

WESTERN DESERT

RESOURCES



Investor Presentation

9th May 2014





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Geological Information

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.

Competent Person's Statement

The information in this Presentation that relates to Mineral Resources 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 Aaron Meakin has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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). All work relating to the estimation of mineral resources has been carried out under the supervision of Mr Aaron Meakin. Mr Andrew Bennett is a full-time employee of WDR and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Andrew Bennett has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 edition of the JORC code. All work relating to the classification of mineral resources has been carried out under the supervision of Mr Andrew Bennett. 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 Presentation that relates to Exploration Results is based on information compiled by Graham Bubner who is a Member of the Australian Institute of Geoscientists. Mr Bubner is a full-time employee of WDR 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 2004 edition of the JORC code. Mr Bubner consents to the inclusion in the Presentation of the matters based on his information in the form and context in which they occur.

Ore Reserves and Mineral Resources Reporting Requirements

Investors should be aware that as an Australian company with securities listed on ASX, WDR is subject to Australian disclosure requirements and standards, including the continuous disclosure requirements of the Corporations Act and the ASX. Investors should also note that it is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the JORC Code.

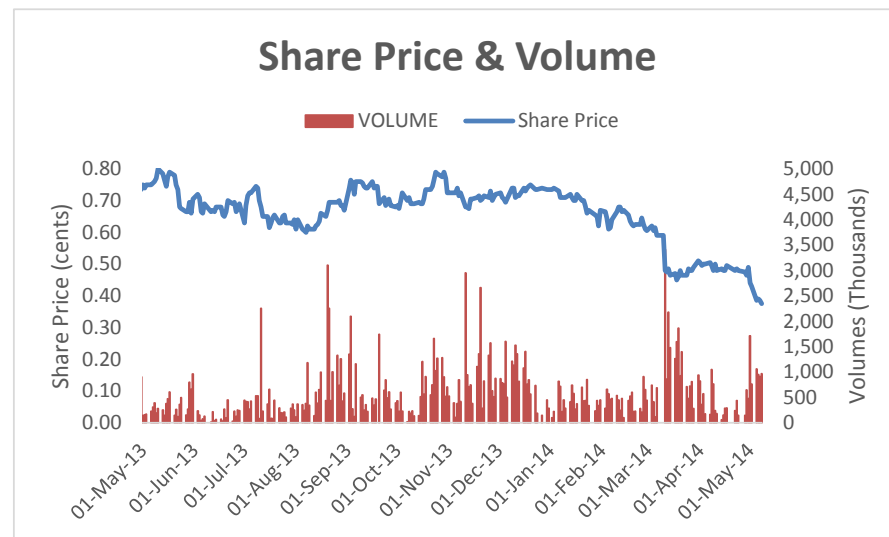
Grade Control Data Collection

Drill data is based on 10 x 10m grade control pattern from surface to 0 RL within the host Sherwin Iron Formation. Samples are collected and assayed at one metre intervals sent to Bureau Veritas in Darwin. Samples are collected mostly dry from a rotary cone or rifle splitter and both duplicates and certified reference standards are inserted for quality control every 25 samples. Collars are determined by differential GPS and a downhole survey is performed at the completion of each hole. All validated geological and analytical data is recorded and stored in a secure SQL server. Geological boundaries are accurately interpreted by mine geologists on each section and block estimation has been performed using Ordinary Kriging by CSA Global consultants. Densities have been measured in situ (wet) using a calibrated downhole density probe (operated by Borehole Wireline) and independently tested using water immersion techniques.

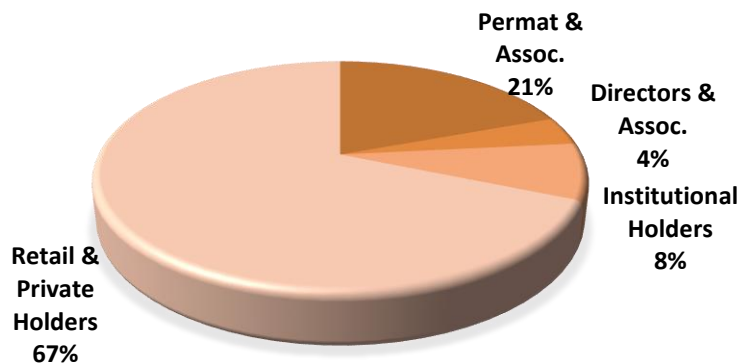


Capital Structure

ASX Code	WDR
Ordinary shares (m)	620.0
Share price close as at 8 May 2014 (A\$)	\$0.38
Market Capitalisation (\$Am)	\$232.5



