

ROPER BAR ORE RESERVES STATEMENT

Western Desert Resources' vision is to be the leading low-cost iron ore producer in Northern Australia while generating wealth and prosperity for the people of the Roper and other regions where we operate.

FAST FACTS

ASX Code	WDR
Issued Shares	620m
Market Cap	A\$155m

DIRECTORS

Rick Allert	Chairman
Norm Gardner	MD
Phillip Lockyer	Director
Bruce Mathieson	Director
Ross Blair-Holt	Director

COMPANY HIGHLIGHTS

Iron Ore

- Roper Bar & Mountain Creek projects (NT)
- Hematitic iron ore
- Low Impurities
- Proximity to coast and markets

Gold / Copper

- East Rover Project near Tennant Creek (NT)

CONTACT DETAILS

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Key Points:

- Ore Reserve for Stage 1 (DSO) stands at 14.4Mt at 59% Fe.
- Mine planning shows total 16Mt after mining depletion of 1Mt.
- Results underpin Stage 1 (DSO) 5 year mining operation at 3Mtpa.
- Significant upside to increase Reserves.
- Committed to Stage 2 Project and expanding Roper Bar mine life.

The Directors of Western Desert Resources Limited (ASX: WDR) are pleased to announce the DSO (Direct Shipping Grade) Ore Reserves assessed for the Company's operating Roper Bar Iron Ore Mine in the Northern Territory.

Mining is carried out at the Danehill and Zabeel open cut operations located within the Roper Bar Iron Ore Province – refer Figure 1. This covers about 1,900 km² within four granted exploration licenses in the Northern Territory and includes an estimated 100 km² of outcrop of the target Sherwin Formation which hosts extensive hematite iron ore horizons (Figure 1).

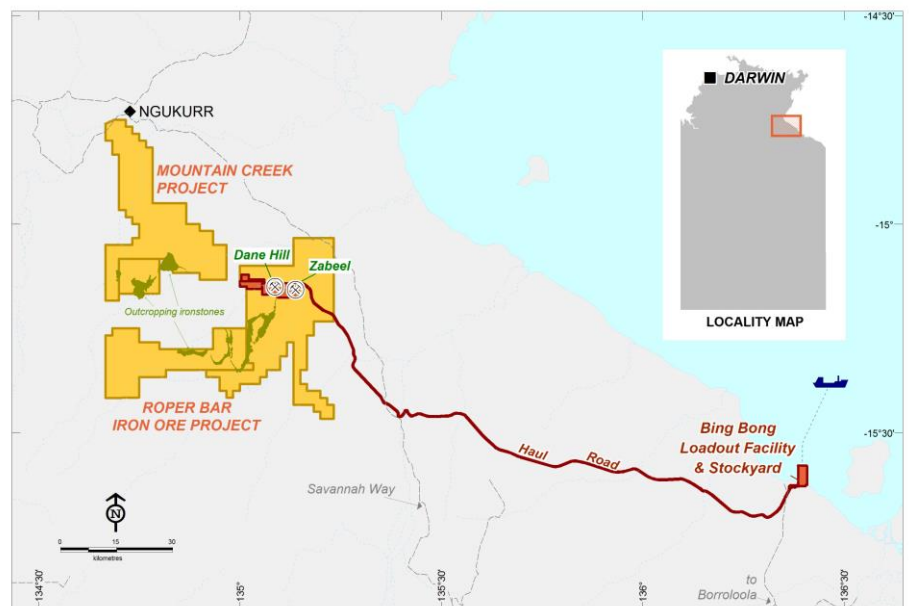


Figure 1: Roper Bar iron Ore mine and project location map

Ore Reserves:

In May 2014 WDR engaged The Minserve Group Pty Ltd to undertake a mining study for the Roper Bar Iron Ore Mine. Mine planning has concentrated only on the Stage 1 DSO phase of the project, as shown in Figure 1. Pit designs and mine schedules have been undertaken based on the previously reported Measured and Indicated Mineral Resources and using the best available revenue and cost information. Cost information was provided by WDRL and estimated for a 3Mtpa ROM rate. A small DMC (Dense Media Cyclone) plant is assumed to be constructed and be operational by 2016 to treat and assist with the blending of low grade ore into product.

The Ore Reserves total 14.4Mt and are presented in Table 1. The Ore Reserves do not include a further 1.6Mt of ore which is categorised as Inferred Mineral Resources but is included within current pit designs. The Ore Reserves have been depleted for the 1.0Mt mined to the end of May 2014. The grade of the reserves is 59% Fe and 10.3% silica, however reconciliations undertaken at the mine indicate that this Fe grade will be exceeded by around 1% Fe with a commensurate reduction in silica grade.

