years. Craig, (inaudible)

In closing, I'd also like to take this opportunity to thank all our staff, contractors and suppliers for their support throughout the year. The continued hard work and dedication demonstrated by all staff is instrumental to the ongoing success of Western Areas.

I'll now move on to the formal part of the meeting. A copy of the minutes from the 2019 AGM is available for inspection should (inaudible). As is customary, we will take the notice of the meeting as read. We see (inaudible) there. (inaudible). We will now reach the voting on the resolutions. I ask you to move your questions to matters in all or against the motion as (inaudible) as for all matters (inaudible). We will also have the opportunities to discuss matters of interest to you prior to conclusion of the proceedings.

For those item that relate (inaudible) AGM.

Section 317 under the Corporations Law advise that the Directors listed (inaudible) likely follow the same Annual General Meeting, financial reports, the Director's Report and the Auditor's Report. I ask the members of the company to proceed and consider the Director list presented. Shane Murphy, (inaudible) the company's (inaudible) Board is (inaudible) should you have questions in relation to that online. No questions were received by the company from shareholders prior to the meeting. So do I have any questions now on documents for (inaudible)?

Unidentified Shareholder

Yes, sir. I have (inaudible) your questions. Chair, my name is Jeff (inaudible) I'm a small (inaudible) and (inaudible) today as a proxy holder with about [22] members and supporters of the Australian Shareholders Association. I particularly want to say that (inaudible) available over in a few weeks (inaudible) itself and the company's Secretary. We appreciate the opportunity to discuss with you some of the issues that concern our shareholders.

The annual report and financial report that shows that the company did indeed have a successful year despite the COVID-19 pandemic, reduction has been almost unpredicted. I think the safety culture (inaudible) company such as Western Areas is very strong, and has served you well. Some

of the extra measures you have taken are listed in there. And also our (inaudible) environmental, social governance report. And (inaudible) that you've (inaudible) in (inaudible). So all that. In (inaudible) environment (inaudible).

I commend the recoveries for (inaudible) at the employees and contractors for (inaudible).

Ian Alexander MacIver - *Western Areas Limited - Independent Non-Executive Chairman*

Thanks very much, Jeff. Much appreciated. Thank you. The (inaudible) company line and I think, that you pointed out one on our own values that we (inaudible). Thank you very much. Are there any other questions or problems? No? Thank you. So moving on (inaudible) business.

Following normal procedure, a poll will be conducted normally for resolutions that are submitted. The result of the poll will be published on the ASX prior to the market cycle tomorrow morning. You should have received a polling card when you registered at the reception desk, and these will be collected at the end of the meeting.

The first resolution is the election of independent Non-Executive Director, Miss Yasmin Broughton. And before we move on, I just ask Yasmin if she would be (inaudible) to say a few words (inaudible) herself (inaudible) board.

Yasmin Broughton - *Western Areas Limited - Independent Non-Executive Director*

(inaudible) background. And so (inaudible) career at national and international. I then moved in-house into (inaudible) ASX (inaudible) working with ASX companies -- working with ASX listed companies (inaudible) 20 years. (inaudible) Director. I worked in various industries, in mining and engineering (inaudible) directors (inaudible) board.

Ian Alexander MacIver - *Western Areas Limited - Independent Non-Executive Chairman*

Thanks very much, Yasmin. So resolution 1 considers that Miss Yasmin Broughton was appointed as a director by the Board on 15 October 2020 and is retiring (inaudible) Clause 17.3 of constitution and been eligible for reelection being made as a director of the company. Proxy votes for (inaudible) proxy vote total received prior to the meeting for the resolution is shown on the screen. And our (inaudible) with the valid proxies representing 131,275,071 shares have been received in relation to this resolution. And then approximately 99% are in favor of the resolution.

Is there any discussion on the resolution? Yes, Jeff?

Unidentified Shareholder

Thank you. Australian Shareholders. For those specifically not seeing the (inaudible), which is available (inaudible) and giving more (inaudible) view than just really the (inaudible). We have to retire on Mr. Redhead and let Miss Broughton who has (inaudible) maintain the board skills and core all these such as corporate governance is complies in the regulation. Also, the Shareholders Association (inaudible), suggesting that 30% of the company's directors should be female which (inaudible) that 30% of these (inaudible) should be female.

Daniel Richard Lougher - *Western Areas Limited - MD, CEO & Director*

(inaudible)

Ian Alexander MacIver - *Western Areas Limited - Independent Non-Executive Chairman*

Recently there's (inaudible) on (inaudible) So (inaudible). Thanks very much, Jeff. Is there any other any questions or discussion on this resolution? No? Thank you.

So now we move on to the resolution 2, which deals with the reelection of the independent Non-Executive Director, Dr. Natalia Streltsova. So resolution 2 considers that Dr. Natalia Streltsova who retires by rotation in Clause 17.4 of the constitution and (inaudible) being eligible for reelection be reelected as a director of the company. Proxy vote totals received prior to the meeting on the resolution is shown on the screen. And (inaudible), we must say that (inaudible) representing 139,275,071 shares have been received in relation to this resolution and then approximately 99% are in favor of this resolution. Are there questions or discussion in relation to this resolution? Yes, sir?