Shareholder Breakdown



Broker coverage



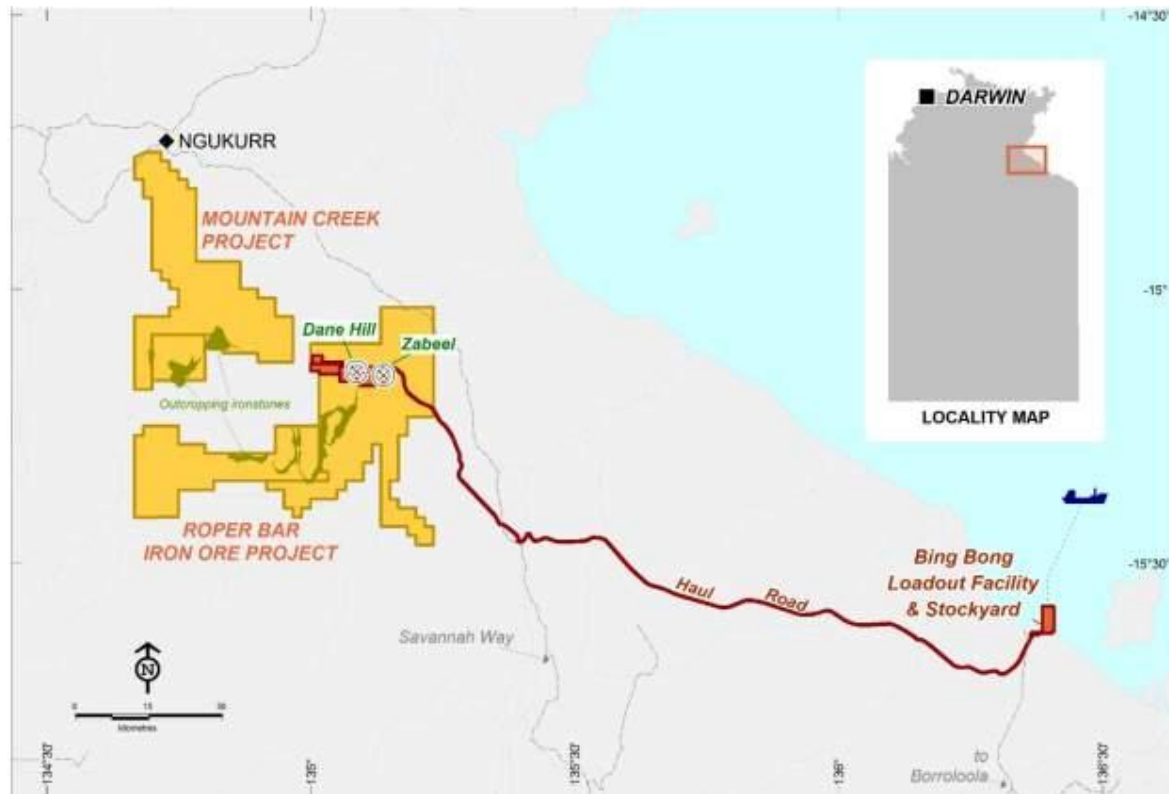


Iron Ore Product

Project	100% owned Roper Bar Iron Ore Project
Production Target	3 Mtpa
High Quality Product	60% Fe
Low impurities	0.02% Phos
High Lump : Fines Ratio	70%

Infrastructure

Privately-owned haul road	165 km to Bing Bong facility
Loading Facility Access at Bing Bong	20 year agreement
Excess capacity at Loading Facility	60% spare capacity after WDR use
Large Stockyard	100 hectare – capacity to store & blend
Proximity to Asian markets	15% closer than most WA ports





Mining



- Tier 1 mining Contractor (Thiess)
- Fleet of 4 diggers with associated dump trucks
- Currently operating in Danehill & Zabeel pits.

