

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Western Desert Resources Limited

ABN

48 122 301 848

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to a maximum of 21,881,920 ordinary shares (subject to rounding) issued pursuant to a non-renounceable pro-rata entitlement offer to eligible shareholders of Western Desert Resources Limited on the basis of 1 ordinary share for every 10 ordinary shares held (Entitlement Offer). |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares, ranking equally with all other ordinary shares from their date of issue. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes.</p> <p>The ordinary shares issued to certain sophisticated or professional investors pursuant to the placement announced by Western Desert Resources Limited to ASX on 26 June 2012 will not be entitled to participate in the Entitlement Offer.</p>				
<p>5 Issue price or consideration</p>	<p>\$0.70 per ordinary share.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To enable Western Desert Resources Limited to continue the construction of its Roper Bar iron ore project and associated infrastructure and to provide working capital to commence mining operations.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>24 August 2012 other than for shortfall shares under the Entitlement Offer.</p> <p>A date on or before 24 December 2012 for shortfall shares under the Entitlement Offer.</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="694 1612 997 1657">Number</th> <th data-bbox="997 1612 1279 1657">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="694 1657 997 1879">240,701,123</td> <td data-bbox="997 1657 1279 1879">Fully paid ordinary shares.</td> </tr> </tbody> </table>	Number	+Class	240,701,123	Fully paid ordinary shares.
Number	+Class				
240,701,123	Fully paid ordinary shares.				

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	50 cent options expiring 24 December 2013.
	10,000,000	
	3,000,000	37.4250 cent Director options expiring 29 November 2013.
	350,000	58.7417 cent Employee options expiring 31 December 2012.
	4,000,000	14.9567 cent Director options expiring 30 November 2013.
	13,000,000	36.7417 cent Director options expiring 29 November 2013.
	1,325,000	36.7417 cent Employee options expiring 29 November 2013.
	375,000	38.7417 cent Employee options expiring 24 January 2014.
	3,250,000	Employee options expiring 23 November 2013.
	975,000	Employee options expiring 25 January 2015.
	250,000	Employee options expiring 5 February 2014.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the +securities will be offered	1 for 10.
14	+Class of +securities to which the offer relates	Ordinary.
15	+Record date to determine entitlements	7.00pm (Adelaide time) on 17 July 2012.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Entitlement Offer, they will be rounded up to the next whole number of shares.
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries except Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	16 August 2012.
20	Names of any underwriters	Underwriting arrangements have been entered into between Western Desert Resources Limited, Ord Minnett Limited, Permat Holdings Pty Ltd (the major shareholder of Western Desert Resources Limited) and certain directors of Western Desert Resources Limited under which the Entitlement Offer will be fully underwritten.
21	Amount of any underwriting fee or commission	4%
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	1%, up to a maximum of \$500 per valid application.
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	Not applicable.

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	23 July 2012.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	9 July 2012.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	+Despatch date	24 August 2012 other than for shortfall shares under the Entitlement Offer. A date on or before 24 December 2012 for shortfall shares under the Entitlement Offer.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Not applicable.				
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Not applicable.				
42	<p>Number and +class of all +securities quoted on ASX (including the securities in clause 38)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 2px;">Number</th> <th style="width: 50%; padding: 2px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px; text-align: center;">Not applicable.</td> <td style="padding: 5px; text-align: center;">Not applicable.</td> </tr> </tbody> </table>	Number	+Class	Not applicable.	Not applicable.
Number	+Class					
Not applicable.	Not applicable.					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:Date: 26 June 2012
(Company secretary)

Print name: Laurie Ackroyd

== == == == ==

+ See chapter 19 for defined terms.