Unidentified Participant

Yes. Mr. Chairman. In our (inaudible) management skills of all of our directors. And not just get more (inaudible) Dr. Streltsova's clinical (inaudible) skills (inaudible). I'd also note that Dr. Streltsova is (inaudible) to their shareholder during the year. The Shareholders Association have asked all executive directors to maintain a substantial shareholder in companies. That as we (inaudible) support her reelection. So understanding that it's a measure (inaudible) support (inaudible) executive function.

Ian Alexander MacIver - *Western Areas Limited - Independent Non-Executive Chairman*

Okay. (inaudible)

Daniel Richard Lougher - *Western Areas Limited - MD, CEO & Director*

(inaudible)

Ian Alexander MacIver - *Western Areas Limited - Independent Non-Executive Chairman*

Thank you. So I'll now move to the next resolution which is of course the reelection of Tim Netscher. So resolution 3 considers that Mr. Timothy Netscher who retires by rotation in Clause 17.4 of the constitution and this (inaudible) 14.4 and (inaudible) for reelection and reelect as a director. Again, the proxy votes received prior to the meeting are shown on the screen, and our second (inaudible) valid proxies representing 139,275,071 shares have been received (inaudible) of this resolution and then approximately 98% for the resolution.

Do we any questions or discussion in relation to this resolution? Now I'm going to challenge team's (inaudible). Thank you very much.

I'll now move on to resolution 4 which deals with the adoption of the remuneration report. Remuneration report consumers that put the business of essentially TRTWO on the Corporations Act. A broader thesis of the remuneration report is contained in the company's annual financial report for the financial year end 30 June 2020 be adopted. Proxy vote totals appear on the screen. And I'm starting to record that valid proxies representing 138,362,922 shares have been received in relation to this resolution and then approximately 99% are in favor of this resolution. Is there any discussion or questions relating to this resolution? No? Thank you.

So we move on to resolution 5, given that the grant of performance rights to Mr. Daniel Lougher. Resolution 5 considers that according to Listing Rule 10.14, Sections 200B and 200E of the Corporations Act in all our as shareholders approved grant performance rights to Mr. Daniel Lougher and the terms of the company's performance rights plan in accordance with the terms and conditions detailed in (inaudible) covering (inaudible) last year. Proxy vote totals are again are on the screen. And I say that the record of valid proxies representing 139,215,410 shares have been received in relation to this resolution. And approximately 98% are in favor of this resolution.

Do we have any discussion or comments relating to this resolution? Yes, Jeff?

Unidentified Shareholder

Despite overarching support from other shareholders for the Performance rights plan 2019 year, the performance (inaudible) period over which the performance has been do not meet the shareholders association (inaudible). I think (inaudible) increased transparency in the explanatory notes to the (inaudible) leasing, showing a take the fixed remuneration and the (inaudible) the share price used to calculate the number (inaudible) we issue. We also think that, in general, providing a long-term incentive (inaudible) I think directly to the idea. However, we continue our position to (inaudible) rights under that (inaudible).

Ian Alexander MacIver - Western Areas Limited - Independent Non-Executive Chairman

Thank you. Any other comments on the annual general meeting? Do we have any problems or questions (inaudible) No? Thank you.

That concludes the resolutions. You can see that this meeting is set out in the notice of meeting. We will allow you to conduct a poll on all resolutions. So firstly, if there are any (inaudible) present (inaudible) entitled to vote that is not (inaudible), you should close (inaudible). And the reported (inaudible) vote (inaudible) the person entitled to vote on this call are all shareholders, representatives and (inaudible) of shareholders and proxy holders who hold green (inaudible) cards. On the reverse of every (inaudible) card, you should vote in favor (inaudible) instructions.

I'll now go over the procedure for filling in the (inaudible) votes. Proxyholders and the (inaudible) proxy votes (inaudible) voting instructions and resolutions (inaudible) While completed with a in behind, we've tucked open a particular manner, you are deemed (inaudible) in accordance with those instructions.

In a state of (inaudible) open votes, proxy holders (inaudible) will need to mark the box beside the (inaudible) indicated (inaudible). Proxy holders should (inaudible) sum of proxy votes or attach to the voting page of that information.

Shareholders also need to mark the box beside the motion to indicate (inaudible) votes. Please ensure (inaudible) are indicated and signed (inaudible). Finished the voting paper, please lodge in the ballot box to ensure that your votes are counted. If you require any assistance, (inaudible) and as I mentioned before, there is Shane Murphy (inaudible) and conform (inaudible).

(Voting)

Ian Alexander MacIver - Western Areas Limited - Independent Non-Executive Chairman

Yes. Okay. Everyone have now completed their proxy forms or does anyone require any more time to do so?

Good. Everyone, done. Thank you very much. We now have conclude the call. And as advised, the interaction with the resolution, the results of the meeting will be available on the ASX prior to the market open tomorrow morning.

Unidentified Shareholder

Excuse me, Mr. Chair?

Ian Alexander MacIver - Western Areas Limited - Independent Non-Executive Chairman

Yes.

