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Company Announcements Office  
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## **SINCORÁ AREA – ADDITIONAL PROMISING RESEARCH PIT ASSAY RESULTS**

- **Research pit digging and assay results continue to show highly promising intersections with good evidence of mineralisation continuity**
- **Pits continue exposing hematite mineralised horizons within the QXD Zone at or near surface**
- **Ten (10) research pits have now been completed within the QXD Zone and another two (2) research pits within the QXN Zone**
- **Three (3) pits are currently ongoing within QXD Zone**
- **Early grain size analysis work shows a consistently high lump to fines ratio of 67%:33% from research pit material**
- **Results from preliminary mineralogical studies have shown an excellent degree of liberation at low comminution rates. This highlights the ability to concentrate for fine iron ore products, especially sinter feed, utilising simple process routes**
- **Preliminary results from bench tests have shown significant improvements on product specifications using simple methods such as scrubbing the pit material channel samples for just 10 minutes**
- **A deliberate focus on research pits within a circa 1.0km<sup>2</sup> area in the QXD Zone is still underway as “proof of concept”. An Inferred Resource from these efforts is expected prior to 30 September 2014**
- **There is every expectation Cabral can delineate sizeable and economic tonnages of high grade DSO hematite at or near surface over the 67.0km<sup>2</sup> potential hematite blanket area**
- **Cabral is awaiting the requisite formal environmental approvals from the relevant regulatory authorities before any drill program can commence. These are currently anticipated to be received in the September 2014 Quarter**

Cabral Resources Limited ("Cabral") (ASX Code: "CBS") is pleased to update on the summary assay results and grain size analysis obtained from the research pit channel samples derived from Queixada Zone Pits 1 to 10 and from Queixada North Zone Pits 1 and 2.

PIT ID	FINAL DEPTH (m)	MINERALISED INTERVAL		GRAIN SIZE ANALYSIS		ASSAY RESULTS					
		From (m)	To (m)	(mm)	(%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
QXD-PIT 1 <sup>(1)(2)</sup>	7.90	0.10	5.90	>6.300	69.8	58.9	4.2	3.0	0.070	<0.02	8.0
			5.80	>1.000	13.7	50.8	11.0	7.4	0.065	<0.02	8.2
QXD-PIT 2 <sup>(1)</sup>	5.25	0.10	1.80	>6.300	75.0	60.1	6.6	4.4	0.040	0.02	2.6
			1.70	>1.000	13.2	52.4	12.1	7.8	0.049	0.03	4.3
QXD-PIT 3 <sup>(1)</sup>	2.90	0.10	0.90	>6.300	84.1	53.9	14.3	4.6	0.038	0.04	3.4
			0.80	>1.000	7.4	56.9	9.4	5.3	0.043	0.04	3.5
QXD-PIT 4 <sup>(1)</sup>	5.80	0.50	4.50	>6.300	62.2	56.0	5.9	5.0	0.055	0.02	8.9
			4.00	>1.000	23.0	46.0	12.5	11.1	0.075	0.02	9.9
QXD-PIT 5 <sup>(1)(2)</sup>	4.15	0.95	2.15	>6.300	77.9	66.0	2.3	1.9	0.028	<0.02	12
			1.20	>1.000	10.0	63.2	4.5	3.1	0.031	<0.02	17
QXD-PIT 6	4.55	0.70	3.80	>6.300	67.7	59.3	5.1	4.3	0.088	<0.02	5.3
			3.10	>1.000	20.6	49.3	11.8	10.1	0.095	<0.02	6.9
QXD-PIT 7	1.90	0.10	1.90	>6.300	56.9	64.1	3.1	2.3	0.059	0.02	2.5
			1.80	>1.000	14.7	56.5	9.2	4.7	0.078	0.02	4.6
QXD-PIT 8	4.50	1.00	2.90	>6.300	60.5	50.1	8.9	8.3	0.100	<0.02	10.0
			1.90	>1.000	23.5	39.6	18.0	14.1	0.086	<0.02	10.4
QXD-PIT 9	3.55	0.15	1.15	>6.300	76.5	66.3	2.0	1.6	0.022	0.03	1.6
			1.00	>1.000	13.2	66.1	2.3	1.5	0.018	0.03	1.5
QXD-PIT 10	4.10	1.20	3.10	>6.300	72.9	66.6	2.0	1.4	0.025	0.03	0.9
			1.90	>1.000	9.3	58.7	10.0	3.6	0.033	0.03	1.9
QXN-PIT 1 <sup>(1)</sup>	5.75	0.15	2.90	>6.300	69.5	57.4	5.0	5.6	0.117	0.02	6.8
			2.75	>1.000	18.2	48.6	11.8	8.7	0.137	0.02	9.0
QXN-PIT 2	2.70	0.40	1.35	>6.300	61.1	51.8	12.1	8.2	0.051	0.02	5.4
			0.95	>1.000	18.9	27.0	33.3	18.3	0.054	<0.02	9.3

Notes:

- (1) Denotes assay results that have been previously reported.
- (2) Denotes assay results that have been previously reported but changed with re-assay and additional QA/QC work.

