

11 March 2014

Dear Optionholder

## Renounceable Entitlement Offer

On 11 March 2014 Western Desert Resources Limited (**WDR**) announced the details of an underwritten renounceable entitlement offer (**Entitlement Offer**) that entitles eligible WDR shareholders to subscribe for 6 new WDR shares for every 25 WDR shares held on the record date of 7.00pm (Adelaide time) on 19 March 2014 (**Record Date**) at an offer price of \$0.50 per WDR share. The Entitlement Offer seeks to raise approximately \$60 million.

Further details of the Entitlement Offer are set out in the Appendix 3B lodged with ASX on 11 March 2014. An Offer Booklet setting out full details of the Entitlement Offer will be sent to eligible WDR shareholders around 24 March 2014 and will be available to download from both the ASX website (at [www.asx.com.au](http://www.asx.com.au)) and WDR's website (at [www.westerndesertresources.com.au](http://www.westerndesertresources.com.au)) at that time. You are encouraged to read the Offer Booklet that will be lodged with ASX in full before making a decision in respect of the Entitlement Offer.

The Entitlement Offer entitles every person who is registered as the holder of WDR shares at 7.00pm (Adelaide time) on the Record Date to participate in the Entitlement Offer in respect of the number of WDR shares that person is then registered as the holder of.

The purpose of this letter is to advise you about the Entitlement Offer and to give you adequate notice to exercise some or all of your WDR options before 7.00pm (Adelaide time) on the Record Date so that you may participate in the Entitlement Offer.

Accordingly, to be eligible to participate in the Entitlement Offer in respect of the WDR shares to be issued on exercise of the WDR options you hold, you must exercise those WDR options and be registered as the holder of those underlying WDR shares before 7.00pm (Adelaide time) on the Record Date. To exercise some or all of your WDR options you will need to give notice in writing to WDR in accordance with the terms and conditions of issue of those WDR options together with payment of the exercise price for each WDR option exercised.

To the extent that WDR options are not exercised before 7.00pm (Adelaide time) on the Record Date, the exercise price of all unexercised options will be adjusted in accordance with the ASX Listing Rules following the Entitlement Offer, in accordance with their terms.

The timetable for the Entitlement Offer is set out in the Annexure.

If you have any queries in relation to the Entitlement Offer, please contact Computershare Investor Services Pty Ltd on 1300 651 474 (within Australia) or +61 3 9415 4127 (outside Australia).

Yours sincerely

**Graham Bubner**  
Company Secretary



A. Terminal One Building, Tenancy 2  
396 Stuart Highway  
Winnellie, NT 0820 AUSTRALIA

T. + 61 8 8995 6900  
F. + 61 8 8918 8033

E. [info@west](mailto:info@west)  
W. [westernde](http://westernde)

**ANNEXURE**

<b>Event</b>	<b>Date <sup>(1)</sup></b>
<b>Announcement of Entitlement Offer</b> Announcement of the Entitlement Offer and lodgment of Appendix 3B and Cleansing Notice with ASX.	11 March 2014
<b>Ex Date</b> WDR shares quoted on 'ex basis' on ASX.	13 March 2014
<b>Rights Trading Commencement Date</b> Rights trading commences on ASX.	13 March 2014
<b>Record Date</b> The date for determining entitlements of WDR shareholders to participate in the Entitlement Offer.	7.00pm (Adelaide time) on 19 March 2014
<b>Entitlement Offer Opening Date</b> Despatch of Offer Booklet and Entitlement and Acceptance Forms. The Entitlement Offer opens for Acceptances.	24 March 2014
<b>Rights Trading End Date</b> Last day of rights trading on ASX.	31 March 2014
<b>Deferred Settlement Trading</b> New WDR shares issued under the Entitlement Offer expected to commence quotation on ASX on a deferred settlement basis.	1 April 2014
<b>Entitlement Offer Closing Date</b> The last day for receipt of acceptances.	5.00pm (Sydney time) on 7 April 2014
<b>Entitlement Offer Shortfall Date</b> Announcement of any shortfall under the Entitlement Offer to ASX.	10 April 2014
<b>Allotment Date for Entitlement Offer</b> Allotment date for new WDR shares allotted under the Entitlement Offer.	15 April 2014
<b>Normal Trading</b> New WDR shares issued under the Entitlement Offer expected to commence quotation on ASX on a normal T + 3 basis.	16 April 2014

(1) *This timetable is indicative only and may change, subject to the requirements of the ASX Listing Rules and the Corporations Act 2001 (Cth). WDR reserves the right to change these dates without prior notice.*