

Western Areas AGM 30 November 2007



Western Areas NL
FLYING FOX NICKEL MINE
Streeter Decline May 2005

- Western Areas - Goals and Team
- Global Nickel sulphide industry
- Forrestania Nickel Project
- Flying Fox Nickel Mine
- Growth Strategy & Canadian Projects
- Shareholders and Summary

HAVE YOU
TAGGED
ON ?

Nickel production and growth company



Western Areas - Goals

Nickel Production

- FORRESTANIA PROJECT: >30,000tpa Nickel from 2010
- CANADIAN PROJECTS: >10,000 tpa Nickel from 2010

Financial

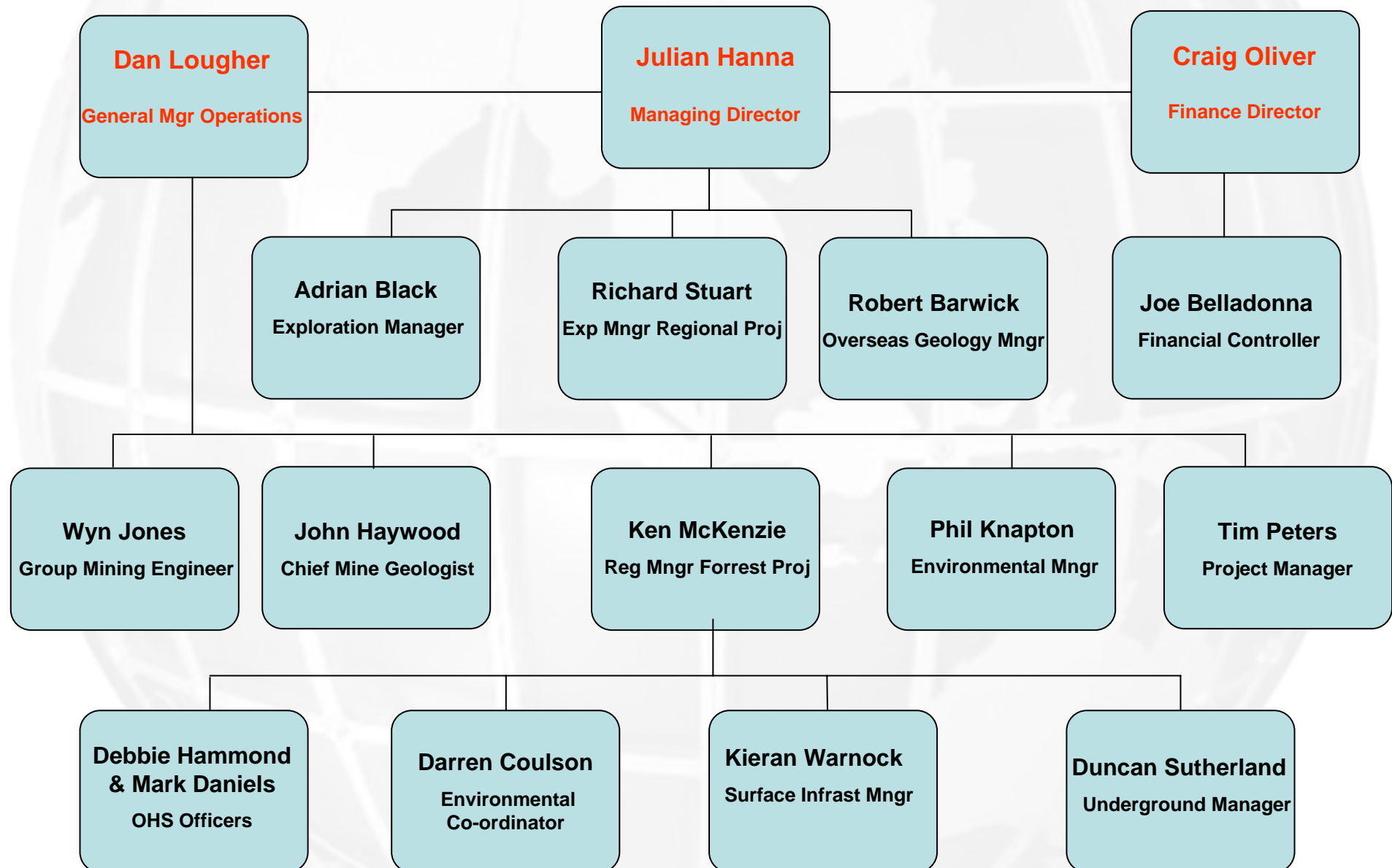
- CASH FLOW : Strong cash flow from March Q 2008
- DIVIDENDS : Surplus cash flow for dividend payments

Growth

- PRODUCTION : Target – mid tier producer : 40,000tpa Ni
- EXPLORATION : Further nickel discoveries in W. Australia
- ACQUISITIONS : Advanced Nickel projects in Canada



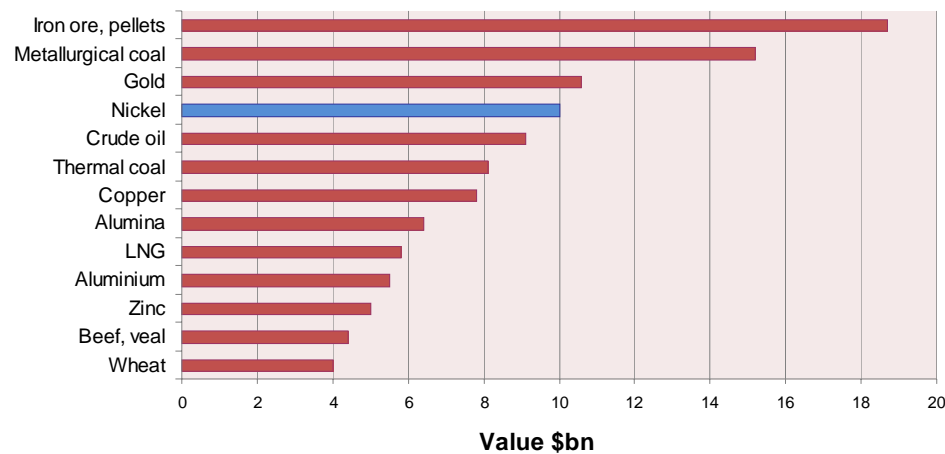
Senior Management Team





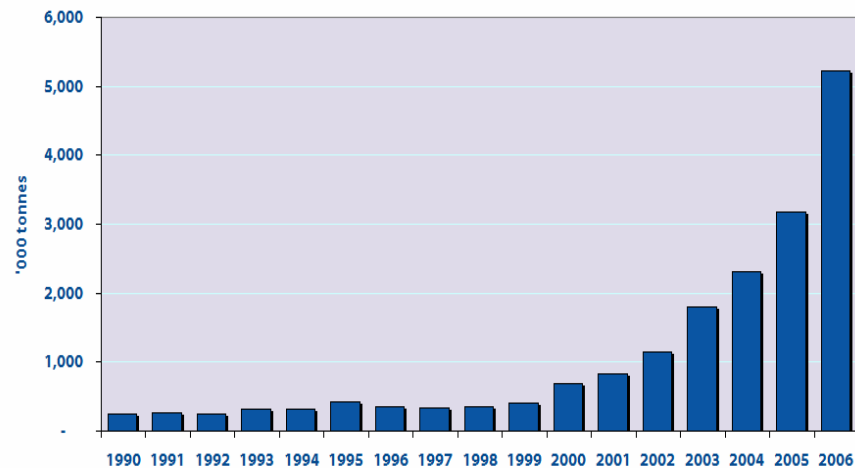
Nickel – Supply and Demand

Major Australian Commodity Exports 2007-08

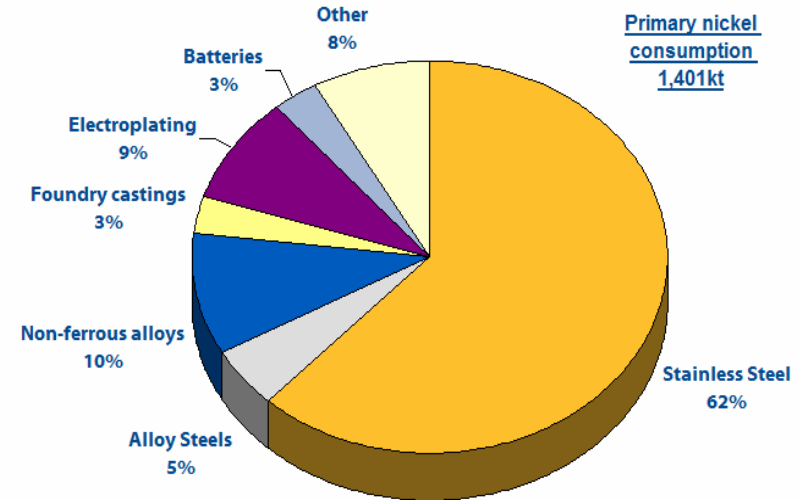


Australia's 4th export commodity

China's Stainless Steel Production



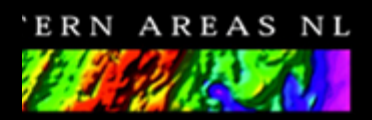
World Nickel Demand by First Use, 2006



62% of Ni goes to stainless steel

Chinese s/steel growth >30%pa

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WSA's position in the Nickel Sulphide Industry

AUSTRALIA	CANADA	RUSSIA	CHINA	FINLAND	SOUTHERN AFRICA
BHP	CVRD XSTRATA	NORILSK	JINCHUAN JILIN	NORILSK	BCL
1	4	3	3	1	1
Norilsk	FNX			Talvivaara	Norilsk
<u>Western Areas</u>	<u>Western Areas</u>			Scand. Mins	Albidon
Jubilee Independence Mincor Sally Malay Cons. Nickel Australian Sally Malay Allegiance Fox Resource Poseidon	Crowflight Independent First Nickel Victory Pure Nickel C. Royalties Mustang (19.2% WSA) Mirabela				



Changes in Nickel smelter/refinery ownership



Harjavalta Nickel Refinery, Finland – originally Outokumpu, then OMA, now Norilsk

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Australian Nickel Sulphide Industry