Source: ACME/Bureau Veritas laboratory in Vespasiano, Minas Gerais State, Brazil

## LATEST RESEARCH PIT ASSAY RESULTS AND GRAIN SIZE ANALYSIS

Below is an update on the detailed assay results and grain size analysis obtained from the latest individual research pit channel samples derived from Queixada Zone Pits 5 to 10 and from Queixada North Zone Pit 2.

### QXD0005 Pit

Pit ID	From (m)	To (m)	Sample ID	Lump/Fines Size (mm)	Lump/Fines (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
QXD0005PIT	10	2.0	A002283	>6.3	80.4	66.5	19	16	0.028	<0.02	11
QXD0005PIT	10	2.0	A002284	>10	8.2	64.3	3.7	2.6	0.031	<0.02	16
QXD0005PIT	2.0	2.2	A002289	>6.3	65.3	63.6	4.1	3.0	0.025	<0.02	15
QXD0005PIT	2.0	2.2	A002290	>10	19.3	57.8	8.5	5.6	0.031	<0.02	2.7

### QXD0006 Pit

Pit ID	From (m)	To (m)	Sample ID	Lump/Fines Size (mm)	Lump/Fines (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
QXD0006PIT	0.7	13	A002194	>6.3	81.1	59.8	3.3	2.6	0.077	<0.02	7.8
QXD0006PIT	0.7	13	A002195	>10	8.6	47.3	11.9	10.9	0.095	0.02	8.7
QXD0006PIT	13	16	A002200	>6.3	65.3	56.1	5.5	4.8	0.15	<0.02	8.9
QXD0006PIT	13	16	A002201	>10	24.3	37.0	17.7	17.0	0.104	<0.02	11.2
QXD0006PIT	16	19	A002206	>6.3	67.2	57.4	5.6	4.8	0.076	<0.02	6.8
QXD0006PIT	16	19	A002207	>10	24.5	42.8	15.3	14.0	0.086	0.02	8.9
QXD0006PIT	19	2.5	A002247	>6.3	67.6	60.9	5.1	4.4	0.067	<0.02	3.0
QXD0006PIT	19	2.5	A002248	>10	21.8	50.1	11.7	10.0	0.073	<0.02	6.1
QXD0006PIT	2.5	3.0	A002253	>6.3	76.1	63.8	3.4	3.0	0.072	<0.02	19
QXD0006PIT	2.5	3.0	A002254	>10	14.7	62.5	4.2	3.7	0.098	<0.02	2.3
QXD0006PIT	3.0	3.5	A002259	>6.3	50.7	52.0	9.6	8.1	0.155	<0.02	7.2
QXD0006PIT	3.0	3.5	A002260	>10	31.7	46.0	14.6	10.9	0.129	<0.02	8.0
QXD0006PIT	3.5	3.8	A002265	>6.3	58.6	65.1	2.8	2.2	0.054	<0.02	2.0
QXD0006PIT	3.5	3.8	A002266	>10	25.7	53.8	10.7	7.1	0.075	<0.02	4.7

### QXD0007 Pit

Pit ID	From (m)	To (m)	Sample ID	Lump/Fines Size (mm)	Lump/Fines (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
QXD0007PIT	0.0	0.2	A002315	>6.3	12.2	55.8	11.4	2.6	0.039	<0.02	5.4
QXD0007PIT	0.0	0.2	A002316	>10	17.9	21.4	47.1	8.1	0.042	<0.02	13.7
QXD0007PIT	0.2	0.6	A002321	>6.3	82.1	66.9	1.4	1.3	0.041	0.02	1.5
QXD0007PIT	0.2	0.6	A002322	>10	7.4	61.6	5.9	2.7	0.049	0.03	2.8
QXD0007PIT	0.6	1.1	A002333	>6.3	76.6	65.5	2.1	2.0	0.046	0.03	1.9
QXD0007PIT	0.6	1.1	A002334	>10	15.0	59.8	5.4	4.9	0.057	0.04	3.8
QXD0007PIT	1.1	1.4	A002339	>6.3	72.4	62.6	4.2	3.5	0.061	0.03	3.3
QXD0007PIT	1.1	1.4	A002340	>10	18.4	56.2	7.8	6.2	0.071	0.03	4.9
QXD0007PIT	1.4	1.9	A002345	>6.3	24.3	64.0	2.5	2.6	0.088	0.02	2.7
QXD0007PIT	1.4	1.9	A002346	>10	16.8	59.7	5.5	4.2	0.131	<0.02	4.0

