
Sundance Resources restarts drilling at Mbalam Iron project

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International iron ore company Sundance Resources has recommenced drilling at its Mbalam Iron Ore Project in West Africa. Following the announcement, shares in the company increased 3.3%.

The Perth based company has completed two commissioning holes at the main Mbarga Deposit utilizing the Sandvik DE 710 Track Mounted Drill Rig purchased earlier this year. These holes have achieved excellent penetration rates and core recovery. Visual interpretation indicates that the drilling results should be consistent with previously reported results. The PQ core is to be shipped to Perth for metallurgical testing. This data, together with follow up drilling results, will be used to assist the process of progressive conversion of current Indicated and Inferred Resources to Reserves.

The immediate focus of drilling with the new rig will be to test new prospects on Exploration Permit 92 in Cameroon before commencing drilling at the Nabeba Deposit, located in the neighboring Republic of Congo.

Access to the Nabeba Deposit, located 42 kilometers south of the Mbarga Deposit is currently scheduled to be completed in early January 2010. Drilling at this deposit is aimed at converting the current Exploration Target of 100 million tonnes to 250 million tonnes of hematite grading 55% to 65% Fe to JORC-Code compliant resources.

Mr Don Lewis CEO of Sundance said that the company was pleased that drilling had recommenced at Mbalam, following cessation in December 2008. He said that "The Phase I of drilling resulted in the definition of JORC-Code compliant resources totaling 215 million tonnes of High Grade hematite and 2,325 million tonnes of Itabirite hematite at the Mbarga, Mbarga South and Metzimevin deposits. We look forward to increasing the High Grade hematite resource base over coming months."

Mr Lewis said that Sundance had recently purchased a second diamond drilling rig which will enable it to accelerate this new phase of drilling.

He said that "The new rig will be ready for shipment from South Africa at the end of November and we expect to see it on site in January. This is an important period of activity for the Mbalam Project following our recent USD 85 million capital raising. The drilling program, which forms a core part of our Definitive Feasibility Study, will support project financing activities in 2010 and has the potential to add substantial value to the Project as we progress discussions with prospective partners, customers and financiers."

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