

9th November 2009

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

## UPCOMING RENOUNCEABLE RIGHTS ISSUE

Western Desert Resources Limited (ASX:“WDR”) (WDR) is pleased to announce an upcoming renounceable pro rata entitlement issue to eligible shareholders of approximately 20,825,019 new shares in WDR on the basis of one (1) new share for every five (5) shares held on the Record Date to raise an estimated \$8.33 million, before costs, (Rights Issue). The key aspects of the Rights Issue are set out below.

- Issue price of \$0.40 per new WDR share, which represents a discount of 32% to the volume weighted average price of WDR shares during the 5 trading day period to, and including, Wednesday, 4 November (being the last day on which WDR shares were traded on ASX prior to the date of this announcement).
- The proposed record date for determining entitlements under the Rights Issue is expected to be on or around 23 November 2009 (as at 5.00pm Adelaide time) (Record Date).
- The offer will be made only to eligible shareholders of WDR, being those recorded on the register of members on the Record Date, with a registered address in Australia or New Zealand.
- The Rights Issue is expected to be fully underwritten by Patersons Securities Limited, subject to the execution of formal documentation.
- Eligible shareholders will have the opportunity to apply for additional new WDR shares that are not subscribed for in the Rights Issue. Acceptance of such applications will be at the discretion of the directors.

WDR is undertaking the Rights Issue to raise funds for:

- the further exploration of WDR’s 100% owned Mountain Creek Iron Ore Project, which is adjacent to WDR’s Roper Bar Iron Ore Project;
- the further exploration of the Rover Gold/Copper Project, which is a joint venture between WDR and TNG Ltd. WDR is currently earning a 51% interest in the Rover project and has the option to earn 80%;
- internal assessments of the Roper Bar Iron Ore Project, which is a joint venture between WDR (80%) and the Itochu subsidiary, IMEA Exploration and Development of Australia Pty Ltd (20%);
- the further exploration of WDR’s other existing gold, uranium and base metals projects;
- the potential expansion of WDR’s iron ore and base metals asset portfolio; and
- general working capital requirements.

Existing option holders may participate in the Rights Issue by exercising their options prior to the Record Date. A letter to option holders outlining the steps they will need to follow to participate in the Rights Issue will be despatched on or around 11 November 2009.

# WesternDesert

R E S O U R C E S

It is intended that an Offer Memorandum containing full details of the Rights Issue will be lodged with the ASX on or around 13 November 2009.

WDR has made substantial progress during 2009, in particular with its Roper Bar Iron Ore Project with the publication on 20 October 2009 of an initial 90 million tonne Inferred Mineral Resource<sup>1</sup> for Area "D" within the Project area. It is expected that further resource statements for other areas of the Project will be published before the end of 2009. In addition the Company expects to commence a drilling program at its Rover Gold/Copper project, in joint venture with TNG Limited in January 2010, and a substantial drilling program at its Mountain Creek Iron Ore Project in 2010 as soon as seasonal conditions allow.

The upcoming Rights Issue will provide shareholders with the opportunity to further participate in these exciting projects and to assist in funding the continuation of WDR's aggressive exploration program.

Yours sincerely,



Laurie Ackroyd  
Company Secretary

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<sup>1</sup> This is a summary only of the Inferred Mineral Resource. Please refer to the JORC Compliant ASX announcement dated 20 October 2009 for full details of the Inferred Mineral Resource. A copy of the announcement can be found at [www.asx.com.au](http://www.asx.com.au) or on the Company's website at [www.westerndesertresources.com.au](http://www.westerndesertresources.com.au)