### QXD0008 Pit

Pit ID	From (m)	To (m)	Sample ID	Lump/Fines Size (mm)	Lump/Fines (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
QXD0008PIT	10	2.0	A002357	>6.3	64.7	52.0	8.1	7.4	0.076	<0.02	9.4
QXD0008PIT	10	2.0	A002358	>10	20.4	40.6	17.8	13.4	0.077	<0.02	9.5
QXD0008PIT	2.0	2.9	A002363	>6.3	55.8	48.0	9.7	9.3	0.127	<0.02	10.7
QXD0008PIT	2.0	2.9	A002364	>10	26.9	38.5	18.3	14.9	0.095	0.02	11.4

### QXD0009 Pit

Pit ID	From (m)	To (m)	Sample ID	Lump/Fines Size (mm)	Lump/Fines (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
QXD0009PIT	0.2	12	A002412	>6.3	76.5	66.3	2.0	16	0.022	0.03	16
QXD0009PIT	0.2	12	A002413	>10	13.2	66.1	2.3	15	0.018	0.03	15

### QXD0010 Pit

Pit ID	From (m)	To (m)	Sample ID	Lump/Fines Size (mm)	Lump/Fines (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
QXD0010PIT	12	2.2	A002389	>6.3	83.3	66.6	19	15	0.030	0.03	10
QXD0010PIT	12	2.2	A002390	>10	7.4	62.2	5.5	3.2	0.034	0.03	16
QXD0010PIT	2.2	3.1	A002430	>6.3	61.3	66.7	2.2	13	0.019	0.02	0.7
QXD0010PIT	2.2	3.1	A002431	>10	11.5	54.7	15.0	4.1	0.031	0.02	2.1

### QXN0002 Pit

Pit ID	From (m)	To (m)	Sample ID	Lump/Fines Size (mm)	Lump/Fines (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
QXN0002PIT	0.4	14	A002212	>6.3	61.1	51.8	12.1	8.2	0.051	0.02	5.4
QXN0002PIT	0.4	14	A002213	>10	18.9	27.0	33.3	18.3	0.054	<0.02	9.3

Source: ACME/Bureau Veritas laboratory in Vespasiano, Minas Gerais State, Brazil

As can be interpreted from the above tables, the chemical assay results from the research pit material assayed by ACME have continued shown the high Fe grade nature of the hematite mineralisation within Queixada Zone.

The lump material (>6.300mm) consistently comprises the great majority of the mineralised material encountered in the pits. The lump to sinter fines ratio currently averages 67%:33%, which will ensure that Cabral receives premium lump pricing for the bulk of its final products.

It is also important to note that the low contaminant levels and Loss on Ignition figures remain favourable as well and will be important price determinants for the eventual final products of lump and fines.

The quantity of sinter feed size material is still very encouraging where 17.1% are within the fraction <6.300mm and >1.000mm and showing very encouraging Fe grades and low contaminant levels. This material can be upgradable to a highly marketable product and work continues to optimise this material.

The chemical assay results also highlight negligible sulphur levels, which will prove attractive to the intended Chinese market that is growing increasingly conscious about the environmental impacts of their steel mill emission levels.

## **RESEARCH PIT WORK IS ONGOING**

Figure 1 shows the location of the completed research pits, with three pits currently ongoing. It also shows the updated planned pit programme which is currently focussed within a circa 1.0km<sup>2</sup> area within the Queixada Zone.

Ongoing research pits continue to expose a hematite mineralised horizon within the Queixada Zone at low sub-surficial levels in places with no hematite occurrences at surface were identified. The current programme of research pits continues to prove the thesis that superficial occurrences of high grade hematite are continuous, even where they do not outcrop, which is highly encouraging.

A total of ten (10) research pits have now been completed within the Queixada Zone and two (2) research pits have been completed within the Queixada North Zone.

To date, fifty two (52) channel samples have been collected in each logged interval in these ten (10) pits within Queixada Zone. These samples include all channel samples that were taken from the mineralised horizon and their host rocks.

From this total, thirty six (36) samples refer to mineralised intervals. All of these 35 samples were used to calculate the lump to sinter fines ratio estimations reported above.