Unidentified Shareholder

Yes, in the notice to the ASX, that those shareholders can vote (inaudible) block by proxy. So that was proxy will any current now. (inaudible)

Ian Alexander MacIver - *Western Areas Limited - Independent Non-Executive Chairman*

(inaudible)

Unidentified Shareholder

Okay.

Ian Alexander MacIver - *Western Areas Limited - Independent Non-Executive Chairman*

Okay. There being no (inaudible), I declare the formal proceedings of this meeting closed. So thank you, ladies and gentlemen. With the formal business completed, I would like to ask the Managing Director, Mr. Dan Lougher, to provide a corporate update presentation. Following the presentation, there will be time for members to ask questions, discuss certain matters of interest in relations to the scenarios. And after that, I would like to invite everyone to stay on and enjoy refreshment and (inaudible). Thank you very much.

Daniel Richard Lougher - *Western Areas Limited - MD, CEO & Director*

Good afternoon. So let's see what we've got today. So real to read this. And after a couple of (inaudible) lines, we'll ask you to (inaudible) we discussed and communicated about some of the things that we're (inaudible) if you want to invest in the company.

Today, (inaudible) because I think you all know, maybe (inaudible) is (inaudible) told us about the results over the last year. Let's start off a bit of operations in terms of quarterly performance. I think in coming through that is the behavior of that. And then very exciting part, which is the growth in exploration and in there, of course, our key projects at cost (inaudible) Odysseus line. And then I'll touch another (inaudible) interested in the market. And derive time and if you want to wait before (inaudible). And I can actually discuss that a we'll discuss it afterwards.

Okay. Well, nobody use that. So I'm certain there's nothing that all you saw last year that would be really and what's special about this year is that we celebrated our 20th anniversary and that was in July 28 since (inaudible) in 2020. And you can see it's been quite a busy time, and I all you with all the actions and the (inaudible) success in its (inaudible) years of being in (inaudible) knowing it that's pretty successful.

But we would actually further the success to come and as somebody said to me, you enter and (inaudible) behind you but when we go ahead of you, I am very confident in (inaudible) to also be able to see the results. We've got another new (inaudible) about 20 years. And with all the sort of the (inaudible) electric vehicles (inaudible) batteries (inaudible). So would be position ourselves.

So look, as mentioned earlier on, safety is quite a key component of our business. We've run 2 underground mines quite of in terms of (inaudible) around 1,000 meters to (inaudible) and I must say that the (inaudible) heap, we've -- I'm trying to get a control. But sort of it is a (inaudible) to copper. I think that we've got a very good storming (inaudible) period. So I'd like to say thank you to everybody in both of our operations in terms of that. Of course, you can see the (inaudible). We did have a lingering costs (inaudible) operation did once we moving in June, which is the longest piece of needle in terms of trade. And this is moving the head. So we still have to be very vigilant. And obviously very mindful of the environment (inaudible)

Just quickly to reinforce in said about the COVID-19. We actually have 1 underground on further the mine site and have obvious to that. Well actually for (inaudible) So at Western Areas, we actually transferred 1 person on the (inaudible), which I think is quite exceptional. We do full turn to testing question (inaudible) vehicles are still doing distancing, shippers. We have eased up on site. We were running full social distancing, we wouldn't allow to handle raw foods so (inaudible) router staff to do that (inaudible) hands, et cetera. So whilst we still (inaudible) airport, we have eased up.

But I must say in that -- I mean (inaudible) opportunities to (inaudible). And recourse with, that happened within Cosmos and Forrestania across all the contract staff that are working with us. I think that was an exceptional beginning on that. So well (inaudible), everybody.

Just on operators, not only to balance sheet, but merely to say that obviously this year and obviously talking about last year as results in profit. And you would argue well what happened this year down to you get back to us. So now, I like (inaudible) we said it's 15 years now and just 100 people almost now (inaudible) Flying Fox. Back in 2005, we only had 5 mine-of-life and reserves. And here we are 15 years still mining. But we still got some good reserves ahead of us. But what just to give an engineering perspective of (inaudible) engineering (inaudible) review.

But where it happens that the volume of the (inaudible) that achieve by. And whilst we fully support, we've been doing this for years, we did put sizes (inaudible) on our mine sites because you can imagine that the stress distribution around the mining areas does increase such as a (inaudible). Flying Fox here and there to real and low (inaudible). We did experience a seismic event there, which was a power (inaudible) we normally have that did cause some underground issues which result now to reshaped view and refocus the operations to maintain some production, and that may be pushed this in this period much higher result in international rig.

Now a question of proceeds is where we going forward is. And out of the site, the (inaudible), which we as (inaudible). And (inaudible) we regenerate the (inaudible) in terms of rehabilitation and (inaudible) to reopen at some of the high rig ore and reservoir (inaudible) product. So far as actual (inaudible) this quarter is (inaudible) really hard-working its up and running. And then into the second half of the year, we will be drilling better rigs and better tonnes.

