

WESTERN DESERT

RESOURCES



Shareholder Renounceable Rights Issue & Market Update





Summary Information

This Presentation contains summary information about WDR and its activities current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all of the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. This Presentation should be read in conjunction with WDR's other periodic and continuous disclosure announcements lodged with ASX, which are available at asx.com.au or at westerndesertresources.com.au.

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Third Party Information

Some of the information contained in this Presentation was obtained from third party sources. None of that information, nor any other information in this Presentation, has been independently verified, and this Presentation was not prepared with the intention that any person would rely on that information.

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 a 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.



Western Desert Resources to raise A\$60m via fully underwritten renounceable rights issue

Issuer	<ul style="list-style-type: none"> Western Desert Resources
Offer Structure	<ul style="list-style-type: none"> Fully underwritten renounceable entitlement offer Shareholders can subscribe for 6 new WDR shares for every 25 WDR shares held on 19 March 2014
Offer Size	<ul style="list-style-type: none"> Total capital raising of A\$60m^{1,2}
Offer Price	<ul style="list-style-type: none"> \$0.50
Key Dates	<ul style="list-style-type: none"> Rights trading commences: 13 March 2014 Record Date: 19 March 2014 Last day of rights trading: 31 March 2014 Offer closing date: 7 April 2014 Settlement date: 14 April 2014 Issue date: 15 April 2014

Note 1: The issue is offered at a 15% discount to the last traded price of \$0.59 on Thursday 6 March 2014

Note 2: Bruce Mathieson and associated entities will hold up to 22.56% of shares post issue (17.98% pre issue)



Funds raised via the rights issue will be used as outlined below

Sources	A\$m
Rights Issue	60
Total sources	60

Uses	A\$m
Settle hedge liabilities	15.0
Repay short term working capital funding provided by Macquarie Bank Limited (MBL)	12.0
Reduce creditors	15.0
Additional working capital (Cash on Hand)	10.0
Sustaining Capex	5.5
Transaction costs	2.5
Total uses	60.0

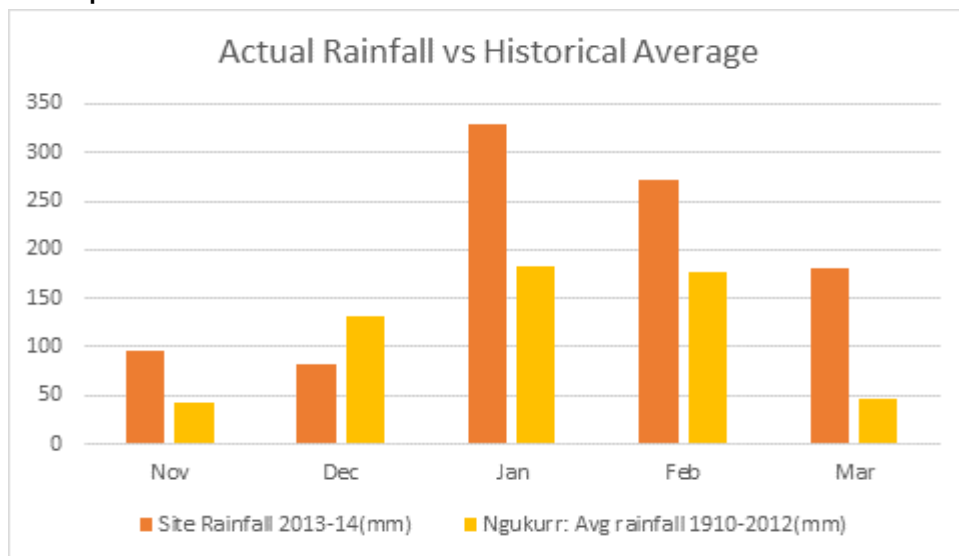


The wet season has negatively impacted recent shipping tonnes

- Tonnes shipped to date have been below expectations due to the following:
 - Issues with barging contractor during start-up and ramp-up phase of operations
 - Significant adverse wet weather – rainfall for this season is significantly above average
- The wet season is nearing completion and WDR's infrastructure has withstood significant rain and upfront testing – lessons learnt from this wet season will position the company well in coming years
- Resource reconciliations demonstrate significant uplift in ore tonnes mined and grade recovered compared to both original resource model and grade control data
- The commencement of operations at the beginning of what has become a severe wet season, combined with poor barging tonnes, have combined to erode WDR's working capital, necessitating the decision by the Directors to undertake the Entitlement Offer.

