

NEWS RELEASE

25 May 2020

ASX: WSA

WESTERN AREAS LTD



WESTERN AREAS TO ACQUIRE 19.9% STAKE IN PANORAMIC RESOURCES

Western Areas Ltd (ASX: WSA, “Western Areas” or the “Company”) is pleased to announce it has entered into a subscription agreement with Panoramic Resources Limited (“Panoramic”) to acquire up to 19.9% of Panoramic’s pro-forma shares on issue upon completion of its fully underwritten capital raising (“Capital Raising”) announced today. Based on the Capital Raising issue price of A\$0.07 per share, the total cash consideration payable by Western Areas will be A\$28.6 million.

Dan Lougher, Managing Director of Western Areas, said that Western Areas is pleased to support Panoramic’s equity raising.

“This investment is consistent with our growth strategy and increases our exposure to the emerging New Energy Vehicles (“NEV”) market dynamic. We are encouraged by the development potential of the Savannah North orebody and believe that Panoramic’s decision to continue to invest in capital development will position the operation well for the projected upswing in nickel, copper and cobalt demand driven by the NEV thematic. The Capital Raising will ensure that the Savannah Project is production-ready for when a decision is made to restart operations. We are also excited by the near-mine and regional exploration opportunities at the Savannah Project.”

This investment provides Western Areas with exposure to the future restart of the promising Savannah Project, which has a significant nickel sulphide resource that also includes valuable copper and cobalt by-products. Furthermore, the investment is strategically aligned with Western Areas’ existing nickel portfolio with production from Flying Fox and Spotted Quoll, and future growth from the Odysseus development project. This investment is consistent with the Company’s strategy of investing in promising NEV focused opportunities at attractive entry points in the cycle.

Western Areas has shown a willingness to hold strategic investments in the past, which have delivered significant value to shareholders. The Company’s robust cash balance has enabled the Company to move quickly to secure this opportunity, whilst retaining balance sheet strength to continue the uninterrupted development of the Odysseus project at Cosmos.

Upon completion of the Capital Raising, Western Areas will be granted the right, but not the obligation, to appoint one representative to the Panoramic Board. Western Areas and Panoramic will also form a technical committee comprised of two representatives nominated by Western Areas and two representatives from Panoramic to provide technical assistance to the Savannah Project.

-ENDS-

The announcement was authorised for release by the officers below. For further details, please contact:

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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 include, but are not limited to: “We are encouraged by the development potential of the Savannah North orebody and believe that Panoramic’s decision to continue to invest in capital development will position the operation well for the projected upswing in nickel, copper and cobalt demand driven by the NEV thematic.”, and, “The Company’s robust cash balance has enabled the company to move quickly to secure this opportunity, whilst retaining balance sheet strength to continue the uninterrupted development of the Odysseus project at Cosmos.”.

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 Ltd. Potential investors should refer to Western Areas' other public releases and statutory reports and consult their professional advisers before considering investing in the Company.