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Company Announcements Office
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MAIDEN HIGH GRADE DSO RESOURCE ESTIMATE FOR MADEIRA SECA TARGET

- **Maiden high-grade DSO hematite Mineral Resource Estimate calculated independently by Snowden Mining Industry Consultants Pty Ltd ("Snowden") at the Madeira Seca Target as "proof of concept" for the broader Sincorá Area district**
- **From a global Inferred Mineral Resource estimate of 6.15 million tonnes, Snowden estimates:**
 - **A lump Inferred Mineral Resource of 3.88 million tonnes grading 60% Fe with low contaminants (including 2.15 million tonnes at 63% Fe); and**
 - **A lump plus fines Inferred Mineral Resource of 4.63 million tonnes grading 58% Fe**
- **A high lump to fines ratio of 64%:36% has been calculated for the mineral resource estimate at Madeira Seca Target**
- **A low strip ratio of "0.6:1" ensures low mining costs for extraction of the ore**
- **This maiden Mineral Resource covering just 1.75km² is proof of concept that Cabral can delineate sizeable and economic tonnages of high grade DSO hematite at or near surface across its broader identified 67.0km² DSO blanket area plus on other areas recently highlighted by Universidade Federal Da Bahia ("UFBA")**
- **Snowden's Inferred Mineral Resource estimate coincides with the completion of a twenty five (25) research pit programme and associated assay and test work results at the Madeira Seca Target**
- **Detailed work has commenced towards a trial mining operation at the Madeira Seca Target with first production aimed for the first half of 2016 to the international export market utilising existing, operating infrastructure**

Cabral Resources Limited ("**Cabral**") (ASX Code: "**CBS**") is pleased to announce its maiden high grade DSO hematite Inferred Mineral Resource estimate received independently from Snowden Mining Industry Consultants Pty Ltd ("Snowden").

HIGH-GRADE DSO INFERRED MINERAL RESOURCE ESTIMATE FOR THE MADEIRA SECA TARGET

The results of the research pit programme enabled the mineralised ore body to be split into two geologically distinguished sections, one formed mainly by a hematite-bearing horizon and another formed by a goethite/hematite-bearing horizon.

Figure 1 overleaf outlines both the hematite and hematite/goethite sections of the Madeira Seca Target in a broader regional context. The Inferred Mineral Resource estimate for **lump material** (over 6.30mm) is:

Lump Material Only Madeira Seca Target - Queixada Zone JORC 2012 Mineral Resource Estimate September 2014¹								
Mineralisation Type	JORC Category	Tonnes (Wet basis in m)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	P (%)	LOI (%)	CaFe (%)
DSO hematite section	Inferred	2.15	62.88	4.91	2.86	0.032	1.88	64.08
DSO hematite / goethite section	Inferred	1.73	55.92	6.42	5.10	0.108	7.75	60.58
TOTAL MINERAL RESOURCE	Inferred	3.88	59.77	5.58	3.86	0.066	4.50	62.52

Source: Snowden Mining Industry Consultants Pty Ltd, September 2014.

Note 1: Assumes a cut-off grade of 50% Fe and only material over 6.30mm.

The Inferred Mineral Resource estimate for **lump and fines material** (over 1.00mm) is:

Lump and Fines Material Only Madeira Seca Target - Queixada Zone JORC 2012 Mineral Resource Estimate September 2014¹								
Mineralisation Type	JORC Category	Tonnes (Wet basis in m)	Fe (%)	SiO₂ (%)	Al₂O₃ (%)	P (%)	LOI (%)	CaFe (%)
DSO hematite section	Inferred	2.54	60.48	7.74	3.28	0.033	2.04	61.74
DSO hematite / goethite section	Inferred	2.09	55.03	7.21	5.60	0.101	7.78	59.64
TOTAL MINERAL RESOURCE	Inferred	4.63	58.09	7.50	4.30	0.063	4.56	60.82

Source: Snowden Mining Industry Consultants Pty Ltd, September 2014.

Note 1: Assumes a cut-off grade of 50% Fe and only material over 1.00mm.

Including all material below the 1.00mm grain size, the global Inferred Mineral Resource estimate calculated by Snowden was 6.15 million tonnes at 52.98% Fe. However this figure includes likely uneconomic material below 1.00mm in grain size and assumes a zero cut-off grade.

Cabral's Head of Exploration, Paulo Ribeiro stated:

"This maiden resource figure at Madeira Seca Target is an important milestone achieved by Cabral. It must be remembered that the Sincorá Area was only discovered and pegged by Cabral in March last year. 4.63 Million Tonnes of DSO product at 58.09% Fe are a fantastic base from which Cabral can now grow its resource inventory in this emerging new iron ore district. We have no doubt that this maiden resource is just the beginning of things to come. Within our vast Sincorá Area landholding we are seeing growing evidence of high grade hematite/goethite mineralisation at or near surface across a broad area. The potential for hematite layer repetitions at depth, highlighted in the recent UFBA study, also has the exploration team excited and would add tremendous tonnage upside to this district."