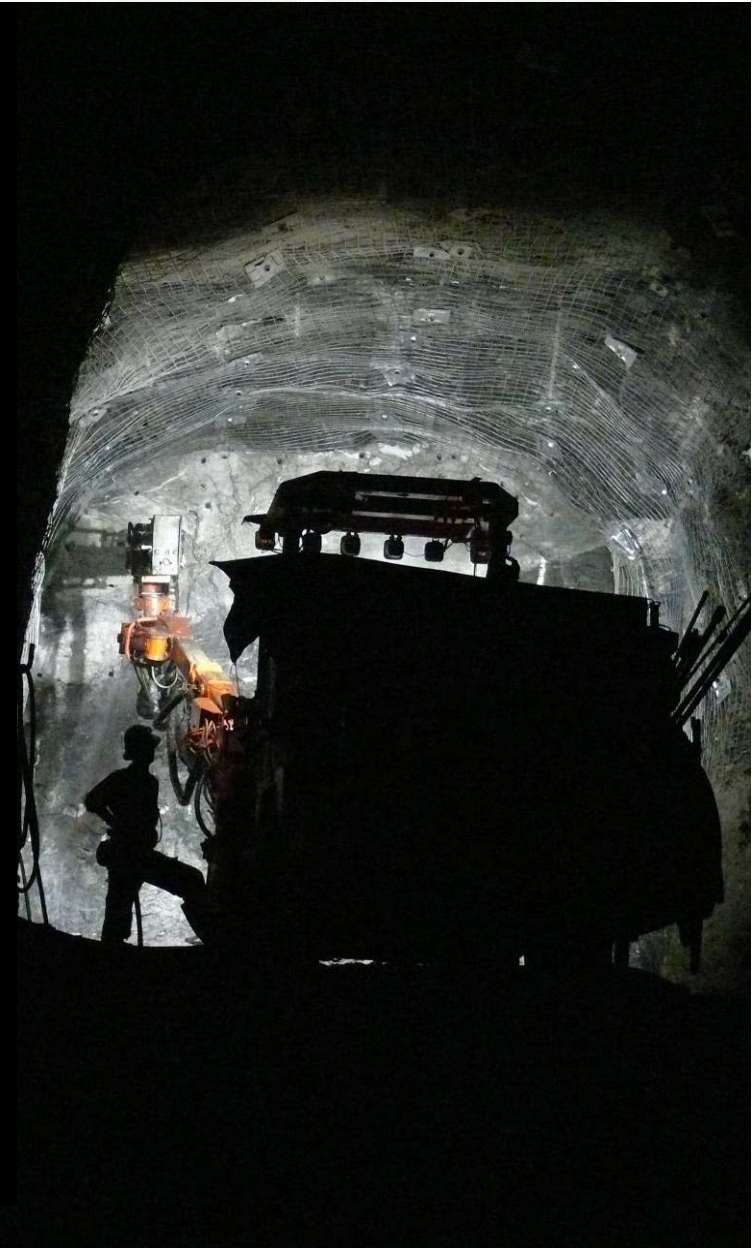
Positives

- Highest grade nickel deposits in world
- Average mine : ~8,000 – 15,000t Ni pa
- Mined ore reserves are being replaced
- New deposits being found in old areas

Challenges

- Skilled labour & equipment
- Rising costs of mining – wages
- Land access & environmental issues

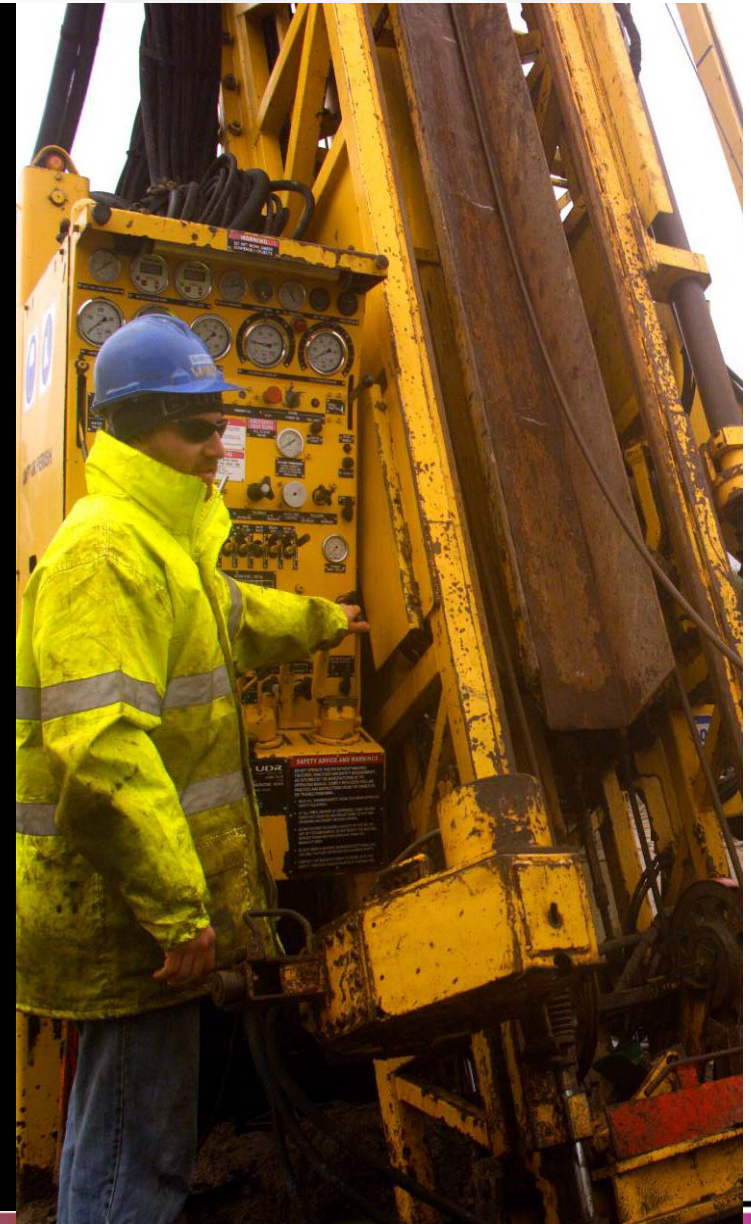
Overdue for discovery of new 'nickel camp'





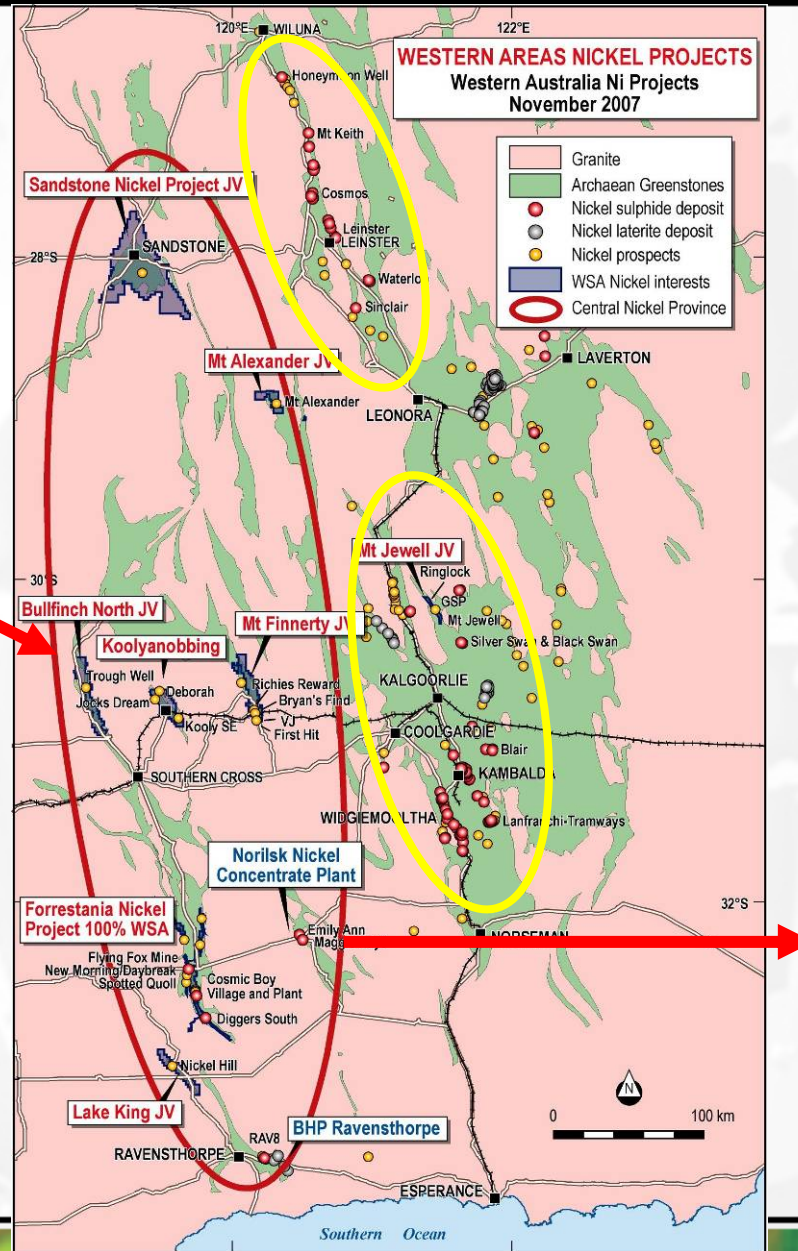
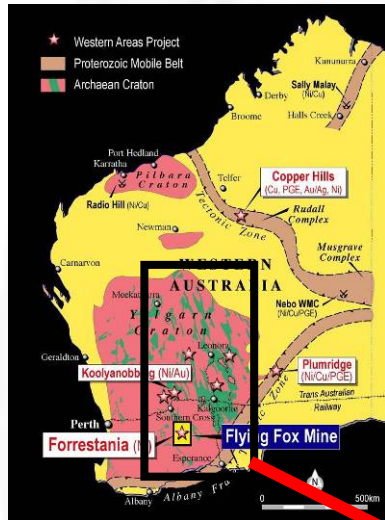
Discovering Nickel Sulphide

- Nickel is rare - occurs in major 'nickel camps'
 - 3 in Australia
 - 4 in Canada
 - 2 in Russia
 - 1 in China
 - 1 in Botswana
 - 1 in Brazil
- Discovery rate of new 'nickel camp' is ~14 yrs
- Three main 'groups' of deposits
 - Impact craters (Sudbury)
 - Mafic intrusions (Norilsk)
 - Lava channels (Kambalda, Forrestania)
- Massive Nickel sulphide is soluble
deep drilling & geophysics required