So I know I said my chocolates tomorrow, that's what I tell my engineers. It's always chocolates tomorrow, but we have got confidence in our teams. And when we do have these still sort of hurdles. We have to work our way around it. So again, there's still a good tonnage and good value to Flying Fox. And then honestly, more (inaudible) one of the issue there was that you can see this area is pretty much mined up because its own (inaudible). We got (inaudible) what we call so developer, which is really narrow vein, much flatter (inaudible), very specialized contractor. And then, of course, the majority of the rest of the year was coming out of Zone 2 area. You can see these gray lines are (inaudible). And you can see that we got the pressure fronts coming down there, we (inaudible) what (inaudible) We've seen there is we've got 20% reduction last quarter and 35% this quarter. It's from ore grinding. Just to the nature of the mining driving (inaudible) is actually more dilutive. And on top of that, we've then experienced the intrusive (inaudible) Flying Fox coming through. We (inaudible) which is just like someone like 40 meters by 40 meters. But we can get all of them and adds more dilution.

So the good news is that by mid year next year, pretty much all of this block will be pretty developed and all of the rest of the opening the rest of that reserve will be out of the stoping. So again, I think I'm promising a lot of things for the future, but things will turn around the second half of the March quarter. So I'm looking forward to that myself, trust it.

Look, just a good shop operations. You did put a new OFT with Legal West and Jinchuan. You can remember (inaudible) still the same channel in the U.S. So we move there and we went very shocked or surprised strength in shock by the new payables that were being offered. We thought we're in (inaudible) in London in November last year, I will get out to the precasting contracts (inaudible) this. And extremely rare for Western Areas. And whilst (inaudible) are, they are significantly higher than what we thought was best-in-class with Tsingshan. Now what is value all of that, and we have to say it's really driven down by the smelters such as (inaudible) and (inaudible) basically moving into (inaudible) nickel sulphate production, which is the pre (inaudible) the (inaudible) or for the cathode in the lithium-ion battery. We can touch on a bit of that later on.

So look, just to maybe go, we do have a part of nickel investment areas that it's actually quite significant amount, close to over 1 million tonnes of resource. Obviously, (inaudible) and that's why the reserve position still very healthy in around the 300,000 is really driven by Cosmos deposit. And you can see there that the (inaudible) is now moving into what we call it, execution. AM6 is also now new reserve [0.7 thousand] so the total (inaudible) at Cosmos and really access to (inaudible) infrastructure is now over 211,000 tonnes. Now if you look at any project around the land (inaudible) sulphides, that's probably going to be one -- it's not the only one that will see us through anywhere into the 2030s and coming to the mid-30s if not longer.

And finally, maybe be around to and hope we can see some of form of evolution, but I'm not sure if I'll be there in through '35 to lease back. But then we having great projects. And then we really on a basically a project we work on (inaudible). As I said, Flying Fox is old, and she will come off into 2022, and we do need to find a place that a New Morning is booking at the first kind of off the rig there.

Look, there's no (inaudible) as we talked about (inaudible) the nice (inaudible) in the MREP plant. We're now building the Scats plant, which is running at about -- we've got 280-odd thousand tonnes 1.5%. That project is being built as we speak, fully implemented, and we're going go into commissioning in the January month. And hopefully, that will produce a thing called (inaudible) which is a (inaudible). I here, we will solve it that very crude, but same (inaudible) you put into little mine that will freeze. That will flow then back into the precipitation in the area of this is very technical, and I'm happy to discuss that. Also we are very interested in this (inaudible). But we both (inaudible) hopefully with all these vehicles, we'll be producing more of this very high grade 40% to 45% nickel sulphide, which we're currently selling into Japan, and that really is (inaudible) which why we're getting better payables than what I said to you (inaudible) sheet on.

So really good news. And obviously, once we get through that, and we're happy with the results, then obviously, that will be transferred projects from (inaudible) group.

Just as Ian mentioned, this thing itself, that's a bit longer term, a bit more extensive. It's a work day (inaudible) ore price. (inaudible) mining the volume pushing hard. A lot of (inaudible) feed in that channel. So a lot of moisture would work with this deposit (inaudible) that was the previous deposit we actually purchased, the (inaudible) back in 2000. So it's on the table. Engineers have been working through that, and that should come through as a new operation back in Flying Fox mine life.

So this is the key project that I want you to deal with anything today, like this, is this project having [indiscernible] and we, as I mentioned, with (inaudible) project now with the 6 reserve on top of it is going to be an absolute driver of operation. We are doing a lot of work. And I'm going to share with you next a video. Please, this is about 3.5 minutes long. Over that, and I'll talk you through a bit more detail of the project and where we're getting. Okay. Sure.

(presentation)

Daniel Richard Lougher - Western Areas Limited - MD, CEO & Director

Okay. Thank you all. And I see (inaudible) every time (inaudible). And I ask Joe in charge of the (inaudible), and Ian, the Chairman, why is it not always on my birthday. You know what they say? Because (inaudible) the dollar trends.

This is my part. And so what I do want to say something serious that you all (inaudible) and we really happy with (inaudible). So that's been on mining by (inaudible), so (inaudible).

So this is Odysseus and there's 6. So just to give you that update, that's the shaft that we saw in pretty good Europe and (inaudible) to the sulphur the -- didn't want that Sean Connery (inaudible), obviously, your (inaudible). But anyway, yes, so they said, no, well track that a little bit too much for Mike.