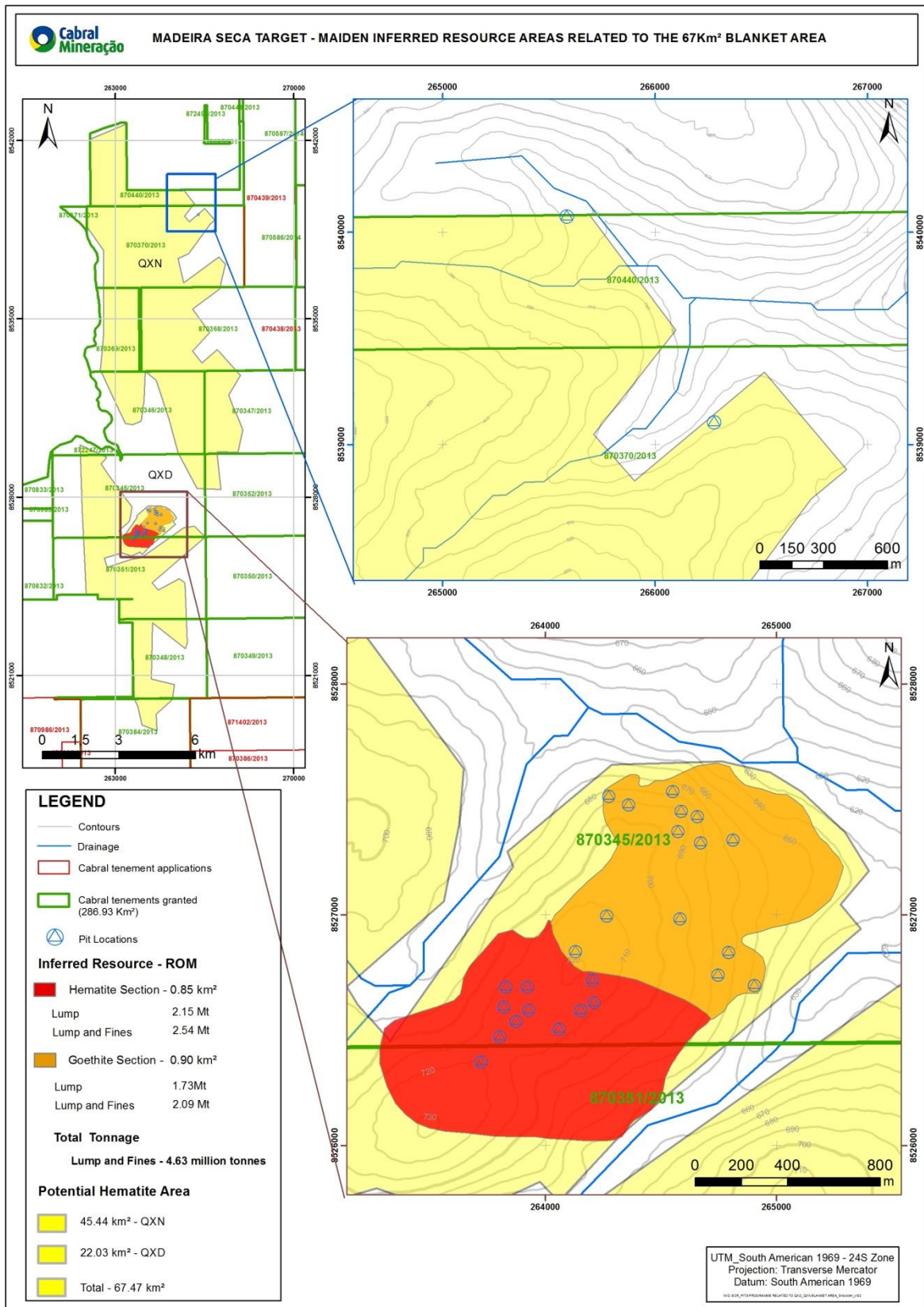


Figure 1: Maiden Inferred Resource at Madeira Seca Target within Queixada Zone shown in relation to the 67km² hematite blanket area, additional research pits within Queixada North Zone and the surrounding district.

MAIDEN RESOURCE IS PROOF OF NEW IRON ORE DISTRICT

Cabral undertook a focussed research pit programme over a concentrated circa 1.71km² area within its vast Sincorá Area to test its thesis that high grade iron mineralisation encountered via surface sampling was continuous over a broader area.

This maiden Mineral Resource provides Cabral with high confidence that such mineralisation exists across the broader 67.0km² blanket area it has identified within the Queixada and Queixada North Zones plus other areas (up to an aggregate 140km²) identified by the Universidade Federal da Bahia ("UFBA") study announced last month.

As can be interpreted from Figure 1, the Inferred Mineral Resource estimate was limited by both the number of pits that were dug and limitations on pit locations. Pit locations were predominately chosen in places where no vegetation removal was needed and where landowner agreements had been obtained.

If the maiden Inferred Mineral Resource figure over 1.71km² can be replicated over a broader area within the Queixada and Queixada North Zones then Cabral believes the Sincorá Area to be a new, world class iron ore district. Cabral is confident this can be achieved based upon broad surface sampling reported to date and ongoing exploration in the district.

Any repetition(s) at depth of the mineral resource hematite layer now identified at/near surface would add significant upside to the tonnage potential of the entire district within the Sincorá Area. Layer repetition(s) will be tested during future exploration drilling.

MADEIRA SECA TARGET INFERRED MINERAL RESOURCE ESTIMATE

The Madeira Seca Target resource was classified as an Inferred Mineral Resource given the exploration programme was undertaken via research pits with pit spacing up to 400m by 400m.

This sub-horizontal iron rich resource remains open in all 4 directions and with potential layer repetition(s) at depth. The flat to slightly undulating land within the Madeira Seca Target is very favourable for finding and mining the sub-horizontal hematite deposit. It is situated practically at surface. The broader 67km² blanket area was originally delineated by enveloping the high-grade hematite findings at the Madeira Seca Target onto similar physiographic land in the surrounding district.

Mineralogical and petrographic studies undertaken by Fundação Gorceix – CT³ and UFBA confirm the hydrothermal origin of the high grade hematite that has sometimes being reworked by alluvium/colluvium forming processes. Cabral expects to encounter this scenario across the 67km² blanket area, which has now potentially increased substantially in size within the 25km strike width identified as structurally controlled by the Sincorá and Rio Una Shear Zones.

A lump to fine ratio of **64%:36%** (over 6.30mm) and of **85%:15%** (over 1.0mm) emphasise that the great majority of the iron mineralisation is easily recovered only by crushing and sieving as lump DSO production.

The fines material, under sizing 1.00mm, may possibly be treated to produce a sellable product, but it would involve beneficiation efforts like magnetic separation and/or flotation. Given the negligible tonnage estimated for these fines, Cabral is considering to return these fine tails to the open pit as part of environmental reclaiming.

A very low strip ratio of 0.6:1 has been estimated for both mineralised sectors. Similarly, negligible strip ratios are expected to be found within the entire blanket area. This implies low mining costs, moreover when considering the soft soil/sandy coverage where no explosives will be demanded for ore or waste removal.

Density values of 3.10 and 2.55 were used for each of the hematite and hematite plus goethite sections respectively in the calculation of the Inferred Mineral Resource.

Figure 2 below, generated by Snowden, shows a 3D view with cross-sections of the inferred resource block model, pit locations, topography and hematite and goethite wireframes:

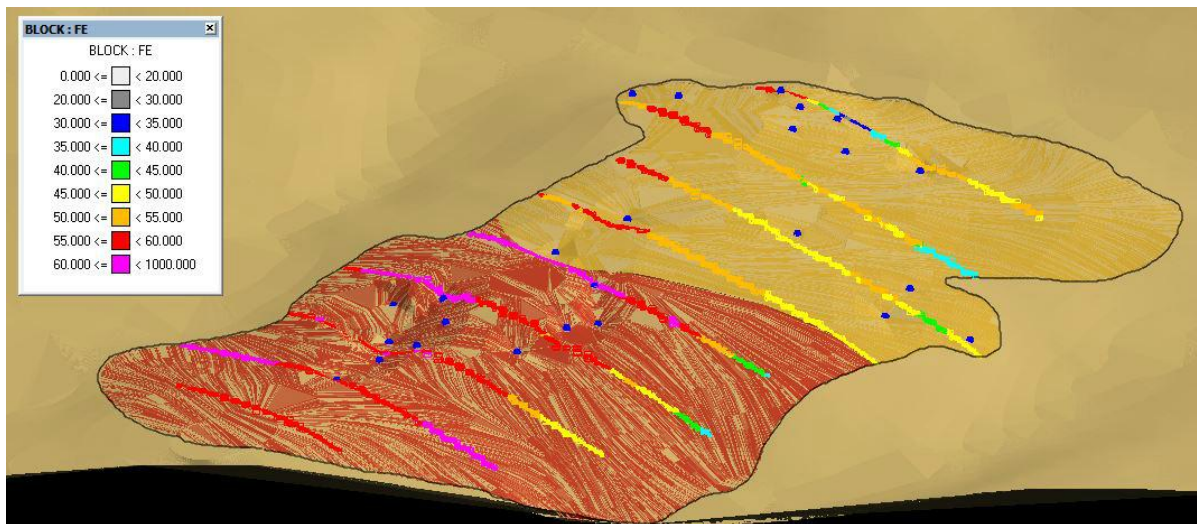


Figure 2: 3D view with sections of the block model, pits topography and hematite and goethite wireframes (with vertical exaggeration 2X)

RESEARCH PIT PROGRAMME

Cabral has concluded the first phase of the research pit programme for Madeira Seca Target with twenty five (25) research pits completed within the Queixada Zone. The full summary interval, assay and grain size results of all research pits are provided in Appendix One.

In addition, a further two (2) research pits have been completed 12km north of the Madeira Seca Target within the Queixada North Zone where the nature and style of such iron mineralisation is highly comparable to that at the Madeira Seca Target.

The research pit programme has proven to be a very useful and efficient exploration tool for Cabral's exploration programme at Sincorá Area in understanding the nature, style and behaviour of the iron mineralisation. For this unique, non-classical style of deposit research pits have proved to be a high quality, if not superior, type of exploration method than more traditional exploration drilling. It is expected that the research pit program will continue as an integral part of Cabral's exploration activities going forward for at or near surface mineralisation.

Cabral's next pit-digging programme is planned within the newly named **Boa Sorte Target**. This is contiguous to the South of the Madeira Seca Target (see Figure 3). Landowner's agreements and the pit planning are underway to investigate additional important hematite surficial occurrences, which will add significant tonnage to the Mineral Resource at the Madeira Seca Target.

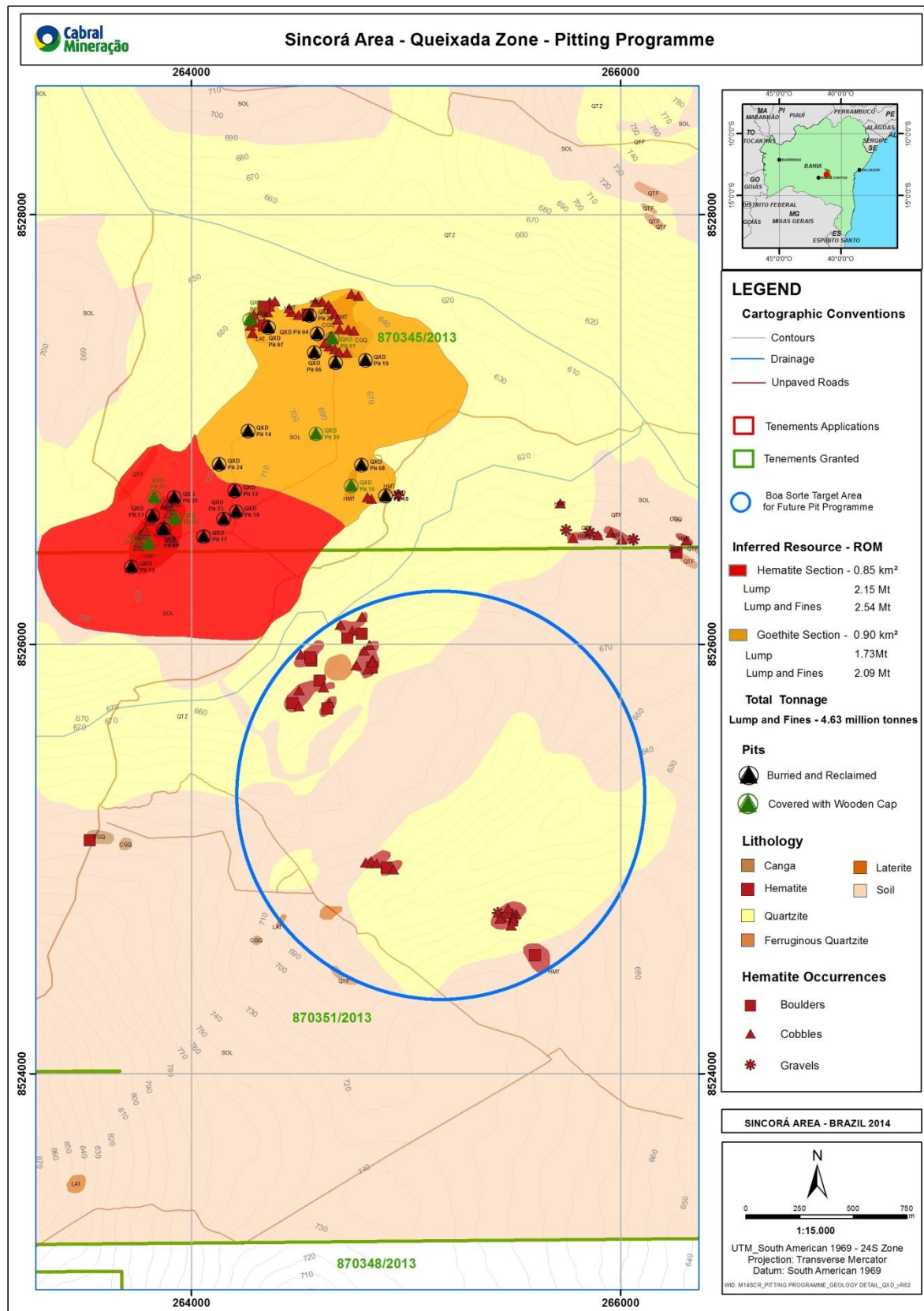


Figure 3: Geological map highlighting the new Boa Sorte Target in relation to the current Madeira Seca Target Mineral Resource. Both targets are located within the Queixada Zone.