Crushing & Screening



- Mobile Crushing & Screening Plants
- Two Plants onsite
- Capacity ~ 6.1Mtpa
- Current target 10Kt per day

Road Haulage



- Road 100% WDR Owned & Operated
- 17 Custom road trains
- 150t payloads
- 4 trips a day for each truck

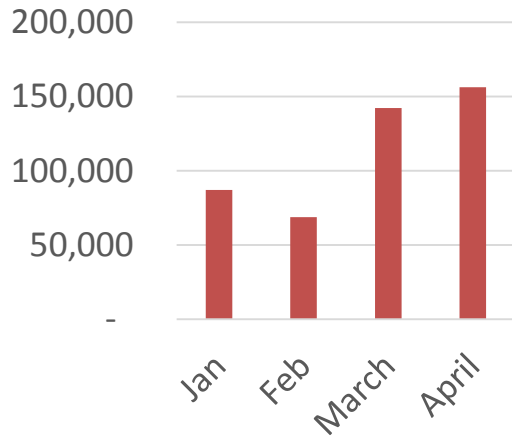
Transshipping



- 4 barges each with 4kt capacity
- Loading to Bulk Carriers ~ 35km offshore
- Spare capacity for future growth

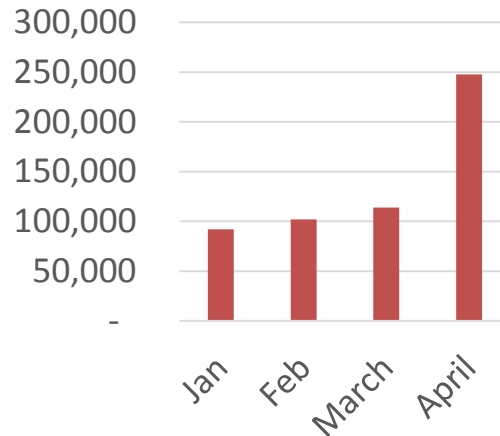


Mining



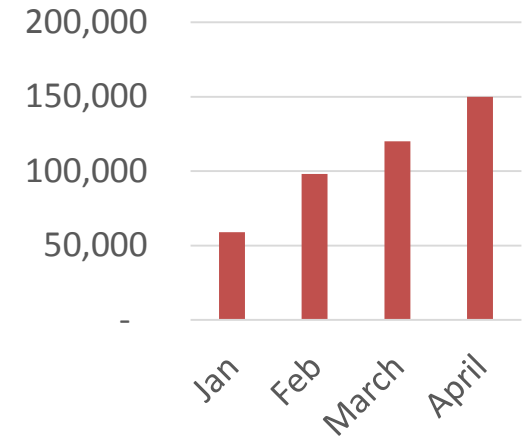
- Mining Services Contract signed January 2014
- Thiess commenced onsite Late January 2014
- Major rain events Dec - March
- Ramp up commensurate with drier conditions and imminent commissioning of 5th excavator fleet

Crushing



- Crushing impacted during significant wet season
- Clay through oxide zone further hampered crusher production
- End of April performance consistent with improved feed quality.

Shipping



- Slow ramp up of barging contractor
- Jan, Feb, March impacted significantly with weather
- Implementation of New Management Structure in March

Transshipping Update

- A review of the operational capacity of the Barging Operator, its systems and methods have led to WDR and its current Barging operator agreeing to a change of operator and hardware in a phased and cooperative manner.
- Based upon the complete review of processes to date re barging, WDR has implemented a new management structure and identified fit for purpose Hardware.
- WDR anticipates securing the hardware in the near future and expects step change in production with both improved weather and hardware





- WDR sells Roper Red via a 5 year Offtake Agreement (OTA) with Noble Resources Ltd (Noble)
- Roper Red is highly sought after due to low impurities
- High lump to fines ratio offers attractive premium for Roper Red product
- WDR has hedged approximately two-thirds of the next two quarters production helping to manage downside risk at an average CFR 62% Fe price of \$A120 per DMT, pre penalties and freight.
- Despite a challenging March quarter, WDR was able to export 276,000 tonnes at a grade in excess of 60% Fe and below 9.5% Si
- The average CFR sales price realised by WDR for Roper Red product during the March quarter was AUD\$105 per DMT. This was negatively influenced by an increase in the spread between the 62% Fe and 58% Fe price indexes and also reduced lump shipments.