But so we've got (inaudible) moving (inaudible) or where that's trapping. This means that all (inaudible) at our stations are in place. We're current 340 meters down and decline is 50,000 turning away. And are filing at least 2 customers about 80 meters a day in crude (inaudible). We just do that like on ahead because we really want to be in more of this bucket (inaudible) to receive the next day of the pilot and the shaft, but also to get on to our first floor on top of Odysseus.

You see here this is that this is the design for AM6. And AM6, whilst now is 47,000 tonnes reserve, we will bring that in a bit later on once establish a production process on yet. We are looking now at the bigger mill. So there is that second (inaudible) in anyway is a new return well, that's finished. And then that will really fresh it down to the bottom of mine, so that's been good. And then all of this are there to do. We should be on all (inaudible). So this (inaudible) for the great (inaudible), I say. We'll be ready in (inaudible) all September next year, and that's pretty much on target. We'll develop this with the (inaudible) here start with there. And then right FY '24, '25 will start getting this into production as well. All of that (inaudible)

the combined production, and these are all being optimized as we speak literally on the deck slide now. We have to move there in the shaft and the shaft that you do in the (inaudible) that we think we can. Second is obviously shouldn't be (inaudible) bigger than 900,000 tonne per annum. So there's going to be some good upside and good optionality. And that drives our equations and that of course, we want to move into sustainable power long-term because it's such a great mine life.

Look, we got capital there going there. It's around about \$350 million. All that is pre production. But then sustaining CapEx thereafter year-over-year, it's only about \$8 million. And to give you an example, currently (inaudible) on Flying Fox or that style of money, we'll probably attract sort of \$24 million, \$25 million per annum sustaining cost. So it's very, very low forward costing in terms of CapEx to do team production. But yes, we are taking (inaudible) there in the (inaudible), and that's a lot to do with that sea shaft. We pay the CapEx upfront, but the operating cost is single-digit dollars versus a truck system, which we probably need about 10 of. That's just a (inaudible) profile. And you can imagine the amount diesel and oil cooling (inaudible) when we put down that mine to 1,000 meters who are running 3 to 10 55-tonne trucks to bring that oil up to service. So we're very excited. Look, I mean, that's really where the savings are. The cycle time of moving material up and down the shaft, obviously, it's hugely beneficial. But just the fact that we're moving a lot of power generation and then getting the miners very clean, sort of almost diesel free. We're hoping by the time to get into production in the shaft, we'll actually be using electric trucks, the electric, the edges (inaudible) or how has to become. So fundamentally, we are aiming this to be a long life, long OpEx, long sustaining CapEx and then with sustainable energy as core provider of energy.

So as (inaudible), one is should we had a good (inaudible). Obviously, on shareholders and (inaudible). We are aiming to show his the operation in terms of site visits. So we try and (inaudible) with videos, we are now hoping to get (inaudible) mines and we might see this (inaudible) strong again to cite hopefully before February where they with the (inaudible) of (inaudible). But Odysseus, you saw that that sort of box, that a lot of box ship as per (inaudible) decline down, that's actually with a shaft area, and that's to be filled for the concrete and actually backfilled. What we see there is a core of the raise mall. There is the ruck (inaudible) bore. Going to drill that 630 (inaudible) pilot hole, 50 inch, as I said, down 120 meters. We then at the bottom is tunnel, and it will openly (inaudible) tunnel. And torrance is 30 centimeters. By over 690 -- 630 meters. We are an improvement down to make sure that lines at (inaudible) because we need actually vertical to hoist the shaft. Then we'll pull a 5.7 meter relay head to actually do the shaft expansion. And then after we've done that, we will then go in through that stage 2. That's why the decline needs to move to get down there. So that's a now a bit of a model there. That's where the water tanks will be. (inaudible) It is the the civil works now to wine up. Why are we there? And how (inaudible) will be there, we're also (inaudible). So that (inaudible) and it will be (inaudible) concrete, and then what we call some raised area of the shaft or the (inaudible) electric. (inaudible)

I think I shown this before last year. Yes, this have been dismantled. The ore bed plus a (inaudible) for the winer truck on a 1, 2, 3, 4, 5, 6 of it, with all the head gear there. There's loading onto the shift and the -- I'm sorry, I (inaudible) but that shift will be hitting (inaudible) on Monday, 12:00 So we're hoping to be tracking it daily, and it's -- there's a lot of (inaudible) and (inaudible) but we are on the way, we should (inaudible) maybe a bit earlier, and we will do some photographs, some dropout fall there, which I'll show you on all the websites.

But that's a huge effort and a huge de-risk because, as you know, there's been some major outbreak of COVID in Southern and Cental Africa. That equipment will get (inaudible), it will be trucked. The majority of it in (inaudible) we the cycle for Christmas and we (inaudible) and the lease will access things on Christmas and point on other things, which are safety. That's fine. We'll move the rest up second week of January. And so created by the team, and it's actually a relief and a major de-risk to have all of that equivalent sitting now on our shelves and our land on Monday and on (inaudible) site and obviously work getting really competitive.

