



# THE MBALAM-NABEBA IRON ORE PROJECT

*Developing Central Africa's Iron Ore Region*



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Sundance Resources Limited

# Disclaimer



Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and to the operating results, growth prospects and the outlook of SDL's operations including the likely commencement of commercial operations of the Mbalam Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding SDL's exploration operations, economic performance and financial condition.

Although SDL believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to SDL's most recent annual report. SDL undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

## **Competent Persons Statement**

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists, and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy. Mr Longley and Mr Widenbar are consultants to Sundance and have sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The information in this report that relates to Mineral Ore Reserves is based on information compiled by Mr Bruce Gregory, a member of the Australasian Institute of Mining and Metallurgy. Mr Gregory is employed by AMC Consultants Pty Ltd and is a consultant to the Company. Mr Gregory has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Messrs Longley, Widenbar and Gregory consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

For more information including modelling parameters and details, the ASX announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are available from the Company's website: [www.sundanceresources.com.au](http://www.sundanceresources.com.au).



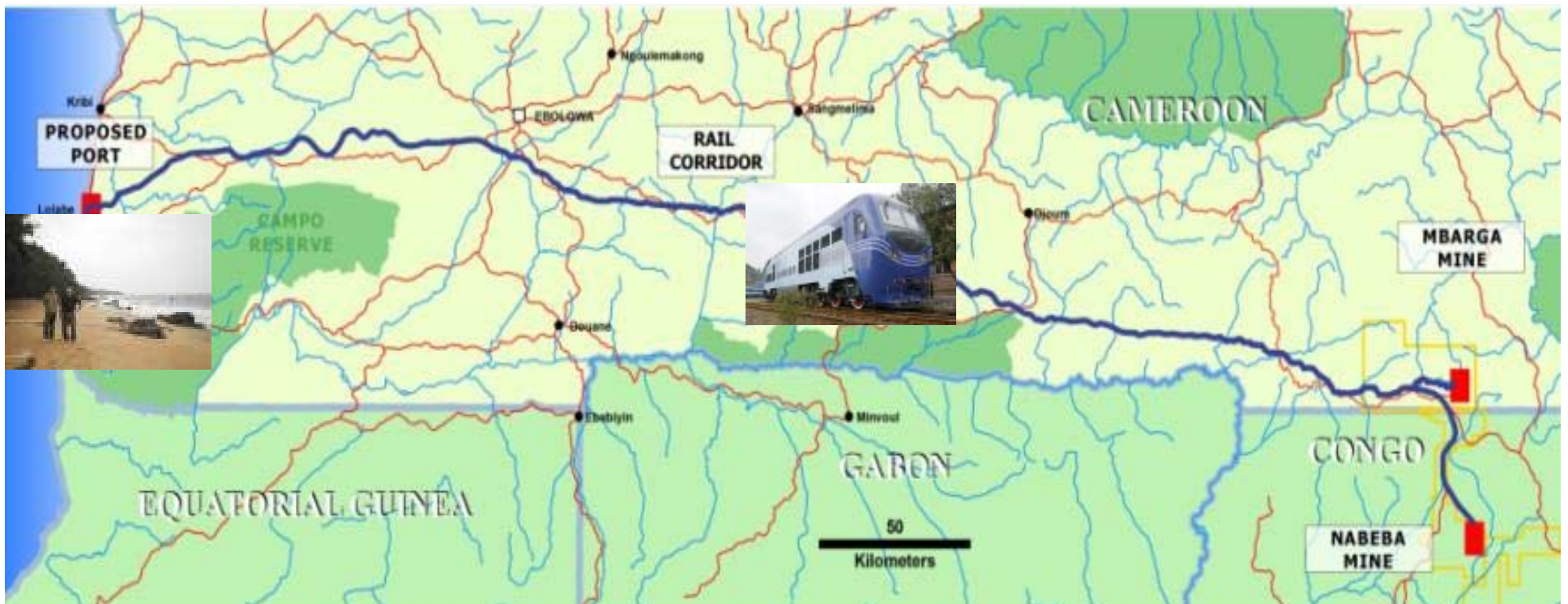
# A Pioneer Mining Project for Central Africa