CONTINUED POOR WEATHER IN EARLY MARCH HAMPERS BARGING PERFORMANCE & SHORT TERM FORECAST FOR MARCH & APRIL

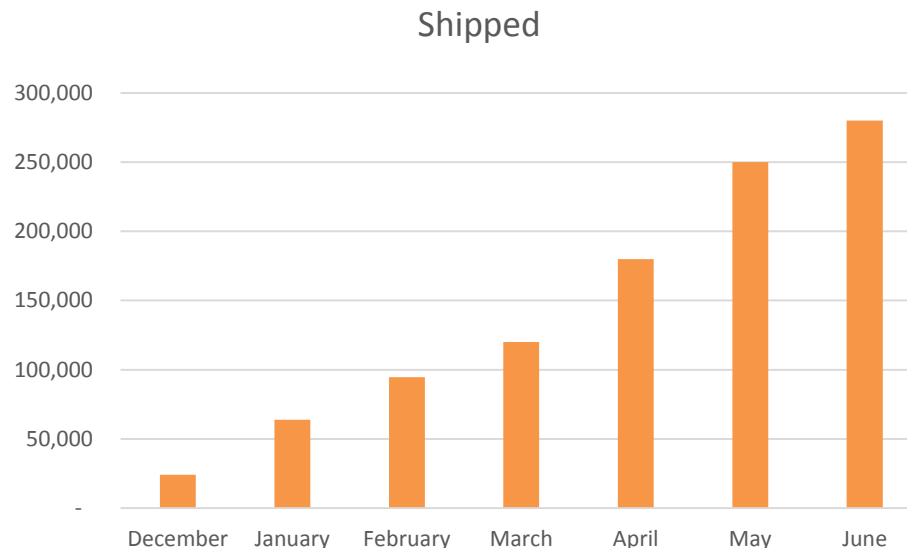
- Whilst the deployment of additional hardware during February did see a gradual increase in tonnages barged, the overall result expected was not achieved.
- Weather conditions have continued to be sub optimal in the first week of March, with rainfall in the first 8 days exceeding the monthly average.
- Whilst WDR always anticipated a lower throughput in the months of December through to March, especially upon initial commencement of operations, the 2013/14 wet season has been more severe than expected.



Note: 181mm of rainfall was recorded for the first 8 days of March 2014, which represents more than the average monthly rainfall for March (175mm).

WDR DOWNGRADES SHORT TERM SHIPPING TONNE FORECAST

- WDR has downgraded its expected tonnes shipped/exported for March and April, placing further pressure on its current working capital funding requirements.
- Together with the below expectation performance in January and February 2014, the downgrade in forecast tonnes for March and April 2014 has given rise to the need to raise additional capital as outlined under the Entitlement Offer.



WDR now expects to ship 120,000 tonnes in March 2014 and 180,000 tonnes in April 2014, before achieving full annualised production levels in excess of 250,000 tonnes in May and June 2014, which it expects to continue delivering during the dry season months.

WDR DECISION TO CHANGE TRANSHIPMENT OPERATIONS IN A PHASED AND COOPERATIVE MANNER TO IMPROVE TRANSHIPMENT OPERATIONS & DELIVER ANNUALISED PRODUCTION TARGETS

- 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 some hardware in a phased and cooperative manner.
- Based upon the complete review of processes to date re barging, a realignment of hardware and anticipated change to transshipment operations, WDR expects that its revised barging monthly targets will be achieved moving forward.



DEBT FACILITIES HAVE BEEN EXTENDED TO ADDRESS SHORT TERM CASH FLOW

- On 10 March 2013, WDR secured additional short term working capital bridge funding of \$12 million from MBL, and obtained a deferral of the scheduled March 2014 quarter debt amortization.
- Short term working capital bridge funding will be repaid in full from the Entitlement Offer proceeds, ensuring drawn project finance remains at \$80.65 million at the end of April 2014.
- Based on achieving revised shipping forecasts and ramp-up, WDR expect to reduce the MBL project finance debt by a further \$20 million in the June 2014 quarter, ensuring drawn MBL debt of \$60.65 million as at 30 June 2014.

