
Sundance Resources raises cash for Mbalam iron ore project in Cameroon

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Australian miner Sundance Resources has raised AUD 85 million from institutional investors to advance its Mbalam iron ore project in Cameroon.

According to the agreement, 567 million shares will be issued at AUD 0.15 per share subject to shareholder approval.

Proceeds will be used to complete a definitive feasibility study of the Mbalam project undertake drilling to define more high grade mineralization and provide general working capital.

Mr Don Lewis MD of Sundance Resources in a statement said that "We have deliberately targeted a new investor base to broaden the reach and exposure of the company to the international market ahead of our proposed project financing activities in 2010."

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

The project, some 400 km southeast of the capital Yaounde, holds an estimated 2.5 billion tonnes of hematite, a mineral form of iron oxide. The company hopes to produce some 35 million tonnes per year.

(Sourced from Reuters)

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