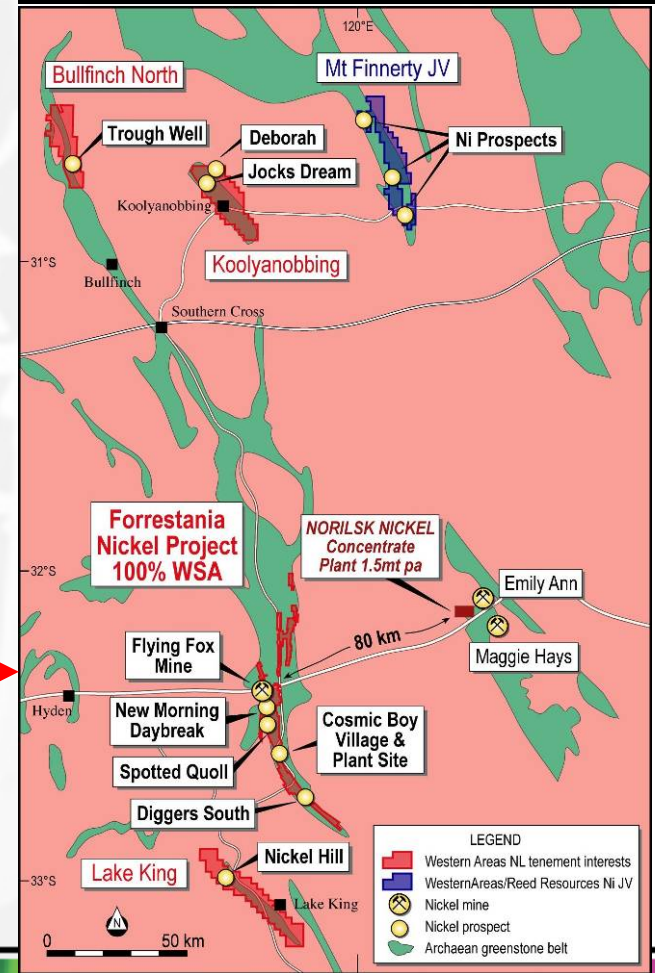


Forrestania 'Nickel Camp' consolidated by WSA

- interests cover 7 key greenstone belts



Forrestania Nickel Project:
225,900 tonnes (500M lbs)
~US\$7Bn nickel in high quality mineral resources



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Flying Fox Nickel Mine – a world class mine

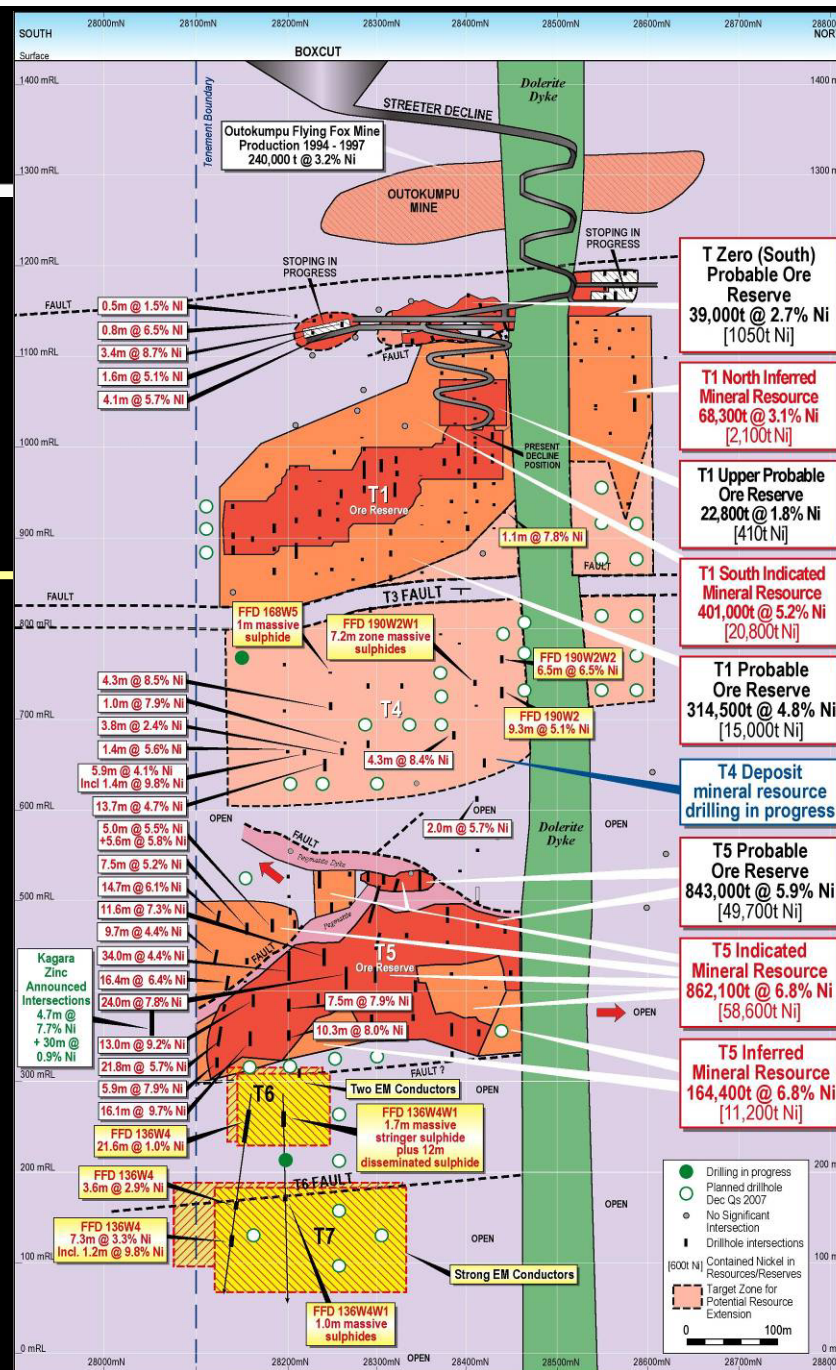
- six high grade deposits to 1400m depth
- Mineral Resources : 1.5Mt @ 6.2% Ni
95,600 t Ni – excludes T4, T6, T7 deposits
- mining in progress : T Zero & T1 deposits
- drilling in progress : T4, T6, T7 deposits
- 12,000 - 14,000 tpa nickel by 2010
- study underway for shaft to 1200m
- nickel offtake agreement with Norilsk



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Flying Fox – longitudinal section

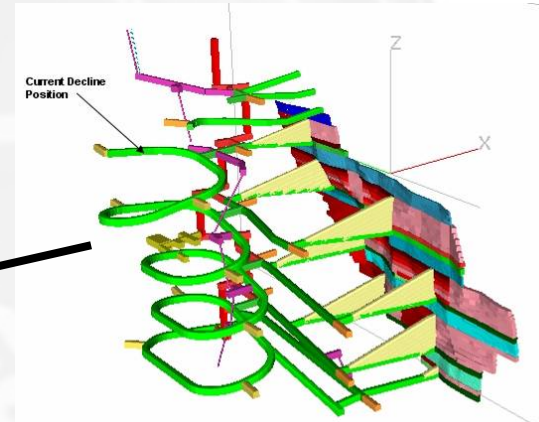
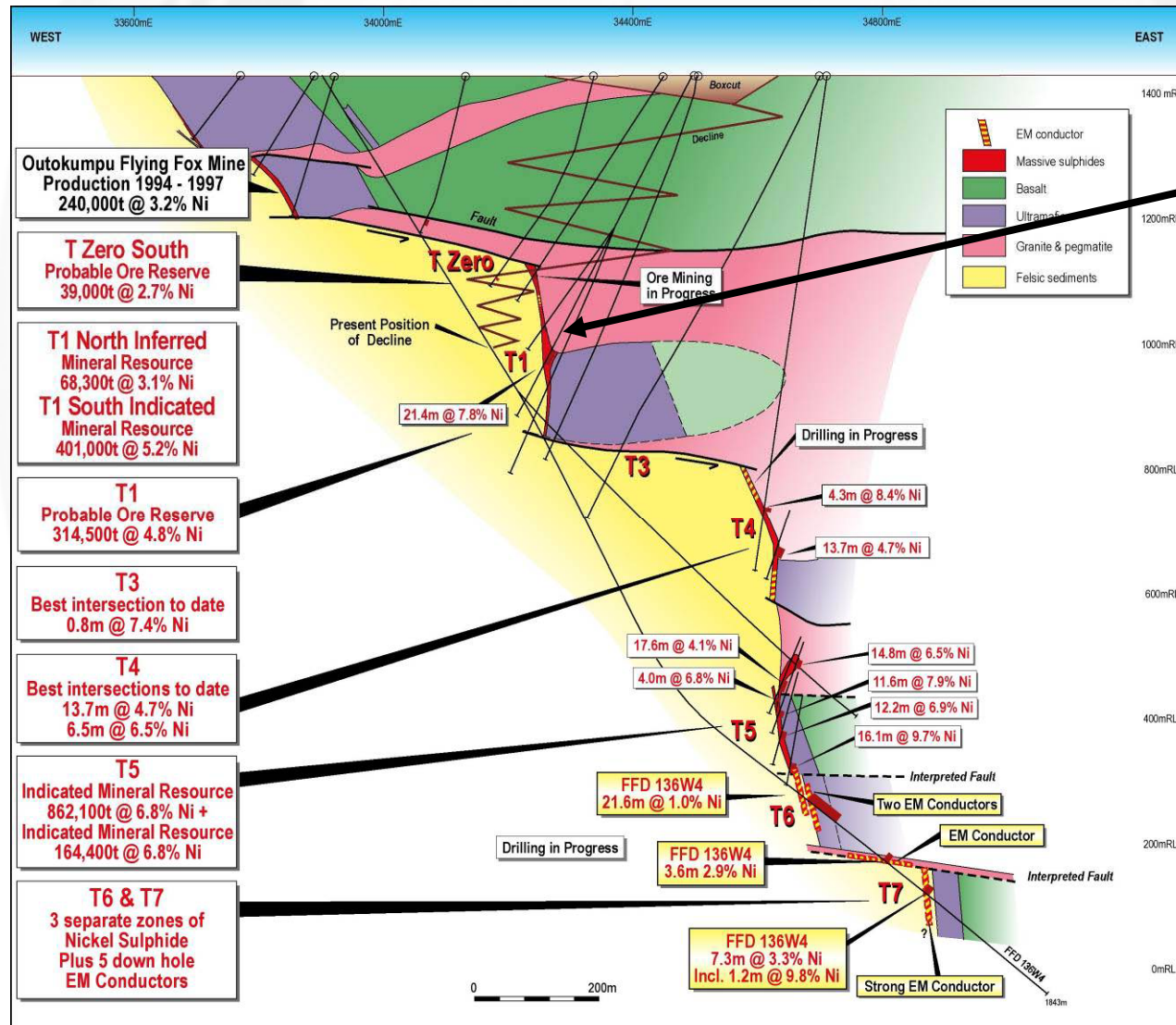
- Current Ore Reserves – T0, T1, T5
1.16Mt @ 5.6% Ni : 65,000 t Ni
 - Ore Reserves exclude T4, T6, T7
 - Reserves assume US\$5.50/lb Ni price
-
- **T4 – drilling in progress : access 12 mths**
recent T4 results include:
 - 9.3m @ 5.1% nickel
 - 6.5m @ 6.5% nickel
 - **T6/T7 – drilling in progress : 3 nickel zones, 5 EM conductors, up to 9% Ni.**
T5 intersections:
 - 24.0m @ 7.9% Ni
 - 16.1m @ 9.7% Ni
 - 11.6m @ 7.3% Ni
 - 34.0m @ 4.4% Ni