The hematite mineralisation found within the Queixada and Queixada North Zones has shown to be non-classical and subhorizontal in character. The mineralisation occurs at or near the surface ensuring a negligible strip ratio. The mineralised horizon found in this ongoing research pit programme has shown to be thin but these characteristics, added to the potential 67km<sup>2</sup> blanket area earlier reported, emphasize a broad hematite iron ore mineralisation spread across this vast area that join the Queixada and Queixada North Zones.

Cabral has made a deliberate decision to focus its research pit efforts on a small circa 1.0km<sup>2</sup> area within the Queixada Zone. All previously planned research pits at Queixada North Zone have been postponed with all resources, personnel and efforts diverted to concentrate on this smaller chosen Queixada Zone area. The intention is to prove up an Inferred Resource figure over this small focussed area as "prove of concept" in relation to the broader identified 67.0km<sup>2</sup> potential hematite blanket area.

The landowner permits for research pit work are progressively being obtained, mainly within the areas where the future research pits have been programmed.

The photos on the following pages illustrate the ongoing research pits 11, 12 and 13, which are presently ongoing within the Queixada Zone.

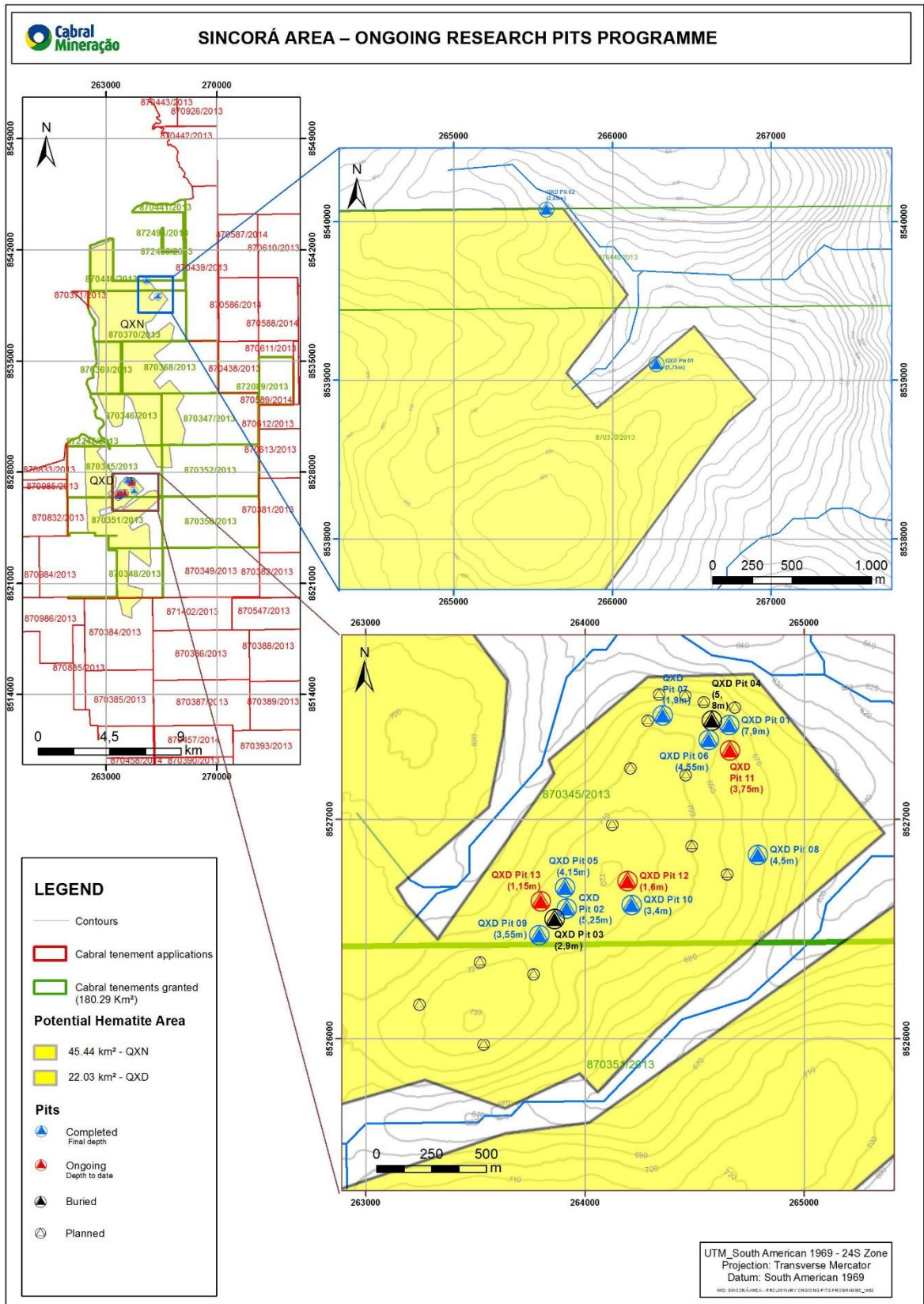


Figure 1: The ongoing research pit programme now focused within the Queixada Zone.



