
Western Desert Resources updates on Roper Bar iron ore project

Wednesday, 11 Nov, 2009

Emerging iron ore developer Western Desert Resources has announced a one for five renounceable rights issue at USD 0.40 per share. The issue price struck is a 32% discount to weighted average share price of WDR shares before the ASX announcement.

The rights issue will be fully underwritten by Patterson's Securities.

Purpose of the issue is to enable funds for further exploration of Mountain Creek Iron ore project, adjacent to the Roper Bar iron ore project in the Northern Territory. Mountain Creek is 100% owned by WDR.

Funds will be applied to further exploration of the Rover Gold / Copper project, which is a joint venture between WDR and TNG (ASX: TNG). WDR is earning a 51% interest in the Rover project and has an option to earn 80%.

Internal assessments of the Roper Bar iron ore project will be undertaken, the project is a JV between WDR 80% and Itochu subsidiary IMEA Exploration & Development of Australia Pty Ltd 20%.

During 2009, WDR was able to define a 90 million tonne inferred resource at Area D within the Roper Bar project area, with further resource statements expected by Norm Gardner managing director of WDR before end of 2009.

With the drilling success at Roper Bar, WDR has proven a strong sharemarket performer, the shares up 515% since mid-year, at their peak.

(Sourced from proactiveinvestors.com.au)

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