

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	500m
Market Cap	A\$295m

DIRECTORS

Rick Allert	Chairman
Norm Gardner	MD
Graham Bubner	Director
Phillip Lockyer	Director
Bruce Mathieson	Director
Scott Perrin	Director

COMPANY HIGHLIGHTS

Iron Ore

- Roper Bar & Mountain Creek projects (NT)
- Hematitic iron ore
- Total Inferred, Indicated & Measured Mineral Resource estimates of [611Mt @ 40% Fe including DSO of 47.4Mt @ 57.3% Fe]
- Low Impurities
- Proximity to coast and markets

Gold / Copper

- East Rover Project near Tennant Creek (NT)

CONTACT DETAILS

Darwin Head Office:

Tenancy 2, Terminal One Building,
396 Stuart Highway.
WINNELLIE, NT, 0820
T: +61 8 8995 6900

info@westerndesertresources.com.au

ABN: 48 122 301 848



WESTERN DESERT RESOURCES ANNOUNCES ENTITLEMENT OFFER TO RAISE \$60M

Western Desert Resources Limited (ASX Code: WDR) (**WDR**) today announces a fully underwritten 6 for 25 traditional renounceable entitlement offer at an issue price of A\$0.50 per new WDR share (**Entitlement Offer**).

The issue price represents a discount of 15.3% to the closing market price of WDR's Shares on 6 March 2014 (being the last trading day on which WDR shares traded prior to this announcement) of A\$0.590 per WDR share; and

The Entitlement Offer will raise approximately A\$60,004,831 (before expenses) if all rights are taken up (based on WDR's current undiluted share capital without taking into account the impact of rounding or any new shares issued as a result of options exercised before the record date for the Entitlement Offer).

Mr Bruce Mathieson, non-executive director of WDR who controls or is associated with entities that collectively hold 17.98% of WDR's existing shares, has undertaken to procure that those entities take up their entitlement in full.

An underwriting agreement has been entered into between WDR and Ord Minnett Limited (**Ord Minnett**) under which Ord Minnett has agreed to fully underwrite the Entitlement Offer.

In addition, Ord Minnett has entered into a sub-underwriting arrangement with BLM Superannuation Nominees Pty Ltd (**BLM Nominees**), an entity controlled by Bruce Mathieson, under which BLM Nominees will act as sub-underwriter of the Entitlement Offer and acquire up to A\$14.211 million of any shortfall in applications for new WDR shares under the Entitlement Offer.

The proceeds from the Entitlement Offer will be used to fund working capital requirements, settle derivative hedge liabilities and repay short term working capital bridge funding the Company expects to draw down from Macquarie Bank Limited prior to the end of April 2014.

WDR's CEO Norm Gardner said "We are appreciative of the very strong support from Bruce Mathieson. Completion of the Entitlement Offer will strengthen WDR's balance sheet and allow WDR to reach its budgeted 3 million annualised rate of production by June 2014. We look forward to the participation of our eligible shareholders in the Entitlement Offer".

Offer Details

The Traditional Renounceable Entitlement Offer entitles every person who is registered as a holder of WDR shares at 7.00pm (Adelaide time) on the Record Date 19 March 2014 (**Eligible Shareholders**) to subscribe for 6 new WDR shares for every 25 WDR shares held on the Record Date at an offer price of \$0.50 per WDR share.

The Renounceable Entitlement Offer opens for Eligible Shareholders from 24 March 2014 & closes 5:00pm (Adelaide time) on 7 April 2014. WDR shares issued under the Entitlement Offer will be issued as fully paid ordinary shares in WDR and will rank equally with existing ordinary shares in WDR.

Rights Trading

The Entitlement Offer is renounceable, meaning that Eligible Shareholders may sell their rights to subscribe for new WDR shares under the Entitlement Offer (**Rights**) to third parties if they do not want to take them up. A market will be established on the ASX to facilitate trading of these Rights, trading of Rights on the ASX will commence on 13 March 2014 and will cease on 31 March 2014.