Table 1: Roper Bar Ore Reserves*

Proved	Product Tonnes	5.7Mt
Probable	Product Tonnes	8.7Mt
TOTAL	Proved and Probable	14.4Mt

- * Excludes 1.6Mt categorised at Inferred Mineral Resource but included in pit designs
- * Excludes 1.0Mt depleted (mined) to 31 May 2014
- * Figures quoted are in wet metric tonnes.

Minserve quoted “WDRL has put in place some very effective tonnage and Fe/silica grade reconciliation systems, between the geological model data and the as shipped tonnage and grades.”

Reserve Upside:

In addition to the 14.4Mt that have been identified as Ore Reserves, WDR are confident that further conversion of Mineral Resources to Ore Reserves will occur as the operation matures. The total DSO grade mineralisation in Mineral Resources stands at 44.1Mt (Table 3) which includes mineralisation beneath the current pit designs and in adjacent surficial deposits. Furthermore, new high grade mineralisation has been identified at the Area D, Area B and Mountain Creek prospects. WDR’s immediate target is >20Mt¹ for the Stage 1 DSO operation.

Roper Bar ore advantages:

The Roper Bar iron ore is a very saleable product due to the low levels of impurities, particularly very low phosphorus. This has been supported with positive feedback from steel mills in China.

Mineral Resources:

The assessed Ore Reserves are a subset of the established Measured and Indicated Mineral Resources. The Mineral Resources have been previously reported by WDR and are shown in Tables 2 and 3 at 30% and 54% Fe cut-off respectively. Area D has not been included within the scope of the Ore Reserves work, however an updated Mineral Resource at Area D is imminent.

Table 2: WDR Mineral Resource at 30% Fe cut-off (inclusive of Ore Reserves)

Deposit	Classification (Mt)			Fe %	SiO ₂ %	P %	Al ₂ O ₃ %	LOI %	Reference
	Measured	Indicated	Inferred						
AreaD			90.7	37.2	31.5	0.008	3.20	9.6	AMC (October 2009)
D-North			116.5	40.3	26.3	0.002	2.20	11.0	AMC (February 2011)
E-South		75.8		38.7	29.9	0.005	2.62	9.9	AMC (June 2012)
E-South			17.5	36.1	30.8	0.003	2.35	12.4	AMC (June 2012)
E-East*	3.8			45.5	23.9	0.006	2.00	7.5	WDR (2014)
E-East*		37.5		41.6	26.5	0.004	2.10	9.0	WDR (2014)
E-East			47.7	39.8	27.2	0.004	2.18	10.0	WDR (2014)
AreaF*	8.7			49.4	22.0	0.008	3.09	2.7	WDR & CSA Global (June 2014)
AreaF		17.7		48.0	23.5	0.005	2.80	3.2	WDR & CSA Global (June 2014)
AreaF			213.8	41.3	31.0	0.004	2.91	4.9	WDR & CSA Global (June 2014)
TOTAL	12.5	131.0	486.2	40.3	29.1	0.004	2.66	8.1	
*Depleted to end May 2014			629.7						

Table 3: WDR Mineral Resource at 54% Fe cut-off (inclusive of Ore Reserves)

Deposit	Classification (Mt)			Fe %	SiO ₂ %	P %	Al ₂ O ₃ %	LOI %	Reference
	Measured	Indicated	Inferred						
D-North			0.7	55.0	10.5	0.001	0.67	8.2	AMC (May 2011)
E-South		2.6		55.1	16.8	0.004	0.99	2.8	AMC (June 2012)
E-East*	0.8			57.6	13.0	0.005	1.02	3.1	WDR (2014)
E-East*		5.3		57.0	12.7	0.003	1.04	3.5	WDR (2014)
E-East			3.7	55.3	14.2	0.003	1.35	4.1	WDR (2014)
AreaF*	3.9			61.4	6.9	0.007	2.30	1.9	WDR & CSA Global (June 2014)
AreaF		7.0		60.6	8.4	0.005	2.02	1.8	WDR & CSA Global (June 2014)
AreaF			20.1	58.8	10.3	0.005	2.52	2.0	WDR & CSA Global (June 2014)
TOTAL	4.7	14.9	24.4	58.5	10.8	0.005	2.00	2.5	
*Depleted to end May 2014			44.1						

Future Works (Stage 2)

WDR has previously announced its intention of identifying a strategic partner to advance the treatment of the lower iron grade materials that make up the bulk of the iron ore resources at Roper Bar Mine and surrounding exploration tenure. While the current focus for the operation is to optimise the DSO mining phase (Stage 1), the future envisaged by WDR is an increased annual production rate achieved through a low operating cost process plant which will mine and treat the vast quantities of BFO (beneficiable grade ore) that exist in Mineral Resources and that are now being stockpiled during Stage 1 mining operations.

