

21 April 2011

Company Announcements Office,  
ASX Securities Limited,  
20, Bridge Street,  
SYDNEY, NSW 2000

**NON RENOUNCEABLE RIGHTS ISSUE – LETTERS TO SECURITY HOLDERS.**

Pursuant to ASX Listing Rule 15.2.1 Directors of Western Desert Resources Limited ("WDR") (ASX code WDR and WDRO) provide copies of information letters, issued by mail today, to the holders of WDR securities in respect of its upcoming Non Renounceable Rights Issue to:-

- Shareholders based within Australia and New Zealand
- Overseas based shareholders

The holders of company securities are encouraged to read the applicable letter in conjunction with the Offer Memorandum for the Non Renounceable Rights Issue which was lodged with ASX on 20 April 2011 and is available to download at both [www.asx.com.au](http://www.asx.com.au) using ASX code "WDR" and at WDR's website [www.westerndesertresources.com.au](http://www.westerndesertresources.com.au).

Laurie Ackroyd  
Company Secretary

***About Western Desert Resources Limited***

*Western Desert Resources (WDR) is an ASX listed Australian exploration company with a diversified portfolio of projects in Australia. WDR has identified advanced prospects in iron ore, gold, copper and base metals.*

*Core projects are: the Roper Bar Iron Ore Project in the Northern Territory located close to the Gulf of Carpentaria; and the Rover gold/copper project near Tennant Creek, also in the Northern Territory.*

21 April 2011

Dear Shareholder,

## Non-Renounceable Rights Issue

On 20 April 2011, Western Desert Resources Limited (“WDR”) announced a one (1) for eight (8) partially underwritten non-renounceable pro rata rights issue at an issue price of \$0.30 per new WDR share to raise up to \$5.8 million (before expenses) (**Rights Issue**).

The Rights Issue will be offered at \$0.30 per share. The offer price represents a discount of 15% to the closing market price of WDR’s shares on 7 April 2011 (being the last trading day prior to the preliminary announcement of the rights issue on 8 April 2011) of \$0.355 per share.

The proceeds from the Rights Issue will be used to develop the Roper Bar Iron Ore project and to advance exploration on WDR’s gold, copper and base metals projects in the Northern Territory. Proceeds will also be applied towards WDR’s general working capital requirements.

Full details of the Rights Issue are set out in the Offer Memorandum and Appendix 3B lodged with ASX on 20 April 2011. The Offer Memorandum is 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)) and will be sent out to shareholders on 9 May 2011.

Under the Rights Issue, every person who is registered as the holder of WDR Shares at 5.00pm Adelaide time on 4 May 2011 (**Record Date**) will be entitled to participate in the Rights Issue in respect of the number of Shares that person is then registered as the holder of. Fractional entitlements will be rounded up to the nearest whole number.

Shareholders with registered addresses in countries outside of Australia and New Zealand will not be eligible to participate in the Rights Issue.

Please note that WDR shares will be quoted on an “ex” basis from Thursday 28 April 2011 and therefore any WDR shares bought or sold on market on and from this date will not carry entitlements under the Rights Issue.

The Rights Issue is open for acceptance by eligible shareholders from 9 May 2011 until 5.00pm Adelaide time on 23 May 2011 (subject to the Directors varying the closing date in accordance with the Listing Rules).

The following table sets out the number of issued shares as at 19 April 2011 and the maximum number of issued shares at completion of the Rights Issue:

# WesternDesert

## R E S O U R C E S

Ordinary Shares	Number
Number on issue as at 19 April 2011	154,688,785
* Maximum number to be issued under Rights Issue	19,336,098
* Maximum number on issue following Rights Issue	174,024,883

\* This is based on WDR's undiluted share capital as at 19 April 2011 and assumes that all shareholders take up their full entitlements under the Rights Issue. These figures are approximate as individual entitlements under the Rights Issue will be rounded up to the nearest whole figure.

