

Western Desert Resources, a diversified resources business with a portfolio of quality mineral exploration assets in the Northern Territory.

Western Desert Resources' business is built on the exploration of its substantial portfolio of iron ore, gold, base metals and uranium projects in the world-class mining provinces of Australia and will continue to grow through the generation and acquisition of new opportunities and resources.

FAST FACTS

ASX Code	WDR
Issued Shares	155m
Market Cap	A\$55M

DIRECTORS

Rick Allert	Chairman
Norm Gardner	MD
Mick Ashton	Director
Graham Bubner	Director
David Cloke	Director
Phillip Lockyer	Director

COMPANY HIGHLIGHTS

Iron Ore

- Roper Bar & Mountain Creek projects (NT)
- Hematitic iron ore
- Total Inferred Mineral Resource 310Mt @ 40% Fe including DSO of 14.5Mt @ 57.4% Fe
- Low Impurities
- Mine development underway
- Proximity to coast and markets

Gold / Copper

- East Rover Project near Tennant Creek (NT)

CONTACT DETAILS

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WESTERN DESERT TO RAISE UP TO \$17m VIA CORNERSTONE INVESTMENT AND RIGHTS ISSUE

Key Points:

- **Placement of up to 40 million WDR shares to a company controlled by Scott Perrin and Bruce Mathieson**
- **Investment seen as a cornerstone to development of the Roper Bar iron ore project**
- **Proposed non-renounceable Rights issue to existing shareholders to raise up to \$5.0m**
- **Funds for further exploration and development of Roper Bar iron ore project.**

Share Placement

The Directors of Western Desert Resources Limited (**ASX: WDR**) are pleased to advise that WDR and Permat Holdings Pty Ltd (**Permat**), a company controlled by Mr Scott Perrin and Mr Bruce Mathieson, have executed a Share Subscription Agreement pursuant to which Permat has agreed to take a placement of WDR shares to raise up to \$12 million for the company to further explore and develop the Roper Bar Iron Ore project towards its longer term goal of exporting iron ore.

The directors view the placement as a cornerstone to the development of the company's Roper Bar iron ore project.

The key terms of the Share Subscription Agreement are as follows:

- Permat will be issued 40,000,000 WDR ordinary shares or, if lessor, a number of ordinary shares that is equal to 19.99% of WDR's issued share capital at the time of completion of the placement, at 30 cents per share.
- Permat will be entitled to one free attaching unlisted option to subscribe for an ordinary share for each share subscribed up to a maximum of 10 million options, each exercisable within 30 months at 50 cents per option.
- It is a condition precedent to the transaction that WDR obtain shareholder approval to the proposed placement of securities to Permat by 17 June 2011.

- The WDR shares placed to Permat will be subject to a 12 month escrow period subject to WDR retaining as its principal focus the exploration and development of its Roper Bar Project.
- Mr Scott Perrin will join the WDR Board as the nominee director of Permat.
- Permat will be subject to a standstill provision for 23 months following completion of the transaction, prohibiting the acquisition of additional WDR shares subject to certain exceptions, which includes a 3% creep each 6 months up to a maximum shareholding of 22.5%.

The directors are delighted to have attracted such well known and experienced corporate identities to invest in the Company. Brief background details are:-

- Mr Scott Perrin was admitted as a Solicitor in 1988 where he practiced 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 currently a Director of Perrin Legal Pty Ltd.
- Mr Bruce Mathieson is a Director and Chief Executive Officer of ALH Group and its subsidiaries and his family own 25% of that group. The other 75% is owned by Woolworths Limited. The group currently owns 285 hotels, 450 retail outlets and employs almost 13,000 staff. Mr Mathieson is also a Director of JAM Hotel Management and related companies and Mayne Pharma Group Ltd.

Both Mr Perrin and Mr Mathieson are directors and shareholders of Permat Holdings Pty Ltd.

Mr N W Gardner, the Managing Director said today "he is delighted to have the opportunity of working with Scott Perrin on the Roper Bar iron ore project and to see that through to the export of product and welcomes Scott and Bruce as major investors in the company".

Proposed Rights Issue

In parallel with the placement, WDR intends to offer existing eligible shareholders the opportunity to participate in the fund-raising through a one for eight non-renounceable rights issue at the same price as the placement of 30 cents.

Funds raised from the proposed non renounceable rights issue are also intended to be used to develop the Roper Bar Iron Ore project and to advance exploration on WDR's gold, base metals and uranium projects in the Northern Territory (Figure 1). Foremost is ongoing exploration and mine planning for the Roper Bar iron ore project, where to date a resource of 310Mt has been identified and planning of mining and export operations are well underway (Figure 2).

Directors of WDR intend to partially underwrite the non-renounceable rights issue..

