
Cameroon may receive USD 5 billion from Sundance iron ore project

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Dow Jones reported that Cameroon will receive a cumulative USD 5 billion through royalties, corporate taxes and dividends over the 25 year life span of Sundance Resources Limited's drilling and sale of iron ore in eastern Cameroon.

Cam Iron AS, Cameroon's partner with the Australian iron firm, officially requested a permit from the Cameroon government to start drilling the mineral. Sundance Resources owns 100% of Cameroon Iron Co., which itself holds 90% of the Mbalam iron ore deposit, considered to be one of biggest in Africa. The request comes after Cam Iron completed its feasibility studies on the USD 3.3 billion iron mining project in Mbalam.

As per report, such revenues will come from royalties from the sale of iron ore products, corporate and shareholder income taxes, dividends from the government's equity interest in Cam Iron SA, taxes paid by employees and proceeds from the establishment of a social and environmental sustainability fund.

Production could start by 2012 or earlier and Sundance Resources aims to export an estimated 35 million to 40 million tonnes of iron ore yearly.

(Sourced from www.dowjones.com)

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