PRELIMINARY BENCH TEST AND ROASTING TEST RESULTS

Two bulk samples, representing both the hematite section and hematite plus goethite section, were submitted for preliminary bench tests at Fundação Gorceix – CT³ Laboratories at Ouro Preto, Minas Gerais. Tests undertaken included scrubbing, jigging and roasting, aiming to show the possible improvements achievable to final product specifications.

• **Scrubbing**

Table 1 below highlights how significant improvements were obtained, for two different grain sizes ranges (>6.3mm and > 1.0mm), only after 10 minutes of simple scrubbing with natural pH water. The sample and assays in the green lines are for the crushed and wet sieved only samples while those in the white lines were submitted to 10 minutes of scrubbing only.

As is shown, 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.

Assay Results Comparison Table 1

PIT ID	CHANNEL SAMPLE INTERVAL		GRAIN SIZE ANALYSIS (mm)	LABORATORY	ASSAY RESULTS					
	From (m)	To (m)			Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	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.

The above results give Cabral great confidence that the fines portion of the Mineral Resource estimate, which is above 1.00mm but below 6.30mm, can be very substantially improved in terms of both iron grade and in lowering contaminants at minimal additional operating costs.

• **Jigging**

After sieving and scrubbing, 50kg aliquots fractionated on <12mm, >6.35mm and on <6.35mm and >1.00mm of the two bulk samples were submitted for separated jigging tests at Fundação Gorceix – CT³.

The jigging stratified the material into seven (7) layers according to their mineralogy and specific weight.

Jigging tests ultimately showed significant losses in mass and metallurgical recovering whilst producing no material iron enrichment. The iron grades were practically identical to those obtained after only crushing and sieving. Accordingly, the introduction of jigging in industrial scale was not recommended by Fundação Gorceix – CT³ as the Madeira Seca Target mineralisation is already of a very high quality.

- **Roasting**

Given the inability to significantly increase the grades of the goethite sample due to the presence of water in the mineral structure and its consequent stoichiometry, 543kg of the sample was submitted to a one hour roasting at 850°C.

The sample lost 9.6% of mass, which was compensated by very significant improvements to both Fe grades and contaminants levels as follows:

Assay Results After Roasting The Hematite Plus Goethite Bearing Sample

PIT ID	CHANNEL SAMPLE INTERVAL		GRAIN SIZE ANALYSIS (mm)	LABORATORY	ASSAY RESULTS					
	From (m)	To (m)			Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
QXD-PIT 1	15	2.5	Global	ACME	56.1	6.7	5.0	0.038	<0.02	8.3
QXD-PIT 1	15	2.5	Global	FUNDAÇÃO GORCEIX	63.6	5.0	3.3	0.026	<0.02	0.3



Roasting
Only

Source: Roasting results conducted by Fundação Gorceix – CT³ in Minas Gerais, Brazil.

The roasting test, which defines with greater precision the chemical quality of the goethite material, has proven that the final products Cabral will reach with the hematite plus goethite bearing section are also premium high quality products as the water content will be consumed whilst feeding blast furnaces of end use customers.

TARGET SET FOR PRODUCTION IN FIRST HALF OF 2016

Cabral has commenced all work to take 4.63 million tonnes of mineral resource at the Madeira Seca Target to first production via trial mining licenses.

The Brazilian Mining Code allows for a trial mining licence, called a “Guia de Utilização” (“GDU”) in relation to each individual tenement. GDU’s are special permits that will allow Cabral to mine and commercialise up to 300,000 tonnes of iron ore per tenement. This quantity is renewable once per tenement.

These GDUs will facilitate and fast track Cabral to early production utilising a low capital cost and operating expenditure business model. It also allows early market testing of final product specifications in the international export markets and helps to fund further exploration with the considerable early cash flows generated from these activities.

Work for the required studies to apply for both the GDU licences and the requisite environmental licences are ongoing and will be lodged during the next quarter.

Concurrent with the licensing approvals, Cabral has accelerated work in respect of solutions for its infrastructure and logistics requirements with a range of relevant parties. Further announcements will be made as appropriate in respect of access and capacity to critical infrastructure.

Existing, operating infrastructure solutions are in close proximity to the Madeira Seca Target. These will allow Cabral to place its premium, high-grade, DSO product into the international markets in the first half of 2016. The FCA Rail Line is approximately 11km in a straight line from the Madeira Seca Target. There is a rail haulage distance of approximately 360km up to the Port of Aratu, near Salvador.

Capital and operating costs will be internationally competitive. A simple operation in very close proximity to working export infrastructure makes Cabral confident that future trial mining activities can be commenced with very modest upfront capital cost and robust operating margins.

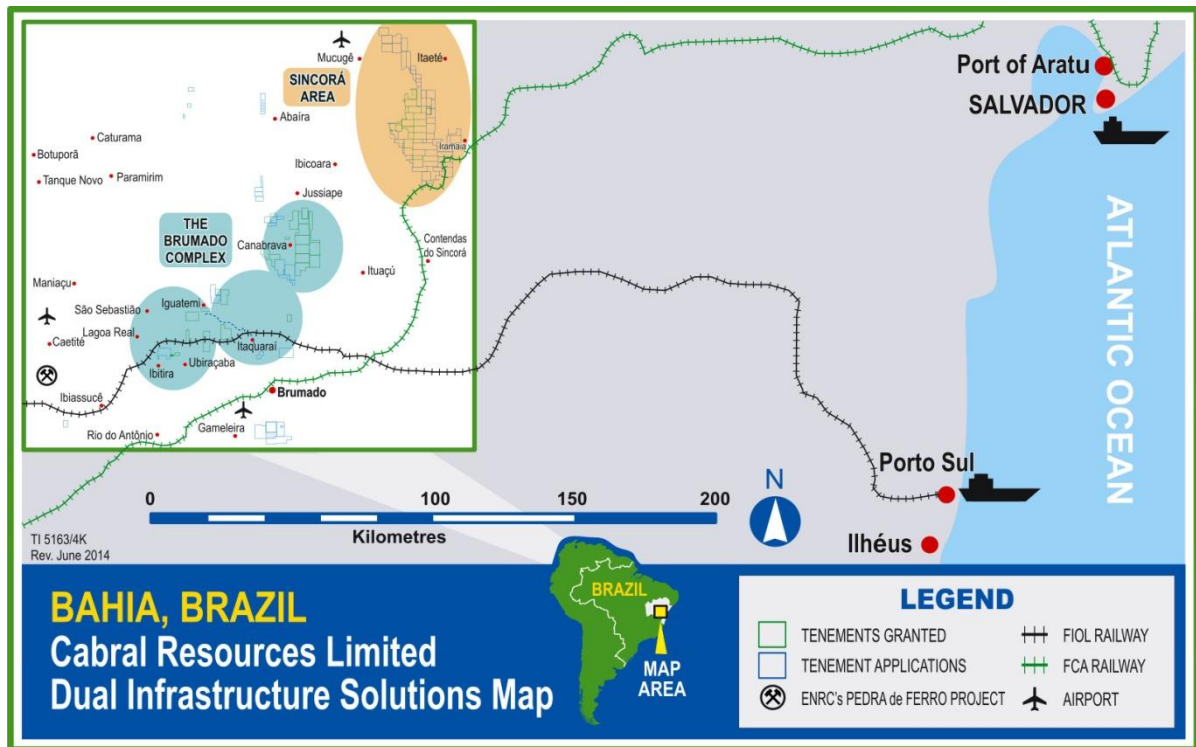


Figure 5: The existing, operating FCA Rail Line (in green) passes within Cabral's Sincorá Area tenements and tracks 360km up to the Port of Aratu, near Salvador.