- 510 km rail line dedicated transport of iron ore and 70 km spur line from Nabeba
- Deep water port capable of taking bulk iron ore carriers of up to 300,000 DWT
- **Stage 1:** Mining 35Mtpa of **Direct Shipping Ore**-quality High Grade Hematite for *at least* 10 yrs
- **Stage 2:** Continued 35Mtpa of concentrate product from **Itabirite** for *at least* a further 15 yrs



# Infrastructure

- 510 km rail line from Mbarga to Port & 70 km spur line from Nabeba
- 32 t axle load
- 6 trains each comprising 3 locos, 190 wagons
- 28-hour cycle time from mine to port to mine
- **Environmental approvals granted for Port, Rail and Mine in Cameroon in 2010**
- **Declaration of Land for Public Utility for Port in 2010; and for Rail Corridor in 2011**
- Deep water near shore (25m)
- Open water jetty – no breakwater
- Single berth capacity for up to 45 Mtpa
- Port being designed for 300,000 DWT “China-max” bulk ore carriers





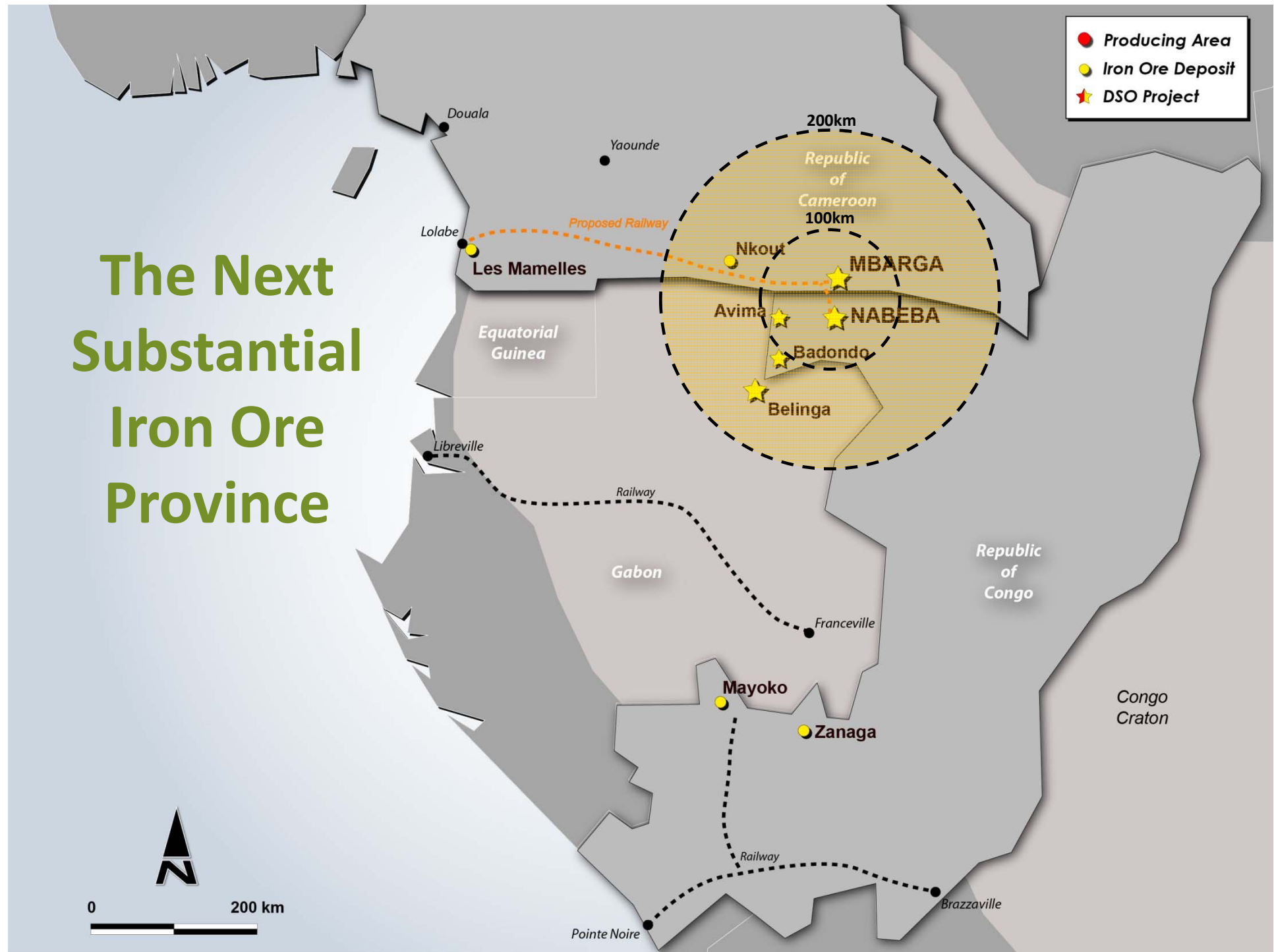
## A Unique Resource in the Region

- A very substantial high grade hematite DSO resource overlying a truly massive banded itabirite resource in the same geological sequence.
- The level of assessment undertaken - includes more than 164,000 m of drilling (approximately 1,150 drillholes), allowing definition of Indicated Mineral Resources and Probable Ore Reserves
- A stage 1 DSO mining plan that economically justifies all the rail and port infrastructure with a bankable IRR and a reasonable pay back period.
- Most major permits and approvals are in place and the remainder are well advanced.
- A fully complete and bankable feasibility study for the mine and all supporting infrastructure.



