

2 June 2014

WMN Signs Heads of Agreement to Acquire Industrial Slate Tenement

Key Highlights:

- Graphite potential
- Excellent infrastructure with location next to the ocean and toll roads
- Favorable deal structure
- Synergy with WMN's Genesis Manganese Production Licensed Tenement which is located on the same Island, Sulawesi
- Planned adjacent beneficiation plant and industrial park to process and manufacture products that utilize the offtake of the mine.

The Board of Western Mining Network Limited (“WMN” or the “Company”) is pleased to announce that it has entered into a Heads of Agreement (“HOA”) with Milestone Link Pte. Ltd (“MILESTONE”), providing WMN with rights to ultimately acquire 75% interest in a slate tenement that contains indications of graphite in Kolaka, South East Sulawesi, Indonesia.

Should future exploration be successful, it is planned that an industrial park and a graphite beneficiation plant will be constructed in the immediate area to offtake the majority of production.

TRANSACTION BACKGROUND

MILESTONE is an investment company that has an indirect control of PT Mekongga Sejahtera (“MEKONGGA”) through an Off-Take Agreement with call options to purchase up to 75% of MEKONGGA. This gives MILESTONE access to MEKONGGA’s 98.4ha Exploration License No. 188.45/104/2014 dated March 17, 2014, expiring on March 17, 2017, issued by the Regent of Kolaka, located in Tamboli, Kolaka, South East Sulawesi, Indonesia (“Tenement”)

MILESTONE also has indirect control of PT Eagle Rich (“EAGLE”) via a 40% direct interest and call options to purchase a further 59% interest in the shares of EAGLE. EAGLE is a company that plans to own an industrial estate area and a graphite beneficiation plant in South East Sulawesi Province, should future exploration be successful.

Subject to ASX and any other regulatory approvals, WMN intends to acquire the Shares in MILESTONE, giving WMN controlling interest in MEKONGGA and EAGLE as well as the Tenement. This ownership structure complies with Indonesia’s mandatory domestic ownership requirement should MEKONGGA become a producing mine.



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56.2M Ordinary Shares

22.8M Listed Options

BOARD OF DIRECTORS

Christopher Clower

Executive Chairman

Paulus Irawan

Executive Director

Roger Pooley

Non-Executive Director

David Palumbo

Company Secretary



TAMBOLI HILL TENEMENT

Access from Jakarta is 1420km to the east by regular flights to Makassar, which is in South Sulawesi and then by a daily flight ENE for 266km to Pomalaa in South East Sulawesi.

The IUP is close to the coastal highway that passes through Kolaka and provides good local access.

The ultimate project aim envisages quarry mine feed to a standard flotation mill with product used in factories to be established within the proposed industrial estate where road and sea access are excellent.



Figures 1 and 2: View west from Tamboli Hill over planned industrial estate (L), View east 2.5km back from planned industrial estate to Tamboli Hill (R).

TRANSACTION CONSIDERATION

Upon completion of the acquisition of MILESTONE, which is subject to ASX and any other regulatory approvals, WMN shall issue to MILESTONE and/or its affiliates (collectively referred to as “MILESTONE GROUP”) the following consideration:

WMN Market Capitalisation (30 day VWAP)	MILESTONE GROUP OWNERSHIP
Upon completion of acquisition of MILESTONE	50% of WMN issued shares
AUD \$50,000,000 market cap	Additional 5% of WMN issued shares
AUD \$80,000,000 market cap	Additional 5% of WMN issued shares
AUD \$100,000,000 market cap	Additional 10% of WMN issued shares

Yours faithfully

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For further information visit our website at www.westernmining.net or email admin@westernmining.net