Photo: Digging work progressing within QXD Pit 11 at 3.75m deep.



Photo: Pure hematite/specularite samples taken from QXD Pit 11 at 3.80m depth.



Photo: Digging work progressing through the hematite mineralised horizon within QXD Pit 12 at 1.35m deep.



Photo: Hematite mineralisation at 1.1m deep within QXD Pit 13.

## MINERALOGICAL STUDIES

Cabral continues working closely with the Fundação Gorceix-CT<sup>3</sup> ("FG") in Ouro Preto Town, Minas Gerais State, to seek to further optimise and improve the *in-situ* iron ore product specifications for the surrounding sandy/silty matrix material.

The first step has been to carry out preliminary mineralogical studies on two pit channel samples. For this work, Cabral has intentionally chosen and provided to FG two different duplicate samples in their in-situ status: - one from QXD Pit 2 with hematite bearing mineralisation and another from QXD Pit 1 with hematite plus goethite bearing mineralisation.

The main adopted procedures during mineralogical characterisation of these 2 samples consisted of:

- The studies were based on 10 thin sections for each sample through conventional optical mineralogical microscopes;
- The studies were undertaken at four different grain sizes: >0.105mm; <0.105mm and >0.075mm; <0.075mm and > 0.044mm; and <0.044mm;
- For quantification proposes, circa 600 grains were counted for each of the grain size classifications adopted above.

Results obtained from these preliminary mineralogical characterisation studies are very encouraging, showing that the final iron ore product specifications can be improved through the introduction of very simple optimisation methods. The main preliminary conclusions were:

- It was observed that extremely high iron liberation conditions with low SiO<sub>2</sub> grades were achieved along with a low resistance of other aggregated minerals regarding their detachment from hematite grains;
- The goethite plus hematite rich sample will allow iron ore product specifications to reach up to 64% Fe with a high LOI due to the water content in the mineral structure; and
- The low amount of high magnetic susceptibility minerals indicates a preferential option for gravimetric methods for concentration if and where needed.

The tables below shows the achieved Total Fe (hematite plus magnetite) and Sílica (quartz) degrees of liberation for the two studied samples:

### Pit 1 Sample - Degree of Liberation

	<b>Total Fe (Hematite plus Magnetite)</b>	<b>Quartz</b>
>0.105	<b>94%</b>	<b>95%</b>
<0.105mm and >0.075mm	<b>97%</b>	<b>99%</b>
<0.075mm and >0.044mm	<b>100%</b>	<b>100%</b>
<0.044mm	<b>100%</b>	<b>100%</b>

### Pit 2 Sample - Degree of Liberation

	Total Fe (Hematite plus Magnetite)	Quartz
>0.105	99%	95%
<0.105mm and >0.075mm	100%	97%
<0.755mm and >0.044mm	100%	98%
<0.044mm	100%	100%

The obtained results from these first mineralogical studies have shown an excellent degree of liberation at low comminution rates.

This highlights an additional successful optimisation possibility for fine iron ore products concentration, especially sinter feed, under simple process routes.

Additional mineralogical characterisations will be required for the ongoing research pit work and the achieved results will be reported when available.

### PRELIMINARY BENCH TESTS AT FG

Two 200 litre bulk sample duplicates of the same studied channel samples were sent for mineralogical studies and bench tests at Fundação Gorceix – CT<sup>3</sup> Laboratories at Ouro Preto, Minas Gerais.

These two samples have been quartered and a 40kg aliquot of each were submitted for 10 minutes of scrubbing with natural pH water. The photos below emphasise the obvious differences between both of the pit materials. Pit 1 material is a brownish, muddy colour, with significant organic soil and goethite contents; Pit 2 material is dark grey, hematite rich sample with a low amount of sand.