More detailed information on Cabral's infrastructure solutions, both short and long term, can be found by clicking the link on the homepage of its website www.cabralresources.com.au

Cabral's Managing Director & CEO, Michael Bogue commented:

"This maiden resource is very significant achievement for Cabral. It is true high grade direct shipping ore material at the Madeira Seca Target. 4.63 Million Tonnes have been independently confirmed by Snowden and Cabral fully expects this maiden resource figure to grow over time."

"With its high grade, low impurities, high lump to fines ratio, low strip ratio, and proximity to operating and accessible export market infrastructure, Cabral has every expectation of establishing profitable trial mining operations in the first half of 2016."

"The key focus for Cabral now is the licensing process to obtain the requisite GDUs or trial mining licenses and all other relevant government, environmental and landowner approvals. In addition, securing formal access and capacity allocations to the FCA Rail Line and Port of Aratu on acceptable terms is a key objective for Cabral in the months ahead. All this work is underway."

"Discussions and negotiations remain ongoing with a variety of interested parties in relation to Cabral's swift transition from iron ore explorer to producer status and the associated funding requirements."

"The high quality of Cabral's Mineral Resource estimate at Madeira Seca Target coupled with the simple and straight forward nature of the mining and transport solutions means Cabral is now able to have far more meaningful dialogues with all interested funding parties and seek to extract maximum value for Cabral shareholders from the quality work of Cabral's exploration team."

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Competent Person's Statement

The information in this announcement that relates to Exploration Results, Mineral Resources specifically in relation to the Madeira Seca Target within the Queixada Zone is based on information compiled by Mr Fabiano Araújo, a Competent Person who is a fellow of the Australasian Institute of Mining and Metallurgy. Mr Fabiano Araújo is a permanent full-time employee of Snowden Mining Industry Consultants Pty Ltd which is a consultant to Cabral Resources Limited Group. Mr Fabiano Araújo 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 Fabiano Araújo consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Competent Person's Statement

The information in this announcement that relates to Exploration Results, Mineral Resources (apart from the Madeira Seca Target within the Queixada Zone) 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 km² 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 FIOL 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 to production in 2016.

APPENDIX ONE

Below are the summary assay results and grain size analysis obtained from the full twenty five (25) research pits completed within Queixada Zone as well as the further two (2) research pits completed within the Queixada North Zone:

PIT ID	FINAL DEPTH (m)	MINERALISED INTERVAL		ROCK TYPE ⁽³⁾	GRAIN SIZE ANALYSIS		ASSAY RESULTS						
		From (m)	To (m)		(mm)	(%)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)	CaFe (%)
QXD-PIT 1 ⁽¹⁾	7.90	0.10	5.90	HMT/GOE	>6.300	69.8	58.9	4.2	3.0	0.070	<0.02	8.0	64.1%
		5.80			>1000	13.7	50.8	11.0	7.4	0.065	<0.02	8.2	55.4%
QXD-PIT 2 ⁽¹⁾	5.25	0.10	180	HMT	>6.300	75.0	60.1	6.6	4.4	0.040	0.02	2.6	61.7%
		170			>1000	13.2	52.4	12.1	7.8	0.049	0.03	4.3	54.8%
QXD-PIT 3 ⁽¹⁾	2.90	0.10	0.90	HMT/GOE	>6.300	84.1	53.9	14.3	4.6	0.038	0.04	3.4	55.8%
		0.80			>1000	7.4	56.9	9.4	5.3	0.043	0.04	3.5	59.0%
QXD-PIT 4 ⁽¹⁾	5.80	0.50	4.50	HMT/GOE	>6.300	62.2	56.0	5.9	5.0	0.055	0.02	8.9	61.5%
		4.00			>1000	23.0	46.0	12.5	11.1	0.075	0.02	9.9	51.1%
QXD-PIT 5 ⁽¹⁾	4.15	0.95	2.15	HMT	>6.300	77.9	66.0	2.3	1.9	0.028	<0.02	12	66.8%
		120			>1000	10.0	63.2	4.5	3.1	0.031	<0.02	17	64.3%
QXD-PIT 6 ⁽¹⁾	4.55	0.70	3.80	HMT/GOE	>6.300	67.7	59.3	5.1	4.3	0.088	<0.02	5.3	62.6%
		3.10			>1000	20.6	49.3	11.8	10.1	0.095	<0.02	6.9	53.0%
QXD-PIT 7 ⁽¹⁾	1.90	0.10	190	HMT	>6.300	56.9	64.1	3.1	2.3	0.059	0.02	2.5	65.8%
		180			>1000	14.7	56.5	9.2	4.7	0.078	0.02	4.6	59.3%
QXD-PIT 8 ⁽¹⁾	4.50	100	2.90	HMT/GOE	>6.300	60.5	50.1	8.9	8.3	0.100	<0.02	10.0	55.7%
		190			>1000	23.5	39.6	18.0	14.1	0.086	<0.02	10.4	44.2%
QXD-PIT 9 ⁽¹⁾	3.55	0.15	1.15	HMT	>6.300	76.5	66.3	2.0	1.6	0.022	0.03	1.6	67.4%
		100			>1000	13.2	66.1	2.3	1.5	0.038	0.03	1.5	67.1%
QXD-PIT 10 ⁽¹⁾	4.10	120	3.10	HMT	>6.300	72.9	66.6	2.0	1.4	0.025	0.03	0.9	67.2%
		190			>1000	9.3	58.7	10.0	3.6	0.033	0.03	1.9	59.8%
QXD-PIT 11 ⁽¹⁾	5.65	190	4.65	HMT/GOE	>6.300	62.8	57.7	5.0	3.7	0.070	0.02	8.1	62.8%
		2.75			>1000	20.3	49.6	11.8	8.4	0.075	0.02	7.9	53.9%
QXD-PIT 12 ⁽¹⁾	4.20	0.60	2.60	HMT	>6.300	68.8	63.2	4.8	2.8	0.023	0.00	1.3	64.1%
		2.00			>1000	19.4	59.2	7.3	5.0	0.034	0.01	2.5	60.7%
QXD-PIT 13 ⁽²⁾	3.50	0.50	185	HMT/GOE	>6.300	66.2	57.4	8.0	6.1	0.042	0.00	3.0	59.1%
		135			>1000	16.8	53.0	11.7	7.7	0.040	0.00	3.7	55.0%
QXD-PIT 14	4.20	3.00	3.70	HMT/GOE	>6.300	68.9	56.9	5.2	3.8	0.134	<0.02	9.1	62.5%
		0.70			>1000	9.8	56.7	5.5	3.7	0.127	<0.02	9.0	62.3%
QXD-PIT 15 ⁽²⁾	4.45	0.85	2.70	HMT	>6.300	69.6	63.2	4.0	3.2	0.048	0.00	2.1	64.5%
		185			>1000	19.4	57.6	7.5	5.7	0.067	0.00	3.8	59.9%
QXD-PIT 16 ⁽¹⁾	3.60	0.35	190	HMT/GOE	>6.300	54.9	55.9	8.1	5.1	0.047	0.03	6.1	59.5%
		155			>1000	28.8	50.6	12.3	7.8	0.058	0.03	6.9	54.4%
QXD-PIT 17 ⁽²⁾	5.60	3.00	4.30	HMT	>6.300	67.8	63.3	3.9	2.9	0.033	0.00	2.2	64.7%
		130			>1000	18.0	57.4	10.2	4.4	0.040	0.01	2.8	59.0%
QXD-PIT 18 ⁽¹⁾	100	0.15	0.90	HMT/GOE	>6.300	65.2	54.1	9.6	6.1	0.135	0.04	6.1	57.7%
		0.75			>1000	18.5	46.5	17.2	8.5	0.127	0.04	7.4	50.2%
QXD-PIT 19 ⁽²⁾	5.00	1.15	3.20	HMT/GOE	>6.300	35.7	54.1	6.6	5.7	0.174	0.02	9.4	59.7%
		2.05			>1000	36.3	48.9	10.9	8.6	0.151	0.03	9.6	54.1%
QXD-PIT 20	6.50	4.70	5.60	HMT/GOE	>6.300	63.4	51.3	9.2	6.7	0.168	<0.02	9.4	56.6%
		0.90			>1000	16.5	57.0	5.1	4.0	0.111	<0.02	8.5	62.3%
QXD-PIT 21 ⁽¹⁾	4.50	0.00	150	HMT/GOE	>6.300	63.1	58.6	5.9	5.6	0.064	0.02	4.5	61.4%
		150			>1000	23.0	52.2	11.5	7.9	0.060	0.02	5.4	55.2%
QXD-PIT 22 ⁽¹⁾	2.05	0.00	120	HMT	>6.300	66.7	62.7	3.0	3.0	0.089	0.01	3.9	65.3%
		120			>1000	21.7	57.1	6.7	5.0	0.120	0.03	5.9	60.7%
QXD-PIT 23	4.50	2.35	3.80	HMT	>6.300	52.9	58.3	11.2	3.3	0.026	0.00	1.7	59.3%
		145			>1000	38.2	40.3	35.8	4.6	0.023	0.00	1.7	41.0%
QXD-PIT 24	4.85	1.75	2.85	HMT/GOE	>6.300	63.6	54.0	8.4	6.9	0.087	0.00	7.0	58.1%
		110			>1000	16.6	44.1	15.3	12.3	0.118	0.00	8.5	48.2%
QXD-PIT 25	3.20	0.00	170	HMT	>6.300	64.8	64.9	3.1	2.2	0.019	0.00	1.6	65.9%
		170			>1000	18.3	62.5	5.2	3.0	0.018	0.00	1.8	63.7%
QXN-PIT 1 ⁽¹⁾	5.75	0.15	2.90	HMT/GOE	>6.300	69.5	57.4	5.0	5.6	0.117	0.02	6.8	61.6%
		2.75			>1000	18.2	48.6	11.8	8.7	0.137	0.02	9.0	53.4%
QXN-PIT 2 ⁽¹⁾	2.70	0.40	135	HMT/GOE	>6.300	61.1	51.8	12.1	8.2	0.051	0.02	5.4	54.8%
		0.95			>1000	18.9	27.0	33.3	18.3	0.054	<0.02	9.3	29.8%

Note 1: Previously reported assay results.

Note 2: Figures differ slightly to previously reported results on 1 August 2014 as a result of preliminary QA/QC work undertaken by Cabral.

Note 3: HMT – Hematite; HMT/GOE – Hematite/Goethite.

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

Below are the collar coordinates for each of the twenty five (25) research pits which comprise the Inferred Mineral Resource estimate at the Madeira Seca Target:

Madeira Seca Pits Collar Coordinates

Pit ID	Coordinates			Depth	AZ	DIP
	X	Y	Z			
QXD0001PIT	264656	8527423	699	7.9	-	-90°
QXD0002PIT	263924	8526585	725	5.3	-	-90°
QXD0003PIT	263870	8526536	714	2.9	-	-90°
QXD0004PIT	264586	8527447	705	5.8	-	-90°
QXD0005PIT	263919	8526684	721	4.2	-	-90°
QXD0006PIT	264572	8527358	707	4.6	-	-90°
QXD0007PIT	264359	8527474	709	1.9	-	-90°
QXD0008PIT	264792	8526834	688	4.5	-	-90°
QXD0009PIT	263800	8526469	718	3.6	-	-90°
QXD0010PIT	264208	8526618	713	3.4	-	-90°
QXD0011PIT	264671	8527311	696	6.1	-	-90°
QXD0012PIT	264202	8526714	726	4.2	-	-90°
QXD0013PIT	263818	8526598	700	3.5	-	-90°
QXD0014PIT	264264	8526992	717	4.2	-	-90°
QXD0015PIT	263720	8526361	728	4.5	-	-90°
QXD0016PIT	264746	8526738	687	3.6	-	-90°
QXD0017PIT	264057	8526502	717	5.6	-	-90°
QXD0018PIT	264904	8526691	675	1.0	-	-90°
QXD0019PIT	264811	8527322	672	5.0	-	-90°
QXD0020PIT	264582	8526980	705	6.5	-	-90°
QXD0021PIT	264273	8527512	700	4.5	-	-90°
QXD0022PIT	264550	8527532	698	2.1	-	-90°
QXD0023PIT	264150	8526582	719	4.5	-	-90°
QXD0024PIT	264129	8526838	726	4.9	-	-90°
QXD0025PIT	263826	8526684	714	3.2	-	-90°