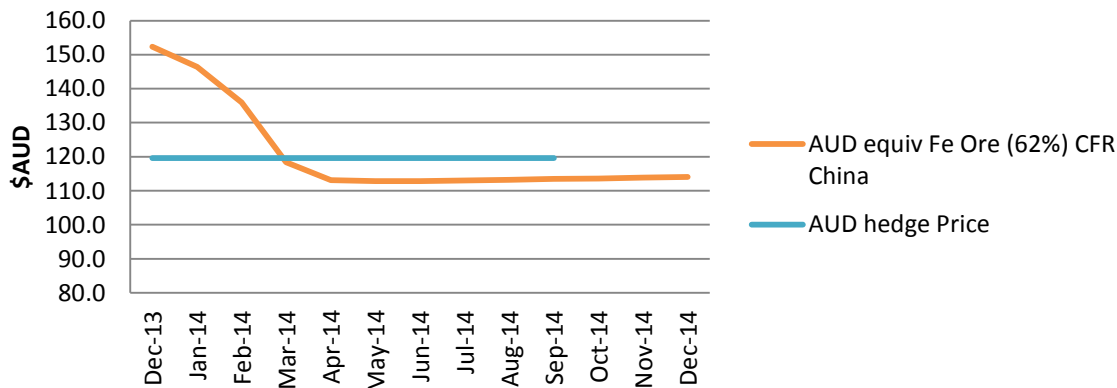




Hedging Program Managing Downside Risk

- WDR has hedged approximately two-thirds of the expected first year production at an average price of \$A120 per dry metric tonne (dmt) for 62% Fe on a CFR China basis.
- Hedge Losses were incurred in December, January and February, which when coupled with poor bargaining performance in these months and a downgrade to short term shipping forecasts, created additional pressure on working capital funding.
- WDR's average AUD CFR realised price is in line with current market, as outlined below:

62% Fe CFR AUD Realised Price Compared to Market



\$15m in hedge settlement liabilities have been incurred to the end of March and will be repaid via proceeds of the entitlement offer

Western Desert – Australia’s newest iron ore producer

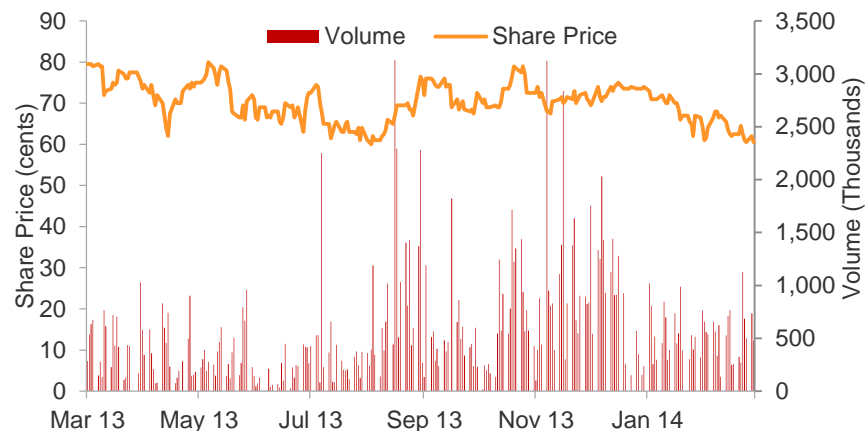
- First shipment of iron ore in January 2014
- 5 Year Off Take Arrangement executed with Noble Group in August 2013
- Debt financing support from Macquarie Bank in September 2013
- Low C1 cash cost 62% Fe equivalent producer (ex Majors) – expected C1 cash cost of below A\$65/t
- One of the lowest capital cost per annual tonnes of production mines in Australia
- Strategic geographic location provides shipping cost advantage
- Resource is trending above initial modelling
- Significant upside exists from development of Stage 2 of the Roper Bar Iron Ore Project