- Producing Area
- Iron Ore Deposit
- ★ DSO Project

# The Next Substantial Iron Ore Province



# Achievements Over the Last 12 Months

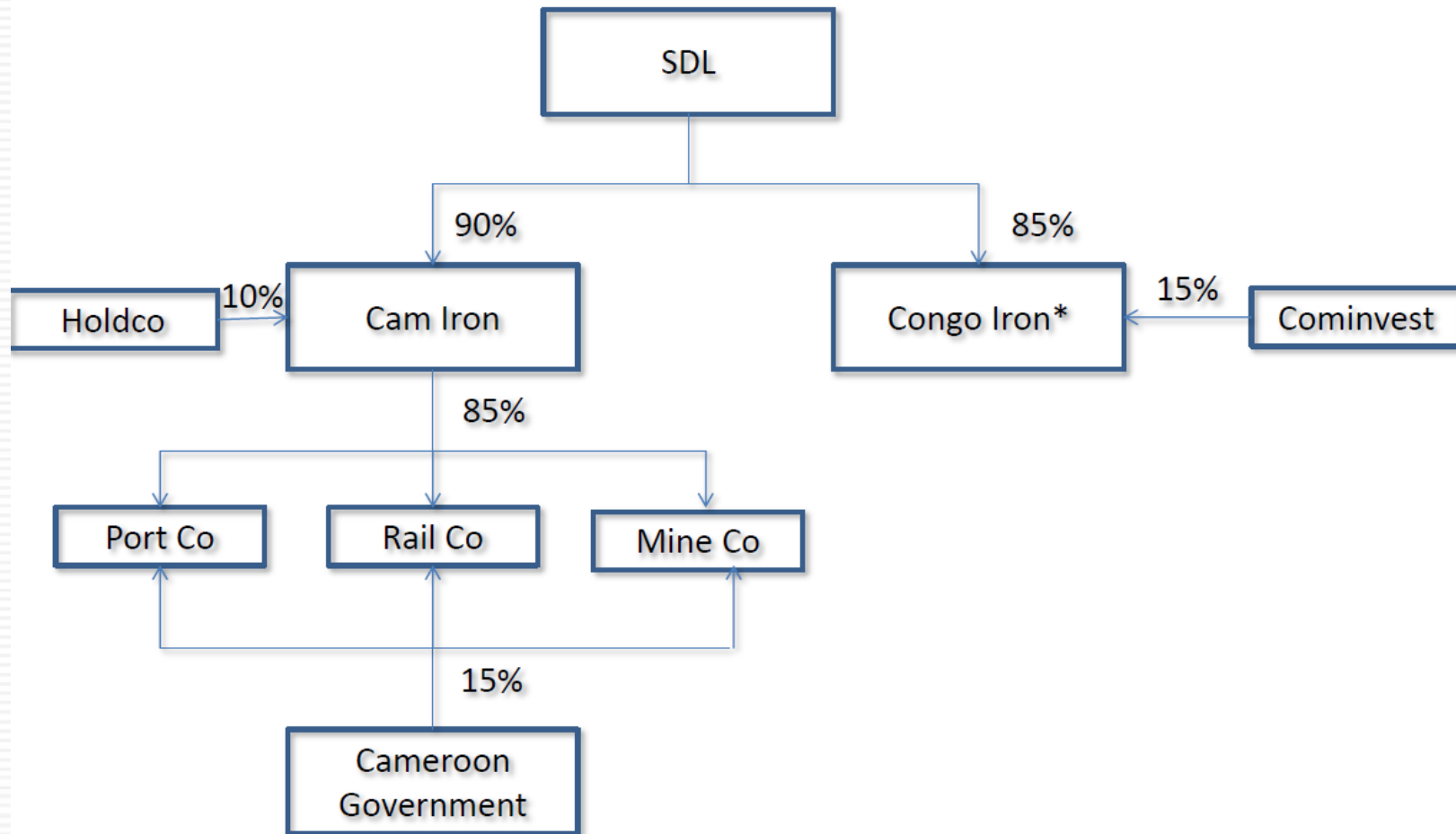


- High Grade Hematite Mineral Resources of **775.4Mt at 57.2% Fe**
- High Grade Ore Reserves of **436.3Mt at 62.6% Fe**
- Further Itabirite Mineral Resources totalling **4.05Bt at 36.3% Fe**
- **Updated Feasibility Studies completed** - confirms a technically and economically viable project
- **All Environmental approvals awarded**
- **Mbalam Convention Signed** with Cameroon Government – 29 November 2012
- **Congo Mining Permit Decree-** 6 February 2013
- Project development works are progressing while **Strategic Partner and Project finance processes** are underway.



# Corporate Structure

The Mbalam-Nabeba Iron Ore Project is being developed by Sundance Resources, Cam Iron and Congo Iron in partnership with the Governments of Cameroon and the Republic of Congo.



*\* Assuming free carry 10% pending Convention finalisation; SDL equity would then be 76.5% & Com Invest 13.5%*



# PROJECT SCHEDULE

- Feasibility Study (Completed in March 2011)
- Front End Engineering – 2013 / 2014
- Arrange Project Finance – 2013 / 2014
- Construction – 6 months preliminary works + 3 years construction after project finance is secure
- Commissioning and start-up – 3 months



# Firm Government Support



- **Mbalam Convention signed 28 November 2012** with Cameroon Government
  - 5 Year tax holiday; 25% income tax and 5% dividend tax thereafter
  - Royalty payments in accordance with the mining code
  - Govt. ownership 10% free carry plus 5% loan carried
  - 25 year development and operating concession granted to Cam Iron for port and rail infrastructure
  - Flexible labour conditions
  - Strong social commitment
- **Nabeba Mining Permit decree** by Republic of Congo Government in Feb 2013
  - Negotiations starting on a Congo mining convention.