Of course, we really need to talk about anything we do in exploration. And we are still working hard at spending about \$16 million a year on exploration. We've got the West correlate area there where we had a great sort of discovery of sulfides. I guess the market is disappointed on -- for information on that. It is actually a big area. We did the follow up work. There's some geophysics. And we now have more drilling as exploration. We hit the good stuff. But we're hoping to get more and more solid and good (inaudible) and what is are pretty significant in terms of that. We're beginning the Western (inaudible) for 6 years. This is the first time it basically (inaudible) and (inaudible) copper sulphides, which means that as such just normal material mineralogically that we can actually put through a mill.

The issue was always is we can you get the high upfront and then put with a lot of (inaudible) and that the cause (inaudible) but the problem is it's getting very hot over there. It's really in the (inaudible) country, and the teams now have to move into other clients and we after then set on that exploration until the late season starts. We have a (inaudible) which provide us with a lot more information, and that's actually provide with very,

very positive. But in recent times, we've actually now did -- and actually (inaudible) today on (inaudible) level. A little on share price revenue, do you see what on do they can (inaudible) market.

Joseph Belladonna - *Western Areas Limited - CFO & Company Secretary*

We jump 40% (inaudible) check. (inaudible)

Yasmin Broughton - *Western Areas Limited - Independent Non-Executive Director*

(inaudible) so I we want to get to that.

Daniel Richard Lougher - *Western Areas Limited - MD, CEO & Director*

So really, really bill than the CEO is actually next to (inaudible) Logista Astana, who do (inaudible) so that's really good news. We actually achieved quite high and we (inaudible) very high as well. So what are the news flow from these channels here, where we've got drilling work happening sooner than a year ago. But of course, we're still doing work at Cosmos. We've got the JV with Alexander, which (inaudible) George. And of course, we're still working for projects at Forrestania. So there's no JV a bit more detail, but we can talk on that afterwards, but it's actually -- what this is actually constitute where cost areas and (inaudible) there but also there's some good in terms of metal exploration, very strong (inaudible) in that area.

Just quickly. So one, what we're looking for is in terms of looking forward into the future point angle, of course, but Indonesia, mining that right, which feeds into the (inaudible). And that's now the lines, et cetera, we will consider on market. But the final thing for us in terms of growth of people in on is electric vehicle and is that battery technology. But of course, (inaudible) saying a lot of things about the EV sort of revolution.

What to me, which has been quite interesting is Cisco at people have actually started seeing that this can actually be cleaned and the dirt that comes in basically that fill the burner in the vehicle, and not just light because with the buses, trucks, you just need this to generally in and around, we've seen a great shutdown of government (inaudible), which is now visible. So that's good governance and also purchasing more EV vehicles now is that's actually going very, very strong. And you can see those graphs there.

So what the market is backing with now, though, is how fast is it going to go? We're all talking 10 (inaudible) and the rest of them are (inaudible) the other day. They are putting out EV (inaudible), they're not going anywhere else. So the market is saying, is this true cant this be true. And just to give it of insight, talking to Tesla a month ago, they will be developing battery technology in America. Up until recently, more so, if not all of this Koreans, the Japanese are relying on China. So China is basically producing the precursor materials to go into the battery, they go in Korea, they go in Japan. In America and hopefully, Europe is starting as well and in Finland. If they kick off this in earnest, and we need to believe that they are buying the material, the cohort, the copper, the lithium from countries like Australia and more in Western Australia because I guess we probably -- we don't have the (inaudible), we're not in some other areas.

So I think if that tension, another (inaudible) as being an give you an idea that 1 giga battery needs 80,000 equivalent as of (inaudible). 1 battery. And you've seen the available, how many of those factories are needed up until late '20s, trust we just drive the vehicle EV demand. So I think I do walkabout this on time, but I think this is a future. And on technology, you can see there's a lot of hydrogen is now quite common alternative. But it's very, very expensive. And there's been a few work between Forrest and Musk about which one you should be (inaudible) or hydrogen. So you want hydrogen on that.

But the question would be, there are many different technologies for batteries. And not one of them, fix all the vehicles. So you've got the trucks, the buses. You got all styles, sizes of vehicles being used across the world. Every piece, then you've got the ACM 622 ACM 811 is what we like and 1 part lithium, 1 part manganese, and 1 part cobalt. So even in recent times, we've seen the technology demand for better batteries to give you longer driving distances. But (inaudible) Western Australia. And then, of course, when you can recharge them quicker to the density of recharges. And that's where nickel comes into play. We probably also a big Italian batteries be enrolled and (inaudible) battery the day we went on these big

ones. But the ones were all little. So lithium has been around in batteries for a very, very long time. But there, just to finish off, if you think of it, (inaudible) the other half comes half 2. This is because most leases will start production in terms of vehicle concentrate. We are just hitting our market (inaudible) in the right time and I (inaudible) everybody believes in that (inaudible), we do. But even if you (inaudible) down, that is a lot of extra nickel, and we were just unfolding. (inaudible) going to (inaudible) something you may have approached reserve EVs. But they are going to need 4x the current nickel metal in the next 5 years. 4 tonnes of (inaudible) that is 1 company, technology company.

So you have that across the board, VW, Mercedes, Teslas, it is going to go round that route. So that's it for me and I'll take your questions.