JORC Resources

DSO Resource						
	Mt	Fe (%)	SiO ₂	P%	Al ₂ O ₃ %	LOI%
Area F (Danehill)	30.8	59.0	9.9	0.01	2.5	2.0
Area E (Zabeel)	16.6	54.2	15.9	0.01	1.2	4.0
Total	47.4	57.3	12.0	0.01	2.0	2.7

Global Resources (incl. DSO Resource)						
	Mt	Fe (%)	SiO ₂	P%	Al ₂ O ₃ %	LOI%
Measured	36.0	43.9	25.2	0.004	2.3	7.6
Indicated	107.1	40.3	28.6	0.005	2.5	8.9
Inferred	468.4	40.0	29.6	0.004	2.7	7.9
Total	611.5	40.1	29.2	0.004	2.6	8.1

- Revised resource models are in the process of being upgraded based on the uplift to both tonnes and grade from grade control drilling data.
- Grade control drilling data will be incorporated into forthcoming pit optimisations during the June quarter, which WDR management is confident has the potential to significantly extend the life of its current DSO operation

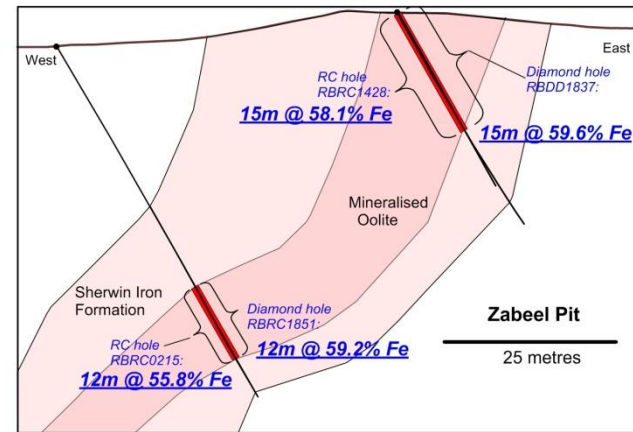
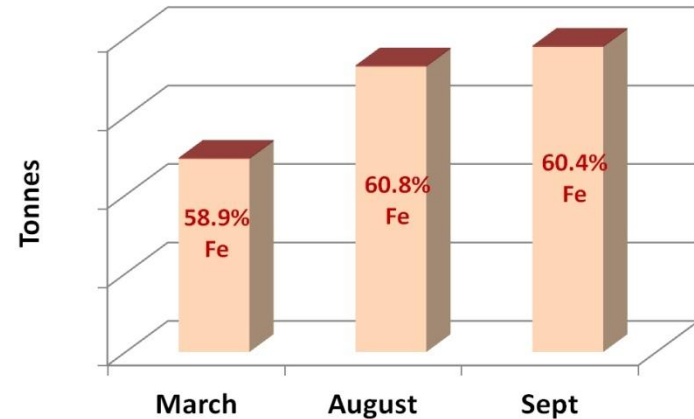


Resource trending above initial modelling

- Initial mining demonstrates DSO is thicker and higher grade than anticipated
- Initial crushing is showing a lump ratio in excess of 60%, with Life of Mine ratio expected to be 70% or better
- Grade Control drilling down to RL 0 has shown a 20% increase in DSO tonnes. This is expected to continue as grade control drilling extends deeper¹
- Twinning of reverse circulation (RC) drill holes with diamond holes at depth indicates potential for production grades to be higher than anticipated
- Potential introduction of DMS plant will allow WDR to upgrade a by-product of mining DSO into saleable ore

1. This is a WDR in-house block model calculation. Refer Disclaimer for further information.

Relative increase in tonnes, and Fe grade Danehill Pit
509500 - 510000mE RL>-5m



Immediate DSO Growth Potential



Area	Tonnes ³	Fe Grade	Source
F	4.5 Mt	58.4 %	JORC ¹ model beneath pit design from -80 to -120RL
E-East	6.2 Mt	54.2 %	JORC ¹ model beneath pit design from -80 to -120RL
E-South	5.3Mt	53.9 %	JORC ¹ model
D-North	7.5 Mt	53.1 %	JORC ¹ model
B	2.4 Mt	54.0 %	Wireframe model ² with mean assay (open to south)
Tianda	0.6Mt	54.6 %	Wireframe model ² with mean assay (open NW and SE)
TOTAL	26.5 Mt	55%	

- The 26.5Mt @ 55% is expected to see Iron upgrade after grade control drilling.
- Additional DSO resources occur underneath existing pits, adjacent to existing pits and also in new areas of outcropping ironstone.
- WDR will be undertaking a grade control drilling program at E-South during the next quarter to confirm positive uplifts in tonnes and grade as seen in operations to date.

