
CAPEX cuts - Sundance to delays its Cameroon iron ore mine startup -

Thursday, 15 Oct, 2009

Reuters quoted Australia mining firm Sundance Resources Ltd said the global economic slowdown has forced it to delay its target for initial production at its Mbalam iron ore project in Cameroon by two years to 2013.

Mr Don Lewis CEO of Sundance Resource said "This revised timeline largely reflects the impact of the global financial crisis which seriously impacted iron ore markets, particularly in Europe and North America, and the availability of project finance in 2009."

He said that "We are seeing these issues starting to abate with confidence returning to markets particularly commodities markets driven by Asian demand such as iron ore."

Mr 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."

He added Sundance was still negotiating fiscal terms of the project with Cameroon's government.

Sundance submitted a feasibility study on the project to the Cameroonian government last week projecting the Central African country would receive some USD 5 billion in royalties, taxes, and dividends during the 25 year life of the mine.

(Sourced from Reuters)

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