QUESTIONS AND ANSWERS

Ian Alexander MacIver - *Western Areas Limited - Independent Non-Executive Chairman*

So yes, Daven Newport is asking about the the strategy around (inaudible).

Daniel Richard Lougher - *Western Areas Limited - MD, CEO & Director*

So a look, as we've always said, but we were looking for tens of M&A when we're being -- we look on return looking for deposits of copper, it look for one. When you look at jurisdictions, Savannah is pretty good. When you look there to availability of it, they're not wrong (inaudible). You've got most of it in terms of Cosmos. But then we did come across and, of course, are of strike. We (inaudible) with (inaudible) et cetera, et cetera.

We look at that. There's a lot of -- there was technical issues with mining. We were (inaudible). But to be honest with you, gaining this (inaudible) coming to (inaudible), putting a new Chairman in (inaudible) shareholds time doing down to 17.8%, I think. So the (inaudible) that we wanted to see and the recapitalization combined and in development continue to be rate going to the stock.

So for us as option on legal level. So we don't have to do anything. We can actually just wait and see when you're going (inaudible) but that's a question (inaudible) is going to be looking at. It's more in line of a being shareholder or the company has got significant 110,000 tonnes of nickel, half (inaudible) copper and another half of the property cobalt. So it's a part of a topic, it's open. It's there, they just got to time or pinch off some of the underground technical issues, and that seems to be on the way. Then we've been -- there's no rush, we now work in (inaudible) strategic optionality. Most of you don't even know worth and really, it's our foot on the group that's got some really good reserves in around. And really, a \$0.07 pretty hard for past (inaudible) to the (inaudible).

Ian Alexander MacIver - *Western Areas Limited - Independent Non-Executive Chairman*

And then another question around given the rest of the guidance update around the funding about this (inaudible) or should they require.

Daniel Richard Lougher - *Western Areas Limited - MD, CEO & Director*

So maybe just repeat the question?

Ian Alexander MacIver - *Western Areas Limited - Independent Non-Executive Chairman*

The question was around potential requirements for funding or they (inaudible) update.

Daniel Richard Lougher - *Western Areas Limited - MD, CEO & Director*

So just, I guess, (inaudible) around that. So a very difficult to question to provide cash flow guidance, given that we're very dependent on nickel prices in the new (inaudible). So I'll tell you exactly what funding we need if you tell me what nickel prices are going to be about (inaudible). So as (inaudible) costs and the ability to (inaudible) generate cash flow is obviously very into that cost. So taking the legal price out of that should cover the timing (inaudible) time of resists coming online when we require something of working capital. The obvious thing, given (inaudible) is current the expected cash flows and its ability to say is beyond based on working capital (inaudible) we bought opportunistic on striving back. I can assure you that I was planning on doing that in 2 years time. Those sessions that happen for some time now. But they're on our (inaudible). The balance sheet is very strong, it's strong. We don't have to retain place a facility and just to secure (inaudible) market noise (inaudible) on those. (inaudible) Anybody that comes out in any form new projects indirect (inaudible).

So we're not forced to do that at this time, which on in-place on instructions that we were having plus the pries around (inaudible) or product forms that are available to us. And we've got this (inaudible) that to make sure we do provide.

The other thing we don't have at the moment is (inaudible) customers or this the (inaudible) around tech customers are. At this (inaudible) is significant legal tonnage over a long period of time. And that as is (inaudible) speaking to various battery customers plus our tradition of not refining new customers as well about the potential for a (inaudible) contract. And then (inaudible) working capital facilities gratitude facilities that are attached to some of us -- some of those contracts. And again, we just want to make sure that we explore those correctly before we did those. Ultimately (inaudible) the mass so that appreciate the market always wants a (inaudible) today, but it's important that we explore all the options directly (inaudible) kind of asset. (inaudible) still full. But I'll leave on to note that under the revenue price environment, it's not (inaudible) on what we see today. We made a timeout (inaudible) at cash flow and actually we have a demand.

Unidentified Shareholder

Yes, Barry (inaudible), shareholder. Just to reiterate, I mean, you did say that we raised -- you get the right (inaudible) for getting rejecting (inaudible) shares.

Daniel Richard Lougher - *Western Areas Limited - MD, CEO & Director*

I'm never going to give you a definitive answer one way or the other on exactly the funding mechanisms that the group will use, given that different situations require different solutions. But at the moment, priority #1 for me is to reestablish the banking facilities that we've had over a long period of time. We've launched our (inaudible) with that (inaudible) so that's the #1 priority for me at the moment, Mr. (inaudible).

Ian Alexander Macliver - *Western Areas Limited - Independent Non-Executive Chairman*

(inaudible) David is asking questions about the nickel price (inaudible). I think we defer. Don't be calling directly to this nickel price estimates at the dividend.

Daniel Richard Lougher - *Western Areas Limited - MD, CEO & Director*

Okay. Any questions from the floor?

Unidentified Shareholder

Yes. For last year, how many custom we take about how much swap is at the loan (inaudible) it's something that I look at on the realizations. Is it not be inaccurate or just a figure that company produced?