Full details of the proposed rights issue are expected to be announced in the week commencing 18 April 2011.

Option issue to WDR Chairman

Pursuant to the terms of appointment as agreed with Mr Richard (Rick) Allert AO, as Chairman of WDR, the company is to grant 3 million options to subscribe for ordinary shares, exercisable by 29 November 2013 at 38 cents per option.

The grant of the options is subject to obtaining WDR shareholder approval.

Mr Richard Allert was appointed as non-executive Chairman of WDR on 27 January 2011.

General Meeting

It is proposed to hold a general meeting of shareholders to seek approval to, among other things, the placement and the grant of options to the Chairman, Mr Richard Allert, by early June 2011. A notice of meeting will be distributed to WDR shareholders in due course.

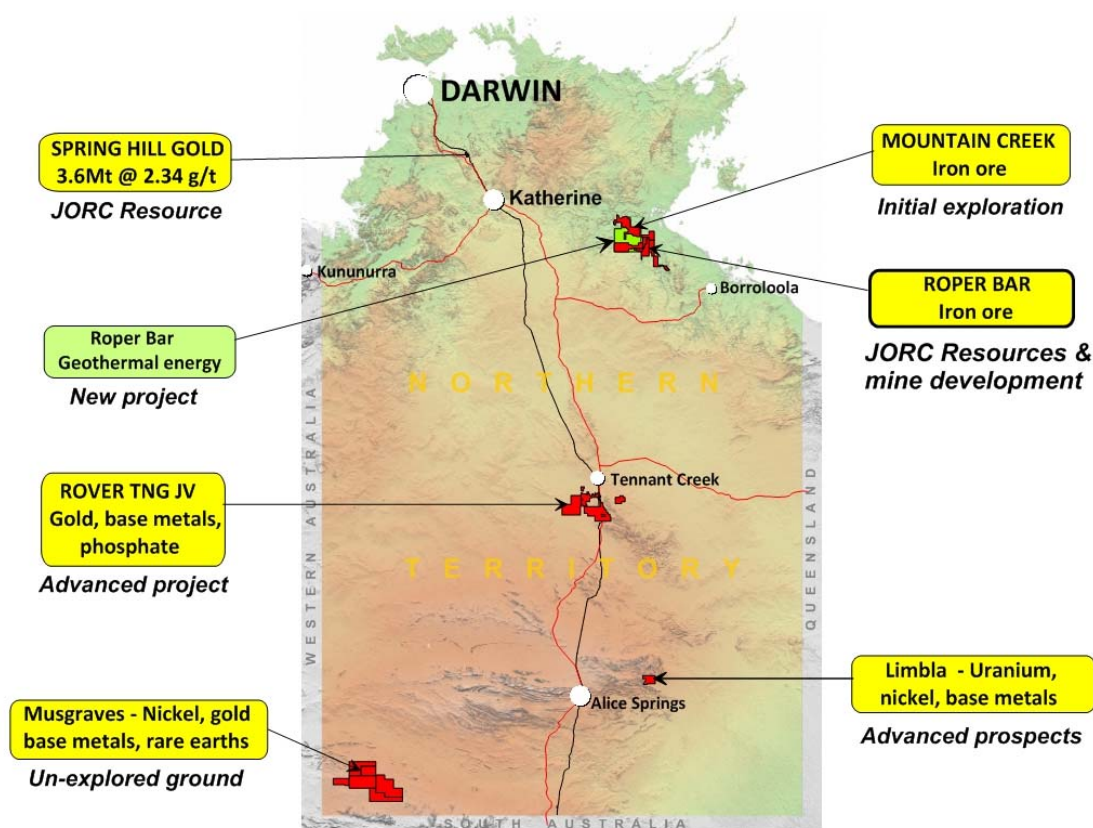


Figure 1. Western Desert Resource's major projects

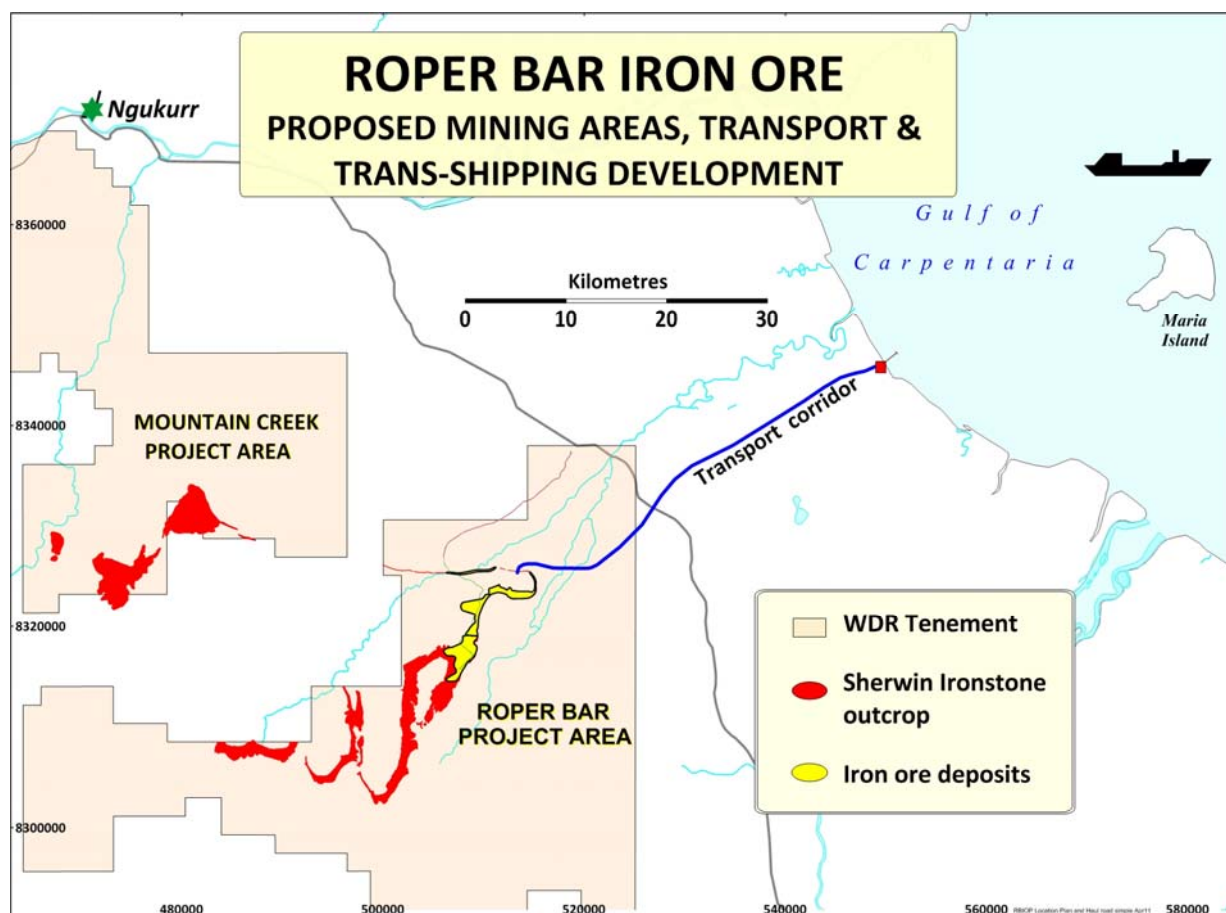


Figure 2. Roper Bar iron ore project summary plan

Background

The Roper Bar Iron Ore Province covers about 2,500 km² within eight granted exploration licences in the Northern Territory and includes an estimated 100 km² of outcrop of the target Sherwin Formation which hosts extensive hematite iron ore horizons. The Province is divided into two project areas – Roper Bar and Mountain Creek.

JORC compliant Mineral Resource estimates from WDR's Roper Bar Project to date.