There are currently 23,283,273 options to subscribe for WDR shares on issue. Notice of the Rights Issue was sent to option holders on 19 April 2011 in order to enable them to exercise their options prior to the Record Date and participate in the Rights Issue in respect of the shares underlying their options. If all or some of these options are exercised prior to the Record Date this will impact the maximum number of shares to be issued under the Rights Issue.

Shareholder approval is not required for the Rights Issue. Shares issued under the Rights Issue will be issued as fully paid ordinary shares and will rank equally with existing ordinary shares in WDR's share capital.

The Rights Issue does not have a sponsoring broker. The Rights Issue will be partially underwritten by a number of the Directors of the Company up to the value of \$590,000 in aggregate and as between them as follows:

Richard Allert AO	\$180,000
Michael Ashton	\$100,000
Norman Gardner	\$250,000
Phillip Lockyer	\$ 60,000

No underwriting fee will be paid. Full details of the underwriting are set out in the Offer Memorandum lodged with ASX on 20 April 2011.

The Rights Issue will be conducted without a prospectus in accordance with the new streamlined offering provisions of the Corporations Act.

The anticipated timetable for the Rights Issue is as follows:

EVENT	DATE
<b>Announcement of rights issue</b> – Announcement of rights issue, Offer Memorandum and ASX Appendix 3B lodged with ASX	20 April 2011
<b>Ex date</b> – The date on which Shares commence trading without the entitlement to participate in the Rights Issue	28 April 2011
<b>Record date</b> – the date for determining entitlements of Shareholders to participate in the Rights Issue	4 May 2011

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# WesternDesert

## R E S O U R C E S

<b>Offer Memorandum sent to Shareholders</b> – dispatch of Offer Memorandum and Entitlement and Acceptance Forms, and lodgement of cleansing notice – Rights Issue opens for acceptances	9 May 2011
<b>Closing Date</b> – The last day for receipt of acceptance forms (5.00pm Adelaide time)	23 May 2011
<b>Rights Issue Shares quoted on a deferred settlement basis</b>	24 May 2011
<b>Shortfall notification date</b>	26 May 2011
<b>Despatch date</b> – Allotment of New Shares <b>Deferred settlement trading ends.</b>	No later than noon (AEST) on 31 May 2011
<b>Expected commencement of normal trading in New Shares on ASX</b>	1 June 2011 (provided announcement on 31 May 2011 is made by noon (AEST))
<b>Despatch of holding statements to Shareholders who accepted the Offer</b>	3 June 2011

WDR reserves the right to amend this timetable subject to the Listing Rules.

You are encouraged to read the Offer Memorandum lodged with ASX on 20 April 2011 fully before making a decision in respect of the Rights Issue. If you have any queries in relation to the Rights Issue, please contact Computershare Investor Services Pty Ltd on 1300 651 474 (within Australia) or +61 39415 412 (outside Australia), or the Company Secretary, Laurie Ackroyd, on +61 88177 8800.

Yours sincerely,



**Laurie Ackroyd**  
Company Secretary

21 April 2011

Dear Overseas Shareholder,

## Non-Renounceable Rights Issue

On 20 April 2011, Western Desert Resources Limited ("**WDR**") announced a one (1) for eight (8) partially underwritten non-renounceable pro rata rights issue at an issue price of \$0.30 per new WDR share to raise up to \$5.8 million (before expenses) (**Rights Issue**).

The Offer Memorandum for the Rights Issue was lodged with ASX on 20 April, 2011 and is 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)).

WDR has determined, pursuant to the *Corporations Act 2001* (Cth) and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers under the Rights Issue to shareholders with a registered address outside of Australia and New Zealand. Accordingly, in compliance with ASX Listing Rule 7.7.1(a) and the Corporations Act, WDR wishes to advise that it will not be extending the Rights Issue to Shareholders with registered addresses outside of Australia or New Zealand as at the record date, being 4 May 2011 (**Record Date**). Your WDR shareholding is currently registered to an address outside of Australia and New Zealand.

If you have any queries about the Rights Issue please contact WDR's Share Registry, Computershare Investor Services, on +61 3 9415 4127

Yours sincerely,



**Laurie Ackroyd**  
Company Secretary