Daniel Richard Lougher - Western Areas Limited - MD, CEO & Director

Yes. Just to grow this. But I mean, Joe has been (inaudible) look, there are stocks which are hidden, and that (inaudible), for example, doesn't always go on the (inaudible) because it isn't quite like it. So that's something is closing to China. You've got other (inaudible) analysis. But fundamentally, it is a number that a lot of people do to restoring (inaudible) so far. Previously, when that stockpile dropped to a certain number of weak level, that price range. That's no longer in the case. So you see it as the proxy for a moving upward price. We all decided looking at electrical vehicle sales throughout the world as a proxy because then there is another exchange in China for the shipping, China Futures Index, that's a very interesting one as well because that tells you how they're dealing with nickel pig iron and refining nickel stocks as well. And if the shorting of the buying long or -- So there are other tools now which are more. But fundamentally, look, the big change happen last year which was (inaudible) as a pain today. But Sean actually took a block of nickel tonnes from a trader. And he said, what do you do? This is not an (inaudible) put it back on. So it went down, they go back at a. So (inaudible) now (inaudible) know that. But to Sean, coming (inaudible), to some degree, don't want to cause any investigations by then.

But in the mean, back in the day was something of (inaudible) actually look at it, but we're very able to stop. It's not super large one, a little bit high coming out of Indonesia, which is driving some of that stress. So to me, the (inaudible) for looking future, either it was EV prices. And anything that you see in the market about a major OEM, (inaudible) segment moving into -- building a new train or a truck or something (inaudible). Is that really sulphide nickel will flow (inaudible) as a natural source.

Unidentified Participant

Just on that, do you have any idea what proportion of the world's nickel sales actually going through the (inaudible) because I mean most (inaudible) arrangements like this company with any factual (inaudible) or something. And there's a really part of (inaudible) but would be that answer?

Daniel Richard Lougher - Western Areas Limited - MD, CEO & Director

(inaudible) the other piece effectively a depository loses. So it is used as a price setting mechanism for people riding deposit (inaudible) to go and sell. So pretty soon (inaudible) worst. The one of the things we do look at is whether it's not (inaudible) maybe not what we used.

Unidentified Participant

(inaudible)

Daniel Richard Lougher - Western Areas Limited - MD, CEO & Director

Yes because a lot of people are emotionally attached to the LME curve because back in the mid 2006, '07 when the moved 53,000, there was a strong coronation. Then pig iron came along. So half of what's (inaudible) is pig iron, so it's not actually refined nickel. So it's totally off the time of all the metal we're actually looking at. So I see, Joe and I mentioned, look at but it is a price tech mechanism, which is international. So when we talk to Japanese or when we talk to Chinese or anybody else, we've always related to the LME price as the benchmark price. And you can't use the shipped price because remember, this nickel pig iron is only Asia by the silvers in China and the Philippines. So when you look at those prices, they have their own nickel pig iron price. So they can change their premiums depending (inaudible) controlling the back obviously shaping. So that's got nothing to do with the LME. That's actually (inaudible) on the ship. So it's it's becoming by month year, I guess. But historically, the LME curve was the price center and that's encouraging down price on things. But that's going to some degree.

Unidentified Participant

So 1 operates (inaudible) the part of this year. The technology are there any other companies or people (inaudible) that (inaudible) companies (inaudible)

Daniel Richard Lougher - Western Areas Limited - MD, CEO & Director

Yes. Look, I think the easiest way to answer that is that we've got 1 and the only one in Australia. We (inaudible) gold as (inaudible) by Chi. The (inaudible) battery we actually designed in the (inaudible) is the conditions of the maturity in the pH of Temperature, building (inaudible) committed, but we do have patent rights for the design of battery sulphide, they also in copper, copper sulphide and (inaudible) sulphide. The patents, obviously, are -- we (inaudible) business of those patents in each country, right? But there is 1 company in Finland, they need fresh water to do it. We actually see a line run in the mine water. And that's technically (inaudible) driver because we don't have one, you don't want while we can get. But if you were to turn to more mineral onto water, you need gallons and gallons of water you need. So that was a key part of that we built. But half of it has been diet last tiny because it's general use in the world.

But in Australia, we are the only guys doing it from the nickel sulphideThe last project in the driving probably combining Randers back in the day, about 10 years, was really (inaudible). They were the last people into nickel sulphide leeching like well rebuilding number for the mills gas. The (inaudible) now really Terafin in Finland, where we see as indigenous bacteria. So all sulphides grow last year you like computing (inaudible), if you get a bacteria in (inaudible).

So if you -- well, we don't want can (inaudible). No (inaudible). The bottom line is that you can use indigenous likes (inaudible) what type of R&D is what you said. We design bugs into the (inaudible). And that's what we pick.

Ian Alexander Macliver - Western Areas Limited - Independent Non-Executive Chairman

Thanks, Dan.

Daniel Richard Lougher - Western Areas Limited - MD, CEO & Director

Right. So that's the last question. Last one.

Ian Alexander Macliver - Western Areas Limited - Independent Non-Executive Chairman

Good. Thank you.

Daniel Richard Lougher - Western Areas Limited - MD, CEO & Director

Thanks.

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