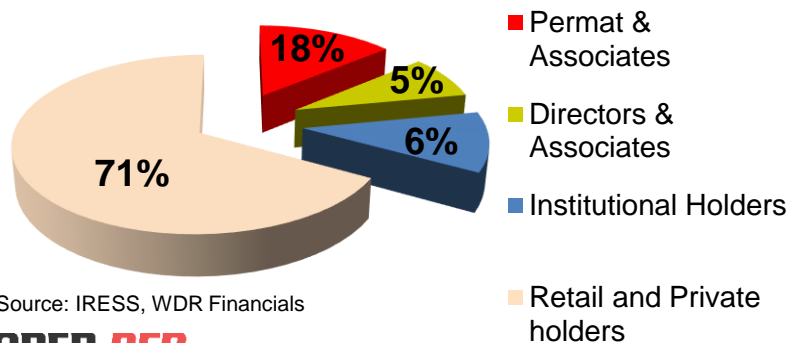
Capital Structure

ASX Code	WDR
Ordinary shares (m)	500.0
Share price close as at 6 Mar 2014 (A\$)	\$0.59
Market Capitalisation (\$Am)	\$295

Share Price and Volume



Shareholder Breakdown



Source: IRESS, WDR Financials



Broker coverage



Roper Bar Iron Ore Project



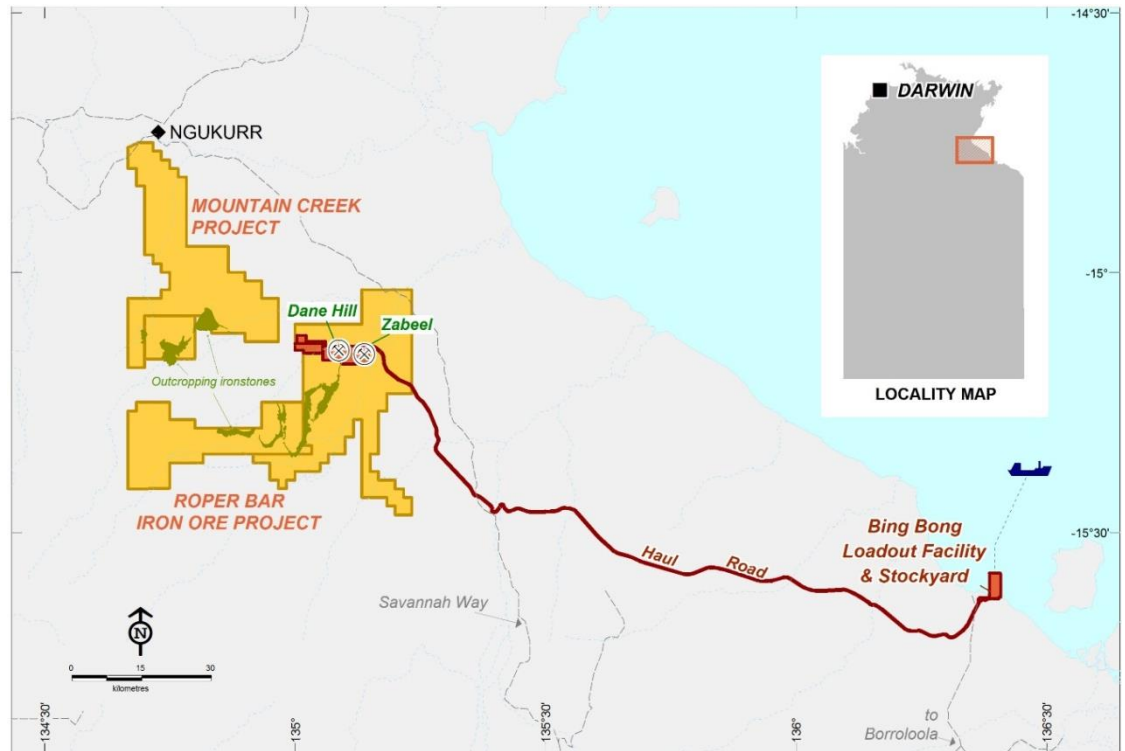
Iron Ore Product

Ownership	100%
Production Target	3 Mtpa
High Quality Product	60% Fe
Low impurities	0.02% Phos
Lump : Fines Ratio	65%

