

## Cabral weakens with maiden resource



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**SHARES in Cabral Resources were trading 20% lower today despite the release of an upbeat annual report and declaration of a maiden resource on the company's Sincora iron properties in Brazil.**

The company's Sinocora holdings in the country's state of Bahia represent about 1,200 square kilometres of ground prospective for direct shipping hematite ore.

The project's Madeira Seca target has been estimated to hold 6.1 million tonnes of inferred lump resources, with 3.9Mt grading 60% iron and 2.1Mt grading 63% iron.

Lump plus fine resources were estimated at 4.6Mt at 58% iron.

The company said that this resource – which covers only 1.7sq.km – was “proof of concept” for the delineation of sizeable and economic tonnages of high-grade DSO hematite at or near surface.

Preparation for trial mining has begun, with first production – for export – expected in the first half of 2016.

ABM head of exploration Paulo Ribeiro said the resource was an important milestone that offered a good base to grow a broader inventory.

“It must be remembered that the Sincora area was only discovered and pegged by Cabral in March last year,” Ribeiro said.

“We have no doubt that this maiden resource is just the beginning of things to come.

“With our vast Sincora area landholding, we are seeing growing evidence of high-grade hematite-goethite mineralisation at or near surface across a broad area.”

In its annual update today, the company said that despite the challenging global economic climate and volatile markets for commodities, it was firmly focused on fast-tracking Madeira Seca.

A low-capital and low-operating-cost business model will be used, with returns to be re-invested in more exploration at Sincora.

Shares in Cabral were last trading 20% down at A1.2c.