

Cameroon to start building railway to disputed iron ore project in August

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Cameroon will begin construction in August of a railway line connecting its coast to a large iron ore deposit straddling its border with Congo Republic, the interim mines minister said.



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The central African country signed a deal with two China-linked companies in June 2021 to construct the railway, despite facing legal action from Australia's Sundance Resources.

Sundance has filed for international arbitration and billions of dollars in damages, saying Cameroon and Congo Republic violated contracts by developing the Mbalam-Nabeba project with Chinese investors.

Construction for the railway linking the deposit in Nabeba to Cameroon's southern port town of Kribi is set to begin at the end of August in the town of Ntam, Cameroon's interim Mines Minister Fuh Calistus Gentry said late on Tuesday, after a meeting with mining officials in Congo.

"Together we can demonstrate to the world the maturity of our two peoples to ensure that the Cameroon-Congo mining family lives on," he said.

The minister added that 12 new mining projects had been identified in Cameroon, five of which were scheduled to begin this year. He did not elaborate on the projects.

Cameroon in 2021 signed a memorandum of understanding to construct the 500 km (310 mile) rail link, with a capacity to carry 35 million tonnes of high-grade iron ore per year for a decade, with representatives of Aust-Sino Resources and Bestway Finance.

Bestway Finance is registered in Hong Kong. Mining company Aust-Sino is based in Australia, but some of its board members have close links to China, according to its website.

Mining has yet to start at Mbalam-Nabeba, which has an estimated 775 million tonnes of iron ore deposits.

Congo Republic revoked Sundance affiliate Congo Iron's permit for the Congolese part of the project in December 2020 and awarded it to a little-known company Sangha Mining Development Sasu, which is backed by Bestway.

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