Flying Fox — unique geology

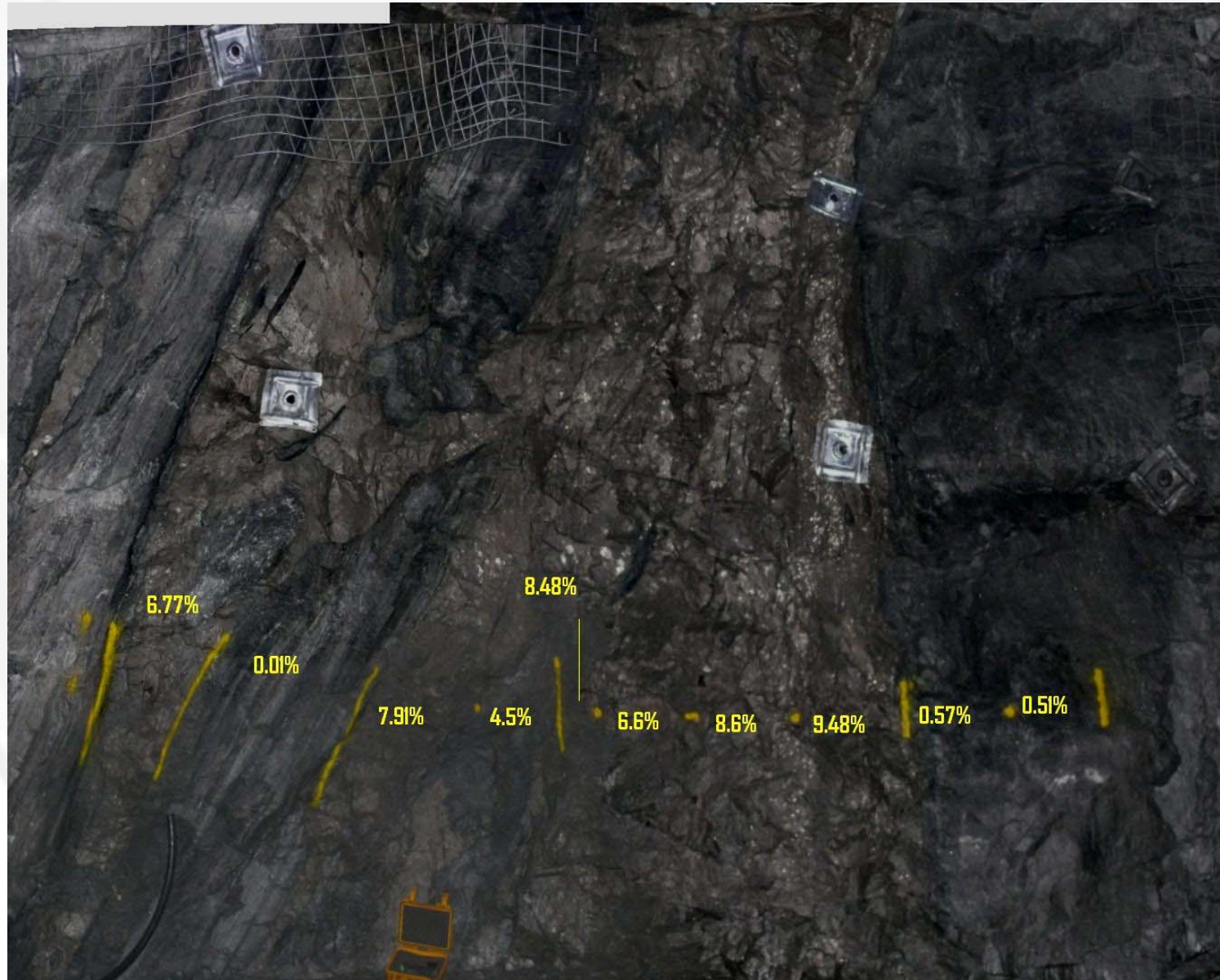
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Continuous High grade nickel over 1100m vertical extent open at depth
Drilling in progress at T6 and T7



Flying Fox — T1 first ore face average 7.7% Ni



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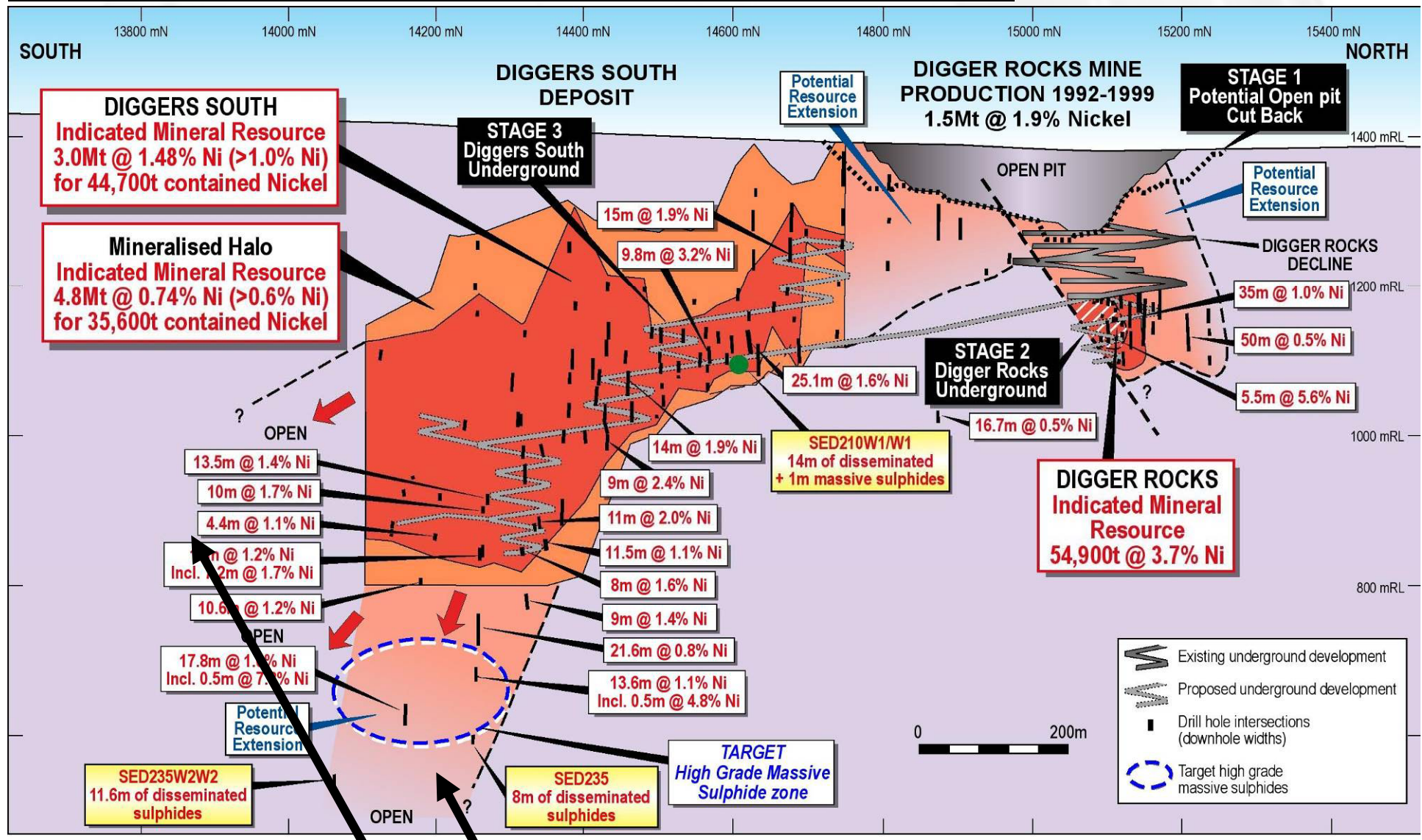


Flying Fox — T1 mining crew



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Diggers South – feasibility study for 2nd mine. WSA seeking new nickel offtake agreement

