

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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.

Name of entity

WESTERN DESERT RESOURCES LTD

ABN

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 fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 20,825,019 new shares based on the undiluted share capital of WDR as at 16 November 2009 (without taking into account the impact of rounding) |
| 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) | ordinary fully paid shares pursuant to a renounceable pro-rata rights issue on the basis of one share for every five shares held |

- 4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?
- If the additional securities do not rank equally, please state:
- 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
- rank equally
- 5 Issue price or consideration
- A\$0.40 per share
- 6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)
- The proceeds from the Rights Issue will be applied towards:
- exploration of WDR's 100% owned Mountain Creek Iron Ore Project;
 - further exploration of the Roper Gold/Copper Project, a joint venture between WDR and TNG Ltd;
 - evaluation and assessment of the Roper Bar Iron Ore Project, a joint venture between WDR (80%) and the ITOCHU subsidiary, IMEA Exploration and Development of Australia Pty Ltd (20%);
 - additional 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.
- 7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates
- 22 December 2009

Number

⁺Class

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	104,125,091	ordinary shares
		2,363,754	options to acquire ordinary shares @ 18 cents expiring 30 th November, 2011.

		Number	⁺ Class
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	5,162,500	25 cent options expiring 30 June 2010
		1,500,000	25 cent options expiring 30 June 2011
		20,000	20 cent employee options expiring 30 June 2011
		1,050,000	18 cent employee options expiring 30 September 2011
		5,000,000	20 cent Director options expiring 30 November 2013
		100,000	18 cent options expiring 30 September 2011
		550,000	11 cent options expiring 23 April 2012

Before the exercise of any options in order to participate in rights issue

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
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12	Is the issue renounceable or non-renounceable?	Renounceable
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13	Ratio in which the +securities will be offered	One new share for every five held at the record date
14	+Class of +securities to which the offer relates	Ordinary fully paid shares
15	+Record date to determine entitlements	25 November 2009
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Round up to next whole number
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries except Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	7 December 2009 (for renunciations) 14 December 2009 (for acceptances)
20	Names of any underwriters	Patersons Securities Limited
21	Amount of any underwriting fee or commission	An underwriting fee equal to 5% of the total amount underwritten
22	Names of any brokers to the issue	Patersons Securities Limited has been appointed as lead manager to the Rights Issue.
23	Fee or commission payable to the broker to the issue	Other than the underwriting fee, no fee or commission is payable to the lead manager.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	30 November 2009

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	11 November 2009
28	Date rights trading will begin (if applicable)	19 November 2009
29	Date rights trading will end (if applicable)	7 December 2009
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	By contacting and instructing their agent/stockbroker and following their instructions
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<p>To sell part of their entitlement through a broker - By contacting and instructing their agent/stockbroker and following their instructions.</p> <p>To accept for the balance – By completing the Entitlement and Acceptance Form in respect of that part they decide to accept, and forwarding the completed form together with payment of the appropriate application monies (in the manner provided in the Offer Memorandum) to the company’s Share Registry by the closing date.</p>
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	By to the company’s share registry a completed standard renunciation and transfer form and Entitlement and Acceptance Form completed by the transferee together with payment of the appropriate application monies (in the manner set out in the Offer Memorandum) to the company’s share registry.
33	⁺ Despatch date	22 December 2009

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(b) All other securitiesExample: 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 holders36 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 over37 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	<input type="text"/>				
39	Class of +securities for which quotation is sought	<input type="text"/>				
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <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 	<input type="text"/>				
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	<input type="text"/>				
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="726 1523 1029 1568">Number</th> <th data-bbox="1029 1523 1324 1568">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="726 1568 1029 1749"><input type="text"/></td> <td data-bbox="1029 1568 1324 1749"><input type="text"/></td> </tr> </tbody> </table>	Number	+Class	<input type="text"/>	<input type="text"/>
Number	+Class					
<input type="text"/>	<input type="text"/>					

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.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided 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: 17 November 2009

Print name: Laurence Ackroyd, Company Secretary

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