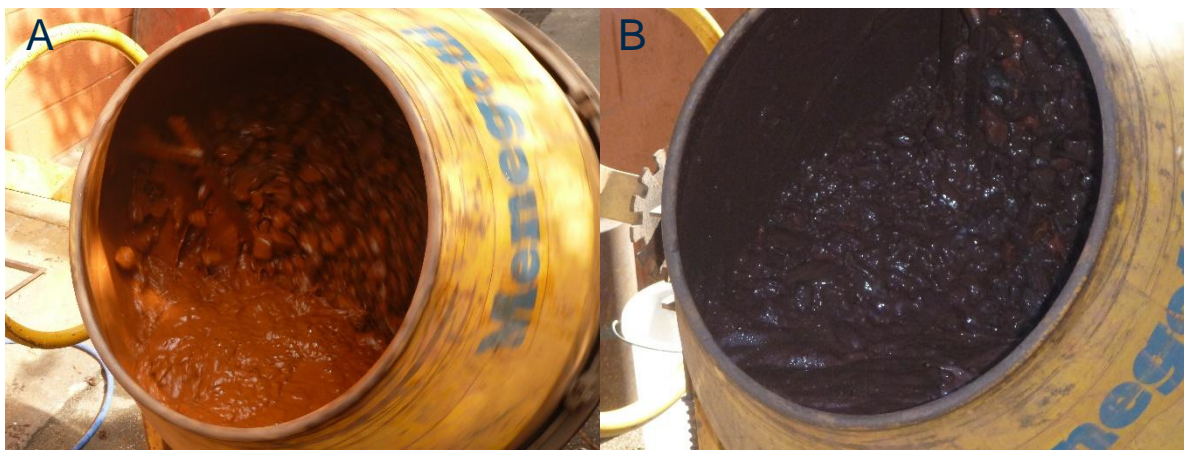


Photo: Scrubbing work at FG: A - sample from QXD Pit 1; B - sample from QXD Pit 2.

Table 1 below highlights how significant improvements were obtained, for two different grain sizes ranges (>6.3mm and > 1.0mm), only after the introduction of 10 minutes of simple scrubbing. The sample and assays in the green lines were only crushed, wet sieved, X-Ray chemically and then analysed by ACME laboratory; the sample and assays in the white lines were submitted to 10 minutes of scrubbing only, wet sieved and quartered at FG laboratory and then sent to ACME laboratory for X-Ray chemical assays.

**Table 1 – Assay Results Comparison Table**

PIT ID	CHANNEL SAMPLE INTERVAL		GRAIN SIZE ANALYSIS (mm)	LABORATORY	ASSAY RESULTS					
	From (m)	To (m)			Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	S (%)	LOI (%)
QXD-PIT 1	1.5	2.5	>6.300	ACME	60.8	2.8	1.7	0.027	<0.02	7.9
			>1.000		54.1	7.6	6.3	0.048	<0.02	7.9
QXD-PIT 1	1.5	2.5	>6.300	FUNDAÇÃO GORCEIX	60.9	2.8	1.6	0.025	<0.02	8.2
			>1.000		58.7	4.5	3.2	0.036	<0.02	8
QXD-PIT 2	0	1	>6.300	ACME	65.9	2.5	2	0.034	0.02	1.5
			>1.000		59.8	6.6	4.7	0.041	0.03	3
QXD-PIT 2	0	1	>6.300	FUNDAÇÃO GORCEIX	65.4	2.7	1.9	0.028	<0.02	1.6
			>1.000		64.3	3.3	2.5	0.028	<0.02	2

Note: Assays were undertaken by ACME/Bureau Veritas laboratory and Fundação Gorceix in Minas Gerais, Brazil.

As can be seen from the above table, the deleterious elements have significantly reduced through the simple introduction of 10 minutes of scrubbing. The Fe grades have also improved, mainly for the fractions between 6.3mm and 1.0mm.

The ongoing and further bench tests will also consider larger residence timings for scrubbing, the possible introduction of a NaOH solution in the scrubbing water and the introduction of simple gravity methods, if required, in order to optimise and improve the iron ore product specifications.

FG is now proceeding with the bench tests by jigging the samples. Cabral will provide the results of these jigging tests when available.

Spirals and/or magnetic separation testwork could also be considered at a later date for the remaining sinter fines material but only if needed to produce an optimised premium iron ore product specification.

### EXPECTED DELINEATION OF AN INFERRED RESOURCE

A deliberate focus on research pits within a circa 1.0km<sup>2</sup> area in the QXD Zone is still underway as “proof of concept”. An Inferred Resource from these efforts is expected prior to 30 September 2014.

There is every expectation Cabral can delineate sizeable and economic tonnages of high grade DSO hematite at or near surface over the 67.0m<sup>2</sup> potential hematite blanket area.

### ENVIRONMENTAL APPROVALS FOR FUTURE DRILL PROGRAMME

Cabral is currently awaiting the requisite formal environmental approvals from the relevant regulatory authorities before any drill program can commence within the Queixada Zone. These are currently estimated to be received in the September 2014 Quarter.