Additionally, a number of exciting opportunities have been identified in terms of mineral processing and infrastructure, and as previously reported there are great opportunities to build the Mineral Resource to >1Bt¹. WDR look forward to unlocking the great potential of the project in the years to come.

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¹ *The potential quantity and grade of any exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain whether further exploration will result in a larger, smaller, or any Mineral Resource. Conversion of Mineral Resources to Ore Reserves will be dependent on future technical and economic assessments and there is insufficient evidence to provide assurance of an economic development of these Mineral Resources at this stage.*

Competent Persons Statements

The information in this document that relates to Proven and Probable Reserves at Roper Bar Iron Ore Mine is based on a mine plan, a mine schedule and costs prepared by The Minserve Group Pty Ltd. Mr Jeff Jamieson was responsible for the Reserve Statement preparation. He is both a Fellow of the Australian Institute of Mining and Metallurgy, and a Chartered Professional (Mining) and is a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jamieson consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at Area F is based on information compiled by Mr Aaron Meakin and Mr Andrew Bennett. Mr Aaron Meakin is a full-time employee of CSA Global Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Andrew Bennett is a full-time employee of Western Desert Resources Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Aaron Meakin and Mr Andrew Bennett have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Aaron Meakin and Mr Andrew Bennett consent to the inclusion of this information in the form and context in which they occur.

The information in this report that relates to Mineral Resources at Area E-East is based on information compiled by Mr Andrew Bennett. Mr Andrew Bennett is a full-time employee of Western Desert Resources Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Andrew Bennett has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Andrew Bennett consents to the inclusion of this information in the form and context in which they occur.

The information in this report that relates to Mineral Resources at Area E-South, Area D and Area D-North is based on information compiled by Sharron Sylvester who was a full-time employee of AMC Consultants Pty Ltd and a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Sharron Sylvester consents to the inclusion of this information in the form and context in which they occur.

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Bennett who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bennett is a full-time employee of Western Desert Resources Ltd and has sufficient experience relevant to the styles of mineralisation under consideration and to the subject matter of the report to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Bennett consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.

Section 4 Estimation and Reporting of Ore Reserves (JORC 2012)

Criteria	Explanation
Mineral Resource estimate for conversion to Ore Reserves	The Measured and Indicates Resources for Roper Bar Iron Ore Mine were calculated by Andy Bennett, a staff member of WDRL. The resources were based on drilling prior to 2012 and subsequently updated for drilling and sampling in 2013 which was only undertaken on certain areas of the mine. Area D has no mine plan and is not included in the reserves.
Site visits	Jeff Jamieson visited Roper Bar Iron Ore Mine in the period 4 to 6 June 2014 and was provided with data in relation to the Reserves Assessment by a number of the WDRL staff. John Tynan visited the mine in the period 16 to 18 June 2014.
Study status	The Reserves Assessment has been based on mining studies undertaken by Minserve in 2013 as well as more recent studies in 2014 based on revised Whittle Pit shells.
Cut-off parameters	The Reserves Assessment is based on iron ore which is regarded as DSO and the next grade of ore which can be blended into DSO which is titled BDSO. The Fe grade of both of these components exceeds 55% Fe and is also designated by their position in the Sherwin Ironstone Member (SIM).
Mining factors or assumptions	The mining studies undertaken by Minserve had costs calculated by Minserve for the mining component and estimated by WDRL for offsite costs.
Metallurgical factors or assumptions	It is assumed that the iron ore will be sold as crushed iron ore known as lump and fines.
Environmental	The mine has undertaken a normal EIS and received approvals both from the Northern Territory and Australian governments.
Infrastructure	This has now all been put in place by WDRL including mine and port facilities at Bing Bong. Power is supplied by diesel generator and water from a local borefield.
Costs	The Reserves Assessment has been based on costs assessed by Minserve for a steady state mining rate of 3Mtpa of shipped ore.
Revenue factors	The Reserves Assessment was based on a net revenue of AU\$105/DMT which was the average revenue per DMT received for the first quarter of mining operations. This revenue included any quality demerits applicable. WDRL has taken out cover on the Fe products at AU\$118/DMT for the next two quarters.
Market assessment	WDRL has contracted sales for the first five years to Noble Group. All current product available is being sold or accepted for sale by Noble Group.
Economic	The reserves are based on a positive cash flow generated at a 3Mtpa notional mining rate.

Criteria (cont.)	Explanation (cont.)
Social	WDRL is understood to be complying with all of its commitments to the Northern Territory Government.
Classification	The resources have been correctly classified in accordance with the 2012 JORC.
Audits or reviews	No audit review has been undertaken but where possible all assumptions and other factors have been based on mine actuals.
Discussion on relative accuracy/confidence	The Reserves Assessment is believed to be at a reasonable level of accuracy given the complexity of the geology involved and the shallow setting of current mine operations.