Offer Booklet

The Entitlement Offer will be conducted without a disclosure document in accordance with the section 708AA of the Corporations Act.

An Offer Booklet setting out full details of the Entitlement Offer (together with a personalised Entitlement and Acceptance Form) will be sent to Eligible Shareholders on or about 24 March 2014 and will be available to download from both the ASX website (at www.asx.com.au) and WDR's website (at www.westerndesertresources.com.au) at that time.

Top-Up Facility

Eligible Shareholders who take up their Rights in full may subscribe for additional WDR shares from a pool of those not taken up by other shareholders under the Entitlement Offer (**Top Up Facility**). There is no guarantee that applicants under the Top Up Facility will receive the number of additional WDR shares applied for under the Top Up Facility, or any, and the Directors reserve the right to allot and issue additional WDR shares under the Top Up Facility at their discretion.

Impact of WDR's share capital

The following table sets out the number of issued WDR shares as at 10 March 2014 (the trading day immediately prior to the announcement of the Entitlement Offer) and the maximum number of issued WDR shares at completion of the Entitlement Offer:

WDR ordinary shares	Number
Number on issue as at 10 March 2014	500,040,257
Maximum number to be issued under Entitlement Offer	120,009,662
Maximum number on issue following Entitlement Offer	620,049,919

** This is based on WDR's undiluted share capital as at 10 March 2014 and assumes that all WDR shareholders take up their full entitlements under the Entitlement Offer. These figures are approximate as individual entitlements under the Entitlement Offer will be rounded up to the nearest whole figure.*

There are currently 925,000 unlisted options to subscribe for WDR shares on issue. Notice of the Entitlement Offer was sent to option holders on 11 March 2014 in order to enable them to exercise their options prior to the Record Date and participate in the Entitlement Offer in respect of the WDR shares underlying their options (if they wish to do so). If all or some of these options are exercised prior to the Record Date this will impact the maximum number of WDR shares to be issued under the Entitlement Offer.

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.

Broker handling fee

0.5% of the amount applied for per application, up to a maximum of \$250 per application.

The Entitlement Offer will be conducted without a prospectus in accordance with section 708AA of the Corporations Act, and WDR has today lodged with ASX a cleansing notice under section 708AA of the Corporations Act.

Further details of the Entitlement Offer are set out in the Appendix 3B lodged with the ASX today.

WDR shares are expected to resume trading on the ASX today.

The anticipated timetable for the Entitlement Offer is as follows:

Event	Date ⁽¹⁾
Announcement of Entitlement Offer Announcement of the Entitlement Offer and lodgment of Appendix 3B and Cleansing Notice with ASX.	11 March 2014
Ex Date WDR shares quoted on 'ex basis' on ASX.	13 March 2014
Rights Trading Commencement Date Rights trading comments on ASX.	13 March 2014
Record Date The date for determining entitlements of WDR shareholders to participate in the Entitlement Offer.	7.00pm (Adelaide time) on 19 March 2014
Entitlement Offer Opening Date Despatch of Offer Booklet and Entitlement and Acceptance Forms. The Entitlement Offer opens for Acceptances.	24 March 2014
Rights Trading End Date Last day of rights trading on ASX.	31 March 2014
Deferred Settlement Trading New WDR shares issued under the Entitlement Offer expected to commence quotation on ASX on a deferred settlement basis.	1 April 2014
Entitlement Offer Closing Date The last day for receipt of acceptances.	5.00pm (Sydney time) on 7 April 2014
Entitlement Offer Shortfall Date Announcement of any shortfall under the Entitlement Offer to ASX.	10 April 2014
Allotment Date for Entitlement Offer Allotment date for new WDR shares allotted under the Entitlement Offer.	15 April 2014
Normal Trading 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.*

For further information please contact:

Norm Gardner
Managing Director
Western Desert Resources Limited

OR

John Field
Field Public Relations
Telephone: +61 8 8234 9555 or 0418 819527