

HD Mbalam/Nabeba Iron Ore Project - More Time to Source for Financing**BY** by Godlove Bainkong**WC** 544 words**PD** 28 October 2014**ET** 22:37**SN** All Africa**SC** AFNWS**LA** English**CY** (c) 2014 AllAfrica, All Rights Reserved**LP**

Oct 28, 2014 (Cameroon Tribune/All Africa Global Media via COMTEX) -- A Sundance report says government has given it up to June 30, 2015 to comply.

According to Sundance Resources Limited, an Australian **firm** whose subsidiary, Cam **Iron**, is bracing up to mine **iron ore** in Mbalam, East Region of Cameroon, government has given it additional time to source for financing to take the hope-raising project off the ground. Going by the 2014 activity report published by Sundance, "The government of Cameroon has extended the date to complete the conditions precedent to the Mbalam Convention to at least 30 June 2015. Failure to achieve the conditions precedent prior to that date will, if no further extension is granted, result in the cessation of the Mbalam Convention which may be considered an event of default as defined in the various convertible note deeds in place."

TD**Why The Extension?**

When government signed the convention with Cam **Iron** on November 29, 2012 Cam **Iron** and its umbrella **firm**, Sundance Resources Ltd, were given 18 months (beginning November 29, 2012) to mobilise at least 4.7 **billion** dollars, about FCFA 3,000 **billion**, money needed for the first phase, before it is served an exploitation permit.

What Path Covered?

As at today, all infrastructure agreements for the project have been signed. After signing the Engineering, Procurement and Construction (EPC) contract for the construction of ports and rail infrastructure for the Mbalam-Nabeba **Iron Ore** Project with Cameroon on June 5 in Yaounde, Sundance Resources and the Portuguese constructor, Mota-Engils, penned a similar agreement with Congo on June 18, 2014. Also, MotaEUREngils Africa was appointed as the EPC contractor to undertake the work for both the port and rail infrastructure. The role of Mota-Engils consists in providing a detailed design, construction, testing and commissioning of the 510-km railway from the Mbarga mine in Cameroon to the Mineral Terminal Facility at Lolabe on the west coast of Cameroon, the 70-km rail spur line from the Nabeba Mine in the Republic of Congo (Congo-Brazzaville) to the Cameroon railway; and a 35-Mtpa deep water Mineral Terminal Facility, including stock yards, capable of loading **China**-max' vessels.

How Far With Financing?

Standard Bank from South Africa was also chosen as the financial partner to secure financing over 6-9 months following the signature of the Railway Agreement and the Mineral Terminal Agreement. It will **lead** the syndicate of financial institutions that intend to support the project. Standard Bank and Mota-Engil Africa, sources say, are also advancing plans for an alternative funding strategy based on Build, Own Operate and Transfer model for port and rail infrastructure.

What Hope?

What makes the project's financing more feasible is the long-term off-take contract Sundance signed with a leading global commodities trader, Noble Resources International. According to the terms of the agreement, Noble will buy all the production for the first 10 years of operation outside that allocated to project **equity** participants. Stakeholders say the contract with Noble Resources International will help

facilitate completion of debt funding for the construction of the port, rail and mines infrastructure needed to take off mine production.

CO sfmn : Sundance Resources Ltd

IN i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

NS ccat : Corporate/Industrial News | gpol : Domestic Politics | gcat : Political/General News | gpir : Politics/International Relations

RE camer : Cameroon | africaz : Africa | austr : Australia | china : China | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | ceafz : Central Africa | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

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