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**Competent Person's Statement**

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Paulo Alexandre Ribeiro, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Paulo Alexandre Ribeiro is a permanent full-time employee of Cabral Resources Limited Group as Head of Exploration. Mr Paulo Alexandre Ribeiro has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Paulo Alexandre Ribeiro consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

**Forward-Looking Statements**

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 other operating results, growth prospects, the outlook of Cabral's exploration activities, the potential for future operations including any commencement of commercial operations at Sincorá Area and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding Cabral's exploration operations, economic performance and financial condition. Although Cabral 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 exploration, 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. Cabral 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.

**About Cabral**

*Cabral Resources controls an extensive strategic landholding in the emerging iron ore region of Bahia State in Brazil. The 1,822 km<sup>2</sup> landholding amassed contains ground prospective for high grade direct shipping hematite ores, itabirite ores and coarse grained magnetite ores. In March 2012 Cabral signed a Protocol of Intentions with the State of Bahia and State Treasury contemplating up to 15 million tonnes of annual iron ore production on the government-funded FIOIL Rail Line and Porto Sul port development. The existing, operating FCA rail line to the Port of Aratu runs within Cabral's highly prospective Sincorá Area. Cabral has a strong local exploration team in Brumado, Bahia, Brazil and driven senior management focused on moving its projects towards production in 2016.*

## APPENDIX ONE

### JORC TABLE 1

#### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<p>The reported results refer to channel samples cut from the pit walls.</p> <p>The pit walls have been logged. Each channel sample's individual intervals are defined according to their lithology. The maximum individual channel sample length is established up to 1.0m. At homogeneous lithological intervals deeper than 1.0m, the samples are divided into samples of a maximum of 1.0m.</p> <p>All channel samples are meticulously defined according to the divided lithological intervals and formed by a composite of the materials taken from four equalized channels in the same interval, one from each of the four quadrants, consequently equidistant.</p> <p>A minimum of 100kg is being taken from each interval (4 channels) to compose one channel sample.</p>
Drilling techniques	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned.</p>

<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	No drilling work has been undertaken by Cabral to this point at the areas concerned.
<i>Logging</i>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned.</p> <p>The pits have been entirely logged and photographed in detail as well as the channel samples.</p>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<p>No core samples were used as no drilling work has been undertaken by Cabral to this point at the areas concerned.</p> <p>The pits' channel samples are brought to the Cabral's exploration office facilities at Brumado.</p> <p>No physical preparation is applied to the samples at Brumado's office. The channel samples are delivered "in natura" to Bureau Veritas/ACME laboratory.</p> <p>The channel sampling size and techniques are appropriate for the type, nature and style of mineralization being sampled.</p> <p>A duplicate channel samples, which consist of a composite of four channel samples just beside the original channel samples has been taken at a rate of 20%.</p> <p>Bulk volumetric samples are being separately stored accordingly to their related channel samples intervals.</p>
<i>Quality of assay data and laboratory</i>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered</i></li> </ul>	ACME provides the bath conferring, classifying and entrance to the lab system. The channel samples are weighed (wet basis), dried at

Criteria	JORC Code Explanation	Commentary
tests	<p><i>partial or total.</i></p> <ul style="list-style-type: none"> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<p>105°C and weighed again (dry basis).</p> <p>Samples are crushed to 100% under 38mm. The samples are then quartered in 12 aliquots and a 2/12 part ("head" sample) of the sample is submitted for physical preparation for later chemical assaying. The remaining 10/12 are submitted for wet sieving with 4 sieves grids (6.350mm; 1.000mm; 0.149mm and 0.045mm), generating 5 aliquots of different grain sizes.</p> <p>The obtained aliquots are dried at 105°; crushed to minus 3mm; homogenized; quartered; pulverized in steel mills to minus 150 mesh; proceed to the "RX" chemical dosage (by fusion with lithium tetra borate) for the 10 main oxides, calcination at 1,000°C and S determined by LECO.</p> <p>ACME applies its own QA/QC procedures using standards, blanks and duplicates within acceptable levels of accuracy and precision.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned.</p> <p>Pits logging and sampling data entries at Microsoft Excel 2010 and preliminary data validations are done. Data is imported into Microsoft Access 2010 (via macros).</p> <p>The data has physical and electronic backups stored in data tapes LTO 5.</p> <p>Data will be stored into GDMS (Geological Data Management Solution - CAE Mining), available at Cabral.</p>
Location of data points	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned.</p> <p>The pits locations are surveyed by handheld Garmin - GPSmap 62s to this point. Cabral intends to re-survey the pits locations later with differential GPS and/or Total</p>

