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## Sundance submits iron ore feasibility study to Cameroon government

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Miningweekly reported that Africa focused explorer Sundance Resources has presented the feasibility study for its Mbalam iron-ore project to the government of Cameroon.

The explorer submitted the feasibility study to the Industry, Mines and Technological Development Minister in support of a proposal outlining the key fiscal and development terms for the project, as well as an application for a mining permit covering the iron-ore deposit.

Sundance said that the Mbalam environmental and social assessment had also been presented to the government, with feedback from the Ministry of Environment and Nature Protection expected before the document was released for public review.

Mr Don Lewis CEO of Sundance noted that the completion and submission of the feasibility study marked a key milestone in the development of the Mbalam project as it triggered the process under the Mining Code of Cameroon for the negotiation of the Mbalam convention and grant of a mining permit.

He said that “The feasibility study indicates that the Mbalam project is viable on the basis of securing government agreement for the proposed fiscal and development terms and the definition of high grade reserves sufficient to support direct shipping ore quality production for the first ten years of project operations.”

He added that the combined high-grade and itabirite resources already defined at Mbalam, were capable of supporting the 25-year term of the mining permit, indicating the strategic importance of the project as a potential long-term supply source to the world iron-ore markets.

Mr Don Lewis said “Iron-ore market fundamentals appear likely to remain strong in the medium to long-term fuelled by growth in demand, particularly from China, and limited large-scale supply options outside the current major producers. The development of a major new source of iron-ore will clearly be a welcome development for major international steel producers.”

He said that the feasibility study demonstrated the importance of the Mbalam project to Cameroon. Significant economic, social and environmental benefits were expected to flow from the project, transforming both the mining sector and the broader economy of Cameroon.

The direct financial benefits to Cameroon will be around USD 5 billion over the life of the project, derived from royalties from the sale of iron-ore products, corporate and shareholder income taxes, dividends from the government’s equity interest in Sundance’s operating subsidiary in the country, CamIron SA as well as taxes paid by employees.

Mr Lewis added that the previously foreshadowed restart of the drilling program was on target to start shortly with arrival of the company’s new drilling rig in Cameroon in mid-October.

He said that “If our exploration target of 100-million tons to 250 million tons hematite at 55% to 65% iron at the Nabeba deposit is achieved, this will significantly increase the tonnage of high-grade hematite already defined at the Mbarga, Mbarga South and Metzimevin deposits.”

Sundance was aiming to confirm sufficient hematite mineralization to support production at 35 million ton a year project, with a life-of-mine of at least 20 years. It was targeted that operations would start in 2012.

The development of the project was being progressed on a fast-track schedule. Critical to this program was to secure approvals for the mine and land access for rail and port infrastructure through a project convention to be executed with the Cameroon government.

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