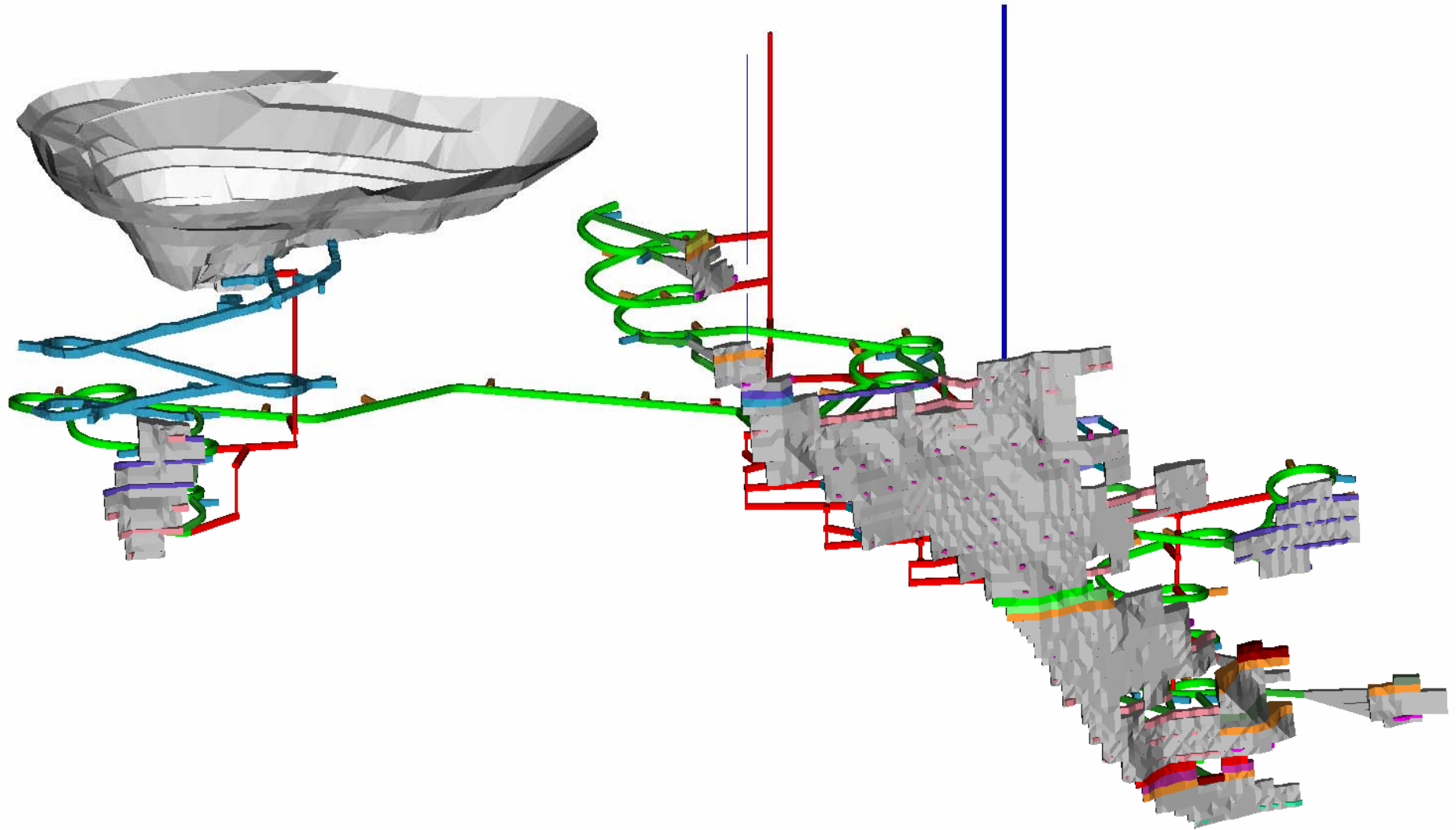


Drilling required to test for high grade extensions

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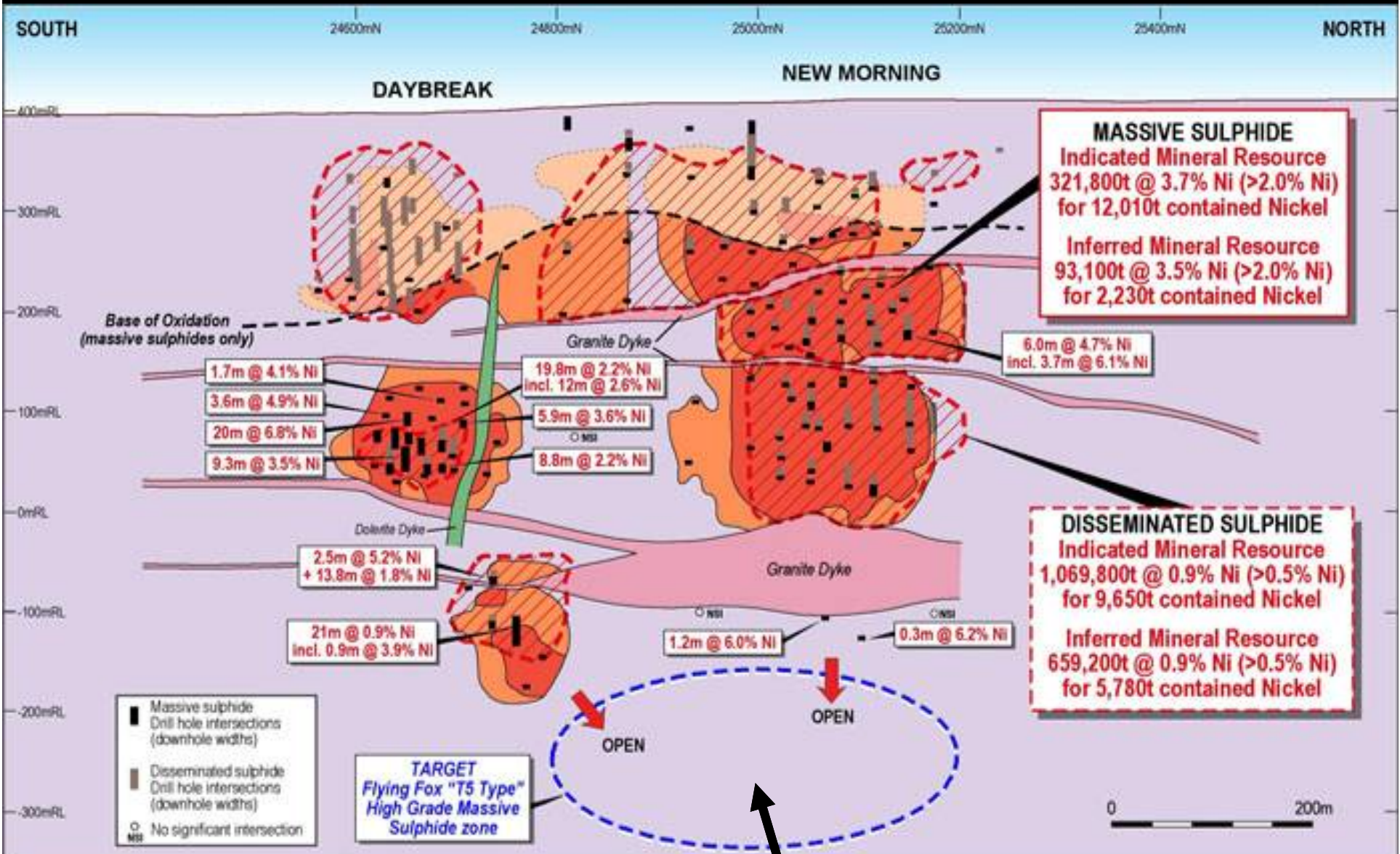


Diggers South - underground mine design



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New Morning/Daybreak – scoping study for 3rd mine in progress



Drilling required to test for high grade extensions below fault

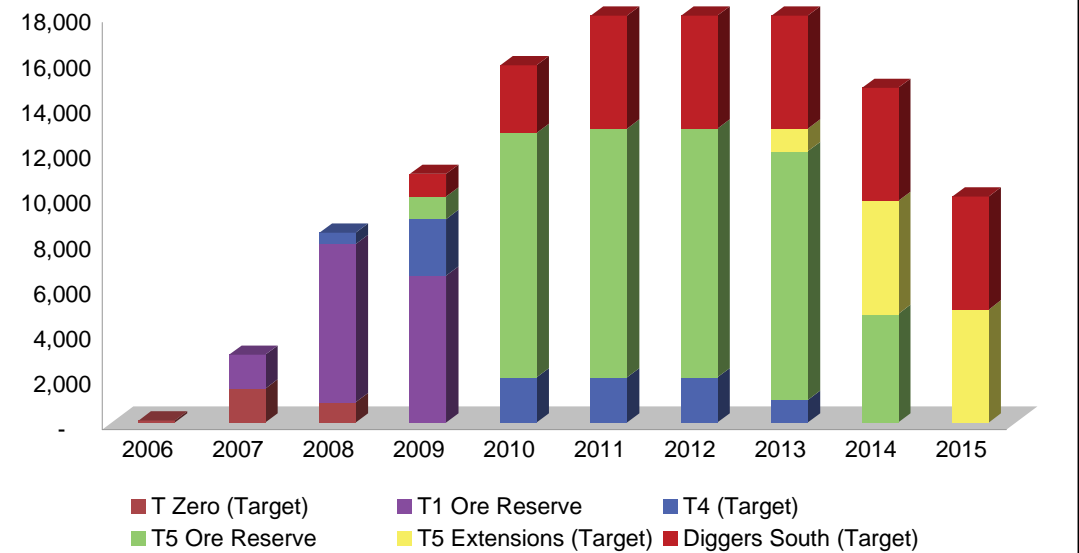
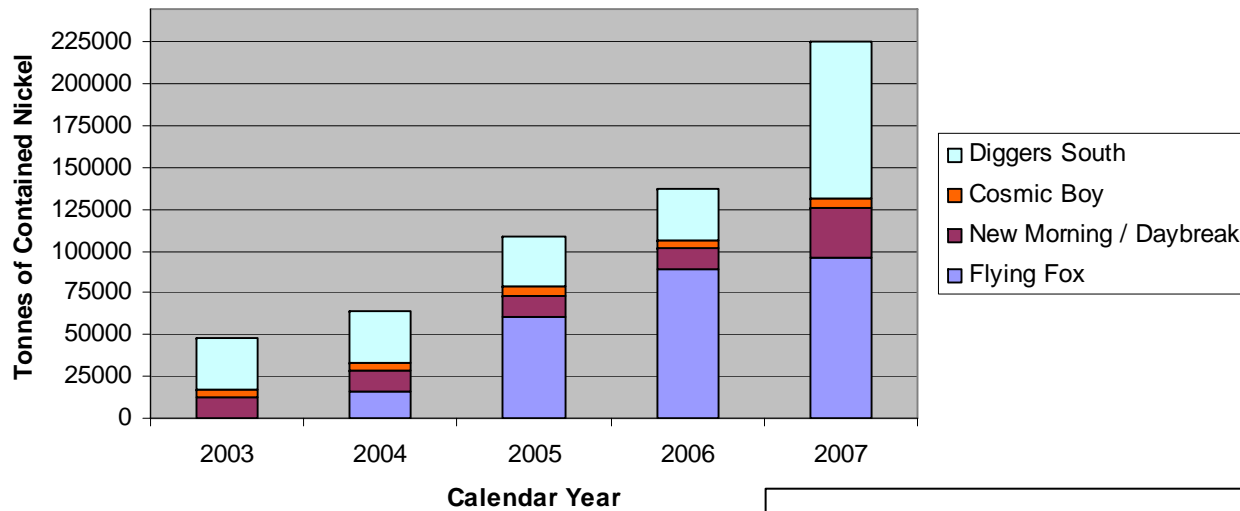
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Mineral Resources & Production Profile

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Forrestania Mineral Resources



Offtake Agreement - Norilsk



CONCENTRATOR

Start construction of Stage One (250,000tpa ore) concentrator at Cosmic Boy in Mar Q 2008



OFFTAKE AGREEMENT

- First 75,000 tonnes nickel
- Sold at LME Spot nickel price
- Either as ore or concentrate
- Favourable payment terms
- Take or Pay contract

Flying Fox ore is a premium product with nil arsenic, MgO



Company Growth Strategy

WESTERN AREAS NL



EXPLORATION

- Exploration budget ~\$3.0M/mth
- Forrestania main priority
- Wide range of Nickel projects
- Geophysics + diamond drilling