Note:

- ¹ refer disclaimer for JORC references
- ² refer disclaimer for exploration targets
- ³ 50% Fe Cut-off

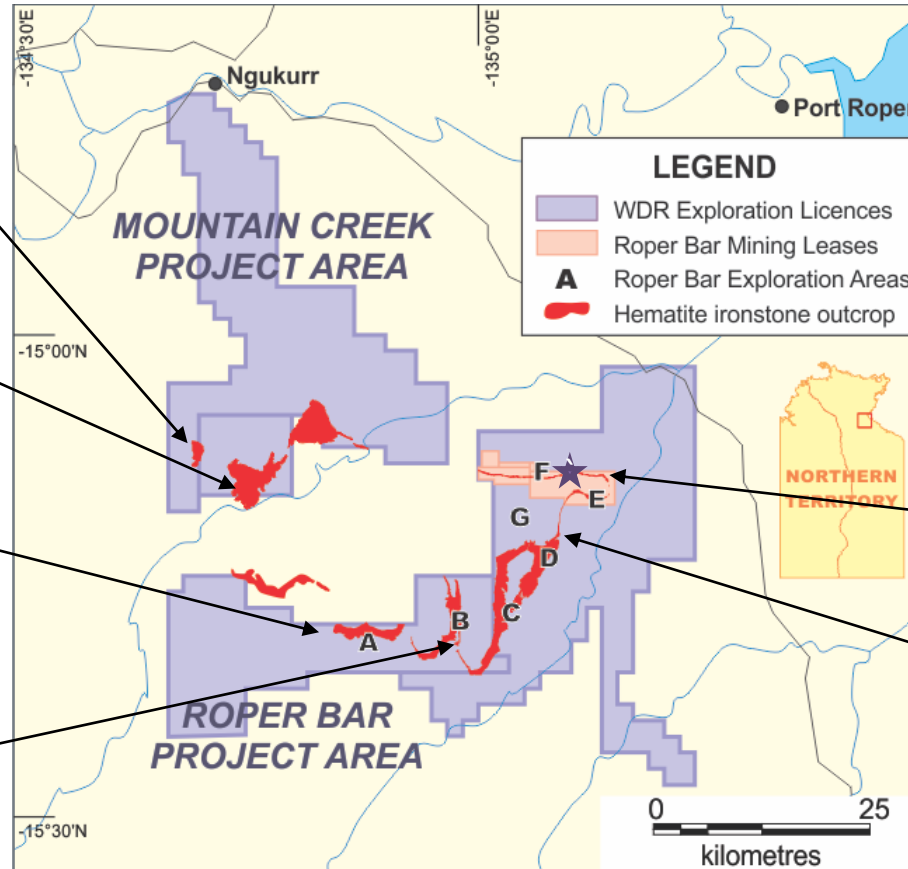


Untested target

Pumbaa: open to the NW and SE

Area A: not drilled

Area B: open to the south



Below Areas E-F resources (below -120RL already have 24.3Mt @ 59% Fe at F-East deeps and 6.1Mt at E-East deeps)

Area D North

Exploration drilling 2014 will focus on proving additional resources at Areas B and Pumbaa (Mountain Creek Project).



Roper Bar Stage 2 – Concentrate

- **600mt of 40% ore in resource¹ – after drilling on 30% of tenements**
- **Exploration target² over all tenements: 2 – 2.5 billion tonnes @ 40% - 60% Fe**
- **Metallurgical test work has identified Spirals / Flotation as appropriate beneficiation technique**
- **Pilot plant scale testing commenced in current quarter**
- **Energy and consumables for flotation circuit expected to be in bottom 30% of OPEX cost curve**

1. Resource is JORC code compliant total Inferred, Indicated and Measured Mineral Resource estimate

2. This exploration target is an estimation based on drilling, surface sampling, geochemical assays, geological mapping, and interpretation of detailed aeromagnetic surveys. 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.

Western Desert – Australia’s newest iron ore producer

- First shipment of iron ore in January 2014
- 5 Year Off Take Arrangement executed with Noble Group
- Debt financing support from Macquarie Bank of \$80.65 million
- Low C1 cash cost 62% Fe equivalent producer (ex Majors) – expected C1 FOB cash cost of below A\$65/t upon achieving annualised 3mtpa run rate
- One of the lowest capital cost per annual tonnes of production mined in Australia
- Strategic geographic location provides shipping cost advantage
- Resource is trending above initial modelling in both grade and tonnes
- Immediate DSO Growth potential to extend current mine life
- Significant upside exists from development of Stage 2 of the Roper Bar Iron Ore Project



Exporting Roper Red to the world



Mining



Crushing



Loading onto road train



Haul road to coast



Bing Bong Loading Facility



Loading onto bulk carrier