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From the Editor

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### Increases price difference between granular and fine ore

**The president of Cabral Resources, Michael J. Bogue, says there is an obsession around the reference price for iron ore with 62% content sold to China. The company, owner of Sincorá hematite project in Bahia, says that the lump ore, or lump, the main product of the Australian mining company, has a considerable premium in the Chinese market.**

According to Bogue, this fact gives Cabral great competitive advantage over competitors. Inferred resources Cabral, measured according to the JORC code, consist of 85% lump. This type of ore has a premium of US \$17/t from the fine iron ore.

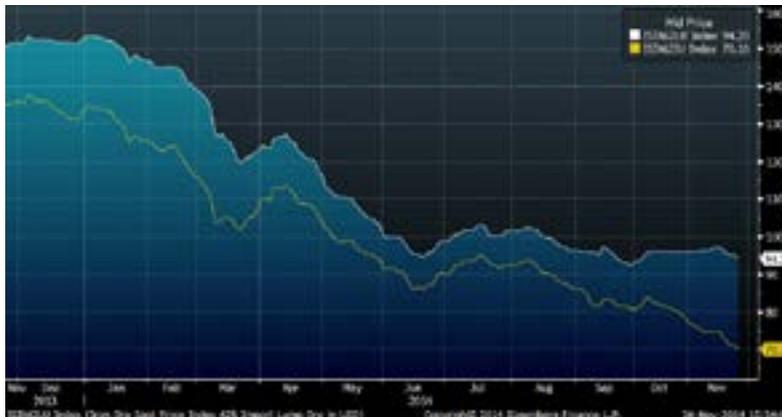
In addition, the granules of Cabral product can achieve premium prices that go beyond the difference between the lump 62% Fe CFR traded on the modality to China, currently \$86 a ton, given the high iron content and the presence of small contaminants.

The \$17 difference between the spot price of the lump and not lump ore continues to increase, said in a statement today (26) the CEO of Cabral. The ore type seems to have a clear and reliable demand, while the price of fine ore seems to be caught in the level of US \$ 69 a tonne, the statement said.

The chief executive of mining also says Cabral has three advantages: the logistics, the low cost of production and the local team.

Cabral has available infrastructure rail and port export. The Central Atlantic Railroad and the port of Aratu, in full operation, are being used by third parties to export iron ore. This railway line is 11 miles from Madeira Seca target.

In terms of operating costs and capital costs, Cabral, Bogue says, "can withstand adverse market conditions." Preliminary cost estimates put Cabral in the lower quartiles costs, not to mention values.



Price of fine ore and lump in China in dollars. Credit: UC Beijing Science & Technology