AUSTRALIA

- **Goal : Produce >30,000tpa Ni**
- **Consolidate Forrestania region**

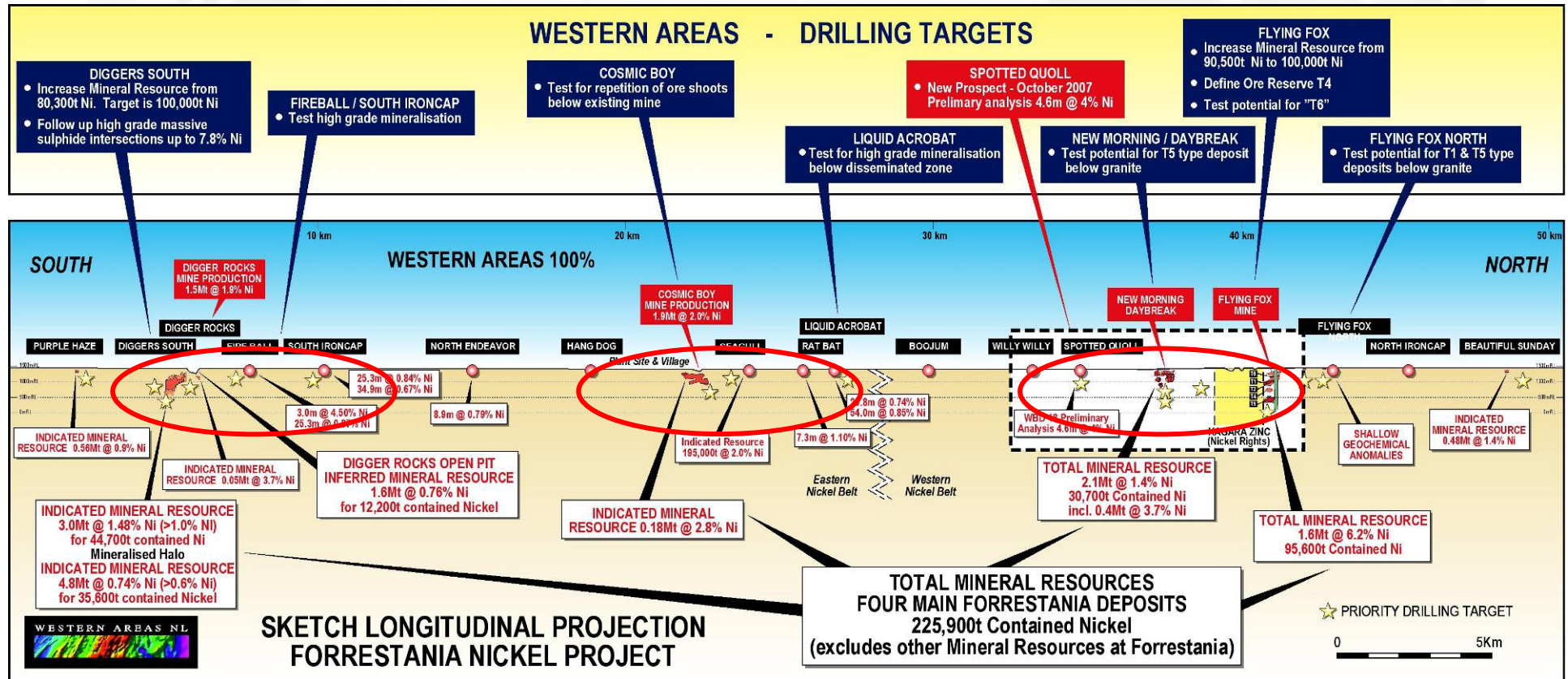
CANADA

- **Goal : Produce >10,000tpa Ni**
- **Acquire advanced Ni projects**
- **Increase liquidity on TSX**



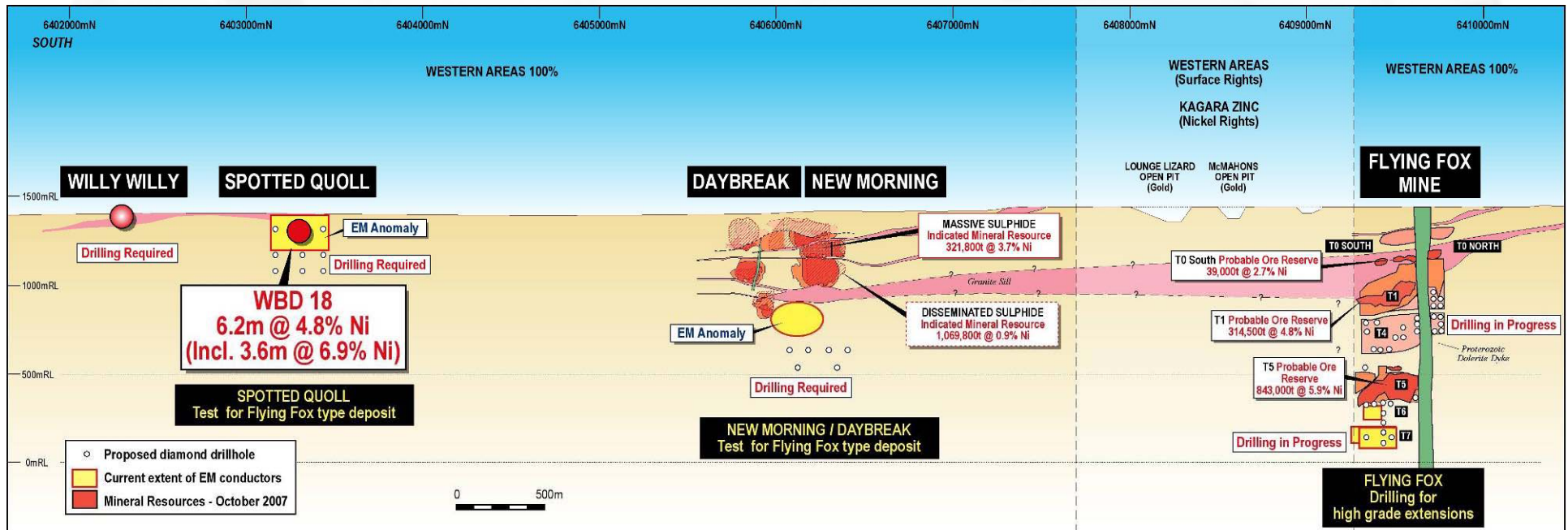


Forrestania – three major nickel systems



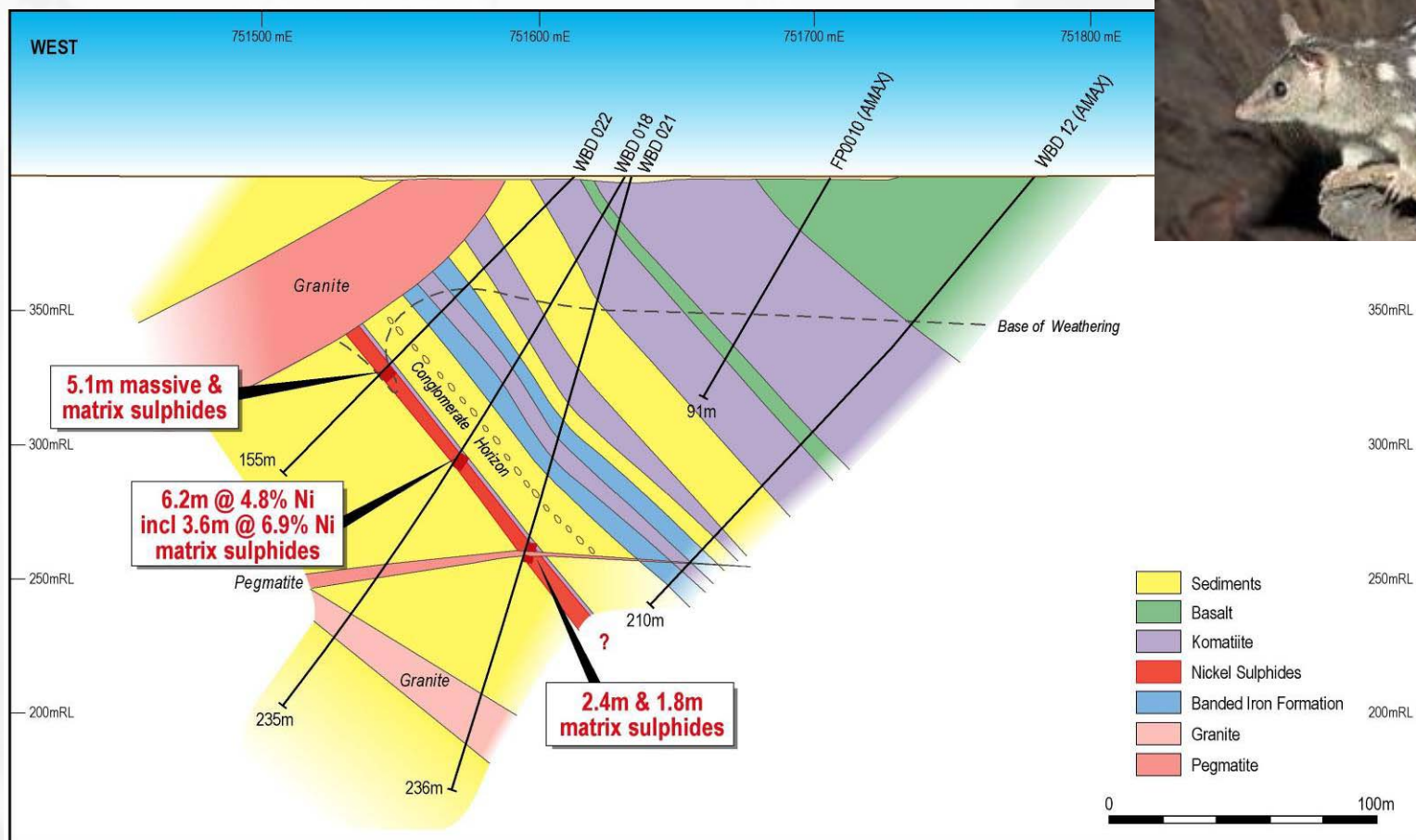
50km long nickel belt, 3 large nickel systems, many drilling targets

Spotted Quoll discovery – first drill hole intersects 6.2m @ 4.8% Ni, incl 3.6m @ 6.9% Ni



8km long nickel system, 3 high grade nickel deposits – significant upside
 Spotted Quoll - High grade nickel sulphide, similar geology to Flying Fox
 Drilling in progress to define a mineral resource to 200m depth

Spotted Quoll – All 4 drill holes to date intersect significant sulphide mineralisation