*SDL CEO with President of Republic of Congo, Mr Denis Sassou Nguesso*



*SDL Chairman with President of Cameroon, Mr Paul Biya*

# Implementation of the Convention



- The convention includes a list of conditions precedent on both Cam iron and the Government of Cameroon. These conditions must be fulfilled prior to the convention coming into force.
- The conditions precedent identify in excess of 60 documents and legal agreements that have to be drafted, negotiated and agreed before the convention can come into force. The key documents include:-
  - Port and rail land lease agreements
  - Port and rail concession agreements
  - Port and rail tariff agreements
  - Port and rail operating protocols
  - Project expansion protocols
  - Protocols for the import, storage and use of explosives
  - Protocols for the handling, blending , measurement and export of iron ore products.
- The convention allows 18 months from the date of signing for completion of all conditions precedent and the coming into force of the convention.



# Strategic Partner Strategy



- Subsequent to the termination of the SIA, Hanlong had their NDRC exclusivity as proponent of the project in China removed; allowing Sundance to resume negotiations with other Chinese groups. The data room has been open since May 2012.
- **Strong support from Chinese state regulators and financial institutions re-confirmed.**
- **Joint Venture Process**
  - Joint venture with a Chinese steel mill or another substantial steel player.
  - Partial asset sale to a strategic partner to allow joint development.
- **Infrastructure Process**
  - Rail and port developed by separate provider (e.g. infrastructure provider) and backed by take or pay contracts from Mine.
  - SDL would provide funding for the development of the mines only.
- **Early Start Option**
  - Examining viability of small scale early start DSO options.