APPENDIX TWO

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	<i>Nature and quality of sampling (e.g. 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> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	The reported results refer to channel samples cut from the pit walls. 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. 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. A minimum of 100kg is being taken from each interval (4 channels) to compose one channel sample.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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>	No drilling work has been undertaken by Cabral to this point at the areas concerned. Vertical research pits with an average diameter of 1.5m, minimum depth of 1.0m to a maximum depth of 7.90m support the Inferred Resources estimate.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <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>	No drilling work has been undertaken by Cabral to this point at the areas concerned. The sample recovery is assumed as 100% as they are taken from vertical channels at the pit walls. All mineralised material manually dug from the pits were bulk sampled, collected in respect to each channel sampled interval and stored in properly identified bags.
Logging	<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> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	No drilling work has been undertaken by Cabral to this point at the areas concerned. The pits have been entirely logged both qualitative and quantitative in nature and photographed in detail as well as each collected channel sample.

Criteria	JORC Code Explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <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> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	No core samples were used as no drilling work has been undertaken by Cabral to this point at the areas concerned. The pits' channel samples are collected under natural moisture conditions and brought to the Cabral's exploration office facilities at Brumado. No physical preparation is applied to the samples at Brumado's office. The circa 100kg each channel sample is delivered "in natura" to Bureau Veritas/ACME laboratory. The channel sampling size and techniques are appropriate for the type, nature and style of mineralization being sampled. 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%. A triplicate sample is collected at a rate of 40%. Paired duplicate values are within a good range of acceptance, proving the accuracy and precision of the employed techniques. Bulk volumetric samples are being separately stored accordingly to their related channel samples intervals.
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <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> <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	All grain size and chemical analysis was completed at ACME as the primary laboratory and at SGS as the secondary laboratory. Both laboratories provide the bath conferring, classifying and entrance to the lab system. The channel samples are weighed (wet basis), dried at 105°C and weighed again (dry basis). 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. 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. ACME applies its own QA/QC procedures using standards, blanks and duplicates. All of the assay results were checked by Cabral and, when needed, the samples were re-assayed and/or even re-

Criteria	JORC Code Explanation	Commentary
		collected to bring their results into acceptable levels of accuracy and precision.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	No drilling work has been undertaken by Cabral to this point at the areas concerned. 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). The data has physical and electronic backups stored in data tapes LTO 5. Data is electronically stored into excel tables, which were exported to the modelled Data Base in Access®.
Location of data points	<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> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	No drilling work has been undertaken by Cabral to this point at the areas concerned. Each pit collar coordinates, as well as their accesses, were surveyed in relation to three fixed set topographic concrete marks by the contractor Provento Geotecnologias & Serviços Ltda. A plan-altimetry survey was realised with a pair of receptors TOPCON - GNSS (L1/L2) HIPER+, reaching a horizontal precision of ±10mm and a vertical precision of ±15mm. The pits are shallow and their verticality is guaranteed by plummets during the digging work.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i> <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> <i>Whether sample compositing has been applied.</i>	The 25 pits are located at a maximum distance of 400m and from each other. The data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate in order to support the current Mineral Resource estimation. 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.
Orientation of data in relation to geological structure	<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> <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>	No drilling work has been undertaken by Cabral to this point at the areas concerned. The channel samples are vertical and perpendicular to the mineralization that is sub-horizontally set.
Sample security	<i>The measures taken to ensure sample security.</i>	The channel samples and the volumetric bulk samples have being properly identified, bagged and stored at Cabral's

Criteria	JORC Code Explanation	Commentary
		fully secured Brumado offices. The pulps from external labs are collected from time to time and properly stored at Cabral's fully secured Brumado offices.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Snowden have reviewed the sampling techniques and data and reported they are in good levels of acceptance.

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>	<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> <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>	Tenements 870.345/2013 and 870.351/2013 are 100% owned by Cabral. Cabral owns the totality of mining rights related to Sincorá Area tenements. There are no other third party ownership arrangements such as joint ventures, partnerships, earn-ins or royalty arrangements. Cabral pursues a written agreement with all landowners involved in relation to its exploration work. The tenement areas in question are to the East of the Chapada Diamantina National Park. Cabral is not aware of any impediments to obtaining the requisite licences to operate in these tenement areas.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	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.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	The Madeira Seca Target is geologically inserted within Tombador Formation (Chapada Diamantina Group) and Açuruá Formation (Paraguaçu Group), which are stratigraphic units of Espinhaço Supergroup. 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.
<i>Drill hole Information</i>	<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> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i>	No RC and/or diamond drilling work have been undertaken by Cabral to this point at the areas concerned. The research pits collar coordinates are listed on Appendix One. The pit elevations range from 672 to 728m above Sea Level. The pits are all vertical and not deeper than 10 metres.

Criteria	JORC Code Explanation	Commentary
	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.	
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - 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. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	Continuous sample intervals are calculated via weighted average using a 45% Fe cut-off grade. No maximum cut-off grade is applied. The minimum grade channel sample that supports the current Mineral Resource estimate is 45.2% Fe and the maximum grade channel sample is 68.4% Fe. The minimum channel sample interval is 0.2m whilst the maximum is 1.0m. No other data aggregations or metal equivalent values are used or reported by Cabral.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	The sub-horizontal attitude of the mineralised horizon is well understood and pits were designed to intersect mineralisation at an appropriated angle to represent true widths. The ore body geometry is sub-horizontal stratiform/stratabound like. Given the dimensions of the vertical pits the mineralisation (confirmed to be sub-horizontal) is exposed and accessed in the pits' walls.
Diagrams	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.	Appropriated maps and sections are available. Refer to Figures 1 to 3 in the main body of this report.
Balanced reporting	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.	All new exploration results received by Cabral have been included in this report. Historical results, which support current statements, can be found in relevant historical ASX announcements. Cabral reports all channel sample results in the areas concerned subject to the cut-off criteria disclosed above.
Other substantive exploration data	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.	The related information was reported where appropriate. These are available in historical ASX announcements. Cabral reports all major deleterious elements in the same table when reporting on its iron mineralization results.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or	In future Cabral intends to undertake a systematic exploration program on the

Criteria	JORC Code Explanation	Commentary
	<i>depth extensions or large-scale step-out drilling).</i> <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>	entire 67km² blanket area and on the whole new target indicated by Universidade Federal da Bahia. Further exploration programme includes continuing the ongoing research pits digging and channel sampling, geophysical surveys, bulk sample and density tests, metallurgical test work and drilling plans to keep growing the Mineral Resource figures.

