

## HD \$3.5B EPC CONTRACT FOR CENTRAL AFRICAN IRON PROJECT

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International engineering-construction **company** Mota-Engil Africa has won the \$US3.5B engineering, procurement and construction (EPC) contract to build the port-rail infrastructure for Sundance Resources' Mbalam-Nabeba **Iron Ore** Project that spans the republics of Congo and Cameroon.

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Africa's largest Bank, Standard Bank, has also been appointed as the project's financial adviser and **lead** debt arranger for the rail, port and mines project, with the 3.5 year construction to begin on financial close expected by mid-2015.

Sundance says discussions are well advanced with a wide variety of potential funding partners, with export credit agencies, development funds and commercial banks having already expressed interest in providing debt funding.

Portuguese **company** Mota-Engil Africa's contract includes detailed design, construction, testing and commissioning of a 510km railway from the Mbarga mine in Cameroon to the Mineral Terminal Facility at Lolabe on the W coast of Cameroon, a 70km rail spur line from the Nabeba mine in the Republic of Congo to the Cameroon railway and the 35Mtpa deep water Mineral Terminal Facility, including stock yards, capable of loading **China**-max vessels.

Sundance CEO-M/D Giulio Casello says the 2 key appointments "are a major vote of confidence in not only our **company** and the project, but in the central African countries of Cameroon and Congo, and our belief that this will become a world-class **iron ore** region. The Mbalam-Nabeba **Iron Ore** Project will be one of the lowest cash-cost producing assets in the world."

In order to secure terms for the EPC contract and debt funding, Sundance is looking at a project debt-to-**equity** ratio of better than 70:30 to be finalised in parallel with the financial close target. However, the Western Australian **company** is also considering an alternative funding strategy based on an own operate and transfer model for the port-rail infrastructure.

Following the closure of the tender process in April 2014 for the second package of project works, Sundance has received 3 proposals for construction of the mine plants and associated infrastructure, which includes accommodation villages, workshops, a diesel power plant and an aerodrome.

The next step requires the selection of one of the contractors to complete front-end engineering and design (FEED) work to generate a fixed-price contract. Completion of FEED is expected to take about 6 months.

In March this year, global commodities trader Noble Resources Int'l signed a 10-year off-take agreement for 50% or more of all production from the planned 35Mtpa project, which has a minimum life of 25 years, including the \$4.7B, 10-year first stage that will produce high-grade hematite DSO and at least a further 15 years of itabirite hematite concentrate product.

The group of large-scale **iron ore** deposits spanning the Cameroon-RoC border has total high grade hematite resources of 775Mt at 57.2% Fe, including **ore** reserves of 436.3Mt at 62.6%. The additional itabirite resource of 4.05Bt at 36.3% can be beneficiated to produce a 66% Fe concentrate.

Sundance Resources Limited

Exchange Code:ASX: SDL Website:<http://www.sundanceresources.com.au>

Australian-based **company** focused on development of a new **iron ore** province in central west Africa

Noble Group (Noble Resources International)

Exchange Code:SGX: N21 Website:<http://www.thisisnoble.com>

Listed in Singapore and headquartered in **Hong Kong**, the **company** is a natural resources supply chain manager of agricultural and **energy** products, metals and minerals, with interests in **coal** and **iron ore** mines, ports, vessels and other key infrastructure.

**CO** engsg : Mota-Engil SGPS SA

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