WESTERN AREAS NL

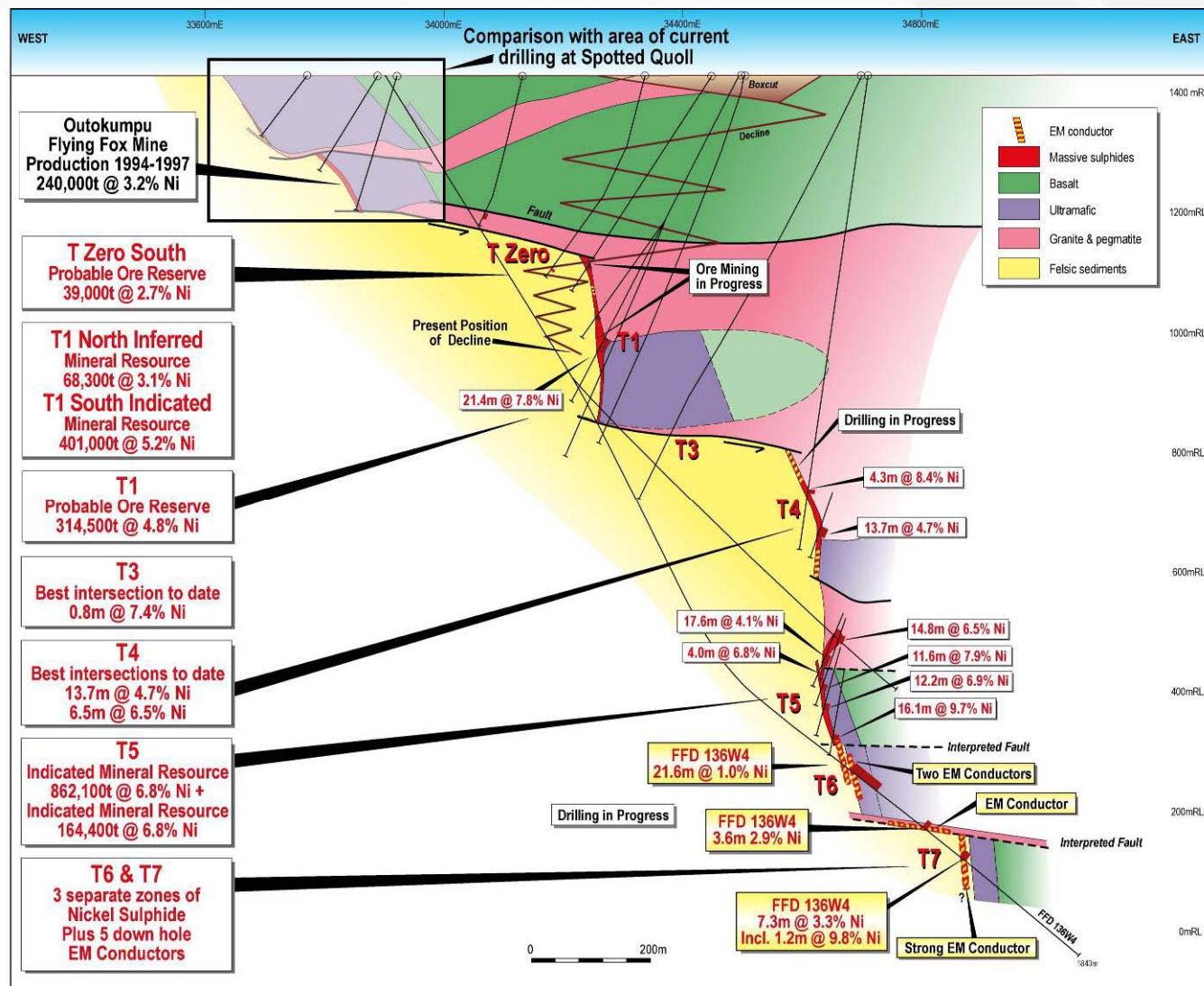


WA01708

SPOTTED QUOLL
INTERPRETED CROSS SECTION 6,403,460N

Strongly nickel mineralised shear zone hidden below granite dyke

Flying Fox - compared with area of current drilling at Spotted Quoll



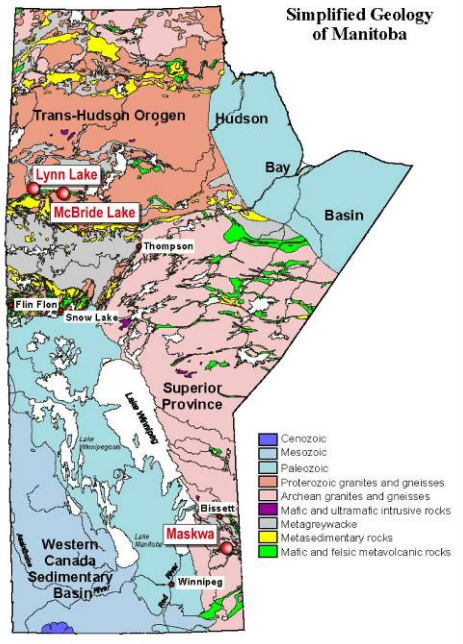
Spotted Quoll – potential for Flying Fox type bonanza grade nickel deposits



Canadian Strategy

Manitoba Ni and Zn/Cu projects with potential to:

- bring into production within 2-3 years
- produce > 5,000 tpa nickel in concentrate
- near established infrastructure



▲ Discovery Hole: DDH160
183m @ 4.8% Ni & 1.7% Cu

EL NICKEL MINE , LYNN LAKE MANITOBA

Drilling in progress

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Canadian Projects

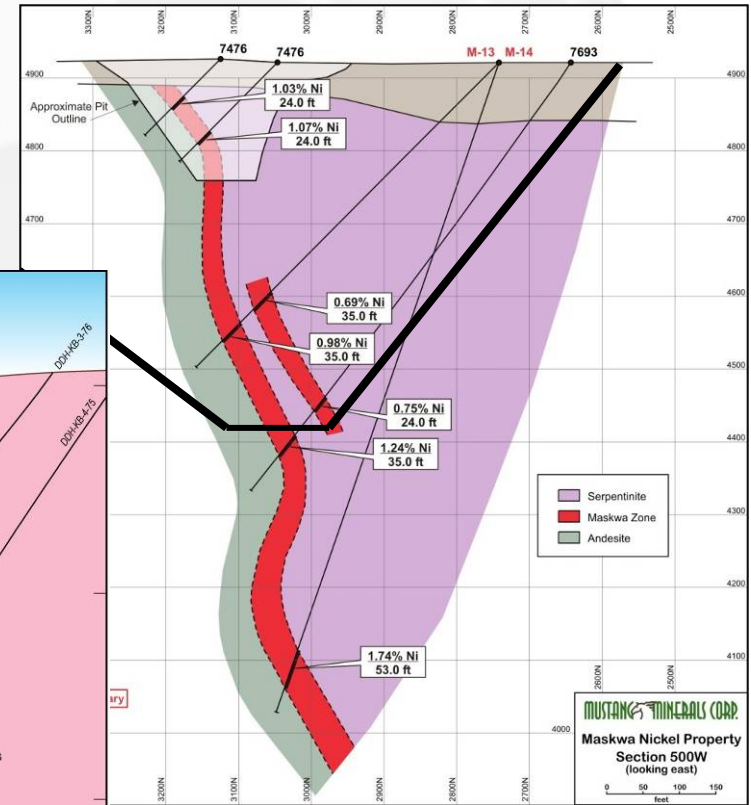
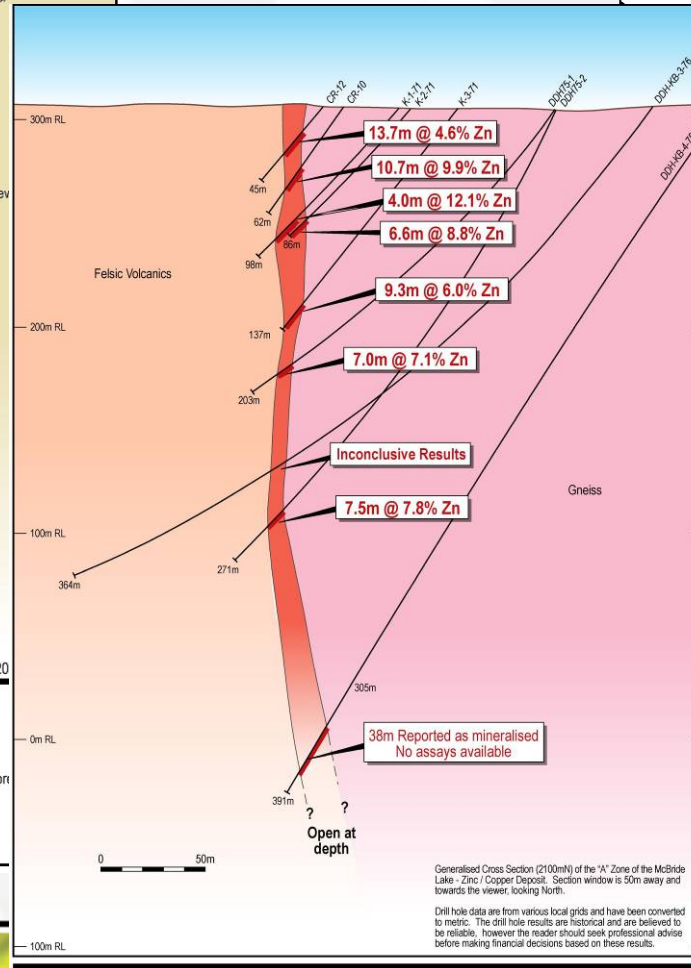
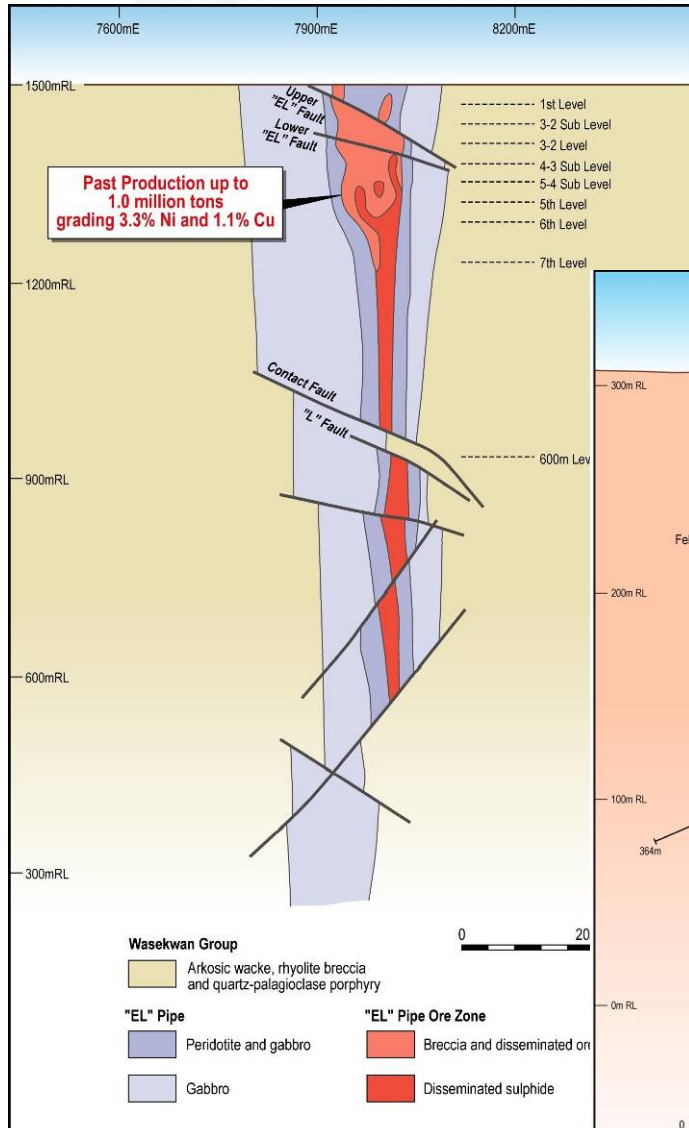
EL Ni/Cu/Co Mine (100%)