Section 3

Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code Explanation	Commentary
<i>Database integrity</i>	<i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i> <i>Data validation procedures used.</i>	All data is entered into Excel files and exported to Access. Assay results were electronically imported to Excel and Access as well. The database was checked and validated by Cabral's geologist. Snowden has not fully reviewed the database integrity and this remains the responsibility of Cabral. Snowden carried out the following basic validation checks on the data supplied by Cabral prior to resource estimation: - Pits with overlapping sample intervals. - Sample intervals with no assay data. - Duplicate records. - Assay grade ranges. - Collar coordinates ranges. - Valid hole orientation data. There are no significant issues with the data.
<i>Site visits</i>	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> <i>If no site visits have been undertaken indicate why this is the case.</i>	Competent Person for the sampling data collection and exploration results (Sections 1 and 2), Paulo Alexandre Ribeiro, is a full-time Cabral employee and has accompanied and headed the whole fieldwork and exploration efforts from the outset. The independent Snowden Competent Person, Fabiano Araújo, has not visited the site.
<i>Geological interpretation</i>	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i> <i>Nature of the data used and of any assumptions made.</i> <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> <i>The use of geology in guiding and</i>	Surface geological mapping and a rationale pit programme support the interpretation. No drilling was undertaken as the mineralisation is at or near the surface. The interpretations have been prepared by Snowden. The Interpretation comprises original topography and mineralisation surfaces based on pit lithology interval

Criteria	JORC Code Explanation	Commentary
	<i>controlling Mineral Resource estimation.</i> <i>The factors affecting continuity both of grade and geology.</i>	descriptions, iron and deleterious percentage content. The interpretation is also based in geologic surface preliminary map, provided by Cabral. The current pit grid spacing is sufficient to imply but not verify geological and grade continuity between north and south portions of the deposit.
<i>Dimensions</i>	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>	The deposit strikes in a north easterly direction. The deposit covers an area of approximately 2km along strike by approximately 0.8km across strike. Total area covers approximately 1.75km² split into 0.85km² for the Hematite Section and 0.90km² for the Goethite Section. The thickness ranges up to about 1.8m. Soil coverage of 0.8m for the Hematite Section and of 1.1m for the Hematite Section, averaging 1m for the entire deposit, are estimated.
<i>Estimation and modelling techniques</i>	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> <i>The assumptions made regarding recovery of by-products.</i> <i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i> <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> <i>Any assumptions behind modelling of selective mining units.</i> <i>Any assumptions about correlation between variables.</i> <i>Description of how the geological</i>	Grades for iron and deleterious were estimated using inverse distance weighed into 20mE by 20mN by 1mRL parent cells. Block model dimensions are in accordance with pit spacing (100x100m average spacing). Two domains were considered for the grade estimation. Mineralized zone boundaries were treated as hard boundaries for estimation. Two pass were used for grade interpolation: 200 m in each direction and 400 m in the second pass, with the same criteria of a minimum of two samples and a maximum of four samples for each pass. Fe, Al₂O₃, SiO₂, P, LOI, S and moisture were the variables estimated in the block model. Considering the number of samples is low for the variables estimated becoming difficult to demonstrate the outliers. Top cuts were therefore considered not necessary for estimation. Correlation between Fe and SiO₂ was

Criteria	JORC Code Explanation	Commentary
	<i>interpretation was used to control the resource estimates.</i> <i>Discussion of basis for using or not using grade cutting or capping.</i> <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	checked in sample database and validated in block model. Validation of the Resource model interpolation was conducted through visual validation comparing block with composites data; swath plots in X, Y and elevation directions, comparing block model with composite naïve and declustered means; comparison of histograms of composite data (naïve and declustered) versus block model; general comparative statistics between composites data (naïve and declustered) and block model.
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	The moisture content is determined by dividing the weight of the sample "in natura" by the weight of the sample dried in an oven at a constant temperature of 105°C for approximately two hours. Tonnages are reported in dry basis. Moisture is also reported. In situ moisture tests were conducted for each pit, calculating moisture throw relationship of dry mass and wet mass of sample. Moisture was estimated using the same criteria as other block model variables.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	Resource estimate reported at a 50% global iron (Fe_glob %) grade cut-off. Also Resource estimate reported separately at 50% oversize 6.3 mm iron (Fe_W1 %) grade cut-off. Estimate also reported at a series of iron grade cut-offs to show the grade-tonnage relationship.
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis</i>	No assumptions or mining factors have been applied at the current stage, although the hematitic and goethitic resources were also reported separately. The deposit has clear indication of open pit operation according to similar deposits in operation in Brazil.

Criteria	JORC Code Explanation	Commentary
	<i>of the mining assumptions made.</i>	
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	The test works developed by Fundação Gorceix were revised by Snowden. The study undertaken in two samples confirms the generation of commercial lumps (+6.35mm) after crushing, scrubbing and sieving methods. The two samples A004028 (pit 1) and A004029 (pit 2) collected in the goethitic and hematitic domains presents Fe grades slightly greater than the samples and deposit estimate average. It's recommended for the future works a cut-off study based in additional test works and additional geological information.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfield project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	Both mine waste and plant rejects have been studied for potential acid production and both were found to be inert. No waste pile will be required as the waste material will return for the open pit reclaiming procedure. Industrial water is being considered to return water to the possible wet sieving process in a closed circuit. Snowden has not performed and/or reviewed any kind of study for environmental factors or assumptions.
Bulk density	- Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. - The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. - Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Wet and dry bulk density determinations were completed via water displacement method. Measurements were taken every 50cm at the ongoing pit bottom. The density samples were collected throughout the filling of a constant volume of 9000cm³ aluminium templates in accordance with the operational written procedures. The samples were dried in an oven for additional weighting as the dry density measurements can be also undertaken. The values used in the block model were calculated as average of 95 density assays results. An average 3.10 t/m³ for hematitic material and 2.55 t/m³ for goethitic material were

Criteria	JORC Code Explanation	Commentary
		applied. Methodology for density assays, especially for intervals with hematitic boulders needs to be reviewed.
<i>Classification</i>	<i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> <i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	The estimate has been classified as an Inferred Mineral Resource based on the integrity of the data, the spatial continuity of the mineralization as demonstrated by variography, and the quality of the estimation. The current pit grid spacing is sufficient to imply but not verify geological and grade continuity between north and south portions of the deposit.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	Snowden has completed an internal peer review of the estimate.
<i>Discussion of relative accuracy/confidence</i>	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	The confidence in this Mineral Resource estimate has been deemed appropriate to be stated as Inferred Resource category. Further study will be required for planning and mine scheduling. Snowden did not performed studies of relative confidence.