<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
		<p>Station.</p> <p>The pits are shallow and their verticality is guaranteed by plummets while digging.</p>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>The Cabral's pitting programme takes into account the spacing and distribution of the individual pit locations.</p> <p>The data spacing and distribution will be sufficient to establish the degree of geological and grade continuity appropriate in order to support any Mineral Resource estimation.</p> <p>Sample compositing has been applied for a better representation of the channel samples, which are formed by a composite of the materials taken from four equalized channels (four Quadrants) in the same interval.</p>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned.</p> <p>The channel samples are vertical and perpendicular to the mineralization that has been shown to be sub-horizontal.</p>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<p>The channel samples and the volumetric bulk samples have been properly identified and stored at Cabral's fully secured Brumado offices.</p> <p>The pulps from external labs are collected from time to time and properly stored at Cabral's fully secured Brumado offices.</p>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<p>No external audits of sampling techniques and data have been undertaken by Cabral at this stage.</p>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<p>Tenement descriptions, numbers and tenure status were shown at Appendix Two in Cabral's latest Quarterly Activities Report.</p> <p>Currently, Cabral has 100% ownership of the tenement areas in question and has no other third party ownership arrangements such as joint ventures, partnerships, earn-ins or royalty arrangements. Cabral owns the totality of the reported mining rights.</p> <p>Cabral pursues a written agreement with all landowners involved in relation to its exploration work.</p> <p>The tenement areas in question are to the East of the Chapada Diamantina National Park.</p> <p>Cabral is not aware of any impediments to obtaining the requisite licences to operate in these tenement areas.</p>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<p>Some old illegal cut lines and 6 sites with evidence of previous illegal shallow drilling works were encountered at the Cabral's granted Tenement 870.345/2013. Cabral does not possess this data and has not relied on or reported on any exploration undertaken by such third parties on this tenement.</p>
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<p>The ongoing pit programme is confirming Cabral's thesis that the high quality hematite iron occurrences are sparsely sub-horizontally distributed within a given range of altitudes. The host rocks also present sub-horizontal bedding layers. No economic hematite iron deposit has been confirmed by Cabral at this stage.</p>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned. Considering the pits diameters (about 1.5m) the available</p>

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> <li>- <i>easting and northing of the drill hole collar</i></li> <li>- <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>- <i>dip and azimuth of the hole</i></li> <li>- <i>down hole length and interception depth</i></li> <li>- <i>hole length.</i></li> <li>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<p>topographic base maps, combined with the handheld Garmin - GPSmap 62s, have been shown to be satisfactory for the pits locations surveys.</p> <p>Cabral intends to re-survey the pits locations later with differential GPS and/or Total Station if needed.</p> <p>The pits are all vertical and not deep (up to 10 metres) so the manual measuring methods are sufficient.</p>
<p><i>Data aggregation methods</i></p>	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li>• <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned.</p> <p>Cabral uses a minimum cut-off grade of 20.0% Fe when reporting surface sample assay results. No maximum cut-off grade is applied to reported surface sample assays.</p> <p>For the pits channel samples Cabral uses a minimum 30.0% Fe when reporting pits channel sample assay results as mineralisation.</p> <p>A weighted average assay result is used only in relation to reporting assay results within the various maps within Cabral’s ASX releases where the volume of surface samples makes it impractical to show them individually on the one map.</p> <p>Other than as described above, no other data aggregations or metal equivalent values are used or reported by Cabral.</p>
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned.</p> <p>Given the dimensions of the vertical pits the whole mineralization (confirming to be sub-horizontal) is exposed and accessed in the pits’ walls.</p>

<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Commentary</b>
	'down hole length, true width not known').	
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned.</p> <p>Appropriated maps and sections will be available when Cabral reports any resource estimations.</p>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned.</p> <p>Cabral reports all channel sample results in the areas concerned subject to the cut-off criteria disclosed above.</p>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<p>No drilling work has been undertaken by Cabral to this point at the areas concerned.</p> <p>Information related to any geophysical survey results, geochemical survey results, bulk sample results, metallurgical test work results, groundwater, geotechnical and rock characteristics were reported where appropriate.</p> <p>Cabral reports all major deleterious elements in the same table when reporting on its iron mineralization results.</p>
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<p>In future Cabral intends to undertake a systematic exploration program on the areas concerned based upon ongoing encouraging exploration results to date.</p> <p>Work plans include the ongoing research pits digging and channel sampling, geophysical surveys, geochemical surveys, bulk sample and density tests, metallurgical test work and drilling programs to potentially define a Mineral Resource.</p>