



Company	Western Area Limited
Code	WSA
Meeting	AGM
Date	18 November 2021
Venue	Frasers Function Rooms, Kings Park, Perth and on-line
Monitor	Geoff Corrick

Number attendees at meeting	48 shareholders (including 4 online). 42 of these voted in person (including 3 online) 46 guests (including 20 online)
Number of holdings represented by ASA	25
Value of proxies	\$0.95m
Number of shares represented by ASA	295 593 (less than one third of the lowest top 21 holders - lowest three have 1.0m each.)
Market capitalisation	\$1029m – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair Ian Macliver, CFO/Coy Sec Joe Belladonna and Compliance and Governance Co-ordinator Kate Hiatt

Cosmos mine development on schedule, proposed change of control unresolved.

All resolutions were carried on a poll. It was notable that majorities for all resolutions were in the range of 88 - 90% in contrast to previous years where majorities of 97 - 98% were typical. We asked the chair why this was so. There was no comment on why, but he says they will talk to some major shareholders about their concerns in coming weeks. In discussion after the meeting it seems that possibly a substantial holder took exception to the company's response to the change of control proposal from IGO Limited and chose to express their concerns with a vote against all resolutions. The chair mentioned in his opening address that due diligence was continuing. In discussion after the meeting we learnt that responding to this process was very time consuming. Since the meeting Wyloo Consolidated and other entities associated with Andrew Forrest have added 1% to their holdings on 6 December, now at 6.29%.

The ASA voted in favour of all resolutions except number 4 - the grant of performance rights to the managing director. We annually oppose this resolution because the rights have only one performance hurdle and the performance period is only three years. The company maintains these are appropriate settings for a company of this size, now just outside the ASX200.

On the resolution to re-elect Mr Rick Yeates as a director we spoke for the resolution, highlighting his very relevant experience for the current mine development projects at Cosmos. We pointed out that during the next term he will pass the 12th year in the role, beyond which the ASA considers a director not to be independent. We were the only speakers on the resolutions.

As is the custom for WSA the formal part of the meeting is closed before the MD speaks and answers questions. Much of his remarks were about progress at the new Cosmos site, and he gave his regular hopeful remarks about the prospects for nickel in the battery market for electric vehicles. There were three topics which prompted questions.

Q1: The diagram for the Spotted Quoll ore-body shows further mineralisation below the existing reserves and resources. What is the status of this? Ans: The deposit is very thin and not economic to mine at current prices.

Q2: The government in Western Australia has mandated that everyone who turns up for work in the mining industry have their first COVID-19 vaccination by 1st Dec, and their 2nd by 1st Feb. How will the company manage the situation when a worker turns up un-vaccinated. Ans: Apart from adopting a cautious approach, it was not clear that the company had a firm plan for this occurrence.

Q3: Most of the nickel market is in Asia. Is the company comfortable selling largely in Asia? Ans: Asia is a more price driven market whereas the European Union is carbon driven. Nickel sulphide is less carbon intensive to smelt than nickel pig iron, so there is potential to sell Western Areas' product in Europe. There is no smelter in South Korea or Japan. The questioner then followed up with some observations about blue and green hydrogen. It was noted that the company had already done a wind and solar study at the Cosmos project. The construction of the shaft, and using an electric truck to deliver ore to the base of the shaft, would considerably reduce diesel usage hauling ore out of the mine. This would lead to reduced ventilation requirements in the mine. All these factors will reduce the carbon intensity of the business.

The outlook for nickel in concentrate production in the next 5 years is in the range 15-18kt, significantly below the 20kt of earlier years. We note that the nickel price has been on a significant uptrend for the last two years.