McBride Lake Zn deposit (100%)

Mustang Minerals

Maskwa deposit (19.2%)

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Generalised Cross Section (2100mN) of the "A" Zone of the McBride Lake - Zinc / Copper Deposit. Section window is 50m away and towards the viewer, looking North.

Drill hole data are from various local grids and have been converted to metric. The drill hole results are historical and are believed to be reliable, however the reader should seek professional advice before making financial decisions based on these results.



Western Areas - Corporate

- ASX & TSX LISTED: 'WSA' - ASX 200 INDEX
- ISSUED CAPITAL: 166M shares, 6M options
- MARKET CAPITAL: A\$990M @ \$6.00 undiluted

FINANCIAL

- CASH (30 October): A\$210M
- CONVERTIBLE BOND: A\$225M, 8% yield, 45% premium
- FINANCE FACILITIES (Drawn approx \$55M): A\$90M
- EXPLORATION EXPENDITURE: ~A\$2.5M / month

BOARD

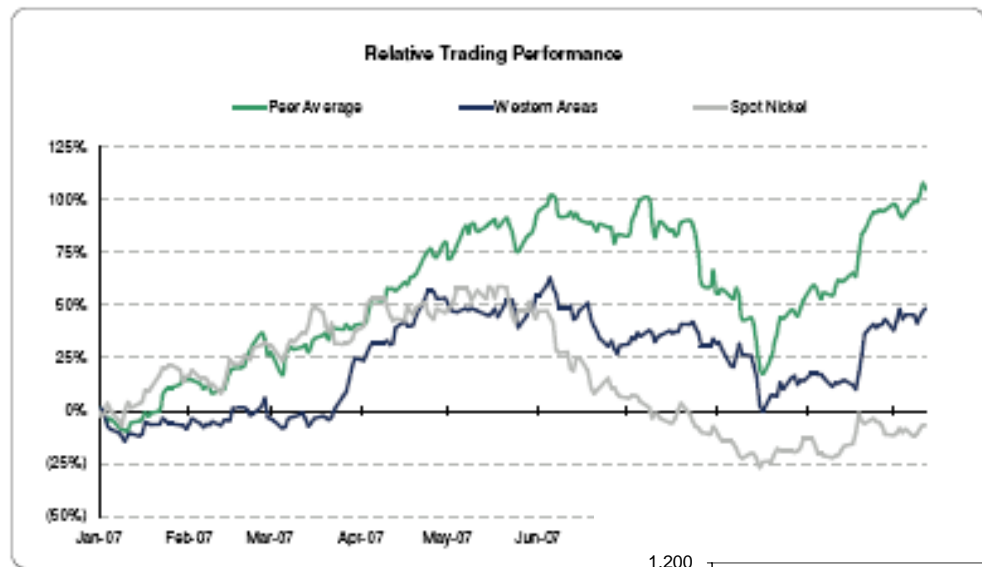
- Terry Streeter – Chairman and 20% shareholder
- Julian Hanna – Managing Director
- Craig Oliver – Finance Director and Company Secretary
- David Cooper – Independent Director
- Robin Dunbar – Independent Director. Toronto based



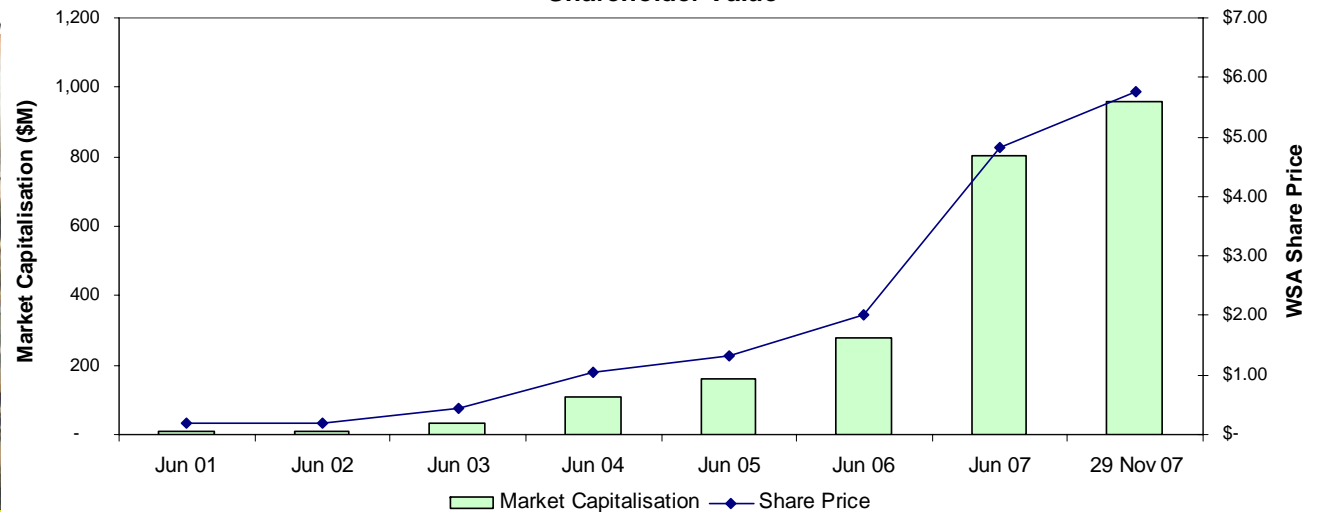
WSA - Top 6 Shareholders & Ni peer group



- Jungle Creek (Terry Streeter) 19.5%
- Giovanni Santalucia 9.4%
- Commonwealth Bank 9.2%
- Pac Custodians 7.4%
- Inmead (Allan Greenwell) 6.1%
- Credit Suisse (London) 5.4%



Shareholder Value



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Western Areas Summary

- Flying Fox nickel mine (>10 yrs)
- exceptional nickel grades (5-6% Ni)
- feasibility for 2nd mine, Diggers South
- scoping study for 3rd mine
- new Spotted Quoll nickel discovery
- offtake agreement with Norilsk
- A\$210M cash reserves
- high quality Canadian Ni & Zn projects
- 19.2% interest in Mustang Minerals

6.5% Ni

6.8% Ni

6.2% Ni

6.2% Ni

7.3% Ni

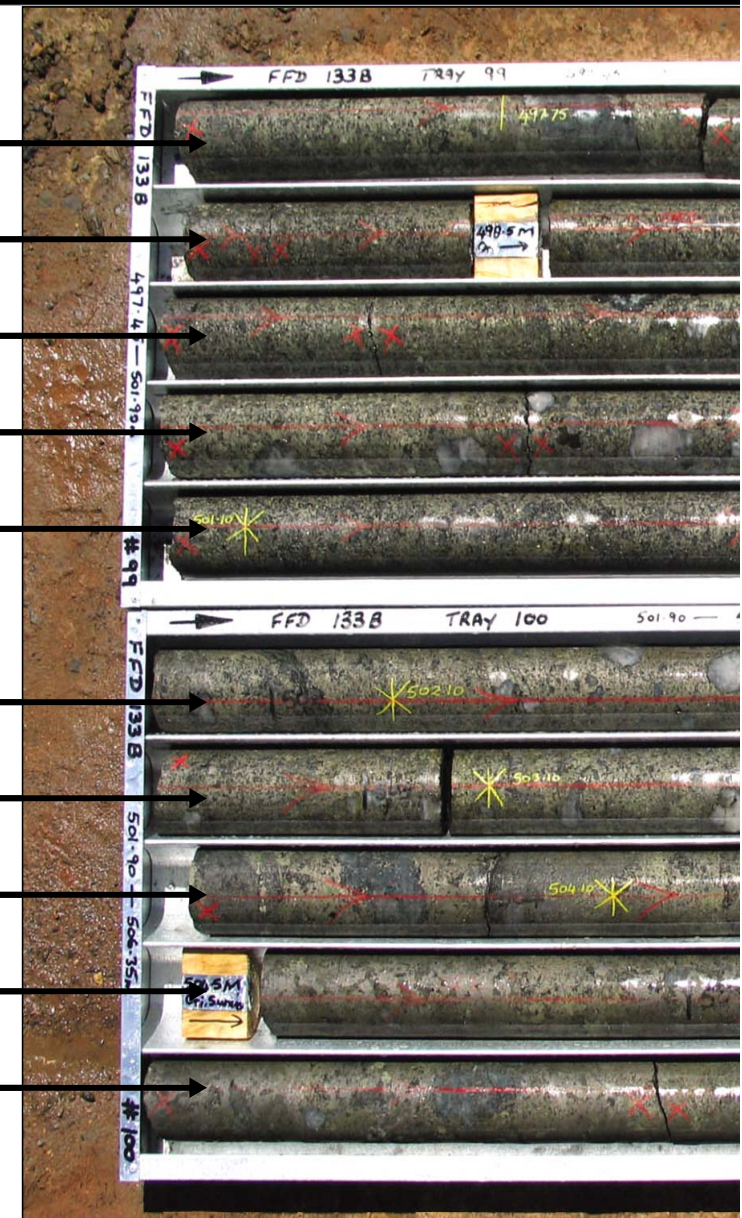
8.2% Ni

7.4% Ni

8.8% Ni

9.2% Ni

7.9% Ni





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