Infrastructure

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

Project Location



Roper Bar Iron Ore Project



Exporting Roper Red to the world



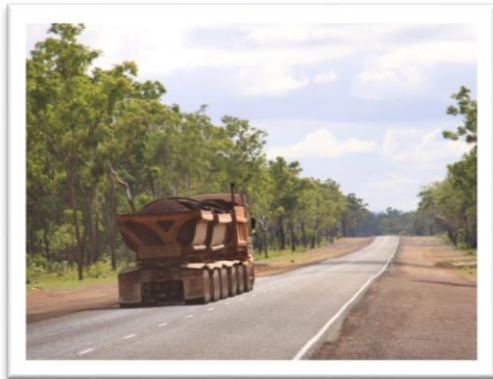
Mining



Crushing



Loading onto road train



Haul road to coast



Bing Bong Loading Facility



Loading onto bulk carrier

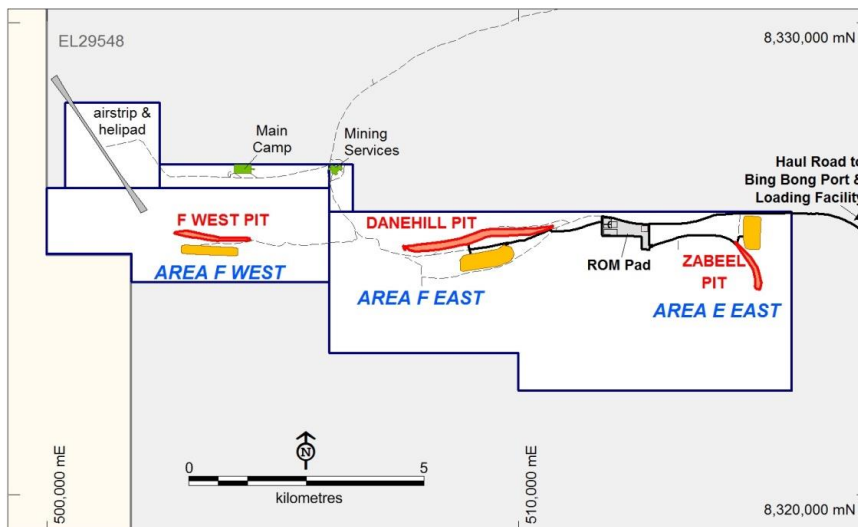




One of the quickest and most cost competitive bulk commodity mines developed in Australia in the last two decades

- First shipment in less than 2 years from lodging EIS and including:
 - All Native Title Agreements
 - Logistics Negotiations
 - Development of Private Haul Road
 - Development of Mine & Port works on schedule & on budget

- Roper Bar Project is one of the lowest capital cost per annual tonnes of production mines in Australia
 - Total capital cost of A\$65m per million tonnes of annual production
 - Average in WA is A\$180-200m per million tonnes of production





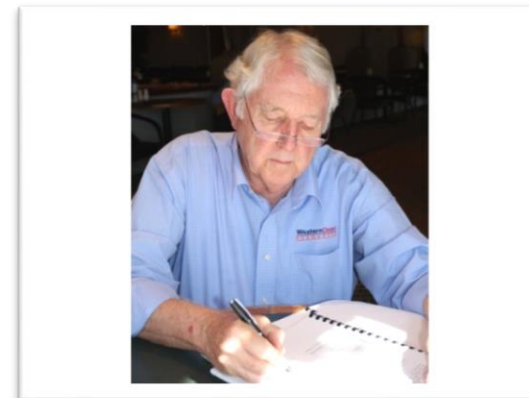
Discovery to Mining – 4 years



Discovery 2009



Resource drilling



Approvals & Agreements



Minesite development



Haul road construction



Blasting at Danehill pit



Established partnerships with key counterparties

- **5 year Off Take Agreement with Noble Resources**
 - Noble Resources is one of the world's largest commodity traders
 - All product produced by WDR in first 5 years is pre-sold to Noble at prevailing Platts spot price at the time

- **Macquarie Bank have provided debt funding support for Roper Bar**
 - Strong understanding and industry support for junior miners
 - Initial \$80m facility settled in October 2013