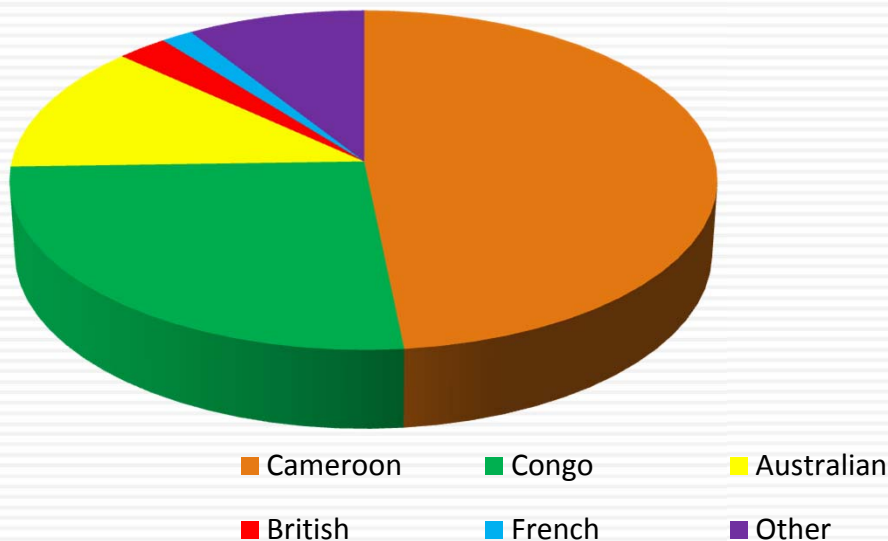


# Strong In-Country Presence



- Currently have ~ 220 total employees (direct and indirect) in-country
- Majority of workforce are local Cameroon and Congolese people
- Capacity building - We're committed to developing the skills of the local workforce

## Current Workforce Nationalities



- There will be around 12,000 jobs during the construction phase of the project.
- There will be around 2,000 permanent direct jobs for the life of the mine operations

# Community & Environmental Support

- CAM IRON has already spent to-date over \$ 6.5 million on social and environmental sustainable projects within the local communities:
  - Schools built in Mbalam
  - Water wells installed in Mbalam
  - Development of income generating projects for communities
  - Ape sanctuary support & animal release sustainability programme
  - CAM IRON currently employs more than 150 Cameroonians in managerial and non managerial positions





# Good Community Relations



- **Thousands direct and indirect jobs** to be generated
- **Professional training:** A minimum of **US\$7 million** will be provided in the three-year Construction Phase and **US\$3 million** per year in the subsequent 10 years of production during Phase One . Quotas for the transfer of jobs to domestic employees have been defined.
- **Development of East and South regions:** US M\$20/year for 5 years, then 0.75% of gross sale price of Mbalam Iron ore.
- **Paving roads:** paving several specific sections of State and Project roads between the Port and Mine site



# Environment & Sustainability

- **0.75% of Cam Iron's after tax profits** will be allocated each year to an environmental and social fund throughout the operating life of the mine.
- **Management of the UFA: 10-034:** Cam Iron will fund the ecological management of a forest offset area at a cost of US\$750,000/y (\$4/Ha) from the date of Entry into Force until the date of Project Commissioning and thereafter US M\$1/y (\$6/Ha).





# Expatriate to Cameroonian Transition



- The training of unskilled and semiskilled employees for the exploitation phase will be carried out during construction and commissioning (capacity building)
- Training provisions will be included in the construction contracts to maximise the participation of local people.
- During the period of time necessary for the Cameroonian & Congolese employees to obtain qualifications, expatriates will be utilised to fill some positions.
- Expatriates overseeing or conducting tasks will be replaced with Cameroonian & Congolese employees.
- It is anticipated that at start up of operations about 60% to 70% of the work force will be local staff and that this will rise to over 90% by year 8 of operations





**We are Proud to develop a nation building project with Cameroonians and for the people of Cameroon and to support the Government in its vision to have in 2035:**

- **a prosperous economy with good infrastructure;**
- **low unemployment and underemployment rates;**
- **well-trained youth exalting merit and country's expertise;**
- **fair distribution of resources between urban and rural areas, and between the various regions of the country.**



CAM IRON SA and CONGO IRON SA  
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