



**ASX Announcement**  
19 December 2013

## **Sundance receives strong response to rail and port tender process for Mbalam-Nabeba Iron Ore Project**

*Plus, tender documents now issued for mine plant infrastructure*

- *Tenders received for rail and port infrastructure*
- *Off-take under negotiation*
- *EPC tender process for mine plants and associated infrastructure underway*

### **Rail and port infrastructure tender process**

Sundance Resources Ltd (ASX: SDL) is pleased to advise that it has received a strong response to its call for tenders to finance and build the rail and port infrastructure for the Mbalam-Nabeba Iron Ore Project.

In light of the tenders lodged by international Engineering, Procurement, and Construction contractors ("EPC Parties"), Sundance is confident that an agreement can be reached for the provision of this infrastructure.

Sundance will now conduct detailed negotiations with each of the tender groups with a view to finalising an exclusivity agreement with one of them by the second Quarter of 2014.

In line with the confidential nature of these negotiations, Sundance will not disclose the identities or the number of parties involved. It has also undertaken to the other parties that it will keep confidential the structure and other details of the tenders.

The EPC Parties which have lodged tenders comprise both Chinese and non-Chinese parties with a proven track record in building successful projects of large scope and scale. As part of their tender preparations, they have each visited the Project.

### **Project equity and off-take contracts**

Sundance is currently in negotiations with several groups concerning the sale of equity and take-or-pay iron ore off-take agreements. These negotiations cover the full production capacity of 35 million tonnes per annum of high-grade iron ore from the Mbarga and Nabeba mines.

The off-take contracts will need to be at such a level that they can be used as security for funding the EPC infrastructure contracts. Companies committing to off-take will also have the opportunity to take an equity position in the mine or the total project, at terms to be agreed.

The sale of equity and/or take or pay iron ore off-take agreements will be finalised in 2014 aligned with the finalisation of the port and rail infrastructure EPC contract.

### **Tender process for mine plants and associated infrastructure**

On 18 December 2013, Sundance issued tender documents for the second package of project works relating to financing and construction of the Mbarga and Nabeba plants and associated mine site infrastructure.

These documents have been provided to a number of International Engineering, Procurement and Construction (“EPC”) contractors with proven records in projects of this nature. They include Chinese and non-Chinese companies.

Importantly, the tender process has the full support of the Cameroon Government and the Republic of Congo Government.

Sundance Managing Director Giulio Casello said the tenders for the rail and port met the Company’s expectations.

*“The receipt of the port and rail infrastructure tenders and the issuing of the tender documents for the mine processing plant and associated infrastructure both represent key milestones towards development of this world-class project,” Mr Casello said.*

*“We are confident that this process will result in the Mbalam-Nabeba Iron Ore Project being developed within the economic and timetable parameters that will ensure it delivers robust returns for investors and the people of Cameroon and the Republic of Congo.”*

**ENDS**

Released by:

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