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



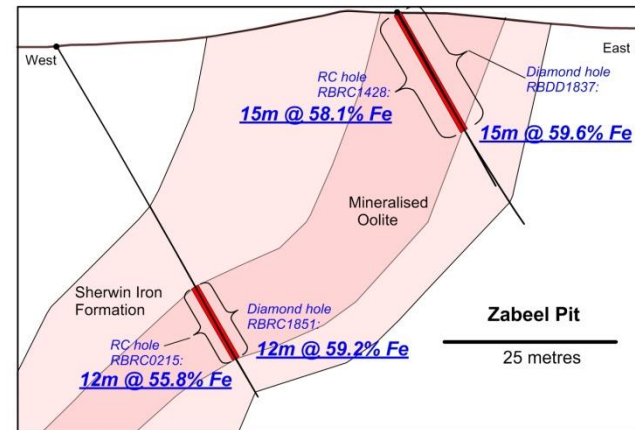
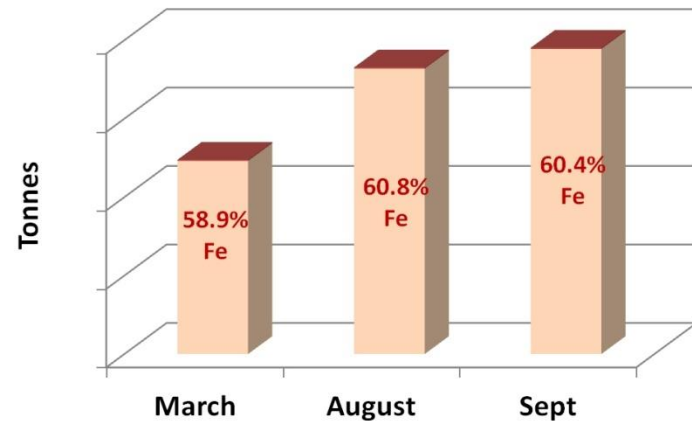
Resource trending above initial modelling

- Initial mining demonstrates DSO grade is thicker and higher grade than anticipated
- Initial crushing is showing a lump ratio in excess of 60%
- Grade Control drilling down to RL 0 has shown a 20% increase in DSO. This is expected to continue as grade control drilling extends deeper¹
- Twinning of reverse circulation (RC) drill holes with diamond holes indicates potential for production grades to be higher than anticipated
- Introduction of DMS plant forecast for FY15 will allow WDR to use a by product of mining DSO

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



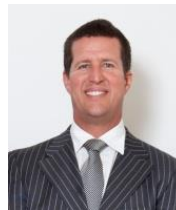
Relative increase in tonnes, and Fe grade Danehill Pit
509500 - 510000mE RL>-5m





Rick Allert – Chairman

Mr Allert is a chartered accountant with more than 25 years' experience in a leadership role with major Australian public companies. Rick is Chairman of AXA Asia Pacific Holdings Ltd and the Aboriginal Foundation of South Australia, Deputy Chairman of Gerard Lighting Group Ltd and a director of Genesee and Wyoming Australia. He has been Chairman and Director of Coles Group Limited, the AustralAsia Railway Corporation, Southcorp Limited and Voyages Hotels & Resorts Pty Ltd.



Scott Perrin – Non Executive Director

Scott was admitted as a Solicitor in 1988 where he practised in the area of banking and securities. He was a major shareholder and director of Billabong International Limited until July 2000, which he guided in the transition from a family-owned business through to an ASX listed entity. Mr Perrin is a Director of Perrin Legal Pty Ltd and Permat Holdings Pty Ltd.



Norm Gardner – Managing Director

Norm set up a business that operates tilt-up construction, concrete supply, quarrying, crushing and screening. Through this company over the past 20 years Norm has worked with significant mining projects in the Northern Territory, South Australia and Western Australia. Norm has also served as the Director of other mining companies such as Thor.



Phil Lockyer – Non Executive Director

Over the past 40 years, Phil has held managerial positions in nickel, gold, lead and zinc operations. He is Chairman of the Minerals and Energy Research Institute of Western Australia and is non-executive Director of Saint Barbara Ltd, Focus Minerals Ltd, CGA Mining Ltd and Swick Mining Services Ltd. He is a Chartered Professional (Management) of the Australian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors.



Graham Bubner – Executive Director

Graham has serviced many local, national and international companies through his exploration consultancy, Asls International. Graham brings to the company broad exploration experience and access to extensive geoscience libraries for new project generation. He is a member of the Australian Society of Exploration Geophysicists, Society of Economic Geologists and Australian Institute of Geoscientists.



Bruce Mathieson – Non Executive Director

Mr Mathieson is currently a Director and was the former Chief Executive Officer of Australian Leisure and Hospitality Group Limited, a joint venture between Woolworths Limited and the Mathieson Family. The ALH Group owns approximately 325 hotels and 520 retail outlets across Australia, and employs more than 15,000 staff. He has previously served as a director of the Carlton Football Club. He is trained as an engineer, and brings management and transactional experience from across a number of industries to the Board.