DEPOSIT AREA	Classification	Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %	Published
Area D	Inferred	90.7	37.2	31.5	3.2	0.01	9.6	Oct-09
Area D (north)	Inferred	116.5	40.3	26.3	2.2	0.01	11.0	Feb-11
Area E (south)	Inferred	72.1	39.0	30.6	2.9	0.01	8.6	Nov-10
Area E (east)**	Indicated	12.1	46.1	22.4	1.7	0.01	8.0	Dec-10
Area F (east)*	Inferred	14.1	49.5	21.9	3.1	0.01	2.6	Nov-09
Area F (east) *	Indicated	6.3	46.8	26.0	2.8	0.01	2.8	Nov-10
TOTAL		311.8	39.9	28.4	2.7	0.01	9.4	

* Includes DSO of 9.8Mt @ 58.3% Fe, 10.7% SiO₂, 2.6% Al₂O₃, 0.01% P and 2.1% LOI

** Includes DSO of 4.7Mt @ 55.6% Fe, 14.1% SiO₂, 1.1% Al₂O₃, 0.01% P and 4.2% LOI

Competent Person's Statements

The information in this report that relates to Mineral Resources is based on information compiled by Sharron Sylvester who is a full-time employee of AMC Consultants Pty Ltd and a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration 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). Sharron Sylvester consents to the inclusion of this information in the form and context in which they occur.

The information in this report 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 Asls International and acts as a consultant for Western Desert Resources Ltd 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 Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Mr Bubner consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.