

5 September 2014

Ms Belinda Mai, Senior Adviser  
Listings Compliance  
ASX Compliance Pty Ltd  
Exchange Centre  
20 Bridge Street  
Sydney, NSW 2000

By Email: [belinda.mai@asx.com.au](mailto:belinda.mai@asx.com.au)

### **WDR Appoints Voluntary Administrators**

The Board of Directors of Western Desert Resources Limited (ASX:WDR) (the **Company**) advise that negotiations with the Company's Banker, Macquarie Bank Limited (MBL), for ongoing financial support have been unsuccessful.

The recent substantial fall in the iron ore price to a 5 year historical low, which shows no sign of abating in the short term, when coupled with a strong \$AUD, has substantially contributed to this outcome.

Based on the current iron ore price of \$84.30 per tonne, WDR's current hedge book is "in the money" to the extent of approximately \$25 million.

WDR have been in ongoing negotiations with MBL regarding the restructure of its project finance facility term, debt repayment profile, and short term working capital funding requirements. These negotiations were progressing satisfactorily until the morning of Wednesday 2nd September 2014, when MBL withdrew their Offer for short term support. MBL also refused any access to "in the money" hedge proceeds pertaining to WDR's July and August shipments, which approximated \$7 million.

As a result, an ASX trading halt of WDR's securities was requested while the Directors took advice and sought alternative funding arrangements for working capital requirements.

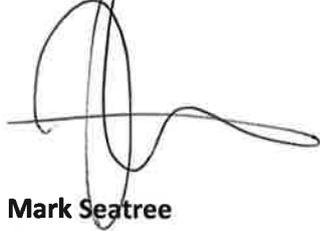
However, whilst significant interest has been shown in providing funds, firm commitments regarding the quantum and timing of these proceeds have not yet been obtained.

A further alternate proposal was made to MBL this afternoon but they have confirmed their position that they will not provide any short term working capital funding.

Accordingly and regrettably, acting on legal advice, WDR Directors have no alternative but to appoint a voluntary administrator, which was so resolved at a Board Meeting this afternoon.

The voluntary administrators, Stephen Duncan, Mark Mentha and Scott Kershaw of KordaMentha, have advised they will be holding a creditors meeting within the statutory requirement permitted under the Corporations Act.

Yours sincerely,



**Mark Seatree**  
Company Secretary